Aaron Goldberg ([00:10](https://www.rev.com/transcript-editor/Edit?token=JpAmcehIjID_o043a1CSUwB3ffC6lN9qGN2d9V6RJ6FD400WgVVh5q1EdE2Vc0ra-bhKBPIS5MkFlVEJ9YUzyAlZpqE&loadFrom=DocumentDeeplink&ts=10.69)):

Hey, everyone. Welcome back to the PGA Players' Podcast. I'm your host, Aaron Goldberg, certified financial planner and private wealth advisor at AWM Capital. Today, I'm joined by my business partner, Erik Averill. Looking forward to a conversation today about players that are going to be moving up from the Korn Ferry Tour to the PGA Tour and what they really should be looking at on their financial side and what their wealth management teams should be doing for them. Thanks for joining us today, Erik.

Erik Averill ([00:37](https://www.rev.com/transcript-editor/Edit?token=DYcB5cHaSBX0ieh3mBcf_AgG6r8Atsd_CIBvQg67zUcXZ6S1is_gnZEFUck-t96lhYHQHgzQElCWsgmVYd_7J5tjYs4&loadFrom=DocumentDeeplink&ts=37.45)):

Yeah, excited to be here and have this conversation.

Aaron Goldberg ([00:39](https://www.rev.com/transcript-editor/Edit?token=SrzKWfEPEhB_PVWneOQfikvtMTKIc3Z3fxZ_sNDv8zFfzsmkF4ibFKVRGwAKptnCX7zeBm3a52WV0TYDVVWyuLvGBn4&loadFrom=DocumentDeeplink&ts=39.96)):

Yeah, definitely. Before we get into the normal podcast and conversation, coming off last week, obviously, the big news was Tiger. Glad he's doing better and going to make a recovery, but pretty cool to see on Sunday everyone wearing the Tiger red and black. It's really cool to see when our sport is bigger than the business part of it. At the end of the day, it reminds us why we do this, and it's to not only provide for ourselves and our family, but we're a community of golfers out there, so it's really cool to see everyone rally around Tiger.

Erik Averill ([01:14](https://www.rev.com/transcript-editor/Edit?token=e2fAFPKsuqZKiyZoPmIgVpOR58McJxe6FEHHEJfAeo2EXYZqkhIxQnwuUWbKL22PKjgGzuB8D0Rshmu37yrbPpROCys&loadFrom=DocumentDeeplink&ts=74.51)):

Yeah, and to your point, I mean, there's so much at stake for our families beyond just playing the game, and so just a moving thing to see, and it's also a good segue into the conversation we're having here is this is an exciting time for so many players that are going to be moving up into the next level of their career. I know you're excited to have this conversation because this is something you experienced personally, and like most things in life, we all wish we would have had the crystal ball at the beginning. We can't change your trajectory of your career, but hopefully, we can have a conversation that's of benefit to so many of the people listening today. I'd just love to hear your thoughts of, as players are making this transition, as they're moving up, why is this conversation so important?

Aaron Goldberg ([02:05](https://www.rev.com/transcript-editor/Edit?token=i5FTHUyldIhHRbaaGZFeHbbUvpupD_TPAyvGGxgmwdBK1G66_VWUqNgvXBqbZIP_y4FpKf6wk2Oe9LvImcIzzmeDp1E&loadFrom=DocumentDeeplink&ts=125.41)):

Yeah, when I was playing on the Korn Ferry Tour in my career, I was on the trajectory of moving up, and then I got hurt, and it was just one of those things where I didn't know the things that I know now, and I wish I knew them then, because it would have enabled me to keep playing, would have enabled me to take some time off, get healthy, and then come back and start playing.

