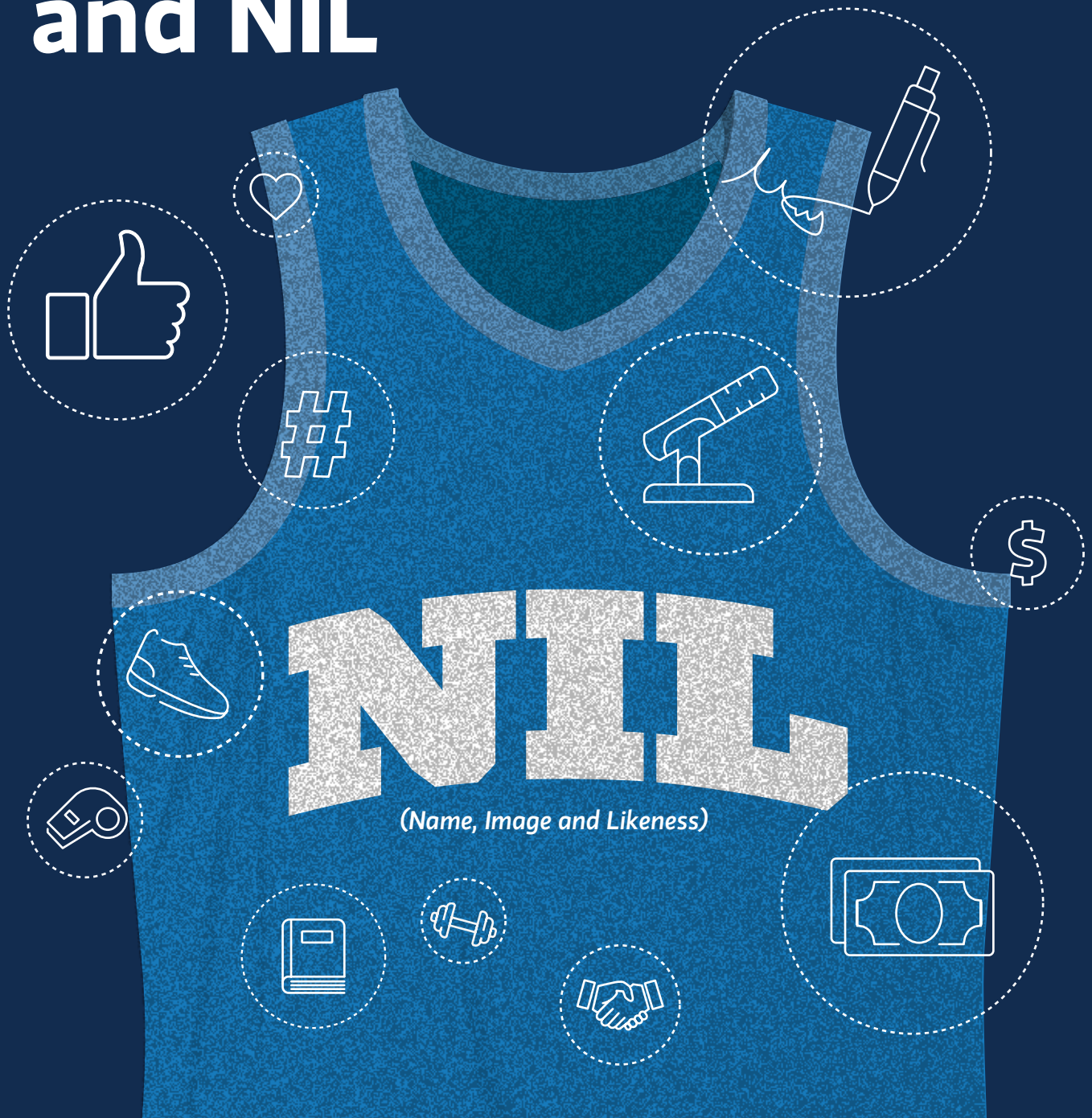



Playbook:

The Modern Athlete's Guide to Life, Money and NIL





“NIL is the biggest change
in college sports—maybe ever.
I’m thankful that I can take
advantage of it,
but I’ve got a lot to learn.”

DEAR STUDENT ATHLETE:

How can you monetize your status as a student-athlete to get a head start in life? How do you build a strong personal brand or legacy? What should you consider when securing brand partnerships? How much of your earnings should be allocated to savings vs. investments? And, how do you accomplish all of this without compromising any financial aid or scholarships you may be eligible to receive? If you're struggling with some of these questions, the ***GSE Playbook: The Modern Athlete's Guide to Life, Money and NIL*** may have the answers you're looking for.

In the not-so-distant past, earning income based on your sport was a taboo topic for student-athletes. That all changed, however, with the Supreme Court's landmark ruling (*NCAA v. Alston*) in June of 2021. The Court's decision had immediate implications for collegiate athletes who, for the first time in history, were permitted by the NCAA to earn compensation from their name, image and likeness. This has presented a great opportunity that, with the right approach and strategies, has the potential to change the course of your life.

At Morgan Stanley, our goal is to empower the next generation of student-athletes with the knowledge and tools to build sound financial habits and achieve your goals. For some student-athletes, it's about capitalizing on peak earnings and building a long-term nest egg to last beyond your athletic career. For others, it's about creating NIL opportunities that generate immediate income. No matter what your needs are, Morgan Stanley can support you in making informed decisions for your future. We created the GSE Playbook as a resource to help you launch your financial journey. Filled with articles, infographics, checklists, interviews and expert tips, the GSE Playbook shares essential money 'know-how' to help you navigate the unknowns and explore these new opportunities with confidence.

We hope this Playbook inspires honest conversations about money and the role it plays in your life. And when the time is right, we encourage you to engage a Financial Advisor as a resource who can offer unbiased advice on how to operate in this fast-developing and evolving landscape.

Enjoy,



Elizabeth Dennis

*Managing Director, Head of Private
Wealth Management, Morgan
Stanley Wealth Management*



Sandra L. Richards

*Managing Director, Head of Global
Sports and Entertainment, Morgan
Stanley Wealth Management*

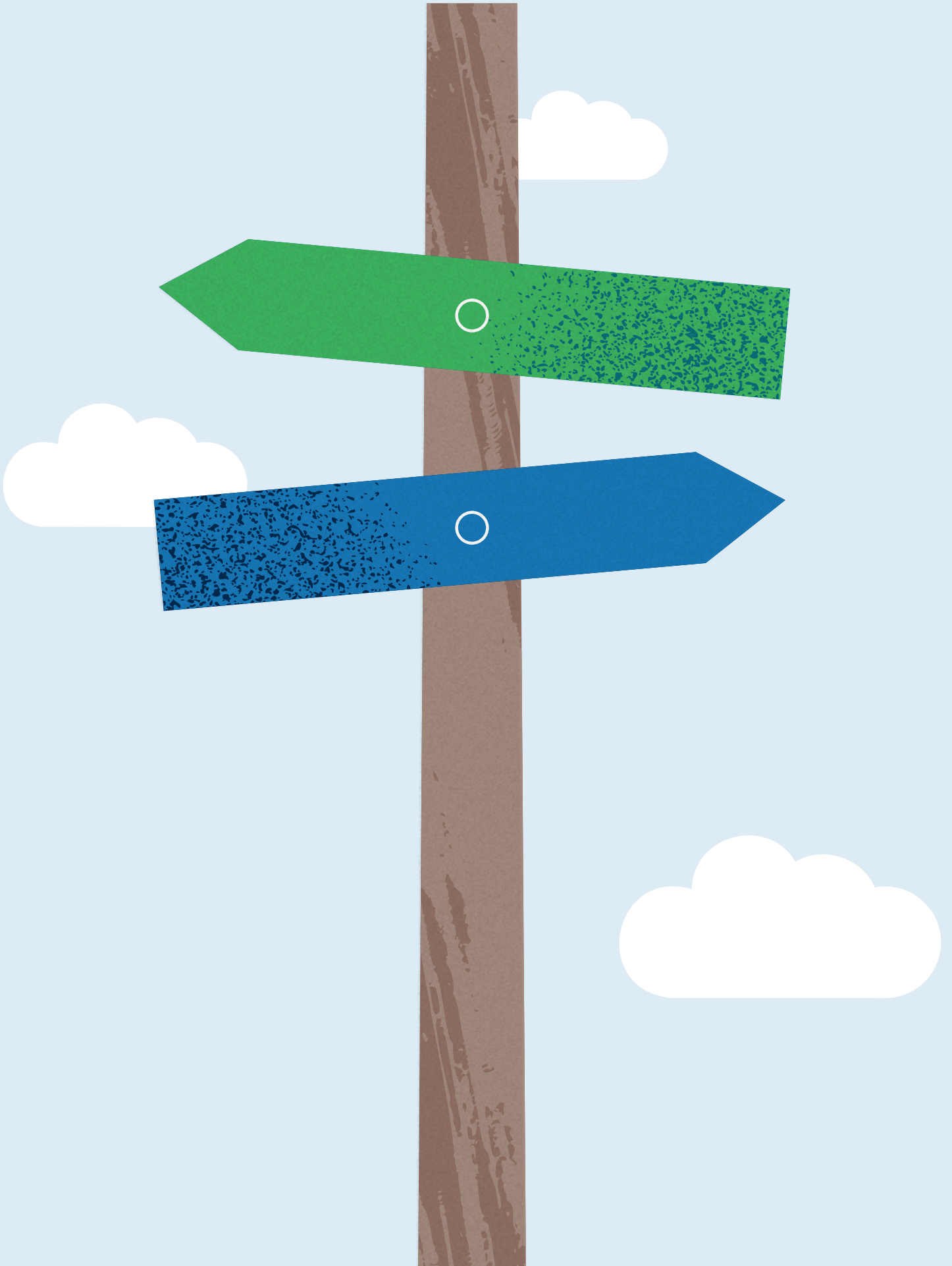
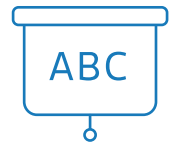


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Introduction: The ABCs of NIL



What is NIL? NIL stands for name, image and likeness and is rooted in the right of promotion. In the context of college sports, it represents a student-athlete's right to earn income based on their name, image and likeness.

Based on a Supreme Court decision in a related matter, in July of 2021, the National Collegiate Athletic Association (NCAA) began to allow college student-athletes to earn compensation for their NIL, for the first time.*

The NCAA Name, Image and Likeness Interim Policy¹

NCAA athletes can now benefit from their name, image and likeness. All three divisions (NCAA DI, DII, DIII) have adopted a uniform, interim policy that allows all NCAA student-athletes to participate in and earn income from NIL activities.

The policy provides the following guidance to member schools, student-athletes and their families:

- Individuals can engage in NIL activities that are consistent with the law of the state where the school is located. Student-athletes can use a professional services provider—such as an agent, financial advisor or brand consultant—for NIL activities.
- Student-athletes who attend a school in a state without an NIL law can engage in NIL activity without violating NCAA rules related to name, image and likeness.
- State law and schools/conferences may impose reporting requirements.

*restrictions apply

Source: [ncaa.org](https://www.ncaa.org), July 2021



Before June 2021

Student-athletes could not accept a free ice cream cone from the local ice cream parlor.

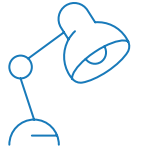
**JUNE
2021**

After June 2021

Student-athletes can accept a free ice cream cone AND earn compensation for promoting the local ice cream parlor's product on social media.



Discovery Exercise



What's in It for Me?

FAQs

Q

How can I use my name, image and likeness to earn income?

A

Compensation in the form of cash, free products, gifts, gift cards, etc. can be earned through marketing and promotional efforts such as product endorsements, social media posts and autograph signings.

Q

Are guidelines different depending on what state I live in?

A

Yes. The NCAA's policy requires student-athletes in states with NIL laws to follow that given state's law. If an institution is in a state without an NIL law, the student-athletes of that institution are still allowed to participate in NIL activities.²

In addition, most institutions have developed their own NIL policies, which their student-athletes should comply with.

Q

Are the rules the same for DI, DII and DIII student-athletes?

A

Yes, however, NIL laws vary by state and by institution. It's important to understand your state laws and school's compliance policy before pursuing and accepting NIL-related opportunities.

Q

Who cannot compensate me?

A

Institutions and their staffs are prohibited from providing compensation to student athletes.

FAQs continued

Q What is the maximum payment allowed?

A There are no limits on the number of NIL activities a student-athlete can participate in, nor is there a “cap” on the amount of (financial*) compensation he or she can earn.

*NIL compensation can also come in the form of ‘in-kind,’ as part of quid-pro-quo.

Q What is an NIL Collective?

A NIL Collectives are school-specific groups, frequently established by notable alumni donors/boosters. They collaborate to raise financial resources to provide student-athletes with NIL compensation opportunities. Collectives are to be independent of the institution they support, but fund NIL opportunities for that institution’s student-athletes.

In May 2022, the NCAA released guidance that classified Collectives as “boosters.” Because of this classification, Collectives are prohibited from being involved in the recruitment or enrollment of student-athletes.



CASE STUDY:

Florida Victorious⁴



MISSION:

To provide fans with exclusive access to, and experiences with, their favorite Gator athlete. By providing these experiences, it allows the Collective to compensate athletes for their name, image and likeness (NIL).



HOW IT STARTED:

Eddie Rojas and his wife, Kelli, provided the initial capital contribution to found the organization, originally coined Gator Collective, up and running. Fort Lauderdale-based lawyer, Darren Heitner, who specializes in sports-related law, was retained to provide legal counsel and ensure that all operations comply with NIL law. The Collective was launched in 2021 and rebranded as Florida Victorious in 2023.



HOW IT WORKS:

Fans commit to a monthly pledge, starting at just \$15/month, and those pledges allow Florida Victorious to pay Gator student-athletes to provide fans with exclusive content including autographs, interviews, social media content, live appearances at events and other fan engagement opportunities.



HOW IT'S GOING:

Not long after launching, Zach Carter, a defensive lineman on the 2021 football team, became the first athlete to sign with the Gator Collective. Since then, the Collective has grown to include nearly 100 athletes across nine sports. Over 2,500 Gator fans have subscribed to support their favorite players. An added benefit to the athletes that have opted into the Collective is their access to advisors in marketing, brand development, public relations, financial investment, entrepreneurship, community service and financial literacy.

Navigating the Playing Field:

The Right Teammate is Everything

Morgan Stanley is no stranger to the evolving economic landscape. For over 80 years, we have stayed abreast of the latest legislation to help generations of clients design meaningful investment strategies. As NIL continues to evolve, we remain at the forefront to help student-athletes manage these new financial opportunities.

Morgan Stanley is uniquely positioned to help you navigate the latest legislation, sharing expertise and guidance on the financial strategies that are most meaningful in your life whether that's saving for an education, building your nest egg, managing taxes or anything else. Our Financial Advisors offer professional, unbiased advice on the important decisions you will need to navigate along the way, guided by our core values.

Our Core Values

1

**Do the Right Thing**

2

**Put Clients First**

3

**Lead with
Exceptional Ideas**

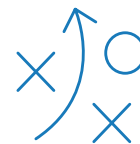
4

**Give Back**

5

**Commitment to
Diversity & Inclusion**

The End Game



Five Ways Strategic Wealth Management Can Build Long-Term Value for Student-Athletes



1 DEVELOP A LONG-TERM STRATEGY

A long-term savings and investment strategy can provide you with the money you need for today's expenses while maximizing profits to help pay for tomorrow's bills. Many student-athletes may earn significant income while in college and it's important to capitalize on that wealth.



2 START NOW

The earlier you begin investing, the higher your potential returns. Sticking to a sound plan can help you take advantage of compound interest, while riding out market dips, to help increase your return in the long-term.



3 PLAN FOR YOU

Designing a sound plan based on your individual circumstances can help ensure that your earnings don't interfere with your eligibility to receive financial aid or scholarships—or conflict with the admissions policies of your school of choice.



4 HAVE A TAX MANAGEMENT STRATEGY

Earning additional income is always a plus, but it's important to consider the tax implications. A tax management strategy is essential to minimizing your expenses while maximizing profits.



5 GET A FINANCIAL ADVISOR

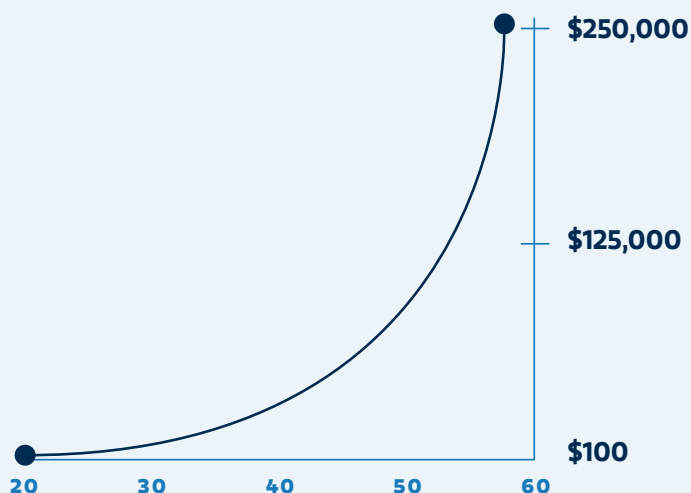
Partnering with a trusted financial advisor provides access to unbiased advice. A financial advisor isn't just ethically obligated to give you good advice—as fiduciaries, it's their legal obligation.



Did You Know?

Compound interest is the process of earning interest on your interest.

If, for example, you begin investing \$100 a month beginning at age 11, with a 5% return, by the time you're 60 years old, you'll potentially have over \$250,000 with the help of compound interest!



NIL Quick Stats



NIL has already impacted thousands of student-athletes, unlocking opportunities for you to benefit from your athletic talent and brand appeal.

However, given how new the ability to earn income in college (and in some places, high school) from NIL is, it's important to stay updated on changes to legislation, policies and state laws.

NCAA Student-Athlete Well-Being Study 2021

Student-athletes across the board have noted financial worries, with 26% listing these concerns amongst the top three factors negatively impacting their mental health. 49% of student-athletes have indicated a need for educational resources on tax and financial literacy, while 40% cited a need for guidance navigating name, image and likeness opportunities.

