

Retirement planning | Savings accounts

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## SAVINGS

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## How big should your emergency fund be?

By Michele Lerner • Bankrate.com



## Highlights

- Have an emergency fund of three to nine months' worth of expenses.
- A common mistake is to undervalue your expenses or think only of fixed expenses.
- One savings option is to ladder certificates of deposit, giving you some liquidity.

[Savings](#) » How Big Should Your Emergency Fund Be?

Financial experts agree everyone needs an emergency fund, a savings account with readily accessible cash to be prepared for any contingency. The question is: How much should you keep in a rainy-day fund?

## Build up your savings

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## VIDEO

With more than 5.5 million Americans unemployed for 27 weeks or longer, according to the Bureau of Labor Statistics, the rule of thumb of three to six months' worth of expenses may no longer apply.

"A lot of experts now recommend that everyone keep nine months to one year of income in an emergency account in case of job loss," says Gail Cunningham, spokeswoman for the National Foundation for Credit Counseling in Washington, D.C. "People are often out of work now for as long as nine months, and if they don't have savings, they live on credit. So when they

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