



Action Plan:

CALCULATE YOUR NET WORTH

One of the best ways to assess where you stand financially is to calculate your net worth. When you add up all of your assets and subtract your debts at least once a year, you can clearly see if you're progressing towards your goals or moving backwards. You may be investing more money in your retirement accounts each year, for example, but your net worth may actually be shrinking if you're also taking on more debt. Breaking down your assets and your liabilities into categories also makes it easier to see where you can beef up your savings, and which liabilities are holding you back.

To calculate your net worth, you (and your spouse) will need to dig up your recent financial statements and do a little research (see the Net Worth Worksheet for help).

THIS ACTION PLAN REQUIRES SEVEN STEPS:

- 1 List the value of your bank accounts. Look on your most recent bank statements for the current balances in your checking accounts, savings accounts, CDs and money-market accounts.
- 2 List the value of your personal property. Research the current market value of your home and car, and add a ballpark figure for your home contents and other possessions.
- 3 List the value of your investments that aren't in retirement accounts, such as stocks, bonds, mutual funds, ETFs, savings bonds, college savings plans, the cash surrender value of your life insurance, and other non-retirement investments.
- 4 List the value of your retirement savings. List the current value of money in employer-sponsored retirement savings plans, including the Thrift Savings Plan, and any 401(k), 457, SEP, Keogh or other plan (plus any employer contribution if vested). Add the value of your IRAs and the cash surrender value of any annuities. Also add any value you have already vested in a defined-benefit pension plan (keep in mind that most people are generally not vested in a military pension until they have served for 20 years).

DIFFICULTY:

EASY

WHAT YOU'LL NEED:

- Calculator
- Your financial statements and records

RELATED RESOURCES:

- Worksheet
- PDF (6030 KB)
- Excel (72 KB)

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- 5 Add up the value of your assets. Total all of these categories, plus any other assets
- 6 List the value of your liabilities. Add up how much you owe in total credit-card debt, any personal loans, your mortgage, home-equity loans, student loans, car loans and other loans.
- 7 Subtract your liabilities from your assets to calculate your net worth. Do this calculation at least once a year to see how your wealth grows over time.

Now see our [Monitor Your Financial Health Action Plan](#) for a full picture of your finances.

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