

*Simple, Easy To
Follow Shortcuts to
Building an
Emergency Fund*

7 PROVEN STEPS TO INSTANTLY BUILD AN
EMERGENCY SAVINGS



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Building an Emergency Fund may feel like a daunting task. However, don't let the size of the task discourage you! The bottom line is that you must start somewhere.

For some individuals, putting away a huge chunk of cash at one time is simply not possible. So with a little patience and a lot of persistence, it can be accomplished! Steady and consistent savings is the key.

I recommended that you put aside at least 3 months of living expenses if you are in a household that has two wage earners. For households that have one wage earner I recommend that you put aside at least 6 months of living expenses. For those freelancers, irregular income earners, and self-employed individuals, I recommend putting aside 9-12 months of living expenses to account for timing and irregular patterns of income.

1. Goal Setting Step

So what are your bills anyway? How much does it cost to operate your household each month?

Keep in mind that when establishing an emergency fund goal, the funds you set aside should cover your **non-discretionary bills**.

Another way at looking at this is that you want to cover all your needs. Non-Discretionary expenses include items such as rent, mortgage, utilities, transportation, medical, groceries, insurance and etc. These expenses must be paid to keep the household a float.

Discretionary expenses would include items such as dining out, movies, concert and other forms of entertainment, vacations, cable television, piano lessons, and etc. In other words, you can pay for these expenses at your discretion.

Since in tough economic times or if you lose your job, you will eliminate discretionary expenses, your emergency fund savings will reflect only non-discretionary expenses.

So take the time and add up all your non-discretionary bills monthly. Once you have a monthly total you can multiply it by either 3, 6, or 12 (based on one wage earner, two wage earners, or self-employed/freelancer) to establish your emergency fund savings goal.

So once you know how much it will take to fully fund your emergency fund, get started and make an initial deposit of \$25

2. Bill Payment Step

Most of us are conditioned to pay our bills before we save, invest, or spend. **So why not treat your emergency fund savings like a bill? Getting serious about your emergency fund will require establishing a line item in the budget for a bill entitled “Emergency Fund Bill”.**

This will ensure that this payment is prioritized with all other essentials such as rent, mortgage, utilities, groceries, and etc. You can start small in this area and will have to look at your finances to determine what works. I would suggest starting with as little as \$50-\$100 a month or do more if your budget allows. **The key is to**

consistently pay the Emergency Fund Bill at the same time each month until you have fully funded your emergency fund savings goal. Don't give up.

If you can't do \$50-\$100 in any given month simply deposit \$25 or \$30, just make a deposit, no matter how small. You will get yourself in the healthy habit of saving and sticking to your goal!

3. Automation Step

Now that you have established it as a priority and know how much you can put aside, **set up automatic transfers between your checking and savings account. Alternatively, you can have a portion of your paycheck directly deposited to your emergency fund savings.**

Both methods eliminate the temptation to use the money on other things. It will be just like paying your payroll taxes. Because payroll taxes are deducted from your paycheck before you receive your paycheck, you don't realize they are gone and are conditioned to live off what is left over or your "net pay."

Make sure that you establish a separate account for your emergency fund savings, so you can simply fund this account and forget about it until a true emergency arises.

4. Extra Pay Step

When you receive a tax refund, bonus, commission, profit sharing, inheritance, gift, or any other form of extraordinary compensation, redirect your extra money to your emergency fund savings.

So since you were already making ends meet with your ordinary compensation, capitalize off this opportunity to meet your emergency fund savings goals.

Resist the urge to repurpose for vacations and other lifestyle additions. You will have the opportunity to fund it all with a little persistence, patience, and diligence.

5. Sell Something Step

We all have some “stuff” sitting around the house that is collecting dust. **Have a garage sale and get rid of household items, toys, and furniture that you no longer need.**

You can sell items on Craigslist, Etsy, E-bay, or Amazon and rake in the cash.

Dump this extra cash in your emergency fund savings account and watch how fast it accumulates.

The best part is that you can sell “stuff” many times throughout the year.

6. Cut Back Step

Sometimes you have to stretch yourself to save more. **Pick one item in your budget and trim or eliminate it for just one month and put that money towards your emergency fund.**

You can pick a different item each month so that you don't get bored.

For example, instead of going to the movies, you could go to the library and check out a movie for free.

Another month, you might consider slashing your grocery bill in half.

Instead of purchasing tickets to a concert, you can look for free outdoor concerts and entertainment.

The opportunities are limitless but you just have to be willing to stretch and be creative.

7. Save Change Step

Start saving all of your coin change. You can simply put your change in a bank that you keep in your home.

At the end of the day dump all your change into the bank.

Every month take the change to a coin counter (Free at TD Bank) and deposit the money into your emergency savings account.

Start using the 7 Proven Steps to Building an Emergency Fund Fast and see how these small concrete steps accumulate.

I know this task may feel overwhelming. It is the start of a comprehensive money mastery system which I typically teach in my **CPA (Control, Plan, Action) Money Mastery Program™** or **CPA (Control, Plan, Action) Money Mentorship Program™**.

If you're serious about implementing this, saving more money and gaining clarity and control over your finances, then take one step further and schedule an **ACTION CALL**. **The call complimentary and is valued at \$250.**

Go to: www.carlettabeckwithcpa.setmore.com to schedule a private 1 on 1 call with me, so you can start building wealth, saving and tracking your money, and start living the life you know you deserve.

Congratulations on finishing Shortcuts to Building an Emergency Fund!

NEXT STEP:

Book your ACTION CALL with me:

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