

Ask someone to read 1 Timothy 5:8



**Take no more than  
4% max in any  
one year to make the  
money last.**

**What can I expect to  
safely earn from our nest egg?**

Someone asked, how much do I need, to live without earning an income? The answer is: “It depends!” Do you have military, civil service or teacher’s retirement? What are your monthly living expenses including, well, everything?



**Rule of thumb:  
Take no more than  
4% max in any  
one year to make the  
money last.**

With \$ 250,000	➔	\$ 10,000 per year
\$ 1.8 m	➔	\$ 72,000 year
\$ 2.0 m	➔	\$ 80,000 year
\$ 2.2 m	➔	\$ 88,000 year
Need \$ 2.5 m	➔	for \$100,000 per year

Just to use round numbers, let's say you have 1 million in your retirement savings. At 4%, you can plan to spend \$40,000 per year from your net egg. This assumes that it is invested and diversified wisely.

**How much will your need for cash change if your spouse passes away?**

Approx. 80% is needed.

Some costs will go down, such as:

- Employment costs of the wage earner
- Retirement Contributions
- Living Expenses (5% to 7%)
- Discretionary expenses
- 2<sup>nd</sup> Vehicle Expenses





**Minor Children Benefits:**

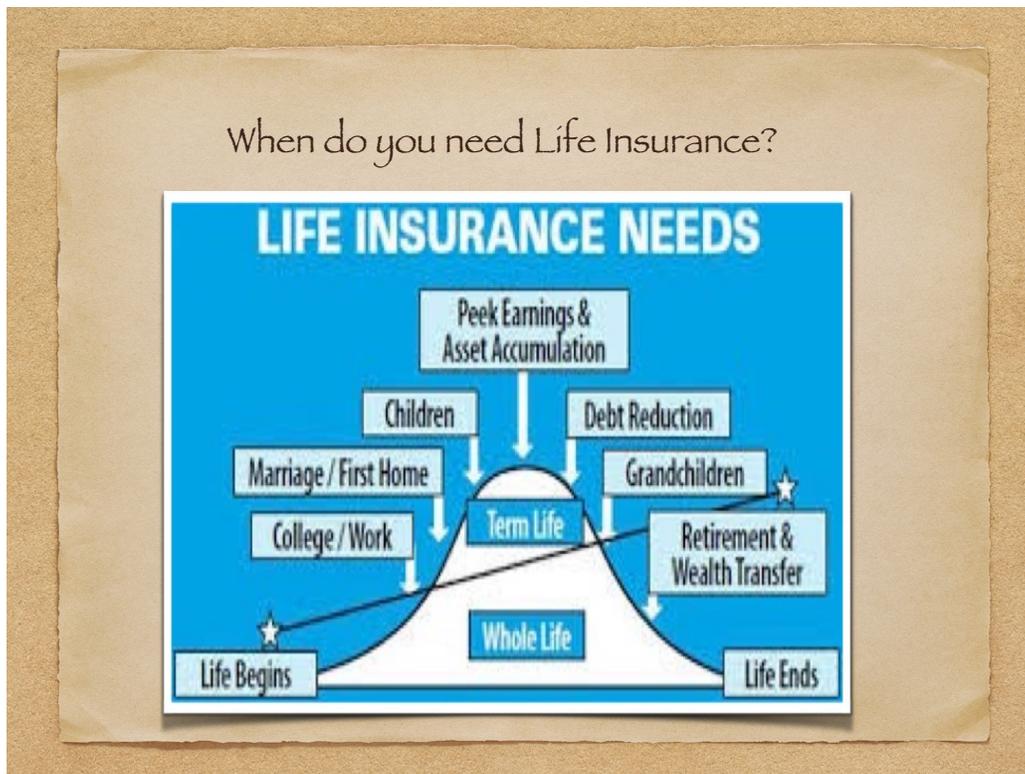
unmarried children who are under 18

**Surviving Spouse Benefits:**

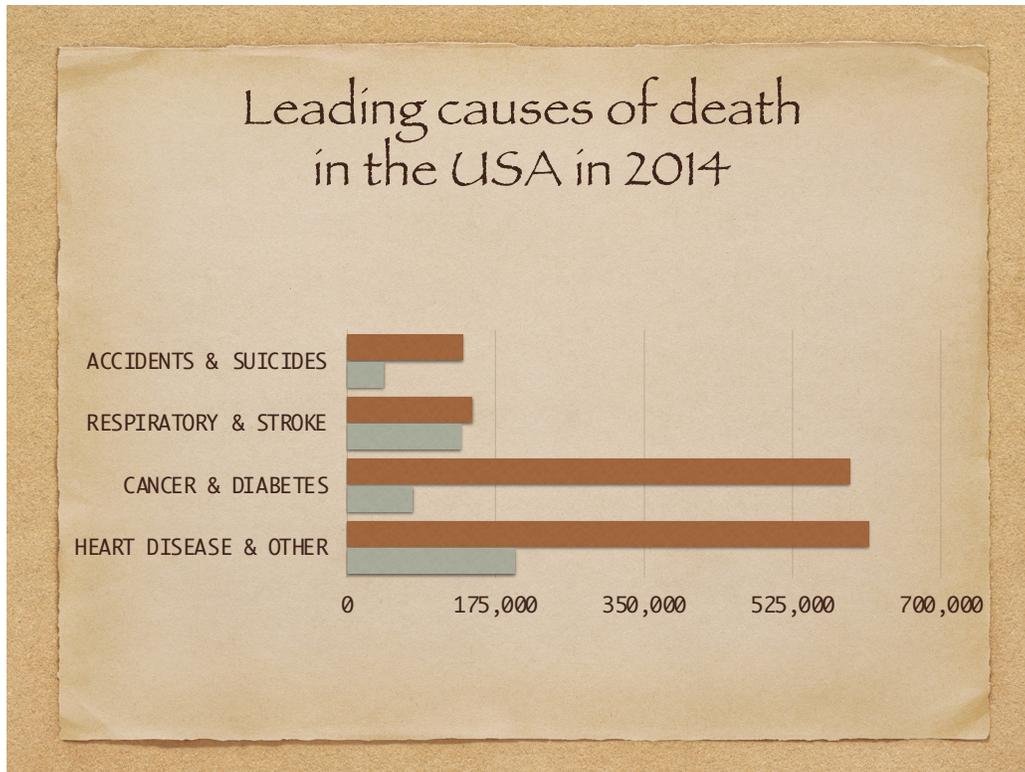
will not normally receive SS until retirement

When you lose your working spouse, social security will help until each child turns 18 years of age.

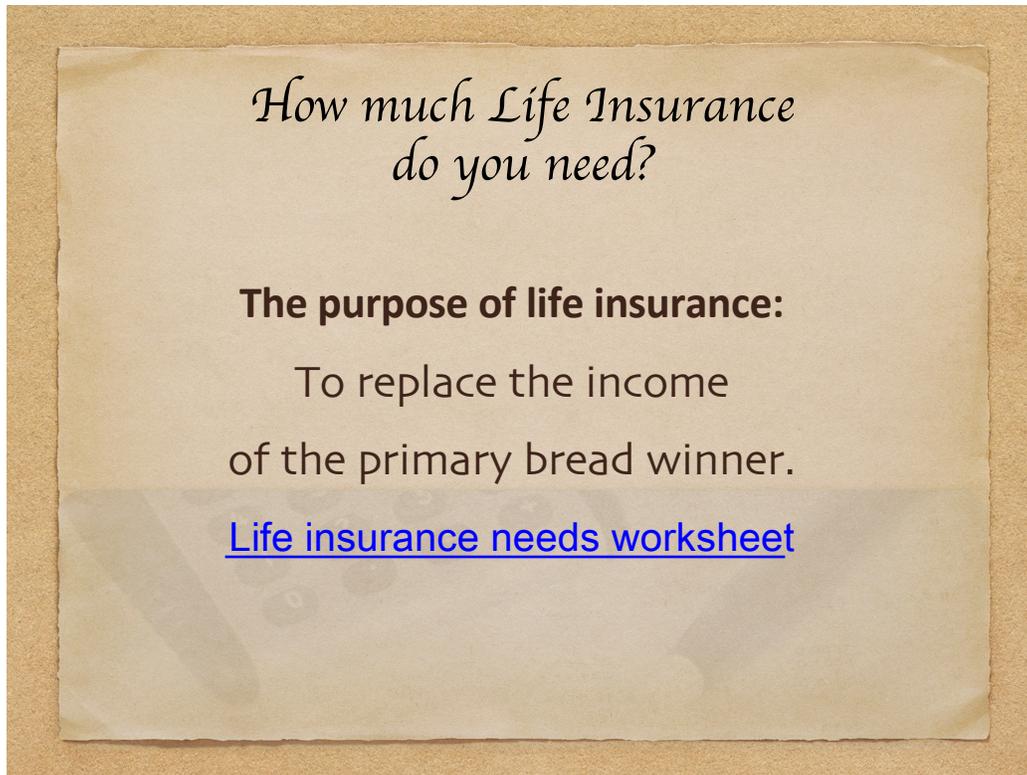
However, the surviving spouse will not have income from social security until their retirement age.



