



Financial Planning for PAs

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



8 Things PAs Need To Know Before Taking a Sabbatical

Simple steps to make your time away from work a refreshing, not stressful, experience.

1. Define the Purpose and Timeline

Be clear about *why* you're taking a sabbatical and *how long* it will last. This will help you estimate costs, make smart decisions, and communicate clearly with employers and loved ones.

- Is the sabbatical for rest, education, family care, or travel?
- Set a clear start and end date—even if it's flexible.
- Identify key goals: What do you want to accomplish during this time?

→ **Action step:** Write a one-sentence purpose statement and outline a basic timeline with major milestones.

2. Build a Sabbatical Fund

You'll need enough savings to cover living expenses without relying on credit or dipping into long-term retirement accounts.

- Calculate your average monthly expenses.
- Multiply by the number of months you'll be away.
- Add a 10–15% buffer for unexpected costs.

Review your current budget to determine your monthly expenses. You should get as detailed as you can on what your expenses are in the preplanning phase. This helps you determine how large your Sabbatical Fund needs to be. **DON'T SKIP** this step or you'll risk running out of your sabbatical funds.

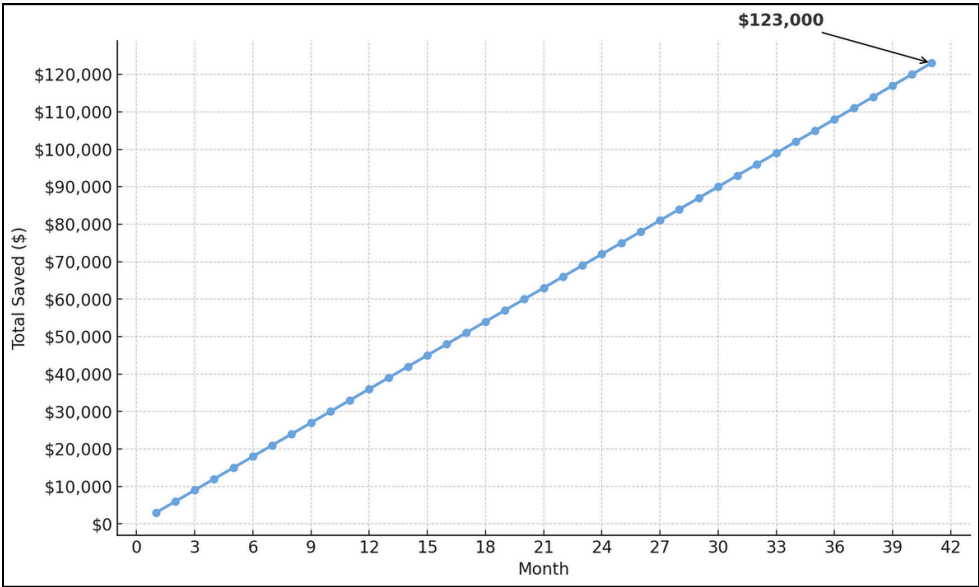
Once you've determined what your expenses will be during your sabbatical, it's time to start saving for your time off – Don't forget to budget for any travel you plan on doing during your sabbatical as well.

Next, open a high-yield savings account and began saving. You can do a quick search to see what savings accounts offer the best rates. These rates will likely be very similar and will most likely fluctuate over time. The goal here is less about maximizing your return and more about actually saving enough to fund your sabbatical.

Tip: The interest rate on your savings isn't going to make or break your ability to take a sabbatical so just choose the provider that best aligns with you.

➔ **Action step:** Open a dedicated savings account and automate monthly transfers. Label it “Sabbatical Fund” to stay focused.

Saving for Sabbatical Example



| Item | Value |
|--------------------|-----------|
| Monthly Expenses | \$9,000 |
| Monthly Savings | \$3,000 |
| Time to Goal | 36 Months |
| Sabbatical Length | 12 months |
| Total Savings Goal | \$108,000 |

You can see from the chart above that it would take you approximately 36 months to save up enough to take a 12 month sabbatical assuming you could save \$3,000/month towards your goal and and monthly expenses during your sabbatical of roughly \$9,000/month.

