FINANCIAL WELLNESS

Designing Your Post-Practice Life

A phased exit can give you income, time, and peace of mind.

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True retirement readiness is not just about a number in an investment account or the final valuation of your veterinary practice. It's about more than financial security. It's about purpose, identity, and what fulfillment looks like on the other side. It's about mapping out exactly how you want to spend your time in this next phase of your life and building a reliable financial position to support that vision.

Watch Your Blind Spot

As a practice owner, your career has likely been defined by milestones: graduating from veterinary school, buying or building your practice, hiring your first associate, and watching your patient base grow. You are hardwired to solve immediate, tangible problems. When you look toward retirement, it's natural to treat it like another operational project. You focus heavily on the mechanics of "exit planning," like practice valuations, multiples, and legal paperwork.

However, that's not enough and can produce a dangerous blind spot. Too many practice owners spend years planning how to leave veterinary medicine, but they invest almost no time planning what they are stepping into when they exit. Retirement isn't simply the absence of clinical schedules and emergencies; it's a blank slate of roughly 2,500 hours of new free time every year. Without clear personal goals, the sudden transition from a fast-paced clinic to complete open-ended freedom can feel surprisingly jarring. To build a truly successful retirement, you must design your destination before you sell your launchpad.

Design Your Time

To get a real handle on your financial needs, you must move past vague concepts like "traveling more" or "relaxing." Instead, map out what your ideal life looks like.

Your Day

For decades, your alarm clock and your practice schedule drove your morning routine. In retirement, what replaces that morning energy? Maybe it's a slow cup of coffee without checking a practice dashboard, followed by an uninterrupted 90-minute morning workout, yoga, or a long walk. Defining a fulfilling daily routine ensures you maintain structure, purpose, and physical health when the clinical demands disappear.

Your Week

A healthy retirement week balances leisure, social connection, and personal growth. Think about the hobbies or passions you sidelined during your peak practice-building years. Your week might include a morning mentoring a new veterinarian, and another morning book club meeting. Perhaps afternoons are golf or tennis, or dedicated time for woodworking, gardening, or cooking. It's about filling your weekly calendar with activities that bring you joy, rather than just passing the time.

Your Month

On a monthly horizon, you can plan for bigger experiences. This is where you map out long weekends away to see family, attending continuing education seminars just for fun, or taking trips. When you visualize your months, you can establish the rhythm of your year — balancing consistent, low-cost weeks at home with periodic, high-impact experiences.

Funding the Vision: The Real Value of Your Clinic Building

Once you have a clear picture of your ideal days, weeks, and months, you can accurately start to price your retirement. If your ideal month involves regular travel, your cash flow needs will be fundamentally different than if you prefer a quiet life focused on local volunteering and hobbies.

This is where your practice sale strategy comes into play. Don't assume that when it's time to retire, you must sell the clinical business and the physical building all at once. Selling the entire package in one shot can sometimes force you into a sudden lifestyle shift that you aren't emotionally or financially prepared for.

Instead, consider a strategy that looks more like a phased transition: Sell the veterinary practice itself to an associate or a corporate buyer, but hold on to your real estate. By retaining the building and leasing it back to the new practice owner, you may be able to generate ongoing rental income.

The Multi-Year Rental Runway

Retaining your clinic's real estate may provide a powerful financial and psychological buffer during the crucial early years of retirement. It acts as a customized "rental runway" that supports your lifestyle goals in several ways:

- **A gentle psychological transition:** Completely cutting ties with your life's work can feel abrupt. Receiving a monthly check from the building you built may provide a tangible, rewarding bridge from active practitioner to retired owner. You are still connected to the clinic's legacy, but without any of the day-to-day management stress.
- **Protecting your nest egg:** Receiving rental income from your practice building provides additional time for your invested monies to grow, creating the opportunity for more financial flexibility in your plan.
- **Predictable lifestyle funding:** Commercial leases are typically structured so the tenant covers the majority of the building's expenses on a triple net lease. They also usually include rent escalators, which can provide built-in inflation protection. These features can contribute to relatively stable rental income, making it easy to budget for those daily, weekly, and monthly goals you mapped out. Note: Involve a qualified real estate professional or attorney with experience negotiating leases for veterinary hospitals.

Executing Your Exit

This rental strategy isn't meant to last forever; it's a targeted five- to 10-year transition tool. While you are busy enjoying your new lifestyle — traveling, spending time with family, and exploring new interests — the practice inside your building continues to operate, mature, and generate value.

Eventually, as you move deeper into retirement and want to simplify your financial life completely, you can execute a second liquidity event by selling the physical real estate. By that point, you will have enjoyed a decade of reliable income, your traditional investments will have had more time to compound, and you can walk away from property ownership with clarity and confidence. An ideal scenario would be to execute a new lease with the practice renting your building, and then sell the real estate. This will incentivize purchasers, as they know they will be generating cash flow immediately upon purchase. If history is any guide, the value of the real estate may appreciate during this period.

Achieving this smooth transition requires proactive planning. Ensure your real estate is legally separated from your business operations well before a sale, and work with an attorney to structure a fair, long-term lease that protects your income.

Your practice has taken care of your community and your patients for decades. By taking the time to clearly define your personal retirement goals — and structuring your practice sale to fuel those goals through a runway like this — you ensure your practice takes care of you in the next chapter of your life. TVB

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QUICK TIP

Do not retire away from the clinic; retire toward a specific life. Your financial plan should serve your personal schedule, not the other way around.