

THE FINANCIAL PLAYBOOK

TAXES AND INVESTING

*Understanding How to Keep
More of What You Earn*



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INTRODUCTION

Facilitator Introduction/Welcome

In this lesson, you will learn:

- Student-athlete income creates opportunity
- Taxes can become a surprise
- Investing early creates long-term advantages
- This lesson is about:
 - Awareness
 - Systems
 - Long-term thinking



UPCOMING TOPICS

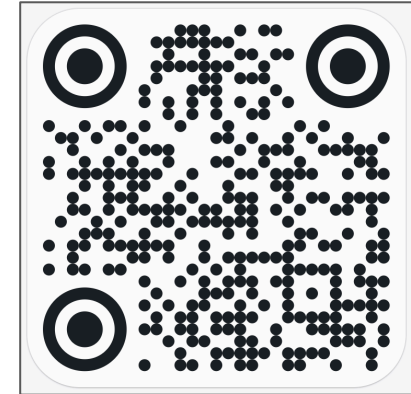
SECTION 1 How Student-Athletes Get Paid

SECTION 2 Gross vs Net Income

SECTION 3 The Student-Athlete Money System

SECTION 4 Estimated Taxes, Tracking & Deductions

SECTION 5 Investing Basics



Session Poll



SECTION 1

How Student-Athletes Get Paid



W-2 VS 1099

How you are paid changes everything: withholding, self-employment tax, recordkeeping, and when you owe money.

Key Points:

- Some student-athlete income arrives with no taxes withheld
- You may owe taxes later
- No tax form does NOT mean no taxes owed
- Income type changes your responsibilities

	W2	Contract/1099
Withholding	Usually Yes	Often No
Self-Employment Tax	No	Possibly Yes (~15.3%)
Cash Flow	Steady	Irregular
Deductions	Limited	Allowed (with proof)





KEY TAKEAWAY

Before you spend it, know what type of income it is because that determines what you owe and what records you must keep.



SECTION 2

Gross vs Net Income



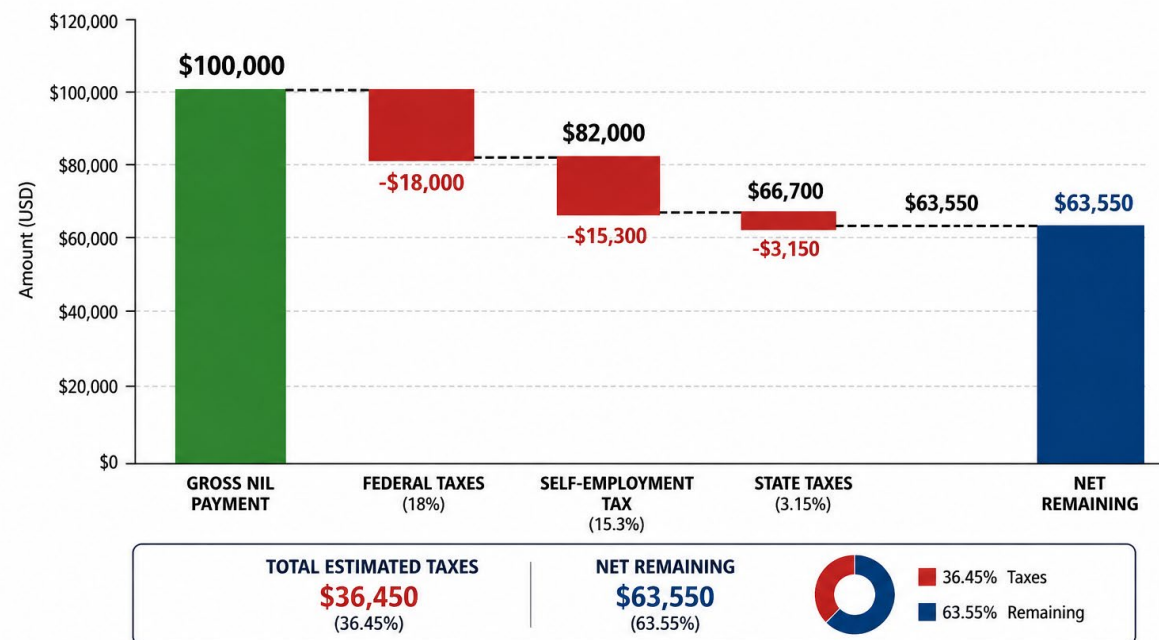
WHERE THE MONEY ACTUALLY GOES

Key Points:

- Money hitting your account is gross income, not spendable income
- Taxes are often owed later, even if nothing was withheld
- The tax portion should be separated immediately and move into a dedicated tax account (not spendable)

WHERE DID THE \$100,000 NIL PAYMENT GO?

