

Building an Emergency Fund

An emergency fund is money set aside in a readily accessible savings account for unanticipated events such as unemployment, medical bills, and car repairs. A sum of money to cover basic living costs for three to six months is recommended.



Accumulating Liquid Assets

- These are assets that can be easily converted to cash.
- The majority of these funds should be in accounts that have easy access, like checking accounts.
- Regular or passbook savings and money market accounts are other options.
- Short-term CDs may offer higher interest rates, but ask about early withdrawal penalties.
- Try to distinguish between needs and wants when determining how much you need to keep in the emergency fund.
- The exact amount you should have can vary depending on your access to paid leave time from an employer or even access to other financial resources.

Consider Other Resources

- Would you get any help from family or friends?
- What types of credit do you have and what are the credit terms and payment options for each source?
- What types of exchanges could you make with neighbors, friends, co-workers, and family to save you money? There are lots of options, such as borrowing tools, trading favors, carpooling, and exchanging skills and services.

