

# \$1 million of life insurance? It may not be as much as you think.

When it comes to life insurance, it's important to have the right amount to cover the expenses you expect, and some you don't. Here's a look at some of the many expenses that a typical American family may need to consider.

**\$444,000**

**Housing** costs over 20 years, based on a monthly payment of \$1,850.



**\$147,600**

**Childcare** costs over ten years.

Source: Zippin 2023



How much it costs to send two children to **college** for four years.

**\$361,920**

Source: College data.com 2022 (Based on average cost of attendance for Out-of-state public colleges for the 2022-2023 school year)

**\$7,848**

Average cost of **final expenses**.



Source: National Funeral Dir. Assoc. 2023

## Health Care

Average out-of-pocket costs for a family, over 20 years.



**\$164,000**

Source: KFF.org. 2023

**\$120,000**

20 years' worth of **retirement** savings.

(Based on IRA contributions of \$6,000 per year for 20 years.)



**\$103,660**

The cost for one year of **nursing home care**.



Source: New York Life.com 2021: Average annual cost of a private room in a nursing home.



The average amount of **individual student debt**.

**\$37,650**

Source: Department of Education, 2023

## Did you know?

**15.4 years**

The number of years a \$65,000 after-tax income would be replaced by a \$1 million of life insurance.



(After-tax income based on 2023 federal tax bracket of 25% applied to an income of \$86,600.)

**\$554,000**

The purchasing power of \$1 million in 20 years assuming

**3% inflation.**

Source: (Based on \$1M in 2023 subject to 3% inflation over 20 years.)

