

DIME worksheet



Your financial security may affect your loved ones more than it affects you. A needs analysis can provide a snapshot of your current and future needs to help answer the question, “How much life insurance do I need in the event of my spouse’s death?” And the best part? This version is so simple, it can be done on the back of a napkin!

Client name: _____

D = Debts...

How much debt do you wish to pay off?

Debts \$ _____

I = Income...

See income replacement grid.

Income \$ _____

M = Mortgage...

Mortgage balance to be paid off?

Mortgage balance \$ _____

E = Education and everything else...

Education fund? Final expenses?
Emergency fund?

Everything else \$ _____

Total \$ _____

Income replacement grid

Use this tool to help you figure out how much capital it would take to replace an income in the event of a death. This grid assumes the lump sum shown below earns a rate of 4% and a 20% effective tax rate on the investment earnings.

Years of Income Needed		5	10	15	20	25	30	35	40	45	50	55	60
Annual Income Provided The initial annual income is shown in the chart. It is assumed to grow at a 3% rate each year.	Annual \$36,000	179,304	356,877	532,736	706,897	879,377	1,050,193	1,219,360	1,386,894	1,552,810	1,717,126	1,879,855	2,041,013
	Monthly \$3,000												
	Annual \$42,000	209,188	416,356	621,525	824,713	1,025,940	1,225,225	1,422,586	1,618,043	1,811,612	2,003,313	2,193,164	2,381,182
	Monthly \$3,500												
	Annual \$48,000	239,072	475,836	710,314	942,529	1,172,503	1,400,257	1,625,813	1,849,192	2,070,414	2,289,501	2,506,473	2,721,351
	Monthly \$4,000												
	Annual \$54,000	268,956	535,315	799,103	1,060,346	1,319,066	1,575,289	1,829,040	2,080,340	2,329,216	2,575,689	2,819,782	3,061,520
	Monthly \$4,500												
	Annual \$60,000	298,839	594,794	887,893	1,178,162	1,465,629	1,750,322	2,032,266	2,311,489	2,588,017	2,861,876	3,133,092	3,401,689
	Monthly \$5,000												
	Annual \$66,000	328,723	654,274	976,682	1,295,978	1,612,192	1,925,354	2,235,493	2,542,638	2,846,819	3,148,064	3,446,401	3,741,858
	Monthly \$5,500												
	Annual \$72,000	358,607	713,753	1,065,471	1,413,794	1,758,755	2,100,386	2,438,720	2,773,787	3,105,621	3,434,251	3,759,710	4,082,027
	Monthly \$6,000												
	Annual \$78,000	388,491	773,233	1,154,260	1,531,610	1,905,318	2,275,418	2,641,946	3,004,936	3,364,423	3,720,439	4,073,019	4,422,196
	Monthly \$6,500												
	Annual \$84,000	418,375	832,712	1,243,050	1,649,426	2,051,881	2,450,450	2,845,173	3,236,085	3,623,224	4,006,627	4,386,328	4,762,365
	Monthly \$7,000												
	Annual \$90,000	448,259	892,192	1,331,839	1,767,243	2,198,444	2,625,482	3,048,399	3,467,234	3,882,026	4,292,814	4,699,637	5,102,534
	Monthly \$7,500												
Annual \$96,000	478,143	951,671	1,420,628	1,885,059	2,345,007	2,800,515	3,251,626	3,698,383	4,140,828	4,579,002	5,012,946	5,442,702	
Monthly \$8,000													
Annual \$102,000	508,027	1,011,150	1,509,417	2,002,875	2,491,569	2,975,547	3,454,853	3,929,532	4,399,629	4,865,189	5,326,256	5,782,871	
Monthly \$8,500													
Annual \$108,000	537,911	1,070,630	1,598,207	2,120,691	2,638,132	3,150,579	3,658,079	4,160,681	4,658,431	5,151,377	5,639,565	6,123,040	
Monthly \$9,000													
Annual \$114,000	567,795	1,130,109	1,686,996	2,238,507	2,784,695	3,325,611	3,861,306	4,391,830	4,917,233	5,437,565	5,952,874	6,463,209	
Monthly \$9,500													
Annual \$120,000	597,679	1,189,589	1,775,785	2,356,324	2,931,258	3,500,643	4,064,533	4,622,979	5,176,035	5,723,752	6,266,183	6,803,378	
Monthly \$10,000													
Annual \$180,000	896,518	1,784,383	2,663,678	3,534,485	4,396,887	5,250,965	6,096,799	6,934,468	7,764,052	8,585,628	9,399,275	10,205,067	
Monthly \$15,000													
Annual \$240,000	1,195,358	2,379,178	3,551,571	4,712,647	5,862,516	7,001,287	8,129,065	9,245,958	10,352,069	11,447,505	12,532,366	13,606,756	
Monthly \$20,000													
Annual \$300,000	1,494,197	2,973,972	4,439,463	5,890,809	7,328,145	8,751,608	10,161,331	11,557,447	12,940,087	14,309,381	15,665,458	17,008,445	
Monthly \$25,000													
Annual \$500,000	2,490,329	4,956,620	7,399,105	9,818,015	12,213,576	14,586,014	16,935,552	19,262,412	21,566,811	23,848,968	26,109,096	28,347,408	
Monthly \$41,667													
Annual \$750,000	3,735,493	7,434,930	11,098,658	14,727,022	18,320,364	21,879,021	25,403,328	28,893,617	32,350,217	35,773,452	39,163,644	42,521,113	
Monthly \$62,500													
Annual \$1,000,000	4,980,658	9,913,240	14,798,211	19,636,029	24,427,152	29,172,028	33,871,104	38,524,823	43,133,622	47,697,936	52,218,192	56,694,817	
Monthly \$83,333													

The information presented is hypothetical and not intended to project or predict investment results.

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