Understanding the Impact of Taxes



Note: Actual taxes vary based on income, deductions, filing status, and state of residence.

Gross = What hits your account

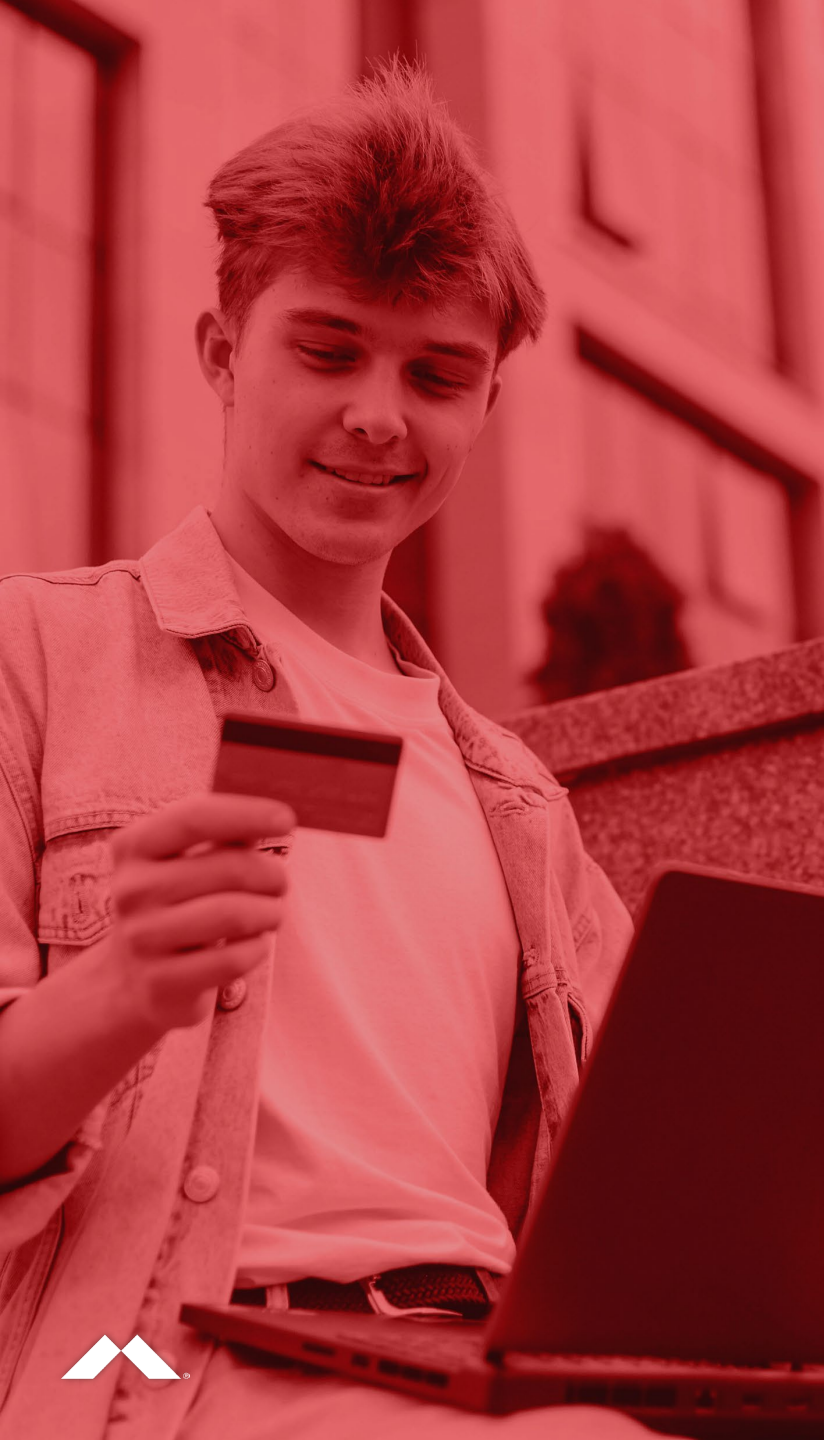
Federal Income Tax = based on your tax bracket

Self-Employment Tax (~15.3%) = Social Security + Medicare

State Tax (3.15%) = Your home state taxes

Net = What's left after taxes (and expenses)





KEY TAKEAWAY

The #1 cause of tax problems is spending gross income. NIL deposits are gross revenue. The tax portion is “IRS money” the moment you earn it—separate it immediately so you can pay on time.



