

WHY YOU SHOULD SAVE FOR EMERGENCIES

An emergency fund is money that you set aside for things that happen unexpectedly. Some things are bigger problems like becoming temporarily unemployed or disabled. Some things are just day-to-day problems with a financial impact, for example when your car breaks down or you need medication that your medical aid doesn't cover. Your emergency fund will be your safety net.

Thinking about what could affect you is a good idea. Your list is unique. It's also a good idea to think about how much you might need. Imagine being faced with an unexpected bill of R5 000. What if it was R10 000 or more?

Would you be prepared?



TIP Remember that regardless of the savings vehicle you choose, you should always pay back into your emergency fund if you ever need to use it.

Sometimes saving can be hard. Housing, transport, medical and education costs are always competing for a share of our money. And while it's great to know that you are saving for retirement, it's a good idea to also keep some extra money aside for emergencies.

Check out this **handy infographic** on the next page.

FINANCIAL WELL-BEING



Why should an emergency savings fund be a top priority?

An emergency is anything that a person hasn't planned for. Many over-indebted consumers say that they got into a debt spiral as a result of unplanned expenses. This is why it's so important to make provision for emergency savings in your monthly budget.

