

Emergency Fund & Savings Strategy — Workbook

This workbook turns the course into your own funded emergency plan. Each section maps to a course module, taking you from your survival number and target, through a fast starter sprint, to choosing where to store the money and automating every contribution. Fill in real figures from your bank rather than estimates; the included spreadsheet and template files handle the arithmetic so you can focus on the decisions and the deadlines.

Why a Cash Cushion Changes Everything

Define what counts as an emergency, calculate your true monthly survival number, and set a personalized 3 to 6 month target.

Worksheet: My Monthly Survival Number

Open your checking account and your last two or three months of statements. Pull the real recurring figure for each bare-bones bucket, and round each one up to a clean number. Exclude everything you would cut in a crisis, such as dining out, subscriptions, hobbies, and travel. Combine both partners' costs if you share a household.

Housing (rent or mortgage, plus property tax and insurance if separate)

Utilities (electricity, gas, water, essential internet)

Food (realistic at-home grocery total, not dining out)

Transportation (car payment, fuel, auto insurance, transit)

Insurance and health (premiums and recurring prescriptions)

Minimum debt payments (the minimums that keep loans current)

Total monthly survival number (sum of all six buckets)

Exercise: Set My 3 to 6 Month Target

Start at three months as your floor, then add months for the risk factors that apply to you. Multiply the final month count by your survival number to get your full fund target.

- Am I the only earner in my household, and does that add a month?

- Does anyone depend on my income, such as children or a non-working partner?

- Is my income irregular, seasonal, or commission-based, and how many months should that add?

- What is my final month count, and what is my full target (months times survival number)?
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Checklist: Separate Emergencies From Expensive

- Confirm a one-line written test: urgent AND unexpected AND truly necessary
- List two real emergencies that would qualify (for example a layoff or a furnace failure)
- List two costs that feel urgent but do not qualify (for example a sale or a concert)
- Identify any predictable annual bills that belong in a sinking fund, not the emergency fund
- Write my four milestones: 1,000 dollars, one month, three months, full target

Funding the Starter Buffer Fast

Run a focused 30 to 60 day sprint to bank your first 1,000 dollars from found money, cut waste, and a temporary income bump.

Worksheet: 1,000 Dollar Sprint Plan

Set a hard deadline and assign a dollar figure to each source so the total clears 1,000. Open a separate high-yield account first and nickname it Emergency Starter so the money stays out of reach of your debit card. Sprint deadline (a specific date 30 to 60 days out)

Subscriptions paused for 60 days and dollars freed

No-spend challenge category and estimated savings

Items to sell and expected total (Marketplace, eBay, Poshmark)

Windfalls to bank in full (refund, rebate, gift, bonus)

Side-income burst planned and expected dollars

Total of all sources (must reach at least 1,000 dollars)

Exercise: Subscription and Bill Audit

Scroll your last 60 days line by line and list every recurring charge with its amount and renewal date. The goal is to cancel waste and renegotiate big bills before cutting anything you enjoy.

- Which subscriptions have I not used in 30 days, and which are duplicates I can cancel today?
 - What did I save by renegotiating internet, phone, or insurance with one phone call each?
 - What are my top three small daily-spend leaks, and which two would I not miss?
 - What total monthly amount have I freed, and have I automated it straight into savings?
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Checklist: Income Bump Without Burnout

- Choose one income source: gig work, a freelance job, seasonal hours, or selling items
- Set a hard end date or dollar target so the sprint stays a season
- Route 100 percent of the extra income to the fund by automatic transfer
- Protect one full rest day a week to avoid burnout-driven splurges
- Pre-commit to banking workplace windfalls (bonus, commission, PTO payout) in full

Where to Keep Your Emergency Fund

Compare real account options on safety, liquidity, and yield, then choose one high-yield home and decide whether you need a second tier.

Exercise: Score the Three Non-Negotiables

Run any account you are considering against the three rules. An emergency-fund account must satisfy all three at once; checking fails on yield and the stock market fails on safety and liquidity.

- Is the principal safe, meaning the balance does not move with the market?

- Is it liquid, meaning I can reach the cash in one to two business days with no penalty?

- Is it earning a fair yield, currently around 4 to 5 percent rather than 0.01 percent?

- Is it FDIC or NCUA insured to 250,000 dollars per depositor?

Worksheet: High-Yield Account Comparison

Compare two or three reputable high-yield savings accounts, such as Ally, Marcus by Goldman Sachs, American Express, Capital One 360, or Discover. Do not chase a 0.1 percent edge; pick a low-fee account with fast transfers and leave it alone.

Account 1 name, current APY, monthly fee, and transfer time to checking

Account 2 name, current APY, monthly fee, and transfer time to checking

Account 3 name, current APY, monthly fee, and transfer time to checking

FDIC or NCUA insured? (yes or no for each)

My chosen account and the nickname I will give it

Date opened and first dollar transferred in

Checklist: Decide on a Second Tier (Optional)

-] Decide whether to split: tier one in an HYSA, tier two in a CD ladder or T-bills
-] If laddering, divide tier-two money into equal chunks at 3, 6, 9, and 12 month maturities
-] Consider Treasury bills via TreasuryDirect for state-tax-exempt interest
-] Keep one to two months fully liquid as the first line of defense
-] Confirm I am not over-complicating it; one HYSA is fine if my fund is still being built

Automate, Protect, and Maintain the Fund

Set up automatic contributions on any income, write the rules for spending the fund, and keep it right-sized as life changes.

Worksheet: My Automation Setup

Make the save happen first and automatically. Use split direct deposit if your employer offers it; otherwise schedule a recurring HYSA transfer dated for the day after payday. Start at an amount you will not notice and raise it every month or two.

Method (split direct deposit or recurring transfer from checking)

Amount or percentage per paycheck

Transfer date (the day after payday)

If irregular income: savings percentage of every payment (for example 15 to 20 percent)

Buffer account in use? (route all income in, pay myself a steady draw)

Windfall rule (share of any windfall sent straight to savings)

Next scheduled increase date and new amount

Exercise: Write My Spend Rules

Decide in advance, while calm, what is allowed to drain the fund. Keep these rules attached to the account and reread them before any withdrawal.

- In one sentence, what qualifies as an emergency for me (urgent, unexpected, necessary)?

- What three borderline temptations do I want to explicitly rule out?

- What is my replenishment plan: what do I pause to rebuild the fund after a hit?

- When will I review my target each year, and what life events would change it?

Checklist: Keep the Fund Healthy

- Confirm the automatic contribution is live and pulling on schedule
- Attach the written emergency definition to the account
- Make replenishment my top priority immediately after any withdrawal
- Set an annual reminder to review and right-size the target
- Once I hold a solid six months, direct further savings toward investing for growth

Your Action Plan

1. Calculate your monthly survival number from real statements and round each bucket up
2. Set your month count (start at 3, add for sole earner, dependents, and irregular income) and compute your full target
3. Open a separate high-yield savings account and nickname it Emergency Fund
4. Run a 30 to 60 day sprint to bank your first 1,000 dollars from cuts, sales, windfalls, and one income burst
5. Audit subscriptions and renegotiate internet, phone, and insurance, then redirect the freed cash to savings
6. Compare two or three reputable HYSAs and move your starter buffer into the one you choose
7. Set up split direct deposit or a recurring transfer dated for the day after payday
8. If your income is irregular, switch to saving a fixed percentage of every payment and route income through a buffer account
9. Write your spend rules and replenishment plan and keep them attached to the account
10. Review and right-size the target every year, then graduate excess cash into investing once you hold six months

