

The Quitter's Checklist

The Step-by-Step Guide to Prepare for Leaving Your Job

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The Quitters Checklist

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Preface

So, you want to quit your job, but don't really know where to start? Maybe you have some ideas about where to begin, but worry you may be missing something important. In either case, you're not alone.

You're also in the right place.

A few years ago I started my first real side hustle and got my first taste of entrepreneurship. And it tasted good! As I've been developing my multiple incomes, I had a realization – entrepreneurship is more of a calling than continuing to work at my 9 to 5 day job.

These days, little has changed, except I'm making a full effort to beat my nine to five day job so that I can become a solopreneur. And I've realized I'm not the only one. And many of my concerns about making the jump to self-employment are shared by many.

I learned a lot of people want to quit their jobs and work for themselves. Not retire early – this isn't about that. Rather, this is about creating a venture that can support you and your family.

That is what this book and website is about.

The idea is simple. By the end of this checklist, you'll have a full understanding of what you need to quit your job and become an entrepreneur that can support your family. This book is designed as a checklist. There is a lot you need to do before you can move forward, but answering honestly will help you understand your gaps and give you the ability to focus your attention on certain aspects.

The goal is to remove the mystique of entrepreneurship, and give you some concrete ways to actually do something to move towards it.

How To Use This Book

This book is designed to be a checklist that people looking to jump to entrepreneurship should go through before actually quitting.

Teaching

Every section is going to start with a teaching about why this is especially important for entrepreneurs and solopreneurs.

Tasks/Worksheets

This section will explain the tasks to help you make sure that you are set in a given step of the checklist.

Notes

In this section, I'll give you a few tips and thoughts from my own experience and my interactions with others to help you get the most out of the tasks or worksheets.

Interact

An important part of becoming an entrepreneur is interacting with others on the same journey as you. Each section has special hashtags

that you can mark on tweets, status updates, or other social media messages you want to post about your progress so far.

Examples

Where it makes sense, I've included examples of people who've done a section exceptionally well. Hopefully these examples will inspire you to put in that little bit extra to be successful!

While this book has been designed to be used as a checklist, completion of it doesn't guarantee entrepreneurial success. The goal is to make sure you have the fundamentals in place so that you can focus on ensuring the success of your future business.

If you're working full time, entrepreneurship is difficult to jump right into without adequate preparation. I hope this checklist helps you prepare.

Before You Begin

While many examples in this book are from Internet entrepreneurs and solopreneurs, it is completely possible to make the jump to self-employment offline.

However, the risks are a bit different in that regard, so think about it critically at the appropriate steps of the checklist.

The goal is preparation – hopefully this book will help you prepare for your goal of being a self-employed

Stage 1: Master Your Personal Finance

Before you embark on your journey of entrepreneurship, you need to make sure that your personal finances are in order. While this step isn't mandatory, jumping to entrepreneurship without a plan will significantly diminish your chances of success. Mastering your personal finances means having a balanced budget, fully understanding how much income you will need to support you and your family, planning for taxes, insurance, and retirement, and more.

There are significantly more personal finance challenges for self-employed individuals than those working a nine to five job. Working in the corporate world, your company will provide a lot of resources for you so that you can focus on your job. When you become self-employed, not only do you have to create your product and run your business, but you also have to become an accountant, human resources professional, and more.

Furthermore, being self-employed can mean unreliable income. Some months may be amazing, while other months may be challenging. Budgeting for this can make the difference between being self-employed for life, or having to go back to a nine to five job after a few months.

Let's get started with several personal finance areas you need to master before thinking about leaving your job.

Step 1: Emergency Funds

The very first thing you need to develop is an emergency fund that can sustain you should you need it.

What is an Emergency Fund?

An emergency fund is a stash of cash that should be used in case of emergency. It's not there to be your savings account, and you shouldn't use it for monthly expenses. It's for *emergency use only*.

Why Self-Employed Individuals are Different When It Comes to Emergency Funds...

If you're self-employed, you have a different set of potential emergencies you need to consider when saving.

First, there are the traditional emergencies: injuries, plumbing problems, car wrecks, etc.

But if you're self-employed, you also have to deal with business emergencies that could seriously

impact your cash flow: late payments on invoices, you getting sick and not being able to work, etc.

In all of these situations, people with an emergency fund are going to be in better financial shape.

The bottom line is that an emergency fund is essential.

How much is Enough?

This is one of the most controversial questions in personal finance, and there's really no consensus on how much is enough. The reason is that every situation is different, especially when you're self-employed.

For entrepreneurs, I suggest you have enough in your emergency fund to be able to get your project off the ground and sustain it until it can sustain you. That's pretty vague though.

How about this: how long can you live off your savings until you need to go back and get a job? That's the amount you need to save.

If you've develop a solid business before quitting your job, you emergency fund will be substantially lower than someone who is starting a venture backed business that isn't cash flow positive.

Remember the Future

Also, make sure you're thinking about the future. If you plan on having children in a year, your costs are going to rise, so ensure that you include this as part of your equation in figuring out how much you need.

Emergency Fund Worksheet

While we're going to talk about budgets in the next task, it is important to simply calculate out how much you need in your emergency fund first. The reason is that if you're short (which is fine, since this is a checklist), you need to budget in additional savings in the next step.

Here's a basic form to help you figure out your emergency fund requirements.

Emergency Fund Requirement		
Expense	Months	
Monthly Mortgage/Rent	x 3/6/9/12	
Monthly Utilities	x 3/6/9/12	
Monthly Car Payment	x 3/6/9/12	
Other Debt/Student Loan Payr	x 3/6/9/12	
Utilities	x 3/6/9/12	
Transportation/Gas	x 3/6/9/12	
Groceries	x 3/6/9/12	
Entertainment	x 3/6/9/12	
Other Expenses	x 3/6/9/12	
Total Amount Required	=	

Notes

A lot of “experts” have said a lot of things when it comes to emergency funds.

My take is that you need enough money so that you can be successful *and* feel comfortable. You don’t want to have to go back to your nine to five job after six months simply because you didn’t plan ahead.

Don’t just take my word for it. Here are some of the various opinions “experts” have:

- David Chilton, [The Wealthy Barber](#), writes “I feel that \$2,000 to \$3,000 is much more realistic than \$10,000. If you’re afraid that an expensive emergency looms in your future, establish a credit line at your bank.”
- Jean Chatzky, author of [You Don’t Have to be Rich](#), recommends six months of living expenses.

- Dave Ramsey, author of [The Total Money Makeover](#), says that the very first financial step you should take is to save \$1,000 in an emergency fund.
- David Bach, author of [The Automatic Millionaire](#), recommends three months of living expenses, though he believes more is better.

So there you have it. The choice is yours, but make sure that you feel comfortable with whatever amount you choose.

Interact

Figuring the right amount for your emergency fund is tough, but countless others have had to figure it out as well. Gain feedback on your thoughts on an emergency fund, and see what others are doing by updating your social network status with the hashtag: **#QuitterStep1**

Don’t be shy – we’re interested to hear what you’re thinking!

Step 2: Budgeting

Budgeting should not be a chore. It should be a powerful tool to help you achieve your financial goals.

If you've never made a budget before, planning for self-employment is a great time to start. If you already keep a budget, hopefully you'll find some things useful when it comes to the unique financial aspect of self-employment.

What is a Budget?

First, let's not skip the basics. *This is important!* A budget is a financial plan and a list of all planned expenses and revenues. It's a plan for saving, spending, and borrowing.

Think of a budget as a plan stated in monetary terms.

It's purpose is really only to provide a forecast, and help identify costs.

A budget is **not** perfect. It cannot predict the unplanned (although you

can plan a lot). And a budget is only as good as the inputs into it.

If you're not open and honest with yourself, your budget will fail and you will fail financially.

A Budget is About Priorities

Every budget is about priorities and trade-offs. Unless you're making millions, you're going to be perpetually constrained by how much money you bring in versus what you want to do with that money.

It's not a bad thing to be constrained, but you should clearly identify your priorities.

Think about making a structure like this:

1. Wife
2. Kids
3. Me
4. Family
5. Friends
6. Business
7. Fun

That's one example. If you're single, it could look like this:

1. Me
2. Business
3. Friends
4. Fun
5. Other Stuff

Regardless of your priorities, a budget can help you make sure you balance what you need.

Important Reminder

As much as you want to think that your business is always #1, it can't be. Even if you're single, you have to take care of yourself to live. Maybe your business is #2, but for many I've found that it is #3 or #4 at best.

Remember, work to live, don't live to work.

Tracking Income and Expenses

Now that you have a priorities list, it is important that you start tracking your income and expenses. This is probably the most difficult task of putting a budget together, but also the most helpful.

I suggest that you start by getting at least three months of statements from all your accounts – checking, saving, credit cards, investing, 401k, etc. Three months will allow you to get a better average of your spending over time.

When making a budget, it's important to start with income. This may sound odd; especially considering the premise of this book is quitting your job (i.e. giving up that income), bare with me.

I suggest that you start by writing down all of your sources of income. Include salaries, side hustles, interest and dividends, and whatever else you may have.

Then, go through all your expenses from the last three months, give it a name, and put it in a category.

On the next page I have put together a basic tracker that you can use that includes common categories, but feel free to add or delete from the list if needed.

For your convenience, in the notes I'll highlight where you can find some great budget spreadsheets that can match your needs.

Go Electronic!

Don't think that you have to do all of this budgeting stuff by hand. That can be a little tedious. While a lot of people find it valuable to use a spreadsheet, it can also be helpful to use an automated program to help you setup a budget.

There are two I recommend:

1. [Mint](#) – This is an online program that is *free!* You simply enter all your bank accounts and it downloads your transactions and categorizes them for you. You may have to make some adjustments, but it is quick and easy.
2. [Quicken](#) – This is desktop software, and ranges in price from \$29.99 to \$79.99. However, it is much more powerful and allows much more accurate tracking of investments and other specialty-type accounts. This is what I've used for years and would find it hard to budget otherwise.

Budget Worksheet

Simple Budget			
	Month 1	Month 2	Month 3
Income			
Salary			
Side Hustle			
Investment			
Interest			
Expenses			
Mortgage			
Electric			
Gas			
Water			
Trash			
Phone			
Cable			
Internet			
Student Loan			
Car Loan			
Credit Card			
Car Insurance			
Gas			
Food			
Child Care			
Pets			
Insurance			
Spending Money			

Engineering Your Goals

Now that you've put down on paper your income and expenses, it's time to setup your goals to make them attainable.

