

Life Insurance Needs Worksheet

This worksheet can help you get a general sense of how much life insurance is needed in order to protect a family.

Income

1. **Total annual income your family would need if you died today** \$_____

What your family needs, before taxes, to maintain current standard of living
(Typically between 60%-75% of total annual income)
2. **Annual income your family would receive from other sources** \$_____

Spouse's earnings (Social Security may be available) etc.
3. **Income to be replaced-Subtract line 2 from line 1** \$_____
4. **Capital need for income-Multiply line 3 by appropriate factor in Table A** \$_____

Expenses

5. **Funeral and other final expenses** \$_____

Typically the greater of \$15,000 or 4% of your estate
6. **Mortgage and other outstanding debts** \$_____

Include mortgage balance, credit card debt, car loan, etc.
7. **College costs for each child, in today's dollars** \$_____

average 4-year cost, Private \$130,000, Public \$52,500
8. **Capital needed for college-Multiply line 7 by the appropriate factor in Table B** \$_____
9. **Total capital required-Add lines 4, 5, 6 and 8** \$_____

Assets

10. **Savings and investments** \$_____

Bank accounts, money market accounts, CDs, stocks, bonds, mutual funds, etc.
11. **Retirement savings** \$_____

IRAs, 401(k)s, Keoghs, pension and profit sharing plans
12. **Present amount of life insurance** \$_____

Include group insurance as well as insurance purchased on your own
13. **Total income producing assets-Add line 10, 11, and 12** \$_____
14. **Life insurance needed-Subtract line 13 from line 9** \$_____

Table A

Years income needed	Factor
10	8.8
15	12.4
20	15.4
25	18.1
30	20.4
40	24.1

Table B

Years before college	Factor
5	.85
10	.74
15	.64
20	.56

