

## How to Build an Emergency Fund

A recent survey from the National Endowment for Financial Education (NEFE) finds that most Americans (63%) faced an unexpected, emergency expense last year. With nearly half of those same consumers qualifying themselves as living paycheck-to-paycheck, many would be forced to go into debt to meet emergency expenses. Prepare in advance to meet unexpected expenses by building an emergency savings fund. Here's how:

- Save in a safe place. Keep your emergency savings in a separate bank or credit union savings account. If it's in your checking account, you'll be tempted to spend it.
- Set "small step" goals. If you're starting at "0", saving enough money to cover even one month of expenses can seem overwhelming. Start with a goal of \$500; then, \$1,000 and work your way up. Eventually, you should aim for an emergency savings fund large enough to cover at least two to six months of living expenses.
- Find ways to save. Brown bag lunch, switch to generics, clip coupons. Keep a spending journal and look for ways to cut expenses. Have part of your paycheck deposited directly into your savings account or set up an automatic draft from your checking into your savings account.
- Take the saver's pledge at [www.americasaves.org](http://www.americasaves.org). Join thousands of Americans who are making commitments to pay down debt, save money, or take other financial action to increase financial security.

America Saves Week is February 23-28. This year's theme is: Set a goal. Make a plan. Save automatically. America Saves is a national campaign designed to encourage people to save money, reduce debt, and build wealth. The Cooperative Extension Service, part of the University of Arkansas Division of Agriculture System, joins the Consumer Federation of America as a partner for the 2015 America Saves campaign.

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NEFE survey reference: <http://www.nefe.org/press-room/news/getting-financially-fit-in-2015.aspx#sthash.DuAQjOqC.dpuf>

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