

THREE PANEL APPROACH

Risks	Benchmark	Ratios – Short Term	Ratios – Long Term
Life	<u>Life Insurance</u> · 10-16 x GP	<u>Emergency Fund</u> · 3-6 months	<u>Savings Rate</u> · 10-13% of GP <i>* Annual Savings</i> <u>Annual GI</u>
Health	<u>Health Insurance</u> · Health & Presc. Drug · Savings cover Limits	<u>Debt</u> · Housing Ratios · 28/36	*Incl Employer Contribution
Disability	<u>Disability Ins.</u> · 60-70% of GP · Sickness & Acc · Non-cancellable or guarantee renewable	H1 or Front ≤ 28%	<u>Investment Assets</u> · Based on age <u>Invested Assets</u> <u>Gross Pay</u>
Long Term	<u>Long Term Ins</u> · 36-60 months	H2 or Back ≤ 36%	Age Ratio 25 .2:1 30 .6-.8:1 35 1.6-1.8:1 45 3-4:1 55 8-10:1 65 16-20:1
Personal Property · House · Auto	<u>Homeowners Ins</u> · ≤ FMV <u>Auto Ins</u> · ≤ FMV	<u>HC + All Recurring Debt</u> <u>GI</u>	** Assumes 3% Inflation Rate
Personal Liability	<u>PLUP</u> · ≥ \$1 mill	Consumer Debt < 20% NI	<u>Education</u> · \$1, \$3, \$6 K per child/yr for 18 yr · 65/35 Portfolio
Identity Theft	<u>Identity Theft Ins</u> · Restoration Service with a Counselor		
	<i>GP = Gross Pay</i> <i>FMV = Full Market Value</i> <i>PLUP = Personal Liability Umbrella Policy</i>	<i>Non DE = Non-discretionary expenses</i> <i>NI = Net Income</i>	GI = Gross Income

Housing Cost (HC) = Mortgage (Principal + Interest) + Taxes + Insurance

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Unlimited Time