Aaron Goldberg ([02:27](https://www.rev.com/transcript-editor/Edit?token=K_wcOLnfnqsGZtAxe_MPTtkmmhluVGg46yGuf-cLjl3pIRjShfcRxI5-chPtcc3UtwHw2HBQB0y9PEkaAah-KFZZWsY&loadFrom=DocumentDeeplink&ts=147.97)):

Knowing what I know now, and looking in hindsight, like you said, what I want to do now with my career is help other players and make sure that they've covered what they need to cover and make sure that they're taken care of the way they should be taken care of as elite athletes, because it's a completely different game. When we look at the financial advisors that take care of Mom and Pop down the street, they may be great for them, but it's completely different than for a professional athlete, and we need to make sure that we're working with a pro that works with athletes as opposed to somebody that's really good, maybe, but they don't work with athletes. There's just so many nuances there that we need to make sure that there's that experience factor so that we can not miss anything and make sure that we're taking advantage of all the opportunities that we have.

Erik Averill ([03:18](https://www.rev.com/transcript-editor/Edit?token=7AucoOevbRB-R4PCNFbT-xkgBxqj0VtQGEqir7m-zRAxLeHtqqJ19L8W3t357zqrtkyy86jDtJuZUNpEX9XHFvHiFEM&loadFrom=DocumentDeeplink&ts=198.87)):

Yeah, and you bring up such a good point. I think back to my own career as a professional baseball player, right, that transition I made from college into pro ball into the next levels is, as an athlete, you're trying to expend every ounce of energy and focus on being a lead at your craft, right? You're trying to break through into one of the most competitive things on the planet that a lot of times, the financial side of it, it's a by-product. Unfortunately, something I experienced myself, or we see so many athletes think of is: "You know what? Money, it's obviously super important, but I'll just leave that to somebody else. Money's the same, so just the person I happen to know, or down the street, or the first person who approaches me, I'm like, 'Yeah, just take care of my stuff for me,'" and that is one of the most critical mistakes that we see is:

Erik Averill ([04:18](https://www.rev.com/transcript-editor/Edit?token=fOzWfcsvLlxufr7qlTnjp-AsENxqKNSVe5JtLyupV-pZJL9sSyn_ygqVO8HIoFUmZsG-7pImigC0IIZ7DWYOxH_yF2U&loadFrom=DocumentDeeplink&ts=258.02)):

You know what? You do need to take an opportunity to take a step back because the truth is, you are trying to compete at what you're doing, which is extremely difficult to do, and the window to maximize that is so small that you want to make sure that you're taking advantage of every opportunity, that you're not paying any more in taxes than you should, that any opportunity you have that uniquely gifted because of the position you've put yourself into, you deserve the best of the best on the financial side. You should not settle for what's just available, so I'd love to just hear you talk about what are some of the nuances that, as an athlete, that you're facing that makes you different than everybody else.

Aaron Goldberg ([05:02](https://www.rev.com/transcript-editor/Edit?token=ffhC15zTMS16PcP04PfnHExKh1j6rVjlBFWKeVRMWqQd2KM8k3XIho6MhFWE3LFe_OOqrDFqeZUPVUSrG5ilSWScrLA&loadFrom=DocumentDeeplink&ts=302.64)):

Yeah, definitely. I think one of the biggest things is one of our jobs as a wealth manager, or your wealth manager's job should be, is to remove the distraction of your money. That doesn't mean you bury your head in the sand, though. That's a big difference. If you just say, "Hey, you know what? I think my guy's taking care of it. I don't want to ask any questions because I want to focus on my golf," that's fine, you need to focus on your golf, but that should be after you've done your due diligence after you have those conversations to make sure you're getting every ounce out of your money and every dollar out of it so that you can then focus on golf. I think that's a huge distinguishing factor.

Aaron Goldberg ([05:41](https://www.rev.com/transcript-editor/Edit?token=RuTU1bblmQOtNTeLi2_caipSEN8T4eCe_l_HL5N4HaUJfLY4Hveoo0TmSl8EazLK08E4MxwiVoaDEYCP-8h8VH4v3xg&loadFrom=DocumentDeeplink&ts=341.34)):

But in terms of what we should be focusing on, first and foremost is going to be taxes. As athletes and as self-employed athletes, we don't have contracts like on the baseball side that are guaranteed, other than maybe some of our endorsements, and I'm not even going to use the "guaranteed" word there, either, so taxes, we have the opportunity to save a lot of money.

