

HOW MUCH DISABILITY INSURANCE DO YOU NEED?

Do you think you can manage to live without your paycheck for a while?



Complete this worksheet, check your savings account, and consider the value of disability insurance:

1. Calculate your Total Net Monthly Household Income

Your net monthly income (after taxes)	(A) \$ _____	Investment income (e.g. IRAs, stock)	\$ _____
Partner's net monthly income (after taxes)	\$ _____	Other income	\$ _____

Add up the above to estimate your Total Net Monthly Household Income → (B) = \$ _____

2. Calculate your Total Monthly Household Expenses:

Groceries	\$ _____	Transportation costs (gas, maintenance, car payments)	\$ _____
Mortgage/Rent	\$ _____	Child care/school fees	\$ _____
Utilities (electricity, water, gas, etc.)	\$ _____	Loans/credit card payments	\$ _____
Auto, homeowner's, medical & dental insurance	\$ _____	Other expenses	\$ _____

Add up the above to estimate your Total Monthly Household Expenses → (C) = \$ _____

3. Calculate the difference between your total monthly household income and your total monthly household expenses. This gives you a pretty good idea of how your finances are holding up currently.

Monthly Income Surplus/Shortfall (B - C) → (D) = \$ _____

4. Calculate the difference between your monthly household income and your total monthly household expenses – *minus* your net monthly income (which you won't have if you become disabled).

Monthly Income Surplus/Shortfall if disability occurs (D - A) → = \$ _____

The total in this worksheet is approximately how much additional money your family will need if you become disabled and are unable to work. Disability insurance can help you meet that need. Naturally, a worksheet like this is only an aid in determining disability insurance needs. It cannot predict all of your expenses, economic conditions, inflation, investment performance or other factors which may alter your needs. For a more accurate plan, you should consult an investment advisor.

GO YOU™

