

A World in Transition

The last couple of years have been full of so many transitions for almost everyone on the planet! How many of you were very comfortable with life as you knew it and had your world rocked when all the sudden you had to work from home, supervise your children's online learning and connect with others virtually instead of in person? Most of us! But the unexpected consequence of these major changes to our daily lives is that many people are choosing to make even more changes. Many are now choosing to make huge life transitions such as career moves. You may recall from high school science class Newton's first law of motion... an object at rest stays at rest and an object in motion stays in motion. We were a world at rest forced into motion which has led many to just keep moving. A good friend reached out to me and requested the theme of this article be about those who are choosing to, or considering, making a mid-life career transition. What a great idea! After all, this is exactly what I had done myself prior to Covid hitting a few years ago, so I can definitely relate to other who are considering the same move.

First, I will share my story. I have been a single mom for over 16 years. While I started my career after college in the Marketing Training Program at Caterpillar in 1999, I transitioned into the pharmaceutical and biotechnology industry soon after. This is where I spent almost the last 20 years of my career. Did I love it? No. Did it pay me very well and allow me to have a flexible schedule to prioritize my son. Yep. Did the golden handcuffs and the fear of change keep me paralyzed from doing something I felt was more personally rewarding and enjoyable? Absolutely. Why would I ever leave an industry and a company where I had seniority and had established myself as an expert that was allowing me to more than meet all my personal financial goals? I didn't love what I did every day. While there were shining moments and times I enjoyed, overall, it was not a rewarding career and I constantly felt this pull that I could be doing so much more to use my talents for good. So, I took the leap! I busted free of those golden handcuffs and walked away from an almost 20-year career and into a brand-new career. And you can do it too!

Now, don't just walk into your job tomorrow and quit! My transition started with a well-planned exit strategy and yours should too. I share my story to encourage you to recognize that time is precious, and you only get this one life to live. I also recognize that you must be able to put food on your table, so a rash decision that isn't well thought out could negatively impact you for years to come. It is not easy to transition to a new career, or even a new company. You will have times of self-doubt and regret, because it is a huge change. Let's walk through some things to think about if you are considering transitioning to a new career.

What is your current budget situation?

I know, I know. I am always going on and on about having a budget! This is such an important part of everyday life, and so crucial if you are considering a major life transition. Understanding what your monthly fixed expenses are can help you better gauge what kind of income you will need in your new career. This will also help you understand that you may have to make drastic changes if the career you want to transition to means a lower income. Prior to my transition I downsized and bought a smaller home. I tightened my budget up and streamlined my spending so that I would have less stress as I established myself in my new career.

How much do you have in your emergency fund?

This again? Yep. You should have 3-6 months in your emergency fund at any given time, even without a career move. If you are the sole provider for your family, then increasing this to 9-12 months prior to your transition would be recommended. Again, taking financial stress off yourself to focus on your new career will help you transition more successfully. If you were constantly worried about being able to pay your bills or what you would do if your furnace broke and you couldn't pay for it, will you be showing up 100% in your new job? Probably not. Give yourself some cushion in your savings so that you can confidently walk into your new career day one and give it your all!

Talk with your spouse

One of the leading causes of divorce is over money issues. Don't make any major career transitions without first talking it through with your spouse. Sitting down together and working through the budget and knowing your numbers can help both of you make the transition. You may be surprised that your spouse will be totally fine with you changing careers and taking a decrease in income if they saw how miserable you were at your current career! Quality of life matters and who better to understand this than your spouse? Also listen to them if they have concerns. Are you the bread winner and they are dependent on you? Will this put them in a stressed position, constantly worrying? Do they also work and feel like the brunt of the family finances will now fall on them? Talk through this decision and make sure both of you agree it is the right move.

Talk with your financial advisor

When you change careers there are so many things to think about that many don't. Have you compared the benefit package for your current company to the one at the new company? Will you not only be taking a salary reduction, but also have to pay more for your health insurance benefits? Does the company match as much into your retirement plan? Will you lose a company car, cell phone, computer, etc.? Does your company currently pay for your internet and the new company won't? What type of retirement plan does the new company offer? What type of vacation policy does the new company offer? Does the new company offer stock options or an employee stock purchase program? Do you have a pension or retiree healthcare benefits now, but risk losing those if you go to a new company? Too often people just look at the apples to apples salary to salary comparison when making a career transition decision, but they don't sit down and look at the total overall impact of the move. Sitting down with your financial advisor and talking through the differences and how it could impact your long-term financial plan can not only bring you clarity, but it can help bring you confidence with the decision you make.

No matter what decision you make, stay in your current job or transition to a new one, doing your due diligence is important. Why not interview with some other companies? You may find that the grass is not greener on the other side and it will free your wondering mind to refocus back on your current career. Or you may realize that there is a dream job waiting out there for you and transitioning to a new job or career is very achievable. Whatever you discover during this process will help bring you clarity and confidence so you can better enjoy life now. While Covid may have started what some media outlets are calling the *Great Resignation*, the decision to transition is all yours. Do your homework so you can be confident in your decision!

Do you have a specific question? E-mail me at: anne.e.schutt@nm.com and we can include your question in an upcoming article.

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