An NCAA survey found that 39% of female student-athletes and 42% of male student-athletes are looking for more NIL resources. About half of each group is also looking for more help on understanding how to do their taxes.⁵



FACT:

49%

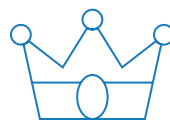
49% of student-athletes have indicated a need for educational resources on tax and financial literacy,





1,000

Ohio State says its student-athletes have gotten more than 1,000 NIL deals since July 1, 2021—up from about 600, worth a total of \$2.98 million at the six-month mark.⁶



66

Norfolk State, running back Rayquan Smith shared that he has 66 NIL deals, calling himself the “King of NIL.”⁶



\$3,438

The Opendorse marketplace platform said average annual compensation for an athlete in NCAA Divisions I-III combined is \$3,438 through May 31, 2022.⁶



\$730.4M

Opendorse projects that brand deals will encompass 64% of all NIL compensation in Year 2 and bring in about \$730.4 million.⁶

Chapter Sources

- 1 [ncaa.org](https://www.ncaa.org), July 2021
- 2 nilnetwork.com, [NIL State Laws](#), 2022
- 3 Business of College Sports, “Tracker: University-Specific NIL Collectives”
- 4 gatorcollective.com
- 5 NCAA Student-Athlete Well-Being Study 2021
- 6 [Nbcnewyork.com](https://www.nbcnewyork.com), “One year of NIL: How much have athletes made?” July 7, 2022

Disclosures

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Morgan Stanley Global Sports & Entertainment is a highly specialized wealth management division, dedicated to serving the unique and complex needs of athletes, entertainers, creators and top professionals in the sports and entertainment industry.



“LSU gymnast Olivia Dunne has the largest social media following (over 11 million followers) and is the highest grossing college athlete. Her NIL valuation is \$3.4 million.”

Smart Saving Strategies

Building Your Financial Foundation

When it comes to financial fitness, saving is the foundation of your training program.

The Name, Image and Likeness (NIL) legislation has opened up a new source of potential income for student athletes who want to monetize their hard work and commitment.

With this greater earnings potential, comes greater savings potential. In order to realize near- and long-term benefits of NIL income, it is essential to establish healthy saving habits as early as possible. A solid saving strategy can help you make the most of NIL opportunities, which can fluctuate, and enable you to build a financial foundation that sets you up for future success.



FACT:

146%

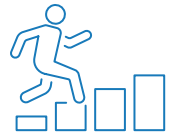
In 2022, NIL deals with student-athletes grew by 146%.¹

300%

In 2023, brand compensation to athletes grew by 300%.²



No Excuses, Save Like a Champion



The art of saving is more than simply putting money aside: it's an ongoing practice, a philosophy and a tool for accumulating wealth, reaching your goals and most importantly, achieving financial freedom. Saving is not just about retirement. It is about creating a plan to help finance your dreams—big ones like homeownership and lifestyle setup, but also shorter-term aspirations like buying a car, traveling or creating a buffer for unplanned expenses.



FACT:

+10

*life expectancy
has increased by
almost 10 years.*

Americans today are living longer, healthier lives. Since 1950, the average American's life expectancy has increased by almost 10 years.³ If people continue to retire at age 65, savings may have to last decades. For most, life will gradually become more expensive as you take on additional responsibilities. Practicing sound saving habits can help provide you with the option to pursue more, experience more and achieve more because you have the financial foundation and flexibility to do so.

Compound Interest, the Financial Three-Pointer

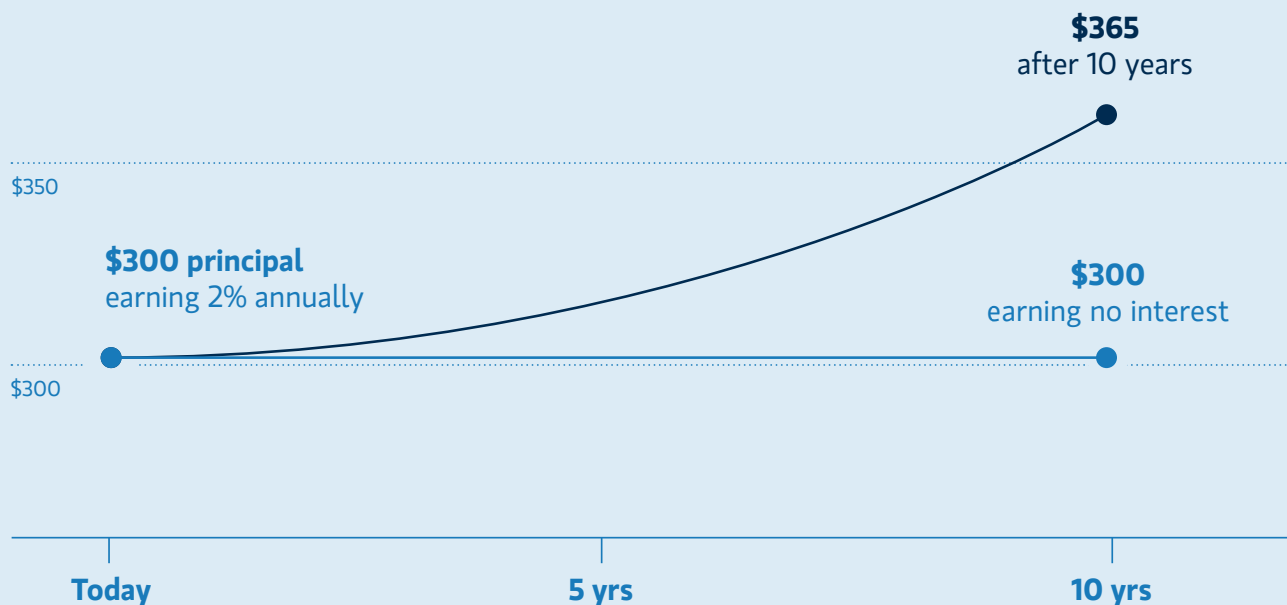
Why is it so important to start saving early? Over time, your money can benefit significantly from “compound interest,” or the process of earning interest on your interest. For example, when you first open a savings account, your initial deposit grows by the percentage you earn in interest annually. However, the following year you will earn interest on the original amount you put in plus the interest you earned the previous year. It may not seem like much at first, but over time it adds up. Longevity is your power play and the earlier you start, the faster you can reach your saving goals.

Your competitive advantage is your ability to get a head start. With the potential for earning income at a young age, you have the unique opportunity to save earlier and maximize your compound interest.

TIP

Use the Rule of 72 to forecast the time it will take to double your money with the help of compound interest.

$72 / \text{rate of return} = \text{number of years to double your money}$



Budgeting 101



Budgeting is an important part of your financial fitness. Having a good understanding of your monthly saving and spending habits allows you to make more educated financial decisions that can position you for success in the long run. Like a strategic fitness plan, a budget helps you map out your goals, monitor your progress and highlight where there is room for improvement along the way. Think of this exercise in terms of a marathon rather than a sprint. By focusing on the finish line, you can build a more sustainable path for the long-run, maximizing the value of your wealth over time and avoiding the pitfalls of overspending in the short term.

Creating a Budget

Mapping out a monthly budget based on what's coming in and what's going out, can help you avoid money-related stressors and adjust your saving and spending habits to fit your goals.



1 UNDERSTAND WHAT YOU'RE WORKING WITH

Calculate how much income you will be receiving each month, including any NIL income, work-study earnings, stipends or financial aid.

If your income stream is irregular or varies in amount and/or frequency, estimate the total annual amount and then divide that by 12 to establish a monthly income guesstimate. Make sure you calculate total income after taxes.



2 ESTIMATE YOUR FIXED EXPENSES

Fixed expenses are the expenditures that won't change much from month-to-month and can be seen as "essentials" for sustaining your lifestyle. Fixed expenses may include student housing, rent or mortgage payments, student loan costs, utilities, school supply costs, cell phone bills, transportation fees (i.e. car payments, parking pass or monthly public transport fare), insurance premiums (car, health, medical, etc.) and groceries. Remember to include taxes on any pre-tax income and plan ahead for future tuition costs if applicable.





3 CREATE A SAVINGS GOAL AND TREAT YOUR SAVINGS LIKE AN EXPENSE

The budgeting power play is to strive for the 50/30/20 ratio: 50% of net income for necessities, 30% for discretionary items (i.e., wants not needs) and 20% for savings. At a minimum, we recommend saving 10% or more of your income after taxes.



4 ESTIMATE YOUR VARIABLE EXPENSES

This refers to the “extras” or non-essentials that you can cut back on, if necessary, to increase your savings. Expenses that belong in this category include entertainment, dining out, subscriptions, clothing and travel. It is always a good idea to account for “miscellaneous” expenses here as well, like birthday gifts and other unexpected splurges.



5 DO THE MATH

Deduct your fixed expenses, target savings and variable expenses from your monthly income after taxes. In an ideal world, you will have a small surplus. If this surplus is too big, you might want to consider increasing your savings goal. If you end up with a negative number, you will need to scale back on your variable expenses or find a way to limit your fixed expenses. Track your spending and try to stick to your goals. Remember, it's all about finding the balance that works for you.



Income Streams

Examples of the most common NIL Income Streams*

- Social media.
- Paid appearances.
- Licensing or group licensing.
- Corporate endorsements.
- Camps, clinics or private instruction.
- Sales of merchandise and apparel.
- Sales of autographed memorabilia.
- Income from NIL Collectives and Clubs.

	Social media sponsored posts:	\$3,500
	Appearances:	\$1,000
	Autographed merchandise:	\$1,000
	Endorsement deal with brand:	\$3,000 per semester (Jan. & Sept.)
	Summer camp instruction for youth athletes:	\$1,500/week for two weeks in July
\$14,500 / 12 = approximately \$1,208 per month of NIL income		Total annual income: \$14,500

*All activities must be in accordance with applicable laws, regulations, etc.
For illustration purposes only.



WINNING PLAY

Buffer your budget.

If your income potential is highly unpredictable, bolster your budget by focusing on the necessities and thinking ahead. Try to keep your monthly costs to a minimum and plan in advance so that you can allocate income accordingly to help bridge your monthly financing.



NIL and Financial Aid

NIL income may affect your financial aid application. Make sure you talk with your financial aid office to understand how your NIL income may impact your aid eligibility. Remember to consider the impact of income taxes when determining how/if NIL earnings may outweigh financial aid support. Financial aid payments are not affected by income taxes, but financial gain from NIL opportunities are.



Tackling Taxes

When it comes to saving and taxes, defense is your best offense. When receiving any income pre-tax, make sure you are putting aside enough to cover federal, state and/or self-employment taxes. A general rule of thumb is to set aside 35-40% of all pre-tax income to help cover outstanding taxes.

FEDERAL INCOME TAX:

Federal income taxes can range from 10% to 37% depending on your level of income. For student athletes earning up to \$11,000 per year, you will owe 10% of your annual taxable income as a single filer; however, that percentage increases significantly as your income grows: for individuals making over \$182,100, your federal tax bill will be 32% or more.⁴

STATE INCOME TAX:

In addition to federal income tax, you may also be subject to state tax in the state where you earned the money as well as the state where you claim residency, depending on state regulations. For example, even if you do business in the state where you live on-campus at school, you may still be required to pay state tax where your parents live if that is considered your primary residence.

SELF-EMPLOYMENT TAX:

NIL compensation can be considered self-employment income and, therefore, you may need to navigate self-employment tax and 1099 filings if you are earning over a certain amount from NIL activities.

Understanding your tax liability is an essential part of creating your long-term financial game plan. Working with a seasoned professional can make a big impact on what portion of your income you ultimately end up with. Be sure to talk with a tax professional and your Financial Advisor to help address any tax implications of potential NIL earnings, as well as consider strategies that may lower your taxable income.



The 4 Types of Savings



1

SAVING FOR THE BASICS

It is always a good idea to keep at least a couple of month's worth of living expenses available in your checking account for day-to-day transactions.

WINNING PLAY

Prep Your Plastic.

Consider setting up overdraft protection on your account to help avoid fees from accidentally spending more than you have available. If you have outstanding credit card debt, make it a priority to pay it off before focusing on additional savings. Living paycheck-to-paycheck may increase your probability of racking up credit card debt (which you will then pay interest on) or encountering additional costs associated with low account balances.

2

SAVING FOR THE UNEXPECTED

It is important to avoid over-dependence on NIL earnings by establishing a safety net in case that monthly income were to suddenly drop, or cease altogether. To make sure you're prepared to deal with any unexpected costs that come your way, consider creating an emergency fund. These "emergencies" can include events such as losing a steady income stream or paying for personal expense. As a general rule, your emergency fund should cover about three to six months of expenses.

WINNING PLAY

Keep it Liquid.

Prep your emergency fund by keeping the allocated money in an account that is highly liquid, meaning it is readily available for you to access at any time. Liquid options for immediate cash can include a savings account or money market account. A savings account helps protect your money from market swings and allows you to easily withdraw funds at any time.

Another option to consider is investing in a money market deposit account. Money market deposit accounts can offer the best of both worlds—they often pay higher interest rates than savings accounts while also allowing you to write checks. Similar to checking and savings accounts, your money is easily accessible; however, most money market deposit accounts require a minimum deposit to open the account.

3

SAVING FOR SHORT-TERM GOALS

Start with a plan. Figure out your total expected costs upfront and work backward from there. How much do you need to put away each month to foot the bill? Then determine the necessary sacrifices in your day-to-day spending that you may need to make to start saving that money.



4

SAVING FOR THE FUTURE

Once you have saved up enough money to cover your day-to-day expenses and any unexpected emergencies, you can start planning for your longer-term goals. To encourage people to save for the future, the government created several tax-deferred accounts. This means that over the years, your contributions (the money you put in) can grow faster because the taxes are being deferred to a future date (think back to the value of compounding!). In general, you will only be taxed when you make a distribution (or withdraw money). Keep in mind that most tax-deferred accounts are structured to help you save for retirement and therefore you may be subject to a penalty tax if you withdraw assets before reaching age 59½.

CERTIFICATES OF DEPOSIT (CD)⁵

Purchasing a certificate of deposit (CD) can be a useful saving tool because CDs pay a set interest rate for a pre-defined period of time ranging from 3 months to over 10 years. Generally, the longer you are willing to lock up your money, the higher the rate will be, so CDs may be an option to consider for predictable longer-term expenses such as buying a home.



When saving for the future, there are several types of retirement accounts to consider. Different types of accounts have different rules about who is eligible, how much you can contribute, when the money is taxed, and at what age you can access the funds. The following is a non-exhaustive list of tax-qualified arrangements that may be available to you.



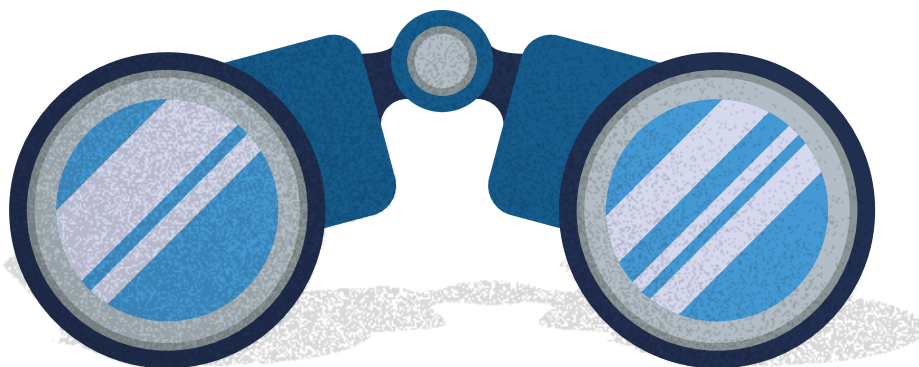
TRADITIONAL IRA

A traditional IRA is an “Individual Retirement Account.” Unlike a 401(k) or 403(b), a traditional IRA is not offered by employers, but by financial institutions. An IRA has a lower pre-tax contribution limit than a 401(k) and there is no employer-matching involved, but your IRA contributions may be tax-deductible. So if your annual salary is \$60,000 and you contribute \$5,500⁵ to a traditional IRA, you may only need to pay income taxes on \$54,500.



ROTH IRA

If you earn below a certain income threshold, you may qualify for a Roth IRA. The difference between a traditional IRA and a Roth IRA is that contributions made to a Roth IRA are not income tax-deductible, meaning you don’t get a tax deduction on your federal income tax return for your contributions to a Roth IRA. However, distributions from a Roth IRA are not subject to federal income taxation if certain conditions are met. Unlike a traditional IRA, Roth IRAs do not force the Roth IRA owner to withdraw money by a certain age, but after the death of the Roth IRA owner, the beneficiaries are required to take distributions in accordance with the required minimum distribution rules. You can also contribute to a Roth IRA after age 70½, as long as you continue to earn below the income limits. Talk to your own independent legal and tax advisors, along with a Financial Advisor, about what retirement account may be appropriate for your long-term goals.



**SEP IRA**

A SEP (Simplified Employee Pension) IRA allows employers to make tax-deductible contributions on behalf of eligible employees, including self-employed individuals. Employers can contribute up to a certain percentage of compensation, or the annual SEP IRA contribution limit, whichever is lower.

**529 PLAN**

A 529 plan helps you save for your or your children's future education expenses. Funds are not required to be used by a certain age, so the savings can go toward undergraduate tuition or additional graduate school and related school expenses. Also known as "qualified tuition plans," 529 plans are offered by your state, state agencies or educational institutions and allow you to change the beneficiary to another family member.

**401(K) PLAN**

Upon entering the workforce after school, there are additional tools to help you build your savings. 401(k) plans are employer-sponsored plans that allow employees to make pre-tax contributions into a tax-qualified account. If your employer offers a 401(k) plan, you can choose to automatically deposit a portion of your pre-tax salary into your 401(k). This can be a good option for those who have trouble staying disciplined when it comes to saving.

WINNING PLAY**Make the Most of Matching**

Some companies will match their employees' contributions up to a certain amount or percentage. If your employer offers matched 401(k) plans, consider contributing the maximum amount allowed in order to take full advantage of the opportunity.

