

How to Calculate Your Emergency Fund

STEP 1

Decide if you're more comfortable with 3 months or 6 months of cushion, or somewhere in between.

Not sure which way you should lean? Here are some guidelines. Remember, if you're married, there may need to be some compromise. While most men are fine with three months, most women want the full six.

Lean toward 3 months if:

- You're in a dual-income household.
- You have a stable job.

Lean toward 6 months if:

- You're single or a single-income family.
- Your job is commission-based.
- You do freelance work.
- You have irregular income.

STEP 2

Determine your expenses. If an emergency happened, like a job loss, what would you want your life to look like?

Most people fall into one of these two camps:

Just the Four Walls/the bare minimum

Write down your average monthly totals for:

Food \$ _____

Utilities \$ _____

Shelter (includes insurance) \$ _____

Transportation (includes insurance) \$ _____

Subtotal \$ _____

Multiply by months of cushion _____

Total emergency fund \$ _____

Lifestyle stays the same/all budget categories

Write down your average monthly totals for:

Food \$ _____

Utilities \$ _____

Shelter (includes insurance) \$ _____

Transportation (includes insurance) \$ _____

Miscellaneous \$ _____

Childcare \$ _____

Health Insurance \$ _____

Term Life Insurance \$ _____

Health \$ _____

Subtotal \$ _____

Multiply by months of cushion _____

Total emergency fund \$ _____

3-6 Month Emergency Fund



HOW IT WORKS:

In Box A, write down how much money you need to cover necessary expenses for one month.

Divide the amount in Box A by 10 and put that number in Box B.

Each row in the jars represents the amount in Box B. Color in the rows as you save!

BOX A

\$

÷ 10 =

\$

BOX B



TOTAL SAVINGS:

\$



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