

Life Insurance Quick Estimator

What you want for them is immeasurable. But the amount of life insurance you need is easy to determine.

Client Name: _____ Date: _____

Agent Name/Approved Title: _____

INCOME NEEDS

1. Annual income your family would need if you die 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

Enter a number that includes dividends, interest, spouse's earnings, and social security.

\$ _____

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

\$ _____

Years Income Needed	10	15	20	25	30	35	40	45	50
Factor ¹	9.4	13.6	15.4	18.1	20.4	22.4	24.1	25.6	26.9

EXPENSES

5. Funeral² and other final expenses

Typically the greater of \$15,000 or 4% of your estate

\$ _____

6. Mortgage and other debts

Include mortgage balance, credit card debt, car loans, home equity loans, etc.

\$ _____

7. College costs³

2015-2016 average annual cost at four-year colleges and universities:

public - \$19,548 (in-state); \$34,031 - (out-of-state); private college - \$43,921

	Annual Amount	X	Number of Years in College =	Total Cost (\$)
Child 1:		X		
Child 2:		X		
Child 3:		X		
Child 4:		X		
Child 5:		X		
Total College Costs				

8. Total Capital Required (Add lines 4, 5, 6 and 7)

\$ _____

ASSETS

9. Savings and investments

Bank accounts, CDs, stocks, bonds, mutual funds, real estate/rental property, etc.

\$ _____

10. Retirement savings

IRAs, 401(k) plans, SEPs, pension and profit sharing plans

\$ _____

11. Present amount of the insurance

Include group insurance and personal insurance purchased on your own

\$ _____

12. Total of assets (Add lines 9, 10 and 11)

\$ _____

13. Estimated amount of additional life insurance needed (Subtract line 12 from line 8)

\$ _____

¹ Inflation is assumed to be 3%. The rate of return on investments is assumed to be 4.5% after tax.

² The national median cost of a funeral for calendar year 2017 was \$7,360, based on statistics from the National Funeral Directors Association. <http://nfda.org/statistics.html>

³ Source: The College Board, Trends in College Pricing 2015-2016. Costs include tuition, room and board, books and supplies, transportation, and other expenses. The College Costs numbers are the 2015-2016 national average for a four year college or university. College costs are indexed at 4.5%.

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