



Build an Emergency Fund in 5 Steps

Building an emergency fund is an essential step toward financial security. According to some estimates, 6 in 10 Americans are uncomfortable with their current savings status.¹ An emergency fund is a cash reserve set aside for unexpected expenses or emergencies.² Emergency funds act as a safety net, allowing you to navigate life's surprises—whether it is a sudden medical bill, car repair, or job loss—without derailing your financial stability.

Determining the right amount of savings for your emergency fund involves assessing your current living expenses, debts, and potential risks. Aim to cover three to six months of expenditures to ensure you can manage unanticipated challenges. If this goal seems unattainable, start with a smaller target and gradually increase your savings over time. If you need help determining your savings target, an online calculator can help you get started.³

Here are five steps to begin building an emergency fund and maximize your savings:

- 1. Assess Your Expenses:** Calculate your monthly expenses, including rent or mortgage, utilities, groceries, and other necessities. Multiply this total by three to six to determine your ideal emergency fund size.⁴ This range ensures you are prepared for a variety of scenarios while keeping your savings goals realistic.
- 2. Set a Savings Goal:** Create a specific savings target based on your expense assessment. This goal will guide your savings strategy and keep you focused on reaching your target. Making consistent contributions to your fund will help ensure you hit your savings target in a specific amount of time. If your expense assessment amount feels daunting, start with a smaller goal, and increase gradually from there.
- 3. Automate Savings:** Set up automatic transfers from your checking account to a separate savings account dedicated to your emergency fund. Automating this process ensures that you consistently contribute to

your fund without needing to remember to make manual transfers. It also helps prevent the temptation to spend the money elsewhere. If automating is not feasible, consider setting reminders to make regular contributions manually.

- 4. Reallocate Funds:** Review your monthly budget and identify areas where you can cut back on spending. Redirect any extra funds, such as unused subscription fees or discretionary spending, toward your emergency fund. If cutting back is not an option, consider finding additional sources of income to boost your savings. This approach can accelerate your savings growth and improve your financial cushion.
- 5. Monitor and Adjust:** Regularly review your emergency fund balance and adjust contributions as necessary. As your income or expenses change, update your savings plan to ensure your emergency fund remains adequate. This ongoing assessment helps maintain a sufficient safety net that adapts to fit your lifestyle.

Building an emergency fund requires discipline and patience, but the peace of mind and financial security it provides are invaluable. Remember, everyone's financial situation is unique, and it is important to find a strategy that works best for you. By assessing your expenses, setting clear goals, automating savings, and monitoring progress, you can create a solid financial foundation that shields you from life's uncertainties and prevents you from accumulating debt.

1. Bankrate. "Bankrate's 2024 Annual Emergency Savings Report." June 20, 2024. Accessed September 28, 2024. <https://www.bankrate.com/banking/savings/emergency-savings-report/>
2. Consumer Financial Protection Bureau. "An essential guide to building an emergency fund." Accessed September 28, 2024. <https://www.consumerfinance.gov/an-essential-guide-to-building-an-emergency-fund/>
3. Nerdwallet. "Emergency Fund Calculator: How Much Will Protect You?." Accessed September 28, 2024. <https://www.nerdwallet.com/article/banking/emergency-fund-calculator>
4. Investopedia. "How to Build an Emergency Fund." June 29, 2022. Accessed September 28, 2024. <https://www.investopedia.com/personal-finance/how-to-build-emergency-fund/>

Budget-Friendly Meal Planning Tips

The average American household spends approximately \$475.25 each week on groceries.¹ However, this amount can vary significantly based on household size, location, and income level. Fortunately, meal planning tips and savvy shopping strategies can help you manage food costs and stay within your budget. Preparing budget-friendly meals does not mean sacrificing nutrition or flavor. Instead, it helps you save money and can be an opportunity to improve your culinary skills. For those new to cooking, start with simple recipes and gradually try more complex dishes as you become more comfortable.

Here are some effective ways to help you shop smarter on a budget:^{2,3}

- **Create Weekly Menus:** Spend a few minutes each week planning out your meals. Focus on recipes that use similar ingredients to minimize waste and maximize leftovers. If time is limited, consider planning meals bi-weekly or monthly.
- **Make a Grocery List:** Create a shopping list based on your menus. Sticking to your list will help you avoid impulse purchases, which can quickly push you over your food budget.
- **Shop at Discount Stores:** National grocery chains like Aldi, Lidl, and Walmart are known for lower prices. If these stores are not accessible in your area, look for local discount stores or co-ops that offer competitive prices.
- **Buy Seasonal Produce:** Fruits and vegetables that are in season are often cheaper and taste better. Visit local farmers' markets for fresh options at lower prices.
- **Look for Sales and Coupons:** Check store flyers for weekly ads and use apps or websites that aggregate coupons to get the best deals.
- **Choose Generic Brands:** Store-brand products often contain the same ingredients as name-brand items for a fraction of the price. Be sure to check the ingredient list and nutritional information to ensure they meet your quality and dietary standards.
- **Purchase in Bulk:** Buy staples like rice, beans, and oats in bulk to reduce costs over time, if you have the storage space. If storage is an issue, consider splitting bulk purchases with friends or family.
- **Plan for Leftovers:** Make larger portions to ensure you have leftovers for lunches or quick dinners during the busy work week.
- **Emphasize Whole Foods:** Focus on whole foods like grains, legumes, fruits, and vegetables, which are often cheaper and more nutritious than processed convenience foods.
- **Prepare Meals at Home:** Preparing meals at home is almost always less expensive than dining out—plus, you have more control over the ingredients.⁴

By following these strategies, you can enjoy healthy meals without exceeding your budget. Every small change in shopping habits contributes to significant savings over time. With careful planning, you can get nutritious meals on the table without breaking the bank.