Aaron Goldberg ([06:03](https://www.rev.com/transcript-editor/Edit?token=FzESFT4GIMR-p6So1R_IBZ6EThQ-t4MB0pQ30975b9FbVKicaz_yDG-0oQJnlLEbJxwWKHBGY4bvDLjwqY7ZaD6-3fo&loadFrom=DocumentDeeplink&ts=363.79)):

I mean, that's going to be our biggest expense most of the time, so if we make sure that not only are we optimizing all the deductions that we have available to us, but we're using the retirement accounts that, retirement may be 30, 40 years off, but think of them as tax-advantaged accounts, so in high-income years, we want to put as much money in those tax-deferred accounts as we can. Then equally as important sometimes is in a bad year, we want to take advantage of a low tax year and maybe pay taxes that year and put money into an a tax-free type account, like a Roth IRA or a Roth 401(k) so that that money can grow tax-free in the future and you'd be surprised at how much of that can grow to, and you never have to pay taxes on again, so that's an easy example in terms of the taxes.

Aaron Goldberg ([06:52](https://www.rev.com/transcript-editor/Edit?token=BFocnzaiR1WloXglkRoxWIR9ZIZk8M07NJ9nxlXzGFuhPzCXd2XBr_3Bv6Oo-AHHlsgN4CXYOj0QxRPZsSe7ii3cJ9U&loadFrom=DocumentDeeplink&ts=412.62)):

The other thing is most of you should have an LLC set up, and at some point, you should switch probably from being taxed as a sole proprietor to an S-corp, but you need to know where that tipping point is. Sometimes, when you're on the Korn Ferry Tour, it's probably, I'm not going to say everyone, but it's probably going to be the case that you may be in the sole proprietor side of the tax bracket where that's where you should be optimally, but as you move up to the PGA Tour, it might make more sense to be taxed on the S-corp side.

Aaron Goldberg ([07:24](https://www.rev.com/transcript-editor/Edit?token=JnvbG-NEyNizgtJLGyrVz1I9Hol_weCv_k7vUoFOKcIZ3r2UKDqh0L3iv1370PJpUPMJJ8_xXvmGF633Ckb5E3wiybU&loadFrom=DocumentDeeplink&ts=444.15)):

But you need to make sure that your team knows how to calculate that and analyze that and adjust for your fluctuating income, not knowing what you're going to make this year, and seeing as the year progresses what you're making and how your projection is going to look, because that's the other thing with taxes is it's not something you do after the year's over and say, "Hey, you know what? I got to file on April 15th, I better get these taxes done," it's a January 1 to December 31st type of thing where it needs to be looked at every single day along the way, and really, it's actually January 1 to April 15th of the next year, so it's kind of like a 15-month process for each tax year that needs to be looked at.

Erik Averill ([08:03](https://www.rev.com/transcript-editor/Edit?token=BdygVDq8FBodrp-UjczPr1Hph_TXnRo2ehsKGzSS7pYe7m0Ct7M1Z9Xqfy-QT5LDnYRtxIKX4Zz_Mb6VHmO2_QGjPSM&loadFrom=DocumentDeeplink&ts=483.05)):

You've done such an incredible previous podcast on this topic that I want to make sure the audience that's listening, that if you haven't heard what an LLC is, why it's important, why the tax classification matters, why it's customized, we'll put it in the show notes, we'll link to it, and then the other analogy or important point I just kept hearing from you, Aaron, is there's no one-size-fits-all. What you're not doing is saying, "Hey, you, athlete, let's take you and put you back in the program that's ran for the massive fluent, for the amateur person," it's even as a golfer, your approach is different than a lot of people who are on the course with you because they're at different points in their careers and they have different priorities and opportunities going on.