There are a few things you should know before you get started:

- You will overspend in a few categories, it's natural
- You could get de-motivated
- You will have to remake your budget

Just because you've written down your expenses doesn't mean you're changing habits. You just have a better sense of where you spend. If you've averaged \$500 in food, which means that some months you spend \$400 while other months you spend \$600.

Overspending could demotivate you, but don't get discouraged! I will show you how to engineer your goals to make it work.

That's why I'm telling you now that you're going to have to remake your budget – probably several times.

The best way to work a budget with a goal is to set the goal and work backwards.

Your first goal should always be to *spend less than you earn*. If you've put all your income and expenses down, and it's not adding up, you need to look at where you can cut.

Most people overspend in dining and food categories, which also happens to be one of the easier ones to cut down on.

Another common expense that people have relates to their cars. This one is harder to cut, but if you're finding yourself in the red, you

should consider finding another, less expensive, vehicle and selling the one you currently own.

Once you've balanced your budget, you can start going after real goals. Your first real goal should be topping off the emergency fund we talked about in Step 1.

Let's say you need an extra \$5,000 to make sure your emergency fund is really where you need it. Let's also say you're looking to jump to self-employment in the next 12 months. That means you need to find an additional \$417 per month to save.

Now, you have two choices. You can earn an extra \$417, or you can prioritize your spending to save that additional amount. That's where a budget comes in handy.

Engineer your spending goals by starting backwards and following your priorities.

Special Considerations For Entrepreneurs

If you're planning to quit your job and become self-employed, there are several special considerations you need to take when building your next budget and setting your goals for self-employment.

First, your expenses are going to rise. We're going to cover these changes next, but you need to realize that when you're working, your employer provides a lot for you.

Some things to consider include:

- Taxes
- Insurance
- Retirement

By becoming self-employed, you're suddenly going to have to provide for all these things yourself.

When you remake your budget before you become self-employed, get estimates for what these expenses are going to be for you.

Leveraging Your Budget

Now that you've setup your budget, you're going to need to leverage it for the next sections.

Once you've really grasped your income and expenses, you're going to have to figure out how you're going to replace your income via your entrepreneurship goals.

For some of you this can be easily done, but for many entrepreneurs and small business owners, it can be challenging because of irregular income. This is also where a buffer can come in handy in your budget.

Notes

Putting together an accurate budget is one of the toughest things to do in financial planning.

It is essential that you're honest with yourself so that you can set yourself up for success.

There are a lot of budgeting resources out there, but realize that your budget will be unique to your needs. Some of my favorite budgeting tools are located here: [10 Free Budget Spreadsheets](#).

Interact

Share your progress on making a budget! Use the hashtag **#QuitterStep2** to share your progress or ask questions if you've hit a stumbling block.

Step 3: Dealing With Taxes

Taxes for small businesses can be very complicated. Entire books have been written about the best tax structures for businesses, and it is probably one of the biggest questions that CPAs deal with.

This isn't designed to be a full course on small business taxation. Rather, I want to highlight some of the key aspects that you're going to have to deal with as a self-employed individual versus working a nine to five job.

If you're drawing a salary from your business (because you're setup as a corporation), you can pretty much ignore this section since the nine to five rules apply.

The big thing to remember is that you're only taxed on your net income. This is what you'd like to take home, but can't because you need to budget for taxes. You may even need to pay taxes quarterly, depending on your situation.

What Taxes You'll Have to Pay

The first thing to understand is what taxes you'll have to pay that are different than a salaried individual.

When you work in a nine to five job, you probably noticed that you get a bunch of taxes withheld from your paycheck every two weeks.

These taxes could include:

- Federal Tax Withholding
- Social Security Withholding
- Medicare Withholding
- State Tax Withholding
- Local Tax Withholding

However, you may not have realized that your employer actually pays 50% of your Social Security and Medicare taxes. When you become self-employed, you are now subject to paying these taxes in full (since you're technically the employer and employee).

Professional Advice

Taxes are a really tough subject. This guide is meant to education, but not to be a recommendation on any particular business tax structure.

If you're wondering which structure is best for your business, you should consult an account for tax implications and a lawyer for legal implications.

Many business structures have not only different tax costs and benefits, but there are also various legal implications to certain business setups.

Only a professional can help you decide which is best for you.

What Does This Look Like

Now that you have a basic understanding of what the self-employment tax structure is, here is what it looks like in practice for an individual.

Federal Withholding (see charts at right):

- 10%
- 15%
- 25%
- 28%
- 33%
- 35%
- 39.6%

Social Security Withholding: 12.4%

Medicare Withholding: 2.9%

State Taxes (see chart on next page): 4% (average)

** It is noteworthy that you currently can deduct 50% of your self-employment tax (15.3%), which can give you a little break on your total taxes.

Individual Taxpayer Chart

If Taxable Income Is:	The Tax Is:
\$0 - \$8,925	10% of the taxable income
\$8,926 - \$36,250	\$892.50 + 15% of the excess over \$8,925
\$36,251 - \$87,850	\$4,991.25 + 25% of the excess over \$36,250
\$87,851 - \$183,250	\$17,891.25 + 28% of the excess over \$87,850
\$183,251 - \$398,350	\$44,603.25 + 33% of the excess over \$183,250
\$398,351 - \$400,000	\$115,586.25 + 35% of the excess over \$398,350
\$400,001+	\$116,163.75 + 39.6% of the excess over \$400,000

Married Taxpayer Chart

If Taxable Income Is:	The Tax Is:
\$0 - \$17,850	10% of the taxable income
\$17,851 - \$72,500	\$1,785 + 15% of the excess over \$17,850
\$72,501 - \$146,400	\$9,982.50 + 25% of the excess over \$72,500
\$146,401 - \$223,050	\$28,457.50 + 28% of the excess over \$146,400
\$223,051 - \$398,350	\$49,919.50 + 33% of the excess over \$223,050
\$398,351 - \$450,000	\$107,768.50 + 35% of the excess over \$398,350
\$450,001+	\$125,846 + 39.6% of the excess over \$450,000

State Average Income Tax Rates									
Alabama	4%	Hawaii	7%	Massachusetts	5.25%	New Mexico	3.60%	South Dakota	0%
Alaska	0%	Idaho	5%	Michigan	4.35%	New York	6%	Tennessee	6%
Arizona	3.52%	Illinois	5%	Minnesota	6.75%	North Carolina	7%	Texas	0%
Arkansas	4%	Indiana	3.40%	Mississippi	4%	North Dakota	3.02%	Utah	5%
California	5.80%	Iowa	4.92%	Missouri	3.80%	Ohio	3.42%	Vermont	7.18%
Colorado	4.63%	Kansas	5.40%	Montana	4%	Oklahoma	2.60%	Virginia	4%
Connecticut	5.45%	Kentucky	4%	Nebraska	4.52%	Oregon	8%	Washington	0%
Delaware	4.70%	Louisiana	4%	Nevada	0%	Pennsylvania	3.07%	West Virginia	5%
Florida	0%	Maine	5.50%	New Hampshire	5%	Rhode Island	4.83%	Wisconsin	6.40%
Georgia	4%	Maryland	4%	New Jersey	4.60%	South Carolina	4%	Wyoming	0%

• For states with multiple tax rates, the average tax rate of all brackets was used. ** These rates current as of 2012

So now that you have some understanding of what tax rates look like, let's run through some common scenarios.

Let's say run 4 different businesses, each that net:

- \$30,000
- \$50,000
- \$75,000
- \$100,000

In the \$30,000 business, you'd pay the following:

Federal Taxes: \$4,053.75
 Social Security: \$3,720
 Medicare: \$870
 State Taxes: \$1,200

Total Taxes Paid: \$9,843.75

That is a total effective tax rate of 32.81%.

In the \$50,000 business, you'd pay the following:

Federal Taxes: \$8,428.75
 Social Security: \$6,200
 Medicare: \$1,450
 State Taxes: \$2,000

Total Taxes Paid: \$18,078.75

That is a total effective tax rate of 36.16%.

In the \$75,000 business, you'd pay the following:

Federal Taxes: \$14,678.75
Social Security: \$9,300
Medicare: \$2,175
State Taxes: \$3,000

Total Taxes Paid: \$29,153.75

This is a total effective tax rate of 38.9%.

Finally, in the \$100,000 business, you'd pay the following:

Federal Taxes: \$21,293.25
Social Security: \$12,400
Medicare: \$2,900
State Taxes: \$4,000

Total Taxes Paid: \$40,593.25

This is a total effective tax rate of 40.59%.

You have to earn 10% more being self-employed to earn the same amount you would on salary.

I hope you're starting to see the trend emerging here. As you continue to earn more in your self-employment, you'll have to pay more to the government as a percentage of your income.

That's why many tax experts recommend self-employed individuals save 50% of their net income in a "tax account" so that they will always have enough money available to be able to pay their tax bills.

Just for comparison, if you were working and had a salary of \$100,000, your total taxes paid would only be \$32,943.25, which is a savings of \$7,650.

Just one of the many joys of being self-employed!

Taxes and Your Budget

Now that you have a basic understanding of the taxes you'll have to pay while self-employed, it's time to look back at your budget.

If you want to take home the same income that you're currently bringing in via a salary, you're going to have to earn roughly 10% more than you're currently making.

This is because you're going to have to pay 7.65% more taxes than you're currently paying, PLUS you're going to have to pay regular taxes on the additional income you're working on to make up the difference!

Interact

Join the discussion on small business taxation. Share your thoughts on social media using the hashtag **#QuitterStep3**

Step 4: Insurance

Another area where self-employed individuals have to go out on their own is with insurance.

When you work for a company, you typically get a cafeteria plan where you can choose a variety of different insurance options.

Depending on your needs, this can include:

- Health
- Dental
- Vision
- Short-Term Disability
- Long-Term Disability
- Life Insurance

What may surprise you, as you transition towards self-employment, is that employers typically cover about 70% of the cost of insurance. That means that your payroll deductions are really only about 30% of the true cost of insurance.

Look For Options First

Before I get into the details of finding insurance when self-employed, I want to remind you that you may have options when making the transition.

I'll cover this more in Section 3 – Planning Your Exit, but I want to highlight that you may be able to get continuing benefits from your current employer.

