



EVERGREEN[™]
WEALTH SOLUTIONS
PLAN. GROW. PROSPER.[™]

Top 9 Reasons

to Know Your Net Worth



Good Indication of Your Overall Financial Health

Net worth is the most important measurement of your overall financial health. It takes a big picture approach and looks at everything. Looking at assets, liabilities, and liquid net worth puts your current situation into perspective.



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More Important Measurement Than Income

A lot of us tend to think about income before considering net worth. The amount of money that you make is a part of your overall financial picture, but it is not as important as your net worth.

Income can improve net worth but only after you understand where your money is being spent. While income contributes to lifestyle, increasing your net worth should be your long-term goal.



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Provides a Measurement for Your Progress

If you calculate and track your net worth it can serve as an excellent source of motivation. Working with your financial advisor, you should create a long-term net worth goal. Tracking your net worth annually with your financial advisor makes it easy to see how you are progressing, and the opportunity to make any adjustments necessary.



4

Provides Motivation to Eliminate Debt

All debt is not created equal. While it is always good to consider your debt, some debt furthers your financial net worth, while other debt can be detrimental. Again, you will want to address your debt annually with your financial advisor.

Most credit card debt should be paid down as quickly as possible.



5

Results in Better Use of Your Money

Tracking your net worth can help you to make better decisions with your money. If you know you are going to be measuring and tracking your net worth annually, you are more likely to think about making decisions where to spend your money throughout the year. Your spending will directly affect your ability to achieve your long-term goals.



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Shows the True Impact of Your Financial Decisions

The decisions you make on how to spend and save your money throughout the year will show up on your net worth statement at the end of the year. This will allow you to review your spending and investment decisions and keep you on track.



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Can Help with Getting a Loan

There are times when your net worth may help obtaining a loan. An increasing net worth might help a lender to feel comfortable enough to give you the loan, or possibly a lower interest rate. On the other hand, a negative or declining net worth may increase your interest rate or result in a decline.



8

Makes it Easy to Visualize Your Progress Over a Period of Time

Possibly the best benefit of tracking your net worth is that you can easily see your progress over time. Sometimes it is hard to notice much of a difference unless you go back and look at how far you have come from the beginning. If you are tracking and recording your net worth every month or every quarter, you can easily create a chart or graph to see the progress. You may be really surprised at how far you have come when you look at it this way!





Helps your advisor provide holistic wealth management.

During your lifetime of creating wealth, a net worth statement allows your advisor to create a tax efficient portfolio and risk management. Your net worth statement will continue to be vital in your legacy planning for your heirs.



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Final Thoughts

Learn more about how to accurately understand your net worth and how it can improve your financial health. Our ensemble of financial advisors can help – whether you are a business owner, retiree, or planning for retirement.



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