



Personal Net Worth Overview

In order to further its compliance with current constitutional standards, a Personal Net Worth (PNW) limit has been established for the socially and economically disadvantaged owners of firms seeking certification as a Disadvantaged Business Enterprise (DBE) or Airport Concessions Disadvantaged Business Enterprise (ACDBE). Each owner comprising 51% ownership must fall below the established cap:

DBE - \$2,047,000

ACDBE - \$2,047,000

Additionally for firms seeking certification in the race-and-gender neutral Small Business Enterprise (SBE) Program, 51% of the firm's ownership must be held by individuals who do not exceed the Personal Net Worth (PNW) cap:

SBE- \$2,047,000

PNW is defined as “the net value of the assets of an individual remaining after total liabilities are deducted” and “includes the individual’s share of assets held jointly or as community property with the individual’s spouse.”

PNW calculations DO NOT include:

1. An individual's **ownership interest in the applicant business** or, for the State MBE Program, any other certified minority business enterprise
2. An individual's equity in his or her **primary place of residence**

PNW calculations DO include:

1. Cash on hand and in banks
2. Current market value of stocks and bonds less any tax or interest penalties resulting from immediate withdrawal (see #1 below)
3. Current market value of any rental properties, vacation properties and commercial properties
4. Other personal property such as boats, trailers, jewelry, artwork and collectibles

Because PNW equals assets MINUS liabilities, the following is also considered when calculating an individual's PNW:

1. Fair market value of all real estate holdings are reduced by any mortgages held on those properties.
2. Fair market value of any automobiles held is reduced by the debt owned on any corresponding auto installment accounts.
3. Only the cash surrender value of life insurance policies is included; face value or the amount a beneficiary would receive upon an applicant's death is not. Also, cash surrender value is reduced by any loans that have been taken against the policy.
4. Only the present value of any assets held in retirement savings (excepting the first \$500,000 of the present value as noted above) or investment programs is included, less the tax and interest penalties that would accrue if the asset were distributed at the present time.

Rev. 11/2024