



# CREATIVE WAYS TO BUILD YOUR EMERGENCY FUND

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It's important to have at least six months of basic living expenses saved in an emergency fund to cover unexpected events, such as losing a job, major home or car repairs, or even a family emergency.

## SIX IDEAS TO GET YOU STARTED

Saving six months of living expenses may sound like a lot, but getting creative can make it a little easier.

**1. Save 10% of every purchase.**

At the end of the month, look at your bank statements and credit card bills to see what you bought, calculate 10% of the total, then deposit that amount into your emergency stash.

**2. Save every \$5 bill.**

Many people have managed to save a good amount of money this way. Obviously, you could use \$10s or even \$20s if you really want to save money quickly.

**3. Treat the emergency fund like an expense.**

Bill yourself and write a check to put into savings. You can make it more interesting by having a family member or one of your kids do it.

**4. Pretend gas is \$5 a gallon.**

Every time you hit the pump, pretend gas is \$5 per gallon and save the difference. If you pay cash, keep a jar in your car where you can collect the difference. If you pay by credit card, you can just deposit one lump sum periodically.

**5. Get a cash-back credit card.**

Switch to a credit card that offers cash rewards. Once you start getting the checks, transfer them directly into your emergency fund.

**6. Sell stuff you don't want.**

We all have things lying around the house collecting dust. Have a garage sale or sell them online. Then put this found money into your emergency fund.

## MORE EMERGENCY FUND TIPS

**Keep your fund in a separate account.**

This will prevent you from being tempted to spend the savings for routine expenses. Remember, the money's got to be there when you absolutely need it.

**Don't put emergency expenses on a credit card.**

Unless you're able to pay it back quickly, you could end up paying a lot of interest on the balance.

**Don't count on unemployment benefits alone.**

While you may get unemployment benefits if you get laid off from a job, it may not be enough to cover all of your living expenses.

**Don't dip into retirement savings for emergencies.**

You could end up paying penalties and extra taxes, reduce your retirement savings, and lose out on potential earnings.



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