Saving for an emergency

Emergencies not only can happen; over the course of your life, they likely will happen. Saving for them is possible and will help to lessen their financial impact when they do occur. During America Saves Week, consider building an emergency fund.

It can help you get through temporary financial challenges with less stress, should your car break down, your roof need repair or if there’s a job loss or change.

Be ready!

Having an emergency fund is a better alternative than dipping into your retirement savings or borrowing. But where to start?

Work toward a savings goal: Try to set aside three to six months’ worth of living expenses. Use these budgeting tips to help uncover painless opportunities to spend less and save more. Then get your emergency account started!

There when you need it

Where should your emergency fund “live”? A savings account or money market account may be the best options as you can make contributions or withdrawals with relative ease and the funds are safe and generally insured up to federal deposit insurance limits. A short-term CD may also be an option but be alert that it could have fees or penalties for early withdrawals.

Should you need to tap into your emergency fund, restore the balance quickly so it will be there next time.

Saving for emergencies is possible with the right plan. It’s also a good idea for protecting your financial well-being today and in the future.

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