**NFL Players’ Podcast Episode 13 Transcription**

Riccardo Stewart (00:11): Hey, I want to welcome you guys back to another episode of the AWM NFL podcast. My name is Riccardo Stewart. I have the privilege of being your host and I'm joined as always with my friends, Jeff Locke, Zach Miller, and then the man himself, Sam Acho.

Okay. So let me just kind of take you where we've been. Okay. We've been talking about the four uses of money in our previous episodes. The first use of money, which we say is the number one destroyer of your wealth are taxes. And then the second, the second use we talked about.

was spending. And the thing about spending is there's nothing wrong with spending. You gotta spend for the things you want and you desire, but the money's gone. And then the third use of money we talked about is giving. And that giving in itself is a great thing for our clients because it one, it unlocks the grips of greed and it just makes you feel good to be able to give. And then lastly, last episode, we talked about saving and we would have this kind of two-part episode. And when we talked about saving, we said there's kind of two sides of the coin.

There's saving - which we talked about last week. And Jeff so like greatly said, is that it is putting away money to pay your future self. And on the other side of that coin, it's investing. And so we're gonna talk about, a little bit about investing today. So let me set the stage because I'm on this podcast with some very, very smart individuals and we can talk about investing for hours. Jeff can talk about it for at least three hours. Sam could talk for about two hours.

And Zach, it's infinity. So I'm going to play the role of whenever we get to a point where it's like, oh, we're probably going too deep, boom, I'm gonna hit the pause button and at least have you explain it more or we're gonna jump to the next topic. And so we'll get an opportunity to do that. Is that good with you guys?

Riccardo Stewart (02:02): Okay, so just to recap, multi-generational wealth game plan, meaning there has to be a plan on the field and off the field. And what we said is what we've seen with our clients, MLB and particularly to NFL is there's a 40-40-20. If 40% of your income, your gross income, that money that you see on the bottom line of the ticker, 40% is going to go to taxes. You just got to know that. And then if you can live off 20% and then that other 40%...

that you begin to save and invest. And so that's what we're really talking about. And we've seen that to be the sweet spot.

And when it comes to multi-generational wealth, we've gotten this question of going, okay, all you need is money. No, you don't need money. And all of a sudden that equals multi-generational wealth because there's a lot of people with money who don't have multi-generational wealth. Okay, you say money, but, and then plus knowledge. It's not just money plus knowledge because a lot of smart people with money who don't have multi-generational wealth. Okay, money plus knowledge plus skill, that's it. You're getting close. What we found is it's money plus knowledge plus skill plus discipline.

And that's what we're about. And that's what we're about when it comes to investing, when it comes to essentially being a pro at being the CEO of your own company. So I'm gonna start with some questions here. We talked about this last week. We don't use the phrase emergency fund, but that's what most people talk about. We use it as a protective reserve - the money, how to have a long runway when it comes to the money that you need to spend. And so talking about investment, I'm going to start first with you, Sam. When did you begin investing money? And I'm thinking about particularly in the markets, which we'll talk more about, but like, when did you begin investing?

Sam Acho (03:49): I didn't begin investing until my third year in the NFL, and I wish I would have started sooner. The reason I say that is this, I remember being in fifth grade or so, and I had a teacher named Miss Johnson, and it was right around the time where stock market, and it's growing, and she said, hey, if y'all have like one penny, if you invested one penny in the stock market now - in 30 years from now or 20 years, it would grow to whatever the amount was, right? $1,000, $2,000, whatever number that she said.

And I remember being in fifth grade being like, okay, number one, this sounds too good to be true. And number two, how do I get my penny and where, how do I like deposit it into like a stock market? I didn't know. Well, fast forward after, you know, just being a part of this team and learning, it's like the idea of compounding how much that one penny could have grown, would have grown, should have grown.

Sam Acho (04:37): I wish I would have started sooner. But of course in fifth grade, you may not have a lot, but my rookie year in the NFL, I was a fourth round pick. I had a nice signing bonus, I had a nice rookie contract, but I still wasn't comfortable going in to invest my money. So I just had it sit in the bank. I didn't know any better. I was like, well, at least it's here and I'm gonna save it quote unquote - without realizing all that I could have gained. So finally, my third year, I found an advisor who I trusted, who helped me understand what investing actually looks like. And then I finally started investing in the stock market.

Riccardo Stewart (05:09): Good. So Jeff, I said earlier, I said there's saving and then there's investing and investing is the other side of the coin. Did I even say that right? Like is, is it really two sides of the same coin? Or is it just something different?

Jeff Locke (05:29): I still like to think about it as two sides of the same coin. And really there is a key distinction though. When we say savings, we're talking about just putting money away, whether it's under the mattress or maybe in just like a regular checking account. That's savings. You just put it away, it sits there, you don't spend it. The problem with just saving is there's this nasty little thing that's been in the headline the last couple of years called inflation. So if you just let it sit, you're actually losing money over time. So let that sink in. Yeah, go ahead, go ahead, yeah.