**403(B) PLAN**

403(b) plans are essentially 401(k) plans for employees of certain organizations such as 501(c)(3) organizations and public schools.



Practicing smart saving enables you to plan for major life purchases, create a financial buffer in case of unplanned circumstances, monitor discretionary spending and better understand your investment goals and risk profile. Retire the notion that it is too early to save, and start saving early so you can have the freedom to enjoy a future full of opportunity.

WINNING PLAY**Mix and Match**

You may be eligible to participate in multiple retirement plans simultaneously. Take time to understand the tax advantages, eligibility requirements and contribution limits of various accounts before mixing and matching. Talk to your Financial Advisor, along with a legal and/or tax professional, to help determine the most effective way to put your retirement strategy into practice.

**TIPS for Smart Savers:****START EARLY.**

Take advantage of compound interest so that you can enjoy the fruits of your labor in the future.

**SET CLEAR GOALS.**

It's a lot easier to save when you know what you're saving for. Get specific about your goals as well as any upcoming expenses or life milestones and calculate how much you will need to save within what time horizon.

**PAY OFF DEBT.**

While you should never compromise your ability to cover day-to-day expenses, debt is expensive and has a way of overstaying its welcome. Focus on eliminating high-interest debt first, which is typically comprised of credit card or store card debt before addressing lower-interest debt, such as student loans.

**AUTOMATE YOUR SAVINGS.**

It can be easy to spend what you have available. Treat your savings as an additional expense and set up an automatic deposit to transfer a percentage of your income to your savings account each month.

**SAVE ON TAXES.**

Make sure you educate yourself about any tax deductions you may be eligible for. For example, if you are self-employed, you may be able to deduct expenses related to transportation, health insurance, a home office and client-related activities. Take advantage of any appropriate tax-advantageous strategies, such as considering a tax-deferred saving account to build long-term wealth with the benefit of compound interest.

Credit 101



When monitoring your spending and saving, it's essential to understand credit. The difference between cash and credit is the money you have now vs. the amount you spend, but will pay later. Credit describes the funds that you do not currently have, but that you can use and pay back at a later time, oftentimes, with added interest charges for borrowing the money.

Paying with Plastic

Credit cards and debit cards can be incredibly convenient, however, the easier money is to spend, the easier it can be to lose track of. It's important to understand how credit cards work and the consequences of not using them responsibly.



The Price of Plastic

Since customers aren't required to pay back all of the money spent on credit cards in full each month, you can choose to keep borrowing additional money, racking up interest charges simultaneously. Just as compound interest can help your savings grow exponentially, it can also snowball your debt. Since credit cards allow you to borrow more money that you currently have, it can be easy to overspend and accumulate high-cost debt, resulting in a vicious cycle that can have serious consequences for your credit rating and long-term financial well-being.



Credit Cards

Credit cards allow you to borrow up to a certain limit and pay it back in monthly installments over time. Credit card companies and the banks issuing these cards make money by charging you interest rates on the amount borrowed. In some cases, interest rates can be upwards of 15%. While you should proceed with caution given the ability to overspend, there are several benefits, including rewards, when using your credit card wisely.



Debit Cards

Debit cards or ATM cards can be used in similar fashion to credit cards, but the money you spend is withdrawn directly from your checking or money market account. In other words, you cannot spend more money than you currently have in that account. Unlike credit cards, debit cards do not help you build a credit history, and they don't offer rewards.



Charge Cards

If you have ever made a purchase at a department store or large retail chain, you probably experienced the pitch at the checkout counter: "Receive a 30% discount on today's purchase by opening a store card." Store cards are similar to credit cards but require you to pay the balance in full every month. Be careful not to charge more than you can pay off or you may incur large penalties, rack up high interest payments and potentially damage your credit rating.



Credit Rating

Every time you pay your credit card balance or repay a loan, the transaction is reported to one of the credit bureaus and counts toward your total credit score.

69%

of student-athletes are concerned about their credit and credit reports

Student-Athlete Insights, May 2022

One of the most important reasons you should care about your credit is because a good credit score helps position you as a trustworthy, responsible customer. You can find out your credit score by requesting a credit report from one of the three national credit bureaus online: Experian, Equifax or TransUnion. There are also plenty of third-party sites that offer free credit reports, but keep in mind that they are still getting their information from one of the three national bureaus.

Why does it matter?

Many people are interested in knowing your credit score, including landlords, utility companies, car insurers, mortgage lenders, home insurers, credit card companies and government agencies. A low credit score can have significant implications on your ability to access money: It can affect your application for an apartment rental, car financing, a new internet provider, a graduate school loan or a home mortgage. A low credit score can also result in higher interest rates and down payments because you will be considered a "high risk" borrower. To help avoid being scrutinized when it comes to future important financial decisions, make sure you are establishing good credit.



The Magic Behind the Numbers

The first step to establishing good credit is to understand how your score is calculated. Some factors that can impact your credit score:



PAYMENT HISTORY

Paying your bills on time has the greatest impact on your credit score. The credit bureaus prioritize credit card payments over other debt like student loans or mortgages, which is another reason to set up automatic credit card payments and prioritize paying off credit card debt. For example, if you live with roommates or share an apartment and your name is on the utility bill, make sure it is paid on time.



LENGTH OF CREDIT HISTORY

The longer your credit history, the better, so make sure to start building credit as early as possible.



CREDIT UTILIZATION RATIO

This is the sum of all your outstanding credit balances (i.e., your total debt) divided by your total credit limit—in other words, how much of your total available credit are you currently using. For example, if you have a balance of \$1,000 on a credit card with a \$5,000 limit, your credit utilization ratio for that card is 20%. Generally, the lower your utilization ratio, the better.



TOTAL OPEN LINES OF CREDIT AND TYPES OF CREDIT USED

In addition to credit cards, your credit score takes car loans, mortgages, student loans and several other forms of debt into account. Having multiple open lines of credit may help boost your creditworthiness as it shows that you have been approved by various lenders, but other factors can have a greater impact on your credit score.



Credit Reports

Your credit report is your personal financial report card. It gives you a 3-digit score ranging from 300 to 850 that tells lenders how risky you are as a borrower.





Questions to Ask Your Financial Advisor

- 1 When looking at my income, can you help me determine how much should be allocated toward any outstanding debt and how much I should save?
- 2 What are some ways that I can save for nearer-term expenses such as a big trip or car purchase without jeopardizing my retirement savings?
- 3 What lifestyle factors should I consider when calculating the amount I will need to retire, and should I be thinking about this now?
- 4 Should I have different saving strategies for different milestones like buying a house or having children? What can I do now to start preparing?
- 5 Given my upcoming milestones, what savings vehicles are most appropriate in relation to my goals, risk tolerance and time horizon? Are there alternate types of accounts that provide more compelling interest rates when it comes to saving money for medium-term goals?
- 6 What are some strategies to accelerate my student loan payments without compromising my other saving goals?

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- 5 CDs are insured by the FDIC, an independent agency of the U.S. Government, up to a maximum amount of \$250,000 (including principal and accrued interest) for all deposits held in the same insurable capacity (e.g. individual account, joint account, IRA etc.) per CD depository. Investors are responsible for monitoring the total amount held with each CD depository. All deposits at a single depository held in the same insurable capacity will be aggregated for purposes of the applicable FDIC insurance limit, including deposits (such as bank accounts) maintained directly with the depository and CDs of the depository.

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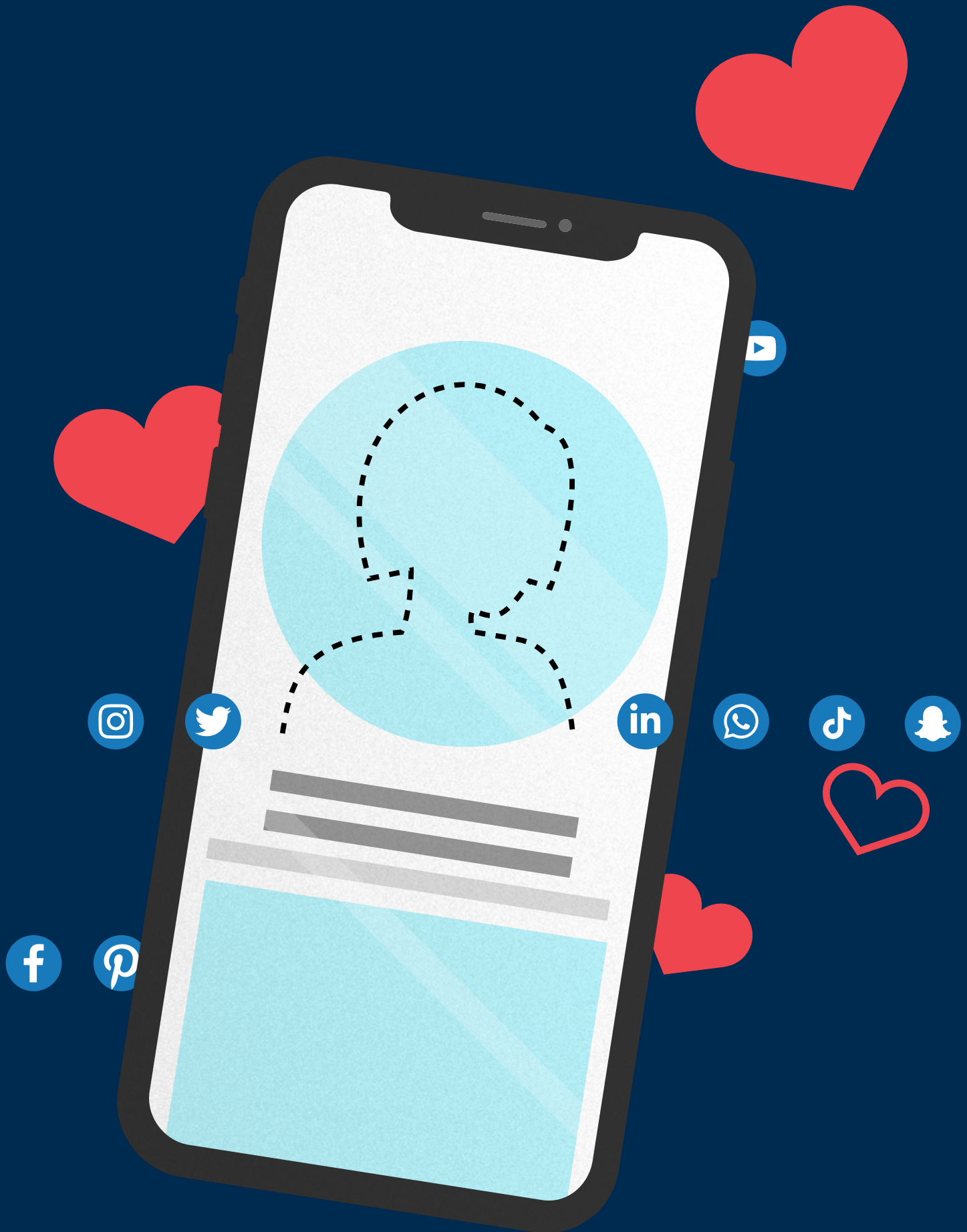
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The Business of You:

Building Your Personal Brand

The opportunity to benefit from and monetize your NIL is the right of self-promotion: the right to promote your own name, image or likeness. Establishing a strong personal brand is critical for positioning yourself to be considered for NIL-related business activities, as well as executing the terms for those opportunities.



Laying the Groundwork:

How to Define Your Personal Brand



A personal brand represents the perception of a person's image and identity, including what we know (or think we know) about someone's background, successes, failures and values. It is not a logo, tagline, trademark or social media picture; those are tangible elements used to market a brand. A personal brand is intangible, representing the culmination of your attributes and the achievements, passions and purpose for which you want to be recognized. It is your reputation.

Everyone has a personal brand. The goal is to present an authentic representation of yourself, in a way that resonates with the people you are looking to have an impact on. For athletes, your personal brand can directly affect the availability, scope and success of NIL opportunities available to you, such as:

- Developing and posting social media content on behalf of a brand (i.e. acting as a social media influencer).
- Endorsing products or services.
- Making personal appearances or doing autograph signings.
- Creating your own brand of merchandise or apparel.
- Providing instruction through camps, clinics or private sessions.

As a student-athlete navigating the world of NIL, you've probably given some thought as to what opportunities are relevant to you. A strong personal brand with clearly defined goals can help position you for success.



Your reputation is your currency!

Regardless of interest in NIL activities, personal branding is also important for career development. Building a strong reputation helps establish you as a reputable, solid candidate when pursuing professional goals throughout college and beyond.



FACT:


90%

90% of employers factor a job candidate's social media accounts into their hiring decisions.

79%

79% of employers have rejected a candidate based on their social media content.¹





“A brand is what other people
say about you when you are not
in the room.”

Jeff Bezos, *Executive Chairman of Amazon*



EXERCISE

Defining Your Personal Brand

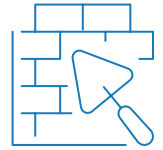
Discovery Questions²

Think about the perception others have of you and use the questions below to help get the personal branding process started.

- ☐ Does the perception people have of you paint a positive picture? If "no," is there any action you can take to reduce negative connotations?
- ☐ Is there action you can take to add more positive content?
- ☐ Is how others see you authentic and a true portrayal of who you really are? If "no," is there any action you can take to be more authentic?
- ☐ Is there action you can take to help communicate the "real" you?
- ☐ What attributes do you think others see as your personal brand?
- ☐ Does it align with your goals and values?
- ☐ Are there ways you would like those attributes to evolve?



How to Build Your NIL Personal Brand in 8 Steps³



1 DETERMINE YOUR VALUES

Clarify your values to help define your brand identity. What are 3 things that are important to you that you want to be associated with? These should be interests, topics or causes that you will not grow tired of speaking about, writing about or advocating for.

Examples:



Mental
Health



Social
Justice



Nutrition



Leadership



3 IDENTIFY YOUR TARGET AUDIENCE

To maximize your potential when it comes to NIL opportunities, it's essential to think about who you want to engage and influence. Understanding your target audience and their needs will help you better define and communicate how your brand will attract, reach and serve different groups.

With athletes receiving 4 times the average engagement rate of the average influencer, never before has sports marketing been as efficient and effective."

— **Rob Jackson**, President, Athlete Advantage

Remember, if you try to "speak" to everyone, you may end up speaking to nobody; focus on your specific audience based on who you have credibility with and what your NIL goals are.



2 CLARIFY YOUR DIRECTION AND GOALS

To identify your niche, start with an interest and then narrow it down 3 times. For example, let's assume you have an interest in the sport of soccer.

- soccer coaching
- youth soccer coaching
- youth soccer coaching at local clinics

Set goals based on your:

- Values
- Desired impact
- Bandwidth (assess your schedule in season and out of season along with the amount of time and effort you are able to commit)
- Short-term and long-term visions (the lifestyle and legacy you want to create for yourself)



EXERCISE

Hone in on Your Target

When defining your target audience, consider the questions:

- Who do you have credibility with?
- Who do you have access to?
- Who do you share similarities with when it comes to attributes such as interests, geography or passions?

Write a sentence about who your audience is, describing them in specific terms. It may seem counterintuitive, but the smaller and more specific your NIL audience, the more successful you can be in reaching them.

Examples:

- The audience I want to reach is high school students who are feeling overwhelmed by classes, sports and life.
- As a Division I soccer player who loves working with kids and wants to run a summer soccer clinic, my target audience includes youth soccer players, their parents and coaches.

Customer Personas

As you hone in on a target audience, building out “customer personas” can help you determine how you may be able to impact or engage different people. Each of these personas is a fictional character that represents a type of person that will likely buy your product or service.

These personas take into account customer characteristics such as:

- Age/Location/Gender/Profession or Student.
- Personality traits.
- Passions and motivations.
- Needs or challenges that you can help solve with your skills.

Customer personas play a variety of roles that can influence the end result when it comes to your audience.



EXERCISE

Define Personas⁴

Describe who would make up the “Users” (participants of your offering), “Advocates” (supporters of the users) and “Influencers” (those who may sway the buyer’s decision).

Example:

User, Advocate and Influencer for a Division I soccer player looking to run a youth summer soccer clinic:



The User:

A youth athlete working hard to start for her club soccer team.



The Advocate:

A supportive parent willing to spend money on private instruction.



The Influencer:

A club coach who cares for her players and wants to see them succeed.



4

MAP OUT THE PLAYING FIELD.

Review the competitive landscape to understand where you fit in. With your goals in mind, research other student-athletes who are pursuing or already participating in similar NIL activities or business ideas. To determine where your brand can add value and best serve your target audience, it is important to understand the existing players on the field, learn from their efforts and identify areas where you can differentiate yourself.

190K

STUDENT-ATHLETES

500K

STUDENT-ATHLETES

There are approximately **190,000 Division I student-athletes** and more than **500,000 student-athletes** across all of college sports.⁵



EXERCISE

Competitor Review

- 1 Write out 3-5 attributes or characteristics that reflect your personal brand (e.g. named All-Conference, active in community service, 3.9 GPA/Dean's List).
- 2 Select 3 comparable competitors you've identified and consider whether their brand exhibits your listed attributes.
- 3 Compare your brand attributes with those of competitors to see where there is overlap.

Do you see competitor “blanks?” These are areas of distinction that you can leverage to help set you apart in a crowded market. If there are not any blanks, reconsider other attributes of your personal brand to highlight areas of opportunity.⁶

To differentiate yourself, consider the priorities and motivations of the people you are looking to engage. Identify your target audience’s most important decision criteria to help best position your brand or offering. These criteria may include logistical details such as pricing, quality, convenience and reach, or more qualitative factors such as your mission and values.



EXERCISE

Differentiation Statements

Identify the key criteria for your audience and consider what questions may be of most importance. Then craft a differentiation statement that highlights how you address each one. Working through this exercise will help you define what you do and how it stands apart.

Example:

You are launching a summer basketball clinic. Based on your research, you believe the key decision criteria for your audience are staffing, cost and facilities.

**STAFFING:**

Who will help optimize player growth during the experience and why are they best qualified for the job?

Differentiation statement: Only current college basketball players will be hired as staff, based on their ability and positive attitude.

