



Building an Emergency Fund

A helpful step in preparing for a natural disaster is to build an emergency fund. Use this worksheet to calculate how much to save in your emergency fund. Then figure out how long it will take you to save that amount by breaking it into monthly savings goals.

Step 1: Estimate your monthly household budget. Use the *Basic Budget Builder on Page 2 to help.*

What are your total monthly expenses? _____

Step 2: An emergency fund should cover your family’s necessary monthly expenses. This may include monthly bills such as housing, utilities, groceries, transportation, debt payments, and medical bills. Subtract unnecessary expenses from your monthly total. Examples of unnecessary items may include entertainment, eating out, and streaming services. *Take a closer look at your monthly budget.* What expenses can you reduce or remove from your budget during tough financial times? Total those expenses here, then subtract that amount from your total monthly expenses to get your “bottom line.”

_____ - _____ = _____
 Total monthly expenses Unnecessary expenses Necessary monthly expenses

Step 3: Figure out the range your emergency fund might cover. Experts recommend you maintain an emergency fund that would cover at least three to six months’ worth of necessary expenses.

_____ X 3 months = _____
 Necessary monthly expenses Minimum emergency fund

 _____ X 6 months = _____
 Necessary monthly expenses Maximum emergency fund

My Emergency Fund Range:

_____ - _____
 Minimum Maximum

Step 4: Determine a goal number within your range to begin saving toward. Select an amount that seems like enough money to cover your needs AND one you feel you can eventually achieve. If your recommended range sounds too high, remember that saving just \$500 or \$1,000 can help in many “emergencies.” Set a personal deadline for building your emergency savings fund, and then figure out how much to save monthly to meet this goal. (Example: 1 year = 12 months; 2 years = 24 months; 3 years = 36 months)

$$\frac{\text{Emergency Fund Goal}}{\text{months}} = \text{How much you should save each month}$$

Step 5: Work toward your goal! Make the commitment to save and build your funds slowly over time. Pay yourself first by setting up automated payments with your bank or credit union. Your emergency savings should be liquid, meaning you can get to it quickly if needed without fees or penalties for withdrawals. Talk to your financial institution about what high yield savings accounts they offer. Remember, if you dip into your emergency savings, you will need to build it up again later.

Basic Budget Builder

INCOME

List all money that you receive to determine your total income. As this is a monthly budget, calculate the amount you receive within a month's time. If this is a household budget, consider all sources and total them together. For example, if two household members earn wages, total the monthly income.

INCOME SOURCE	MONTHLY AMOUNT
WAGES	
CHILD SUPPORT	
ALIMONY	
SOCIAL SECURITY	
UNEMPLOYMENT	
OTHER BENEFITS	
OTHER INCOME (INTEREST, DIVIDENDS, GIFTS, ETC.)	

TOTAL = _____

BASIC BUDGET SUMMARY			
_____	-	_____	= _____ ?
TOTAL INCOME		TOTAL EXPENSES	

NOTES ON EXPENSES

* Pay yourself first! Plan to save a portion of your income each month. Do this before paying nonessentials and make it automatic if you can.

** Occasional expenses may only come once or twice a year, but still need to be planned so money is available for them. These might include birthdays, holidays, vacations, back-to-school expenses, taxes, license plates, oil changes, car expenses, etc.

EXPENSES

List all money that you spend or owe to determine your total expenses. As this is a monthly budget, calculate the total amount you spend within a month's time. If this is a household budget, consider all sources and total them together. For example, if two household members drive vehicles, total the monthly insurance, gas, etc., for both.

EXPENSE SOURCE	MONTHLY AMOUNT
SAVINGS*	
HOUSING (RENT OR MORTGAGE, INCLUDING ESCROW OR INSURANCE)	
WATER/SEWAGE/GARBAGE	
ELECTRIC	
HEAT/GAS/OIL	
PHONE (CELL AND/OR LANDLINE)	
INTERNET	
TELEVISION (CABLE, SATELLITE, STREAMING, ETC.)	
AUTO LOANS/LEASES/INSURANCE	
AUTO FUEL/PARKING	
PUBLIC TRANSPORTATION	
HEALTH INSURANCE	
HEALTH-CARE BILLS/MEDICAL	
MEDICINE/PRESCRIPTIONS	
CHILD CARE/ELDER CARE	
PET CARE	
SUPPORT PAYMENT	
EDUCATION	
FOOD (GROCERIES, RESTAURANTS, SCHOOL LUNCHES)	
HOUSEHOLD NEEDS/SUPPLIES	
CLOTHING/SHOES/LAUNDRY	
PERSONAL (HAIR, NAILS, ETC.)	
RECREATION/ENTERTAINMENT	
DEBT (CREDIT CARD/OTHER)	
OCCASIONAL EXPENSES**	
GIFTS/DONATIONS	
INVESTMENTS	

TOTAL = _____