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Equity Accounts

Equity is the net total value of the owner's interest in the business. If there is only one owner then all of the equity in the business belongs to the one owner. If there is more than one owner then the total equity is the sum of each of their total interests in the business.

Owners investments increase owners equity. Owners draws decrease owners equity.

The term "Retained Earnings" is properly only used by corporations, but Quickbooks uses it for all types of businesses to represent total equity. The exact proper names of equity accounts changes depending on the legal form of ownership:

Sole Proprietorship

Beginning Owners Equity
Owners Contributions
Owners Draws
Ending Owners Equity

Partnership

Beginning Partners Capital
Partners Contributions
Partners Draws
Ending Partners Capital

LLC

Beginning Members Capital
Members Contributions
Members Draws
Ending Members Capital

S-Corporations

Retained Earnings
Shareholder Contributions
Shareholder Distributions
Special Tax Basis Accounts