**COST:**

How does your price compare to other clinics? Does the cost properly reflect the quality of the clinic's goals, features and resources?

Differentiation statement: The cost of the camp is at the high end, but reflects the caliber of our offering and staff. Current college basketball players offer real-time expertise, bring energy that creates an inspiring environment and act as role models for youth players.

**FACILITIES:**

Do the facilities reflect an environment conducive to player engagement, safety and focus?

Differentiation statement: In addition to indoor courts, our clinic also offers an outdoor court to take advantage of the weather. Our top priority is player health and safety and we encourage continual hydration as well as exercise breaks.





5 CREATE YOUR MESSAGING

With a better understanding of the values, goals, audience and differentiating attributes of your personal brand, you can define your value proposition and craft your messaging. The goal of a value proposition is to communicate what you do better than anyone else.

Remember, consumer engagement is driven by an appreciation for who you are and what you stand for. Your value proposition should clearly communicate what your personal brand delivers and set audience expectations. Think of this as a “brand promise,” your commitment to providing a consistent experience for your audience each time they interact with your brand.

Example:



“Daily mental health tips to help high students navigate the complexities of school, sports and life from a NCAA volleyball champion.”

Illustrating real examples of your capabilities can build credibility with an audience. A lot of student-athletes are hard workers and great teammates, but results are what move people. Your messaging should leverage accolades that support your claims and highlight the value that you bring to the table.

Your messaging should be:

- Clear (easy to understand for anyone with whom you interact)
- Concise (straightforward words and phrases)
- Focused (purposeful and aligned with your brand values)

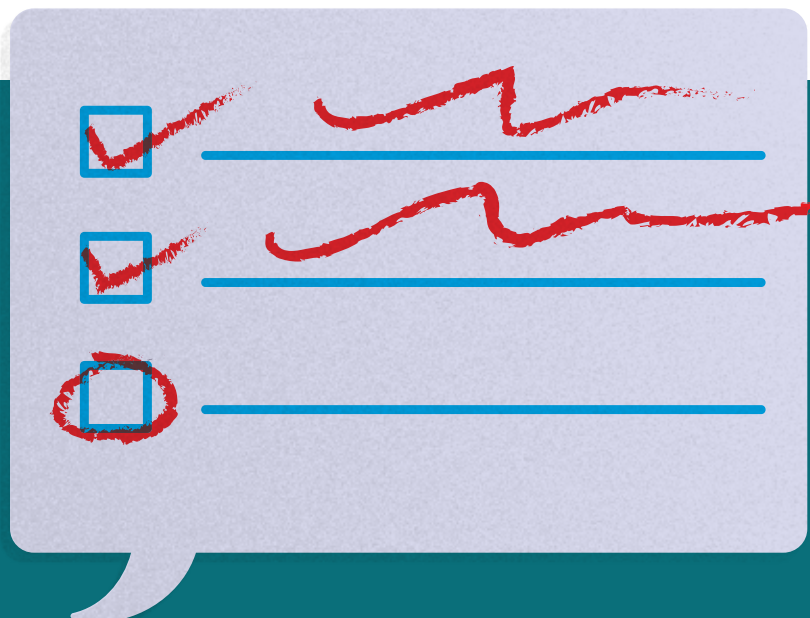


EXERCISE

Define Your Value Proposition

Write 1–2 sentences that include your personal attributes, the tangible achievements that support them, and how you can/will use your value to serve a community or customer base.

When crafting your message, it can be useful to get objective feedback from people you trust on what they recognize as your key strengths and how you stand out against peers. Understanding how others may perceive your brand can help shape your messaging to further support or redirect those impressions.





6 DEVELOP YOUR DIGITAL PRESENCE

Now that you have refined your messaging, it's time to put it out into the universe. For NIL, there are 3 main digital environments to engage with your target audience.

“Right of publicity is the right of every human being to control the commercial use of his or her identity.”

—American Bar Association

1 Personal website:

The main destination for your information, acting as:

- A “go to” resource for potential clients, customers or partners to learn about you.
- Communication you completely control regarding your content, which ensures consistent on-brand images and copy.
- A communications vehicle that evolves with your brand, allowing you to tweak your positioning at any point.
- A detailed resume that can be regularly updated with achievements and areas of expertise.

2 Social media:

A tool for building your community, engaging your audience and creating personal, day-to-day connections.

X (formerly Twitter):

- **The Positioning:** Follow people that are in your niche.
- **The Play:** Comment on posts, repost and use hashtags.
- * Remember, the average lifetime of a post is 15–20 minutes, so post your own content multiple times a day.

LinkedIn:

- **The Positioning:** Choose a professional-looking photo and use keywords that fit your personal brand.
- **The Play:** Like content, make comments and connect. Post your own content frequently.

TikTok:

TikTok is the favorite social media for student-athletes. Nearly 90% of current student-athletes and high school prospects say they are on TikTok.⁸

- **The Positioning:** Identify trends to help shape your content and leverage opportunities for providing entertainment.
- **The Play:** Be in it for the long haul and post frequently.

Instagram:

- **The Positioning:** Focus on your community. Leverage static posts, stories and reels.
- **The Play:** Post daily while also commenting and engaging with others' posts. Share behind the scenes footage of day-to-day life for more personal engagement.



55%

Instagram is the top social media platform for endorsement posts, representing 55% of total activity.⁹



Tips for building an easy and economical website:

- Buy a domain and hosting plan such as Bluehost or GoDaddy.
- Use a free or low-cost website building solution such as Wix, Weebly or Squarespace.
- Include sections that provide important information such as what you are offering, your background and accomplishments that support what you are offering and links to your social media accounts.
- Create a logo using a free resource such as Canva or a web builder tool.

**FACT:**

2.2x

Athlete social media posts earn 2.2X higher engagement vs. traditional influencers.⁷



7 ALIGN YOUR BRAND

Always consider if opportunities are aligned with your values and the personal brand you are working hard to develop. Your reputation is shaped by the company you keep—your reputation is your currency.

Ask yourself:¹⁰

- What does this brand do for me?
- How do I describe this brand?
- How does this brand make me look to others?
- How does this brand make me feel?

3 NIL Marketplaces:

The connection points for many deal opportunities.

- Marketplaces are online platforms that connect student-athletes (or the “sellers”) with brands (“buyers”), enabling:
 - **Introductions:**
Facilitating the set up between athlete and opportunity.
 - **Compliance:**
Providing disclosure about activity as well as tracking and review capabilities.
 - **Content:**
Initiating student-athletes to create and share on social media while brands measure engagement.
 - **Education:**
Emphasizing social media activation and best practices.
- There are NIL-centric marketplaces, such as Opendorse, Icon Source, MOGL and INFLCR, among others, as well as general marketplaces such as Engage and Cameo.
- One major difference of NIL-specific marketplaces is that they have university partnerships, which require student-athletes from that university to report deals on that marketplace (even if the transaction evolves away from that marketplace).



Out of Bounds

As a reminder, at most institutions, student-athletes are not allowed to enter into an agreement with companies in any of the following categories, regardless of whether the student-athlete thinks there may be a brand fit:

- Tobacco and nicotine products.
- Alcoholic beverages.
- Controlled substance (including marijuana).
- Adult entertainment business.
- Casino or gambling activities.

In addition, most institutions prohibit student-athletes from NIL-related activities that, in the judgment of the institution, negatively reflect upon the school.



10 Key Considerations for Personal Branding¹¹

Answer these questions with a relevant NIL opportunity in mind.

- 1 **Values:** What do you stand for?
- 2 **Goals:** What NIL activities are you considering?
- 3 **Positioning:** Why are you considering those activities?
- 4 **Target Audience:** Who will you serve in your NIL activities?
- 5 **Competitors:** Who else is doing those NIL activities?
- 6 **Differentiation:** How are you going to be better or different?
- 7 **Brand Attributes:** When people think of you, what words come to mind?
- 8 **Positioning:** Why are you considering those activities?
- 9 **Brand Benefits:** What value will people get if they work with you in NIL activities?
- 10 **Brand voice:** How do you describe your personality?

**EXERCISE**

Heart to Start¹²

Use the following set of questions to help clarify your goals and determine whether an idea or opportunity is worth the commitment of your time, energy and resources.

Alignment with core values.

- Are you pursuing this project or business because it aligns with your core values and passions?
- If there are ulterior motives, what are they? Money, fame, boredom?
- Is there a chance you will lose interest in this project or idea in a few months or years?

TAKEAWAY

You want to be sure that you do things based on motivators that will stand the test of time.

Time commitment required.

- Is this going to be an 'all in' or part-time commitment?
- If it's a part-time commitment, exactly how much time are you able to commit and exactly when will you work on the project or business? And how might this change throughout the year depending on your athletic schedule?
- What are you willing to stop doing in order to free up enough time to work on this?
- Who is going to be affected by your decision to pursue this project or business, and how are you going to communicate your decision to them?

TAKEAWAY

Don't underestimate the amount of time and energy you will need (and want) to invest in your new venture, and don't forget that you may not be the only one who will be required to make some sacrifices.

The risk of failure and your tolerance for risk today.

- How much risk can you take?
- Do you have the financial means and social confidence to start from scratch?
- Do you feel confident in your ability to take a big leap and bounce back if at first you don't succeed?

TAKEAWAY

With any new venture you may be risking time, energy, relationships, reputation, and sometimes—money!

The scale of the vision and pay-off.

- Do you have a realistic understanding of this opportunity's potential?
- Will the long-term pay-off be worth the trade-offs in the near-term?
- Are you swinging for the fences or reaching for some low-hanging fruit?

TAKEAWAY

Setting the right height for your goals first will determine how you assess opportunities that come your way down the road.



Questions to Ask Your Financial Advisor

- 1 What are the potential financial risks I should be aware of and how can I protect myself financially in the case of an unexpected repercussion regarding my personal brand?
- 2 Am I set up to properly manage earnings from business opportunities and how does that fit into my savings goals?
- 3 How much money can I afford to spend on building my personal brand?
- 4 What financial moves can I make to help solidify a strong, sustainable personal brand?

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Investing in Your Future

Play the Long Game

As a student-athlete, you are no stranger to investing something valuable in order to achieve a goal.

Perfecting a new skill, running a particular play or training a muscle group—all of these activities represent situations that require you to commit time and personal resources with a goal of achieving improved and optimal performance in return. “Investing” in a financial sense is really no different: financial investing is defined as the act of “committing (money) in order to earn a financial return.”¹

Investing is an integral part of building wealth, offering the potential to achieve higher returns than the lower interest rate earned in a savings account. However, investing involves more volatility than saving and so, as a result, the risk of losing money is also considerably higher.

An investment strategy that incorporates your life-style goals and tolerance for risk is essential to setting yourself up for success. Defining clear goals for the short-term, long-term and everything in between will help you decide how to prepare for the important milestones ahead.

TIP:

Saving is a prerequisite to investing. Before you begin investing in the markets, make sure you have sufficient savings to cover monthly living expenses as well as cash reserves available in case of emergencies.



The Basics



On the surface, investing can be intimidating.

Understanding the basic principles can help you build financial confidence and make more informed decisions about generating, managing and maintaining your wealth.



FACT:

44%

Over 44% of student-athletes say they need more resources regarding financial awareness and literacy.²



Let's break down some of the most important terms:

Saving

The act of putting money away in an account with a relatively low interest rate; for example, a bank account.

Investing

The act of putting money to work by committing financial capital (e.g., money) to an entity or a financial product (i.e., a stock or bond) in order to generate a potential profit.

Securities

Forms of ownership, such as stocks, that can be traded on a market (meaning there are buyers and sellers) and have a measurable monetary value.

Exchange

A central location where buyers and sellers can trade securities.

Investment Index³

A snapshot of the performance and value of a certain selection of stocks. It is usually computed based on a weighted average of the individual stock prices. Investors use indices as a benchmark to compare performance across categories and industries.

Cash and Cash Equivalents

The money you have saved in your checking and savings accounts, as well as short-term, low-risk investments like money market funds and certificates of deposit.

Stock⁴

A share of the value of a company that can be bought, sold or traded as an investment; this ownership is also referred to as equity.

Bond⁵

Essentially an IOU from the issuer to pay the bondholder a specific sum of money at specific intervals and to repay the principal amount of the loan at maturity. A bond is also referred to as fixed income.

Dividend⁶

A payout from a company to its shareholders using company profits.

Market Capitalization

A company categorization found by multiplying the current market price by the total shares outstanding. It basically measures the current price tag of a company. For example, "large-cap" refers to a company whose capitalization is typically \$10 billion or higher in outstanding market value, "mid-cap" refers to a company whose capitalization—or market value—is \$2 to \$10 billion, and "small cap" refers to companies whose capitalization (market cap) is \$250 million to \$2 billion.

Diversification

The process of spreading your investments across multiple asset classes to manage risk.

Broker-dealer

A financial institution that is licensed to facilitate the buying and selling of financial securities.

Investment (or Financial) Advisor

A person or firm that is in the business of providing investment advice to investors.

FINRA

The Financial Industry Regulatory Authority, Inc. is a private organization that regulates the securities business in the United States.



The Market



“The market is down.” “The market is up.” No doubt you’ve heard these phrases before, but what do they actually mean? What exactly is “the market?”

A financial “market” consists of people buying and selling (also referred to as “trading”) certain assets or valuables. There are several types of markets, including the stock market.

The stock market itself is made up of several exchanges. An exchange is a central location where investors can buy and sell securities in a regulated environment. Most stocks in the United States are traded on two exchanges: the New York Stock Exchange (NYSE) and Nasdaq. Exchanges can be in a physical location, also known as “floor-based,” where industry professionals can conduct trading in-person, or computer-based, meaning that all trading is performed electronically.

Benchmarking Performance

When it comes to the stock market, financial professionals and investors look for clues and patterns to help uncover opportunities for financial gain and return on their investments. Market trends are important because they can give investors a heads up on what might happen next and influence decisions about when to buy or sell certain securities. To help them track the performance of specific categories of securities, such as a particular industry or company size, the concept of an “index” was created. An index represents a group of securities and acts as a performance benchmark for other similar investments. While it is not possible to invest directly in an index, there are funds that attempt to recreate the returns of a particular index, also known as “tracking an index.”



13.53 - 40.86 ▲ 41.01 - 24.09 ▲ 24.20 - 12.93 ▼
 3 - 7.23 ▲ 7.33 - 4.05 ▼ 4.02 - 11.01 ▲ 11.09 -
 02 - 40.05 ▼ 39.12 - 86.13 ▲ 87.23 - 7.21 ▲ 7.55
 10.10 - 10.21 ▼ 7.56 - 13.12 ▲ 13.13 - 9.99 ▲ 10

Types of Investments

There are many ways to begin investing at any asset level. Take sneakers as an example: you can choose to invest in your favorite shoe brand, but you can also buy shares in the company that produces the raw material used to make parts of the sneakers or the company that supplies the shoe factory's energy. All of these investments are affected by the performance of your sneaker brand of choice and are considered financial assets representing something you own that has a measurable monetary value.

An "asset class" refers to a particular type of investment or category of securities. There are three main asset classes you should know about:



1 CASH AND CASH EQUIVALENTS

Generally, the money you hold in cash and cash equivalents is meant to be the liquid part of your total assets (meaning, if you needed to access that money to pay for something tomorrow, you could).



2 BONDS

Essentially an IOU, a bond allows investors to lend money to companies or governments (called "issuers") for a certain amount of time in exchange for interest payments until the money is repaid.



3 STOCKS

When you buy a stock, you are buying a piece of a company (also known as a "share"). The value of the company (and your ownership stake) is determined by supply and demand. When a company is growing and making money, there can be more demand for its stock and the value of your share can increase. But when a company experiences tough times, people may start selling their shares and the supply can soon outpace demand, which can decrease the value of your piece of the pie.

Bonds



Bonds are also known as notes, fixed income securities, debt securities or debt obligations. When you buy or invest in a bond, the entity issuing that bond promises to pay you interest for lending your money to them. These interest payments, usually paid semi-annually, are based on the interest rate, also known as a “coupon.” The coupon is one of the factors that determine the price of the bond. When interest rates rise, bond prices typically fall and the yield increases to compensate for new comparable bonds issued in the market at higher rates. When the bond reaches its “maturity date,” the investor is repaid the original amount or “face value” of the bond.

Bond Ratings

Bond ratings help investors make more informed assessments about the credit risk of a bond issuer. There are three dominant rating agencies: Standard & Poor's, Moody's and Fitch. Agencies may assign ratings ranging from AAA or Aaa to BBB- or Baa3 for Investment Grade, and BB+ or Ba3 to C for Non-Investment Grade Bonds (also known as High Yield Bonds). As rating agencies downgrade the bond issuer due to a deterioration of the company's credit quality, the bond's market price may potentially decline, causing yields to rise to compensate investors for the additional risk.

Tax Advantages of Municipal Bonds

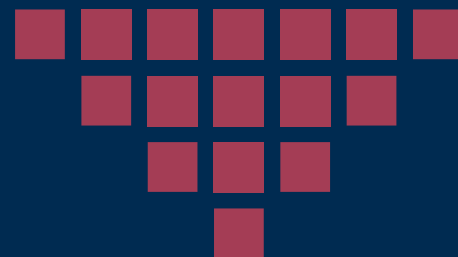
Municipal bonds, or “munis” as bond enthusiasts call them, are issued by government entities such as states, municipalities or counties to pay for expenses and fund projects like building roads. As a token of Uncle Sam’s appreciation for all the good neighbors investing in municipal bonds to help fund government projects, income received from many municipal bonds (i.e., your interest payments) is exempt from federal taxes, and sometimes even state and local taxes. You can imagine why munis can be a particularly attractive solution for long-term investors. Note: There are also taxable municipal bonds.⁷



Stocks



Companies sell stocks to investors in order to raise money. If you buy stock in a company, your ownership is calculated by dividing the number of shares you own as an investor by the total number of shares outstanding. For example, if a company issues 5,000 shares and you own 500, you technically own 10% of the company. The value of that ownership stake is based on the stock price, which can go up and down throughout the course of the trading day. One benefit of investing in stocks is that you may be eligible to receive dividends. A dividend is a payout from a company to its shareholders. Whether or not companies pay dividends and how frequently they do so is at the discretion of the company.