3. Adjust Your Budget

Your spending will likely shift. Some costs may drop (commuting, scrubs), while others increase (health insurance, travel).

- Create a “sabbatical version” of your budget.
- Prioritize essentials: housing, food, insurance, debt payments.
- Limit new discretionary spending unless it's part of your sabbatical plan.

➔ **Action step:** Track your spending for 1–2 months pre-sabbatical to build an accurate baseline.

4. Evaluate Benefits & Insurance

When you pause your job, you may lose access to key benefits. Protect yourself ahead of time.

- **Health Insurance:** Explore COBRA, ACA marketplace plans, or spouse coverage.
- **Life/Disability Insurance:** See if you can convert existing policies or buy temporary individual plans.
- **Retirement Savings:** Set up a Roth or Traditional IRA to continue saving if desired.

→ **Action step:** Make a checklist of current benefits and note what continues, ends, or needs replacement.

5. Plan for Taxes

A low-income year offers opportunities—but only if you plan ahead.

- Lower income may mean a smaller tax bill or eligibility for certain credits.
- Consider Roth IRA conversions if you're in a lower tax bracket.
- If self-employed part-time, remember to save for estimated taxes.

→ **Action step:** Meet with a tax advisor before your sabbatical to model your income and explore tax strategies.

6. Prepare for Reentry

A successful sabbatical includes a plan to return to work smoothly.

- Keep up with licensing, CME requirements, and certifications.
- Touch base with mentors or colleagues every 1–2 months.
- Plan to restart your job search or renegotiate with your employer at least 4–6 weeks before your sabbatical ends.

→ **Action step:** Add a recurring calendar reminder to stay professionally connected and prepare your resume.

7. Understand Employer Policies

Before planning your sabbatical, make sure you understand your current employer's stance.

- Is unpaid leave or a formal sabbatical policy available?
- Could using a combination of PTO and unpaid leave help extend your time off?
- Will your position be held, or will you need to reapply?

→ **Action step:** Schedule a conversation with your HR department or supervisor to clarify expectations and document any agreements.

8. Explore Partial Income Options

If you're open to earning a small income during your sabbatical, consider flexible options that won't compromise your rest.

- Short-term telemedicine shifts or PRN roles
- Teaching, consulting, or writing in your specialty area
- Selling digital products or participating in research studies

→ **Action step:** Brainstorm 1–2 part-time income options that align with your goals and won't disrupt your rest or purpose.

Thinking about taking a sabbatical but unsure how to make it work financially?

You don't have to figure it all out alone. Whether you're still tossing around the idea or already planning time off, talking it through with someone who understands your world can bring a lot of clarity.

As the spouse of a PA and a financial planner who works exclusively with medical professionals, I get what's at stake – the career momentum, the family goals, the financial unknowns.

Let's take 30 minutes to walk through your sabbatical plan. I'll help you spot any financial blind spots and give you confidence that you're thinking through the right things. No sales pitch. Just real advice.

[Click here to schedule your free call.](#)

Bonus: 10 Tips for a Smoother Sabbatical

1. *Declutter and sell unused items before you go – it frees up cash and simplifies your return.*
2. *Put major expenses on a travel rewards credit card to earn points that can fund future trips.*
3. *Prepay fixed expenses (like car insurance or subscriptions) before you leave to reduce monthly outflows.*
4. *Set up automatic bill pay for student loans, rent, or mortgage to avoid missed payments while away.*
5. *Notify your credit card companies of international travel plans to prevent fraud alerts or freezes.*
6. *Use a VPN when accessing financial accounts from outside the U.S. to protect sensitive information.*
7. *Review foreign transaction fees on your credit and debit cards to avoid unnecessary costs abroad.*
8. *Check if your state has tax rules about time spent outside the U.S. – you might qualify for partial-year residency if traveling overseas.*
9. *Carry multiple sources of funds (debit card, credit card, local cash) in case of banking issues abroad.*
10. *Freeze or pause non-essential subscriptions like streaming services or gym memberships while you're away.*

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!