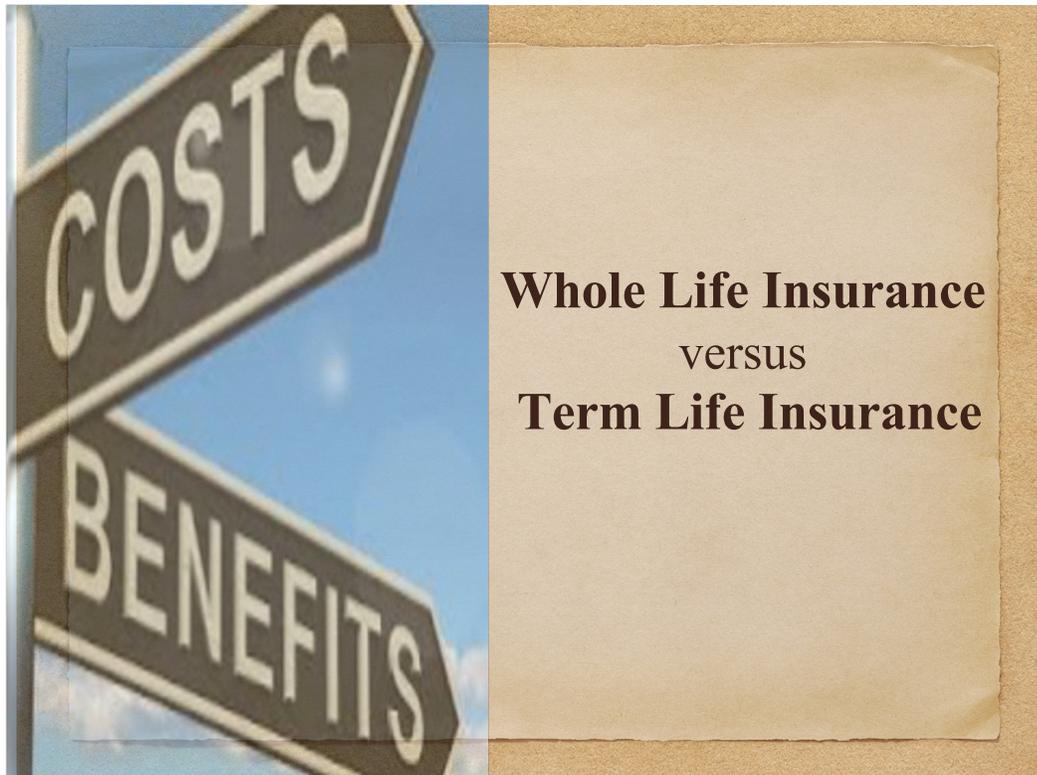
When does someone have the highest need for life insurance? The kids are living at home, you have a mortgage, a car loan and little if any savings.