You may also be able to get on someone else's insurance. If you're married and your spouse works, you could be on that plan. If you're under 26, you can join your parent's plan.

If you don't have any options, that's okay. We'll cover what you need to know. Realize, that even if you have options, it's good to budget for the true cost of insurance anyway.

Health Insurance

There are three main ways to go about getting health insurance when you're self-employed:

1. Join a Professional Group
2. Buy Your Own Policy
3. Start Your Own Group Plan

First, many professional groups put together group insurance policies that they offer their members. For example, The [National Association for the Self-Employed](#) and [The Freelancers Union](#) are two organizations that offer insurance to their members.

If you're over 50, the AARP also offers insurance to its members. Also, if you're a member of Costco, they offer health insurance in several states.

The next option is to just buy your own insurance policy on the open market. If you are in good health, you'd be surprised that many policies offer good coverage at competitive prices.

You can compare a variety of insurance options at healthcare.gov or at healthcompare.org.

When looking at health insurance, you need to look at three key aspects:

1. Monthly Premiums
2. Deductibles
3. Out of Pocket Maximum

The variation on these three metrics is what decides your overall cost.

If you're in excellent health and use little healthcare, you may want to get a plan with low monthly payments. However, the lower the monthly payments, the higher the deductibles, so if you do need care, you'll pay more.

Always look for plans with an out of pocket maximum of no more than \$5,500. You can get a lot of great plans in this range.

Remember, that is also the most you'll pay each year for healthcare, so make sure you have at least that

amount in your emergency fund that you setup in Step 1.

Finally, depending on your business setup, you could setup a small business group plan. If you hire an employee, you could become eligible. Many self-employed small business owners hire their spouses, and by doing so, can get a group health insurance policy.

Hiring an employee requires a lot of other structures in place, including specific business types, so make sure that you consult with a tax and legal professional before going this route.

While it could save you money, it could also cost you a lot more money if you don't do it correctly!

The bottom line is that if you're in good health, you're probably going to pay about \$400 per month in insurance premiums, not counting any office visits you may have. Make sure you add that into your budget.

Dental

Dental is much more affordable, so even if you're self-employed, you're not going to pay much more than you would at your old employer.

You can buy dental plans directly, or through professional groups as mentioned earlier. Costco also does offer dental to its members as well.

You can expect to pay about \$20 for an individual and \$40 for a family per month.

Vision

Vision coverage is very similar to dental. You're going to pay about \$15 per month for an individual, or about \$30 per month for a family.

Vision care isn't that expensive, so you may not even want to get insurance coverage if you don't typically buy glasses or contacts regularly.

Disability Insurance

Disability insurance is a tough one for many self-employed entrepreneurs... It is probably the most overlooked insurance product, but also probably one of the most important.

Disability insurance is designed to provide a certain level of income should some type of disability prevent you from working.

Typically, the policies will replace anywhere from 40-80% of your income, depending on how much of a premium you're willing to pay.

Examples of disabilities that this type of insurance covers includes: physical illness or condition and mental illness or disorders. This can be as basic as a bad illness, like pneumonia, to something more permanent, like a car accident that causes paralysis.

Statistics show that, in the United States, a disabling accident occurs

once per second. In fact, nearly 18.5% of Americans are currently living with a disability.

That should be a real wake-up call to entrepreneurs and solopreneurs. Given that, when you're self-employed, you personally are your sole source for income (and possibly for your family), ensuring that you protect that income source is essential.

Since accidents can happen at any time, you don't want something outside of your control impairing your ability to earn money and provide for your family.

However, disability insurance isn't cheap, and that is why it slips by a lot of self-employed individuals.

On average, you can expect to pay 1-3% of your annual salary towards your disability insurance premiums.

If you want to replace 80% of your \$50,000 income, you would probably

have a policy premium of around \$125 per month.

Short vs. Long Term Policies

- Short Term policies are typically for period of less than 90 days
- Long Term policies are typically for periods of 2 to 5 years
- Both types of policies have waiting periods before the insurance company will pay the monthly payment to replace your income. A short-term policy is typically 7 days, while a long-term policy is typically 90 days. This is where an emergency fund can very useful.

Life Insurance

Life insurance is another one of those insurance policies that nobody likes to talk about but is vitally important. Death happens... Let's face facts.

Now, how can you protect your family if you're a self-employed entrepreneur and die? That is why life insurance is so important.

If you're single and have nobody that relies on your income, you can probably skip over this part. You don't really need life insurance at this stage, but you may want to read on because things do change.

If you do support a wife and kids with your self-employed income, or plan to, it is important that you have a life insurance policy as a back-up plan in case something happens to you.

The great thing about life insurance is that it is relatively cheap, especially compared to the other

types of insurance we've already discussed.

When considering life insurance, there is only one type of policy you should look at: term life insurance.

Term insurance is the most pure form of insurance, and works best for most situations. Just like it sounds, it provides a set amount of death benefit over a certain term.

For example, you can purchase a \$1,000,000 policy for 30 years. That means if you die within 30 years, your beneficiaries will receive \$1,000,000.

The premise of "the term" is that it lasts long enough to get you through to the point where your family won't rely on your income. 30 years works well for many, because if you get it in your late 20s, early 30s, it will last into your late 50s or early 60s.

By that point in your life, your kids will have grown up, and you'll hopefully already amassed a nice

nest egg. That means if you die, your passing won't financially impact your family.

So, how much life insurance do you need? It really depends on your expenses and the income you're trying to replace.

I prefer to look at life insurance from the expense side. I would take all of your debts, and then add it to 10 years of expenses. This is probably a good estimate of how much insurance you need.

For example, if you have a \$200,000 mortgage, and your annual expenses are about \$30,000, you should probably get a \$500,000 life insurance policy.

Why 10 years? Well, grieving takes time. Do you want to force your family to have to make major life changes in a year? Two years? You just don't know...

This is a good time to err on the side of caution.

The other approach to life insurance is to look at the income you're trying to replace. If you make \$50,000 per year, take that salary and multiple it by 10 years. It also gets you to a \$500,000 life insurance policy.

I'm not as much of a fan of this approach since income is variable, while many expenses are fixed. If you can eliminate debt with the life insurance payout, you can also lower expenses in the future.

So, how much can you expect to pay for life insurance? Well, for a healthy male, you will probably pay about \$100 per month for a \$1,000,000 term life insurance policy.

This is more than you would have paid with a group policy with your employer, but it's relatively a small price to pay to protect your family.

If you want to know more about life insurance, check out the [Life Insurance Movement](#).

Notes

Figuring out your individual insurance needs can be tough. And you may not think that getting insurance is necessary.

Well, the point of insurance is to prepare for the unexpected. So, cross your fingers you never need to use it. But, should you ever find yourself in a situation when you do, you're going to be unbelievably thankful that you put the time in upfront to plan for it.

Speaking of time, insurance only takes a little bit of time to setup. Once you have your policies in place, you never have to think about them again.

This is a great step to take before even making the jump to self-employment. You can easily get life insurance and disability insurance before becoming self-employed. You can also do your research on the best health insurance plans for you and your family.

Interact

Once you've looked at the insurance options that best suit your needs, share them. Start a conversation with us and other future self-employed individuals by using the hashtag **#QuitterStep4**.

Step 5: Retirement Planning

Finally, the last thing you need to consider when thinking about self-employment is retirement planning.

For some, this will be decades away. For others, it could be close – within a few years.

Retirement is a tough one for the self-employed for several reasons.

First, it's another area that an employer typically took care of the bulk of the work for you. An employer would have a 401k plan, or maybe a pension, and would automate the process of saving for retirement.

Second, there is a business aspect to retirement – if you are your business, what happens when you retire? Does your business die? Are you going to sell it? Is your business setup so it's on autopilot and you just have to check in from time to time?

These are all questions you have to ask yourself...

But, for now, let's stick to the financial side of retirement planning.

The bottom line is that you have to save for your own retirement when you're self-employed. There is no company that can help you. So you need to setup systems early to help you save for retirement.

Options for Saving for Retirement

The great thing about being self-employed is that you actually have a lot of options when it comes to vehicles for saving for retirement.

The main options are:

- SEP-IRA
- Solo 401k
- SIMPLE IRA

Once again, this isn't tax advice, and some of these options require special business structures, so make sure that you consult with both a lawyer and an accountant before setting up

any retirement plans for your business.

SEP-IRA

The SEP-IRA is the go-to retirement savings account for one-man businesses. If you're a self-employed entrepreneur, this can be a good choice for you.

You can contribute up to as much as 25% of your net income, up to a maximum of \$49,000.

The great thing about this is that, like any other IRA, you have until April 15 to fund your account. That means you can file your taxes, and make a larger contribution to trim your tax bill.

Another huge plus is that contributing to a SEP-IRA won't interfere with your contributions to a 401k plan. That means if you're starting your business on the side while working full time, you can still take advantage of your employer's

plan while building your own business.

The only drawback to the SEP-IRA is if you ever hire employees. The IRS views the money you put into the SEP-IRA as an employer contribution, so if you hire workers, you have to contribute the same amount to their SEP-IRAs too. However, for the solopreneur, this doesn't really matter

Solo 401k

The Solo 401k can be a good choice for business owners who have significant earnings they want to save.

With a solo 401k, as an employee, you can save \$16,500. Then, as the employer, you can contribute another 25% of compensation, up to a maximum of \$49,000. Then there's the catch-up contribution if you're 50 or older, which is another \$5,500. That means you can save a total of \$54,500 in a Solo 401k per year.

Because of the high contribution limits, this plan is best for entrepreneurs who make a lot and are able to save it.

There will typically be fees associated with setup and annual maintenance, but they'll be low for a small business or self-employed business.

Also, just like a regular 401k, you can always borrow from your Solo 401k, although it's not recommended.

The biggest drawbacks of the Solo 401k are that only the self-employed business owner and a spouse can participate.

Also, if you have a 401k at your nine to five job, you may already be contributing the max. The IRS limits apply to all 401k contributions, so if you're depositing \$16,500 at work, you can't deposit any more being self-employed.

SIMPLE-IRA

Finally, the third option is the SIMPLE-IRA. This is also known as the Savings Incentive Match Plan for Employees.

This is the ideal plan for businesses that have employees and want to offer them a plan as a perk (that you can also possibly take advantage of).

This is designed for small businesses, mandatory less than 100, but ideally less than 10.

