**NFL Episode 8 Transcript**

Riccardo Stewart (00:10): Hey, we want to welcome you guys back to another episode of the AWM NFL podcast. My name is Riccardo Steward and I'm your host and I'm joined along with three of my good friends and coworkers, Sam Acho, Jeff Locke, my man himself, Zach Miller. And so before we jump in, we always start with top of line. And what seemingly is top of mind right now is as we're watching just kind of NFL free agency kind of take place.

(00:37): And for the average person, they're kind of watching the ticker and they're seeing, you know, people getting paid. We're seeing Kirk Cousins like come up, come up, come up. But as NFL players, you know, there's kind of the range of emotions that that that people go through here. And so first, I want to start first with you, Zach, and what are those range of emotions as someone who's been through it yourself when it comes to NFL free agency?

Zach Miller (01:01): You know, it kind of feels like the draft all over again because you kind of have that uncertainty about, hey, where am I going to be next year, where I'm going to be living, which team I'm going to be on, Am I - am I going to be the new guy again? So I played out my whole rookie deal when I was with Oakland.

(01:15): And so that was that lockout year. So when free agency started, I mean, it was it was wild, all these people signing. And then for me, it was it was I had to be really patient. A couple of days went by were where the Raiders made some offers and then some other teams made some offers. And it really wasn't until Tom Cable, who was our coach in Oakland, he was in Seattle, He called me and said, How would you feel about taking a trip up to Seattle?

(1:40): So I'm like, Yeah, definitely. So I go get I'm about to get on a plane. I'm sitting in Oakland Airport and Hue Jackson is calling the courtesy phone at Oakland Airport because I want to answer my cell phone. So he's calling and calling and I let 20 minutes go by words. Zach Miller, please, please report to the courtesy found.

(2:00): Please report it. And my wife's like, Hey, hey, don't answer it. You know, he's going to say the same thing he said the last few days, and we'll pay you and all this stuff. But it hadn't happened yet. I mean, I played their whole four years was the leading receiver. So, you know, I was felt, you know, I felt like I was taken for granted.

(2:14): So I was like, I want to go to Seattle and check it out. So I finally go to the courtesy phone and he was like, Don't get on that plane. Don't get on that plane. You know, we'll take care. You don't get on that plane. I was like, Well, let me go check out Seattle. So, you know, good things happen.

Go to Seattle, you know, take care of me. It's a five year really good guaranteed deal, highest paid tight in the league. So this time here is just amazing. Obviously, that excitement knowing like, you know, I'm set for life if I if I do things right and save that money. So the excitement I see in, you know, I experience and get to see guys, you know, get what they're worth because so many teams, they use that franchise tag against you.

(2:50): They use they use all kinds of tactics to try to lock you down for less money than you're actually worth. So seeing guys go in the market, get what they're actually worth is the greatest thing to see. And then, you know, a chance for teams really upgrade and move, move, move the right pieces around. But for me it was an awesome time.

Obviously went on to win a Super Bowl in Seattle. So I picked I picked the right team, at least at that point.

Sam Acho (03:16): But it also could be stressful, though. It also could be stressful. Zach fell on the good side, how awesome it is. And highest paid dude I've been in situations. I was talking with one of the guys we're talking to who's in one of those situations as well where you think you're going to get where you're worth.

(03:29): You hope you're going to get where you're worth it. All of a sudden, maybe not even the days tick by, the minutes tick by, the hours tick by, and all of a sudden it's like, okay, everyone else, they're getting these huge deals. What about me? Every day feels like a month. Every minute feels like an hour. I mean, it's ridiculous.

And so I would just a word of encouragement just to remind people that, okay, even if you don't get that deal right now, continue to work because free agency like this is the thing of like, how do you learn how to be patient? Had to learn how to trust, how to have faith, have hope. All those things that are going to matter as a father, as a husband, as a business leader, now's the time to build those skills as well.

(04:07): As you wait these. Maybe it's minutes, maybe it's days, maybe it's weeks. I'm about inside sometimes. Till April, I was a free, multiple one year contract, so it was like when I got to wait till April, three weeks. What's going on? And oftentimes, sometimes I was waiting for the right deal. Sometimes I wanted to know that the team wanted me and the team didn't.

So there's two sides to the coin, and I just give kudos and shout out to everyone who's in that free agency, period, for this opportunity to get another deal, whether it be smaller and different.

Riccardo Stewart (04:35): I mean, one, I do love saying that the hearing those two sides of the coin and I do love seeing Sam like like are you are you filming the R&B video?

Sam Acho (04:42): Look at what I said. I said, let me go. So let me go and find the, you know, intro backgrounds and we find our intro right now I'm playing now I'm a candidate right now for the kids spring break. We have family out here for visiting them. And I saw this background. I said, man, I got to I got a title with AWM.

So boom, AWM all the way out.

