



STUDENT ADVOCATES
FOR FINANCIAL EDUCATION

FINANCIAL TIP OF THE WEEK

WHAT IS AN EMERGENCY FUND?

An emergency fund is an account you have earmarked for emergency purposes such as the loss of a job, a lengthy illness, or other family emergency. This fund enhances financial security by creating a safety net reducing the need to use high interest debt.

How much do I need?

- § *Needs* the amount should equal three to six months salary, or at least enough to cover bills and living expenses for up to six months.
- § *Use to cover unanticipated expenses:* emergency car or home repairs, additional education expense, disability expense, etc.
- § *Ease of Accessibility:* deposit the money in a checking, money market, or savings account to use ONLY in emergencies.



Replace these funds as soon as your financial situation improves!!!



For more **financial information**, contact the \$AFE office at (406) 994-7223 or e-mail: safe@montana.edu. \$AFE is a project funded by Montana State University and a grant from the Student Assistance Foundation.

Source: Retrieved online September 19, 2007 from http://www.investopedia.com/terms/e/emergency_fund.asp

