

Step #1:

Determine Your Current Financial Situation

Before you can begin setting goals and developing strategies to achieve them, it is important to understand where you are now. The first step in creating your personal financial plan is determining your current financial situation. Having a thorough understanding of your current financial situation will help you to formulate realistic and well-informed goals. Taking a detailed look at your situation may also help you identify specific changes you could make to change your situation and help you achieve the goals you will create later in the planning process.

To gain insight into your current situation, it can be helpful to determine your current net worth. To calculate your net worth, you will need to total your current liabilities and subtract them from your total current assets. Assets are simply what you own that has value. These include: cash and cash equivalents, such as physical cash on hand, checking accounts, or savings accounts; personal property, such as equity in a home, other real estate owned, or a car; and invested assets, such as stocks, bonds, or pensions. Liabilities include value of what you owe including current bills and outstanding debt. Utilizing the charts below, calculate your current net worth.

Assets (What I Own)	
Cash & Cash Equivalents	
Cash on Hand	
Checking Account	
Savings Account	
CDs	
Life Insurance Value	
Savings Bonds	
Money owed to me	
Total Cash Equivalents	
Personal Property	
Estimate Equity in Home	
Other Real Estate	
Household Furnishings	
Specific Items of Value	
Automobiles	
Other Personal Property	
Total Real & Personal Property	
Invested Assets	
Stocks & Mutual Funds	
Bonds	
Government Securities	
IRAs	
Pensions	
401(k)s and similar plans	
Total Invested Assets	
Total of All Assets	

Liabilities (What I Owe)	
Current Bills	
Charge Accounts	
Credit Card Balances	
Utilities	
Rent	
Insurance Premiums	
Taxes	
Other Bills	
Total Current Bills	
Outstanding Debt	
Home Mortgage balance	
Other Mortgages	
Automobile Loan balance	
Student Loan Balance	
All Other Loan Balances	
Total Outstanding Debt	
Total of All Liabilities	

	Total Assets
	Total Liabilities
	Net Worth