

BUILDING BLOCKS STUDENT WORKSHEET

Creating a savings first aid kit

Unexpected financial emergencies, such as car repairs or medical bills, can be difficult to manage. Having savings set aside can help you establish a savings first aid kit to handle financial emergencies.

Instructions

1. Brainstorm unexpected expenses that you or someone you know might face.
2. Answer the question for each expense to decide if it's really a financial emergency.
3. Identify things you're willing to give up in order to build a savings first aid kit.
4. Create a savings plan to build your savings first aid kit.

Understanding financial emergencies

Not all unexpected expenses are financial emergencies. When managing money, it's helpful to understand the difference. Financial emergencies are expenses that come up unexpectedly, are very important, and need attention right away.

Make a list of unexpected expenses	Determine if it's an emergency Is it unexpected, necessary (a need rather than a want), and urgent?

One rule to live by for people who are financially independent (pay their own bills) is to have a savings account with three to six months' worth of expenses. These savings can be used to pay for financial emergencies. Even if you aren't financially independent (you still rely on your family or others to take care of your living expenses), you can create your own savings first aid kit so you're ready for these unexpected expenses. But saving money requires planning, goal setting, and discipline.

Spend less to save money

One way to save money is to spend less. Identify three non-essential expenses you're willing to give up so you can build a savings first aid kit. Calculate how much you could save over time.

Expenses you can give up	Estimated monthly amount saved by eliminating expenses
1.	\$
2.	\$
3.	\$
How much would you save in a month?	\$
How much would that be in three months?	\$
How much would that be in six months?	\$
How much would that be in a year?	\$

Create a savings plan

A savings account at a bank or credit union is a secure place to store your savings first aid kit. Answer the questions below to create a savings plan.

- Where will you store your savings first aid kit?
- How often will you make a deposit?
- How will you do this? Do you have a job where you can have part of your paycheck automatically deposited into your savings account?
- Whom do you need to help you?

Describe your plan below.