


# What is an Emergency Fund?

 An **Emergency Fund** is a stash of savings that can be used for unexpected expenses you did not provide for in your budget.

## 1. Why is it good to have an Emergency Fund?

When an emergency arises, you can **use these savings**, instead of:

- Borrowing
- Skipping payments
- Going without necessities
- Raiding your savings



## 2. How to set up an Emergency Fund?



1. Open a separate savings account.

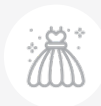


2. Automate a transfer to this account each month.

**ONLY TOUCH IN CASE OF AN EMERGENCY**

## 3. What is NOT an Emergency?

A beyond-budget outfit or meal out



## 4. What IS an Emergency?

- Car or home repairs you did not budget for
- An injury or illness expenses not covered by healthcare insurance
- Losing your job
- Travel when a family member is ill



## 5. How much should I save?



**Start small:** Aim to save as much as your last emergency:

eg. R1 000 / R5 000 / R10 000

**The ultimate goal:** 3 - 6 months of your living expenses

**R** What you spend each month on accommodation, food, transport, water and electricity, healthcare, repayments, insurance and so on...

