

Answer on Question #81380 – Math – Financial Math

Question

The Worthingtons love to travel, so when they retired they sold their house and purchased a motor home valued at \$165,000. They tow their car, valued at \$32,000 behind their motor home when they travel. The Worthingtons have medical bills totaling \$1,300 and a balance of \$3,000 on credit cards. Since they invested for retirement, the Worthingtons have \$200,000 in investments and an additional \$20,000 in their savings account. What is the Worthingtons' net worth?

Solution

Net worth is the value of all financial and non-financial assets that are owned, less the total amount of all outstanding obligations. Accordingly, the value of all Worthingtons assets is

$$165,000 + 32,000 + 200,000 + 20,000 - 1,300 - 3,000 = 412,700 \text{ US dollars.}$$