You can make contributions of up to \$11,500 pretax, or \$14,000 if you're 50 or older. There aren't any income restrictions, and your contributions are tax deductible.

Inside the account, your investments grow tax deferred, just like any other IRA.

As the employer, you're generally required to match the employee contribution up to 3% of the employee's salary dollar-for-dollar.

This can make it burdensome for small firms.

You should also note that this plan isn't for side jobs. You can't contribute to the plan if you've already maxed out employee contributions to a 401k at your day job.

Notes

Many entrepreneurs and small business owners dismiss saving for retirement.

In fact, when I interviewed several high-profile self-employed bloggers, several of them said they were postponing saving for retirement.

I'm a firm believer that it isn't a smart move to NOT save for retirement. You can work your hustle, and you may never make it huge.

There is nothing wrong with being self-employed and making steady income. You just have to budget with

that steady income and make sure that you save for the future.

Yes, you have Social Security, but each year the benefits are less and less, and the age to start gets higher and higher.

If you're young now, the best thing you can do is start saving for retirement. And there is no better way to do it than with these retirement account options.

Not only do you save, but also you can lower the taxes that you would pay for your business. It is win-win.

Interact

Have you started saving for retirement with your side hustle? If so, share your story with us using the hashtag **#QuitterStep5**.

Stage 1 Recap: Putting All The Financial Costs Together

Wow, that was a lot of personal finance for an “entrepreneurial” checklist...but I hope you see the value in really assessing your own finances before moving to self-employment.

If your dream is to beat the nine to five and be a solopreneur, you can shatter your own dream very quickly if you don't master these basic personal finance skills.

But it's even more important to look at how your expenses change when you become an entrepreneur and work for yourself.

The Numbers: Added Costs of Being Self-Employed

When you quit your day job, you can reasonably expect to pay the following:

- Taxes: Add 7.65%
- Health Insurance: \$400-\$1,000 per month
- Dental Insurance: \$20 per month
- Life Insurance: \$100 per month
- Disability Insurance: \$125 per month
- Saving For Retirement: Add 5%

If you bring home \$100,000 with benefits at your nine to five job, you will realistically need to earn about \$120,000 in self-employment to bring home roughly the same amount.

Other Expenses To Keep In Mind

Another thing to keep in mind is that amount you need is net expenses. As such, you may need to gross much more, depending on how many expenses your business will have.

One of the perks of running a web-based business is that expenses are very, very low, relatively. The biggest expense is typically your own time.

Keep this in mind as we move through the next stages.

Stage 2: Developing Your Business

Congratulations on making it through Stage 1. Making sure that you have the fundamentals in place is the best way to make sure you're able to succeed in developing your business.

Stage 2 is all about having the basic tools in place to develop your business. I should also note that this is about developing your business on the side of a main nine to five job. Remember, the goal is to eventually beat your nine to five job and become a self-employed entrepreneur.

To do that, you need to develop your business while working. In this section, I want to cover some key skills, like starting your side hustles, understanding the bigger market for your audience, looking at the difference between a freelancer and an entrepreneur, and finally getting into some nitty gritty legal stuff.

The goal after this stage is that you'll understand where you are in developing a business so you can get to Stage 3 – Planning Your Exit.

Hopefully you'll see that this stage is critical. But it's also the vaguest. There is no right or wrong way to develop your business. I can't tell you what will and won't be successful. I can only help you develop strategies to help you grow your business while you're working full time.

Let's dive in!

Step 6: Starting to Side Hustle

Beating the nine to five workweek and becoming an entrepreneur typically means you're going to side hustle to make things happen.

What is a Side Hustle?

A side hustle can be anything – anything that makes money on the side of your normal job. This is how 99% of workers turned entrepreneurs start. They create something outside of work, build it, grow it, and then make the leap to doing it full time.

Many side hustles are passions turned businesses. For example, maybe you enjoy fiddling with websites in your spare time. Then, your friend finds out, wants you to help them, and you build them a gorgeous website. Soon, your friend tells two other business acquaintances, and through word of mouth, your service starts to grow.

Pretty soon, you've got 40 clients and months worth of work.

This is the time when you have to make a decision...do I make the jump to self-employment or continue to side hustle?

Only you can make that decision, but hopefully continuing through this checklist will build you some confidence.

How Do I Get Started Side Hustling?

For some readers, maybe the leap to self-employment is appealing, but you don't have a side hustle yet.

That's okay as well! We're here to help you find your passion, see if you can build a business out of it, and make a side hustle turn into entrepreneurship!

Note: There are 2 Kinds of Entrepreneurs

I just wanted to chime in here to note that there are two different kinds of entrepreneurs:

1. Those who build businesses while working
2. Those whose only job is building businesses and engaging in start-ups

The Quitters Checklist is targets towards #1 – people who have jobs and are looking to quit.

#2 may find some of this useful, but they usually already have a smorgasbord of ideas and are looking for ways to make them big.

Don't fret – I'm a believer that more #1's build long-term success than #2's, simply because of patience and planning.

Task: Figuring Out a Side Hustle

This is a task a lot of beginners struggle with. If you're already side hustling and looking for more, skip to Step 7. Otherwise, here is a nice framework to start figuring out a side hustle for you.

If you don't have a side hustle and want to start something, I highly suggest finding something you're passionate about.

There has always been a perpetual debate between passion and profit – can you have both? I believe you can, with some exceptions and limitations.

To start, on a piece of paper, or using some mind mapping software (see Notes), write down 7-10 things that you're passionate about. They can be anything – seriously.

Don't be shy, be honest with yourself about things you love and are passionate about.

Here's a simple list I put together:

1. Money/Finance
2. Entrepreneurship
3. Leadership
4. Integrity
5. Sex
6. Action Movies
7. Building Things
8. Food

I hope you can see that the list can be anything. It can be things, it can be ideas. The goal isn't to come up with a definitive idea, but rather, to see what you're passionate about.

After you have your list of 7-10 things you're passionate about, choose the first one and break down 5 more things that emotionally call you to it. (Notice I didn't choose #5 for this exercise).

Money/Finance:

1. I like it
2. Other people like it
3. A lot of people don't know a lot about how money and finance things work

4. I like teaching others about money and finance
5. By helping others, I can help them experience what I get from money

That may sound pretty generic, but it can give you some great insight.

If I were to do the same thing for #6 Action Movies, it could be something like this:

1. They keep me entertained
2. My favorite movies of all time are action movies
3. I like talking to others about the movies
4. ...
5. ...

When doing this for action movies, I could really think of anything else for 4 or 5. That's okay too! You learn something from that as well.

If you're finding you can't fill in five sub-topics for your main passions, you might want to go back and look at your passions again, and re-evaluate.

Now that you have a good idea of your passions, and have elaborated on them, can you think of businesses around those ideas that *you would enjoy doing*?

Going back to mine around Money/Finance:

1. Build a blog around what I'm doing in personal finance and sell advertising, or eventually my own product
2. Write a book about personal finance and sell it
3. Trade stock and make a living from the income
4. Freelance write about finance topics
5. Become a CFA or similar and help others with their personal finances for a fee

This one can be a bit more biased than you last answers, because now we're getting into the business side of side hustling.

Anyone can start a blog, but HOW are you going to make money from it?

Anyone can do anything, but how will you profit?

This is the exception to *follow your passion*. Passions are great, but what are you going to do to convert your love of something into profit.

If you've never watched the Underwear Gnome video, I highly recommend it, as it illustrates this point perfectly (link is in the notes).

The premise is that you lose your underwear in the wash, and never find it again. The reason is the underwear gnomes are stealing them. Why are they stealing them? To make a profit. Finally, after accumulating millions of pairs of underwear, someone finally asks, how are we actually going to make the profit? Silence....

There are some passions that may not make a profit unless you can provide a unique selling proposition for your passion.

I'm not going to re-invent the wheel on finding your unique selling proposition, so instead, check out this link to Think Traffic's [Guide To Finding Your Unique Selling Proposition](#).

Finally, I would note that even if you follow your passion, build a side hustle, and have something amazing, it still might not be enough to get you to your end goal of beating the nine to five.

Up next we'll talk about understanding your market so that you can realize your goals.

Notes

THIS IS THE HARDEST STEP OF THE QUITTER'S CHECKLIST.

I can't stress that enough. It's also the step that I can help you the least in. Everyone is unique. Every idea is unique. Even already done ideas can have unique spins that make them wildly successful.

Just look at how many hamburger restaurants there are across the country, or even in your own city. A hamburger is pretty simple – buns, ground beef, some toppings...But so many places have their own unique spin that make them successful.

Developing your side hustle also takes time. This is also the probably the longest part of the quitters checklist. If you already feel like you've mastered this step, the rest is pretty easy. It may require some fine-tuning. If you're just starting, you may feel like it's daunting.

Hang in there. It takes love, patience, time, and effort, but it can be done.

I wanted to highlight a resource for ideas and stories you may find useful: [Budgets are Sexy – Side Hustle Series](#). That's a great collection of stories about people all over doing random side hustles to make money. Some won't be anything more than side gigs, while others have already become full-fledged businesses.

Here's the underwear gnome video: [Solid Profit Plans](#).

Interact

Welcome to the first step in Stage 2. If you have a side hustle, we'd love to hear about it. If you're still developing one, share your progress. Share your story using the hashtag **#QuitterStep6**.

Step 7: Understanding Your Market

Too many entrepreneurial guides miss the mark on talking about your target audience, or market. Maybe it's because they've already nailed it, or it's innate, but regardless, I wanted to quickly discuss the importance of understanding your market, and how it can make the difference between success of your side hustle or failure to make it as an entrepreneur.

This is something that's taken me a very, very long time to understand, and I'm still no expert. I blogged for 2 years at The College Investor and had little success. Finally, I found some help through a blog network, and that got me going in the right direction. However, it still took another year and a half before I really figured out my market AND how to connect with them.

Finding Your Market

So, going back to your side hustle idea, you need to understand how to find your market. You could have an amazing idea, and people could want your idea, but if you can't connect, you fail.

So, you need to search your market out. This can be done online and offline, and it's something that I failed to do early on, so I really want to stress this point.

Online, find your target audience in a few ways:

- Find similar websites
- Find forums
- Find Q&A from people (i.e. Quora)
- Utilize Social Media (Facebook Groups, LinkedIn Groups)

The bottom line is you need to search for your audience. Once you think you've found people with similar interests, take it to the next level, and connect with them. Ask them

questions. Ask them to point you towards similar sites or people. Ask them who they read, follow, engage with, etc.

