



WEEK 3

MONEY MINDSET

Build an Emergency Fund

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What's An Emergency Fund?

WHAT IS AN EMERGENCY FUND?

An emergency fund is a cash reserve that's specifically set aside for unplanned expenses or financial emergencies. An emergency fund will help you avoid going into debt over unexpected costs.

WHEN TO USE AN EMERGENCY FUND

An emergency fund can help you handle unpredictable and unexpected expenses such as:

- Unforeseen medical expenses
- Unemployment
- Home-appliance repair or replacement
- Major car fixes



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Building an Emergency Fund

HOW MUCH DO I NEED IN MY EMERGENCY FUND?

It's recommended to have 3-6 months' worth of expenses saved in your emergency fund. But starting with a smaller goal like \$500 dollars can help you avoid unnecessary debt or dipping into your retirement savings.

TIPS TO BUILD YOUR EMERGENCY FUND

- 1. Figure out your monthly expenses:** factor in housing, transportation, bills, groceries, etc., then multiply it by 3-6 months. That's the lump sum you need to have at the ready.
- 2. Cut costs:** think about how much you spend on coffee, lunches out, and other impulse purchases. Give up one or two things a week, and stash that money into your savings.
- 3. Automate your savings:** treat your emergency fund like any monthly bill, and automatically transfer it into your savings account on payday. The sooner it's saved, the less time you'll have to spend it.
- 4. Start small:** if \$10/week is what you can manage, so be it! Once you're used to that money not being available to spend, see if you can bump it up to \$15 or \$20, and go from there.
- 5. Maximize your interest:** put it in a high-interest savings account, which offers a better rate than a standard checking or savings account.
- 6. Stash your windfalls:** instead of using your tax refund or bonus for a shopping spree or holiday, set it aside. It's a painless way to bolster your savings without impacting your current budget.



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Tools and Resources



The best time to start saving for a rainy day is when it's not raining. Consider starting now, starting small, starting slow, and before you know it, you may have enough money set aside to help protect yourself and your loved ones in case of an emergency.

CHALLENGE ACTIVITY

Read one of the articles or watch a recorded webinar to learn more about building an emergency fund. Then be sure to add your emergency fund saving goal to your budget.

US RESOURCES: VOYA

- [Establish an Emergency Fund Webinar](#)
- [Building Up Your Emergency Fund Webinar](#)
- [When to Use Your Emergency Fund Article](#)

CANADIAN RESOURCES

- [Setting Up Your Emergency Fund Article](#)
- [Why You Need An Emergency Fund Article](#)
- [Budget Planner](#)



MONEY MINDSET WEEK 3 SUBMISSION FORM

Complete the [Week 3: Challenge Submission Form](#) by **Tuesday, March 12** to earn one Wellbeing Ticket.