

Day 5

Money Habits
For Me



Build Your Full Emergency Fund

Why a Full Fund Matters

A mini buffer covers the small stuff. But what about a job loss, medical bill, or major car repair? That's where a full emergency fund steps in. It keeps you from going back to debt when life throws a curveball.



How Much to Aim For?

The sweet spot is ****3–6 months of essential expenses.****

- 3 months: good starter goal if you have stable income.
- 6 months: ideal if your income is less predictable (self-employed, commission-based).

This isn't about luxury spending — just your true essentials: housing, food, utilities, insurance, and transportation.



Step 1: Calculate Your Number

Look at your monthly Needs from the 3-Bucket Plan. Multiply by 3, then by 6. That's your target range.

Example: Needs = \$1,800/month.

- 3 months = \$5,400

- 6 months = \$10,800

3 Months



6 Months



Step 2: Automate the Savings

Set up an automatic transfer each payday into a separate savings account. Think of it as paying yourself first.

Even small, consistent amounts add up.

SEPTEMBER 2025

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21	22	23	24	25	26	27
28	29	30				

Step 3: Protect the Fund

Your emergency fund is NOT a vacation fund or a new toy fund. Only touch it for true emergencies. The more disciplined you are, the more peace of mind you'll gain.



A Real-World Example

Meet Danielle. She works freelance, so her income fluctuates. After building her mini buffer, she aimed for a 6-month fund.

- Her monthly needs: \$2,200
- Goal range: \$6,600–\$13,200
- She saved \$400/month for 2 years.

Result: She now has \$10,000 set aside. When a client contract ended unexpectedly, she wasn't panicked — she had time to find her next gig.

Quick Insight: It's Not a Race

Building a full fund can take years — and that's okay. The point isn't how fast you get there, but that you're always moving closer. Every dollar saved is a dollar of freedom.

Wrap-Up

Today, you built on your momentum. With a full emergency fund, you're not just surviving surprises — you're thriving through them.

Tomorrow, we'll talk about growing your money: making your savings work harder through smart investing.

"Do not save what is left after spending, but spend what is left after saving."

— Warren Buffett