Get as big a picture of the market as possible.

For example, if your market is digital landscape photography, look for the following:

- Photography Websites
- Photography Tutorial Sites (see who made the tutorial and connect)
- Photography Forums
- Photography Social Media Groups
- Photography Questions on Quora

Once you've found some related sites, connect with site owners. Participate in the forums, build your reputation in your target market. Really and truly understand their needs, wants, desires, etc.

This will help you tremendously with the next part.

Connecting With Your Target Market

Now that you've found them, you need to connect with them in a way that they can't live without you!

You want them wondering what's next. You want them to have you be their go-to place for whatever you have.

This will make your side hustle turn into a business. This will provide sustainability (which we will talk about later). This will let you profit!

You can build this relationship with your target market by building a solid connection with them.

This connection comes through trust and integrity. It comes by selflessly helping others.

Going back to the photography example – be the champion of the photography forum. Answer questions, post ideas, share knowledge. Even if you have a

product that sells that knowledge, share it.

In the end, people will flock to your site and still buy your product, even though you've shared so much for free.

Think about financial pundits like Dave Ramsey or Suze Orman. They're both on the TV all the time sharing their knowledge and helping others. If you watch their shows, you can know their strategy within one or two episodes. Yet, people still go and buy their books just to read the same stuff. Why? Because they want more! They want it on their terms. They want to own it.

Building a solid connection with your target market enables this.

Remember, You're Working Still!

That may sound scary or difficult to do, but I want to share a secret with you. You're still working, so you may have one of the best target markets that you're already connected with.

Now, this doesn't apply to everyone, but it applies to many people. A lot of side hustles and entrepreneurs emerge in the same field as their nine to five job.

Why? Because they like it. AND because they usually have an idea to make things *better*.

Jack Bogle, the founder of Vanguard, didn't invent the mutual fund. He didn't do anything special in the stock market. He liked investing and he liked helping people. He was frustrated in seeing customers being charged outrageous fees for things he didn't think they needed. So he started Vanguard, and created a better product. And guess what, since he knew his market so well, he was very successful - even in the face of adversity from power and rich Wall Street folk.

You can apply that same mantra today. If you're passionate about what you do, you may have an idea to do something better. You have

industry connections, so leverage them. You have intimate customer knowledge, so use it! This can be the way to build a solid connection with your target market that keeps them coming back.

Notes

Market research is extremely important. There are so many strategies and schools of thought, but the bottom line is to just find your market and solve their problem.

An easy way to do this is ask “why” until you can’t ask “why” anymore. That’s your problem. Easier said than done, but it illustrates the point.

I also want to remind you to be careful about your employer. We’re going to discuss it more in Step 10, but you should realize that there are things you can and can’t do when it comes to your job.

Market research and thinking of a better solution in your mind is great. But before you quit your nine to five

to pursue it, make sure you read Step 10.

Interact

Hopefully your side hustle is really coming together at this point and you’ve gained some great insights. If you’ve already had a side hustle, hopefully you’ve looked at market sustainability. Either way, share with us your progress using the hashtag **#QuitterStep7**.

Step 8: Freelancer or Entrepreneur

Freelancing can be a great side hustle. You can make a lot of money from it. You could even make enough money to quit your nine to five in some cases.

However, you should note that being a freelancer is inherently different than being an entrepreneur. This is not to diminish the work freelancers do, but rather, to highlight an important key difference that you should consider, especially if you're thinking about leaving your nine to five job.

Freelancer: Is somebody who is self-employed rather than being committed to an employer long-term. The freelancer does work for a client when required, and is paid usually on a per contract basis.

Entrepreneur: A person who organizes and operates a business, taking on financial risk to do so.

The key difference between a freelancer and an entrepreneur is that the entrepreneur is building a business that will hopefully become self-sustaining; meaning the entrepreneur can live off the business, rather than having to continually commit labor to it.

On the other hand, the only way a freelancer gets paid is by utilizing his own labor to create or do work. If the freelancer doesn't work, there are no residual profits coming in to support the individual.

That's why I'm a firm believer that everyone should strive to be an entrepreneur. Being a freelancer is a great way to get started. I did it – I did freelance writing for several years. However, I soon discovered that freelancing wasn't for me because if I didn't write, I didn't get paid.

I soon discovered that blogging and online publishing was more for me – once I wrote, I continued to get paid for the content for a long time. Even

if I didn't create new content, the old content would still get readers and hopefully earn revenue.

So, if you're looking to beat the nine to five in the long run, build a business. Build something sustainable that will generate income for you in the future.

Task

Discover if you're a freelancer or an entrepreneur checklist:

1. Do you get paid for your work?
2. Does your business scale?
3. Does your business earn money while you are asleep or away?
4. Are you finding your time to be finite?
5. Could you hire someone else to do the work for you?

All of these questions should guide you to whether you are a freelancer or entrepreneur. In some cases,

freelancing is the stepping-stone to entrepreneurship.

The important thing to remember with both is time. With freelancing, you are dependent on your time. If you don't work, you don't earn. With entrepreneurship, your time is still your biggest challenge, but you focus on different work – work to grow your business or perpetuate your income.

If your goal is to be free – free requires you to be an entrepreneur. If your goal is a steady income with no boss, freelancing may be your calling.

Notes

One of the best people to hear from on the difference between Freelancing and Entrepreneurship is Seth Godin.

If you haven't heard of Seth, he is an entrepreneur and writer who shares his knowledge with others.

He has a podcast called Start Up School where he talks about the difference between freelancing and entrepreneurship in an early episode.

If you want to find out more, I highly recommend you check out [Start Up School](#).

Interact

Are you a freelancer or entrepreneur? Share your thoughts on the topic using the hashtag **#QuitterStep8**.

Step 9: Business Structures

This is another area that you should consider getting expert advice, as it can get very complicated. Business structures are still argued about in the corporate world, so it is important that you do your own homework and decide what business structure is right for your individual situation.

Once you choose one, you may be able to change, but it does depend on your business.

Sole Proprietor

For many people just starting out, a sole proprietorship is the way to go. This is pretty much an informal business structure – you just conduct business using your own name and report it on your taxes.

However, this can also be the riskiest type of business structure, since you are personally responsible for everything that the business does. For example, if you run a computer

repair business and break someone's computer, you personally are liable for the damages. However, if you have a business, the business would be liable.

With something small like a computer, it doesn't make much of a difference, because you could probably afford to repair or replace it. But what about something bigger?

What happens if your business is sued for \$100,000? Can you personally afford to fight it and pay if you lose? This is where a business structure is helpful. In this scenario, the business is on the line. If you can't pay, only the business assets can be touched, so all of your personal savings are safe.

Limited Liability Company

The most common business structure for entrepreneurs and solopreneurs is the LLC, due to its flexibility. An LLC is a popular way to register a business, as it is inexpensive, easy to maintain, and

provides the owner with a layer of legal protection.

The first step in registering as an LLC is to visit your secretary of state website for your state. Read through your state's rules and requirements for registering as an LLC and operating the business. In most states, the income and expenses for a single member LLC will flow through to your own personal tax return, but there are other implications as well.

If you are unsure of anything, speak to your accountant and a lawyer before filing. If you are confident to fill out the paperwork yourself, head to the secretary of state website and find the form to register as an LLC.

S Corp or C Corp

The last business structure I want to touch on is the S Corp or C Corp. Both of these are corporations, where the business also files its own tax return.

These structures are different because you, as the entrepreneur, would be an employee of your company. You would need to have a payroll processor to pay yourself, and you would need to file a tax return for the company.

For many people making the jump to entrepreneurship, this added complication doesn't make sense. However, always consult a professional (either a lawyer, accountant, or both) when deciding which business structure is right for you.

Tax Considerations

With a sole proprietorship and an LLC, the tax considerations are pretty easy. If you maintain basic accounting software, you simply enter your profits and expenses on your tax return, Schedule C. Nothing special or extra is required.

However, as I mentioned with the S Corp and C Corp, you file a separate business tax return for your

company. This can make things more complicated.

If you have an LLC, you can elect to be taxed as an S Corp if you desire. This is one of the many flexibilities that an LLC offers. Once again, it depends on your personal situation.

Accounting

As a small business owner, you're also going to need to maintain accurate records of your business. This is accounting (that class you slept through in college).

There are many programs that can help with this, and we provide a solid reference guide in the notes.

The important thing to remember is *document everything*. The more you keep track of during the year, the easier your taxes will be at the end of the year.

Task

For this step, it is important to do your research on the business structure you'll need to run your business successfully.

You may be able to start as a sole proprietor, but it may make sense to choose an organizational structure as well.

So, this time:

1. Choose a Business Structure
2. Select an Accounting Program

Notes

Both setting up a business and selecting an accounting program can be hard. However, there are some great resources available.

For setting up a business, you may want to consider using a service like [Rocket Lawyer](#) to help you get started.

Accounting software can also be hard to figure out, especially since many of

the most well-known brands are very expensive.

The top of the line accounting program for small businesses is [QuickBooks](#). You've probably heard of it.

However, I've found that QuickBooks doesn't work well for the solopreneur. Why? Because it keeps you constrained to your desktop, or where ever you installed it.

I'm a huge fan of cloud-based accounting solutions, and I've compiled a great list of options for you, including my favorite, [Wave Accounting](#).

Check out the [Best Online Cloud Accounting Programs](#) for more information.

Interact

Finally, tell us what business structure you're using and what accounting software you love.

Share your thoughts on the topic using the hashtag **#QuitterStep9**.

Step 10: Be Aware of Your Employer

Developing your own side business while working is a great way to get started and have a base before becoming an entrepreneur. However, there are several important things you need to be aware of when it comes to your employer.

First, you need to be sure that you can still fully maintain the responsibilities of your job.

Second, you need to make sure that there are no conditions on your employment that prevent you from starting a side hustle.

Work / Start-Up Balance

The first thing you need to take into consideration is whether you can fully handle all of your responsibilities. This means your primary responsibility to your current job, as well as any obligations that you take on with

your start-up or side job. Plus, you may have a wife or family that needs your attention as well.

You don't want to leave a nine to five job, just to come home and be working again from six to midnight. When will you see your family?

Maybe that's not a priority for you, but you need to take that into strong consideration. Burnout does happen, and it's extremely common among entrepreneurs and freelancers.

