First-year cash cushion

Test what selected expenses could leave in savings over 12 months.

PAID FROM ONGOING INCOME

Keep these in your household budget.
Do not also subtract them from savings.

PAID FROM THIS CASH CUSHION

Include only the portion you expect to withdraw from these savings.

1 Choose your starting savings

Cash left for this test (A) $ _____

Use a balance after costs already paid; do not subtract those costs again.

2 Choose withdrawals to include

Monthly savings draws

Same amount each month for 12 months

Description	$/month

Monthly total $ _____ **× 12 = (B) $** _____

One-time savings draws

Each cost counted once

Description	$ once

One-time total (C) $ _____

3 Compare year-end cash with your chosen target

A - B - C = Year-end cash $ _____

Negative result = a funding gap in this limited scenario.

Optional target $ _____ Year-end cash - target = $ _____

Positive = above your target; negative = below. The target is not an expense or recommendation.

FICTIONAL EXAMPLE / NOT A COST ESTIMATE

$20,000 - ($150 × 12) - $4,500 = $13,700

A chosen $15,000 target puts this result $1,300 below the target.

Check real quotes and due dates. Remove duplicates; moving savings between accounts is not a cost.
This drawdown test adds no income, new savings or returns and does not model payment timing.
It is not a complete budget, bank-balance forecast or check of affordability or lender requirements.

Read the lesson + open the free private calculator

homebuyerspath.com/guides/first-year-homeownership-costs

Source: consumerfinance.gov | CFPB emergency fund guide