



MONEY

The Emergency Fund Builder

The cash cushion that turns a crisis into an inconvenience, and keeps you from buying a car in a panic.

A NOTE FROM OUR TEAM

We've watched it happen too many times: a transmission goes out on a Tuesday, there's no money set aside, and by Saturday a family is signing for a car they never would have chosen with a clear head. An emergency fund is the cheapest protection you'll ever buy. Start small, start today, and don't stop.

— The Auto Advocate Team

An emergency fund is money set aside for one job: covering the unexpected without debt. A blown tire, a job loss, a trip to the emergency room. Without one, every surprise becomes a credit card balance, a high-cost loan, or a desperate decision. With one, it's just a bad week. This builder walks you through why it matters, how much you need, where to find the money, and how to track it.

63%

OF U.S. ADULTS WOULD COVER A \$400
EMERGENCY WITH CASH OR ITS
EQUIVALENT (FEDERAL RESERVE, 2025)

\$12,863

AVERAGE YEARLY COST TO OWN AND
OPERATE A NEW VEHICLE (AAA, 2026)

11.7¢

AVERAGE MAINTENANCE, REPAIR & TIRE
COST PER MILE (AAA, 2026)

Flip the first number around: more than a third of adults could not cover a \$400 surprise with cash alone.

1 Why an Emergency Fund Protects You

The CFPB describes an emergency fund as a cash reserve set aside for unplanned expenses or financial emergencies, and notes that without one, people often turn to credit cards, loans, or retirement accounts, which can create lasting debt. For drivers, the risk is even more specific.

It covers repair surprises

Cars break at the worst times. When you can pay for a repair in cash, you get to decide calmly whether to fix your current vehicle or replace it, instead of having the decision made for you by an empty bank account.

It keeps you out of panic purchases

A buyer with no savings and no car has no time to shop, compare rates, or walk away. That buyer often accepts the first approval, the longest term, and a down payment of zero. Savings buy you time, and time protects your money.

FROM THE INSIDE

Our team has spent years on the dealership side of the desk. An experienced salesperson can usually tell within minutes when a customer *has* to buy today: their car is on a tow truck, they need it for work Monday, and they have no backup plan. Good stores still treat that buyer fairly, but a buyer with no options has no leverage. An emergency fund is your leverage.

2 Set Your Goal

The CFPB recommends picking a specific, achievable goal based on the surprise costs you've actually faced. Build in two stages: a **starter fund** first, then a **full fund**. A common guideline is three to six months of essential expenses for a full fund, but the right number depends on your job stability, household, and health.

STAGE 1: STARTER FUND

Enough to cover a typical surprise, like a repair, a deductible, or a medical bill, without a credit card.

Biggest surprise expense I've had in the past 2 years _____

My starter fund goal \$ _____

Target date _____

CAR REPAIR CUSHION

AAA's 2026 average for maintenance, repair and tires is 11.7¢ per mile. Multiply by the miles you drive in a year.

My yearly miles _____ × \$0.11 = \$ _____

STAGE 2: FULL FUND (ESSENTIAL MONTHLY COSTS)

ESSENTIAL EXPENSE	MONTHLY
Rent or mortgage	\$
Utilities, phone, internet	\$
Groceries	\$
Vehicle payment, insurance, fuel	\$
Health insurance & prescriptions	\$
Minimum debt payments	\$
Childcare & other must-pays	\$
A. Monthly essentials	\$
B. Number of months (3 to 6 is common)	
Full fund goal (A × B)	\$

3 Places to Find the Money

The CFPB's emergency savings guide recommends building a habit with regular contributions, automating them, and putting windfalls to work. Fill in what each idea could add per month:

IDEA	HOW IT WORKS	MONTHLY
Automate it	Set a recurring transfer from checking to savings right after payday (CFPB)	\$
Split your direct deposit	If your employer allows it, send part of each paycheck straight to savings (CFPB)	\$
Save windfalls	Put all or part of a tax refund, bonus, or cash gift toward the fund (CFPB) <i>(yearly ÷ 12)</i>	\$
Manage cash flow	Track when money comes in and goes out; adjust bill due dates to free up cash (CFPB)	\$
Cut a subscription	Cancel streaming, apps, or memberships you rarely use	\$
Eat at home more	Swap a few takeout meals a week for planned meals (see No. L09)	\$
Sell what you don't use	Tools, furniture, electronics, or gear collecting dust	\$
Side income	Overtime, a weekend job, or a skill you can sell	\$
Total I can save each month		\$

Goal ÷ monthly savings = months to goal _____ I'll start on (date) _____

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Where to Keep It

The CFPB says your emergency fund should be safe, easy to reach in a true emergency, and not so easy that you spend it on everyday things.