Non-Compete Agreements

In some industries, it's very common to have employees sign non-compete agreements as a condition of employment. This usually occurs in the technology field, but also in any company that conducts research and development.

The reason is that the company wants your idea to be theirs. So, if you work in programming and develop the next big thing for software, that belongs to the

company, even if you work on it when you're at home.

In these circumstances, you need to leave your job or consult a lawyer before going forward. If you don't, you could be sued, and you could not only lose a lot of money, but your idea could end up belonging to your employer in the end.

Imagine developing the next Facebook, only to see your current company reap all the benefits. In some circumstances, it could make sense to skip the checklist and just go with the idea.

However, for many cases, starting a side gig is not a problem with employers. It just involves being strategic with your time and resources.

For example, never work on your side business while at work. Don't use company assets. Don't use company time. Doing so, even with a non-compete agreement, could signal that you were really working on the

project for your company. You could lose it in the end.

Also, be mindful about freelancing in the same field as your employer. If you're in healthcare, don't become a consultant for hospitals on the side. That looks really bad and could cause conflict with your employer.

Now, working at Starbucks as a barista and launching a video game on nights and weekends is probably acceptable under non-compete agreements. Just be mindful of your employers' rules and regulations.

Task

The task for this step is to find and research your company's policy and procedures for starting a side business. See if you have a non-compete agreement in your employment contract.

If you don't have a contract, look at your workplace rules and regulations to see what is allowed and not allowed.

If you have any questions or concerns, talk to a lawyer. You don't want to run afoul of your company, and you don't want to lose a potential business idea either.

Interact

Does your workplace have a non-compete or other clause preventing you from starting a side gig? Share your story!

Share your thoughts on the topic using the hashtag **#QuitterStep10**.

Avoiding The Career Detour

Many technology companies have non-compete clauses in their employee contracts that can last up to two years. This can be detrimental to starting a side hustle and moving towards self-employment.

There are only three key ways to avoid the career detour:

1. Go into a different industry
2. Develop a long-term plan
3. Get out of the non-compete clause when you leave as part of your severance

Which ever path you choose, you just need to be aware of the dramatic effects that a non-compete clause can have on your aspirations to be a solopreneur.

It can cripple you if you don't plan ahead.

Step 11: Sustainability and Consistency

A key aspect of quitting your job to become self-employed is being able to sustain your momentum and generate consistent income over time.

Now that you've built a side business and are generating side income, you need to really assess the sustainability of it before you quit your primary job.

A good measure I have for sustainability and consistency is 12 months.

Go back to your budget in Step 2. Look at how much you really need. If your side business is generating at least that amount, consistently, for over 12 months, you have a sustainable business model.

However, that isn't the only consideration that you should have, because even consistent business models need to change.

The Test of Time

The other aspect you need to consider is time. If you're 30, do you really think this business structure and model is going to last you 10 to 20 years?

Probably not.

So, the real question is do you have the skills to continually transform your business over time to continue the same success you've encountered in 12 months.

Can you adapt to change? Can you understand and read the market? Can you identify a need and solve it?

These skills come with building a successful business, but they aren't always the focus.

I'm telling you now that your skills should always be the primary focus, above your business. Because businesses come and go.

How many "entrepreneurs" or "small business owners" have you spoken to or heard of that have only had one business in their lives? Very few.

The reason is change and adaptation. Many people stay in the same line of work (say, programming or hardware) but continually evolve their business to adapt to changing business and customer needs.

Just think – what was the Internet 10 years ago? Not much. Look at it today... Now, where will it be in another 10 year? Very hard to say.

Interact

Share with us how you've built a sustainable business. Showcase your company! Share a link!

Get in touch with us using the hashtag: **#QuitterStep11**.

Stage 3: Planning Your Exit

Welcome to Stage 3 – the critical part that you’ve been looking forward to. You’ve made it through Stage 2 of the checklist, which was no doubt the hardest. Building a consistent and sustainable business is the biggest challenge that all self-employed individuals face. It can’t be done overnight, and it can’t be faked at all. Consistent results over time are what make long-term entrepreneurs successful, nothing else.

But now that you’ve got a business going, and are reaching the point of sustainability, it is essential that you start planning your exit. Don’t wait until one month before you want to leave to plan your escape. That just sets you up for failure. Instead, exit planning takes time, patience, and a little insider knowledge.

In this section I want to give you the tools needed to exit your current job successfully. I’m putting it out there right now that I’m not the expert when it comes to this. However, I’ve found some great resources and partnered with some amazing people who have done it, and share their insider knowledge.

The goal, of course, is to maximize your exit so that you are setup for success on your entrepreneurial journey.

Let’s begin the end...

Step 12: Quit or Get Laid Off

This is the Quitters Checklist, designed for people looking to quit their jobs and start their entrepreneurial careers. So why does getting laid off come into the mix?

Because, you can actually get yourself laid off. It's true. The key is to identify how your leaving your company is not only beneficial to you, but also to your company.

Too many people just quit, and you shouldn't do it unless you have no other option.

Why Quitting Sucks

Just quitting without any consideration is a tough way to leave your employer.

First, when you quit your job, you don't get any state or Federal benefits, like unemployment or Cobra. These government programs

can be very helpful for someone who is making the jump to self-employment. Any little extra boost can really help.

Second, when you quit your job outright, you leave the potential of burning the bridge of your employer. Not always, but sometimes. It really depends on how you leave your job, your standing in the organization, and the terms of your departure.

If you walk in one day and say you're done, you can pretty much bet that you've closed that door for good. Plus, you never know when key players in the company may interact with you in the future. You only want people to have an extremely positive image of you when you leave.

Getting Laid Off Rules!

If you want to become an entrepreneur, getting laid off is the best way to go about it. Not only do you part ways with your old company on good terms, you

essentially are being given the proverbial "high five" to go to what you want to.

Just think, what if your company paid you 4 weeks pay to leave. Wouldn't that be great? What if they gave you health insurance for 4 weeks as well?

Like I said earlier, every little bit counts when you're becoming a solopreneur.

Not only could you get these benefits from your company, but you could also qualify for state and Federal benefits as well.

Why This Matters

You may be thinking, it doesn't matter, have a great idea/company/product/etc. And you probably do. But what if this doesn't pan out in three months and you're struggling? What if you don't maintain consistency and you see your earnings disappear?

This is why quitting versus getting laid off matters.

If you get laid off, you've given yourself an extra cushion to help you if your plans don't work out. You got more money (which helps), you have benefits, and you have potential government lifelines to help you through.

If you quit, you get none of that.

Plus, what happens if you need to go back to work? Not the ideal scenario for someone who wants to be an entrepreneur, but a very valid situation that could happen in the future.

If you quit on poor terms, you could be in a lot of trouble. Not only did you probably lose all chances of being rehired at the same firm, but you may have a lot of chances to be rehired in the same industry. Most people maintain industry-level contacts, and if you left on poor terms, word could get out and other

companies may not want to hire you either.

I have a story about a guy who used to work for me, who was an okay employee. Not great, but not poor at all. He was a strong contributor, and just went about his work. Then, one day, he came in and quit on the spot. We asked why, and he said that he was "pursuing other opportunities and he wouldn't be working two weeks or helping with a transition".

Fair enough, but still left a sour taste in my mouth.

Well, about three months later, the same guy applied for his old job back. And guess what, we didn't even call him in for an interview. Why? Because apparently we didn't mean enough to him in the first place to care, so why should we return the favor.

And this story is incredibly common in most companies and industries.

The bottom line is how you leave matters!

Notes

Many of you will not believe this is possible, so I wanted to highlight two stories:

1. [Retiring on my Own Terms](#)
2. [I'm Unemployed](#)

Both of these stories highlight the ability to quit on your own terms.

If you want a great resource on engineering your layoff, I highly recommend: [How to Engineer Your Layoff](#)



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BEAT THE 9 TO 5
Escape the Rat Race, Be an Entrepreneur

Tasks

If you're planning to quit your job, you need to complete these tasks!

First, you need to research what benefits your company offers employees, especially when it comes to severance packages. Many employees never even consider this, as the word "severance" is always used in conjunction with mass layoffs or downsizings.

However, you may not realize that people get severances at big, healthy companies all the time.

So, make a friend in the HR Department, talk to your manager or other managers, and see what types of benefits your company offers.

Second, research the potential state and Federal benefits that you may qualify for if you get laid off. Remember to look back at your budget in Step 2 and see if you have any true needs, like insurance.

In those cases, look at what COBRA or other state programs may be able to offer you.

Finally, buy [How to Engineer Your Layoff](#) and fully understand how you can get a severance package from your company to quit your job and pursue your dreams!

Interact

Tell us how you plan to engineer your layoff. We love great plans and stories! Check out the story above in the notes for a great example!

Share your thoughts on the topic using the hashtag **#QuitterStep12**.

Step 13: Other Options For Escape

In some circumstances, you may have other options for escape. I want to highlight that these circumstances are rare, but they may be available to you and give you hope in your situation.

The Sabbatical

Some companies have formalized sabbatical programs, while other do not.

A sabbatical is typically a leave of absence taken to fulfill a life goal, build a skill or go to school, or to do research. Many people also tend to combine sabbaticals with travel.

The key to the sabbatical is that it is designed for personal growth. While on a sabbatical, you can typically build a business. However, you need to check with your company first to ensure that this is allowed.

Many companies don't allow you to work for a competitor, but like we

mentioned in Step 10, building a non-competitive side business is fine.

The Personal Leave

Some companies offer employees personal leaves of absence. This is similar to a sabbatical, except the duration is shorter, typically 90 days.

With leaves of absence, there are typically rules that you cannot work while you're away.

However, this doesn't mean that you can't work on an idea you had or build something up that isn't a business.

For example, a Personal Leave can be a great time to write, learn skills for your business, or other tasks. While not directly working towards making a profit, these things will significantly benefit you in the future when you are self-employed.

Notes

You may notice that neither of these are permanent solutions. You're right. These are great ways, however, to see if you can make it as a solopreneur and having everything dependent on yourself. Use these wisely to set yourself up for success.

Interact

Let us know if you're planning on taking a sabbatical and what you plan to do while away!

Share your thoughts on the topic using the hashtag **#QuitterStep13**.

Step 14: Maximizing Your Exit

Finally, when it's time to leave, you have to maximize your exit. There are some key ways to do this, regardless of whether you quit your job or you get laid off.

