



Stage 2

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Mini Emergency Fund



Freedom Stages

1. Plan your financial freedom
2. Mini emergency fund
3. Protect your income (with insurance)
4. The debt snowball
5. Emergency fund
6. Healthy housing
7. Wealth Creation
8. Generosity



Freedom Stage 2

Mini Emergency Fund

A full emergency fund is the amount you anticipate will get you through a major financial emergency (usually 3-6 months worth of expenses)

This is kept in a separate bank account and not invested. It is insurance, not an investment.

A mini emergency fund is a smaller fund intended to allow you to take care of a minor financial emergency while you clean up your mess (debt, unprotected income etc)



Changing how you think about funding emergencies

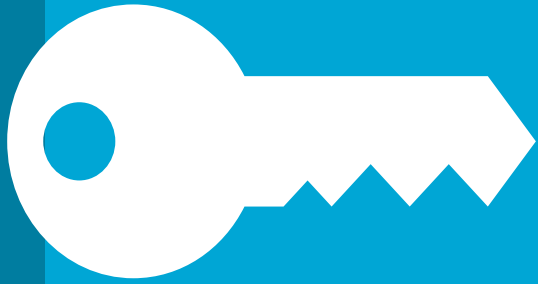
People have been taught by bankers to “use a credit card, line of credit or bank loan in an emergency”.

After a long period without a recession, those who haven’t experienced hard economic times have become increasingly vulnerable.

Borrowing in an emergency extends the pain of a short term problem.

Once your complete emergency fund is in place you can close any lending facilities you had in place for emergencies and save the associated costs like bank fees.



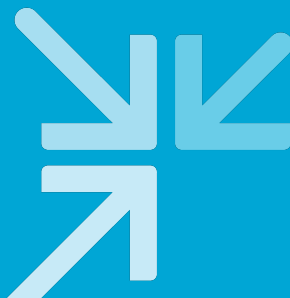


How to get a mini freedom fund... faster!

Slash discretionary spending – live on “beans and rice” and be “Gazelle intense”. Connect with others on a similar journey for motivation and support! Be “weird people”.

Sell anything you don't need right now! Old phones (especially apple), Gas heaters, TVs, Cars, Boats, Caravans etc. You can buy them back when your finances are in order.

“If you are in debt the only time you should be stepping foot inside a restaurant is if you are working there” – Dave Ramsey. Look for additional income sources/second job.





Your action steps:

Identify the amount you need for your mini emergency fund

Revise your budget to achieve this goal as quickly as possible

Remember that financial emergencies don't come with time machines. Prepare while you can. Enlist appropriate support and accountability.





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