Bank or credit union account
A separate savings account just for emergencies is generally among the safest options. FDIC insurance covers \$250,000 per depositor, per insured bank, for each ownership category.

Prepaid card
The CFPB lists prepaid cards as an option. You can only spend what's loaded on the card.

Cash at home
Easy to reach, but the CFPB warns cash can be lost, stolen, or destroyed. Keep only a small amount this way.

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Is It Really an Emergency?

The CFPB suggests deciding ahead of time what counts as an emergency, and not being afraid to use the fund when you truly need it. Then rebuild it. Before you withdraw, ask:

- ☐ Is it unexpected?
- ☐ Is it necessary (health, safety, income, housing, or getting to work)?
- ☐ Is it urgent, meaning it can't wait until I save for it?

NOT AN EMERGENCY

A sale. A vacation. Holiday gifts. A new phone. An upgrade to a nicer vehicle when your current one runs fine. Plan for these in separate savings goals so your emergency fund stays ready for real trouble.

6

Your Savings Thermometer

Fill in each milestone (goal x percentage), then color in the bar and write the date as you hit each level. Post this page where you'll see it every day.

My goal \$

Start date

LEVEL	MILESTONE AMOUNT	COLOR IN AS YOU GO	DATE REACHED
100%	\$	Fully funded. Celebrate, then keep it there.	
90%	\$		
80%	\$		
70%	\$		
60%	\$		
50%	\$	Halfway there	
40%	\$		
30%	\$		
20%	\$		
10%	\$		
Starter	\$	Starter fund reached	

7 Deposit Log

Record every deposit, no matter how small. The CFPB notes that regularly monitoring your progress helps keep you motivated.

DATE	DEPOSIT	BALANCE	DATE	DEPOSIT	BALANCE
	\$	\$		\$	\$
	\$	\$		\$	\$
	\$	\$		\$	\$
	\$	\$		\$	\$
	\$	\$		\$	\$
	\$	\$		\$	\$
	\$	\$		\$	\$
	\$	\$		\$	\$
	\$	\$		\$	\$
	\$	\$		\$	\$

8 Once You're Fully Funded

- ☐ Keep the automatic transfer going, and point it at your next goal
- ☐ Start a separate fund for your next vehicle's down payment
- ☐ Review your goal once a year or when your expenses change
- ☐ If you use the fund, restart deposits the next payday
- ☐ Add yearly costs (registration, insurance renewals) to a sinking fund
- ☐ Pair this with **No. L06** and **No. L07** to keep the discipline going

SAVINGS GIVE YOU LEVERAGE

Buy your next vehicle because you're ready, not because you're desperate.

An emergency fund gives you time, and time is your strongest negotiating tool. When it's time to buy, Walk-In Ready does the legwork: we locate the vehicle, tell you who to ask for and what to say, list the documents to bring, and can arrange optional lender introductions. Located, documented, and lender-ready. You book the visit.

Walk-In Ready **\$399**

(405) 761-3390 • autoadvocacy.net
THE DEALERSHIP HAS EXPERTS. NOW YOU DO, TOO.

SOURCES

Consumer Financial Protection Bureau (CFPB), An essential guide to building an emergency fund: consumerfinance.gov/an-essential-guide-to-building-an-emergency-fund
CFPB, Start Small, Save Up initiative: consumerfinance.gov/about-us/newsroom/cfpb-announces-start-small-save-initiative
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AAA, Your Driving Costs 2026 Fact Sheet: newsroom.aaa.com/wp-content/uploads/2026/09/AAA_YDC-Fact-Sheet_2026.pdf
Federal Deposit Insurance Corporation (FDIC), Understanding Deposit Insurance: fdic.gov/resources/deposit-insurance/understanding-deposit-insurance

This worksheet is an educational planning tool only, not legal, tax, investment, or personalized financial advice. Consider talking with a qualified financial professional about your situation.