



# Life After Exit

PLANNING FOR WHAT  
COMES NEXT

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A successful business exit is one of the most significant financial events of an entrepreneur's life. Yet for many founders, the transaction itself consumes so much attention that the question of what comes next goes unanswered until after the deal closes.

The cost of that gap is higher than most founders expect. We have seen entrepreneurs who achieved everything they set out to build financially, only to find that the sale left them without direction, purpose and the daily structure that had defined them for decades. For some, the regret is professional, translating to a nagging sense that they sold too soon, or giving up something they were not truly ready to leave behind. For others, the consequences are more personal. A founder who is unfulfilled does not leave that dissatisfaction at the door. It surfaces at home, in relationships and in the quiet moments that a busy business life once filled. Families that expected the exit to mark the start of something better are instead navigating a version of their loved one they do not recognize.

A Life After Exit Plan addresses this directly, helping founders define the next chapter before the ink dries on the purchase agreement.

### **Five Common Post-Exit Paths**

Most entrepreneurs who have successfully exited a business follow one of five paths:

1. Continuing to work for the acquiring company
2. Retiring from active business life
3. Focusing on philanthropy
4. Pursuing serial entrepreneurship
5. Angel or passive investing

Each path carries its own rewards, risks and demands. Understanding them in advance is essential to making the right choice.

## Path 1: Staying On — Working for the Buyer

Many sellers remain with the acquiring company post-close, either to support a smooth transition or to help execute a growth strategy. This arrangement is frequently tied to an earnout provision: an additional payout contingent on hitting defined performance targets.

On paper, this path offers the appeal of a higher total purchase price. In practice, it requires honest self-assessment. Once the sale closes, the entrepreneur is no longer the ultimate decision-maker. Headcount, expenses and strategic priority decisions shift to the buyer. We have seen management teams dissolved overnight, overhead allocated in ways that make targets nearly impossible to achieve, and founders effectively frozen out of the decisions that determine whether their earnout is ever realized.

Even in cases where the earnout is not at risk, the cultural and psychological transition can be challenging. Entrepreneurs, we've found, are not always built to manage bureaucracies or fill their days with documentation and reporting.

Before agreeing to a deferred payment structure, ask yourself honestly: Do I have the temperament to work for someone else? The answer to that question is likely worth more than the difference in valuation.

That said, there are founders who thrive in this arrangement - particularly those who are energized by access to new resources and a growth-oriented partner. If that profile fits, staying on can be a genuinely rewarding path. However, it should be a deliberate choice, not a default.

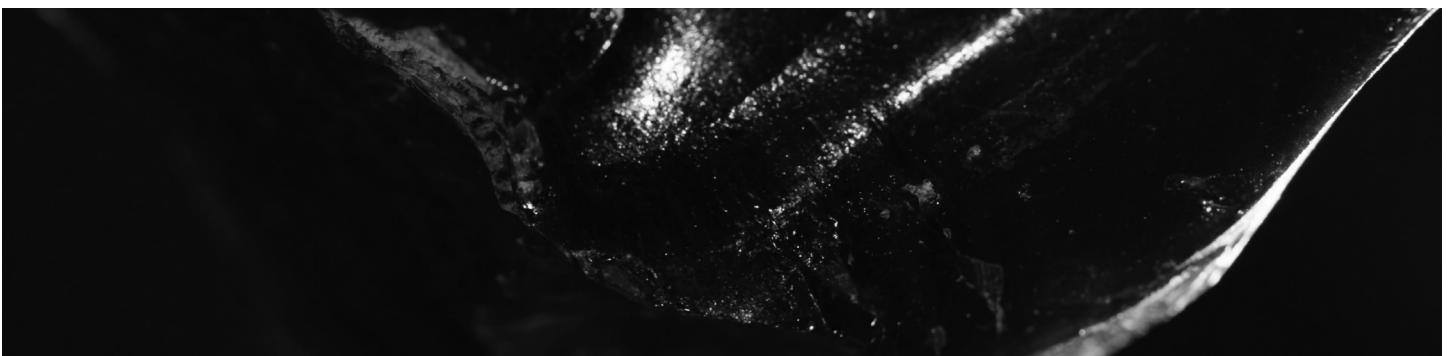
## Path 2: Retirement

For many entrepreneurs, a business exit represents the natural conclusion of a long career. Retirement — defined here as a complete step back from active business operations — is a legitimate and fulfilling path for those who have genuinely reached that point.

The challenge is that “retirement” is easier to imagine than to execute. The first months after a sale are typically filled with transition activity, which can make one “feel” busy. When the transition concludes and the calendar clears, some founders discover that travel and hobbies only fill so many hours. The routines, purpose and daily habits that defined their working lives are suddenly gone.

