Erik Averill ([00:02](https://www.rev.com/transcript-editor/Edit?token=vbeVFNnTLyPM17aBiefl9FUcT3NOD4nZ7-ldhSIMhcd6diPRnj_ba6p6lp7wdZH05xk9Ys4kKb43wZCD1m0-Dk_tN5A&loadFrom=DocumentDeeplink&ts=2.83)):

Welcome to the MLB Draft Podcast. I'm your host, Erik Averill, Certified Financial Planner, Certified Private Wealth Advisor, former pro-athletes and the Co-founder of AWM. I'm joined by my co-host, former major league baseball pitcher and certified financial planner Travis Chick. Our goal on the MLB Draft Podcast is to provide you with the roadmap to successfully navigate the MLB draft and becoming a professional athlete. You're going to hear from scouting directors, GMs, agents, former and current players, elite performance coaches, and of course, leading financial experts. What is traditionally seemed to like a black box we are going to bring to light the critical details you need to know to help you make the decisions that are in your best interest. So with that, let's jump right in.

Erik Averill ([00:57](https://www.rev.com/transcript-editor/Edit?token=J0RPpG8cTF2YJproWbNMXT6yds4IWGgkLKvrN_Pcj7h1z_2NLCuJ19SEFqAzM_mN4sHvchzCnFVyKi7qHrpXdeMbIaY&loadFrom=DocumentDeeplink&ts=57.64)):

Travis, welcome to the MLB Draft Podcast. How's the day going?

Travis Chick ([01:01](https://www.rev.com/transcript-editor/Edit?token=yj01ghT8uFAI2XpbyJjsnqa6WVSnPr9xFzLgONZyT51DO3gR4vBFVe7h-fyLKvvsRjgn4QOTcmT1VeDpNdagx14fhlw&loadFrom=DocumentDeeplink&ts=61.66)):

Going great. I'm excited for this. We've been talking about it for a long time.

Erik Averill ([01:05](https://www.rev.com/transcript-editor/Edit?token=B3dlIMoyfdKtP6gCabqcC-JMcZXoylRIIGFBBPKyt9f6ZBpDPAesi0yJJSZJTiNdNBXKcNUdJmWhpvaz4B_xbeq1kj4&loadFrom=DocumentDeeplink&ts=65.26)):

Yeah, definitely we have. And it's long overdue. It's something that I know both you and I are passionate about. And as a company of just providing education, it's funny in an information age where it feels like you can get answers to almost anything instantly. The draft is still the conundrum. It's still the one thing that you feel like you can't just pop on Google and get all the answers to all your questions. And so hopefully that's what we're going to be able to provide for every athlete and family that is going through this transition from amateur to pro. And so where I thought would be fun to start is actually both of us have been through this process personally and I'd love to hear what it was like for you and your family to go through the draft process.

Travis Chick ([01:56](https://www.rev.com/transcript-editor/Edit?token=6ox93Y3zjWBDVmwLu_6KHpA82MGFw2vLis8gYNFAVdaCoxsyFTfN70B5FjGBm_lAIDB9hLZDfi1X4pHEoBSKdPyDMv8&loadFrom=DocumentDeeplink&ts=116.78)):

Well, it was definitely a lot different than it is now. It's funny that the game has evolved so much and the information has evolved so much. You're talking about how this is the one thing that you can't really Google. Like back then, I'm not even sure if there was Google. So the only information we had to go on back then was whatever that little nuggets of information a scout would give us. And for me, growing up in Whitehouse, Texas, which probably nobody on this podcast has ever heard of. For me, it wasn't a situation where I could even pick anybody's brain. I didn't know anybody that had ever been drafted. I didn't know any former pros, current pros or anything like that. Agents were knocking down my door like they would be if I was 16 years old now.

