

Earning NIL Compensation

Student-Athlete Financial Needs Checklist

As NIL opportunities reshape the student-athlete landscape, financial advisors have a unique opportunity to offer proactive guidance that empowers these young clients for lasting financial independence. Use this tool as a conversation catalyst to surface priorities, build rapport, and demonstrate your commitment as a fiduciary partner.

»» Tax planning and compliance

- **Complex tax situation.** NIL income, sponsorships, and potential future earnings create a complex tax landscape. Financial advisors can assist athletes in navigating federal, state, and local taxes—ensuring proper withholding and deductions, and coordinating with their CPA.
- **Quarterly payments.** Student-athletes may need to make estimated tax payments throughout the year to avoid penalties and interest on back tax payments.
- **Tax-advantaged accounts.** Advisors can help set up tax-advantaged accounts, such as IRAs or Roth IRAs to reduce taxable income and save for retirement.

»» Budgeting and cash flow management

- **Managing fluctuating income.** NIL income can be inconsistent, so student-athletes need a budget that accommodates both high- and low-earning periods.
- **Emergency fund.** Establish an emergency fund that covers 3-6 months of living expenses.
- **Debt management.** Focus on reducing high-interest debt and avoiding overspending.

»» Investment strategy

- **Long-term growth.** Develop an investment strategy that aligns with the student-athlete's goals of financial independence.
- **Diversification.** Diversify investments beyond the student-athlete's sport and NIL earnings to build wealth that can continue growing after their sports career.

»» Business considerations

- **LLCs.** Discuss and determine if corporate entity structures can aid in the protection and tax strategy of endorsement deals and other business interests.

»» Estate planning

- **Wills and trusts.** Ensure assets are protected for future generations.
- **Power of Attorney and healthcare directives.** In case of incapacitation, these documents ensure the athlete's wishes are carried out.
- **Charitable giving.** Help create a plan to support the athlete's passions and organizations in a tax-preferential way.

»» Identity protection

- **Identity theft.** Educate and help create systems to protect the athlete's identity and care for reputational risk while being in the public eye.
- **Personal protection.** Be an advocate and a financial fiduciary to help the student-athlete set boundaries and mitigate personal requests.

»» Insurance needs

- **Disability insurance.** Protect future earnings in case of a career-ending injury.
- **Health insurance.** Ensure comprehensive coverage, including supplemental and catastrophic health insurance.
- **Life insurance.** Protect loved ones with term or permanent life insurance.
- **Property and casualty insurance.** Protect valuable assets like cars, homes, and personal belongings.

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