

What's in your emergency fund?

Learn how to find your starting point for your "in case of emergency" savings.

When it comes to money, you have a lot on your plate. There's finding a job that pays, sorting out your bills, creating a budget and saving for the future. With all those balls in the air, you might be forgetting a key financial tool: an emergency fund.

Why build an emergency fund?

Think about what you can use earmarked funds for: paying a medical expense, losing your job or covering a roommate's rent if they unexpectedly move out.

Not having enough money saved to cover an emergency can snowball:

- Unpaid bills could potentially harm your credit
- Charging an expense you cannot pay off may lead to costly credit card debt
- Redirecting funds to an emergency could negatively impact other financial goals such as planning for an upcoming trip or building your retirement savings



How much should I save?

Expert advice suggests saving a range of three months to nine months worth of your total monthly expenses, based on your circumstances.

Consider: Do you have any of the following?



Kids



Pets



Student loan payments



Car payments



A mortgage



Insurance premiums



- Start with a **goal of three months** and consider boosting your savings target for each item you check mark. You want to make sure you have enough saved that you can still provide for yourself (and others) and meet obligations.

What to do if that seems impossible



Start by:

- Creating a budget
- Cutting back on expenses such as dining out and entertainment
- Looking for sources of extra income like freelance work
- Putting away a small portion of your paycheck each month into a savings account. A little can add up a lot!

What to do in an emergency

Even if you haven't hit your savings goal, you can still prepare for emergencies.

If you lose your job:

- Could you pick up part-time work?
- Get a roommate?

If you must unexpectedly pay a large bill:

- Could you ask for a payment plan?
- Could you consider a low-interest credit card?



You don't have to wait to prepare for the unexpected. Getting a grip on your finances and having an emergency fund savings plan based on what's feasible can be your starting point.

Sources:

¹ CDC 2016 Chartbook, covering 2012-2013

² SmartAsset using Federal Reserve data

³ GOBankingRates 2017 survey of 8,000 respondents

usbank

Investment and Insurance products and services including annuities are:

Not a Deposit • Not FDIC insured • May Lose Value • Not Bank Guaranteed • Not Insured by any Federal Government Agency

U.S. Wealth Management – U.S. Bank and U.S. Bancorp Investments is the marketing logo for U.S. Bank and its affiliate U.S. Bancorp Investments.

The information provided represents the opinion of U.S. Bank and U.S. Bancorp Investments and is not intended to be a forecast of future events or guarantee of future results. It is not intended to provide specific investment advice and should not be construed as an offering of securities or recommendation to invest. Not for use as a primary basis of investment decisions. Not to be construed to meet the needs of any particular investor. Not a representation or solicitation or an offer to sell/buy any security. Investors should consult with their investment professional for advice concerning their particular situation.

¹U.S. Bank and U.S. Bancorp Investments and their representatives do not provide tax or legal advice. Your tax and financial situation is unique. You should consult your tax and/or legal advisor for advice and information concerning your particular situation.

For U.S. Bank:



Equal Housing Lender.

Deposit products are offered by U.S. Bank National Association. Member FDIC. Mortgage, Home Equity and credit products offered by U.S. Bank National Association. Loan approval is subject to credit approval and program guidelines. Not all loan programs are available in all states for all loan amounts. Interest rates and program terms are subject to change without notice.

U.S. Bank is not responsible for and does not guarantee the products, services or performance of U.S. Bancorp Investments.

© 2018 U.S. Bank