Travis Chick ([02:40](https://www.rev.com/transcript-editor/Edit?token=e7bxxZIrEs8fTsRi5o3u5E38-ivN78dhekp7nieyhtzpCravzdrWOMciaN082Dpmg-gSLnx4mkzlEWgHxQZgpyee-1g&loadFrom=DocumentDeeplink&ts=160.75)):

And so for my family, we were flying blind. And going through the whole process, it was pretty crazy because I thought I was a celebrity in town because like I said, I was the only kid that had ever been drafted from my high school. And so it was fun. Obviously, I would have loved to have gotten drafted a lot higher than I was, but I was a product of the information that I was given. And so looking back I probably would not have made the same decision. I don't hold anything against that because I had the opportunity to pitch in the big leagues. And who knows if my decision would have been different would I still had that? But it's definitely a lot different than it is now.

Erik Averill ([03:20](https://www.rev.com/transcript-editor/Edit?token=MGjbZq1XT1BGt4xYrmez8mN8Ag5HOqsDnxfcba8yy2fFNV4c-i7obBDVRkKE5vOXIzL8YnbmuOf_4RjcIdyTScSQdDY&loadFrom=DocumentDeeplink&ts=200.77)):

The contrast you make of the amount of resources available or the comment that I caught you there is, if I was 16, the amount of agents that would be knocking down my door. We were the same draft class and I thought back-

Travis Chick ([03:34](https://www.rev.com/transcript-editor/Edit?token=Lh-8N17qL20ugYMnjycSm93iRdUYsAI12Ox6v-DegvmPNY1c8clnwQV3nxQFAbPcc-KuHxZrtletnCV4GTcxHExe82s&loadFrom=DocumentDeeplink&ts=214.61)):

Oh yeah.

Erik Averill ([03:35](https://www.rev.com/transcript-editor/Edit?token=pjFjpKYR6J5kkcdE_QEdcn0JXb13OzQWT3ycaJyt04JkBOqi37EPqxEdWo7IsAABSWl6qPGRLJ9XhUEJSAyPydsbG8c&loadFrom=DocumentDeeplink&ts=215.01)):

About it. And it really was like you saw of course, like the upper echelon guys having all these agents, but nowadays every 10th rounders represented by an agent and I think that that's a side product of the type of business that baseball is in general. And one of the things that we wanted to make sure that providing a framework for everyone listening today is really understanding that this is a business decision. You and I talk a lot about, not only the draft, but professional sports in general is really financially driven.

Erik Averill ([04:12](https://www.rev.com/transcript-editor/Edit?token=1JQD5S2iEhZUhsvopa3u2ML0rMP9HVqDPb5Jx_V8y5It0-mJiyIv-uM_jf3ZBn4mHAntncWEl3r4reV6C-wbP1yz7QI&loadFrom=DocumentDeeplink&ts=252.17)):

And that's the first reality check is, yes, baseball is a game. It's a childhood boys dream of a game. But professional baseball is a business. And I was reading in an article the other day that in 2018, MLB reported for the 16th consecutive year that they've hit record revenue numbers and they eclipsed in 2018 $10.3 billion. That's a lot of money.

Travis Chick ([04:40](https://www.rev.com/transcript-editor/Edit?token=DqxzLAjwR-Gi0rcxba237wAITupynSRvDtWT4evnAJsrPEkXLuZ4rGWdQVCRAiUQsyEqjytKmokf4HMzBvra7F-Y1Nk&loadFrom=DocumentDeeplink&ts=280.13)):

Wow, that's unbelievable.

Erik Averill ([04:43](https://www.rev.com/transcript-editor/Edit?token=g6bJsh2CC6mv-I9lS0F8znqKoO483G5QWGCMQDfuWzOsZf-1QjLE11WvdOOoVQuAnYjR0VY-p0fDGwcGw20RF2ZoDU0&loadFrom=DocumentDeeplink&ts=283.14)):

And I think that this is the message to help families start to put a proper framework around it. Is your son is now stepping into a multibillion dollar industry that it's no longer just a game. You are now going to become an employee of a company. You are now responsible to think about your own career from a business standpoint and you're going to be forced to make decisions, whether you make them well or not, they will have a significant impact on your current and your future life. And so when you think about the draft and this company paying you millions of dollars, it's understanding that they're making a calculated investment in you because ultimately they think that you're going to help them make more money by being this investment right down the road in the big leagues. And that's not supposed to be this cold calculated mean statement. It's just more of a reality of how they view you as a player.