Riccardo Stewart (05:03): I love it. I love it. Well, let me let me like, you know, we in college and they always bring speakers in when you're at these universities and they try to let you know how short your career could be in the NFL and that the NFL stands for not for long, right.

(05:15): When the reality of it is through due to injuries and so forth. You really don't know when it's going to end. So it is important to plan. And I think about I'm not sure what book it was in. Right. But it's the story of the stone. You guys have heard that the professor comes in and he's got this bowl and he puts he puts a big, big rocks in and he goes, Is it full?

And they say, Yeah, it's full. No, that he put smaller rocks the for now they catch on the like No and he's right he pours sand and dirt and water and he goes if you now it's full what's the point of the story. And some people say you know what I mean. Like you could fit everything in.

(05:46): He goes, No, the point is you would have never been able to get to the stones if you would have started with the water or the dirt or the sand first. And so you start with priority. We've been talking about taxes and we started that last episode. We're going to continue this episode in the next episode. But with taxes comes proper planning and even more so you have to have like a good or proper strategy.

(06:09): We mentioned before that one of the bad things that goes wrong with taxes for NFL players is poor strategy. So I'm going to go to my trusted friend, call a friend the professor. Jeff And could you just kind of shed some light on like what is meant by poor strategy as it relates to tax planning and taxes in general?

Jeff Locke (06:29): Yeah. So taking one step back worked our last episode. We talked about three types of income, right? We've got W-2 income where you get paid by the team, you got 1099 income, where you get paid endorsements and NIL. And then we've got the stuff we love later in life, which is the investment income right? Stuff spit in off of all your hard earned money that you invested over the years.

(06:51): So when we're talking bad tax strategy or really digging into that investment income component for a second and saying, cool, you've picked the right investments, but are you actually holding those investments in the correct types of accounts? Right. But certain accounts have different types of tax benefits or lack of tax benefit to them. So we're saying poor strategy right now.

We're talking about not putting your investments where they're supposed to be, even though they might be the right investments.

Riccardo Stewart (07:25): Man. Well, as usual, the professor being able to to help us out, giving us the wisdom at super helpful. But that I'm going to have to I'm going to have to go to you because if we can recall, right, Professor, from last episode, we talked about how Zach himself overpaid in taxes to the drama of what you say, almost 2 million.

Yeah. Okay. Well, $2 million. And let me ask you this. What, Sam? Yeah, that's that's a lot of money and when it comes to in terms of investments and what the excuse me, taxes in terms of the ultra wealthy, you mentioned this last episode saying there are some things that the ultra wealthy do. There's accounts that they open up that essentially help them in taxes.

Okay. Give us that wisdom from the ultra wealthy sense.

Zach Miller (08:12): Yeah. So if you're an NFL player, anyone really that's on an NFL type money salary, you should really have an Roth IRA account type. You should be able to see that in your brokerage account. You should have what's called an individual 401k for that endorsement income and then what's called a donor advised fund.

So you're able to actually save on money when you're when you're kind of contributing to any of those charities, any of those causes you want. You do that through a donor advice fund. You're actually able to you're able to give more and then save on taxes for yourself. So it's kind of a win-win there. But those other two accounts, I mean, you're going to be investing the money any way.

(08:48): You're going to be investing that money for that that passive income, that mailbox later might as well take that free money that's on the table. A lot of guys. And that was me. I left a lot of free money on the table by not taking advantage of those accounts. So having those accounts and putting the right investments in those accounts, it's literally free money because you either save on the taxes now or you save on the taxes later.

(09:10): And both those Roth IRA and individual 401k accounts, you know, you see the wealthy do it time and time again. It's it's how they're able to maintain that wealth and then pass it on to the next generation.

Riccardo Stewart (09:24): Yeah. Roth or a backdoor Roth individual for Warren K Sam when you were coming out and you were playing in the NFL, did you have any of those accounts?

Sam Acho (09:33): I didn't. I didn't when I was coming out. And I think one thing I did have, though, is the idea and even as I got married, my wife has this idea as well as of the importance of saving. We talk about, okay, let's try to increase returns and that's awesome. But if you look over time, if you find ways to save Zach talked about leaving money on the table.

(09:52): If you don't leave that money on the table and find ways to save that money, you actually could help you out in the long run. And so early on, I didn't have a lot of those accounts because I just didn't know I needed them. I didn't know. I mean, Zach mentioned he lost 2 million. I don't even know how much I potentially could have lost.

(10:22): I don't think I want to know based off of what I didn't do early on as a here. I don't, I don't. Jeff I going to look it up like. But but I think now as I'm learning more and more money wow. There are things that are that are in my control free agency. A lot of it's not in your control.

You play as well as you can. You put yourself in the best position and the team you want to sign. You may not sign you or the team's, maybe the contract you want, you may not get it's out of your control. But how much you save getting a donor advice fund, getting an individual 401K, a Roth IRA, all those things are in your control and can save you actual money, real dollars.

