

Possible Solution

The list below shows Tim's assets and liabilities. Construct a net worth statement to determine Tim's net worth.

Item	Value
Credit card debt	\$4,020
Stocks	\$7,750
Student loan	\$4,500
Savings	\$3,500
Home loan balance	\$95,000
Car (paid off)	\$8,500

1. First organize the given list into assets and liabilities.

Item (Asset)	Value	Item (Liability)	Value
Stocks	\$7,750	Credit card debt	\$4,020
Savings	\$3,500	Student loan	\$4,500
Car (paid off)	\$8,500	Home loan balance	\$95,000
Total Assets	\$19,750	Total Liabilities	\$103,520

2. Subtract the Total Liabilities from the Total Assets to determine Tim's net worth.

$$\$19,750 - \$103,520 = -\$83,770$$

3. Tim has a negative net worth of $-\$83,770$, which means he is in debt $\$83,770$.