Travis Chick ([05:45](https://www.rev.com/transcript-editor/Edit?token=66831dzJFpnFnrcNjGRkMNwcHDM0WdmDH-CKAKpOfezrlLb8-qJAzb1jvFmQxbdby3WV3gvU9HWmU-6jrxbZw6H_J5c&loadFrom=DocumentDeeplink&ts=345.31)):

Yeah, absolutely. If anything is recognition of current value or probably more importantly future value. You get an opportunity to buy an unproven commodity at very large discount. I can think of a lot of kids that are expected for next year's draft. They're throwing 98 to 100 miles an hour right now. So the talent is there. It's just unproven in the current game. And so because of that, there's a discount of value. You think of Gerrit Cole, what's his potential value for next year versus some of the draft picks? Well, they probably throw the same velocity, but that's not how it's calculated anymore. There's so much investment into teams having those analytics on these players and that starts as early as shoot 14, 15, 16 years old now. And so they know what value is derived from that draft pick. They know what their expected future value is going to be from that future better draft pick. And that's why this opportunity is there.

Erik Averill ([06:46](https://www.rev.com/transcript-editor/Edit?token=amAgJRWNpNDxxiDM9hiBJy5gPiXAnuWnWqewBg0Xsj8BZ1mIHZyDAXz4qswwRcJPBUWcR9fJGcnZZQC82ATEW_dARD4&loadFrom=DocumentDeeplink&ts=406.41)):

And something you hit on key there is, I think it's this recognition of value. And for us as we're talking to each family through this podcast is, we hope you guys hear that this is yes, an absolute great opportunity to realize a childhood dream, but equally as important, you have an opportunity to set yourself up and hopefully your future family up from a financial standpoint if you capture this opportunity. And for us, there's really two main factors we think of of how you can capitalize on that opportunity. And first, it's going to take this commitment to starting to think with a business mindset.

Erik Averill ([07:26](https://www.rev.com/transcript-editor/Edit?token=QMRED7eCgWYIQXaSwi-HteCEwHeDbgUa989LobkyX0XQYZ85IpSYLlbiLQmWj-Lb0EO1yGHaZv8WF9auQ2pTimzfuLo&loadFrom=DocumentDeeplink&ts=446.04)):

And then the second is, it's really going to be based off of the experts that you surround yourself with that are going to help you navigate through this. And in an industry that has $10 billion on a regular basis, it is going to bring a host of characters that want a piece of your business. And so it's equally as difficult to navigate who are the people that have the expertise and the experience to help you successfully go through this process, which requires you to have that business mindset. And so that first business decision that you are going to have to make as a player and a family is the upcoming draft. And Travis, what type of opportunity are we even talking about come June?

Travis Chick ([08:10](https://www.rev.com/transcript-editor/Edit?token=PG04TRSxzb3cGtJBbaD3zn3NqWDaXGHc91GBV8NNOJ-gvwJVhL5iJoZDw9Sgm5EkCWswLse0VeCydfmERNOvmFS1s5k&loadFrom=DocumentDeeplink&ts=490.17)):

It's unbelievable. And it's growing every year. Last year, the 30 teams combined to spend over $316 million on the draft alone. Over %128 million of that was on the first 34 picks. There was 34 first rounders last year that signed for an average of $3.7 million. Over 71 players signed for more than a million dollars last year, which was another record. And one of the things that struck me is a significant was, of that first round pick, all but two of them signed either at or below that slot value. So we talked a little bit earlier about the analytics that are driven and the information difference between back in 2002 when I was going it.

