Personal Money Workbook

Net Worth

Take all the things you own, and subtract all the money you owe - the answer is called your Net Worth.

Checking your net worth frequently will allow you to see if your money situation is getting better. Increasing your Net Worth can help to motivate you to get closer to some of your financial goals.

**Here is an example:**

**If on 12/31/2016**

You own a car that is worth $5000 and have a savings account with $500 of emergency funds.

**You own $5500.**

You owe a credit card balance of $300 and have a car loan of $1000.

**You owe $1300.**

So, your **Net Worth is $4200 on 12/31/2016**

**If on 12/31/2017**

Your car is now worth $4500 (because it is older with more miles) and your saving account has grown to $1000.

**You own $5500.00**

You still owe a credit card balance of $300 and have paid down your car loan to $500.

**You owe $800.00**

So, my **Net Worth has grown to $4700.00 on 12/31/2017**.

That means you are better off a year later!!

Suggested app for debt reduction is unbury.me www.unbury.me

**NET WORTH**

|  |  |
| --- | --- |
| What I Own |  |
| Item | Value |
| Home | **$** |
| Retirement accounts | **$** |
| Other | **$** |
| Health savings account | **$** |
| Checking accounts | **$** |
| Savings accounts | **$** |
| Cars | **$** |
| Other | **$** |
| TOTAL 1 (add all items "what I have") | **$** |
|  |  |
| What I Owe |  |
| Category | Value |
| Mortgages | **$** |
| Car loans | **$** |
| Credit cards | **$** |
| Student loans | **$** |
| Other | **$** |
| TOTAL 2 (add all items "what I owe") | **$** |
| **NET WORTH Total 1 - Total 2 =)** | **$** |
|  |  |

Budget

Your Budget is a tool that will tell you how much you should be spending during each period. You can create a Budget each month, each paycheck or each week. It is important to have a plan before you spend.

The most important step to budgeting is to understand the difference between wants and needs.

Needs:

* Food/Water
* Clothing (not fancy clothes)
* Phone and items needed for employment
* Transportation
* A place to live
* Insurance/Health Care

Wants:

* Everything else

Wants should be added to the budget if income allows.

One way to stay on budget is to use cash for areas where you might overspend.

For example: have cash in one envelope for your budgeted amount of groceries. When the cash is gone, you know that you do not have any more money for groceries.

An important goal when budgeting is to start building an emergency savings account. Maybe set a goal of $500. The purpose of this savings is to prevent the need for panic and the use of a credit card if you have an emergency.

Suggested app for budgeting mint [www.mint.com](file:///C:\Users\LocalAdmin\AppData\Roaming\Microsoft\Word\www.mint.com)

**BUDGET**

|  |  |  |  |
| --- | --- | --- | --- |
| Income | |  | |
| ITEM | | AMOUNT | |
| Income Source 1 | | $ | |
| Income Source 2 | | $ | |
| Other | | $ | |
| **TOTAL 1 (add all income)** | | **$** | |
| Expenses |  |  |
| ITEM |  | AMOUNT |
| Rent/mortgage |  | $ |
| Electric |  | $ |
| Gas |  | $ |
| Cell phone |  | $ |
| Groceries |  | $ |
| Car payment |  | $ |
| Auto expenses |  | $ |
| Student loans |  | $ |
| Credit cards |  | $ |
| Auto Insurance |  | $ |
| Personal care |  | $ |
| Entertainment |  | $ |
| **TOTAL 2** | **(add all expenses)** | **$** |
| **BOTTOMLINE** | **(Total 1- Total 2 =)** | **$** |