

— TRAJECTORY PHYSICS / LOCK-IN

Path Dependence: The *Exit Tax*

Credentials, vesting, geography, and identity compound into switching costs. Name the tax before you sign the lease on a new story.

SYSTEM ARCHETYPE 022

Path Dependence / *Trajectory* /

Path dependence means today's feasible moves depend on yesterday's irreversible steps. It intersects feedback delays, systems archetypes,

[first principles](#), [modularity](#), and [the Iceberg Model](#)—because the visible promotion is an event; the corridor is structure.

1. History Is a *Ratcheting* Constraint

Path dependence means today's optimal choice set is carved by yesterday's commitments: credentials, geography, vesting cliffs, tax basis, reputation, and the quiet shame of sunk costs. You are not "free" each morning; you inherit a graph. Wealth strategy that ignores the path treats life like a menu instead of a trajectory.

Link the idea to [feedback delays](#): early path choices look cheap because the bill arrives years later, often as missed optionality rather than as an invoice.

"The cheapest door is often the most expensive hallway."

2. Switching Costs Are *Balance-Sheet* Items

Career capital, client concentration, and specialized tooling create exit taxes. So do golden handcuffs, non-competes, and lifestyle baselines defended by balancing loops. Path dependence is not fatalism; it is pricing the exit tax honestly before you sign.

3. Archetypes of *Lock-In*

Systems archetypes like "success to the successful" explain how early wins fund later constraints: the same loop that built the castle pays for the moat you now must defend. Naming the archetype keeps regret from masquerading as strategy.

PATH AUDIT

01

Map irreversible steps

What cannot unwind without cost? Degrees, partnerships, equity grants, real estate, children, debt covenants.

02

Price the exit

Months of runway, legal fees, tax hits, retraining—put numbers beside each.

03

Design parallel paths

Skills and income streams that pay even if the main identity pivots—see [modular systems](#).

04

Revisit after shocks

Marriage, acquisition, regulation—paths fork. Update the map or inherit someone else's default.

4. First Principles on *Forks*

When considering a pivot, run first principles on what must remain true regardless of brand or title. Often the path-dependent asset is not the job—it is the cashflow shape and risk exposure. Refactoring those without changing business cards is still a fork.

5. Icebergs Under *Career* Narratives

Promotions and titles are events; path dependence lives in structure—who owns your time, who owns your distribution, who can change the rules. Pair this chapter with the Iceberg Model so you stop debating the foam while the hallway lengthens underwater.

Build the *lattice*, not the legend.

Return to the Reading hub for essays, tools, and the rest of the 100-topic map.

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