

## Emergency Fund Calculator

From Holdings — AI-Native Business Banking

Use this calculator to determine your emergency fund target, create a savings plan, and decide when it's appropriate to tap your reserves.

### Part 1: Calculate Your Monthly Operating Expenses

List every fixed expense your business must pay regardless of revenue:

Expense Category	Monthly Amount
Rent / Lease payments	\$ _____
Payroll (salaries + wages)	\$ _____
Payroll taxes & benefits (est. 25-40% of payroll)	\$ _____
Owner's draw / salary	\$ _____
Insurance premiums (all policies)	\$ _____
Loan / debt payments	\$ _____
Software subscriptions	\$ _____
Utilities (electric, internet, phone)	\$ _____
Professional services (accountant, legal)	\$ _____
Minimum marketing spend	\$ _____
Vehicle payments / fleet costs	\$ _____
Equipment leases	\$ _____
Other fixed costs: _____	\$ _____
Other fixed costs: _____	\$ _____

TOTAL MONTHLY OPERATING EXPENSES

\$ \_\_\_\_\_

## Part 2: Determine Your Multiplier

Answer these questions to find your target months of coverage:

### Revenue Stability

- Recurring revenue (subscriptions, retainers, contracts) → Score: 1
- Mix of recurring and project-based → Score: 2
- Mostly project-based or one-time sales → Score: 3
- Highly seasonal (80%+ revenue in peak months) → Score: 4

### Client Concentration

- No single client > 15% of revenue → Score: 1
- Largest client = 15-30% of revenue → Score: 2
- Largest client = 30%+ of revenue → Score: 3

### Fixed Cost Ratio

- Fixed costs < 40% of revenue → Score: 1
- Fixed costs = 40-60% of revenue → Score: 2
- Fixed costs > 60% of revenue → Score: 3

### Industry Sensitivity

- Essential services (healthcare, utilities, food) → Score: 1
- Moderately cyclical (professional services, SaaS) → Score: 2
- Highly cyclical (construction, luxury, real estate, travel) → Score: 3

Your Total Score: \_\_\_\_\_

Total Score	Target Months	Why
4-6	3 months	Low risk — stable revenue, diversified clients

7-9	4-5 months	Moderate risk — some concentration or cyclicity
10-11	6 months	Higher risk — project-based or concentrated
12-13	9+ months	High risk — seasonal, concentrated, or cyclical

### Part 3: Your Emergency Fund Target

Monthly Operating Expenses: \$ \_\_\_\_\_ (from Part 1)

× Target Months: \_\_\_\_\_ (from Part 2)

= Emergency Fund Target: \$ \_\_\_\_\_

### Part 4: Build Your Savings Plan

Current Emergency Fund Balance: \$ \_\_\_\_\_

Gap to Target: \$ \_\_\_\_\_ (Target minus Current Balance)

Monthly Revenue (average): \$ \_\_\_\_\_

Savings Rate	Monthly Transfer	Months to Target
1% of revenue	\$ _____	_____ months
2% of revenue	\$ _____	_____ months
3% of revenue	\$ _____	_____ months
5% of revenue	\$ _____	_____ months

### Recommended Ratchet Schedule

Quarter	Savings Rate	Monthly Transfer	Running Balance
Q1 (Months 1-3)	1%	\$ _____	\$ _____
Q2 (Months 4-6)	2%	\$ _____	\$ _____
Q3 (Months 7-9)	3%	\$ _____	\$ _____
Q4 (Months 10-12)	4%	\$ _____	\$ _____

Year 2+	5%	\$ _____	\$ _____
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Projected date to reach target: \_\_\_\_\_

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## Part 5: Emergency Fund Decision Framework

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Before withdrawing from your emergency fund, answer these three questions:

### Question 1: Is this unexpected?

- YES — I could not have reasonably predicted this expense
- NO — This is a known or seasonal expense → **DO NOT USE EMERGENCY FUND.** Budget for it.

### Question 2: Is this urgent?

- YES — Waiting would cause immediate harm to the business
- NO — This can wait 30-90 days → **Find alternative funding first.**

### Question 3: Is this necessary to keep the business operating?

- YES — Without this spend, the business stops functioning
- NO — This is an opportunity, not a necessity → **DO NOT USE EMERGENCY FUND.**

**If you answered YES to all three → Proceed with withdrawal.**

### Pre-Withdrawal Checklist

- Confirmed all three criteria are met
  - Calculated exact amount needed (withdraw only what you need)
  - Documented the reason for withdrawal
  - Created a 90-day replenishment plan (see below)
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## Part 6: Replenishment Plan (Use After Any Withdrawal)

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Date of withdrawal: \_\_\_\_\_

Amount withdrawn: \$ \_\_\_\_\_

Reason: \_\_\_\_\_

New balance: \$ \_\_\_\_\_

Gap to target: \$ \_\_\_\_\_

### 90-Day Replenishment Plan

Increased savings rate: \_\_\_\_\_ % of revenue (recommend 1.5-2× your normal rate)

#### Additional one-time sources:

Outstanding invoices to collect: \$ \_\_\_\_\_

Unused assets to sell: \$ \_\_\_\_\_

Expense cuts to redirect: \$ \_\_\_\_\_

Client prepayments to negotiate: \$ \_\_\_\_\_

Projected replenishment date: \_\_\_\_\_

### Monthly Tracking

Month	Transfer Amount	One-Time Deposits	New Balance	% of Target
Month 1	\$ _____	\$ _____	\$ _____	_____ %
Month 2	\$ _____	\$ _____	\$ _____	_____ %
Month 3	\$ _____	\$ _____	\$ _____	_____ %
Month 4	\$ _____	\$ _____	\$ _____	_____ %
Month 5	\$ _____	\$ _____	\$ _____	_____ %
Month 6	\$ _____	\$ _____	\$ _____	_____ %

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## Quick Reference: What IS and ISN'T an Emergency

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### Emergency — Use the Fund

- Major client non-payment threatening payroll
- Critical equipment failure
- Natural disaster or forced closure

- Unexpected lawsuit or regulatory action
- Emergency repairs to business property

### **✗ Not an Emergency — Find Other Funding**

- New hire you want to make
- Marketing campaign or expansion
- Predictable seasonal slowdown
- Equipment upgrade (not failure)
- Opportunity investment

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*This calculator is provided by [Holdings](#) for educational purposes. Holdings offers free business checking with 1.75% APY savings, AI bookkeeping, and up to \$3M FDIC coverage through our banking partner, i3 Bank.*

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