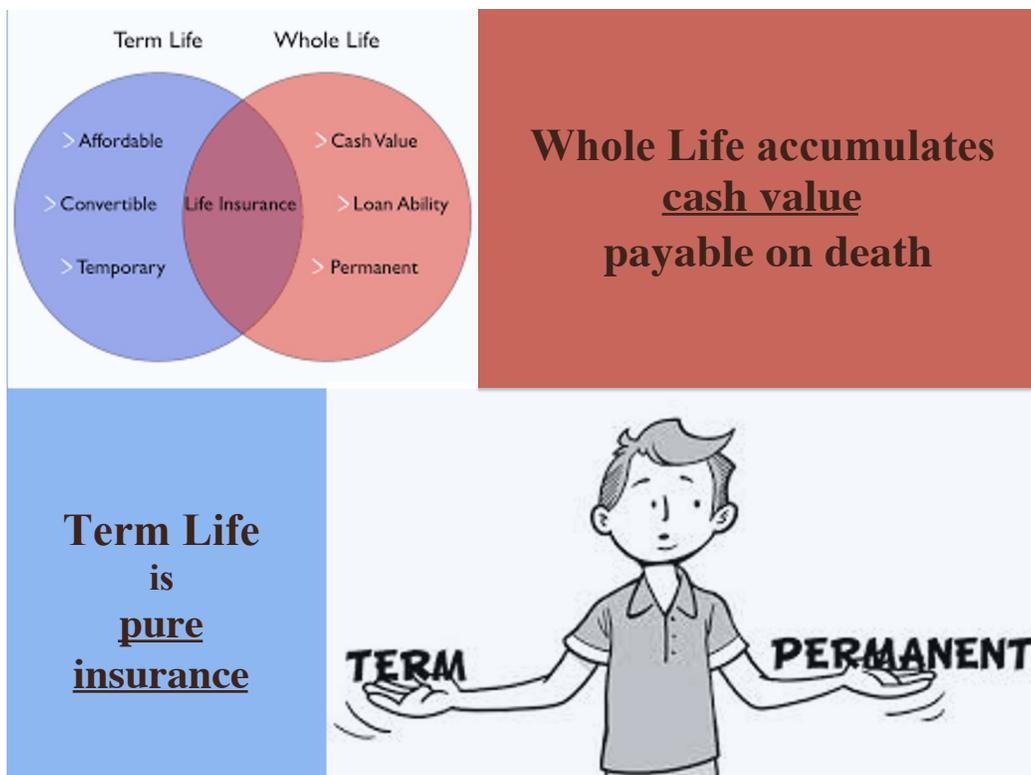
Is accidental life insurance enough to provide for your family should the Lord call your number? Accidental death represents a miniscule cause of death compared to other causes. This is why your employer may provide it at a very low cost. What you really need is LIFE insurance.



I do not sell life insurance. Before you buy it, do your due diligence.



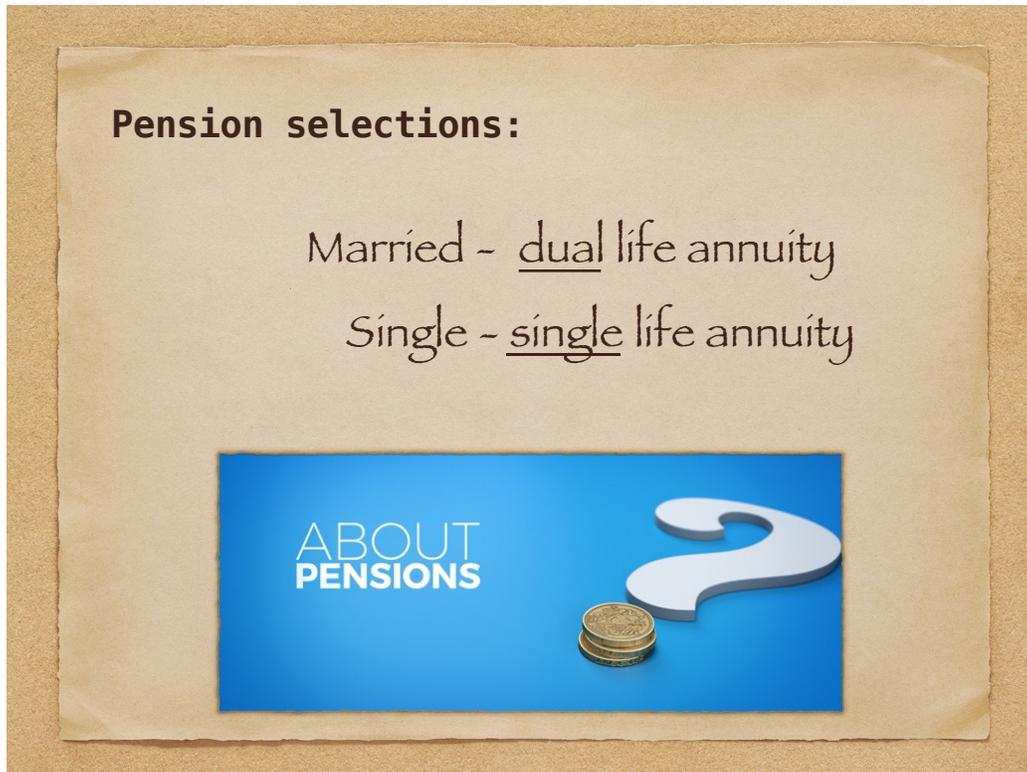
What kind of life insurance should you buy? Whole life or term?



When you are young with a family, you need the most life insurance you can afford up to a point. Consider an amount sufficient to pay off the mortgage, send your kids to college and provide enough income for the surviving spouse at least until the kids are grown plus some.



And then there are other types of insurance. Some of these may be available from your employer at a cheaper group rate.



When you make a pension selection, consider the support your family may need after you are gone.