Consider these things carefully, as they directly relate to what was discussed in Stage 1.

Pay

When it's time to leave your company, the most important thing you need to maximize is your pay. Failure to do so is leaving money on the table, and that's just a waste.

Beyond getting a severance, there are a few key areas of your pay that you should be aware of.

First is vacation and sick pay. At some companies, you can't always get cashed out on all your vacation pay – they put limits on how much you can leave with (typically 2 to 4 weeks worth). So, if you're sitting on

a lot of vacation, now is the time to take it before you leave. You don't want to quit with 8 weeks of vacation, only to find out you get cashed out for 4 weeks worth.

With sick pay, you typically don't get to cash this out if you quit. Since sick pay is a special program different from a vacation plan, your employer is not obligated to pay you for unused time in many circumstances. So, before you leave, it may be a good idea to come down with the flu and take some time off.

Benefits

The next key area is benefits. Once again, beyond your severance package, there are a few key things you should know when it comes to your benefits.

A key one to start is your 401k plan. If you have a 401k loan (which you should never, ever have), it will be due in full within 30 days of quitting your job. Understand that you have to pay this back immediately.

Also with your 401k, if your employer matches your contribution, you should try to maximize this before you leave. Once you've decided that you're ready to quit, up your contribution so your employer matches you more.

As of writing this, the maximum contribution limit is \$17,500 for an employee. If your employer matches your contribution, that's an extra \$17,500! Nothing to scoff at! However, if you don't plan ahead, you could leave that money on the table.

You also need to look at any flexible spending accounts you have – such as healthcare, daycare, or transportation. In many cases, these “use it or lose it” accounts simply end when you quit, and you can't get your money out or back.

As such, you need to plan on spending any and all money in these accounts before you quit your job.

Networking Opportunities

Finally, you need to keep your network open, even if you don't plan on returning to your same organization or industry.

Why? Beyond it being the right thing to do, it also prevents future doors from closing because you never know where some of your previous colleagues will be in 10-20 years.

To maximize your exit, make sure that you have contact information for all the key players and acquaintances. Don't just get work information, but their personal phone numbers as well.

This can be incredibly useful for networking in the future, but also if you were to need a reference for any reason.

In my experience, I find it embarrassing when a candidate gives the company phone number as the reference, and the individual they're

looking for no longer works there. It just goes to show that you didn't have a great relationship with them to start with.

Second, try to get a letter of reference from your manager. Even if you plan on becoming a solopreneur, this letter can be useful should things change. Regardless, if your boss is willing to write you a letter of reference, it usually means you're leaving on good terms, which is great.

Notes

It's important to realize that, at some companies, once you announce your intention to leave and give notice, they fire you on the spot. For whatever reason, this is a pretty common practice. As such, you need to have all of these tasks done before giving your notice.

Thinking that giving 2 weeks or 30 days notice and you have time to wrap things up is poor planning,

since they may just let you go on the spot.

Tasks

The tasks for this step are researching your company vacation and sick plans, and seeing what you get to keep when you leave.

If you don't get much, plan a vacation right now!

Also, look at how much you have in any flexible spending accounts and start getting reimbursed today!

Interact

Are you planning to take a big vacation before you leave? Share your plans with us online!

Share your thoughts on the topic using the hashtag **#QuitterStep14**.

Stage 4: Basic Structures for Ongoing Success

Quitting your job is one of the most rewarding parts of moving to entrepreneurship. But it is also one of the most life changing. For many of us, working the nine to five job was something that was ingrained in our minds since childhood. When you were little, you didn't really understand people starting companies. Rather, you thought you were going to work somewhere – as a police officer, fire fighter, or doctor. The idea to change things was unheard of.

Now, after working for years and building a routine around it, you're shaking things up. On one front, it's the best thing that's ever happened to you. On the other hand, it is probably the scariest thing you've done since asking a girl to prom.

And now that you've done it (or planned to do it), you need to make sure that you set yourself up for ongoing success. As I mentioned in Stage 2 (Developing Your Business), the key is consistency and sustainability over time. While it's not the end of the world to have to go back to a regular nine to five job, it sucks to fail. And it's embarrassing. And nobody who makes the jump wants to do that.

So, as you make the transition, here are some key structures and outlines to help you with ongoing success. There are really no right or wrong answers at this point, but you should keep these key points in mind as you progress on your journey. These are battles that a lot of entrepreneurs have dealt with, and you're going to inevitably come across them as well.

Step 15: Networking as an Entrepreneur

When you're making the break to entrepreneurship, a big change is having to rethink the way you network.

When you work in the corporate world, networking is forced on you – you have an office with like-minded people, you attend meetings, and you go to industry conferences.

However, as an entrepreneur, everything is pushed onto you. You have to find like-minded people. You have to setup and lead your own meetings. You have to identify potential conferences, book them, and attend out of your own pocket.

However, networking is key, because it allows you to build your business and make connections. This is especially true if you plan on leaving your current industry for a new one.

A Story on Networking

A great example is a friend of mine who wanted to become a freelance web developer. He wasn't even in the "industry" before deciding to become one, he was actually in finance.

However, he had skills, and he could design great websites, but he just needed clients and a network.

So, to build his network, he joined the local Chamber of Commerce to get to know other small business owners. And just by talking with them and trying to help them, he also was able to highlight his products and services.

Now, he designs websites for local small businesses (which is a gigantic market in our area), and is consistently booked for 6 months out.

The Chamber of Commerce

Most everyone has heard of a Chamber of Commerce, but few people actually know what they do and why they should be involved. A Chamber can be incredibly valuable to a new business. Here is what you need to know.

A Chamber of Commerce is a non-profit organization dedicated to advancing the needs of businesses. Most Chambers are based on specific geographic areas, such as a city, county, or metro area. However, there are some specialized Chambers dedicated to the needs of certain minority groups.

Chambers have several purposes and goals, but all of them revolve around helping businesses and their community.

They act as a government liaison for its members in community issues. They bring together business owners for networking and helps drive potential new customers towards its members.

They are not a government organization, but they may lobby a government when in its member's best interest. They promote economic development in the region

The biggest direct impact a Chamber will have on a member is the facilitation of networking with other local businesses. Through the development of a strong community network, increased business-to-business trade can take place, and that should include you.

Chambers host a variety of networking and community events that give its members a chance to interact with each other or the local community. One local Chamber hosts monthly "business after hours" events where its members can come, for free, to network. It hosts concerts in a park over the summer, where members come together with the larger community.

I have hired a plumber and home inspector in the last year from a Chamber recommendation. Tourists

often contact a Chamber looking for things to do and places to stay when visiting a new city or town. Chambers will often refer those tourists to its member businesses.

While you may already unknowingly be reaping the benefits of a local Chamber, it is important to support these non-profit organizations so they can continue to work on your behalf.

Every business in a community benefits from the Chamber, whether they are a member or not. A Chamber has strong connections with local government officials, such as the mayor and city council, and uses that connection to advance the interests of its members, which are all businesses in the community.

Other Ways to Connect

Connecting with other entrepreneurs is not difficult in most large cities. First, look to [Meetup](#) for startup groups that bring together like minded people. Meetup is an easy an

natural way to meet people, because they are going for the same reason you are, to meet up!

Next, look to official startup groups. For example, in my city there is a group that plans an annual Startup Week. Startup Weekend is a big event that brings together entrepreneurs all over the world.

All entrepreneurs are not outgoing and social extroverts, but that is an important skill to practice when meeting other entrepreneurs. When at a social or business function with others, be ready to share your elevator pitch on what you do and tell a little about yourself and your company very quickly.

Bring your business cards and make sure to have email, Twitter, and website information on them. Remember, most startup folks these days prefer quick electronic communications, not phone calls.

When you begin a conversation, have two thoughts in mind. First, and most

important, what can you offer the person you are speaking to. As we all know, people are self-serving. They want to know what they can get out of any situation. Quick wins and measurable outcomes are preferred. Be ready to share what you or your company can offer them, but don't scare them off with a hard sell.

Second, what can you get or what do you hope to gain? Are you looking for friends? Peers to bounce ideas off? Business partners? Leads? Referrals? Whatever you are looking for, be clear with yourself and create a strategy to help reach those goals.

Notes

At the end of the day, it is all about putting yourself out there. There are social risks involved, but rarely any big cost beyond your time. I have made great friends and had great opportunities arise from startup events. Make sure to take advantage of what your community has to offer to grow yourself and your business.

Tasks

For this step, identify and contact your local Chamber of Commerce. Not only can they help you network, but they also usually have resources to help you navigate the government bureaucracy required for setting up your business as discussed in Step 9.

Once you've identified your local Chamber, find entrepreneurial groups in your area that you can meet with. [Meetup](#) is a great tool, but the Chamber may also have good contacts that you can leverage.

Interact

Are you a member of any awesome entrepreneurial groups? Share your stories and experiences with the community!

Share your thoughts on the topic using the hashtag **#QuitterStep15**.

Step 16: Preventing Isolation

This probably isn't something that you have really ever given much thought about, but it's a real problem for solopreneurs and freelancers – isolation.

For years you've gone to work, interacted with people, had meetings, and gone home. You probably have some "work friends", but never really thought about the social interaction side of work.

But for most people, work is the most amount of time that people interact with others during the day. And as humans, we need social interaction to stay healthy and sane.

To perpetuate long-term entrepreneurial success, you need to prevent isolation. There are a few key ways that you can do this.

Make Personal Connections

As mentioned in Step 15, building personal connections and networking is key.

However, it is more than just having someone's contact information – you actually need to contact them! Call, Skype, or make the connection so that you actually interact with a human and hear them. It's even better if you can see them.

Also, try to meet for coffee or drinks. This is something that I enjoyed at the office – getting coffee in the morning and happy hours after work.

Just because you're an entrepreneur doesn't mean that you can't do the same thing! You just need to find some like-minded people to join you.

Join a Co-Working Space

When starting a new company, you might be stuck working in a home office for a long time. While many entrepreneurs enjoy that, others get

sick of the lonely feeling and isolation of working alone at home. While a company office might not be cost-effective, co-working might be a good fit.

A co-working space is an office for small business owners and tech oriented folks to work together in a shared space. There are often desks, conference rooms, small offices, and other amenities at your disposal.

Workers generally buy a plan that allows them to work in the space for a certain number of days per week or month. It is common for a co-worker to buy a two or three day per week plan that is much cheaper than an office rental.