Erik Averill ([08:54](https://www.rev.com/transcript-editor/Edit?token=ZRP38TD8uqwAJJiGzHnrjGFESdBui6ZoQeUVkWqhVCUOymFKq1TySDzs08YLOBQyzLbHziHdvPzeXKlaJnt5xr3NGVQ&loadFrom=DocumentDeeplink&ts=534.35)):

I know you've shared this analogy with me that really resonated because this is even the nuance of golfers, how you're different than an NFL player, how you're different from an MLB player, how you're different from an NBA is still, there is an individualistic, customized aspect to it, and so when you talked, Aaron, you said, "Hey, when a player shows up to the course and they're setting out the roadmap, it's completely customized." Yeah, it's 18 holes, right? The pin location's the same for everybody that day, but how you approach it is completely customized to your game, and that is so true when it comes to your money, is that it's completely unique to you.

Erik Averill ([09:33](https://www.rev.com/transcript-editor/Edit?token=TGsweYrP9yBtA3vxJYYPD6b2793nPRDSUeXmU2BQN2vFwyp1_HGU_NoRqJg3qEf_-Gg9_Lw9OwnaiZSt156Y_3TcPCg&loadFrom=DocumentDeeplink&ts=573.91)):

Then to take that analogy a little bit further is I go out there and I hack up the golf course. I got to go play at the waste management open location here up in Scottsdale, so I'm stepping in, we're playing the same game, but it's completely different, right? When the way that they set up the course for me to enjoy my experience is completely different than what a professional has to think about, and it's the same when it comes to your money, is most of these nuances, the massive fluent, yes, they have the same goal of growing their money and wanting to achieve their priorities, they just don't have, essentially, forgive me for the cheesiness, they just don't have as many sand traps that they've got to get out of, right? For you as the athlete, there are so many nuances and you've got one shot at it that you need the specialized expertise. Sorry, I'll get off my soapbox.

Aaron Goldberg ([10:28](https://www.rev.com/transcript-editor/Edit?token=UrShB7QbVPkAW8fkEUb6F9ShD0BMyMQBKS90Fg5-hKn8IUOC7p8KJkkaTSndyjihbVRhNAGASsW5wsJx2Ar92B8D3kA&loadFrom=DocumentDeeplink&ts=628.27)):

No, I love it. I mean, you nailed almost all the golf analogies, too, which is pretty impressive for a baseball guy. I don't think you scared anyone away. But no, it's true, when you analyze how you're going to attack a golf course, it's going to be a completely different plan than when you step up with Tiger or Rory or Xander, or maybe somebody on the shorter end in terms of distance, like a Zach Johnson or a Kizner or something like that, they're going to pick apart a course differently and on the financial side, you're going to set up yourself financially differently than everybody else.

Aaron Goldberg ([11:05](https://www.rev.com/transcript-editor/Edit?token=CW6y9HW8WG8o8dl-t5ob2vhClp4ah2uxVsbQ9EG1JJeC5m8tdDK2xFYOZXq67EOo1c6N31gloFSj7r5r9pjDs85fmOg&loadFrom=DocumentDeeplink&ts=665.49)):

Some of the building blocks are going to be similar, but it's going to be unique to you because nobody else has the exact same needs, desires, goals, family, all this going on as you. Now, you have a lot of the same issues that we need to address and a lot of the same strategies that we need to look into, but it's going to be unique to you because you are the only one that knows all that, and you need to share that with your team and make sure that you communicate that so that you guys can build out a very, very specific plan to you.

Aaron Goldberg ([11:39](https://www.rev.com/transcript-editor/Edit?token=pWkmuZG78PQ-bkL5wWr5fHXdcxEMJ01AjHNm524H9_azoEuQWbgv1lkomOf1IgzQWlBNeZYoyLf_sApe3iuxY_nr1vk&loadFrom=DocumentDeeplink&ts=699.36)):

Using your analogy of you going out to play TPC Scottsdale versus when the pros play, guys, as you know, when you're out at a course, somebody will come up to you and be like, "Oh, well, I played that course and I could hit that shot," but they don't get that when they're playing, the greens are running at eight, it's been watered, so it's super soft, there's no rough, they're playing from three tees up, and it's a completely different game than when you're playing and it's running at 13, 14, the greens are rock-hard, the wind's starting to blow. Oh, and you're playing from 7600 yards, too. It's very similar to somebody that's a normal financial advisor working with other everyday people that have W2 income saying, "Oh, well, I can take care of a golfer. How hard could it be?" Well, it's pretty hard. It's a lot different. There's a lot of unique things going on.