Travis Chick ([08:57](https://www.rev.com/transcript-editor/Edit?token=c5Vfl5WqoypKvgPX06P5oRg391GjoiVP2w8wMS3PiypHwJzJk5pq7sXVAcOEey8Q1e0GnYA0l-Upm6HqUzKWNHrkhJ4&loadFrom=DocumentDeeplink&ts=537.36)):

Back then you were able to really negotiate your own value. And now, because of all the information that is out there and the algorithms and calculations that these teams have, they're able to really construct what your value is and it's really your job as a player and probably your agent's job to really hold that value for you because the argument is not an emotional decision that you think you're worth more than you are. Now it's a very calculated decision based on a billion dollar industry.

Travis Chick ([09:26](https://www.rev.com/transcript-editor/Edit?token=gy0bSbV-haZCswQ93Bj6J_wi1e_KeBxv3qjE2OVPXNNctYwUSyO2R2sMokMiKJQiVf51t2DuPhtb0HuRYb33hwVFSL4&loadFrom=DocumentDeeplink&ts=566.09)):

Now, but the other thing that I thought was really interesting about last year's draft was that all but two players that were selected in the top 10 rounds actually signed. And so you think in terms of the sign ability of guys now that was completely different 20 years ago. You could really negotiate and if you didn't get to that deal you move on. But teams know based on those algorithms, based on those calculations and based on the values now who is actually going to sign. And so it's a much bigger opportunity now.

Erik Averill ([09:59](https://www.rev.com/transcript-editor/Edit?token=CRW7IhmWurtbFIStjeCA1wt8PWroz-ZQza2xZTKcSPSpi_roNPSV8YhyKY_2J9UrdAXe3inDCqWWS9KjjVnxvPAC72g&loadFrom=DocumentDeeplink&ts=599.48)):

And I think the framework, something you said is, is very helpful. So as families, as you guys are listening and there are all these agents that come in into your living rooms and providing the advice. And when you choose the right agent, it's a tremendous amount of value and expertise and we love that high-end expertise and it's a lot of value. But unfortunately, because of the way that the industry is, there's also people that are trying to convince you like, "Oh, I can get your son drafted higher." And that's just not the reality. The days of an agent trying to go convince a team to pay more money for a player than they actually value, those days are over, right?

Travis Chick ([10:41](https://www.rev.com/transcript-editor/Edit?token=rropEUUIzBjXt-ZLUFUP_6_6a09FY8tebdVzOO_SC1DZADwirHsilICU1cnYV9Dj4aMJSJqBBgCAaY0WxrzKzvf-32Q&loadFrom=DocumentDeeplink&ts=641.23)):

The [inaudible 00:10:41].

Erik Averill ([10:41](https://www.rev.com/transcript-editor/Edit?token=jIlKXQXO-HpCImUxQP0FvjQ5GLL1q6HwsnhMQ_1zSfDhNQmCQVctKa85pKVBD-TR4emqEj7PBqzcA-8TCEhZccXBzwA&loadFrom=DocumentDeeplink&ts=641.38)):

Now, the competent agents, the really good ones, they'll actually make sure if a team values you for $5 million, you get all $5 million.

Travis Chick ([10:48](https://www.rev.com/transcript-editor/Edit?token=iMg2XznoqGG7iXfuAObawNPdABkMcwmxXG95pbrUI8SVTJJijG4nIDEqGppfy1RW3T7A9_2_njsX6ke-DkK6QeE1Lg4&loadFrom=DocumentDeeplink&ts=648.73)):

You get all $5 billion. Absolutely.

Erik Averill ([10:50](https://www.rev.com/transcript-editor/Edit?token=plVs_C-pjhzAXHEej_-7rnNdD16D5Yui-nos2gcyJpbGAGkyLSI8IuEKjtltckSJRbV8qAqByXN8pa802A-CllJcrdo&loadFrom=DocumentDeeplink&ts=650.07)):

And that's insanely valuable because we see it every year. Agents that are not qualified, that players end up getting hurt. And so it's like anything else. There are an elite group of agents and so we would say be very cautious with who you use, but they can provide a lot of value. And one of the things that you said there is, is that it gives you the ability to remove the emotion. The hardest thing about the draft is the draft is never going to go the way that you expect. We joke around that there's only two happy people on draft day. It's the first overall pick. So Adley Rutschman was pretty happy with $8.1 million. And then it's the-

Travis Chick ([11:30](https://www.rev.com/transcript-editor/Edit?token=JT4slLdIKRaHUG6Z6Xl4pmd1XK8QneJQZ3aTnUt-6sj5lqzUQKTkON35FNlOgATtnjzjEbJrvwOTdHriiMUqs1YQE6c&loadFrom=DocumentDeeplink&ts=690.53)):

And who wouldn't be?

