

How much Life Insurance do you need?

	Expense:	Determining Formula	Estimated Dollar Amount	Comments
1	Income Replacement	5-10 Times your annual income		Enter an amount
2	Mortgage/Rent	Your remaining outstanding mortgage or estimate of rental costs		Enter an amount
3	Outstanding Debt	Outstanding loans, credit card debt, and other debt		Enter an amount
4	College Education	Estimated cost of college per year, multiplied by four, then by the number of children		Today's total cost for 4 years at a public university is approximately \$52,000 and a private university is approximately \$130,000. College costs are rising at a rate of 3 times the rate of inflation. I would advise you to estimate high in this area.
5	Emergency Fund	25% to 50% of your annual income		Enter an amount
6	Funeral Cost	Approximately \$15,000		Enter an amount
7	Total Cash Needed	Add parts 1 through 6		Will sum 1-6
8	Total available Liquid Assets	Cash, savings, checking, retirement funds, existing life insurance, investments.		Enter an amount
9	INSURANCE NEEDED	Part 7 minus part 8		Will Calculate the Additional Life Insurance You Need