

FINANCIAL WELLNESS ONE STEP AT A TIME!

Congratulations! We're halfway through the year and you've taken some crucial steps on the path to financial wellness. This month let's gain greater peace of mind by building an emergency fund for those unplanned expenses (unexpected medical bills, home repairs, car repairs, veterinary bills, income replacement due to unemployment,) We all experience some type of emergency – make sure you are financially prepared for yours.

July – Step #7 *Build an Emergency Fund*

Activities:

Set a goal - best practice is to have three to six months of expenses saved for emergencies, however there are instances (pandemic, natural disaster) for which that may not be enough. You can start off small and build your fund over time. If you're starting from zero, make your first goal achievable so you will be motivated to continue.

Automate contributions – use direct deposit to set up automatic contributions to your emergency fund account. You may want to open a high yield savings or money market account for this purpose. Set it and forget it!

Redirect non-essential expenses – refer to the budget you created earlier this year and commit to depositing what you spent on some of the non-essential items into your emergency fund account.

Save any windfalls – whether it's a bonus, inheritance or cash gift, save a portion or all of any unexpected income. If you have extra cash at the end of the month, add it to your emergency fund. Every little bit helps!

Increase your goal over time – don't stop contributing once you've reached your first goal. If you had a goal of three or six months, increase that to nine or twelve months and keep going.

Helpful Hint

Only use the emergency fund for true emergencies, not for everyday expenses or impulsive purchases. If you do have to dip into the funds for emergencies, be sure to replenish the account.

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