Erik Averill ([11:31](https://www.rev.com/transcript-editor/Edit?token=5IG4m6D8Ql19M2zBhZNSANf0a1Rj72uMNDjvUzYyujwLWALg-LTVMKqGP3v6Nxen3Pp3iquG8T9GXvcD_US5HEDyHkE&loadFrom=DocumentDeeplink&ts=691.21)):

Yeah, right. A record setting.

Travis Chick ([11:34](https://www.rev.com/transcript-editor/Edit?token=djqvUEEhDm4SY1q6nSv-Klj2YRs52_Fd5RMaN_7gAl81WKSckU4E7uadKqRZ8gyAjNSHHoPUQwOEeIe2jb4vGSLE4sQ&loadFrom=DocumentDeeplink&ts=694.47)):

Yeah.

Erik Averill ([11:34](https://www.rev.com/transcript-editor/Edit?token=eXvsh4cBfCIU_s6X4dyTwA7VxCiMR78esJMRPuhXtRxmaEd_63F18zoUTQu86xLk1IRvq4F5ieTTW4DGYOjJB2gycMo&loadFrom=DocumentDeeplink&ts=694.94)):

So Adley probably went the way he wanted it to. And then it's the 1200th pick. It's the last guy who had no idea was even going to get drafted. But in between that, there's really a lot of uncertainty and emotion around it. And we went through it as players and we understand that. But what we would encourage you to do as a family is, this isn't really based off of waiting till draft day to understand, "Well, I should have been picked higher than this other shortstop or this other pitcher because I'm better than him." It's understanding that these teams are making investments based off of who they think you'll be in the future.

Erik Averill ([12:08](https://www.rev.com/transcript-editor/Edit?token=zxw2glx42bgE6XQXYW_b39P9S_Uvf0ZAxvJP_IgZe62tVLYyAX_fKwVZGB9TERjiJ5Y9BmgPqMzACsmRSrOWUEDMqXs&loadFrom=DocumentDeeplink&ts=728.42)):

And so for you, it's actually a pretty easy decision. It's coming down to, "Do I want to start my professional career today?" Or, "Do I want to either go to college or remain in college?" And that's your decision that you have to make. And you can actually solve that far before the draft even happens of going, why would I want to start my professional career today versus going to college? And of course, there are a ton of factors that go into that, but one of the really interesting things, Travis is, if you're drafted in the first round, like you've got a pretty good shot to pitch in the big leagues, correct?

Travis Chick ([12:49](https://www.rev.com/transcript-editor/Edit?token=U-M8nw6xClL18qz9oWkuuqmoz_PMLBy20WRbu0fctoFhUkOMwOQFOSaC76h0iRzePRgLiQdVwpLe5Y8bSB1O6CG2Po0&loadFrom=DocumentDeeplink&ts=769.81)):

Yeah, a huge opportunity. It's statistically more likely that you're going to play in the big leagues then not at that point. In the first round, a study done by Baseball America showed that 73% of first round draft picks play in the major leagues. And obviously, that number continues to go down. But I think what it points out is that scouts and teams, player development and scouting departments are really good at identifying that high end talent. One of the other parts of that that makes it such a financial decision is, for the first round draft picks history since 2005 to 2010 a draft study was done that shows that 37.7% of those first round draft picks reach arbitration, which for players, they're really is their first chance to make that second round of life changing money.