Aaron Goldberg ([12:29](https://www.rev.com/transcript-editor/Edit?token=IoH01bJVcnwRWoYx6ywff-Lqy3USx3Y-wkOmZR2EEYNhiicbsgaXAQ_kASDPEGfiMscPpJIFqsilTwlejDbpDNcuWyA&loadFrom=DocumentDeeplink&ts=749.96)):

One of the other things we've looked at and one of the important things that plays into this is what we would call "needs-based investing," but looking specifically at what are your needs coming up, what are the things that you need to take care of in the short term, like funding your golf. As a golfer, you should have a huge protective reserve set aside of cash to make sure that not only you can pay for your personal expenses for the next couple of years, but also your golf expenses for the next couple of years.

Aaron Goldberg ([13:00](https://www.rev.com/transcript-editor/Edit?token=cZOF_9KLHP8JWvmYkGCibNM-rR0qovgct-ptcm8fEUB-jh2JTn6M1rrl_c3iLNLAu7fi3u2cUyGtaHE4PaT4ES4wx2c&loadFrom=DocumentDeeplink&ts=780.97)):

If something goes wrong, whether it's getting hurt or just not playing well, you need to make sure that you can do what makes you money, and that's go play golf, and make sure that you can fund that, too, because nobody else is going to do it for you, so that's one part of it. But the other part is looking at every account is going to be invested slightly differently, whether it's tax-preferred or not, whether it's protected by the shell of the account where you have to pay taxes every year, or whether you don't, whether it's deferred all the way till retirement, or tax-free like a Roth. Different investments are going to go into those accounts.

Aaron Goldberg ([13:36](https://www.rev.com/transcript-editor/Edit?token=BpM_zBFovqkONLN_Meil-2rKXXVaLPjjbkqrj5MxMnywAPFf881eAY68921yrUFSoi_gorlcpNu9kJG0hPnmduX2itI&loadFrom=DocumentDeeplink&ts=816.28)):

But also, timeline and goals, the stuff that's going to you need in the next five to 10 years, we're going to invest differently than, say, your deferred-comp plan with the tour that you can access five years after you stopped playing. Well, that's also going to be different than, say, your retirement account that you can access it at 59-and-a-half. Those timelines are different, so we want to make sure that we're investing differently as well because there's going to be different risk appetites there, different abilities to take on risks so that we have time to see it through. It reminds me and it makes me realize all the things that when I was playing, and I got a finance degree, so I thought I knew everything, that I didn't have anybody in my corner to help me, especially that knew what they were doing on the athlete side, so it makes me wish that I knew what I knew know now and I would have made sure that I had somebody on my team that that really was looking out for me.

Erik Averill ([14:36](https://www.rev.com/transcript-editor/Edit?token=EoPBcfQccuYA1Gs8DByrKOWPLjV1FfnnpfRt_hQ-YFxP0TBq6JNmYEDk-41Ct0jpU5ps0iDzsjQZeJQpSaOv-9LlhG0&loadFrom=DocumentDeeplink&ts=876.4)):

I think you hit on some very important things there at the end, too, of, "I wish I would have had somebody who understand my nuances," and so the reason we know it's so important to put away two sides of cash is we're all former professional athletes, right? We understand that our best investment is actually the longevity of our career, which means reinvesting in our health, reinvesting these things that, if there is risk that goes on, if there's strain in the economy, COVID, these types of things, I still need to have that cash available to reinvest in my career because that's my family's best chance for success, and most advisors who are just trying to get money into a portfolio to charge on, they're not really worried about your customized program, right? They're most likely saying, "You need to fit into my model."

