Emergency Fund
The Basics

Ensures cash is available
For the unexpected
Keep funds separate
Why Do I Need It?

- Job loss
- Unplanned home expense
- Pension income shortfall
- Unexpected medical expenses
- Auto repairs
- Global change

© 2020 CFA Society Bermuda. All rights reserved.
## Creating an Emergency Fund

### How do I start?

| **Auto Savings** | Direct a portion of each pay cheque to a separate account  
Make first “bill payment” a transfer to emergency fund |
|------------------|----------------------------------------------------------------------------------------------------------|
| **Windfalls**    | Take advantage of bonuses and raises to increase savings  
Turn emergency assistance offers into emergency savings |
| **Reduce Outflows** | Cut back on expenses  
Temporarily reduce pension contribution to level of employer match |
Emergency Fund
How Much Do I Need?

General Recommendations
• 3 – 6 months living expenses
• Minimum $500
• Something is better than nothing

Amounts will vary
• Do you have other money to draw on?
• Do you have other sources of income?
• Can you temporarily trim expenses?
Evaluate Available Options

• Consider borrowing:
  • Home equity loans
  • Unsecured personal loans

• Talk to your lenders about restructuring existing debt

• Temporary suspension of partial pension payments

• Approved pension plan withdrawal