



## How to Build a \$1,000 Emergency Fund in 10 Months

By Katie Bryan

Do you have \$1,000 set aside for emergencies? If you already do, you could probably use another \$1,000 in that account. Experts recommend keeping at least three months expenses in a reliable, liquid account – though even an extra \$1,000 can be a life-saver. But finding \$1,000 to save isn't always easy. That's why we've put together this 4-step plan on how to save \$1,000 in 10 months.

### Get Started with These 4 Steps

- 1. Find a Safe Place to Save Your Money** – You will want to save your money in an account that you can access easily in case of an emergency. That means you should probably not keep this savings in a U.S. Savings Bond or in mutual funds. Choose a traditional savings account or a short-term certificate-of-deposit (CD), currently the most attractive accounts. (Early withdrawal penalties on a CD rarely lower the yield below that of a savings account.) Consider opening a new account or sub-account for this money so you're not tempted to spend it. Most importantly, do not keep savings in a checking account, which pays no or low interest and is too easy to access.
- 2. Save \$100 a month** – If you are already saving \$100 a month, great! Skip to step 3. If not, you need to either earn \$100 more a month or cut back in order to find that \$100 to save. America Saves has a list of [54 ways to save money](#) to get you started. It can also help to pay yourself first and save the \$100 at the beginning of the month instead of waiting to see if you have money left over to save at the end of the month.
- 3. Automate Your Savings** – Setting up an automatic way to save is one of the best ways to save. Once you set it up, then it happens without having to think about it. Here are two ways to automate your savings. 1. Every pay period, ask your employer to deduct \$100 from your paycheck and transfer it to a savings account. Ask your HR representative for more details and to set this up. 2. Ask your bank or credit union to transfer \$100 from your checking account to a savings account every month. Talk to your local bank or credit union to set this up.
- 4. Watch Your Savings Grow for 10 Months** – The final step is to sit back and watch your savings grow. How often do you look at the calendar and think it's half way through 2014 already? The same will apply to your savings; Before you know it you will have that \$1,000. The key is not to touch the money unless you have an emergency – that's what the money is there for after all.

Once you have at least \$1,000 in your emergency account, continue your savings success and continue to build your emergency savings or apply that money to a new savings goal. Perhaps you have [debt](#) you need to pay down or want to save for a [car](#) or [home](#).

No matter what you are saving for, America Saves can support you with tips and advice through emails and text messages. Sign up for these by taking the [America Saves Pledge Today](#).

*Katie Bryan works for America Saves, managed by the nonprofit Consumer Federation of America (CFA), which seeks to motivate, encourage, and support low- to moderate-income households to save money, reduce debt, and build wealth. Learn more at [americasaves.org](http://americasaves.org).*