WORTH A LOOK
Using Your Net Worth as a Retirement Planning Tool

Net worth is the basis for a lot of financial planning. It is the difference between what you own (your assets) and what you owe (your debt). Think of it as a snapshot that shows your financial health at a given point in time.

If you took a picture of your finances a year ago, today and a year in the future, you could probably see a trend. Assuming you are doing things right, your net worth should grow year by year. As you save money, that money continues to grow (in a good year), and you continue to pay down your debt, including your home mortgage balance.
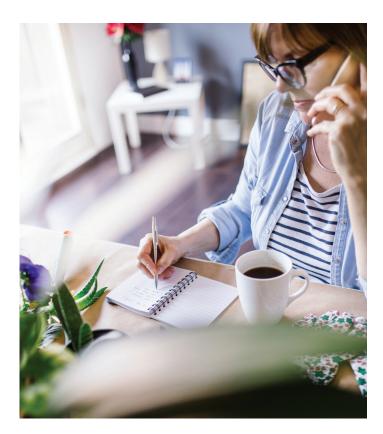
Use the worksheet on page 2 to help you calculate your net worth.

To find your net worth, start with your assets:

- Find the most recent statement from your bank and investment accounts

- Include the cash value of any life insurance policy you own

- Include any retirement savings and pension plans

- Add property, including the current value of your main residence, vacation property or other real estate

- Include a rough estimate of all other physical assets, such as cars, boat, jewelry, art, collectibles and home furnishings

Next, figure out the total of all your debt, including:

- The balance of your mortgage

- Any loans and lines of credit

- All credit card balances

Doing the math

Now you can compare the two numbers. The difference you arrive at is your net worth. By consistently saving some money (translation: spending less than you earn), you will grow your net worth. What your net worth amounts to by the time you retire could significantly influence the lifestyle you will enjoy.

(continued)

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Net Worth Worksheet

ASSETS	Example	You	DEBTS	Example	You
Cash	$2,000	$_____	Credit card balances	$2,000	$_____
Bank accounts	$5,000	$_____	Car loan balance	$5,000	$_____
Stocks, bonds, etc.	$10,000	$_____	Student loan	$10,000	$_____
Retirement plans	$50,000	$_____	Home mortgage	$150,000	$_____
Value of home	$250,000	$_____	Lines of credit	$3,000	$_____
Value of car	$10,000	$_____	Other		$_____
Other		$_____	Other		$_____
Other		$_____			
TOTAL ASSETS	$327,000	$_____	TOTAL DEBTS	$170,000	$_____

Example: ASSETS ($327,000) minus DEBT ($170,000) = NET WORTH ($157,000).

You: ASSETS $_____ minus DEBT $_____ = YOUR NET WORTH $_____.

Wherever your retirement goals take you, we can help you get there.

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