MODULE 02 / FINANCIAL RESILIENCE

Seven habits for a resilient plan.

Make your finances more prepared for surprises and changes of plan.

Your take-away

A cash-buffer target, a disruption scenario and a short monthly review routine.

By the end, you can

- Set a reserve using your own commitments and risks.
- Test the timing of benefits and insurance, not just headline cover.
- Build a review routine that catches gaps early.

Read. Work it out. Apply it.

Read the concepts and worked example first. Use the worksheet for your own decision, then answer the eight questions before turning to the answer key. Open the linked tools when you are ready to apply the ideas.

About 20 minutes with exercises · 8 questions · Version learning-2026.09-v1

Original educational material and fictional examples. This workbook does not assess suitability or provide personalized financial, tax or legal advice.

Keep these checks beside your plan

- I have separated emergency cash from planned purchases.
- Policy types, insured people and eligibility are clear.
- I tested the months before benefits start.
- My review routine includes major life changes.

01 / UNDERSTAND

The essentials

Habit 1: know your essential monthly cost

Identify the costs that continue when income stops: housing, food, utilities, dependants and minimum debt payments. Avoid counting debt twice. Different households need different reserves; dependants, job stability, medical costs and relocation commitments change the useful target.

Habit 2: keep emergency cash distinct

Cash for an unexpected disruption has a different job from money already committed to a holiday or wedding. Keep a clear label for each purpose. Accessibility, withdrawal terms and deposit protection matter. An investment that may fall just when you need it is not equivalent to an available cash reserve.

Habit 3: understand what cover actually pays

Life cover, income protection, critical-illness cover and pension income are different promises. Record who is covered, what event qualifies, exclusions, waiting period, payment duration, currency and beneficiary or recipient. A policy's headline value is not automatically cash available to your household.

Terms worth knowing

Waiting period. Time after a qualifying event before a stated benefit begins.

Sum assured. A policy's stated benefit amount, subject to its terms.

Peak shortfall. The largest cash deficit during the period tested.

Scenario. A specified set of assumptions used to explore an outcome.

02 / APPLY

Put it into practice

Habit 4: test the first difficult month

Map cash month by month. Benefits can start after bills become due, or stop while the disruption continues. Use only confirmed amounts and eligibility. Compare peak funding shortfall with your reserve, even if the final balance eventually recovers.

Habit 5: fund the reserve affordably

Choose an explicit saving amount from your budget. If there is no contribution and no return, an underfunded reserve never reaches its target by itself. An automatic transfer can support a habit when its date and amount fit the household's cash flow.

Habit 6: review changes, not just scores

Review cash, debt and commitments at a cadence you can maintain, and after a move, new job, illness or change in dependants. A stress-test score is a summary of entered scenarios, not a probability that you will be safe. Consider whether two shocks could occur together.

Habit 7: leave a usable trail

Record account/provider details, policy contacts and where essential documents are held. Keep passwords and recovery codes in an appropriate secure password manager, not in calculator notes. A trusted person should know how to locate the information through an authorized process.

When life crosses borders

Moving can change employment benefits, healthcare cover, policy eligibility and access to cash. Confirm cross-border cover and payout currency with the provider before relying on it.

Before you decide

Adding every policy value together. A monthly income-protection payment cannot be added to a life-insurance lump sum as though both were current assets.

Assuming the insurer pays immediately. The claim, eligibility and payment timeline can matter as much as the sum assured.

Treating a market fall as isolated. Job loss and investment losses can overlap. Six separate passing scenarios do not prove that their combination is funded.

03 / WORK IT OUT

Enough in total can still arrive too late

A fictional household spends €2,000 a month, including debt minimums. Income stops for three months. Available emergency cash is €3,000. A confirmed €1,200 monthly benefit begins in month 3.

Period	Income / benefit	Costs	Cash at end
Today	-	-	€3,000
Month 1	€0	€2,000	€1,000
Month 2	€0	€2,000	-€1,000
Month 3	€1,200	€2,000	-€1,800

Required starting cash = €2,000 + €2,000 + €800 = €4,800

The household first runs short in month 2. Its maximum funding gap is €1,800. Recording the eventual benefit does not remove the cash needed before it starts. A reserve of €4,800 exactly funds this simplified scenario; it is not a recommended target for every household.

Your turn

Try it: if starting cash were €5,000 with everything else unchanged, what would remain after month 3?

