NewDadLife

FREE WORKSHEET

The new dad DIME coverage worksheet

Add up your own coverage number in about ten minutes

DIME stands for Debt, Income, Mortgage and Education. Fill in each line with a real figure from your statements. The method is arithmetic, not a law, and the result is a range to take to a licensed agent.

Step 1: Add up the four DIME lines

Line	What to enter	Your number
D: Debt	Car loans, credit cards, student loans. Leave the mortgage out.	$
I: Income	Yearly income times the years your family needs it replaced.	$
M: Mortgage	The balance still owed on your latest statement.	$
E: Education	What you want set aside for college or training, per child times children.	$

Step 2: Add two lines most lists skip

Line	What to enter	Your number
Final bills	Default $8,300, the 2023 national median for a funeral with viewing and burial.	$
Childcare	Monthly cost times 12 times the years of paid care your family would need.	$

General education, not insurance, legal or tax advice. Figures are examples unless a source is named. Prices and rules vary by state and insurer.

Total of steps 1 and 2

Step 3: Subtract what you already have

Savings you would honestly spend

Life insurance through work (often ends with the job)

Other cover you own

Total from step 2 minus the three lines above is the gap a policy fills.

Your gap

Step 4: Check it against the rule of thumb

Many guides suggest 10 to 15 times your yearly income as a starting range. Write your yearly income below, then multiply.

Your yearly income	Times 10	Times 15
$	$	$

If your DIME gap sits inside or near the range, take it to an agent. If it is far outside, check your years of income and your mortgage line first.

A worked example with made up numbers

Line	Marcus, income $62,000	Amount
Debt	Car loan	$12,000
Income	10 years of $62,000	$620,000
Mortgage	Balance left	$230,000
Education	One child	$60,000
Final bills	National median	$8,300
Total	Add the five lines	$930,300
Minus	Savings $25,000 and work cover $62,000	$87,000
Gap	Total minus what exists	$843,300

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Marcus checks the rule of thumb: 10 to 15 times $62,000 is $620,000 to $930,000. His gap sits near the top, which fits a young child and a mortgage.

Your partner's numbers

Run the same list for your partner, including childcare and household work they do. If one of you would need paid help to replace what the other does, put that cost on the list.

Partner's yearly income

Partner's gap

Sources

- NFDA: Statistics
  nfda.org/news/statistics
- Social Security Administration: Survivor benefits
  www.ssa.gov/benefits/survivors/
- NAIC: Life insurance consumer guide
  content.naic.org/consumer/life-insurance.htm

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