Aaron Goldberg ([00:08](https://www.rev.com/transcript-editor/Edit?token=SiYHHkov0KZ_2hkoSL5GQdsy33igjfRjngcbgFuh2ZpTTpSCOjN3o0fQJZi_1-BB5x9t-RW7KhjmbIS7da85jpD7CYk&loadFrom=DocumentDeeplink&ts=8.82)):

Sounds good. Hey, everyone. Welcome back to the PGA Players Podcast. Wow, that's a tongue twister. Sorry. All right. Hey, everyone. Welcome back to the PGA Players Podcast. I'm your host, Aaron Goldberg, certified financial planner and private wealth advisor, AWM Capital. We're coming off last week, the Waste Management Open, Brooks Koepka came from behind for the win. Saw a couple of big names at the top. It was good to see Jordan Spieth back on the leaderboard. Xander gave himself another chance, couldn't quite finish it off, but good to see Brooks come back and get a win.

Aaron Goldberg ([00:57](https://www.rev.com/transcript-editor/Edit?token=UWL9asVCFZGjgUWhYcjNYpuc_smj3DxfcMlbIhUtbaAsehFaTmQKdpNdpdAkHlJkZx3V-Z0u_9IlwIwhyhbvIzbrW7s&loadFrom=DocumentDeeplink&ts=57.9)):

What that does is it reminds us of players coming back from injury. So today what we're going to talk about is injuries, illnesses, and what that means for disability insurance. This is something that is really important to me too, because it affected me. I went out with a back injury. I didn't have disability insurance and really hadn't heard about it. Unfortunately, I got left high and dry. So the point of today is to kind of go over what you have available to you, what you have through the tour, whether it's the PGA Tour or the Korn Ferry Tour, and then really taking a look at what you need and then what to do from there.

Aaron Goldberg ([01:37](https://www.rev.com/transcript-editor/Edit?token=gDiAXpeBNF0ThtPU29Y8TnGqs5DSsoRjMWj1AzGBBjwQdmS6g-8c-MyJDBRCmuze27dmqnSFQH8-P6rh3JE2jml6mHg&loadFrom=DocumentDeeplink&ts=97.6)):

So let's get one thing really clear, though, from the start. I am not an insurance guy. I'm very well-versed on it. I know the tour's policies. I know that what the tour has available, but I'm not an insurance salesman. So I'm not here to try and sell you anything. I'm here to help you guys as a player know what's best for you in your career because of the... What we're trying to do is make sure that you capitalize on your potential and your biggest driver of your net worth is going to be your earnings on and off the golf course, but dependent on you playing golf.

Aaron Goldberg ([02:12](https://www.rev.com/transcript-editor/Edit?token=tXGvOx41RYhJ_dJXCa2zWk-s1hqz38v3RWKFzxJPz5BrPz6HH7JRIrnLnVmEDxS4hfzfgMTDicMqviTL6FLQ3pp1Tbg&loadFrom=DocumentDeeplink&ts=132.87)):

So if something happens, whether you get hurt or you get sick for an extended period of time and you can't play and you can't make money, then what are you going to do? We want to make sure that we're covered there. So typically, what we can look at is through insurance companies, we can pay an amount, I'm not going to say a small amount. It's going to be different for every player. It's going to be different for age, your health history, that type of thing, and then dependent on how much you want insured per month and then when you want that insurance to be available to you, meaning how quickly after you are out with injury or illness do you want it to be available.

Aaron Goldberg ([02:54](https://www.rev.com/transcript-editor/Edit?token=iqC2SUWLBxVoieBQatqUewWU1auiXbn_CLbsGk_zynbphYs8yOrlUTLtcP6kaPwXpeoeJP3O9mLVx0CYZi9JCnqTOdI&loadFrom=DocumentDeeplink&ts=174.7)):

That's going to depend on the cost, but typically it makes a lot of sense, especially as you're getting yourself to the tour, and then once you're on tour making quite a bit of money, the tours disability insurance isn't quite going to cover what you already are used to earning. So first let's go over what's available to you from both tours. That way, you can have a good idea of whether that's enough or whether you need something different.