Sam Acho (05:52): Can I put the buzzer? Cause inflation, what does that, I mean, some people, they're on this podcast listening, what does that mean? What does inflation mean?

Jeff Locke (05:59): Yeah, it's a great question. So yeah, it really is. IRS is Cookie Monster one inflation is Cookie Monster number two to your money. So really it means if you spent a hundred thousand dollars last year, your total spending, you don't change what you buy at all. Next year, that same thing is going to cost you $103,000. That's the general inflation every year is 3%. And then the year after that, it'll cost you $106,000 just to buy the same exact things.

Jeff Locke (06:28): You bought that first year. So that is the sneaky cookie monster eating away at your money, just sitting in savings.

Riccardo Stewart (06:38): Good. Okay, well, we believe in helping athletes, particularly with this team here, NFL athletes create multi-generational wealth. And that's important because sometimes people say, I just want my kids to have a better life than I did. And I'm like, well, that's the case that I already won. My kids' life are way better than my life. But we're talking about multi-generational wealth. And so Zach, what part does investing play in creating multi-generational wealth?

Zach Miller (07:07): Well, I'll put it this way. So I'm 38 years old and my total investment gains are getting close to what I earned after taxes as an NFL player. So put it that way. Everything I did on the field, I earned as a player. I'm getting close to have earned that much in income, capital gains, all that, that I did as a player. So at 38 years old, I have time on my side. Every NFL player has time on your side. You have the opportunity for your investments to grow and compound. Like Sam said.

Riccardo Stewart (07:16): Pause. Explain. Yeah.

Zach Miller (07:35): Over years and years and years. So at that time, you got to be disciplined. You have to be super patient. The thing with investing is if you're not patient as an investor, you go for that quick buck, you try to make that quick return and usually get burned.

Riccardo Stewart (07:50): Zach, did you just say that now at 38 years old, which my friend, you are getting closer to 40, that you are now making as much money off the field as you made on the field? Did I hear that right?

Zach Miller (08:03): Yeah. So, so all the money I made as eight years as NFL player, now that I've invested for almost 20 years, I almost have the total amount of my invest from my investments is getting close to what I earn as a player and I know we're near close to it as good as I could. If I knew what I knew now, back then, I mean, I would have doubled or tripled it for sure just by letting markets work for me, letting good investments work for me, and then being patient.

Riccardo Stewart (08:30): That's why he's always picking up the lunch bill. My man, my man. All right, well, Sam, so we were just in Dallas and Sam and I, we were meeting with just different people, NFL players and so forth. And we heard a lot of stories and fun stories and sad stories and players who were investing into the public markets and players who were invested into the private markets, which we're gonna talk about in a second, but.

Jeff Locke (08:34): Appreciate it, Zach.

Riccardo Stewart (08:56): Sam, just what questions, concerns, doubts do you hear from NFL players consistently?

Sam Acho (09:04): The consistent, it's not even what I hear, coach. It's actually sometimes what you don't hear, what you hear kind of last. And one thing that I'm seeing is players being taken advantage of based off of leeches and piranhas. Right, like people who get in their circle and build quote unquote trust and then act as if they are helping you when in fact they are sucking the life out of you right under your very nose.

What do I mean by that? Oftentimes as a player, it's hard to trust people just because, okay, man, I got a coach. I'm going to do all things for my coach or my mom, my family, whatever. And like, I get it. There's a plan, but it's like, I've reached this level. What do you want now? Like, what is it? It's always someone's always coming from an angle. So it's like you have your guards up. And then sometimes you'll - there'll be a teammate. We were talking to one guy and he had a friend of his, a teammate of his, it was like, man, I got this guy. He helps you with investments. He's great.

You should work with him. And so this guy starts to work with him. And all of a sudden come to find out, he ends up, you know, hey, I'll do this deal for you. I'll help you with this real estate. Comes to find out that guy was actually stealing money from him. The only reason he found that out was because he got injured, or I think got injured, ended up getting released from the team. And instead of being busy with his season, he said, let me go check up on this investment.

We're coming to find out that guy was stealing not only from him, but was stealing from the friend who had recommended him to him. And so that's the thing that we rarely hear, that type of like fraudulent behavior, but it happens more often than people love to admit. And so to sum it all up, it's this idea of players being taken advantage of and not even, I mean, like, not even, of course not purposefully, but it's like, man, I believed you, I trusted you as my friend or my teammate or whatever.

And all of a sudden the guy who you kind of transfer that trust to me, all of a sudden that guy was taking advantage of advantage of me. And I didn't even know.

Riccardo Stewart (10:59): Yeah, and that was in the private markets and it was, it was a sad, it was a sad little moment there. So with that, we hear people talk about, man, I got my money in the market. I got my money in the market. And let's just step back and act like we don't work as financial planners. Like when you hear the market, we're talking about, we talking about the grocery store or we talking about Jeff, what markets are people talking about?

