

Emergency Fund BOOT CAMP

- IT'S A -
MONEY THING®



PREPARE FOR THE UNEXPECTED WITH AN EMERGENCY FUND

Having an emergency fund means having one less thing to worry about when the unexpected happens. If you find yourself in a situation like a medical emergency, an out-of-the-blue home repair or losing a job, you don't want to be worrying about how you're going to manage expenses or about going into debt to cover costs. An emergency fund will let you focus on getting your life back to normal.



HOW MUCH MONEY SHOULD BE IN YOUR EMERGENCY FUND?



UNKNOWN UNKNOWNS

Unknown unknown expenses are the expenses that are truly unpredictable. You don't know when they will happen, what they will be or how much you'll need. Unknown unknowns are the motivation for creating an emergency fund.

EXAMPLES

- Sudden unemployment
- Health emergencies
- Accidents
- Bereavement travel



KNOWN UNKNOWNS

Known unknowns are expenses that are somewhat predictable. You don't know exactly when they will happen, but you know that it's only a matter of time. Known unknowns should be budgeted for separately, outside of your emergency fund.

EXAMPLES

- Major car repairs
- Pet care
- Home repair
- Replacing a major appliance



MAKE THE MOST OF YOUR FUNDS

An interest-bearing savings account is the perfect place for your emergency fund. Ideally, you'll want to have the ability to instantly transfer funds online between your emergency fund savings account and your primary chequing account so that you'll have immediate access to your money if necessary. To allow your emergency fund to grow over time, look for a savings account with a decent interest rate, no monthly fee and no minimum balance.

Monthly Expenses	Emergency Fund Size
\$ 500	\$ 3,000
\$ 1,000	\$ 6,000
\$ 1,500	\$ 9,000
\$ 2,000	\$ 12,000
\$ 2,500	\$ 15,000
\$ 3,000	\$ 18,000
\$ 3,500	\$ 21,000
\$ 4,000	\$ 24,000
\$ 4,500	\$ 27,000

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