If you're worried about a recession, now is the time to focus on your EMERGENCY FUND

We've often preached the good word of emergency funds because they're vital to your financial health. When life takes an unexpected turn — like a recession that might be on the horizon — that fund will enable you to handle it smoothly.

A recession might be on your mind lately because of the Fed's decision to reduce rates. As USA Today reports, the Fed lowered the benchmark interest rate to a range of 1.75 percent to 2 percent. That marked the second interest rate decline in the past two months. The Fed is doing this to avoid a recession, which would be spurred by a sluggish economy and the U.S.'s trade war with China.

A recession can bring all sorts of bad news: You could get laid off or have raises in your company frozen. Finding employment during a recession can be difficult because more companies will hold off on expanding. In other words, the time leading into an expected recession is a good time to focus on building your emergency fund. You can start boosting by revamping your budget and cutting the fat. Reduce spending on entertainment and dining out and funnel that money to your savings.

A good rule of thumb for a properly-stocked emergency fund is to have three-to-six months of living expenses stashed away. However, you can always have more. You could research your current job to try to determine how long it might take for you to gain new employment should it come to that. Your emergency fund should be stocked with enough savings so that you feel comfortable. Think of three-to-six months of expenses as the floor, not the ceiling. The more you have saved, the easier you'll be able to handle those "life happens" financial moments.