

# WID - Career Blueprint Series - Real Estate Agents & Brokers

**Andrew Baron, CFP, EA:** [00:00:00] Before we begin a short disclaimer, this is being recorded on January 26th, 2026. The contents of this podcast are strictly for informational purposes only, and nothing said should be taken as investment, tax, or legal advice. It's important to consult with a professional before making any financial decisions as the strategy discussed may not be suitable for you specifically.

Welcome. My name is 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 [00:01:00] continue our career blueprint series, where we discussed some of the goals, challenges, and trade-offs that different professions exhibit over a career.

Today we're talking about real estate agents and brokers. Getting into it, why do people choose real estate as a career? For many, the profession promises, flexibility, independence, and unlimited earning potential. There's no salary cap, no boss. Limiting your growth and the idea that your income directly reflects your hustle is deeply appealing, but with that freedom comes volatility.

Most real estate agents are fully commission based, and income often lags months behind their effort. You might work with a buyer for weeks only to have the deal fall apart the day before closing. You might list a home and watch it sit because the market has shifted, or because the seller has insisted on overpricing [00:02:00] it.

It's a profession where the highest can feel incredible and the lowest can feel deeply personal. Most new agents earn very little in their first two years. In fact, the failure rate is extremely high. This is because building credibility takes time. It's because deals fall through and it's because the market doesn't care if you need the income.

But for those that do survive the early grind, they can build a career with tremendous upside. Top agents in luxury markets can make mid six figures or even seven figures per year. Others build teams to create passive income for managing rental properties. Now let's look at some examples. Lisa starts at 26 with no base salary and six months of savings.

Her first year is brutal. She closes two small deals and nets \$10,000 after splits and expenses, but she stays consistent, [00:03:00] networks and invests in a marketing plan. By year three, she earns \$65,000. By year seven, she's making \$150,000, and at 40 she becomes a broker, builds a team with four other agents and is earning more than a quarter million dollars per year between her own production and her team's commission splits.

She never becomes the luxury superstar, but she does build a stable and very well-run business. The lesson here is that real estate rewards those who can survive the early years and build systems that ultimately compound over time. Example two. Mark enters real estate after a layoff from his corporate job.

He expects to crush it because he's very good with people and does have sales experience. However, the market is slow, mortgage rates are high, and his personal network isn't looking to move. His first year, he barely nets [00:04:00] \$5,000 and ends up picking a part-time retail job to help pay his bills. By year two, he is exhausted.

He's showing homes late into the evening after working retail all day, and in year three, he exits the industry entirely. But here's the key point. Mark didn't fail because he lacks talent. He failed because he didn't have the financial runway to weather the early years. The lesson here is that real estate can be a high-income profession eventually.

The early instability is the number one killer of new real estate agents. So, what should real estate agents consider? You need to expect volatility, meaning you'll need a larger than average emergency fund. You may even need a second source of income to weather the early years. You also need to understand that your income will ultimately fluctuate based on market conditions that are [00:05:00] outside of your control.

But long term, a well-run real estate business can be extremely rewarding. So how should a real estate agent navigate their finances? “Well... It Depends!”. It depends on your market, your ability to survive and how disciplined you are with cash. Also depends on what your real estate, long-term goals are. It's not an easy profession, but it can be transformative if you plan for the volatility instead of being surprised by it.