

**Emergency**  
THE **Fund**  
*Starter Kit*

From Simplifi Money

## 7-STEPS TO BUILD YOUR EMERGENCY FUND

- Step 1: Commit to yourself & put your goal in writing**  
Use the attached Goal sheet.

- Step 2: Calculate your target savings amount**  
Emergency Fund = (# of months savings you desire) \* (monthly expenses<sup>1</sup>)

My Emergency Fund = \_\_\_\_\_ \* \_\$\_\_\_\_\_ = \_\$\_\_\_\_\_

<sup>1</sup>If you don't know your monthly expenses, estimate 85% of your take-home pay.

If you have debt (loans, credit cards, car payments, etc.):

Starter Emergency Fund = \$1,000<sup>2</sup>

<sup>2</sup>Save \$1,000 initially, pay off debt (using Steps 3, 4 and 7),  
and then re-focus on building towards your target amount.

- Step 3: Make your goal visible—front and center**  
Post this on your refrigerator or somewhere else you see daily.
- Step 4: Build your budget**  
Prioritize saving 10-15% of your take home pay.
- Step 5: Open an Emergency Fund bank account**  
Make this a separate account from your main checking account. Consider a high-yield savings or money market account at a different institution than your main accounts (to remove temptation to touch it).
- Step 6: Update your direct deposit**  
Automate 10-15% of your take-home page to go directly to your Emergency Fund account. Your savings will grow without you even having to lift a finger!
- Step 7: Look for costs you can cut**  
Always be looking for opportunities to save a buck in order to speed up your savings (or debt-reduction)

**TAKE ACTION NOW!**

## HOW MANY MONTHS OF SAVINGS DO I NEED?

Use this worksheet to brainstorm how many months of Savings you will want to build for your emergency fund. Most financial experts recommend 3-6 months, but this is personal for everyone. Sit down and take a quiet moment to reflect, and be completely honest with yourself.

1. Am I in a niche career/position that has limited job opportunities if I were to need to look for a new position?
2. Are there any big expenses I could immediately cut if I had to? List them here (Think cable, subscriptions and eating out)
3. Am I prepared to think about selling things of value to bring in money if I had to?
4. Am I financially responsible for other people?
5. If a major crisis came into your life right now, would knowing that you had 3 months of living expenses paid for help you feel mentally prepared to tackle any challenge? Or would a 6 month window give you greater peace of mind? Or another time frame?

**Once you have a number of months that feels good in your heart, use this in your Emergency Fund calculation.**

# EMERGENCY FUND GOAL TRACKER

GOAL -----

