

everyday**WERK**

THE EXIT PLAN

YOUR FINANCIAL RUNWAY WERKbook

Know your number. See your options. Plan your next move.

PROTECT → STABILIZE → EARN → PIVOT → BUILD → CHOOSE

You are here: STABILIZE

When work or income changes, one of the most useful things you can know is how much financial breathing room you actually have.

This WERKbook is the guide that goes with your Financial Runway Calculator. Use it to understand what belongs in the calculator, build realistic scenarios, and decide what your numbers are telling you.

THE CORE FORMULA

Available Transition Resources ÷ Monthly Cash Gap = Estimated Financial Runway

You do not need perfect numbers to begin. Start with what you know today. Verify the numbers that matter, then update your calculator as your situation changes.

1. Start with the right resources

Your Runway Number starts with money you have intentionally made available for this transition — not every asset you own.

INCLUDE FIRST-LINE TRANSITION RESOURCES

Examples may include checking or savings you can use, an emergency fund, liquid cash reserves, and the usable amount of a lump-sum severance payment.

KEEP CONSEQUENTIAL RESOURCES SEPARATE

Retirement accounts, home equity, credit cards or lines of credit, vehicle value and other assets may be part of your broader financial picture. But accessible does not always mean consequence-free. Do not automatically count them as first-line runway.

A note about severance

If severance is paid as a lump sum, the usable amount may belong with your available transition resources. If it continues as salary or recurring payments, it may function more like reliable monthly income. Avoid counting the same severance twice.

Taxes, withholding, benefit treatment and plan terms can vary. Use the amount you reasonably expect to be available to you and verify the details in your severance agreement, employer information and other applicable guidance.

Before you enter a number

- Can I actually use this money for the transition?
- Would using it create a significant tax, borrowing or long-term financial consequence?
- Am I counting the same money somewhere else?

MAKE IT WERK

Open MY RESOURCES in the calculator. Enter the amount, choose Yes or No in Include?, and use the Notes column for anything you still need to verify.

2. Build a transition budget — not your old budget

Your last full-income month is not necessarily the right number for this season. The goal is to estimate what your household realistically needs while income is changing.

CURRENT	Your best estimate of essential monthly costs based on what is happening today.
LEANER	A realistic version after reasonable reductions you could actually sustain. Intentional, not miserable.
CONSERVATIVE	A plausible what-if view if expenses are higher, income is delayed, or temporary income ends. Not a worst-case scare number.
ESSENTIAL	What needs to keep working: housing, utilities, food, healthcare, transportation, insurance, minimum obligations and other real household needs.

What belongs in the Leaner column?

Look first for expenses you can cancel, pause, downgrade, renegotiate or redirect. The goal is not to strip life down to nothing. It is to see what additional breathing room reasonable changes could create.

RELATED EXIT PLAN STEP

Day Two: You Just Got Laid Off. Here's How to Stop the Financial Bleeding is the deeper expense-triage exercise. Use it when you need help finding recurring expenses to reduce before rebuilding the larger transition budget.

MAKE IT WORK

Open TRANSITION BUDGET. Fill in Current Monthly first. Then build a Leaner Monthly version you could realistically live with.

3. Separate reliable income from hoped-for income

Runway gets more useful when it reflects money that is reasonably dependable — and when you remember that some income has an end date.

RELIABLE

Examples may include a spouse or partner's ongoing income, unemployment compensation if you are eligible and can reasonably estimate it, recurring salary continuation, or established freelance, consulting, business or rental income.

NOT YET RELIABLE

A consulting idea, a gig you have not started, items you plan to sell, a potential client, or a job you hope to land can become part of your plan. Keep it out of the base calculation until it is reasonably dependable.

Expected Through matters

If income is temporary, add its expected end date in the calculator. That date is what allows the phased-income model to show how your Cash Gap may change later.

If you do not know the exact end date, use your best reasonable estimate and mark it for verification. Benefits, eligibility and payment timing can vary, so confirm important dates with the applicable agency, employer, plan administrator or source.

Your Cash Gap

ESSENTIAL TRANSITION EXPENSES – RELIABLE MONTHLY INCOME = MONTHLY CASH GAP

The Cash Gap is the amount your available resources need to cover each month. If reliable income covers your essential transition expenses, your current Cash Gap is \$0.

This number is important enough that it becomes the next major step in The Exit Plan. For now, the calculator does the arithmetic for you.

4. Read your Runway Number like a range

A single number can create false certainty. Everyday Werk uses three views so you can see how sensitive your runway is to realistic changes.

Scenario	Resources	Cash Gap	Runway
Current	\$30,000	\$3,500	8.6 months
Leaner	\$30,000	\$3,000	10.0 months
Conservative	\$30,000	\$4,200	7.1 months

In this example, the planning range is about 7 to 10 months. That range is often more useful than treating 8.6 months as a promise.

YOUR RUNWAY IS NOT YOUR PANIC DATE.

It is information. Use it to decide what deserves attention now, what can wait, and what might need to change if the transition lasts longer than expected.

What the phased-income view adds

The simple dashboard assumes today's reliable income continues. The phased-income section goes further. When an income source reaches its Expected Through date, the model removes it from future months, recalculates the Cash Gap and continues drawing from the resources that remain.

That makes the calculator especially useful when unemployment, salary continuation, severance or contract income will not last for the entire transition.

5. Turn the number into a decision

The goal is not simply to discover how many months you have. The goal is to use that information while you still have choices.

MY NEXT RUNWAY REVIEW DATE

When will I deliberately update these numbers instead of checking them every day?

THE FIRST TEMPORARY INCOME EXPECTED TO END

What changes when it stops?

ONE EXPENSE DECISION

What can I change now without making life unnecessarily harder?

ONE INCOME ACTION

What can I begin exploring before urgency takes over?

ONE NUMBER TO VERIFY

What benefit, deadline, payment amount or assumption do I need to confirm?

A simple decision rhythm

If your runway is longer than expected, you may have more room to be thoughtful about your next move. If it is shorter, the answer is not automatically panic — it may mean reducing the Cash Gap, accelerating bridge income, changing the timing of a decision, or getting qualified guidance on a larger financial choice.

Revisit your runway whenever a meaningful assumption changes: an income source begins or ends, health coverage changes, a major expense changes, you receive a new payment, or your transition strategy changes.

Keep going with The Exit Plan

You now have a clearer view of how much financial breathing room you may have. The next question is more specific: how much money does your household actually need to fill each month?

NEXT IN YOUR EXIT PLAN

Stop Guessing: Calculate the Income Gap You Actually Need to Fill
Turn “I need more money” into a specific monthly target.

ALSO USEFUL RIGHT NOW

Day Two: You Just Got Laid Off. Here's How to Stop the Financial Bleeding
Find recurring expenses you may be able to cancel, pause, downgrade or redirect while you adjust to your new income.

Your Toolkit

Keep this WERKbook with your Financial Runway Calculator. The calculator is designed to change as your circumstances change; this guide is here to help you understand what to enter and what the results may mean.

BRIDGE THE GAP WHEN YOU NEED TO. BUILD THE CUSHION WHEN YOU DON'T.

That is the larger goal of The Exit Plan: protect yourself and what you've built, stabilize your finances, create income, and build enough optionality to make thoughtful choices about what comes next.

Important note

For educational purposes only. This WERKbook provides general information and planning prompts and is not individualized financial, tax, legal, insurance or benefits advice. Rules, eligibility, deadlines and financial consequences can vary and may change. Verify important information with the applicable agency, plan administrator, employer documentation or appropriately qualified professional for your circumstances.