SECTION 3

The Student-Athlete Money System



STUDENT-ATHLETE MONEY SYSTEM

Student-Athlete income is manageable when you run it like a system.

Earn Income → Separate → Set Aside Taxes → Track → Save → Invest

S-E-T-U-P Concept

Separate accounts

Estimate taxes

Track income & expenses

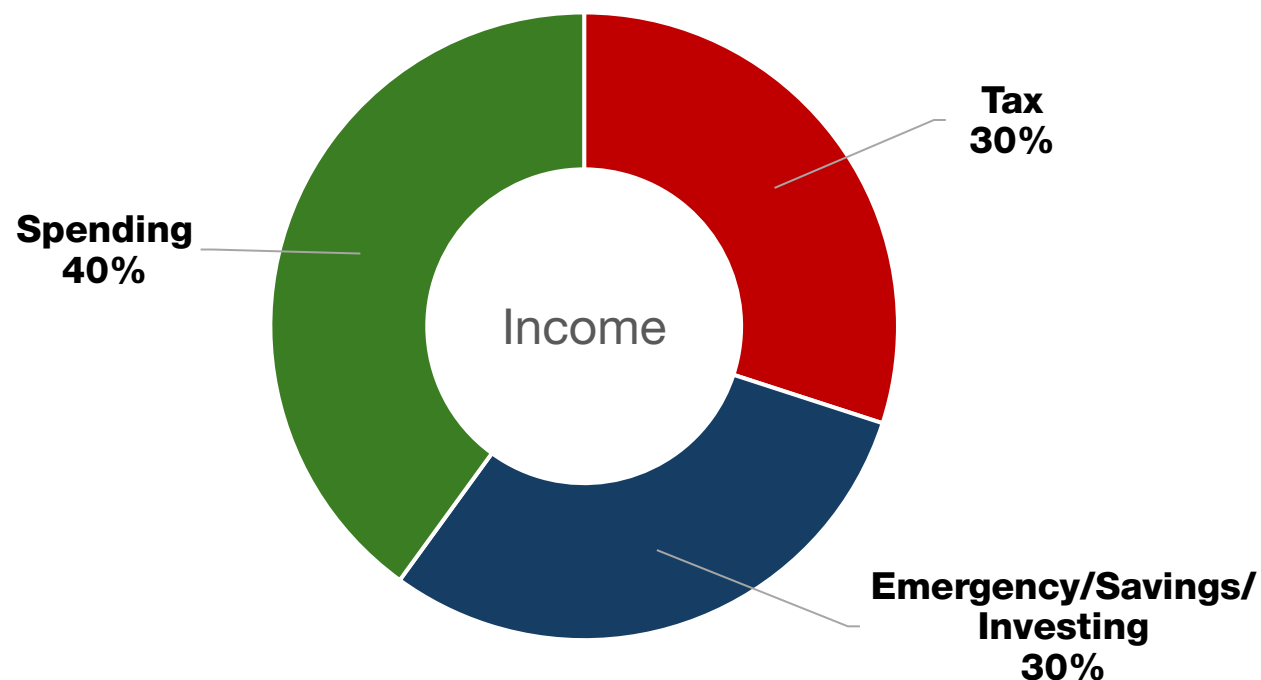
Utilize deductions when allowed

Put it on autopilot when income exists



THE 3-ACCOUNT CASH-FLOW SYSTEM

Use a simple cash-flow system so every deposit is split the same way. Separate accounts turn taxes into a reserved bill and make saving/investing consistent.





KEY TAKEAWAY

Separating money before you spend it guards against costly tax mistakes.

SECTION 4

**Estimated Taxes,
Tracking & Deductions**



PAYING ESTIMATED TAXES DURING THE YEAR

Some student-athletes need to pay estimated taxes during the year.