Aaron Goldberg ([03:22](https://www.rev.com/transcript-editor/Edit?token=llLD4pHZ-QJU5vyaVGL3Ngyl3G2_vzBmxqfOak-IDKD9UcDRnL6tXy5CYZPHlZH7sl2SdHDypam7PcgcDkoA1055dPA&loadFrom=DocumentDeeplink&ts=202.36)):

So on the PGA Tour, once you have full status out there and you're covered under the policy, and then you've made, and they look at your last three years of earnings, once you've made enough, you're eligible for $10,000 a month after tax for up to three years. Now, $10,000 a month after tax is good, but that equates to let's call it 200 to $250,000 a year in earnings if you were playing. Now, most guys on tour are used to making quite a bit more than that. Let's add a zero on that. So if you're making 2 million and let's say half goes to the taxes and expenses, so now we're at a million, we're bringing in somewhere in the range of $80,000 a month after tax.

Aaron Goldberg ([04:12](https://www.rev.com/transcript-editor/Edit?token=_F4yijmCEDUbDVEm0q9p8yvZ9XhOvEjZjpOp3sgydKBP43PxyTmRgl6IQZFqryVI60IcpibX4GVeqZIbKAtycHdUX8s&loadFrom=DocumentDeeplink&ts=252.69)):

So are you going to be able to live on $10,000 a month if you're hurt for an extended period of time without really going deep into your savings, deep into your investments and having to really upset and upturn your financial structure and your financial future. The other thing to remember is that insurance money and not disability insurance money isn't available until you've been out for over six months. So think about the times either you've been hurt or guys you know have been hurt, a lot of times, six months is about the time they start to come back. So if that's the case, you're not going to end up collecting any money. So what are you going to do for that first six months?

Aaron Goldberg ([04:56](https://www.rev.com/transcript-editor/Edit?token=TGLmrJBj9gxBwZ36JnFLfONDBtpJ1s1qMCKYubMYw9sdtEU2MEaJeFbOptplXDZlB8KP24jU_q_MFJUevKGWf4xJLDU&loadFrom=DocumentDeeplink&ts=296.61)):

You're going to probably be dependent on your savings and the money that you have set aside. So one, that's really important that you have that money set aside. But two, what you need to do is look at your own situation, talk with your certified financial planner or your certified private wealth advisor, somebody that knows you case inside and out and determine whether six months is enough in terms of being able to ride it out, or do you need something to be eligible for much earlier? They have policies that you can be eligible for within 30 days, 60 days, 90 days. You're going to pay more for those, but maybe that's more important to you that if you're going to be out for two months, whether it's a shoulder injury, a wrist injury or something, that you don't want to have to rely on your savings from that two month to four month window to pay the bills.

Aaron Goldberg ([05:50](https://www.rev.com/transcript-editor/Edit?token=8XDTDL_mHzdY1dgdB0M16oUFxj23sGwiQzzA_IEEVJYzTIbvMGN58yb7ZQchAhBUI6nQZe1y36u5BS0M8MhZ_cZyaZw&loadFrom=DocumentDeeplink&ts=350.73)):

The other thing is, again, $10,000 a month is fine, but if you're used to bringing home $80 a month, that's a big difference. That might not even cover your mortgage. So let's really make sure that you hone in on what you need and then what you have available to you and then what the costs are, and really weigh those options.

Aaron Goldberg ([06:12](https://www.rev.com/transcript-editor/Edit?token=4GbxpwBjgYvgCQM09sLK2cjyV5lNahUM3KEty_t-Yx461WE7UguRH7wCYnL48eQ8XpD6EM2VXTH02x2s4WdA4KxO1fA&loadFrom=DocumentDeeplink&ts=372.26)):

So the next thing is we're going to look at the Korn Ferry Tour availability, and this is a little different. Most guys on Korn Ferry Tour aren't used to making a whole lot of money. If you have a good year, you can make some. But after expenses and after taxes, you're really not bringing home a whole lot. You're not out there to get rich. You're out there to move up. So if you are eligible for the Korn Ferry Tour disability program, and that's if you have full status, again, they're going to look at your last three years of earnings, and if you've qualified the full amount, your take home or your disability policy is up to $3,750 a month after tax. That's not a whole lot.

