

Cash Reserve Worksheet

An emergency cash reserve can ensure you'll be able to cover your living expenses and financial obligations if emergencies such as an illness or job loss occur. A general guideline is to have reserves equal to three- to six- months living expenses.

This worksheet helps you determine your cash reserve needs and resources based on your personal situation.

Three Months Living Expenses: Amount Needed:
 Monthly Living Expenses \$ _____ x 3 : \$ _____
 (Total Expenses from Spending Plan)

Six Months Living Expenses: Amount Needed:
 Monthly Living Expenses \$ _____ x 6 : \$ _____
 (Total Expenses from Spending Plan)

Potential Sources of Emergency Cash:	Amount Available:
Liquid Cash Assets (Cash you have available)	\$ _____
Liquid Investment Asset (Investments you have available)	\$ _____
Home Equity Line of Credit (available Equity on your line of credit)	\$ _____
Life Insurance Cash Value (Cash you can pull from your life policy)	\$ _____
Total	\$ _____

Depending on your circumstances, you may need to keep more or less of your assets set aside for emergencies. For example, if you have a disability insurance plan with a three-month waiting period, a cash reserve equal to three months living expenses may be sufficient. On the other hand, if you are launching a new business, you may want to have enough set aside to cover living expenses for as much as a full year.

Other Considerations	Your Situation		
Adequate Health Insurance Protection (Week 7)	Yes	No	
Adequate Life Insurance Protection (Week 6)	Yes	No	
Adequate Disability Insurance Protection (Week 7)	Yes	No	
Debt Level You Carry	Low	Med.	High
Job Security	Low	Med.	High
Income Stability	Low	Med.	High

Now that you can see how much liquid assets you have in case of an emergency, it is time to decide if that is enough or not. If it is not, determine which source of emergency cash you would like to improve and place your cash remainder for each month towards that source until you reach your goal.

Goal Amount Needed:
 Desired Cash Reserve (_____ Months) \$ _____