Market Value and Pricing

The value of a stock can go up or down throughout the course of the day. This market value (equivalent to the price of the stock) can be influenced by several factors:

- The profitability of the company.
- How quickly the company is growing.
- The amount of debt the company carries.
- Changes that impact the company's prospects for future profitability (e.g., a product launch, a new CEO or a regulatory change).
- Interest rates.
- Uncertainty in the geopolitical climate.

Remember that one factor sets the actual price of a stock: the most recent trade, which reflects the opinions of one buyer and one seller about the stock's value.

Types of Stocks

All stocks are not created equal. Stocks issued by large, established companies will have a different risk-return profile than smaller technology start-ups that recently went public. The following table outlines the various classifications to help you understand the differences between each type of stock as well as how each can affect your portfolio's performance.

Classification	Description	Example
Blue-chip stocks	Blue-chip stocks are stocks of large, established companies that have a long history of growth, profit and dividend payout.	Large, reputable companies like General Electric, Walt Disney and Johnson & Johnson.
Growth stocks	Growth stocks are stocks of companies whose earnings are expected to grow at a faster rate than the industry average. Growth stocks typically do not pay dividends because the company would prefer to reinvest earnings into research and development or other projects.	Fast growing companies such as Apple, Amazon and Amgen.
Income stocks	Income stocks are stocks of companies that pay regular, often higher than average, dividends. In general, income stocks have lower levels of volatility than the overall stock market.	Telecoms such as AT&T, Real Estate Investment Trusts and Utility companies including electric and natural gas companies.
Cyclical stocks	A cyclical stock's price moves in sync with ups and downs in the business cycle or overall economy. Cyclical stocks typically include companies that sell discretionary items that consumers can afford to buy more of in a booming economy (e.g., technology, luxury goods), but will cut back on during a recession.	Includes retail companies and automotive companies.
Defensive stocks	Defensive stocks, also called non-cyclical stocks, are stocks of companies whose business performance and sales are either unaffected by or not highly correlated with changes in the business cycle. As their name suggests, defensive stocks may help defend your portfolio from losses during uncertain times because they tend to be less vulnerable to economic downturns.	Includes utility companies and healthcare companies.
Value stocks	Value stocks are stocks that tend to trade at a discount to their intrinsic value. Their valuation is also priced lower than broader market or similar companies in their industry.	Companies trading below their intrinsic value like McDonald's.
Penny stocks	The term "penny stock" generally refers to a stock that trades at less than \$5 per share. They are considered high-risk and have low trading volumes.	Small, growing companies with limited resources and no track record. Can include companies that have filed for Chapter 11.

Additional Asset Classes



Anything that is not a stock, bond or cash equivalent is referred to as an “alternative investment.” Investing in alternatives is another way to diversify your portfolio and help manage your risk. Some of the most notable alternative asset classes include:

Hedge Funds



These are funds that are actively managed by professionals. Generally, these are only accessible to institutional and accredited or qualified high net worth investors because you have to commit large sums of money for a relatively long period of time.

Real Estate



In addition to the investment you might make in your own home, there are a few ways to incorporate real estate holdings into your asset allocation. You can either invest directly in an investment property or invest indirectly through a publicly traded Real Estate Investment Trust (REIT)⁸ or limited partnership (LP). The latter two options require you to pool your money with others to invest in a portfolio of properties (similar to a mutual fund).

Commodities⁹

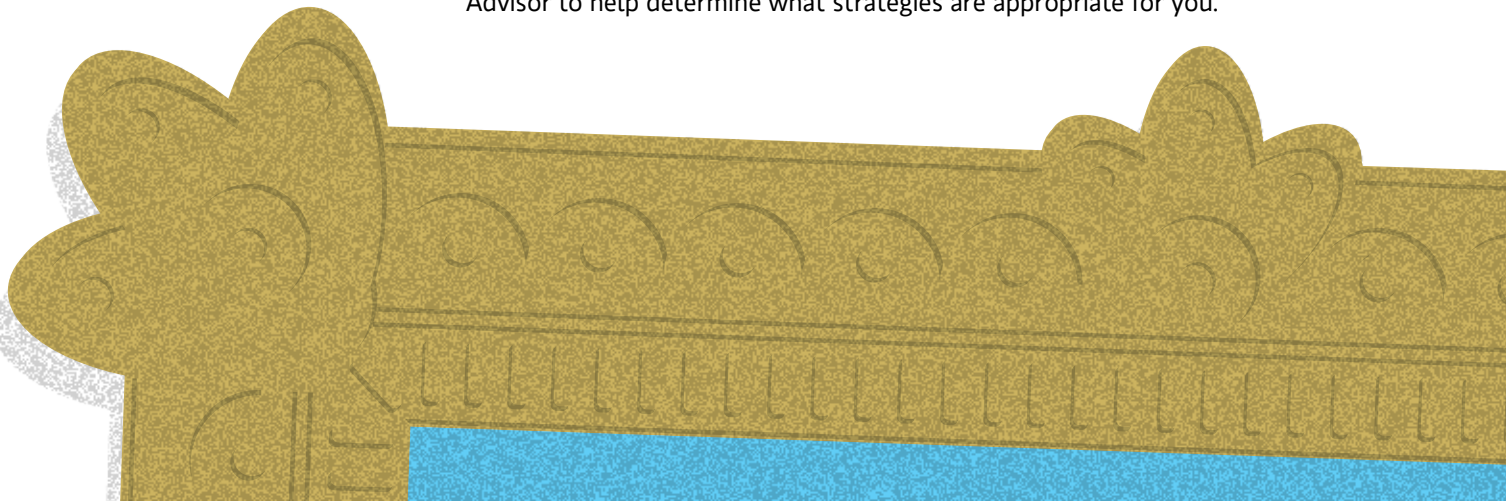


Wheat, gold, crude oil, live cattle, soybeans...pretty much anything you grow, raise or dig out of the ground are commodities that can be traded. Most commodities are traded in the form of futures, which means that two parties agree to buy or sell a commodity at a predetermined price in the future.

Art and Collectibles



Valuables such as art, antiques, sports cars or rare collectibles are purchased for aesthetic or personal reasons. In some cases, a collection or individual pieces in that collection can be considered an asset. Because the market is fairly opaque and unpredictable, investing in art and other non-traditional assets typically requires high transaction costs and highly specialized knowledge. Given the unique nature of alternatives, including potential barriers to entry and generally less transparency surrounding pricing, you should seek advice from a qualified Financial Advisor to help determine what strategies are appropriate for you.

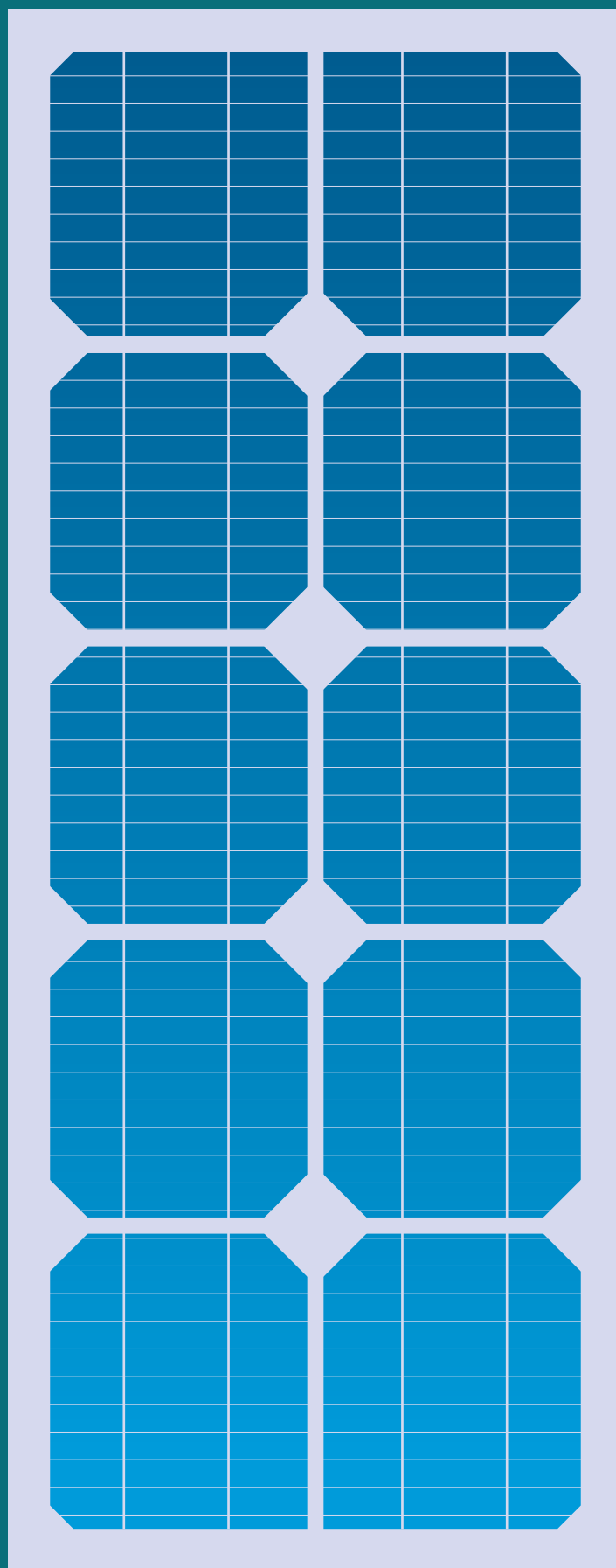


Sustainable Investing

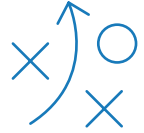


Your investment strategy can be more than just a means of accumulating wealth; it can be a tool for supporting the positive change you wish to see in the world.

Sustainable investing is an approach that aims to generate market-rate financial returns while demonstrating positive environmental and/or social impact through four broad categories: Values Alignment, Environmental, Social and Governance (ESG) integration, Thematic Exposure and Impact Investing. There is a broad range of products, from ESG mutual funds and thematic ETFs to green bonds and customized portfolios, that can support these strategies. And, as a student-athlete, aligning investment portfolios with your personal brand and values can be particularly impactful.





The Rules of the Game



Investing is all about the long game. By thinking strategically about your future and making smart investment decisions today, you may continue to reap the potential rewards of your NIL income for decades to come. Like any journey, there are various routes you can take and there is always the risk that you run into traffic delays or roadblocks along the way. However, reaching your destination—or your goals—requires taking some (thoughtful) calculated risk.

Wise investing begins with:

-  Understanding different investment strategies that can help you manage risk.
-  Finding quality advice to help guide you throughout the process.

PRINCIPLE #1:

Risk and Return

The balance of risk and reward is at the core of each investment decision—higher returns require greater risk, while lower returns denote lower risk. As an investor, you will have to take on some level of risk or uncertainty in order to make a return. However, with no guarantees, the key is to create a portfolio of investments that balances your risk with the potential return. Each asset class has a different risk-return profile.

Relationship of Risk and Return



PRINCIPLE #2:**Inflation**

Inflation is the increase in the prices of goods and services over time. In other words, life gets more expensive each year even if you keep shopping at the same stores. Although the rate of inflation only increases a small amount from year-to-year, it adds up over time. For example, with a 4% inflation rate, a house that costs \$250,000 in 2014 will cost \$360,000 in 2025. In order to maintain your current standard of living, you should consider making investment returns that are equal to or greater than inflation. For example, if inflation is 4% and your investment portfolio is only returning 3% each year, you are technically losing money.

PRINCIPLE #3:**Diversification¹⁰**

You probably know that having all your eggs in one basket is never a good thing; you risk losing everything if something happens to that basket. In finance, one of the best strategies for avoiding this scenario is diversification. Diversification is the process of spreading your investments across multiple asset classes (or “baskets”) to manage risk. The rationale behind diversification is that, over time, a portfolio that includes different asset classes may be less risky because when certain investments perform poorly, they can be balanced out by assets that are performing well. Stocks can provide higher returns to investors, but these investments are also much more volatile than bonds. In other words, their price can fluctuate quite a lot from day-to-day based on market activity and company performance. A diversified portfolio helps manage this risk by including lower-risk securities (e.g., bonds) as well as higher-risk securities like stocks. If stocks are performing very poorly, your bond investments could help limit your downside.

PRINCIPLE #4:**Asset Allocation**

Asset allocation is an investor’s bread and butter. It is the process of deciding how to divide your investment portfolio amongst the different financial asset classes to balance your risk tolerance, time horizon and investment goals.

Conservative investors who do not want to take on a lot of risk or have shorter investment horizons may be better off with a portfolio that is weighted towards money market securities and bonds (which have lower risk, but also lower returns). Aggressive investors, on the other hand, are often willing to tolerate the higher risks associated with stocks. Typically, the longer your investment horizon, the more risk you can take. This is because you won’t need to access your money for a while and can afford to ride out the inevitable ups and downs of the markets.

Asset allocation, diversification and rebalancing do not assure a profit or protect against loss in declining financial markets. There may be a potential tax implication with a rebalancing strategy. Please consult your tax advisor before implementing such strategies.

**WINNING PLAY****Dollar Cost Averaging¹¹**

Dollar cost averaging is an investment strategy used to help minimize the impact of a volatile market. By investing equal amounts periodically, regardless of price over a longer period of time, rather than one lump sum, you can reduce the risk of a sudden market downturn affecting your total investment.

Creating a Diversified Portfolio with Managed Funds



Picking individual stocks and bonds takes a lot of time, effort and experience.

Investing without these things can be quite risky, especially if you're new to the stock market.

Fortunately, there are people who do this for a living. In exchange for a fee, a knowledgeable person will do the heavy lifting for you by creating a diversified portfolio that you can buy into as an individual investor. Instead of purchasing hundreds of individual stocks and bonds, you simply buy a share in a fund that is already made up of a mix of securities.

Two of the most popular types of managed funds are mutual funds and exchange-traded funds.

MUTUAL FUNDS¹²

A mutual fund pools the capital of many individual investors and invests it in a collection of stocks, bonds and other securities. The company that issues the mutual fund manages the pool of money on behalf of the investors. The fund is traded on an exchange and the price is set at the end of the trading day. Because of this, you can only purchase mutual fund shares once a day after the market has closed. Fund managers are compensated through commissions and fees.

Sometimes referred to as "loads," commissions can be charged when you buy (i.e., "front-ended") or sell (i.e., "back-ended"). Fees typically range from 0.1–3% of the amount invested. Mutual funds are not guaranteed or insured by the FDIC or any other government agency.

EXCHANGE-TRADED FUNDS (ETFs)¹³

An exchange-traded fund operates very similarly to a mutual fund. The difference is that you can buy an ETF from any brokerage firm at any time you want. ETFs are not actively managed and can be bought and sold at any time throughout the trading day just like stocks on the exchange. Because there is less management involved, fees are often lower than mutual fund fees.



Index Funds¹⁴

For the passive investor who does not have the time, interest or expertise required to buy and sell individual securities on a daily basis, index funds can be an attractive solution. Index funds track a particular index (like the S&P 500) or benchmark with the goal of mimicking their performance over time.

Investing Service Providers: Coming in for the Assist



There are a wide variety of investment solutions to accommodate an equally wide variety of needs.

Here are a few of the service providers who can help you get in the game:



1 Brokers: The Facilitators

A broker helps investors buy and sell securities. For investors looking for trading support and guidance on investment decisions, a “full-service broker” offers access to research and customized advice. Typically, full-service brokers charge an annual fee of 1–2% of the assets they are managing on your behalf in exchange for a more personalized, goal-based approach.

For investors who prefer to do their own research, “discount brokers” also facilitate trade execution, but without the added advice. Like the name suggests, discount brokers are often less expensive than full-service brokers because they charge a fee per transaction (i.e., trade commission) rather than an annual fee to cover personalized advice.

Discount brokers can be a cost-effective option for the DIY investor; however, since their revenue is based on the quantity of transactions rather than the quality of service, their “discount” service can end up costing you a pretty penny.

TIP: Check the details on a broker or Financial Advisor’s background and qualifications for free on [FINRA’s BrokerCheck website](#).

74%

of student-athletes note mobile investing platforms as a key financial topic they want to learn more about.¹⁵





Advisor Compensation

There are a few ways advisors in the financial services industry can be compensated:



FEE ONLY:

In a fee only structure, the advisor is typically compensated based on a percentage of client assets under management (the amount in your investment account) or as a direct fee based on hourly consultation or a retainer for a specific project. The advisor does not receive commissions.



SALARIED:

No direct service fee, but incentives and awards are often offered by the advisor's company in addition to his or her salary. The advisor may receive a small bonus or income boost when a client purchases certain financial products based on the advisor's recommendations.



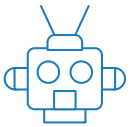
COMMISSION ONLY:

Certain investments and financial products pay commissions to the advisor when purchased. When an advisor invests your money into those products, the "commission" and/or fees will come out of your invested amount and be paid directly to the advisor. There is no service charge for financial or investment advice.



FEE-BASED OR FEE AND COMMISSION:

A base fee is charged for the financial or investment advice provided by the advisor. In addition to this fee, you may pay commissions on certain investments.



2 Robo-advisors: The New Kids on the Block

The rapid growth of technology has given rise to new, digitally driven investment providers. These “robo-advisors” run on autopilot, cost just a fraction of traditional advisory fees and are typically available to people with smaller amounts to invest. However, as an automated service, they can fall short of a human-based solution when it comes to understanding your needs and providing customized advice.



3 Investment Advisory and Brokerage Relationships¹⁶

Money is a sensitive topic. It is the primary source of stress for many Americans and has a profound impact on everything from romantic relationships to your ability to achieve long-term goals. The emotions associated with money can easily cloud judgment, creating unintended blind spots, which is why a trusted financial advisor can be so valuable.

Your Financial Advisor may be registered as an investment advisor, a broker-dealer or both, and may offer investment advisory services, brokerage services—or both. Either or both types of services may be appropriate for you. It is especially important that you ask your Financial Advisor which type of services they are providing, and that you understand the differences between investment advisory and brokerage services, including the manner in which you pay for these services.