1. USA Today. "Check it out: This is what the average household spends on grocery costs per month." June 26, 2024. Accessed October 12, 2024. <https://www.usatoday.com/money/blueprint/credit-cards/average-grocery-cost/#:~:text=How%20much%20does%20the%20average,on%20groceries%20in%20a%20year>.
2. Healthline. "19 Ways to Eat Healthy on a Tight Budget." Accessed October 12, 2024. <https://www.healthline.com/nutrition/19-ways-to-eat-healthy-on-a-budget>.
3. Budget Bytes. "Meal Prep 101: A Beginner's Guide to Prepping and Portioning Meals." June 6, 2018. Accessed October 12, 2024. <https://www.budgetbytes.com/meal-prep-101-a-beginners-guide/>.



The Psychology of Spending

You may not realize it, but there are psychological drivers behind your spending habits. Common reasons for overspending include social and cultural pressures, lifestyle creep, impulsive spending, and a lack of financial education.¹ Understanding how your thoughts about money influence your spending can empower you to make better choices and regain control over your finances.

In the book *The Psychology of Money*, author Morgan Housel suggests that wealth has more to do with your money behaviors than how smart you are. Likewise, the most important driver of your money-related behaviors are the stories you tell yourself about money.²

Here are several factors that may be behind your spending habits:

- **Emotional Fulfillment:** Often, spending serves as a way to cope with stress, boredom, or dissatisfaction. Retail therapy, for example, can temporarily boost your mood but may lead to regrettable financial decisions later.
- **Social Influence:** The desire to fit in or impress others can drive you to spend beyond your means. Purchasing specific brands can sometimes be influenced by a desire for social acceptance or perceived status.

- **Marketing Tactics:** Companies use various strategies, such as scarcity and urgency, to create a sense of necessity. Flash sales and 'only a few items left' messages can prompt impulsive purchases that may not align with your long-term financial goals.³
- **Habitual Spending:** Regular expenses, such as dining out or subscription services, can become ingrained habits. Over time, these small, frequent expenditures can accumulate and strain your budget.

Awareness and proactive management of your spending can help you achieve better financial health and stability.

Red flags indicating that you might be spending excessively include spending more than you earn, accumulating credit card debt, frequently feeling anxious about finances, or experiencing guilt after making purchases. These signs suggest you may need to reassess your spending patterns and consider setting up a structured budget. If you need support with your spending habits, check with your employee assistance program (EAP) to learn more about financial resources and benefits. Awareness and proactive management of your spending can help you achieve better financial health and stability.

1. US News and World Report. "Inside the Psychology of Overspending and How to Stop." October 26, 2023. Accessed October 12, 2024. <https://money.usnews.com/money/personal-finance/spending/articles/inside-the-psychology-of-overspending-and-how-to-stop>
2. Housel, M. *The Psychology of Money: Timeless lessons on wealth, greed, and happiness*. Harriman House; 2020.
3. US News and World Report. 15 Ways Companies Are Tricking You Into Spending More. October 12, 2024. <https://money.usnews.com/money/personal-finance/slideshows/how-companies-trick-you-into-spending-more>

LENTIL AND VEGETABLE STEW

This lentil and vegetable stew is not only budget-friendly, but it's also packed with nutrients and fiber, making it a hearty and healthy option for those looking to save money while maintaining a balanced diet.

Ingredients

- 1 cup green or brown lentils
- 1 onion, diced
- 2 carrots, diced
- 2 celery stalks, diced
- 1 can diced tomatoes
- 4 cups vegetable broth
- 2 cloves garlic, minced
- 1 teaspoon cumin
- 1 teaspoon paprika
- Salt and pepper to taste

Instructions

1. Rinse the lentils and set aside.
2. In a large pot, sauté the onions, carrots, and celery until they start to soften.
3. Add the minced garlic, cumin, and paprika, and stir for 1-2 minutes until fragrant.
4. Pour in the diced tomatoes and vegetable broth. Add the lentils and bring the mixture to a boil.
5. Reduce the heat to a simmer, cover the pot, and let it cook for about 25-30 minutes or until the lentils are tender.
6. Season with salt and pepper to taste.

As you continue to focus on mastering money and building a better budget, incorporating meals like this can help you stay on track with your financial goals and overall well-being. If you need further assistance or have any other questions, feel free to ask!



Nutrition Facts

Calories: 280
Protein: 18g
Carbohydrates: 50g
Fiber: 18g
Fat: 1g
Vitamin A: 170% DV
Vitamin C: 35% DV
Iron: 25% DV
Calcium: 8% DV



Build a Better Budget

Use an app, spreadsheet, or notebook to create a monthly budget or improve the one you already have. Consider your basic living expenses as well as your future spending needs. Give every earned dollar a job and create a plan to allocate your money wisely.

Employer Completion Form

I, _____, successfully completed the Build a Better Budget Wellbeing Activity by:

Signed: _____ Date: _____

Your Wellbeing Activity

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The image shows a smartphone screen displaying a budget spreadsheet. The spreadsheet has two columns, A and B, and rows numbered 1 through 24. The data is as follows:

	A	B
1	Monthly	Budget
2	Rent	\$ 2,700
3	Utilities	\$ 70
4	Internet	\$ 65
5	Loan	\$ 350
6	Food	\$ 100
7	Clothing	\$ 200
8	Restaurant	\$ 170
9	Coffee	\$ 30
10	Train and bus	\$ 80
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