

EMERGENCY FUND PLANNER

Why an Emergency Fund Matters

An emergency fund is money set aside for unexpected events such as:

- Hospital admissions
- Reduced work hours
- Job loss
- Car repairs
- Urgent travel
- Medical expenses not fully covered

If you live with a chronic condition, your income and health may fluctuate. An emergency fund creates breathing room and reduces financial stress during flare-ups or recovery periods.

It is not for:

- Holidays
- Shopping
- Everyday spending
- Planned expenses

It is a financial safety net.

How Much Should I Save?

A general guideline:

Minimum: 3 months of essential expenses

Ideal: 6 months of essential expenses

Step 1: Calculate Your Essential Monthly Expenses

Only include necessary costs:

- Rent / Mortgage
- Utilities (electricity, gas, water)
- Groceries
- Medications
- Insurance premiums
- Transport
- Minimum loan repayments
- Health-related costs

Monthly Essential Expenses = \$ _____

Step 2: Calculate Your Target

Minimum fund (3 months):

Monthly essential expenses × 3

\$ _____ × 3 = \$ _____

Ideal fund (6 months):

Monthly essential expenses × 6

\$ _____ × 6 = \$ _____

“If My Income Stopped for 2 Months...” Worksheet

This exercise helps you think through a realistic scenario.

If I had no income for 2 months:

My essential monthly expenses: \$ _____

Total needed for 2 months: \$ _____

What expenses could I reduce temporarily?

Would I need to:

- Use savings
- Pause subscriptions
- Contact lenders
- Use payment plans
- Seek temporary government support

Who would I contact first?

Bank / Lender: _____

Employer: _____

Centrelink / Services Australia: _____

Family / Support: _____

Reflection:

Would I feel financially secure for 2 months?

- Yes
- Not yet
- I'm not sure

If not, what is my first small step?

Where Should I Keep My Emergency Fund?

An emergency fund should be:

- ✓ Easy to access
- ✓ Separate from everyday spending
- ✓ Not invested in high-risk assets

Common options:

- High-interest savings account
- Separate online savings account
- Offset account (if you have a mortgage)

Avoid:

- Investing emergency funds in shares
- Locking them into long-term term deposits
- Keeping them in your everyday spending account

Tip: Name your account “Emergency Only” to reduce temptation.

How to Build It (Without Overwhelm)

You don't need to save it all at once.

Start with: \$500 → \$1,000 → 1 month → 3 months

Small, consistent contributions build momentum.

Automatic Transfer Plan

Automation removes decision fatigue.

Step 1: Choose a weekly or fortnightly amount.

I will transfer: \$ _____ per week / fortnight

Step 2: Set up an automatic transfer on payday.

Transfer date: _____

Account name: _____

Step 3: Track progress.

Target: \$ _____

Current saved: \$ _____

Remaining: \$ _____

If I save \$ _____ per week, I will reach my 3-month target in approximately _____ weeks.

CF-Specific Consideration

If your income fluctuates due to health:

- Build your emergency fund before taking on new debt
- Prioritise savings during higher-income periods
- Consider keeping at least one extra month beyond the standard recommendation

Your health stability supports your financial stability.

Final Reminder

An emergency fund is not about expecting the worst. It is about reducing stress when life becomes unpredictable. Even small progress improves financial security. Start where you are.