



## LIFE INSURANCE:

# A Lifetime of Income

Retirement is in all our futures and, between now and then, we will be earning income to support our families. But, what if that income should suddenly stop? What would the financial impact be on your household?

If you could deposit all the money you would need into an account to replace the income you expect provide for your family between now and your retirement, how much would it be? Imagine a number – a **BIG NUMBER** – because that’s what it would take.

Let’s see if we can more clearly define that **BIG NUMBER** as it relates to you. Here’s a simple calculation to help us; it assumes your income will rise 3% per year between now and retirement.<sup>1</sup>

### Find Your BIG NUMBER

1. Write down your income today \$ \_\_\_\_\_
2. Next, look up your **BIG NUMBER** Multiplier:
  - a. How much do you think you can earn in an account between now and retirement?  
The lower the number, the more conservative. Circle a rate:<sup>2</sup> 4%, 6%, 8%
  - b. Circle the number that is closest to the number of years until retirement: 5, 10, 15, 20, 25, 30, 35
  - c. Look up the corresponding Multiplier from the table and enter it here. **X** \_\_\_\_\_
3. The **BIG NUMBER**: Your income times the multiplier. = \$ \_\_\_\_\_

The **BIG NUMBER** Multiplier

Years to Retirement	Account Growth Rate		
	4%	6%	8%
5	4.7	4.5	4.2
10	9.2	8.3	7.6
15	13.5	11.7	10.2
20	17.6	14.6	12.3
25	21.5	17.1	13.9
30	25.2	19.2	15.2
35	28.7	21.1	16.2

Life insurance can be a source of your **BIG NUMBER**; it can help provide lost income for your family should you die between now and retirement. While you may not want or need to cover the entire **BIG NUMBER** amount with life insurance, this calculation should give you a good place to start.



Policies issued by American General Life Insurance Company

The United States Life Insurance Company in the City of New York

Reach out to a licensed insurance professional for more information on how much you might need and the best product for your circumstances.

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NO BANK OR CREDIT UNION GUARANTEE | NOT FDIC/NCUA/NCUSIF INSURED

<sup>1</sup> Note: 3% is higher than the 2.14% inflation rate we've experienced the last 20 years. Source: Bureau of Labor Statistics, Consumer Prices Index, May 1997 to May 2017.

<sup>2</sup> The rates shown here are for illustration purposes only, to help you understand the value of your potential income. The rates you ultimately receive will be different and will, likely, vary over time.



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