



This worksheet can help you get a general sense of how much insurance you may need to protect your family.

To discuss how life insurance can be the cornerstone of a sound financial plan, contact us at 206.501.3033 or [brundige@lpl.com](mailto:brundige@lpl.com)

| Future Income Calculation |        |
|---------------------------|--------|
| Years Income Needed       | Factor |
| 10                        | 6.7    |
| 15                        | 8.5    |
| 20                        | 9.8    |
| 25                        | 10.7   |
| 30                        | 11.3   |
| 35                        | 11.7   |
| 40                        | 11.9   |

| Step 1: Income   | Example   | You   |
|--|-----------|-------|
| 1. Total annual income your family would need if you died today<br><i>Pretax need to maintain standard of living is typically 70-75% of current income</i>   | \$75,000  | _____ |
| 2. Annual income your family would receive from other sources<br><i>Spouse's salary, dividends, interest, rental income, social security, pensions, etc.</i> | \$50,000  | _____ |
| 3. Income shortfall <i>Line 1 minus line 2</i>   | \$25,000  | _____ |
| 4. Amount needed to fund income shortfall <i>Line 3 multiplied by factor above.<br/>Example assumes income needed for 20 years [\$25,000 x 9.8]</i>          | \$245,000 | _____ |

| Step 2: Expenses   | Example   | You   |
|--|-----------|-------|
| 5. Funeral and other final expenses<br><i>Average funeral costs range from \$5,000 to \$10,000. Other final expenses include unpaid hospital and medical bills, attorney fees, probate costs, etc.</i> | \$25,000  | _____ |
| 6. Mortgage, credit cards and other outstanding debt   | \$200,000 | _____ |
| 7. College costs for children in today's dollars<br><i>Approximate cost of four years in-state university (2019-20*):<br/>Public, \$107,000; Private, \$216,000</i>                                    | \$150,000 | _____ |
| 8. Total capital required <i>Add lines 4, 5, 6 and 7</i>   | \$620,000 | _____ |

| Step 3: Assets  | Example   | You   |
|---|-----------|-------|
| 9. Savings and investments <i>Bank accounts, money markets, CDs, stocks, bonds, mutual funds, retirement accounts, etc.</i> | \$50,000  | _____ |
| 10. Current life insurance coverage<br><i>Include group insurance as well as policies purchased on your own.</i>            | \$200,000 | _____ |
| 11. Total income producing assets <i>Add lines 9 &amp; 10</i>   | \$250,000 | _____ |
| 12. Additional life insurance need <i>Line 8 minus line 11</i>  | \$370,000 | _____ |

\*Source: The College Board's Trends in College Pricing 2019-20, Full-Time Undergraduate Budgets

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