

Financial Literacy

Name _____

After watching the Preet Banerjee net worth video (<https://www.youtube.com/watch?v=KhSnNtdYR9Y>) and the class discussion and examples, answer the following questions.

1. How do you calculate net worth?
2. How often should you calculate net worth for yourself?
3. How do you increase your net worth?
4. Calculate the net worth of Rebecca.

Rebecca is 26 years old. She is a Geologist and has a job for an oil company where she makes \$67,000 per year. She still has some student loans. She pays \$250 a month to pay down that loan which has a balance of \$19,000. She owns a Volkswagon Jetta valued at \$35,000. She pays \$550 a month for that car loan where she still owes \$16,000. She bought a house last year. It is not much but it is hers. She estimates her house is worth \$290,000. She had to borrow \$250,000 last year to purchase that home. She still owes \$245,000 on it and pays \$1,600 for her mortgage payment. She has a credit card balance of \$5,000 from buying furniture for her house. The minimum payment per month is \$100. She knows she should have paid it off but she is having a hard time juggling all the responsibilities of home ownership. Calculate her net worth. She wants to improve her financial situation. What do you recommend she does to increase her net worth?