



# OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

OHIO457.ORG

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## **Building Your Emergency Fund**

Recovering from a financial emergency can be complicated. There are often a lot of moving parts and if you don't have an emergency fund set aside, it can make it even more difficult. A financial setback can occur at any time and could include anything from the loss of a job, to a significant home repair, to a healthcare crisis. If you can avoid putting expenses on a credit card or pulling money out of a retirement account, it will make the whole process a lot easier. Below are some tips to get you going.

### **How much should I save?**

- If your household has two income earners, then an amount that can cover 3-6 months of expenses might be enough because you have another income to fall back on.
- If you are relying on only one income in your household or your income is less predictable, for example, you rely on commissions or work on a freelance basis; you may want to consider having 6 months of expenses or more saved.
- If you expect that a job search in your field might take longer than six months, a larger fund could be appropriate.

### **How do I get started?**

- An emergency fund should be in an account, such as a bank savings or money market account that you can access at any time.
- The easiest way to get started is to direct money on a regular basis from your paycheck or checking account into your emergency fund.
- For starters, try to save \$1,000-\$5,000 right away. Then, understand your expenses to build your reserve up over time. Try to complete the process within 1 to 2 years.

Ohio DC can help provide information about basic financial literacy and how to save for retirement. If you'd like to learn what all Ohio DC has to offer, call our Service Center today at 877-644-6457 or visit our website at [Ohio457.org](http://Ohio457.org).

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