When your Financial Advisor provides brokerage services to you, they assist you with individual securities transactions and are paid a commission on each transaction. In an investment advisory relationship, your Financial Advisor provides you with ongoing investment advice and other services related to your investment portfolio. In an investment advisory relationship, your Financial Advisor is paid an annual advisory fee for their services, as opposed to transaction-specific fees. This fee for applicable programs is known as a “wrap fee” and generally covers investment advisory services, compensation of Financial Advisors, execution of transactions, custody of account assets and reporting.

In general, brokerage services are more appropriate for investors who wish to pay only for assistance with their individual transactions. Investment advisory programs may be appropriate for investors who want to receive ongoing investment advice that is tailored to their investment objectives and risk tolerances, as opposed to an engagement on a transaction-by-transaction basis, and who are willing to pay an annual fee for this advice and associated services. As a student-athlete, it’s important to pay attention to this distinction and ensure that you build a relationship with an advisor who can advise you on the implications of NIL-related income.

THE POWER OF A FIDUCIARY

When your Financial Advisor acts as your investment advisor, they are a fiduciary to you under applicable law. As a fiduciary, they are obligated to act in your best interests by providing investment advice that is based on your stated overall financial situation and investment objectives.

When your Financial Advisor provides brokerage services to you, they may recommend that you purchase, sell, hold or exchange a security. As a broker, your Financial Advisor must have a reasonable basis for believing that the recommendation is appropriate for you. However, when your Financial Advisor acts in a brokerage capacity, they do not have a fiduciary or investment advisory relationship with you, and their obligations to disclose information regarding their business, conflicts between their interests and yours, and other matters are more limited.



Questions to Ask Your Financial Advisor

- 1 Is my portfolio aligned with my life goals—personal and professional?
- 2 Do I need to make any changes to my current portfolio allocation to help plan for my short-term and long-term saving and wealth goals?
- 3 What economic indicators and market trends should I be aware of that may have an impact on my portfolio?
- 4 Where can I afford to take on additional risk, and where should I mitigate my risk with diversification or portfolio rebalancing?
- 5 Are there any alternative asset classes that I might want to consider investing in (if appropriate)?
- 6 Are you able to advise me on the financial implications of earning income from NIL deals?
- 7 Will you be willing to educate me as well as manage my finances as we work together?

Chapter Sources

- 1 "Investing." Merriam-Webster.com. Merriam-Webster. 2021.
- 2 NCAA Student-Athlete Well-Being Study. May 2022.
- 3 The indices are unmanaged. An investor cannot invest directly in an index. They are shown for illustrative purposes only and do not represent the performance of any specific investment.
- 4 Equity securities may fluctuate in response to news on companies, industries, market conditions and general economic environment. Companies paying dividends can reduce or stop payouts at any time.
- 5 Bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which is the risk that the issuer will redeem the debt at its option, fully or partially, before

the scheduled maturity date. The market value of debt instruments may fluctuate, and proceeds from sales prior to maturity may be more or less than the amount originally invested or the maturity value due to changes in market conditions or changes in the credit quality of the issuer. Bonds are subject to the credit risk of the issuer. This is the risk that the issuer might be unable to make interest and/or principal payments on a timely basis. Bonds are also subject to reinvestment risk, which is the risk that principal and/or interest payments from a given investment may be reinvested at a lower interest rate.

- 6 Companies paying dividends can reduce or cut payouts at any time.
- 7 Interest on municipal bonds is generally exempt from federal income tax. However, some bonds may be subject to the alternative minimum tax (AMT). Also, municipal bonds acquired in the secondary market at a discount may be subject to the market discount tax provisions, and

therefore could give rise to taxable income. Typically, state tax-exemption applies if securities are issued within one's state of residence and, if applicable, local tax-exemption applies if securities are issued within one's city of residence. The tax-exempt status of municipal securities may be changed by legislative process, which could affect their value and marketability.

- 8 A security that is usually traded like a stock on the major exchanges and invests in real estate directly, either through properties or mortgages. The risks of investing in Real Estate Investment Trusts (REITs) are similar to those associated with direct investments in real estate: lack of liquidity, limited diversification, add sensitivity to economic factors such as interest rate changes and market recessions.
- 9 Investing in commodities entails significant risks. The commodities markets may fluctuate widely based on a variety of factors including changes in supply and demand relationships; governmental programs and policies; national and international political and economic events; war and terrorist events; changes in interest and exchange rates; trading activities in commodities and related contracts; pestilence; weather; technological change; and, the price volatility of a commodity. In addition, the commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, participation of speculators and government intervention.
- 10 Diversification does not assure a profit or protect against loss in declining financial markets.
- 11 Any type of continuous or periodic investment plan does not assure a profit and does not protect against loss in declining markets. Since such a plan involves continuous investment in securities regardless of fluctuating price levels of such securities, the investor should consider his/her financial ability to continue his/her purchases through periods of low price levels.
- 12 Investors should carefully consider the investment objectives, risks, charges and expenses of a mutual fund before investing. The prospectus contains this and other information about the mutual fund. To obtain a prospectus, contact your Financial Advisor or visit the mutual fund company's website. Please read the prospectus carefully before investing.
- 13 An investment in an exchange-traded fund involves risks similar to those of investing in a broadly based portfolio of equity securities traded on an exchange in the relevant securities market, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock prices. The investment return and principal value of ETF investments will fluctuate, so that an investor's ETF shares, if or when sold, may be worth more or less than the original cost. Investors should carefully consider the investment objectives, risks, charges and expenses of an exchange-traded fund before investing. The prospectus contains this and other information about the exchange-traded fund. To obtain a prospectus, contact your Financial Advisor or visit the exchange-traded fund company's website. Please read the prospectus carefully before investing.
- 14 Index Funds are offered by prospectus. An investor should read the prospectus carefully before investing. It is not possible to directly invest in an index. Index funds carry the same risks as the investments comprising the indices
- 15 Student-Athlete Insights Survey Results. Morgan Stanley Deal Literacy. 2023.
- 16 Morgan Stanley offers a wide array of brokerage and advisory services to its clients, each of which may create a different type of relationship with different obligations to you. Please consult with your Financial Advisor to understand these differences.

Disclosures

Diversification does not guarantee a profit or protect against loss in a declining financial market.

The investments listed may not be appropriate for all investors. Morgan Stanley Smith Barney LLC recommends that investors independently evaluate particular investments, and encourages investors to seek the advice of a Financial Advisor. The appropriateness of a particular investment will depend upon an investor's individual circumstances and objectives.

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Morgan Stanley Global Sports & Entertainment is a highly specialized wealth management division, dedicated to serving the unique and complex needs of athletes, entertainers, creators and top professionals in the sports and entertainment industry.

CRC#5983613 10/2023

The Business Game Plan

Your brand and the NIL activities you engage in are important components of building your business.

Running a small business comes with big decisions like choosing a legal structure, paying taxes and selecting the right team—to name a few. As exciting as the pursuit of a new endeavor can be, getting from an idea to successful execution of that business idea requires a great amount of discipline.

The key to making your entrepreneurial dreams a reality is having a clear understanding of the value your business will create a solid plan for delivering on that value and the perseverance to see it through.



FACT:

According to the U.S. Bureau of Labor Statistics...

20%

About 20% of small businesses fail within the first year.

50%

Almost 50% fail within 5 years.¹

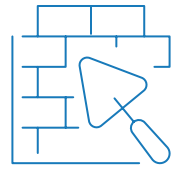


The Benefits of a Business Plan

Once you have decided that an idea is worth pursuing, creating a business plan can be a valuable exercise to help clarify the opportunity, identify your competitors and outline how your business will operate. This basic roadmap can help clarify your vision and how you're planning to achieve your goals, even if you have to pivot along the way. View your business plan as a living document that will evolve as you build, test and iterate over time.

Establish a Solid Foundation:*

How to structure and register your business.



Once you have defined your personal brand and NIL objectives, there are some logistical decisions that need to be made before you can officially “open shop.”



1 CHOOSE YOUR LEGAL STRUCTURE.

The difference between an idea and a business is establishing a legal structure. While you can technically get started without establishing a legal structure, you may face an uphill battle trying to run and grow your business without the proper paperwork. The type of legal structure you choose can have implications on your taxes, personal liability and fundraising options. Consider working with a lawyer and an accountant for guidance on determining the right structure, filing the necessary paperwork and addressing intellectual property issues such as trademarks or patents. They can help you avoid making mistakes that could have serious repercussions down the road.

There are several types of incorporation structures. Keep in mind that, while not impossible, it is challenging to change the structure of your business once you're up and running. Talk to your lawyer and accountant to understand the legal and tax implications of each structure.



2 APPLY FOR AN EMPLOYER ID NUMBER (EIN).

An EIN is also known as an Employer Identification Number and is the U.S. Tax Identification Number issued to a business. You will apply to the Internal Revenue Service to obtain your EIN, typically as part of the process of setting up your business. Make sure you keep several copies of this document, as you will be required to use the number on most tax forms and other administrative documents.



3 CHOOSE A TAX YEAR.

Business owners can choose the fiscal year that determines when they file their tax return. Many small businesses use the calendar year as their accounting period, but some cyclical businesses may prefer to choose another fiscal year. You can align your tax year with the school year for instance, beginning in September and ending in August. Be sure to consult with a tax advisor to see what is appropriate for your business.



4 CHOOSE AN ACCOUNTING SYSTEM.

Don't wait until you start earning revenue to get your accounting infrastructure set up. It can be a lot harder to do after the fact, and there can be serious repercussions if the numbers don't add up. Consider using accounting software for bookkeeping to help save you and your accountant a lot of painful number crunching when it's time to prepare your tax returns and financial reports.

* The information contained herein should not be construed as legal advice. You are strongly encouraged to contact your personal legal professional for assistance.

Protect Your Intellectual Property (IP)

College athletes who plan to engage in NIL activities must familiarize themselves with fundamental legal principles including the safeguarding of their intellectual property (IP), which encompasses trademarks and copyrights.

Various methods exist to protect IP, but for the majority of college athletes, the emphasis will be on trademarks. According to Trademark Status and Document Retrieval System (TSDR), which is responsible for registering trademarks and patents, trademarks are defined as “any word, phrase, symbol, design, or combination thereof that distinguishes your goods or services.”

After deciding on the desired trademark, it is crucial to verify that this trademark hasn’t been previously registered by someone else. The United States Patent and Trademark Office (USPTO) provides a search service called the Trademark Electronic Search System, which can be utilized for this purpose.

When filing a trademark application, there are several additional factors to take into account. Student-athletes should seek legal advice when preparing a trademark application. To retain ownership of a trademark, it is essential to consistently use the mark. Failure to do so could result in the loss of the trademark rights. By actively utilizing the mark in connection with your goods or services, you strengthen your claim and maintain the exclusivity associated with the trademark. This consistent usage helps protect the mark from potential challenges and ensures its continued ownership.



Hit the Ground Running:

How to market and monetize your personal brand.

Build Your Media Kit

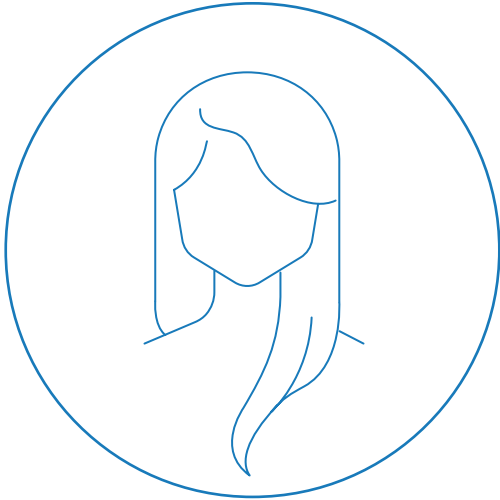
A media kit representing your personal brand can be a helpful business development tool to have in your arsenal, providing essential information for potential clients, partners and customers. Details can include your background, services, accolades, relevant statistics and contact information.



FACT:

\$21.1 billion

The U.S. influencer marketing industry is expected to reach \$21.1 billion in 2023, growing almost 30% since 2022, with 67% of respondents from brands and marketing agencies saying they intend to increase their influencer marketing spend.²

FOR ILLUSTRATIVE PURPOSES ONLY**ABOUT ME**

I am a NCAA volleyball champion passionate about mental health. I use my platform to help college and high school students navigate the complexities of balancing school, sports and life.

**AUDIENCE****40,000**

Instagram followers

30,000TikTok followers
Median age 13–26**16%**average engagement rate
per sponsored post**CONTACT INFO****Website:**

www._____.com

Email:

contact@_____.com

Social:

@_____

(Instagram, TikTok)

**SERVICES**

- Sponsored social media posts.
- Product and brand representation.
- Content creation.

**WORKED WITH**

Local eatery, Health & wellness app,
Athletic organization

Scouting NIL and Brand Partnership Opportunities

Depending on your offering, examples of potential clients may include:



National brands.



Regional and local brands—including “mom and pop” businesses.



Non-profit organizations.

Once you have created your digital footprint, there are a variety of ways to connect with brands, potential clients and partners to find opportunities and pitch your value add.

Direct Outreach

- Distribute your media kit to local businesses that may benefit from increased exposure through a partnership with you (via email or DM). Also, consider pounding the pavement and making introductions so that you can meet people that you’re pursuing face-to-face.
- Be strategic: leverage your network. Reach out to contacts that may be a good fit for your services or could refer you to potential opportunities with a strategic approach in mind.
- Follow best practices for consistent outreach and follower growth on LinkedIn, Instagram and TikTok.

NIL Marketplaces

- Develop profiles for all relevant NIL marketplaces, prioritizing any that may be affiliated with your school or conference.
- Search for opportunities posted by brands on NIL marketplaces using filters and keywords that are relevant to your products and/or services.

NIL Collectives

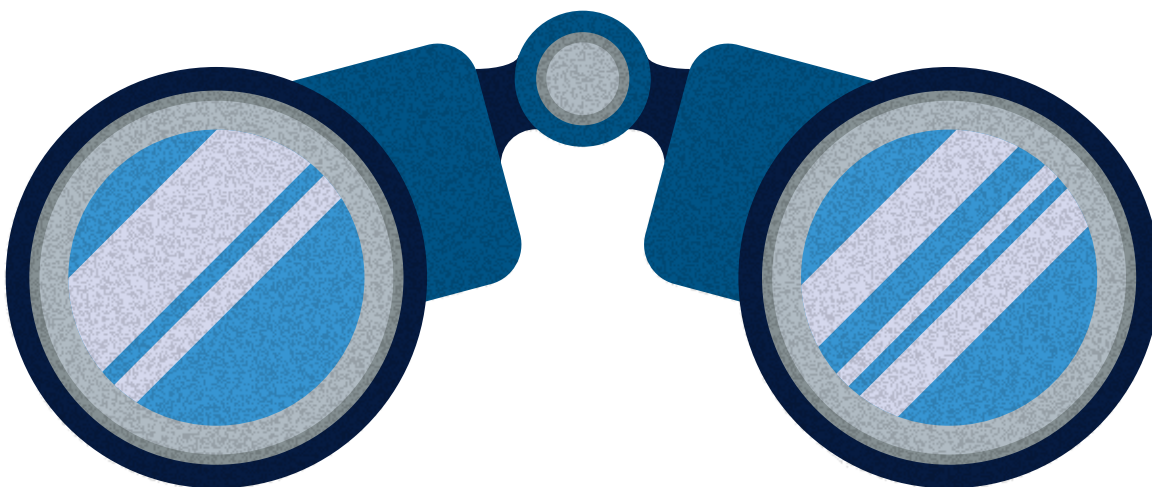
- Meet with any local university and athletic department alumni donors and/or boosters to determine if there are opportunities to work with your NIL Collective or other related entities that look to engage student-athletes.

NIL Clubs

- Consider forming or joining an existing NIL Club associated with your team or school.

Alternative Exposure

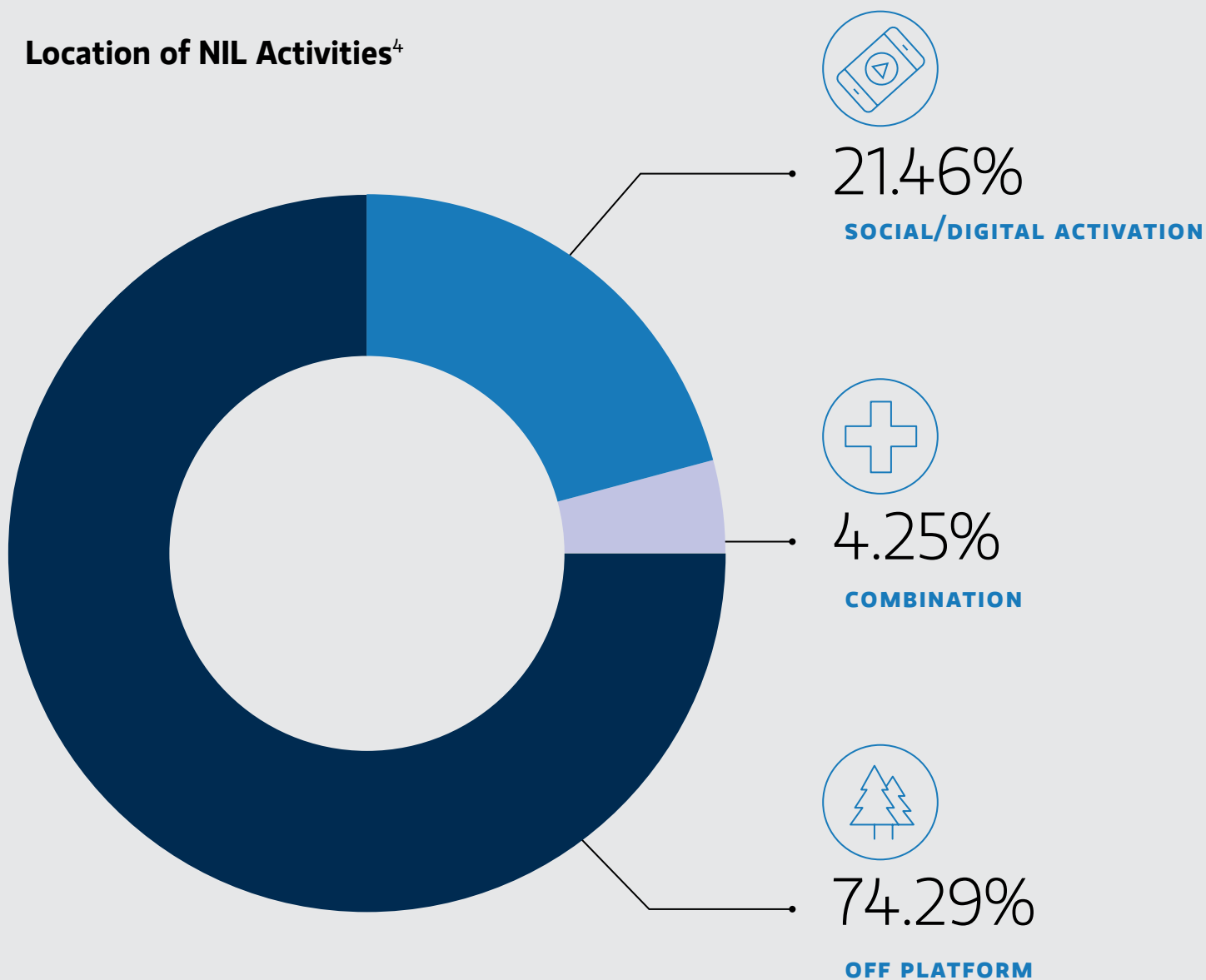
- Market yourself beyond social media by leveraging any publicity opportunities through other channels, such as podcasts or blog interviews.
- Consider cross-promotions with other influencers or outlets with different audiences to broaden your exposure.



