

Financial Planning for PAs

We equip PAs with the necessary tools to live a less stressful life.



Self-Employed Checklist



1. Personal Financial Health → *Prepare for Stability*

- **Emergency fund = 6-12 months of personal & business expenses**
→ Key Takeaway: 12 months if starting from scratch or relying on this as your sole income.
- **Plan for health insurance costs**
→ Key Takeaway: Budget \$500–\$1,000+ per month for private coverage, depending on family size.
- **Manageable debt load**
→ Key Takeaway: Don't stretch yourself thin. Reducing personal debt before starting a business is prudent.
- **Retirement savings plan without employer match**
→ Options: SEP IRA, Solo 401(k), Traditional/Roth IRA
- **Get honest about your budget**
→ Key Takeaway: Look at budgeting apps or good old fashioned pen and paper to assist. Starting your own business is stressful enough. Don't let your personal finances be the reason you aren't successful.

2. Business Start-Up Costs → *Expect Upfront Investment*

- **Legal structure setup (LLC, S-Corp, etc.)**
→ Rule of Thumb: LLCs make a lot of sense for start-ups but you'll want to consult with an attorney, accountant, financial planner, etc. before choosing a business entity structure.
- **Malpractice insurance policy (if needed)**
- **Business liability insurance (if needed)**
- **Equipment, EMR subscriptions, technology**
- **Licensing fees & DEA registration (if applicable)**
- **Initial marketing & website development**
→ Key Takeaway: You'll want to purchase a website domain. Then, finalize a hosting platform for your website. Squarespace, WordPress, and Wix are all good options. Website development can range from \$0 if you do it yourself or several thousand if you hire a website developer.

3. Ongoing Monthly Business Expenses → *Know Your Overhead*

- **Malpractice premiums (if applicable)**
- **Health insurance premiums**
- **Continuing Medical Education (CME)**
- **Software & EMR subscriptions**
- **Business tax payments (quarterly)**
- **Accounting/bookkeeping services (Ex. QuickBooks)**
- **Workplace retirement plan contributions**
→ Key Takeaway: A financial planner can help you set-up and maintain your workplace retirement plan.

4. Taxes → *Plan to Pay Yourself & The IRS*

- **Separate business bank account & credit card**
- **Track expenses meticulously**
- **Plan for quarterly estimated taxes**
 - *Rule of Thumb*: Set aside 25-30% of income for taxes.
- **Work with a CPA and financial planner familiar with medical professionals**
 - *Key Takeaway*: Being self employed means that you pay both the employer and employee side of Medicare (1.45%*2 on all wage income) and Social Security taxes (6.2%*2 up to \$176,100 of wage income in 2025).
- **Work with a CPA/financial planner familiar with medical professionals**
- **Understand tax deductions (home office, mileage, CME, licensing fees, etc.)**

5. Income Planning → *Survive the Slow Months*

- **Project expected revenue**
 - *Rule of Thumb*: If working 1099/contract, aim for rates 20-30% higher than W2 hourly to cover taxes/benefits.
- **Consider diversifying income streams (clinical, consulting, telemedicine, teaching)**
- **Develop contracts or PRN relationships early**
- **Timeline for profitability**
 - *Rule of Thumb*: Depending on your business, it could take a year or more to become cash flow positive. Make sure you have the personal funds to withstand this period without steady income.

6. Risk Management → *Protect Yourself*

- **Secure health insurance coverage for you and your family**
- **Consider individual disability insurance coverage with own occupation rider**
 - *Key Takeaway*: Most insurers will require 1-2 years of proof of income before they will offer coverage. You can expect individual disability coverage to cost between 1-3% of your annual income.
- **Malpractice insurance (if needed)**
- **Liability insurance for your business entity (if needed)**
- **Life insurance if dependents rely on your income**
- **Maintain professional network & credentials**

7. Chat with Caleb → *Schedule Your Free Consultation Today!*

- **If you're looking to start a business but don't know if you're ready financially, I'd encourage you to grab a free 30-minute time slot on my calendar using the link below:**

→ [Caleb's Calendar Link](#)

Disclosures

The information provided in this checklist is for informational purposes only. It is not intended as financial advice, and no content within should be construed as such. The content is based on general financial principles and concepts, and individual financial situations may vary. Readers are encouraged to consult with a qualified financial, legal, tax and/or any other advisor that they may have for personalized advice regarding their specific financial circumstances. Any action taken by readers based on the information presented in this article is at their own discretion and risk. The author and publisher of this financial plan make no representations or warranties with respect to the accuracy, applicability, or completeness of the information provided. This article does not endorse or promote any specific financial products, services, or companies. It is the responsibility of readers to conduct their own research and due diligence before making any financial decisions.

About Us



Caleb Pepperday

Chief Executive Officer

Being the husband of a PA-C and the brother of a physician, I noticed something seriously off in the financial planning industry. Advanced Practice Providers were getting the short end of the stick while physicians were getting the red carpet treatment.



This fueled my mission to create a solution that filled the gap left by old-school finance, making sure that APPs get the respect and guidance they truly deserve.

As a **Certified Financial Planner (CFP®)** and **Chartered Financial Consultant (ChFC®)**, I bring a wealth of expertise to help APPs navigate the complex world of finance.

I'm proud to have been featured in prestigious publications such as CNBC, MarketWatch, Investor's Business Daily, and others, where I've shared my insights and strategies for budgeting, negotiating employment contracts, and more.

When I'm not working, you'll find me enjoying the breathtaking landscapes of Montana. Whether it's skiing down the slopes, hiking through scenic trails, or peacefully floating down the Bitterroot River on a Saturday, I believe in embracing the beauty of nature. You might even see me at a Penn State football game in the fall while visiting my family in Pennsylvania. We are!