

CONSIDERATIONS FOR PLANNING A CAREER TRANSITION



DOWNSHIFT

CAREER CHANGE

LIFESTYLE BUSINESS

Examples:

37y/o director at a tech startup wants to take a year off and then find a less demanding role

30y/o software engineer wants to change career and go into marketing

45y/o accountant wants to write a book/become a fitness trainer/open a bar [fill in dream job]

Financial Considerations

- How many years of expenses do I need to cover?
- What tradeoffs on my financial goals might I need to make?

- What is the cost of (short-term) income loss?
- What is the cost of the education or training investment required to make my career change?

- What's the minimum income I need to make (based on how much of my expenses can be covered by investments)?
- What is cost of opening the business?
- How will I fund retirement and healthcare? How does this impact my other financial goals?

Career Considerations

- How will this impact my career trajectory?
- Can I use this time to invest in myself so I can accelerate my career later?
- Can I do this within my current job? (e.g. sabbatical, flex hours)

- How long might it take before my career resumes prior trajectory?
- Can I position my prior experience to accelerate my new career?

- How much time and energy am I willing to invest in this business?

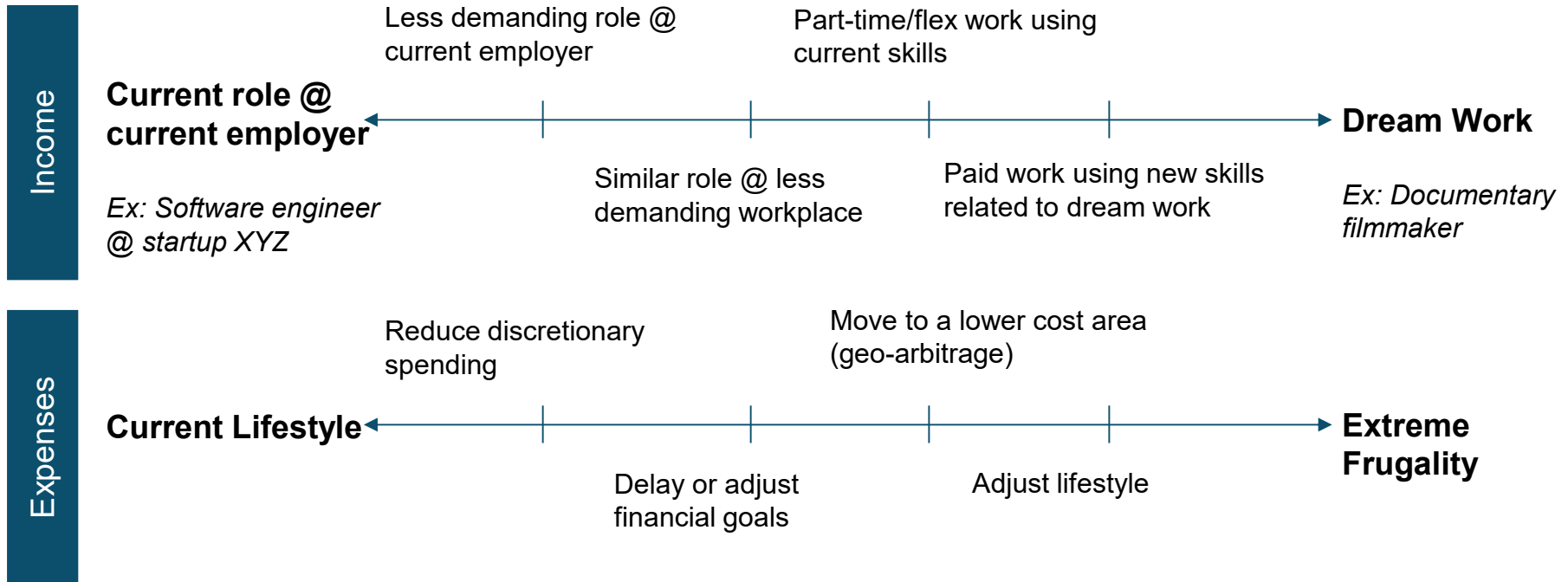
Lifestyle Considerations

- How long of a break do I want? Or is this long-term?
- Can this downshift reduce my living expenses? (e.g. childcare, healthcare)

- How can I manage my expenses to finance my career change?

- How much can I manage my expenses to fund a permanent reduction in income?
- How do I manage expectations with my family?

HOW TO AFFORD TO DO YOUR DREAM WORK



Leo takes a 6-month sabbatical, then finds an engineering role at a slower-paced company. The lower comp means he can't spend as much on a house, but this feels acceptable. He uses his freed up bandwidth to work on personal projects in film.

Leo works contract jobs for half the year as an engineer in order to fund his living expenses which he reduced by 30% by moving to a lower cost area. The other half of the year he devotes to becoming a professional filmmaker.

Leo decides to give himself 5 years to "make it" as a filmmaker. He significantly adjusts his lifestyle to cut expenses, and picks up script writing gigs to earn some income. If he can't cover his expenses by year 5, he'll adjust course.