

EMERGENCY VS SINKING

When do I use my Sinking Fund? What about my Emergency Fund?
Here's a quick and clear guide to help you determine what to use.

Emergency

UNEXPECTED

This expense is completely out of the blue, not something that could have been planned for or predicted.

URGENT

See my definition of an emergency in the following page: **"requiring immediate action"**

NECESSARY

I feel like this is obvious. Too obvious.

ALWAYS FIRST

Fill your Emergency fund BEFORE you start saving in sinking funds

Sinking

EXPECTED

If you own a house, vehicle, have kids or pets...you KNOW there are going to be repairs, doctors visits, and maintenance costs. Amiright?

NON-URGENT

You can take a few months to pay for this expense, and we are expecting it so we can plan ahead to save up the cash.

NECESSARY

There is more flexibility here than in the Emergency Fund. Family vacations are necessary, but not an emergency.

ONGOING

Contribute to your sinking fund regularly. Be sure your emergency fund is filled up first, though!

VS

EMERGENCY FUND

IF YOU HAVE TO ASK, IT'S NOT AN EMERGENCY



The dictionary on my laptop defines an emergency as: "a serious, unexpected, and often dangerous situation **requiring immediate action.**"

Here's the thing. If you have time to move things around in your budget, save over several weeks, or otherwise wait to pay for some unexpected expense that comes up, then do that. It's not an emergency.

COMMIT TO REFILL



Listen. If you drain your emergency fund, make a serious commitment in the months that follow to FILL IT BACK UP. Stop contributing to retirement, college funds, extra debt payments, and unnecessary spending. A starter emergency fund is a necessity, NOT a luxury.

HAVE A SINKING FUND



Seriously. The more buffers you build into your financial life, the less stress you're going to have about money, plain and simple! An emergency fund is a great start. But it's just that: a start. Use sinking funds, create a budget each month, improve your money mindset. It ALL helps!

SINKING FUND

Jot down all of the uses of your sinking fund you can think of over the coming year. This will help you determine how much money you need to start setting aside each month to cover these expected expenses!

VEHICLE/HOME MAINTENANCE

- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____

HOLIDAYS AND TRAVEL

- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____

KIDS/PETS MISC.

- _____
- _____
- _____
- _____

MISC. ANNUAL EXPENSES

- _____
- _____
- _____
- _____

INSURANCE/TAXES

- _____
- _____
- _____
- _____

ORGANIZE YOUR SINKING FUND

Your sinking fund is in good shape when you are a few months ahead.

What's coming up in the next few months that you want to prioritize saving for?

Take your items from the pages above and organize them here by date.

JANUARY-MARCH

APRIL-JUNE

JULY-SEPTEMBER

OCTOBER-DECEMBER

HOW MUCH SINKING FUND DO I NEED?

It's a simple math problem at this point. **What's coming up in the next year?** What will it cost? Add everything up and divide by 12. That's your monthly contribution to your sinking fund.

For more details, be sure to check out the live trainings in the FB group.

USE THE SPACE BELOW TO WORK THROUGH THE
NUMBERS

