

THE DEBT DESTROYER

FINANCIAL REALITY CHECK WORKSHEET



ASSETS

Company	Item/Purpose	Value (\$)	Comments
Total			

Asset Examples: Savings, Cash, Real Estate, 401k, 403b, IRAs, Mutual Funds, Stocks, Bonds, CDs, Money Markets, Jewelry, Vehicles, Collectibles, Insurance (cash value), Household items of value, etc...

LIABILITIES

Company	Item/Purpose	Value (\$)	Comments
Total			

Liability Examples: Mortgage, 2nd Mortgage, HELOC, Vehicles, Motorcycles, Boats, Taxes, Medical Bills, Credit Cards, Store Credit Cards, Student Loans, 401k Loans, RVs, Dental Bills, Timeshares, etc...

THE DEBT DESTROYER

FINANCIAL REALITY CHECK WORKSHEET



THE CALCULATION:

The total assets - the total liabilities = NET WORTH

Use the numbers from the first sheet and enter them below. Yes, you can cheat and use a calculator if you need to. We are not taking a test and you don't even need to use a #2 pencil.

TOTAL ASSETS — **TOTAL LIABILITIES** = **NET WORTH**

Use your net worth as a guide. If the number is positive then you are on the right path. Your goal is to grow your net worth as much as possible. Things will happen in life that may result in a lower net worth from month to month. The point is to track it monthly to understand your overall financial position.

If the number is negative, you need to understand that you are in DEBT. This is why it's called the Financial Reality Check. Knowing you are in debt is the FIRST step to getting out of debt. Your mission is to spend less than you earn and begin the process of paying down the debt. Becoming debt free is not hard, it just requires you to work at it.

NOTE: if you are in debt and are living on less than you spend, that extra money is only for paying down the debt, NOT a new TV or a new pair of shoes. GOT IT!!!!

THE DEBT DESTROYER

FINANCIAL REALITY CHECK WORKSHEET



ASSETS

Company	Item/Purpose	Value (\$)	Comments
ING Direct	Emergency Fund	\$1,000	For emergencies only
Fidelity	401k	\$45,281.11	Retirement
	SUV	\$9,525.00	Eight years old and still going strong
	House	\$160,000	Can you say underwater
Total		\$215,806.11	

Asset Examples: Savings, Cash, Real Estate, 401k, 403b, IRAs, Mutual Funds, Stocks, Bonds, CDs, Money Markets, Jewelry, Vehicles, Collectibles, Insurance (cash value), Household items of value, etc...

LIABILITIES

Company	Item/Purpose	Value (\$)	Comments
Direct Loans	Student Loan	\$3,999.66	
Fidelity	401K Loan #1	\$4,925.94	Never a good idea
Fidelity	401K Loan #2	\$7,071.37	Really bad idea to do it twice
US Bank	Credit Card	\$16,898.92	I just love paying the interest
Bank of Mom and Dad	Personal Loan	\$16,536.00	No comment
BAC	2nd Mortgage	\$7,754.68	Never get a 2nd mortgage at the peak of a bubble
BAC	1st Mortgage	\$192,721.18	It was a good price at the time :-)
Total		\$249,907.75	

Liability Examples: Mortgage, 2nd Mortgage, HELOC, Vehicles, Motorcycles, Boats, Taxes, Medical Bills, Credit Cards, Store Credit Cards, Student Loans, 401k Loans, RVs, Dental Bills, Timeshares, etc...

THE DEBT DESTROYER

FINANCIAL REALITY CHECK WORKSHEET



THE CALCULATION:

The total assets - the total liabilities = NET WORTH

Use the numbers from the first sheet and enter them below. Yes, you can cheat and use a calculator if you need to. We are not taking a test and you don't even need to use a #2 pencil.

TOTAL ASSETS	-	TOTAL LIABILITIES	=	NET WORTH
\$215,806.11		\$249,907.75		- \$34,101.64

As you can see I'm in DEBT. The average person looking at this number might be shocked at how high it is. I've got a little news for though. When I started getting out of debt in May of 2009, my Net Worth was **-\$106,165.63**. Now that's A LOT of money in anyone's book.

Things that helped me improve my net worth by \$72,063.99 over the past year

- 1) Living on a written budget
- 2) Living on less than I earned
- 3) Working a second job (read—increased my income)
- 4) Using a debt snowball to focus all my extra money on my debt (prioritize)
- 5) Getting out of the car lease game (Money Pit)
- 6) The improving stock market helped my 401k increase by \$25,000. (Can be erased just as quickly :-)

With a focused effort anything can happen. It just requires a little WORK!!

Are you ready? Complete the form and see where you are starting from. Like G.I. Joe use to say "Knowing is half the battle."