Key Points:

- Some student-athlete income has no withholding
- Taxes may need to be paid quarterly
- Setting money aside early prevents stress later
- **If you expect to owe taxes, pay quarterly payments from a funded tax account**

TYPICAL FEDERAL ESTIMATED TAX DUE DATES



TRACKING YOUR INCOME

- Track every payment
- Track non-cash compensation too
- No form does NOT mean no taxes owed

WHO PAID YOU	AMOUNT	DATE	TYPE OF WORK



COMMON DEDUCTION EXAMPLES

Expense Category	Example	Required Proof
Content Equipment	Camera, microphone	Receipt
Software	Editing apps	Receipt
Travel	Appearance events	Proof of Attendance
Professional Services	Tax prep, legal	Paid Invoice

Key Points:

- Keep receipts
- Document business purpose
- Deduct only ordinary & necessary expenses when allowed
- Common student athlete examples: equipment, travel, training related media
- **Golden rule: If you can't explain it, don't deduct it.**





KEY TAKEAWAY

Tracking income and expenses all year makes taxes easier and less stressful.

SECTION 5

Investing Basics



INVESTING - WHY IT MATTERS

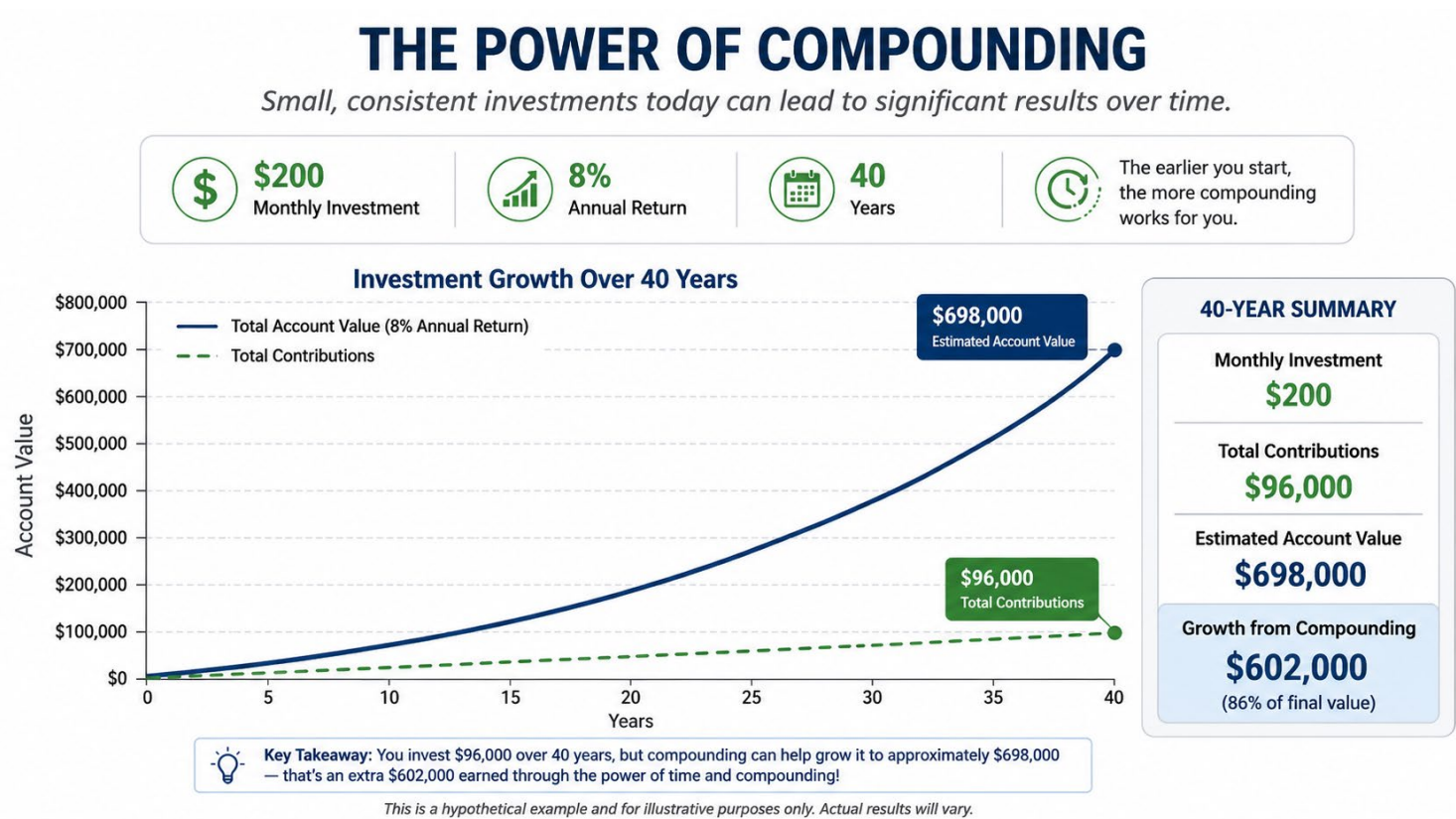
Student-athletes can create income earlier than peers. Early investing leverages decades of compounding, even with small monthly amounts.