Aaron Goldberg ([06:52](https://www.rev.com/transcript-editor/Edit?token=TbY1we8H1F_--oRsj2Wu8yNgwyOTEzp_J2EQcCnVIDXWfLPO7eyD_42JCOG9KU8p3jbOR1PVNn1hQgJgBwNMwJ3tykk&loadFrom=DocumentDeeplink&ts=412.15)):

Again, you're not traveling to play, but I don't know many guys that are going to be able to pay all their bills with just that. Chances are, if you're on Korn Ferry, you haven't been able to save up a whole lot of money. So even if you have saved up some, you're probably going to run through that in that first six months, because keep in mind, you're still going to have all your personal expenses. You're probably going to have some medical bills if you're hurt and you're going to have six months to wait until you can collect on that disability policy.

Aaron Goldberg ([07:19](https://www.rev.com/transcript-editor/Edit?token=jSz-CHCQWrimKaIvF6i7_2g0udvk-vCjmintxFHzyTSL0Ee6Ol9PT2PcjPo4hTrYQ7X7GZUOs9SgVqE38HaMGBPyp1E&loadFrom=DocumentDeeplink&ts=439.23)):

So this is where I really see a need for players to educate themselves and understand what's available to them because to get, say another $5,000 a month, or maybe it's 10 or whatever that amount is and have it start a little bit earlier isn't going to cost you a crazy amount. Using the earnings when you're playing well and healthy to make sure that you are okay when you have an injury or an illness and you're not able to earn, that you still have something coming in. That's the definition of true wealth and making sure that you're protecting your wealth. That's what we're here to do.

Aaron Goldberg ([08:03](https://www.rev.com/transcript-editor/Edit?token=Gb174Mhg7rZVjOXrPSvkY-xhuj7J6-FkCidZhdObJGPPV7yk6DSzgbrCBSHeFOSXNl49kWNPJ4F_YTBV3NS-pXHT-NU&loadFrom=DocumentDeeplink&ts=483.48)):

As a wealth advisor, we're trying to make sure that there's no holes in your financial structure. To me, this is one of the biggest gaps I see. Most guys have somebody that's going to look at investments for them. Most guys have an accountant that do their taxes. Do they do it all the way, all the planning? Who knows? Usually not. But one thing that I always, or I shouldn't say always, one thing that I typically see a gap in is insurance. Again, I don't like insurance. A lot of times you're paying money for something that you probably aren't going to use. But if it can ensure your financial future against injury, or in the case of life insurance, your family's future in case of something awful happening and you passing away, then a lot of times it's worth it, but understand exactly what you're getting and how much you're getting yourself into.

Aaron Goldberg ([08:57](https://www.rev.com/transcript-editor/Edit?token=P8vQ_Dh1f1XRWdXH_ep5VcIQWAgQ7t3Nt5-hZYuDybiBq4bOza6joD6ECR_op51gcCiywFeRXo-Sq30aG8Z4qWfhHis&loadFrom=DocumentDeeplink&ts=537.49)):

So the other situation I see players that are under-insured in this, or typically not insured at all, is the top players coming out of college. A lot of times they're signing a contract with a manufacturing company, maybe a clothing company, maybe a big corporate sponsor. We're going to use an example. Let's say, Nike is going to pay you a million dollars a year for the next three years. Those contracts are dependent on you playing. They'll have a start allowance. So typically, I've seen 20 starts is what gets you to the full amount. Sometimes it's a higher amount. Sometimes it's a lower amount. But if let's say you get hurt and you only make 10 starts in the year, they're only going to pay... They're going to prorate that. So they're only going to pay you half the amount.

Aaron Goldberg ([09:42](https://www.rev.com/transcript-editor/Edit?token=GxZlNalPP8NJ_eGyDyQDStavCiy_oj8n-GLMGNlECoZ_cVSsx3RbE1ntIhWcrMuEeF2-kpD-xDJnwCLaHbejIzDwEvM&loadFrom=DocumentDeeplink&ts=582.75)):

So what we need to make sure is that if you get hurt and you don't have any status yet, you have zero insurance at this point, you need to make sure that you have something in play so that if you have that injury or you do get sick for an extended period of time and you can't play, then those contracts that you've signed, they're not going to pay, but we want to make sure that an insurance company will pay so that you're not missing out on that money.

