

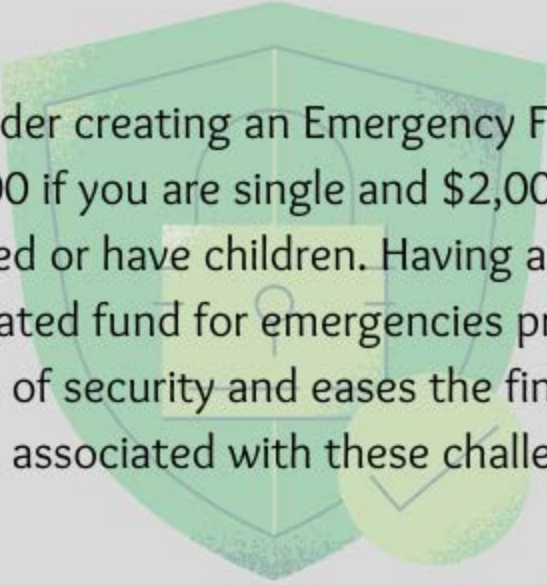
Emergency Fund



Step 4 in Your Roadmap to
Financial Independence



Life is full of uncertainties. As many of us have learned, some uncertainties are both costly and urgent – they're also inevitable. The key to navigating these unforeseen events with confidence is preparation. One of the most effective tools for such preparation is an Emergency Fund to protect you from life's curveballs and keep you on stable ground.



Consider creating an Emergency Fund of \$1,000 if you are single and \$2,000 if married or have children. Having a dedicated fund for emergencies provides a sense of security and eases the financial strain associated with these challenges.

3 Benefits of Having Emergency Money:

- 1. Stress Reduction:** Facing an emergency without financial support means teetering on the edge of financial instability. An Emergency Fund not only provides financial stability but instills confidence that you can handle unexpected events without compromising your financial well-being.
- 2. Controlled Spending:** The adage "out of sight, out of mind" holds true when it comes to Emergency Funds. Keeping this money separate from your regular accounts prevents impulsive spending on non-essential items. and insures that you use them for their intended purpose—true emergencies. .
- 3. Preventing Bad Financial Decisions:** While there are alternative ways to access quick cash, relying on these options may lead to bad financial decisions An Emergency Fund provides a reliable solution for handling unforeseen expenses without the downsides associated with borrowing.

Next Steps:



1. Determine an appropriate amount for your Emergency Fund
2. Open a separate bank account just for this fund
3. Put all non-essential spending on hold, including retirement saving, until you reach your Emergency Fund goal

Summary

- Prepare for the unexpected
- Separate these funds from your daily transactions
- Set aside \$1,000 - \$2,000 as an Emergency Fund



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