The Emergency Fund

What it is for, how big it should be, and where it should sit.

Money

Money set aside solely for genuine emergencies — job loss, a medical bill, a boiler. Kept somewhere boring and instantly reachable, because the whole point is availability, not growth.

FIRST TARGET	FULL TARGET	ACCESS
1 month	**3–6 months**	**Instant**

- A common first target is one month of essential expenses.
- A common full target is three to six months of essentials.
- Base it on essential spending, not total income.
- Keep it in an instant-access savings account, separate from daily spending.
- Not for holidays, not for a car upgrade, not invested in anything that can fall.
- Refill it before resuming other saving after you use it.

LOOK FOR IT

Essentials of £1,500 a month → a first target of £1,500 and a full target of £4,500 to £9,000.

General education, not financial advice. Circumstances vary; a professional can weigh yours.