

# FINANCIAL WELLNESS

## BEGINNING YOUR SAVING FITNESS PLAN

Look at your current financial resources. This is important because your financial resources affect not only your ability to reach your goals, but also your ability to protect those goals from potential financial crises. These are the resources you will draw on to meet various life events.

### Calculate Your Net Worth

This isn't as difficult as it might sound. Your net worth is simply the total value of what you own, your assets, minus what you owe—your liabilities. It is a snapshot of your financial health.

First, add up the approximate value of all of your assets. This includes personal possessions, vehicles, homes, checking and savings accounts, and the cash value of any life insurance policies you may have. Include the current value of your investments, such as stocks, real estate, certificates of deposit, retirement accounts, IRAs and the current value of any pensions you have.

Now add up your liabilities: the remaining mortgage on your home, credit card debt, taxes due on the profits of your investments (if you cashed them in) and any other outstanding bills. Subtract your liabilities from your assets. Do you have more assets than liabilities? Or the other way around?

Your aim is to create a positive net worth, and you want it to grow each year. Your net worth is part of what you will draw on to pay for financial goals and your retirement. A strong net worth will also help you through financial crises. Review and recalculate your net worth annually. It is a way to monitor your financial health.

### Identify Other Financial Resources

You may have other financial resources that aren't included in your net worth but that can help you through tough times. These include the death benefits of your life insurance

policies, Social Security survivor's benefits, health care coverage, disability insurance, liability insurance, and auto and home insurance. Although you may have to pay for some of these resources, they offer financial protection in case of illness, accidents or other catastrophes.

*Article adapted from the U.S. Department of Labor publication of the same title.*

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