



# Protecting your family's financial future

Growing assets to meet financial goals for a comfortable retirement and providing for your family's needs is an important part of planning. However, many people should be equally concerned with the financial well-being of their loved ones in the event an income earner passes away. This is where contingency planning comes into play. A thorough contingency plan minimizes the financial loss caused by an unforeseen event.

To determine the funds your family needs, you can adopt a **total needs approach**. This approach considers how much income would need to be replaced from the loss of an income earner, as well as other cash needs.

Because each person's situation is unique, you need to determine how to protect your family's financial future.

There are two types of needs to consider:

## 1 Income replacement



This approach looks at the future earnings of the income earner, typically until retirement. Based on the amount of income earned, you would decide the percentage of income that would need to be replaced for your family to maintain their future standard of living, as well as the number of years the income is needed. This is commonly referred to as **human life value**.

## 2 Funding cash needs (one-time fund for special considerations)



### Mortgage payoff

This is a lump-sum payment that would be used to pay off the mortgage. If this is used, then you would reduce the replaceable income needed by the amount of the monthly mortgage payment.



### College funds

Many people plan to provide some level of financial assistance for their children to attend college. By including an amount to fund your children's college education, your children would still be able to get the education you want for them.

## 2 Funding cash needs (con't)



### Special needs funds

Some people have unique situations, such as a special needs child or an elderly parent for whom they provide care. If you were unable to continue to care for them, this fund would provide money so they can get the care you want them to have. In addition to providing the appropriate amount of funds, you may need to consider additional planning (e.g., special needs trust).



### Give a gift to be remembered

By leaving a small inheritance for extended family members or friends, you can give an unforgettable gift to the special people in your life.



### Leave a legacy of kindness

If you're passionate about giving back, you can support your favorite causes with your life insurance. You can even set up a college scholarship in your name using life insurance proceeds.



### How to fund a total needs plan

Once you determine the amount of funds that would be needed for your contingency plan, the next step is to decide how to fund the plan. Either self-fund the plan or purchase life insurance. Most people are building funds and are unable to self-fund the plan. Life insurance provides a large income tax-free death benefit for a relatively low cost and is commonly used to fund a total needs contingency plan.

Financial professionals can guide you to determine how much coverage you need and which life insurance policy may be right for you.

**Contact me today or visit [equitable.com](https://equitable.com).**

Equitable Financial and its affiliates do not provide legal or tax advice. Clients must rely on their own advisors on these matters.

Life insurance products are issued by Equitable Financial Life Insurance Company (Equitable Financial) (NY, NY) or Equitable Financial Life Insurance Company of America (Equitable America), an Arizona stock company with an administrative office located in Charlotte, NC, and are co-distributed by Equitable Network, LLC (Equitable Network Insurance Agency of California in CA; Equitable Network Insurance Agency of Utah in UT; Equitable Network of Puerto Rico, Inc. in PR) and Equitable Distributors, LLC.

Equitable is the brand name of the retirement and protection subsidiaries of Equitable Holdings, Inc., including Equitable Financial and Equitable America and Equitable Distributors, LLC. Equitable Advisors is the brand name of Equitable Advisors, LLC (member FINRA, SIPC) (Equitable Financial Advisors in MI & TN).

Life Insurance: • Is Not a Deposit of Any Bank • Is Not FDIC Insured • Is Not Insured by Any Federal Government Agency  
• Is Not Guaranteed by Any Bank or Savings Association • Variable Products May Go Down in Value

© 2024 Equitable Holdings, Inc. All rights reserved. GE-6769435.1 (7/24) (Exp. 7/26) | G2685299 | Cat. #400158 (8/24)



EQUITABLE