



# Calculating Personal Net Worth

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Net worth is a “financial snapshot” at a given time of your financial status. Calculating net worth regularly can provide valuable insight into one’s financial health. Net worth is calculated by subtracting liabilities from assets. Assets represent items owned that have economic value. Liabilities are debts. The difference between assets and liabilities is net worth.

## **Assets – liabilities = Net Worth**

Once net worth is calculated, a positive number means you have a positive net worth. This indicates an individual has more assets than liabilities (debt). A negative net worth (negative number) means you have more debts than assets. Younger consumers will have either a low or negative net worth. This is because they are acquiring assets such as a home or vehicles. Their retirement investments may be low, and they may have debt from post-secondary education. As individuals move through their life cycle stages, their net worth should increase.

The net worth statement is a guide to help establish financial goals and manage money to achieve those goals. It is also useful as a summary of financial information. Financial institutions will ask for your financial information when applying for a loan. Having a current net worth statement will make the application process easier.

Select a time of year and update the net worth statement annually. This annual comparison of financial

standing will provide a point of reference for future fiscal management decisions. A straightforward way to calculate net worth is to use a preprinted list of assets and liabilities as offered in this worksheet. When you are entering amounts, try to make it as accurate as possible. The following information may help in determining assets and liabilities:

- Car values are published by Kelly Blue Book, [kbb.com/](http://kbb.com/) and Edmunds Automobile Buyer Guide, [edmunds.com/car-buying/](http://edmunds.com/car-buying/)
- The cash value of whole life insurance policies can be found on a schedule in the policy or from the insurance agent. The cash value is the amount of money the insurance company would pay if the policy were terminated today. If there has been a loan taken against the policy, the loan would be considered a liability. Term life insurance policies have no cash surrender policy. Ask your agent if you are not sure what type of policy you hold.
- A bank or other vendor of U.S. Savings Bonds can determine the current value of bonds. Or bonds can be priced online at [treasurydirect.gov/savings-bonds/](http://treasurydirect.gov/savings-bonds/)
- Information regarding the present value of an IRA, 401k, 403b, and other retirement plans is available from the online account or monthly/quarterly statements. Otherwise, contact your employer for information regarding the current value of your retirement plan(s).
- Be conservative in determining the values of personal possessions. Collector value guides and

dealers may be able to assist in the estimated value of jewelry, art, antiques, collections, and equipment. Items such as clothing have little value and need not be included. Use the dollar amount an item would bring at a garage sale as a guide for furniture, appliances, and other goods.

- Consult a real estate agent to determine the current value of a house or other real estate. The total value of the property is an asset, while the principal owed on the mortgage is a liability.
- The balance owed on loans and credit cards is a liability. The amount owed is listed on monthly statements from creditors.

If your net worth is positive, excellent job!

If your net worth is negative, plan to pay off your debt or increase your income.



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Today's Date \_\_\_\_\_

## Assets

### Cash & Savings

Cash on hand \_\_\_\_\_  
Checking accounts(s) \_\_\_\_\_  
Savings accounts(s) \_\_\_\_\_  
Certificates of deposit \_\_\_\_\_  
U.S. savings bonds \_\_\_\_\_  
Money market account \_\_\_\_\_  
Money owed to you \_\_\_\_\_  
Other \_\_\_\_\_

**Total Cash & Savings** \_\_\_\_\_

### Investments

Stocks \_\_\_\_\_  
Bonds \_\_\_\_\_  
Mutual funds \_\_\_\_\_  
Employee stock options \_\_\_\_\_  
Cash value of life insurance \_\_\_\_\_  
Surrender value of annuities \_\_\_\_\_  
Other \_\_\_\_\_

**Total Investments** \_\_\_\_\_

### Real Estate/Property

Home \_\_\_\_\_  
Land \_\_\_\_\_  
Income-producing real estate \_\_\_\_\_  
Other \_\_\_\_\_

**Total Real Estate** \_\_\_\_\_

### Retirement

Pension or profit-sharing plans \_\_\_\_\_  
IRA's/Keogh accounts/SEPs \_\_\_\_\_  
401k/403b plans \_\_\_\_\_  
Other \_\_\_\_\_

**Total Retirement** \_\_\_\_\_

### Personal Property

Automobiles \_\_\_\_\_  
Recreational vehicles \_\_\_\_\_  
Furniture \_\_\_\_\_  
Equipment \_\_\_\_\_  
Collectibles \_\_\_\_\_  
Antiques \_\_\_\_\_  
Art \_\_\_\_\_  
Jewelry \_\_\_\_\_  
Other \_\_\_\_\_

**Total Personal Property** \_\_\_\_\_

**Total Assets** \_\_\_\_\_

## Liabilities

### Unpaid Bills

Rent \_\_\_\_\_  
Utilities \_\_\_\_\_  
Medical \_\_\_\_\_  
Childcare \_\_\_\_\_  
Legal \_\_\_\_\_  
Back taxes \_\_\_\_\_  
Insurance premiums \_\_\_\_\_  
Money owed to family/friends \_\_\_\_\_  
Other \_\_\_\_\_

**Total Unpaid Bills** \_\_\_\_\_

### Revolving Debt

Credit card \_\_\_\_\_  
Credit card \_\_\_\_\_  
Credit card \_\_\_\_\_  
Credit card \_\_\_\_\_  
Credit card \_\_\_\_\_  
Credit card \_\_\_\_\_  
Line of credit \_\_\_\_\_  
Other \_\_\_\_\_

**Total Revolving Debt** \_\_\_\_\_

### Installment Loans

Home mortgage \_\_\_\_\_  
Automobile loan(s) \_\_\_\_\_  
Student loan(s) \_\_\_\_\_  
Bank loan(s) \_\_\_\_\_  
Loan on life insurance \_\_\_\_\_  
Other \_\_\_\_\_

**Total Installment Loans** \_\_\_\_\_

### Other Debts

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Total other debts** \_\_\_\_\_

**Total Liabilities** \_\_\_\_\_

## Net Worth Summary

**Assets** \_\_\_\_\_

**Less Liabilities** \_\_\_\_\_

**Equals Net Worth** \_\_\_\_\_