FINANCIAL LITERACY SERIES

Budgeting 101

IRONCLAD NIL
ATHLETIC WEALTH ADVISORY

3–4 MIN READ • LESSON 1

WHY THIS MATTERS

60%

of pro athletes are broke within 5 years of retiring.

Source: Sports Illustrated

Not because they didn't earn enough.

Because nobody taught them how to manage it.

That changes today.

This lesson is your starting point.

THE BASICS

What is a budget?

> *"I've seen too many Athletes not make the most of the financial opportunities they have while they're playing… [athletes need] budgeting and getting to know the 'net net' planning for the future, which means looking beyond the now" - Darren Woodsen 3x Super Bowl Champion*

Know what comes IN

NIL, jobs,
family support

$

Know what goes OUT

Rent, food, phone,
subscriptions and other bills

→

You can only spend a dollar ONCE

Save it or spend it,

✓

THE GOLDEN RULE

Automate Budgeting

Automate your budget. Create separate bank accounts with automatic transfers into each to automate budgeting

1

Get Paid- The Main account

NIL check hits your main business account. Transfer estimated withholding to your tax account and minimum of 20% to savings account

→

2

Move Necessary Income to Bills Account and Fun Account

Set up automatic monthly transfers to go from your business account to your bills and fun money accounts

→

3

Whatever is Left

We can spend or save. We recommend doing a combination of the two.

Pro tip: Set up automatic transfers so it happens without thinking.

ACTION PLAN

Example

Business

Travis has a $750,000 NIL deal paid as a lump sum in January. This is paid into his business checking account (more on this in a future lesson). He immediately transfers $260,000 to his tax bank account (more on taxes in a future lesson) and $150,000 to his savings account.

Bills

Travis completed his budget sheet and he needs $4,000/month for his bills. He sets up an automatic transfer from his business checking account to his personal checking account that he labeled “bills”

Entertainment

Travis found that $2,000 a month is perfect for fun and entertainment. He set up an automatic transfer from his business checking account to a separate checking account that he labeled “entertainment”. He knows that he can spend any money in this account however he wants, guilt free. He knows that once the money in that account is gone, he must wait until the next month before spending money in this category.

The $268,000 that is left over--- Travis can either spend or save. We recommend a combination of the two.

ACTION PLAN

Start Today: 3 Steps

1. **Complete the IroncladNIL budget sheet**

   Income, fixed expenses/bills, and entertainment

2. **Create the separate bank accounts**

   Your business checking, tax account, savings account, bills account and fun money account

3. **Set up direct transfers**

   Your business checking, tax account, savings account, bills account and fun money account

You know more than most athletes.

Budgeting is like working out or eating healthy. It doesn’t sound fun, but when you do it right it feels amazing. Just have to follow the plan.

Book Your Free Consultation

ironcladnil.com | No pressure. No pitch.

What's Next

In This Series:

- Lesson 2 — Taxes for athletes
- Lesson 3 — Think and act like a CEO
- Lesson 4 — Investing 101
- Lesson 5 — Investing 102
- Lesson 6 —Protecting Your Plan

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