Preparing a Net Worth Statement

Understanding your assets and liabilities

aviso wealth

Your net worth measures the value of what you *own*, against the value of what you *owe*. It is simply described at your assets minus your liabilities. Knowing your net worth gives you the starting point in creating a financial plan. **And without a plan, how will you achieve your financial goals?**

Assets (what you own)	−	Liabilities (what you owe)	=	your net worth
House, bank account, investments		Loans, mortgage, credit card debt		

The benefits of preparing a Net Worth Statement:

Money management

Gives you a complete understanding of what you own and what you owe. Knowing this information will keep you on track and help you make sound decisions if there is an emergency.

Saving

Knowing your net worth may encourage you to save. Seeing the value grow will motivate you to meet your goals.

Financial planning

Provides you the big picture on your finances and will help you make decisions when planning for your financial future.

Estate planning

Helps to put your affairs in order so you can decide how to divide your estate.

Insurance planning

Knowing and understanding how much your valuables are worth gives you an understanding of how much insurance you'll need.

Borrowing*

Your net worth is essential information when applying to borrow funds. Your lender will need this information when determining how much they will offer to lend to you.

*Using borrowed money to finance the purchase of securities involves greater risk than purchasing using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.

2200148E 04/22 AODA