Travis Chick ([13:39](https://www.rev.com/transcript-editor/Edit?token=YwLhpTNvN3zA8s284ngeZnEkbwXldsOzXBbvtcprVVdtHEZpLjAcvrOYnuNF6lVXJl464BQbZfBF-rCsnZWCA2Mops0&loadFrom=DocumentDeeplink&ts=819.8)):

And of those first round draft picks, 75% of them earn $10 million in their career. 53% of them have earned $25 million and then another 38% of earned $50 million or more. And so you can see right out of the gate it becomes pretty evident that this truly is a financial decision. Can you imagine starting a race with half a tank of gas, knowing that you're going to have the opportunity to make that type of an impact of your life? So right out of the gate you can see how important this opportunity is and how important your decision making skills are.

Erik Averill ([14:14](https://www.rev.com/transcript-editor/Edit?token=kt2h4c1Z-KkiLlyxFzAAjddDTKbkjsvslRr2j0QgbLktlj2SsLNkKQY-yRh8ibPOiKpfbNHkdkk7-cfRhT-NSRW63eo&loadFrom=DocumentDeeplink&ts=854.18)):

And we're not trying to minimize the emotion or the excitement around it. Like no matter how much work you do, of course, there's going to be nerves. But I think between, number one, understanding that, hey, if I'm a first round pick, I've got an extremely high probability to A, realize my dream, B, set myself up financially. And so instead of getting caught up of, I'm not going to sign if I'm the 15th versus the 17th or the 25th pick is, it's you doing the work of the family of going really this decision comes down to what amount of money would I require to forgo my college education, whether that's going to college for the first time or going back to school?

Erik Averill ([14:56](https://www.rev.com/transcript-editor/Edit?token=TUGjs6U9Bun1Y_nDrPSypJkRkmmqm4qsQX2KyTCOEAH1IJ9HF_PfmkTaeMse18vn1jUk5j4ysT5EzNHxcZi2g_IZKF8&loadFrom=DocumentDeeplink&ts=896.26)):

And that's what we'll spend the majority of the next episode reviewing is, how do we make sure that you can walk into this draft process feeling great and very confident about whether or not you're going to start your professional career because you've put the work in in front? And so we love the opportunity to sit here and to hopefully walk you guys through this process. And so we appreciate you guys listening in on this first episode.

Travis Chick ([15:26](https://www.rev.com/transcript-editor/Edit?token=L_hG8SUEsHSou14vlXVX4y_6VnabZ3xTSOqmP9Cd5YSwrb3RCAu4o4BnKZjrJqOxcHBJPmKydhEx07S1kC2y29eQkLs&loadFrom=DocumentDeeplink&ts=926.66)):

Yes sir. Thank you.

Erik Averill ([15:32](https://www.rev.com/transcript-editor/Edit?token=NI5poayPmOEGRmljKtquCBEarCdGj_6Cx8IhUP-9-r73vjEn4zSIi-HUPUrGG0q_RZxLPApFZ1grtV2BJxIqL_t2xWw&loadFrom=DocumentDeeplink&ts=932.28)):

Hey, thanks so much for listening to today's show. We hope that you enjoyed it. Our goal here with the MLB Draft Podcast is to make this the GoTo resource for all families and athletes looking to take their career to the next level. And so this show really is all about you. And we would love to hear from you.

Erik Averill ([15:51](https://www.rev.com/transcript-editor/Edit?token=YX5NbY1NC3Cq1zDQYwM8RDNtp36nYWSaxF6LXQkKIjpirJdTEKUZsEu-WvZmj39PPfmOvpzC5fxb9lJ0klVi3F53MBQ&loadFrom=DocumentDeeplink&ts=951.76)):

Are there any questions you have, topics that you would love for us to cover? Please do reach out. You can shoot us an email eric@athletewealth.com or travis@athletewealth.com. Of course, you can find us on social. We're on all the major platforms @athletewealth. And if you'd like to set up a phone call with us, you can reach us by going online to athletewealth.com and you'll see right at the top of the page, there's a button where you can schedule a call directly with us. And so we would love to hear from you. And until next time, stay focused, stay hungry, and be a pro.