**FACT:****46%**

46% of student-athletes report social media as their top-paying NIL activity so establishing your online presence is crucial.³

Location of NIL Activities⁴



Build a Roster:

How to create your “Dream Team.”

Being an entrepreneur is not for the faint of heart.

As a business owner, you will have to wear many hats. Over time, you will want to bring people on who are experts in certain areas to make sure your business is run as efficiently and effectively as possible. In order to hire smartly, it is essential that you have a strong sense of your strengths and weaknesses. This will help you understand where to focus your own time and energy and what gaps you should fill by adding teammates (employees) to your team. There are several helpful self-assessments online that provide valuable insight into your character and working style, including Myers-Briggs Type Indicator, The Enneagram of Personality Test and the CliftonStrengths Assessment.



Learning how to hire the right staff members and efficiently outsource non-core functions is one of the more important skills a new business owner can develop. When it comes to functions that are directly related to generating revenues for your business, hire the best possible people you can find and make sure they complement your own skill set. For other operational and administrative support activities, consider partnering with an outside firm or agency that can do the heavy lifting on an ad-hoc basis. Partners who may fit into this category might provide services, such as bookkeeping, marketing, human resources and legal.



TIP:

Avoid hiring anyone before they have been properly interviewed and vetted. Ask for references and make certain that you both have a clear understanding on salaries or fee structures as applicable. It may be helpful to institute a “trial period” of 1–3 months before making a full-time hire. And if you’re not sure about something, ask someone in your network who has similar experience, founding, owning and running their own business as a fellow entrepreneur.

Professional Service Providers

Your personal brand team may include a range of full-time and part-time employees and partners including managers, agents, lawyers, publicists, financial advisors and tax professionals, all of whom can help you strategically, effectively and successfully navigate your NIL journey.

CERTIFIED AGENTS:

Authorized by a professional sports league or players’ association (i.e., NFLPA, NBPA, MLBPA) to negotiate contracts and other agreements on behalf of professional athletes.

NIL AGENTS:

Some states have requirements for agents including NIL representatives, but no single governing body for NIL agents exists.

LAWYERS:

Provide legal advice on NIL regulations and contracts and help athletes protect their intellectual property (IP) rights.

FINANCIAL ADVISORS:

Advise and educate athletes on financial literacy, managing their finances, and devising strategic plans for building and maintaining wealth, including money management and growth, taxes and impact of NIL on financial aid.

MARKETING AND BRAND CONSULTANTS:

Provide creative direction and communication strategy for athletes building a personal brand.

SOCIAL MEDIA & PR PROFESSIONALS:

Help athletes manage their online presence and manage their public image.

Consider a Personal Board of Advisors

Your relationships are your biggest asset. You do not necessarily have to pay people to gain their support; another way to learn from other's experience and wisdom is to build a personal Board of Advisors. As a trusted sounding board, this group can provide invaluable advice and connections throughout your career, no matter where it takes you. Remember to be mindful of peoples' time as this is an unpaid "ask." Here is how to create your personal Board of Advisors.

STEP 1:

Determine what you're looking for.

Create a wishlist of what type of advice or expertise you need right now, as well as what you anticipate needing in the future. Are you looking for advice or access to certain networks or people? Are you looking for a particular skill set or industry experience? Is the primary need professional or personal?

There are several types of advisors you might want to consider adding to your personal Board:

- Someone who has relevant experience and insights (e.g., an athlete who has experience successfully building a personal brand or engaging in NIL activities themselves).
- Someone who will open doors and facilitate connections (e.g., a contact with ties to potential brand partners or your target audience).
- Someone who can leverage their personal platform to promote your business (e.g., an athlete or ex-athlete who has an existing brand platform or audience).
- Friend or family member who will keep you grounded and is not afraid to give constructive feedback.

STEP 2:

Research and rank your top candidates.

Once you know what you're looking for, create a shortlist of candidates who meet your criteria and rank them in order of priority. If you do not know someone on your target list, leverage your personal and professional networks to find their contact information or request a warm introduction, where possible. Remember, an alignment of values can be just as important as pedigree when it comes to developing these relationships.

STEP 3:

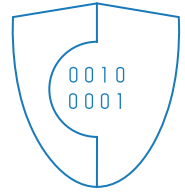
Pitch your target.

When you are ready to pitch your top targets, there are a few different approaches to consider. Always be mindful of who your audience is: will he or she appreciate more formal or informal communication? What or whom do you have in common that might be worth referencing? Don't be afraid to cast a wider net, as you may have commonalities with people outside of your primary area of interest. The people on your shortlist are likely busy, accomplished individuals who will appreciate clear and concise communication. Show them that you've done your homework and be specific about what you need and how they can be most helpful. Don't forget to offer any resources that may be of value to them in return, such as your time or relevant expertise.



Cover Your Bases:

How to help protect yourself and your business.



Prioritize Cybersecurity

When using the internet, it's important to keep financial information and personal information safe. By clicking on suspicious links or downloading an app or file from an untrustworthy source, you might install malware or a virus on your devices that could compromise your accounts and personal information.

One of the easiest ways to help keep your information safe is with privacy settings. Remember—you don't always know who you are interacting with. If you have a public account, be attentive to what you are sharing. Avoid listing personally identifiable information (PII) such as your financial account numbers, social security number or personal address.

Some examples of hazards and unintended consequences that can occur online include:



Leaked information



Identity theft



Credit card fraud



False impersonation



Inappropriate behavior



Cyber bullying

Here are some ways to help keep your information secure online:

- Create unique, lengthy and complex passwords that you avoid sharing with others.
- Never click on suspicious links you see online or receive via text message or email.
- Don't download files from untrustworthy sites or sources.
- Limit access to apps on your phone or tablet.
- Keep your software up to date.
- Be careful with public Wi-Fi as it is not always secure from hackers.
- Only download apps from your verified app store.



WINNING PLAY

Use a password manager app, such as Keeper Password, Bitwarden or Dashlane to help store different passwords safely. If you have the same password for all of your accounts, and that password is compromised, all of your accounts could be at risk.





Pause Before You Post

When building a personal brand, everything you document may have an impact on your business reputation. The internet never forgets. Once you click send, post or share, you no longer have control over who views that content. This goes for photos, comments, captions, as well as documenting opinions or behaviors that you have “liked.” Even with “temporary” posts, what you share can be easily screenshot or photographed from another device and shared.

Although certain channels on the internet may be presented as “private,” remember that when you send a photo or post something on social media, you are no longer in control of who views that content or what happens to that picture.

Before sharing something online, ask yourself:

- Is this a photo I would want my parents to see? My coaches or teachers? Recruiters or future employers? Media outlets?
- Is this something that I would say to someone in person or in front of others?
- Does this content align with my values?
- Could this negatively impact how I am perceived by potential NIL partners or brands?
- Could this be misinterpreted as inappropriate?
- Would I be ok with what I’m about to say or share in 5 or 10 years?
- Does this post give away information that could pose a threat to myself or those I care about if in the wrong hands?
- If I am sharing something that features another person, do I have their consent to publish that material online?



Limit Liability

Take the necessary legal and insurance measures to protect your personal assets from potential liability stemming from your business. With all your attention focused on day-to-day operations, you may forget to consider how your business impacts your overall wealth planning. This can lead to an unintended concentration of risk and have serious tax implications. Talk to your Financial Advisor to make sure you are taking steps to mitigate your risk.



Tally Up Taxes

When you are employed by a large company, the company automatically withholds your taxes every paycheck—this is why we talk about gross (pre-tax) and net (post-tax) pay. As a business owner, you are responsible for withholding tax on behalf of your employees.



FACT:

When it comes to NIL, student-athletes feel unequipped to deal with their taxes.

91%

91% of student-athletes say they know “very little” about quarterly tax payments.⁴

84%

84% of student-athletes say do not know how much money to set aside from NIL earnings for taxes.⁴

There are four main types of taxes business owners should be aware of:



Income tax:

All businesses are required to pay the government a percentage of their net income (determined after taking into account tax-deductible expenses). Income tax is typically paid both at the federal and the state level.



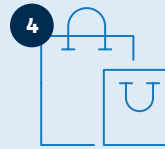
Taxes for employers:

Companies with employees are responsible for paying employment taxes, including social security and Medicare taxes, Federal Unemployment Tax Act (FUTA), and must withhold U.S. Federal and State or local taxes from employee wages.



Self-employment tax:

Self-employed workers pay Social Security and Medicare taxes directly to the government.



Excise taxes:

Certain types of businesses are required to pay a tax imposed on certain goods, services or activities. Excise taxes may be imposed when goods enter the U.S., or upon the sale or use of such good. An example of a product that is subject to excise taxes is cigarettes.



As a business owner, you may need to file certain tax forms annually depending on your legal structure. Seek advice from an accountant or other tax professional to help ensure you are operating in the most tax-efficient manner.



Tax-deductible Expenses

The government wants to help support small businesses. One way they do this is by allowing you to deduct certain business expenses from your taxable income, lowering the amount you are required to pay in taxes. You should consult with your tax adviser to ensure you understand what expenses are deductible and how to properly document your deductible expenses.

Prioritize and Check-in on Your Mental Health*

Your well-being is essential to the well-being of your brand. Student-athletes not only take on the typical challenges of college students, but also the demands of high-performing athletes. In the athletics industry, there is an emphasis on physical health; however, to thrive, you must also nurture your mind. It's important to be proactive about mental health and foster a healthy dialogue within your community about emotional well-being and the pressures that student-athletes face.

Mental Health Check-in

Here are a few of the signs to monitor, both in yourself and others, which may indicate the need for additional mental health support.⁷

- Lack of energy.
- Insomnia.
- Increased anxiety or depression.
- Problems concentrating.
- Social withdrawal.
- Trouble controlling emotions.
- Changes in appetite.
- Alcohol consumption or drug use.
- Overthinking or obsessive thoughts.
- Decreased confidence.

Helpful Resources for Mental Health Information and Support

- NCAA Sports Science Institute [Mental Health Educational Resources](#).
- NCAA Supporting Student-Athlete Mental Wellness [Education Modules](#).
- [ULifeline](#): Your college resource for mental health.
- [Active Minds](#): The nation's premier nonprofit organization promoting mental health for young adults.
- National Association of Intercollegiate Athletics (NAIA) [Mental Health Toolkit](#).
- Support for Sport [Mental Health Referral for Student-Athletes](#).



**The information contained herein should not be construed as medical advice. You are strongly encouraged to contact your personal medical care professional for assistance.*

**FACTS:**

30%

More than 30% of student-athletes say they have experienced overwhelming anxiety.⁵

22%

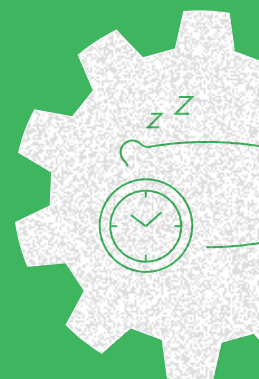
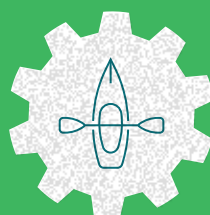
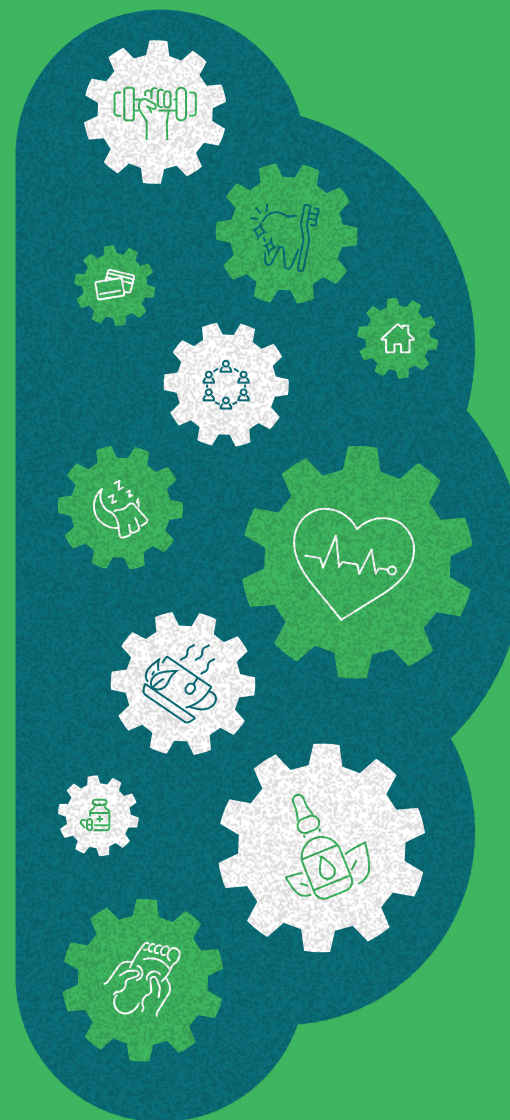
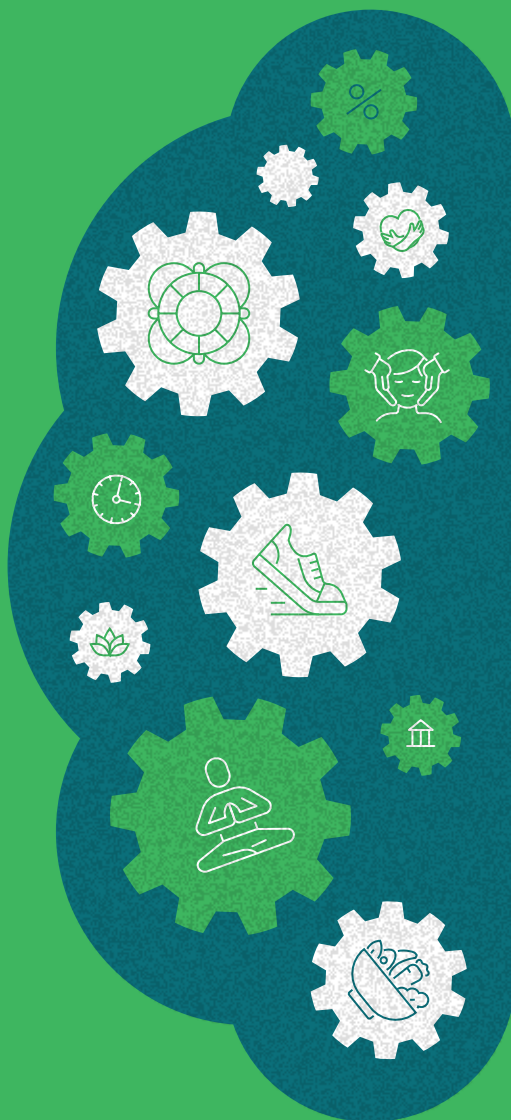
A recent study showed that over 22% of student-athletes are at risk for depression.⁶

47%

47% of student-athletes report feeling comfortable seeking mental health support from a campus provider.⁸

33%

33% of student-athletes say they do not know where to get or seek mental health services on their campus.⁸





Questions to Ask Your Financial Advisor

- 1 How do I establish clear boundaries between my personal wealth and my business so that I can protect myself as an individual?
- 2 How can I diversify my personal investments so that my exposure and risk are not concentrated in one particular industry or company?



Questions to Ask Your Tax Advisor*

- 1 What business expenses are tax-deductible?
- 2 How can I prepare for the future monetization of my business and how could that event impact my tax, trust, and estate planning?

*With your permission, your Financial Advisor can work with your tax advisor to help determine what business expenses are tax-deductible.

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- 8 National Collegiate Athletic Association (NCAA). NCAA Student-Athlete Well-Being Study. May 2022.

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Diversification does not guarantee a profit or protect against loss in a declining financial market.

