Client Name $\qquad$ Date

This worksheet from The Prudential Insurance Company of America provides a quick and simple method to estimate the amount of life insurance you will need.

## INCOME

1. Annual before tax income your family would need if you died today

Typically between $60 \%$ and $80 \%$ of total income. Include all salaries, dividends, interest, and any other sources of income.
2. Annual income available to your family from other sources

Include dividends, interest, and spouse's earnings. (Social Security may be available.)
3. Annual income to be replaced (Subtract line 2 from line 1.)
4. Capital needed for income

Multiply line 3 by the appropriate factor below:
Choose years
\$
\$
\$ 0
\$ 0

| Years Income Needed | 10 | 15 | 20 | 25 | 30 | 35 | 40 | 45 | 50 |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Factor $^{1}$ | 8.8 | 12.4 | 15.4 | 18.1 | 20.4 | 22.4 | 24.1 | 25.6 | 26.9 |

## EXPENSES

5. Funeral ${ }^{2}$ 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 loans, home equity loans, etc.
7. College costs ${ }^{3}$ 2010-2011 average annual costs at four-year colleges and universities: Public - \$16,140 (in-state), \$28,130 (out-of-state); Private - \$36,993

|  | Annual Amount | $X$ | Number of Years in College $=$ | Total Cost (\$) |
| :--- | :---: | :---: | :---: | :---: |
| Child 1 |  | $X$ |  | $\$ 0$ |
| Child 2 |  | $X$ |  | $\$ 0$ |
| Child 3 |  | $X$ |  | $\$ 0$ |
| Child 4 |  | $X$ |  | $\$ 0$ |
| Child 5 |  | $X$ |  | $\$ 0$ |
| Total capital needed for college |  |  |  |  |

8. Total Value of All You Do: The cost of daily activities [Use the calculator on page 2.]
9. Total capital required (Add lines 4, 5, 6, 7 and 8)
\$ 0
\$ 0
\$ 0

## ASSETS

## 10. Savings and investments

Bank accounts, CDs, stocks, bonds, mutual funds, real estate/rental property, etc.
\$
11. Retirement savings

IRAs, 401(k) plans, SEPs, pension, and profit sharing plans
\$ $\qquad$
12. Present amount of life insurance

Include group insurance and personal insurance purchased on your own
\$
13. Total of all assets (Add lines 10, 11, and 12.)
14. Estimated amount of additional life insurance needed (Subtract line 13 from line 9.)
\$ 0
\$ 0
${ }^{1}$ Inflation is assumed to be $3 \%$. The rate of return on investments is assumed to be $6 \%$.
${ }^{2}$ Nationally, many funerals cost well over $\$ 10,000$ — Federal Trade Commission — Retrieved on October 4, 2010, from http://www.ftc.gov/bcp/edu/pubs/consumer/products/pro19.shtm.
${ }^{3}$ Source: The College Board, Trends in College Pricing 2010. Costs include tuition, room, board, books and supplies, transportation, and other expenses for a resident. The College Costs numbers are the 2010-2011 national average for a four-year college or university.
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## The Value of All You Do

## ALCULATOR

Client Name $\qquad$ Date $\qquad$

If something were to suddenly happen to you, your family might have to hire others to take on some of your daily activities.
You'd be surprised at how all you do adds up!

- To see just how much, estimate the number of hours per week that you spend on each of the activities below.
- The final cost will then be part of the calculation of how much life insurance you need. Even if you earn no income, insurers generally allow you to get as much life insurance as your working spouse has.
- To get a full picture of your insurance needs, be sure to look at your spouse's life insurance coverage, too.

| Services | Hours per Week | Hourly Rate ${ }^{3}$ | Estimated <br> Weekly Cost | Number of Years | Estimated Total Cost |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Child Care | 0 | \$9 | \$0 | 0 | \$0 |
| Driving Family Members | 0 | \$10 | \$0 | 0 | \$0 |
| Tutoring / Home Schooling | 0 | \$25 | \$0 | 0 | \$0 |
| Housekeeping / Home Mgmt. | 0 | \$8 | \$0 | 0 | \$0 |
| Food Preparation | 0 | \$12 | \$0 | 0 | \$0 |
| Bookkeeping | 0 | \$12 | \$0 | 0 | \$0 |
| Yard Care \& Maintenance | 0 | \$25 | \$0 | 0 | \$0 |
| Home Maintenance \& Repair | 0 | \$10 | \$0 | 0 | \$0 |
| Parental Care | 0 | \$10 | \$0 | 0 | \$0 |
| Other | 0 | \$10 | \$0 | 0 | \$0 |
| Other | 0 | \$10 | \$0 | 0 | \$0 |
| Estimated Total Costs |  |  |  |  | \$0 |

This is how much life insurance you would need to cover these services ${ }^{4}$

[^0]Life insurance policies are issued by The Prudential Insurance Company of America Newark, NJ, and its affiliates. Life insurance policies contain exclusions, limitations, reductions of benefits, and terms for keeping them in force. Your financial professional can provide you with costs and complete details.


[^0]:    ${ }^{3}$ Based on current market rate averages.
    ${ }^{4}$ Inflation is assumed to be $3 \%$ and life insurance proceeds are invested to earn $6 \%$ after tax. The earnings on the life insurance proceeds, plus spending down the life insurance proceeds, will be used to cover these expenses over the expected period. The return is purely hypothetical and is used for illustrative purposes only. Performance results are not indicative of any particular investment. Actual results and investment risks will vary.

