



# Developing a Balance Sheet to Determine Net Worth

One very useful way to take stock of your current financial situation is to calculate your net worth. Net worth is defined as your total assets (what you have) minus your total liabilities (what you owe) at a particular moment in time. The higher your positive net worth, the better positioned you are financially.

Note that not everyone has positive net worth; for example, a college student may have negative net worth (that is, owes more in student loans than he or she has in savings or other assets). While this may not be ideal, the student is working toward a goal — his or her education — that will help enable the student to start a career, pay off his or her loans, and start building positive net worth!

Developing a balance sheet is a simple exercise. Simply add up all of your assets, add up all of your liabilities, and subtract your liabilities from your assets. This will provide you with your current net worth.

On the next page, there is a sample balance sheet so that you can use to take stock of your current finances. When listing your assets, consider anything of value that you own. When listing your liabilities, consider all that you owe, whether it's short-term, intermediate-term, or long-term debt. Once you have determined both totals, come back to this page and complete the final calculation to determine your current net worth.

<b>CURRENT NET WORTH</b>	
<b>Total Assets</b>	_____
<b>- Total Liabilities</b>	_____
<b>Current Net Worth</b>	_____



# Balance Sheet

## ASSETS

Amount

<b>01. Cash</b>	
On hand	_____
Savings/checking account(s)	_____
Money market account(s)	_____
Cash value of life insurance policies	_____
Other	_____
<b>02. Fixed-Income Investments</b>	
Certificates of deposit (CDs)	_____
Government securities/funds	_____
Mortgage-backed securities/funds	_____
Corporate bonds/bond funds	_____
Municipal bonds/bond funds	_____
Other	_____
<b>03. Investments</b>	
Stocks	_____
Mutual funds/exchange traded funds (ETFs)	_____
Collectibles	_____
Limited partnerships	_____
Other	_____
<b>04. Real Estate Investments</b>	
Undeveloped land	_____
Directly owned, income-producing property	_____
Real estate investment trusts (REITs)	_____
Other	_____
<b>05. Personal Assets</b>	
Personal residence	_____
Automobile(s)	_____
Jewelry	_____
Household furnishings	_____
Vacation home	_____
Other	_____
<b>06. Business</b>	_____
<b>07. Retirement-Oriented Assets</b>	
IRA (Traditional/Roth)	_____
Keogh	_____
401(k), 403(b)	_____
Employee thrift/stock purchase plans	_____
Company (vested in pension, profit sharing plans)	_____
Other	_____
<b>08. Other Assets</b>	_____
<b>Total Assets</b>	_____

## LIABILITIES

Creditor

Due

<b>01. Short-Term Debt (past due or currently owed)</b>		
Credit cards	_____	_____
Utilities	_____	_____
Personal loans	_____	_____
Car loan/lease	_____	_____
Rent/mortgage	_____	_____
Income taxes	_____	_____
Local/property taxes	_____	_____
Insurance premiums	_____	_____
Other (cable TV, Internet, cell phone service, etc.)	_____	_____
Other (cable TV, Internet, cell phone service, etc.)	_____	_____
Other (cable TV, Internet, cell phone service, etc.)	_____	_____
<b>02. Intermediate-Term Debt (remaining balance)</b>		
Student loan(s)	_____	_____
Vehicle(s)	_____	_____
Home equity loan/line of credit	_____	_____
Other	_____	_____
<b>03. Long-Term Debt (remaining balance)</b>		
Personal residence	_____	_____
Vacation property	_____	_____
Rental property	_____	_____
Undeveloped property	_____	_____
Other	_____	_____
Total Liabilities	_____	_____
<b>Total Liabilities</b>	_____	_____



## Adventures In Education

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