Jeff Locke (11:26): Yeah, you led me perfectly because let's define what a market is. Market is simply a place you can go to buy different things. That's all the market is. Right. Very simply. We think about the grocery store, that's the market. So in investing, there are two primary markets. One we call the public stock market. Okay. And this means any one of us can log online, find a website to create an account and we can click a button and we can buy a stock that is public. It means anyone in the public can go and actually buy that stock. Think about all the big names you hear about in the news, right? Those are the public stocks. Then there is the private stock market.

And think about this, you don't have access online to go and just buy something in the private market. These are sometimes smaller companies that want to keep control, not open it up to other people. And they get to choose when they want investors like us or groups of investors to come in and buy any piece of their company. And the craziest thing -

It's the stat that kind of blows a lot of people away is when you think about all of the companies out there in the US and Europe, right? 98% of all those companies are actually private, meaning you can't go access them and buy them. Right? So the Teslas and Netflix is the monster companies of the world are part of that 2% of all companies that are public.

Sam Acho (12:50): Can I pause? Can I pause real quick? How do people get access to that 98%?

Zach Miller (13:04): So the biggest thing with private investments is who you know in your network and the access matters.

Riccardo Stewart (13:09): Real quick, my bad, Zach, I hate to cut you off. But before we even do that, I think we need to at least give an example of what would be public market things quickly, and then what would be private, and then go back into explaining it.

Zach Miller (13:20): Yeah. So I think just I'm going to run through the list because everyone knows these companies. You can be the owner of Microsoft, a part owner of Microsoft, Apple, Alphabet, which is just Google, Amazon, Meta, which is just Instagram. You can be an owner of these companies very easily just by going in and buying their stock. So stock is ownership. This is different than debt, which is lending. So you lend someone money. That's debt. You can be, that's bond. So that's that whole world. And then if you're an owner -

That's buying stock. And so ownership is always going to have the better. It's going to have more risk, but it's going to have higher expected returns or better returns. So always think like it's safer to be in bonds, but your money won't grow as fast. It's riskier to be in kind of public equities or stocks or ownership of companies going to be more risky. So risk and return are always related. So keep that in mind when, when we talk private markets. So if you think private companies, these are the 98% of all the companies that exist out there.

And there's more risk there.

You get, you're not even allowed to invest in these companies until you have a certain amount of money. That's, that's determined by the securities and exchange commission. So they're trying to protect investors because there is more risk there. But with that more risk comes potentially better returns. I say potential because a lot of times investors just don't realize those returns. And if you think like private companies, one that, um, some of our listeners might know is like Kodiak cakes.

That's like, you might see it at the store. They like protein pancakes, all these cookies, mixes like that. That's a private company. So they're not required to disclose. They don't have to, there's not as much investor protection. If you were to buy ownership of them, most all of real estate is private investments. And so who, you know, basically I'll put it this way. Any deal floating around a locker room went through a lot of investors that said no for it to end up in a locker room.

Zach Miller (15:16): If you see deals in the locker room, you got to say, why is this deal being pitched to me? And it hasn't already went to, you know, billionaires that would have already jumped at the first opportunity.

Riccardo Stewart (15:27): That's good. And so that answers the access. I mean, you have to know someone who knows somebody who knows somebody who shot somebody to be able to be in that room. No, I'm just joking with that. So just to kind of wrap up just even the conversation on saving and investing, Jeff, what are the pros and cons of saving? If I'm trying to build generational wealth, there's got to be pros and cons. So what are the pros and cons of saving?

Jeff Locke (15:56): So the pros is it is the first step to investing. You literally can't invest money you haven't saved. Like simple as that. So like you have to save first in order to invest. That's the pro. You're putting money away for your future self, your family's future self, things you wanna achieve later in life. The con, we talked about it earlier. If you're not investing, you are losing money over time to the cookie monster of inflation. So you either gotta save more if you're not gonna invest it or you gotta invest it in order for it to keep up with your just general spending over time.

Riccardo Stewart (16:31): And then Zach, I'm gonna have you do the other side of it. So what are the pros and cons of investing? Which you mentioned, but yeah, what are the pros and cons of investing?

Zach Miller (16:40): So, I mean, the con first with investing is, yes, you can lose money. I mean, there's no free money, there's no free lunch out there and any investing. So that's one thing. You gotta be okay with the risk, but there's also the risk of being too conservative. Cause if you let your money just sit there and not grow, you literally are taking a loss to inflation every single year, you're giving up potentially higher returns. So that's why it starts with the financial plan. So you can actually decide on how much is the right to invest.

And the pros is literally generational wealth, passive income. You know, you can be a completely passive investor, not have to work at all, not have to even really think about your investments. If you have the right financial plan, do the right investment strategy and then just stay disciplined. Literally that's how all the wealthy just keep continue to build generational wealth. And then next part is to train your kids actually how to do it, because then that's even the, the next hardest part is creating generational wealth where your kids then are able to take those same values - that same knowledge, that same skills, that same discipline, roll it forward.

Riccardo Stewart (17:43): Man, so to sum it up what you just said in the words of the West Coast philosopher, YG, scare money don't make no money. So here's what we're gonna say is one, we appreciate you guys taking the time to listen to us. If you have any questions, please text us or call us. The number is 602-989-5022, 602-989-5022. Thanks.