Write your answer here; the worked solution is on page 8.

04 / MAKE IT YOURS

Your working notes

Decision: ______________________________ Review date: ______________

Use this page for estimates and questions. Keep account numbers, tax IDs and other sensitive records in an appropriate secure location.

1. Essential monthly costs, including debt minimums once

2. Current accessible emergency cash and other amounts already reserved

3. Income lost, income continuing and length of disruption

4. Confirmed benefit, waiting period, duration and evidence

5. First shortfall, peak funding need and affordable saving amount

My next action and when I will take it

Return to these notes after the knowledge check. Relevant tools and source references are on page 9.

05 / CHECK YOUR UNDERSTANDING

Knowledge check 1-4

Choose one answer for each question. Answers and explanations are on page 8.

1. Essential costs are €2,000 a month. What is four months of those costs?

A. €4,000

B. €6,000

C. €8,000

D. €12,000

2. In the worked example, when does cash first become negative?

A. Today

B. Month 1

C. Month 3

D. Month 2

3. What is the example household's peak funding gap?

A. €1,800

B. €1,200

C. €3,000

D. €4,800

4. Which comparison mixes incompatible quantities?

A. EUR cash with EUR cash

B. Annual pension income with annual pension income

C. Adding monthly income protection to a life-cover lump sum as current capital

D. Life cover under the same currency and stated event

05 / CHECK YOUR UNDERSTANDING

Knowledge check 5-8

Choose one answer for each question. Answers and explanations are on page 8.

5. An underfunded cash reserve has zero contributions and zero interest. When does it reach its target?

A. Next month

B. Not under those assumptions

C. After exactly one year

D. Whenever the dashboard is reopened

6. Which event should prompt a review of benefit and policy assumptions?

A. Only a change in font size

B. Only a good investment month

C. A calendar reminder, but never a move

D. Moving country or changing employment

7. What does a passing stress-test score establish?

A. No future loss is possible

B. Life insurance will definitely pay

C. Only the result of the scenarios and assumptions entered

D. The household has passed a professional suitability assessment

8. With €5,000 starting cash in the example, what remains after month 3?

A. €200

B. €1,200

C. €1,800

D. €3,000

06 / REFLECT

Answers & explanations

1. C - €8,000

Four multiplied by €2,000 is €8,000. The arithmetic does not make four months the right target for everyone.

2. D - Month 2

Starting with €3,000, month 1 ends at €1,000 and month 2 at -€1,000.

3. A - €1,800

The lowest balance is -€1,800, so €1,800 of extra starting funding is needed. Total required cash is €4,800.

4. C - Adding monthly income protection to a life-cover lump sum as current capital

A recurring monthly benefit and a conditional lump sum have different units and triggering events.

5. B - Not under those assumptions

With neither new money nor growth, the balance does not move toward a higher target.

6. D - Moving country or changing employment

A move or job change can alter benefit eligibility, healthcare and policy terms. Confirm them with the relevant provider.

7. C - Only the result of the scenarios and assumptions entered

The score summarizes selected scenarios. It does not establish probabilities, eligibility or resilience to every joint shock.

8. A - €200

The three-month net outflow is €4,800. €5,000 - €4,800 = €200.

Worked answer: your turn

€5,000 - €4,800 = €200, with no negative month in this example.

A score checks these concepts, not your readiness to make a financial commitment. Revisit any missed ideas before applying them.

07 / TAKE THE NEXT STEP

Use your Playbook

Emergency fund calculator

Choose a reserve and see whether the saving path reaches it.

Stress tester

Enter loss, continuing income and benefit timing; review each applicable case.

Pensions & policies vault

Separate pension income, capital and each policy type.

Sources & scope

Original explanations and fictional worked examples. These official references support the background concepts; local rules and exclusions still apply.

CFPB: Building an emergency fund

Purpose, accessibility and circumstances behind a cash reserve.

MoneyHelper: Budget planner

Household scope, records and budgeting periods.

Your Europe: State pensions abroad

Claims, different pension ages and coordination of EU contribution periods.

Source review: 6 September 2026. This is an English-language learning edition. EUR, USD and BRL examples use explicitly stated fictional inputs; they are not live exchange quotes.

Tool links will work when the matching website release is published. Before launch, open the corresponding HTML pages in your site preview. Review model assumptions before using an output.