Retirement works best for entrepreneurs who have taken the time before the sale to define what it means to them. That definition will look different for everyone. Some will find deep satisfaction in family, travel, and personal pursuits; others will realize they still have energy and ambition to direct somewhere. Neither answer is wrong, but both require a plan.

Do not leave this question until after the closing dinner. The time spent defining your retirement is more valuable than the time spent reviewing the 15th draft of the purchase agreement.





### Path 3: Philanthropy

For entrepreneurs who want purpose and engagement without re-entering the business world, philanthropy offers a compelling alternative. It draws on the same skills - strategic thinking, leadership, organizational judgment - while directing them toward causes that matter personally.

**Philanthropic engagement typically takes one of three forms:**

- **Financial giving:** The most accessible entry point. Founders fund organizations aligned with their values such as hospitals, educational institutions, religious organizations and community initiatives, with varying degrees of ongoing involvement. This is the least time-intensive form of engagement and suits those who want to contribute meaningfully without taking on governance responsibilities.
- **Board service:** A natural fit for former operators. Nonprofit boards require financial commitment alongside active participation in committees and strategic oversight. For many entrepreneurs, this level of engagement strikes the right balance as it is substantive, demands real skill and provides a clear sense of contribution.
- **Active operational involvement:** For those who want to roll up their sleeves, direct involvement in running a nonprofit, such as a family foundation, provides the deepest form of engagement. This path is best suited to founders who are drawn to mission-driven work and are not interested in a passive role, as there are several administrative responsibilities to manage beyond the grant-making. Starting one's own foundation allows for integration with personal pursuits. For example, if golf is a main hobby, consider starting a family foundation that supports initiatives for underserved children to learn the game.

For those who pursue philanthropy intentionally, it provides genuine purpose, community and a meaningful outlet for the talent accumulated over a lifetime of building.

### Path 4: Serial Entrepreneurship

Some founders exit one business only to start building the next. Serial entrepreneurship is by no means a failure to plan, but rather a recognition that one's entrepreneurial spirit has not fully waned.

The advantages of starting again post-exit are substantial. A prior liquidity event provides capital, credibility and access to networks that were not available at the start of the first venture. Non-compete provisions, if negotiated carefully, can be structured to leave room for re-entry into a familiar industry in a new region or market segment.

We know founders who have exited a second business in half the time it took to exit the first because they understood the market, knew how to scale efficiently and had the capital to move decisively.

The risks are also real. We have seen serial entrepreneurs overextend, scaling too quickly and therefore ending poorly. The key distinction: a founder who has had a prior exit should never be betting the entirety of their assets on the next venture. Proper capitalization, disciplined risk management and a diversified personal balance sheet are the guardrails that allow the serial entrepreneur to take meaningful risk without existential consequences.

Beyond starting from scratch, this path also includes acquiring or turning around an existing business. That could mean bringing capital, leadership and a management team to a company in need of direction. For founders who are energized by the challenge of transformation, this can be a particularly efficient use of post-exit resources.

### Path 5: Angel and Passive Investing

For entrepreneurs who want to stay connected to the business world without running a company, passive and angel investing offers a middle path. Capital is deployed into businesses or asset classes that generate returns without requiring the investor to manage day-to-day operations.

Real estate is the most common vehicle for entrepreneurs seeking passive income. For those who want exposure to early-stage companies, angel investing offers the potential for outsized returns alongside commensurate risk.

A few principles apply to those who pursue this path seriously:

- **Invest in what you know:** The most effective angel investors deploy capital in industries they understand deeply.
- **Size positions appropriately:** Every investment in an early-stage company should be sized as though it could go to zero – because it can. Investments that are too large relative to overall net worth create pressure to become operationally involved, which defeats the purpose of passive investing.
- **Diversify:** A portfolio approach, defined as spreading capital across companies at different stages in different sectors, reduces concentration risk and improves the probability of meaningful returns over time.

Don't forget that as a passive investor, you are a minority shareholder. Control and decision-making belong to the operators. Founders who struggle to relinquish influence may find this path more frustrating than fulfilling.



## Conclusion: Plan Before You Exit

The transaction process moves fast. Attorneys, advisors, and deal teams are laser-focused on valuation, terms, and closing. It is easy (and common) for the question of what comes next to get lost in that momentum. The result is predictable: sellers who spend years building a business find themselves adrift. The products of insufficient planning can be anxiety, lost time and lack of direction.

A Life After Exit Plan is not a luxury or an afterthought. It is a core component of exit planning and just as important as the financial and legal structuring that surrounds the deal itself.

Before you close, take the time to answer the questions that matter most: Which path fits your temperament? What does the next chapter look like? What will give your time meaning and structure once the business is gone?

The founders who answer those questions in advance are the ones who look back on their exit with satisfaction.

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