

# What is Your Net Worth and What Does It Mean?



Net worth is simply your assets (house, vehicle, cash, investments, etc.) less your debts (loans, credit card, mortgage, etc.).

Speaking in ideals, a positive net worth is better than a negative net worth, however we live in an age where personal debt loads to fund education, houses, etc., can sometimes make a positive net worth a challenging goal to reach.

Understanding your own personal net worth and the reasons behind it will help you improve your financial position. If you have a negative net worth, it doesn't mean all hope is gone. And just because you have a positive net worth, that doesn't mean there is nothing more to be done (but it sure is a great start - congratulations if you're in this category, you are well on your way).

Once you understand your current net worth, consider the following to improve your position:

- Track your spending
- Build a budget (and stick to it)
- Focus on paying down your debt sooner
- Build a savings for emergencies
- Build an investment plan
- Monitor and adapt (regularly)
- Seek expert advice