Erik Averill ([15:24](https://www.rev.com/transcript-editor/Edit?token=qAgTTRuBwL6FLXdKdJuVoVGMj7BXKgvuGk1dh01_JqzK44o5lajOL-8AUekARQxrevvZNzHaF1v6gWXYNMqSf7pgdgk&loadFrom=DocumentDeeplink&ts=924.1)):

The last analogy I'll leave is it's really asking what are the motives and the incentives of people that are asking for access to your money to help you with this financial advice, and I think this is really important is because you should be working with someone in a firm that their entire structure is set up to add value to you, not necessarily extract something from you. I tell this to all of our athletes: When you see the brand names of the big financial firms on the sponsorships, whether it's on the baseball outfield wall, it's on the NFL stadium, or they're actually giving you money to advertise the logo on your hat or your golf bag, that means they're actually trying to get the eyeballs of everybody else in the stadium, right, or those that are the fans on the outsides of the lines. That's not for you, right? That is for the general public.

Erik Averill ([16:23](https://www.rev.com/transcript-editor/Edit?token=A7dgnWdxoY8FDricA63HolGfxZBULw_A_nyU3F05cZ4gBB-udV5tHlzIcraFTr1IUuc2ShPI05MjNJnKt1Dnu9j_cYs&loadFrom=DocumentDeeplink&ts=983.67)):

Really, when people come, you got to ask the incentives: "Is your platform built for me, or are you primarily just trying to use me as a sponsorship to go gain other clients?" Because unfortunately, that's just athlete-to-athlete real talk that a lot of times, people are trying to figure out what they can get from a relationship with me as opposed to, "How can I come in and serve you?" and so I just, I really implore you that you ask and you really review what are people's incentives when they're asking to help you with your money.

Aaron Goldberg ([16:58](https://www.rev.com/transcript-editor/Edit?token=g3vj_EQE-c8stYc8S_LRt1cuW6RRJLfIvVpyIfaHj3lvvVTvz4mh1-61sIu0qu7txZPv-tOd7-UMyYf0onqLSjR9J80&loadFrom=DocumentDeeplink&ts=1018.21)):

Yeah. I mean, you hit the nail on the head. Obviously, in golf, we see a lot of the sponsorships. A lot of the tournaments are sponsored by a lot of these big banks, a lot of the big wirehouses, like a Morgan Stanley, a UBS, Merrill Lynch, all these bigger banks, Schwab, even. We want to make sure that their intentions align with your intentions. It seems like a simple concept, but unfortunately, those waters get muddied quite often.

Aaron Goldberg ([17:28](https://www.rev.com/transcript-editor/Edit?token=LaWjuJrr6chSdUs-C9zaOEyS3kugGuaPhvMnzgcq4yCYBDhXuR2EWX5Fk7vLsdgR0r5wN46rOWWt4bt2reoe4gHpph4&loadFrom=DocumentDeeplink&ts=1048.17)):

The whole point of this is we're here to educate, we're here to help get good information out to the players. Again, I wish when I was out there somebody was doing that for me so I knew what I was doing and even realized why I need needed somebody instead of just thinking I could do it myself or with my CPA from down the street that took care of my parents, because in hindsight, there a lot that could have been done, and quite a few things that went wrong, too, so it's one of those things where until you know, it's hard to realize a lot of the nuances. Until next time we, we do this podcast on a weekly basis, so I encourage you guys to tune in, pgaplayerspodcast.com. I look forward to hearing back from some of you guys, and if you have questions, please shoot them our way, but until next time, be a pro and own your wealth.

Aaron Goldberg ([18:31](https://www.rev.com/transcript-editor/Edit?token=-y65oWlwn9kbWNajBK72SGvW4YWKZJdFFhjGTww_8yNGZ-h638ughu0UqggCw6nxrZqn91nBsXwOJbF8ONb0_sm7yOo&loadFrom=DocumentDeeplink&ts=1111.84)):

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