

WORKING WITHOUT A SAFETY NET

Proverbs 6:6-8

March 22, 2009 Sunday am

INTRODUCTION

- A. A Pew Research Poll asked people why they use their credit cards. Here is what they discovered.
 - 1. 66% for convenience.
 - 2. 37% to finance a major purchases.
 - 3. 33% to earn reward or bonus points.
 - 4. 60% for unexpected expenses.
 - 5. 30% because they are out of money.
- B. Today we're finishing our short series on surviving financial uncertainty.
 - 1. The first week we examined two steps to help us do that.
 - a. The first step involves taking a financial inventory of what we owe, what we own, what we are spending and what safety nets we have in place to survive an emergency.
 - b. The second step involves spending less than we make.
 - 2. Last week we examined the four letter word debt and talked about getting out of it.
- C. This week we will examine the danger of working without a safety net.
 - 1. A safety net includes an emergency fund and insurance like medical, home, and auto to help us survive a financial catastrophe.
 - 2. Do you have a safety net?

I. WHY DO WE NEED A FINANCIAL SAFETY NET?

- A. First, because life is so uncertain, especially in these tough economic times.
 - 1. Companies downsize, cars break down, people get sick and so on.
 - 2. A financial safety net can mean the difference between going into debt and remaining debt free when something unexpected happens. And something unexpected always happens.
- B. Second, we need a financial safety net because things cost less when you can pay cash and not put it on a credit card or a revolving charge account.
- C. Which comes first, the chicken or the egg (i.e. paying off credit cards or building a financial safety net?). Pay credit cards off so we can use the interest saved to build a safety net quicker.

II. HOW BIG OF A SAFETY NET DO WE NEED?

- A. There are no absolutes. It depends on your job security, level of living expenses, present debt situation, plans for making major purchases and your comfort level.
- B. Most financial advisors suggest three month's living expenses if your job is stable. Four to six if not.
- C. One cardinal rule is never dip into your safety net for anything other than an emergency. And a new pick up isn't an emergency.

III. HOW DO WE BUILD A SAFETY NET?

- A. First, you can have a sale--in your garage or on ebay or Craig's List.
- B. Second, reduce you income tax withholding if you regularly receive a large tax refund. If you are like most people you spend your refund on other things anyway.
- C. Third, save unexpected income or bonuses.
- D. Four, pay yourself monthly just like your pay your mortgage and utility bills.
- E. The Bible offers us an example of doing this in Proverbs 6:6-8.

Proverbs 6:6-8 ⁶ Go to the ant, you sluggard; consider its ways and be wise! ⁷ It has no commander, no overseer or ruler, ⁸ yet it stores its provisions in summer and gathers its food at harvest.

CONCLUSION

- A. Life is too dangerous and uncertain to live it without a safety net.
- B. If God instilled into ants the good sense and discipline to build a financial safety net so should we.