

WID - Career Blueprint Series - Entrepreneurs

Andrew Baron, CFP, EA: [00:00:00] This is being recorded on December 15th, 2025. The contents of this podcast are strictly for informational purposes only, and nothing since should be taken as investment, tax or legal advice. It is important to consult with a professional before making any financial decisions as the strategies discussed may not be suitable for you specifically.

Welcome. My name's Andrew Baron, and this is, Well... It Depends! The podcast where I address financial decisions that can't be answered with a simple yes or no. This episode of "Well... It Depends!" will continue our career blueprint series, where we discuss some of the goals, challenges, and trade-offs that different professions exhibit over a career.

Getting into it. Today [00:01:00] we're talking about entrepreneurs. If you've ever started a business, thought about starting one, or work for yourself in any meaningful way, this episode is for you. Why do people choose this career? Entrepreneurship attracts people who value independence, control, creativity, and upside.

Many entrepreneurs are motivated by building something from nothing, setting their own direction and removing income ceilings. But this career is one of the most asymmetric that will cover. Most entrepreneurs will earn less than they would have had they been employees for many years. A very small percentage will earn dramatically more than they ever could in a traditional career.

The gap between the average outcome and the top outcome is enormous. That's part of the appeal, but it's also part of the danger. Entrepreneurship is [00:02:00] not just a job choice, it is a financial structure. The core tradeoff is income versus equity. Early on, most entrepreneurs earn little to nothing. Cash flow is inconsistent, unpredictable, or perhaps non-existent money that could be paid.

A salary is often reinvested back into the business for items such as marketing, hiring, inventory, technology, or simply keeping the lights on. The bet is that by sacrificing income today will create significant value. Later. Sometimes the bet pays off, but very often it doesn't. Unlike most careers, there is no guaranteed path, no promotions, no raises.

Now let's look at the career outline. Since many entrepreneurs began their careers after traditional careers and building skills, career stages are measured more by how long the business has existed. Early career or first decade.

[00:03:00] This is the most financially stressful phase, and many entrepreneurs make little to no income for years.

Some rely on savings, credit cards, spouses income, or family support. Benefits like health insurance and retirement plans are usually self-funded or ignored entirely. This is also where most businesses fail. Mid-career or second decade. If the business survives, income may stabilize, but volatility remains.

Some years are great, while others are lean. Many entrepreneurs finally pay themselves a reasonable salary that often lags peers in traditional careers. A new challenge may appear, such as how much to take out versus how much to reinvest. Late career, third decade and beyond. For the small percentage who succeed, this is where entrepreneurship can be extremely lucrative.

Some sell their businesses, some build systems that allow them to step back, while others keep working because the business [00:04:00] has become their entire identity. But not all businesses are easily sellable, and many entrepreneurs reach the end with strong cash flow, but no clear exit. So how should an entrepreneur plan?

Well... It Depends! It depends on whether you're building for income or equity. It depends on how long you can survive the lean years. It also depends on whether your business is sellable and how intentionally you plan your personal finances outside of the business. Entrepreneurship offers freedom and upside, but also faces risks that many careers never consider.

Without planning even success can leave you exposed.[00:05:00]