

Calculating the Life Insurance Need

1) Debt

Total Debt: \$ _____

2) Education

Total Education: + \$ _____

3) Income Replacement

Current Net Take-Home: \$ _____
Amount to Replace: \$ _____

Total Income Replacement: +
(Net Present Value) \$ _____

TOTAL NEEDED = \$ _____

Less
Current Coverage: - \$ _____

TOTAL CURRENT NEED: = \$

Net Present Value table

(based on 6% investment return and 20% effective tax rate)

		Years of Income Needed							
Income Needed (after-tax in today's dollars; assuming 3% inflation)	Monthly	Annual	5	10	15	20	25	30	35
	\$ 1,500	\$ 18,000	\$ 86,961	\$ 166,706	\$ 239,834	\$ 306,894	\$ 368,390	\$ 424,783	\$ 476,496
	\$ 2,000	\$ 24,000	\$ 115,948	\$ 222,275	\$ 319,779	\$ 409,192	\$ 491,187	\$ 566,377	\$ 635,328
	\$ 2,500	\$ 30,000	\$ 144,935	\$ 277,844	\$ 399,724	\$ 511,491	\$ 613,983	\$ 707,971	\$ 794,160
	\$ 3,000	\$ 36,000	\$ 173,922	\$ 333,412	\$ 479,669	\$ 613,789	\$ 736,780	\$ 849,565	\$ 952,992
	\$ 3,500	\$ 42,000	\$ 202,909	\$ 388,981	\$ 559,613	\$ 716,087	\$ 859,576	\$ 991,159	\$ 1,111,824
	\$ 4,000	\$ 48,000	\$ 231,896	\$ 444,550	\$ 639,558	\$ 818,385	\$ 982,373	\$ 1,132,754	\$ 1,270,656
	\$ 4,500	\$ 54,000	\$ 260,883	\$ 500,119	\$ 719,503	\$ 920,683	\$ 1,105,170	\$ 1,274,348	\$ 1,429,488
	\$ 5,000	\$ 60,000	\$ 289,870	\$ 555,687	\$ 799,448	\$ 1,022,981	\$ 1,227,966	\$ 1,415,942	\$ 1,588,320
	\$ 5,500	\$ 66,000	\$ 318,857	\$ 611,256	\$ 879,392	\$ 1,125,279	\$ 1,350,763	\$ 1,557,536	\$ 1,747,152
	\$ 6,000	\$ 72,000	\$ 347,844	\$ 666,825	\$ 959,337	\$ 1,227,577	\$ 1,473,560	\$ 1,699,131	\$ 1,905,984
	\$ 6,500	\$ 78,000	\$ 376,831	\$ 722,394	\$ 1,039,282	\$ 1,329,876	\$ 1,596,356	\$ 1,840,725	\$ 2,064,816
	\$ 7,000	\$ 84,000	\$ 405,818	\$ 777,962	\$ 1,119,227	\$ 1,432,174	\$ 1,719,153	\$ 1,982,319	\$ 2,223,648
	\$ 7,500	\$ 90,000	\$ 434,805	\$ 833,531	\$ 1,199,172	\$ 1,534,472	\$ 1,841,949	\$ 2,123,913	\$ 2,382,480
	\$ 8,000	\$ 96,000	\$ 463,792	\$ 889,100	\$ 1,279,116	\$ 1,636,770	\$ 1,964,746	\$ 2,265,507	\$ 2,541,312
	\$ 8,500	\$ 102,000	\$ 492,779	\$ 944,669	\$ 1,359,061	\$ 1,739,068	\$ 2,087,543	\$ 2,407,102	\$ 2,700,144
	\$ 9,000	\$ 108,000	\$ 521,766	\$ 1,000,237	\$ 1,439,006	\$ 1,841,366	\$ 2,210,339	\$ 2,548,696	\$ 2,858,976
	\$ 9,500	\$ 114,000	\$ 550,753	\$ 1,055,806	\$ 1,518,951	\$ 1,943,664	\$ 2,333,136	\$ 2,690,290	\$ 3,017,808
	\$ 10,000	\$ 120,000	\$ 579,740	\$ 1,111,375	\$ 1,598,895	\$ 2,045,962	\$ 2,455,933	\$ 2,831,884	\$ 3,176,640