Roth IRA	a common first investing account funded with after-tax dollars (only if you have earned income)
Index Fund	tracks a market (S&P 500); often diversified and low-fee
ETF / Mutual Fund	a bundle of investments you buy in one purchase
Expense Ratio	annual fund fee
Brokerage Account	standard investing account for goals before retirement
Compounding	invested money can earn returns; returns can earn returns over time
Diversification	own many companies so one bad stock doesn't wreck you



INVEST EARLY, KEEP IT SIMPLE

Invest consistently so today’s student-athlete income becomes long-term assets.



THE COST OF WAITING

THE POWER OF TIME: START EARLIER, FINISH STRONGER

Investing \$200/month at an 8% annual return



\$200
Monthly Investment



8%
Annual Return

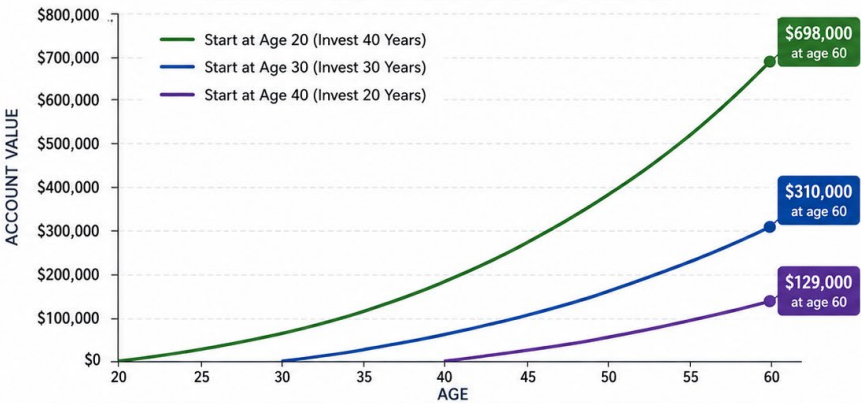


40
Total Years
(to age 60)



The earlier you start,
the more compounding
works for you.

INVESTMENT GROWTH: STARTING AT DIFFERENT AGES



KEY TAKEAWAY: Starting 10 years earlier (age 20 vs. 30) can lead to **\$388,000** more at age 60.
Starting 20 years earlier (age 20 vs. 40) can lead to **\$569,000** more at age 60.

This is a hypothetical example and for illustrative purposes only. Actual results will vary.

Same monthly investment
at \$200/month until age 60:

Starting at 20: contribute \$96,000 total

Starting at 30: contribute \$72,000 total

Starting at 40: contribute \$48,000 total





KEY TAKEAWAY

Starting early matters.

You don't need a lot of money – just consistency.



FINAL ACTION STEPS

This Week:

- Open/designate separate accounts: **Tax** and **Savings/Goals** (separate from spending)
- Set an automatic split on deposits (starter example: **30% tax, 15% emergency, 15% investing**)
- Start a deal log (payer, date, amount, deliverable, location/state, non-cash value)
- Create one folder for NIL documents (contracts, receipts, invoices, screenshots)
- Add quarterly tax due dates to calendar: **Apr 15, Jun 15, Sep 15, Jan 15**





FINAL REFLECTION

Ask Yourself:

- What is one financial habit I want to improve?
- What system could reduce stress in my finances?
- What would future me thank me for?