Because you don't need your own office, mailing address, and utilities, you can share them with other co-workers and save money.

One local co-working space in my neighborhood charges \$75 to \$300 per month depending on your needs. That is a pretty good deal for a part-

time office with great amenities, such as color laser printers, copy machines, and more.

Another big benefit is that your office is social. If you miss chatting by the water cooler, this is a great benefit for you. Your other co-workers are also small business owners and enjoy a little human interaction from time to time.

Co-working spaces also hold social events and workshops that foster interaction and camaraderie among members. For example, a local co-working space recently hosted a happy hour party for singles. A lot of the members turned out along with a handful of like-minded people from around town.

One of the biggest benefits of co-working is that your co-working space will help you grow. Your fellow members will help you grow. Your co-working space will host events designed to help you run a better and bigger business. You can network with other business owners.

Everything is designed to help you succeed.

Of course, they will not do the work for you. This is a place to go and work. It is an office. People are expected to be respectful toward other's need for some level of privacy and quiet. You will be left alone during most business hours to focus on your business.

This will not lead to success overnight, but it can help you along your journey toward a more successful business. If you are lonely in your office, co-working may be a great fit for you.

Notes

I've known at least 2 solopreneurs that gave it up to go back to work for this single reason! It is really detrimental to your well being not to interact with others.

These individuals were successful, had 6 figure businesses and easily supported their families, yet they

decided that being self-employed wasn't for them.

That's fine – it's just another lesson learned. But I wanted to share this with you so that you are armed with the knowledge before you quit your job.

Interact

What are you doing to prevent isolation in your business?

Share your thoughts on the topic using the hashtag **#QuitterStep16**.

Step 17: Work/Life Balance

As I mentioned multiple times throughout this checklist, maintaining balance is key for ongoing success.

You can't sacrifice everything to be successful and then continue to sacrifice more. There is only so much of you to give.

You need to make sure that you setup a structure that allows you to have work/life balance, or else you'll quickly find yourself heading back to the nine to five job.

The problem I've encountered with most entrepreneurs, including myself, is that we can't turn off our minds. We're either working on our business, thinking about our business, or talking about our business.

But that isn't always healthy. You need a break. If you have a family, they deserve your attention. I bet

your friends want to hang out with you too sometimes.

Working is certainly important, but we should be careful to ensure that our work never consumes our lives. Similarly, we should also be careful not to let our personal lives interfere with our job. Therefore, a balance is needed to control the relationship between our careers and personal lives. This is especially true for freelancers and others that work from home, as their residence and place of business share the same building.

Those that do not learn how to improve work-life balance not only face the possibility of experiencing burnout, but may also become at risk for stress-related health issues. Therefore, learning how to improve work life balance is essential to maintaining a healthy and productive lifestyle.

Control

Work limits the control that we have over our own time. Therefore, the first step in learning how to improve work life balance is to identify the key aspects of our lives that we can control. You should begin by identifying how much time is required for work while, for the time being, ignoring how much extra work you complete for additional income. Other important aspects of your life, including personal projects, hobbies, family time, lifestyle, and so on should also be carefully considered and written down.

Time Management

You should then identify the activities that limit your productivity or lead to unnecessary levels of stress. For example, if you find that your work is taking longer than it probably should, you may want to consider how much time you spend browsing the web or chatting with others when you could be working. Such activities will certainly slow you

down and should usually be saved for a more appropriate time. When it's time to work, that's exactly what you should be doing (though it is important to take one or two breaks, depending upon how long your workday is). If you spend time gossiping with coworkers, be careful; not only can this lead to elevated stress levels, it can also breach the barrier that should exist between your work and personal life.

Determine the hobbies that you wish you could do but never seem to have time for. This may include jogging, hiking, or a number of other recreational activities. It's especially important to determine which activities both help you recharge and benefit your health. Ideally, this will include time spent with family and friends. It's important to avoid stress as much as possible in your down time, since you will suffer more than your fair share of this at work.

Organization

After identifying these important aspects, the next step is to carefully develop a schedule that organizes each part of your life. This schedule should include the amount of time you need each day for work, but should also account for the varying activities that are sure to occur on different days.

For example, you may want to plan some recreational activities for the weekend with your family. You may also need to set aside some time during the week to complete personal errands. Even if you prefer to work a little harder each week for an extra income, you can devote more of your time to work on some days while leaving a little more for yourself on others. You'll be surprised how much extra time you have on your hands by creating a comprehensive schedule and carefully adhering to it.

Also, identify which activities require you to work, and which activities you

could outsource. There is no reason to do everything when someone else could do some of the tasks for you.

Outsourcing

Outsourcing is a term that goes in and out of many people's mouth very often nowadays. You might get the idea that it pertains to the corporate and professional world, but what is it really? How can different parties (businesses and freelancers) benefit from it? What are the different types of outsourcing jobs that companies can avail of from outsourcing companies and freelancers?

A lot of companies opt to outsource some of their business processes because of an ultimate reason: it is cost efficient and time efficient. It also saves them the trouble of managing and training employees.

All they have to do is find a reliable outsourcing company or a freelancer and give the details of the job that they want to have done. Transactions that involve the outsourcing of

business processes is normally hassle free. This is why a lot of companies just choose to outsource instead of looking for and hiring new employees.

Below are the types of outsourcing jobs that you can benefit from outsourcing to freelancers:

- Web Administration
- Online Marketing
- Web Development
- Virtual Assistant
- Link Building
- Content Writing
- Social Media Management
- Lead Generation

The list goes on and on. The point is, identify what you need help with, and see if it makes more sense to pay others to do it for you.

Take Vacations

Taking a vacation is just as important for entrepreneurs as it is for people working a nine to five job. However, just because you take a vacation

doesn't mean your business takes a vacation.

Planning ahead is huge. If you have a staff (even outsourced staff), you can prepare them for anything that needs to be done while you are away. Detail is very important. You don't want to forget about something important and just miss it while you are away.

If you have a staff, make a detailed list of everything that needs to happen by day. Explain what needs to be done to successfully complete each task and make sure to answer any questions. While you are gone, they are on their own to figure things out.

If you don't have a staff, you have to set everything up yourself. For my blogging businesses, I pre-posted and scheduled everything that needed to be taken care of. For my other company, I had freelancers start on a project while I was away.

Keeping your customers and staff up to date is important. If you have any

outstanding emails, messages, projects, or deadlines, make sure everyone is updated and knows what to expect while you are away.

In my experience, the best way to do this is to work ahead and complete any outstanding projects before you leave. If you don't owe anyone any follow-ups, you won't miss any deadlines.

You can also set your voice mail and email with way messages so you don't miss out on anything new.

Anything that can be automated should be. I pre-set bank transfers, emails, and other needed business activities to take place while I was gone.

Automating your finances is a good idea anyway, but make sure you have the funds in the right places ahead of time so your outstanding automated transactions will not cause any problems.

Finally, remember you are on vacation to relax, get away, and have fun. Don't work while away if you can avoid it. Many entrepreneurs suffer from burnout if they don't take breaks and relax every once in a while. Time away and relaxation are important for long-term success and happiness.

Notes

There is no right or wrong answer to developing a good work/life balance.

What works for one person may not work for another person.

You need to do some trial and error on your part to discover what works for you.

Don't be afraid to try different time management systems, or different schedules, until one clicks.

One you actually find something that works, you'll be so incredibly thankful that you did, because it will make your business so much more

successful, while at the same time allowing your personal life to flourish as well.

Interact

What work/life balance structures have you found to be successful?

Share your thoughts on the topic using the hashtag **#QuitterStep17**.

What Now?

At this point, you've gone through the entire Quitters Checklist. Hopefully you've fully understood everything that goes into actually quitting your job and learned something as a result.

The goal is to make your transition successful. I hope you see that there are a lot of key strategies that you can use to make your transition successful. Nobody wants to fail at anything, but it becomes even more important when everything is on the line in starting your own business.

Whatever you call it: entrepreneurship, solopreneurship, freelancing, self-employment – the bottom line is you are dependent on yourself, and you are in charge. This is a change. This is a good thing. But it requires a different skill set and a different way of thinking about things.

At this point, I wish you all the success in the world! I hope you've become inspired to create something and develop a plan for success.

I urge you to continue to follow along in my journey to self-employment. I admit that I'm not the expert. I'm still working through this checklist myself.

As always, feel free to reach out and interact. Life's a journey, and so is entrepreneurship. You never have to do it alone. We can all beat the nine to five together!

Resources Mentioned

Throughout this eBook there were a lot of different resources mentioned. Here is an overview of all the key tools you need to successfully execute the Quitters Checklist.

Books

- David Chilton, [The Wealthy Barber](#)
- Jean Chatzky, [You Don't Have to be Rich](#)
- Dave Ramsey, [The Total Money Makeover](#)
- David Bach, [The Automatic Millionaire](#)

Personal Finance Tools

- [Mint](#)
- [Quicken](#)
- [Personal Capital](#)

- [10 Free Budget Spreadsheets](#)

Legal Tools

- [Rocket Lawyer](#)
- [Nolo](#)
- [Legal Zoom](#)

Accounting Tools

- [Wave Accounting](#)
- [QuickBooks](#)

Organizations

- [National Association for the Self-Employed](#)
- [The Freelancers Union](#)

- [Meetup](#)

How to Engineer Your Layoff



DISCOVER

[How to Engineer Your Layoff](#)

BEAT THE 9 TO 5
Escape the Rat Race, Be an Entrepreneur

Printable Quitters Checklist

<input type="checkbox"/>	Setup an Emergency Fund
<input type="checkbox"/>	Create a Budget
<input type="checkbox"/>	Understand Your Tax Situation
<input type="checkbox"/>	Get Insured
<input type="checkbox"/>	Figure Out Your Retirement Plan
<input type="checkbox"/>	Create Your Side Business
<input type="checkbox"/>	Do Market Research
<input type="checkbox"/>	Setup Your Business Structure
<input type="checkbox"/>	Learn the Rules of Your Employer
<input type="checkbox"/>	Start Planning Your Exit
<input type="checkbox"/>	See If You Can Get Laid Off
<input type="checkbox"/>	Understand Your LOA Options
<input type="checkbox"/>	Maximize Your Exit Benefits
<input type="checkbox"/>	Build an Entrepreneur Network
<input type="checkbox"/>	Construct Relationships
<input type="checkbox"/>	Make Plans for Work/Life Balance