(10:42): And all of a sudden that's one of the ways to build wealth. And so, no, I didn't have one early, but I absolutely have have them all now.

(11:00): So one of the things that we see, quite honestly, when we get with NFL players or we get with guys who are coming from the draft in the NFL is they don't have these things and like honestly, it's because they've had poor strategy if we're just being honest.

And so coming back to you again, Jeff, like what would proper strategy begin to look like for these guys and for our clients and and for those listening to this podcast?

Jeff Locke (11:10): It's a proper strategy. Let's just talk about all the accounts you should really have. So as an NFL player, you're going to have your NFL 401K, you're going to have your cap plan, you're going to have your annuity plan, you're going to have your HRA.

(11:20): Depending on how many years in the in the league you have. Right? If you're in the NFL, you're on the NFL. You kind of know these names just based on being a player. You're also going to have a bank account, right, A savings account. And you're going to have some sort of what we call a brokerage account, which is a place to hold investments.

(11:36): Right. The missing accounts that we're talking about. Right. The first one, the donor advice fund. Right. So the big strategy here that people are missing out on is donor advised fund. Let's you save more taxes now by taking bigger deductions when you're in a higher tax bracket when you're playing. Right. And then it also lets you give to charity in a more tax efficient way by avoiding taxes on your investments later on those two huge tax savings by using a donor advice fund right off the bat, you give them to charity if you're charitably inclined.

(12:11): Like I, our guy Sam Acho is like one of the most charitably inclined humans I know anywhere right? He uses his donor advised fund to maximize how much he can give to charity each and every year. Okay. The Roth IRA and the individual form. And again, these are just mumbo jumbo words that mean nothing to people that are in our industry.

(12:30): Right. All you got to think about when you think about these two accounts is the government gives you tax breaks to essentially incentivize you to save for your own retirement. Because back in the day, the government used to help you more to save for retirement. They said, hey, we're not going to be that much anymore. But here are some tax breaks on certain accounts to use.

(12:48): But when the IRS giveth, the IRS take, it taketh away. Well, that was a tongue twister. I barely got that one out. I say that because there is limits each and every year to how much you can put into a Roth IRA and an individual 401K. So it takes a team to know what these limits are and to help maximize how much you can get in.

(13:09): And the beauty of these accounts is you get tax free growth and potentially pushing off big tax bills to later in life when you're in a lower tax bracket or never paying tax again, like in the Roth IRA.

Riccardo Stewart (13:24): Man, I'm kind of speechless because one year you're always so clear. You're always so clear. Professor, I like sitting in your class.

(13:33): I didn't go to class much in college, But you know what? I would go to your allowance that you guys all know that I went to every class and I sat in the front row there.

So I'm going to throw this last question out before I wrap it up. And that's just to you, Sam. One, because you do speak a lot and you are around a lot of student athletes that are college athletes.

(13:52): So you go back several years, you at the University of Texas, and let's just say you're in Iowa and so now you've got a little bit of money, you can get a lot of sacks. And so now your your rating is higher and you got 400K and 2023. Now, knowing what you know now about taxes, what kind of advice would you use to you for yourself in terms of the money you received?

Sam Acho (14:16): The two pieces of advice I would give myself is know, number one, that this 400 K isn't actually 400 K, it's going to be less than four education, Whether you're going to pay it later or the money that you get is going to be less than that, number one. And number two, I would say invest wisely. I'd say find a way to save.

(14:34): Maybe it is an individual 401K, maybe it's through giving. Maybe it's creating a donor advice fund early. I would say find ways to invest wisely because there's an idea of compounding. Think about interest. You have an interest that people have interest on a house or a car and it compounds and grows and grows and interest begets interest.

(14:41): Well, in the same way, if you save like, say, B, can B get saving and also investing can grow as well. And so I would say even if you think it's a small amount, a big amount, right. You know, some people say, that guy that's four, four, 4 million only afford 2000. If you can save wisely, it'll grow and grow and grow.

(15:00): It can grow and grow and grow. It's I would tell myself those two things over one that forged you can really 400K but find different strategies to find ways to save and not leave money on the table. that's good.

Riccardo Stewart (15:20): That's good. Well, few things. Just looking forward to this next episode. One, we're going to talk about more strategies that are specific and uniquely to NFL players.

(15:30): And then also we're going to talk a little bit more about that donor advice fund. I Jeff, I'm going to have you unpack that a little bit more because that's something we don't see a lot of people in which they have. And so we're going to wrap up this kind of a three episode series on taxes next week.

(15:42):

So if there's anything we said or we did not say, you guys have been very helpful and giving us your feedback, so please shoot us a text at 602-989-5022 again 602-989-5022. And it's the next episode. You guys have a good day.