Aaron Goldberg ([10:08](https://www.rev.com/transcript-editor/Edit?token=V0RD5OIZ13lYKaNUH6WHu5xANtLxanM157ycE3WvQekRvkn_uWN7akNgl93jXCNNgUCZSdZDkNqs9nO5e2dTReXLZio&loadFrom=DocumentDeeplink&ts=608.83)):

Because at the end of the... What really matters is when you get back from injury or illness, you're able to go out and do all the things you were doing before you got hurt, and finances aren't the issue, that you're able to invest in yourself and get right back out to where you were, because that's what we don't want is that an injury really interrupts your future because you don't then have the money to travel to the tournaments you need to, or invest in yourself with the right coaches, the right trainers, that type of thing. So it's really important in those senses to make sure that you have a policy in place.

Aaron Goldberg ([10:44](https://www.rev.com/transcript-editor/Edit?token=Rzm5vkM_0atpb6X01H-s8K89AaQ1sTggBfAa8jZiuG5xF_MeD-9pZuswshiXy7PV0vnekpcWGTfEz0TjK2WSZMk_CNU&loadFrom=DocumentDeeplink&ts=644.37)):

Again, look at what your endorsement income is off the course, what it may be on the course, and find that number that's going to make sense for you to pay the bills in your personal side, pay all the medical stuff, but also enough that you're going to make sure that you have money set aside when you come back to get yourself back out there. So the flip side of that is look at what your contracts are worth and what you're going to be making and insure for that full amount. You're going to look at the price tag for that and make a decision if that's worth it for you or not.

Aaron Goldberg ([11:21](https://www.rev.com/transcript-editor/Edit?token=7ILb9CLV9MK-2oxQZfYFVLmsDjjKcqJTmmwrWUO5ePCEgZqQEQ5E8uOeqR_svL1voGwNK0ypAKHk0luursxPHFdM5Nc&loadFrom=DocumentDeeplink&ts=681.33)):

But that's where you really need to talk to your team. Maybe your agents brought it up to you before. Maybe your financial advisor has, but really make sure that you talk to your team about this. Go to somebody that specializes in athletes for disability insurance, because there's what's called normal disability insurance for a normal employee, but that's not what you need. They would tell you if you got hurt and you couldn't go play golf, that you need to go get a desk job. What you need is insurance for your profession. So you need somebody that specializes in it.

Aaron Goldberg ([11:57](https://www.rev.com/transcript-editor/Edit?token=3WMr0Ig1JiHHu74a9iGKJtadizExYhEGtZxDXZAjCYVEI45jSm1iXQtYOCca1qMux2DSi8N8L__PDikbYPctyEDkWOQ&loadFrom=DocumentDeeplink&ts=717.39)):

So go out there. There's plenty of specialists out there. They all are going to be able to give you quotes and walk you through it, but really rely on your team to help you here to not only figure out how much you need and how much it's worth paying for, but getting yourself into the right situation so that you don't have to worry about it if you get hurt waiting, one, for six months, until you start being able to get any sort of help, and two, getting the amount of monthly income that you need.

Aaron Goldberg ([12:30](https://www.rev.com/transcript-editor/Edit?token=DcX1CdvDFqJ-1vCmgPXkdTvCUVLHlR7YPnn-twqO4pLt9_cru3U8vI1Ilq2aYuEQsFwlm5LkudCbix1UTjwJ4JSuldY&loadFrom=DocumentDeeplink&ts=750.2)):

So, in my case, I got hurt. It was in a year that I was on Korn Ferry, but I didn't have full status. So I'd made a certain amount of starts that year. I think I made six starts already. It was halfway into the year. I shut it down. My back was just not going to be able... I was not going to be able to play, but I didn't have any insurance through the tour. I didn't even know that you could get disability insurance outside of it. So six months later, still hurt, end up getting surgery. I was out for two and a half years before I could even swing a golf club.

Aaron Goldberg ([13:04](https://www.rev.com/transcript-editor/Edit?token=DmHKPH0wIu9hTnGxeIaED91ODWChy57bsebJv94opEbjfh2Zqu07Rng6njv5NeY7340WsGvWNouxfM_ftPjZi19j3Zc&loadFrom=DocumentDeeplink&ts=784.63)):

A lot of these insurance policies, if you're out for three years, they will then say, "If you're not going back to your profession," let's say it's a career ending injury, which unfortunately, in my case, that's what it was. I can play now, but it's not at a professional level, that's for sure. They will then give you a lump sum that's typically a big amount. Let's look at the Anthony Kim situation. Anthony Kim had a policy where, and I'm ball-parking numbers here, but it was about $100,000 a month that he was getting in benefit. He was out for more than three years and they went... The policy had this in play. It was a $10 million policy for if it was a career-ending injury.

