

Setting up asset and liability accounts

Quicken asset accounts help you track the value of your assets that have a monetary value. For example, your home or your car. This helps you know your total net worth.

Liability accounts help you track the value of liabilities like a car or home loan. When you track these in Quicken, their value gets rolled up into your net worth calculation, giving you a complete picture of your total net worth.

Set up an asset account

To set up an asset account:

1. Follow the steps in the help topic [Setting up accounts](#) to create an asset account.
2. Add a transaction to enter the initial value of the asset, and enter the amount it's worth in the **Increase** column.
3. The outstanding value of the asset appears in the **Balance** field.
4. The market value of your asset may change over a period of time; it may increase or decrease. Whenever this happens, we recommend that you update the asset value by adding a new adjustment transaction and not by editing the initial transaction. The amount you add for this adjustment transaction is the difference between the initial and the updated value of the asset.

Set up a liability account

To set up a liability account:

1. Follow the steps in the help topic [Setting up accounts](#) to create a liability account.
2. Add a transaction to enter the initial value of the liability, and enter the amount of the liability in the **Decrease** column.
3. The outstanding value of the liability appears in the **Balance** field.

Important: This liability amount has a negative impact on your total net worth. Your net worth value is incorrect as the value of the associated asset (home, car) is not entered in Quicken.

Example: Let's consider this with an example. Suppose you bought a home with the loan amount of \$25,000. You entered the loan amount (\$25,000) in your liability account, which will negatively impact your total net worth. Against the loan, you have a home, which has considerable value. Ensure that you maintain the value of your home in an asset account so that you see your accurate net worth.