Aaron Goldberg ([13:49](https://www.rev.com/transcript-editor/Edit?token=QSu2UE6AVLQaEfXyvGtx5Vw0bMql_am-qB67FNtBM0bIfFUjhQUpsXIpYtIit5wNlaqYdyOuZHQqM0d4tcZPsXGnP54&loadFrom=DocumentDeeplink&ts=829.1)):

He decided that, "You know what? I don't think I'm going to be able to get back to the level I was. I don't think I'm going to be able to play on a consistent level. I'm going to take the $10 million and I'm not going to play anymore." So it's something that it's the worst case scenario, but it's pretty cheap to cover that to know that his financial future is now set. He obviously had made a good amount of money before that, but he probably... I don't know his financial situation. I don't know how much he had spent, how much he had invested, how much he'd saved. But I do know that having $100,000 a month for those first three years and then a $10 million payout, all tax-free by the way, is definitely going to help him for the rest of his life, because he's not going to be able to earn like he was supposed to before.

Aaron Goldberg ([14:36](https://www.rev.com/transcript-editor/Edit?token=lI7Px9pPna-nBd3abEsksvHMzdrsUMZ7WMpcKmLBo59FvMioL0UMwv13MCex_JHIJCAstjs1GHgUYJ2Ey3et8B4dga8&loadFrom=DocumentDeeplink&ts=876.05)):

So for up and coming athletes that are coming right out of college and turning pro and signing big contracts, or having a good contract with a manufacturing company, Korn Ferry Tour guys, whether they're full or conditional status, but they made a decent amount over the last couple of years and are relying on their earnings to pay the bills, if you have a family, especially. Then PGA Tour guys, as you've moved up to the PGA Tour from Korn Ferry Tour, you probably had a good year on Korn Ferry Tour to be able to move up. So one, you haven't made enough on the PGA Tour to qualify for that full $10,000 benefit. So that first year is an ideal year to look at this to make sure that you're covered and that you don't have that big gap.

Aaron Goldberg ([15:22](https://www.rev.com/transcript-editor/Edit?token=vNvO9BS97CSyjsmu9XOrSWgnmzbj8Ow54dBAnRebTyvlHCu0U1XsfjACPq9TaWCmo_HUBi5tQgLN3yE-YhgHYFZ94_o&loadFrom=DocumentDeeplink&ts=922.34)):

But then once you have established yourself out there and you're used to making 80 to $100,000 a month after tax, we want to make sure that there is no gap because $10,000 a month isn't going to cut it. Now, hopefully you're saving enough that you can cover yourself for a little while, but again, we want to make sure if something bad happens and you're hurt for an extended period of time, think... I'm going to remove myself. But look at Tiger. Look at Kevin Chappell. Look at, I'm trying to think of a few other guys with the back injuries that have been out over a year, closer to two years, if that's the case, how are you paying the bills? You want to make sure that you have a disability policy that is going to pay enough that you're not missing out on a lot of those earnings that you would've made. If, God forbid, you have a career ending injury that you still have a big lump sum at the end, so that your financial future is still set.

Aaron Goldberg ([16:21](https://www.rev.com/transcript-editor/Edit?token=G7m6JlX_FGlkY3EDj1PFPYwep_EGShCQ1Ak62R0nlml4b0Hsx8AoKmgFBEaZE0SCGdYa8EkwSVKSu00Jk8Pmfq6FYOs&loadFrom=DocumentDeeplink&ts=981.06)):

So again, the point of this is I want to make sure that everyone's covered. I want to make sure everyone's educated on this. Of all things I wish I would've known when I was playing that I know now, this is the biggest one. So it's really important to me and I'll probably talk about it a lot more, especially if we meet in person, just to make sure that you're covered. So if you have any questions, please feel free to reach out. We're happy to talk about it, go into it, figure out what's the right amount for you, or look at what makes sense for you. Look forward to talking to you guys next week. Until then, stay humble, stay hungry, and always be a pro.