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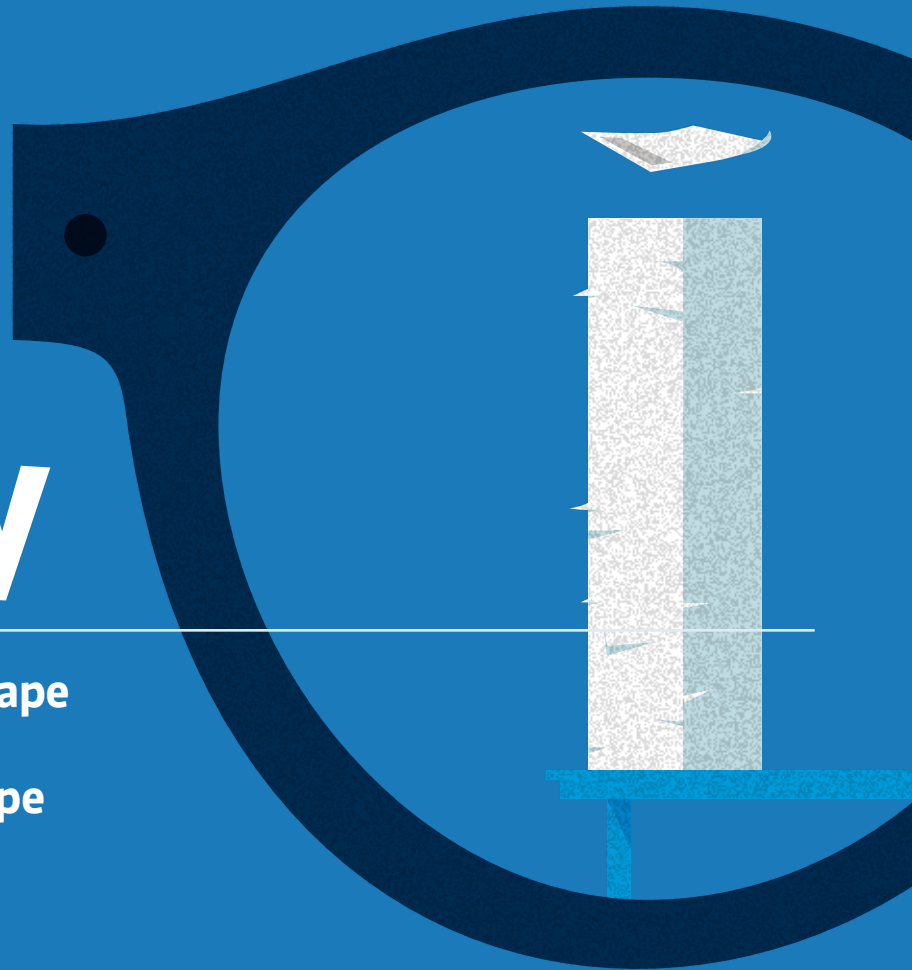
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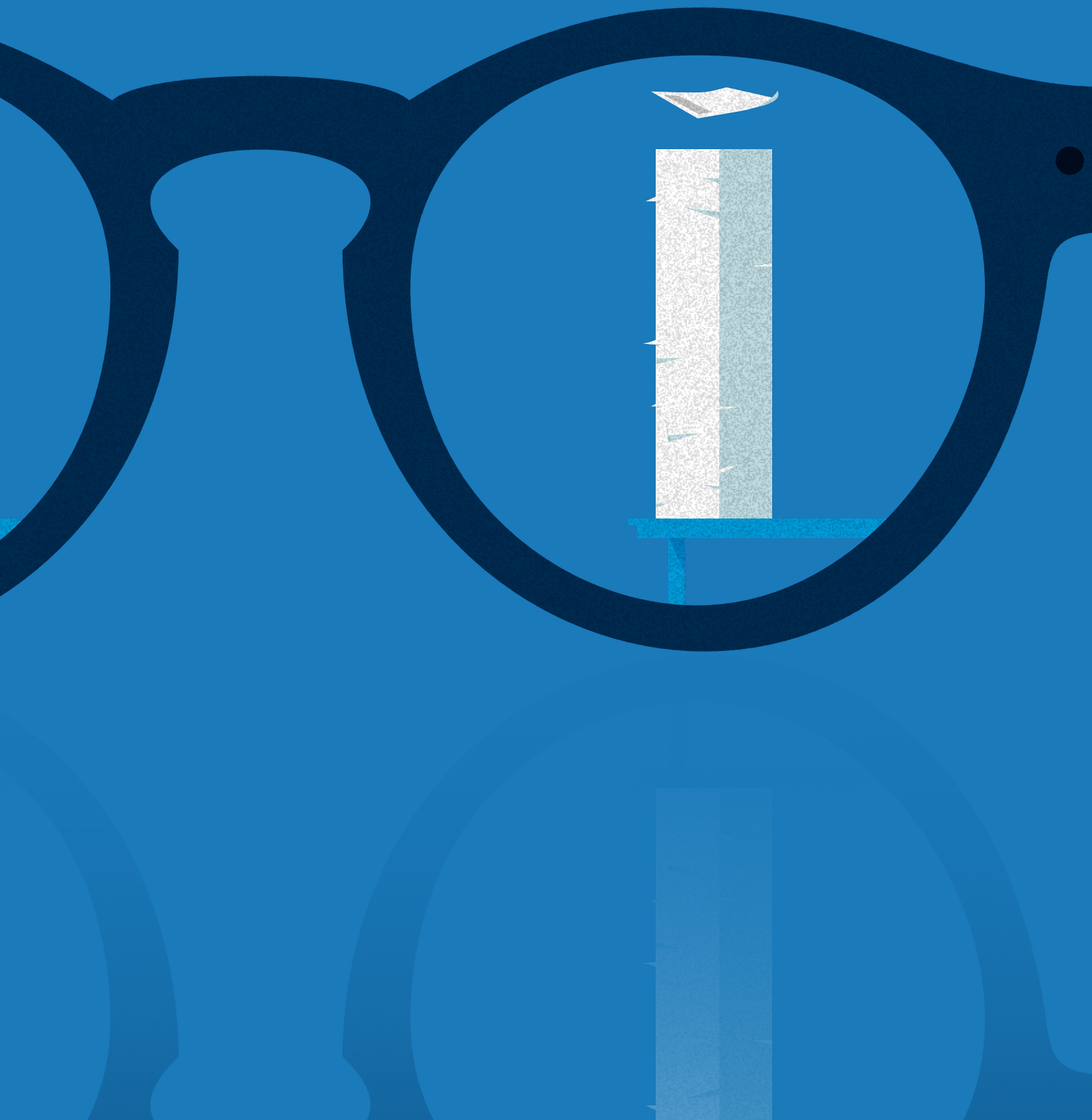
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Deal Literacy

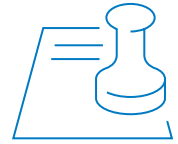
Given how new the NIL landscape is, relatively speaking, the rules and regulations that shape NIL opportunities continue to evolve.

NIL regulations are implemented to protect student-athletes and to create a level of accountability for all parties involved. Familiarizing yourself with different rules and contract basics can help you better navigate the intricacies associated with executing these deals, and ultimately set you up for success in the space.





Play by the Rules, Protect Your Rights and Eligibility



All NCAA student-athletes can participate in NIL activity for commercial or promotional purposes, regardless of their state, institution or division of play.

There is currently no federal NIL law, meaning there is no set of universal standards that all students and institutions must abide by, regardless of your school or state. Due to a lack of federal authority, each student-athlete must abide by the rules and/or policies set forth by three separate entities:

- 1 **The National Collegiate Athletics Association (NCAA).**
- 2 **The state you live in.**
- 3 **The school/institution you attend.**

State laws and school policies can differ, which may affect a student-athlete's scope of NIL activity. The NCAA continues to push Congress to pass a federal law to provide uniform protection and opportunity for all student-athletes. However, as of now, student-athletes must understand current guidelines from all three entities, while staying on top of any amendments.

Three Entities, Three Rule Books



1 NCAA:

As of July 2021, the NCAA permits all individuals (student-athletes) to benefit from their name, image and likeness. The NCAA has published an [Interim NIL Policy](#) to remain in effect until federal legislation is adopted or additional NCAA rules are implemented. The Interim NIL Policy provides guidelines for student-athletes and schools across all NCAA divisions while also providing regulatory authority for NIL activity in states where there is no NIL state law. The Interim Policy provides all individuals the opportunity to exercise their NIL rights and earn compensation for a completed deliverable as long as it is not paid directly from the institution. The NCAA Interim Policy highlights two key rules that protects student-athletes by prohibiting "pay-for-play" and "impermissible inducement."

PAY-FOR-PLAY:

The NCAA prohibits NIL compensation as a performance-based incentive.

Example: The amount paid to a student-athlete in NIL-related compensation cannot be determined by the amount of points scored in a game nor can a local restaurant make a deal with a student-athlete for free weekly meals, but only during the weeks when the team wins.

Student-athletes cannot be compensated for any past, present or future participation or achievement.

Example: After entering a NIL contract, a student-athlete cannot suddenly lose the deal because of an injury and inability to play, nor can a student-athlete receive a deal in exchange for the prior season's athletic performance.

Athletic performance may enhance a student-athlete's NIL value and increase the visibility of their personal brand, but NCAA rules state that athletic performance may not be the "consideration" for NIL compensation.¹ This differentiation protects student-athletes from being pressured to perform in a certain way in order to get paid.

IMPERMISSIBLE INDUCEMENT:

The NCAA prohibits the use of NIL deals as an inducement to recruit student-athletes.

Example: An NIL deal cannot be contingent upon enrollment at a particular school.

The Interim Policy also emphasizes the ability for individuals to work with professional service providers, such as financial advisors, lawyers, agents, tax specialists or marketing consultants, throughout all stages of the NIL process. Additional resources and information regarding the NCAA Interim Policy and ongoing developments can be found on the NCAA NIL [website](#).



2 State Law:

Student-athletes can participate in NIL activities in accordance with state law in the state where their school is located. As NIL state laws differ state-by-state (with some states modifying existing laws, proposing new laws or having no laws at all), it is critically important that you understand your state's regulations.

State laws impact student-athletes, institutions and athletic associations by outlining rules that must be adhered to by NIL participants in that state:²

FOR STUDENT-ATHLETES, STATE LAWS MAY DEFINE:

- Requirements to disclose NIL activities to the institution where they are enrolled.
- Restrictions on entering a contract that can be considered a conflict of interest based on an institution's existing contracts.
- Ability (or lack thereof) to request approval for use of institutional markings, such as school logos.
- Prohibited categories for NIL efforts (e.g., tobacco, alcohol, gambling).



The Hierarchy of Rule Books

Given the NCAA has the broadest reach, it would be natural to assume the Interim Policy is comparable to federal law. However, all NCAA NIL guidelines are subject to state law and school policy. Some states such as Alabama, Tennessee and Mississippi are repealing or modifying their NIL state laws, providing their student-athletes and universities with greater flexibility. If a student-athlete or school was to partake in a NIL activity that is protected under their local state law, it cannot affect NCAA eligibility, regardless of whether it is considered a NCAA violation.



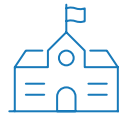
FOR INSTITUTIONS, STATE LAWS MAY DEFINE:

- Regulations regarding student-athlete NIL compensation and scholarship eligibility.
- Requirements for providing financial literacy training.
- Stipulation against compensating student-athletes or prospects for use of their NIL.
- Protection by state law over an institution's intellectual property rights.
- Gender-equity requirements.

FOR ATHLETIC ASSOCIATIONS (E.G., NCAA, NAIA, NJCAA), STATE LAWS MAY DEFINE:

- Ability for all student-athletes to be compensated for their NIL.
- Eligibility for institutions to participate in athletics as a result of receiving NIL compensation.

Given the rapidly evolving NIL landscape, state laws continue to change. NIL marketplace, Opendorse, outlines [high-level differences](#) between NIL laws and proposed legislature in different states. The most current information regarding NIL rules for each state can be found on the state's government website.



3 School Policy:

Colleges and universities have the final say regarding NIL activity on their campuses, including decisions regarding rules compliance, reporting and acceptable NIL opportunities. School staff (i.e., campus compliance and general counsel) should be consulted for issues that may arise related to employment, Title IX and contractual non-performance.³

NIL CONTRACT DISCLOSURE⁴

Many institutions require student-athletes to report all NIL activity, which is further emphasized by most state laws requiring participant disclosure of NIL activity to the school. Disclosures are often required from a student-athlete in advance of executing a NIL contract, providing information such as:

- Name of business.
- Type of activity.
- Compensation.
- Date(s) or timeline of activity.
- Confirmation from the student-athlete that all rules are understood.

Institutions may track student-athlete NIL activity using either NIL-related software or a proprietary process. Example: NIL-specific marketplaces may have partnerships with various institutions, providing schools with reporting capabilities on their platform. These partnerships may also require all student-athletes from the participating schools to report all NIL activity using the marketplace software (even if the deal develops off the platform).

INTELLECTUAL PROPERTY

Student-athletes are prohibited from using a school's registered marks, logos or designs, unless explicitly granted rights to do so by the institution. School policies will clarify how a student-athlete may or may not leverage school branding and resources, including specifics on:

- How student-athletes may request permission to use the institution's intellectual property (e.g., school and team colors, school and team name or nickname, school and team logo, mascot and uniform).
- If and how student-athletes may request permission to use school facilities for NIL purposes.
- How brands may request approval to use the institution's copyright.

PROHIBITED NIL ACTIVITY

An institution's decision to prohibit a student-athlete from entering into a NIL deal may be related to the brand's association with certain prohibited categories, such as firearms, substances banned by the NCAA, drug paraphernalia or gambling.

A student-athlete may also be restricted from entering into a contract with a company due to an existing relationship the school already has with that company.

Example: An institution with a long-standing relationship with Coca-Cola as their beverage products supplier may prohibit a student-athlete from entering into a NIL sponsorship with Pepsi, as it presents a conflict of interest.

School policies may outline specifics regarding prohibited product categories for NIL activity and potential conflicts with brand partners (e.g., soft drinks, footwear or apparel) that require exclusivity.

Since each institution is responsible for setting their own policy, there can be significant differences amongst schools when it comes to NIL rules and restrictions. Make sure to review your school's NIL policy, in addition to local state law, and monitor regularly for any changes. Reach out to the school's athletic department as a resource for any concerns or further clarification.



NIL Process Play-by-Play for Student-Athletes⁵

1



An opportunity is presented to engage in NIL activity.

Remember, student-athletes may consult with professional services providers at any point on such opportunities.

2



Determine that the activity is not considered "pay-for-play" or an impermissible inducement. The contract cannot be contingent on performance.

3



Review school policy and local state law for disclosure and participation rules. Schools may be a resource for state law questions. Report NIL activities consistent with state law and/or institutional requirements.

4



Determine whether or not to engage in NIL activity.

Defining Deal Deliverables:

The Importance of Managing and Meeting Expectations

When entering into a NIL agreement, it is important to clearly define deliverables and compensation. Subject to state law, the NCAA notes that student-athletes can only be compensated for work actually performed or completed in full.⁶

NIL activities and deliverables may include:⁷



1 SOCIAL MEDIA:

Student-athlete is paid to post content to their social media accounts or create content to be used on a brand's channels. Deliverables may include advertising products/services, encouraging their audience to execute a call-to-action (such as clicking on a link) or providing a testimonial.

74%

74.29% of NIL activation activity is occurring digitally or on social media⁸



2 APPEARANCES:

Student-athlete is paid to appear at events, be interviewed on podcasts or participate in meet-and-greets. Appearances are usually leveraged for purposes such as generating buzz, driving retail traffic, attracting a target audience or providing entertainment.



3 AUTOGRAPHS:

Opportunities may include sports card and memorabilia company deals, as well as directly selling signed merchandise online or utilizing a third party service that allows fans to mail in their own items to be autographed.

Example: "Fanboxes," where fans can subscribe to receive regular shipments of autographed player memorabilia for \$10 per month.





5 INSTRUCTION:

Student-athletes earn income through camps, clinics and private coaching. In addition to live instruction, there are digital opportunities through online platforms such as “Obsesh.”



6 ENDORSEMENTS:

Student-athletes are paid to enter into an endorsement deal, providing their stamp of approval on a product/service that validates the value in an authentic way. Endorsement deals traditionally include brand “activations” which leverage the athlete’s NIL to reach audiences online, in retail environments or at events.



7 NON-FUNGIBLE TOKENS (NFTS):

Non-fungible tokens are unique digital identifiers that are recorded and used to certify ownership and authenticity of a digital valuable. NFTs are easy and inexpensive to create and sell, providing a potential for longer-term revenue if the athlete gains popularity and the NFT is resold. Companies like Draftly and OpenLocker are helping student-athletes create and sell NFTs to their fans.

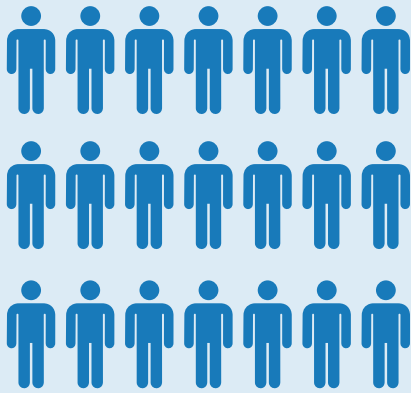
Example: DGD Mafia, a NFT collection produced by former University of Georgia football players, that gives buyers exclusive access to monthly podcasts with former and current players, future NFT drops, VIP tailgate experiences and signed memorabilia.



4 PLAYER MERCHANDISE:

Student-athletes can create and sell custom, official merchandise (e.g., t-shirts, hoodies, drinkware, etc.). Print on-demand platforms can help mitigate risks associated with merchandising, such as potential overstock and the upfront cost of inventory and integrate design adjustments at any point. Student-athletes may sell their merchandise on their personal website via social media or third-party retailers.

Example: Platforms such as “The Players Trunk” have developed partnerships with marketplaces like NOCAP Sports to make these opportunities accessible.



Group Licensing Agreements

NIL group licensing occurs when a group of athletes (or a team) pool together their NIL rights and license them as a unit. Rather than relying on a union to execute group deals, brands are leveraging NIL marketplaces (such as Opendorse or INFLCR) to connect with groups of student-athletes.

Regardless of participation in group licensing activity, every student-athlete still retains control of individual NIL rights.

Federal Trade Commission (FTC) and NIL

The FTC protects customers against deceptive advertising on social media. To help filter out content that may mislead consumers to spend money, the FTC requires NIL social media influencers to follow rules such as⁹:



Give authentic feedback.

Do not make a statement about a product/service that does not reflect your honest opinion.



Set realistic expectations.

Do not make promises about the value of a product/service that cannot be backed up or statements that cannot be proven by the brand.



Be truthful.

Do not talk about your experience with a product/service unless you actually have experience with it.



Be transparent.

Always disclose that you have a relationship with the product brand and/or are being compensated or gaining something by sharing certain information. To disclose the relationship, you can thank the sponsor or use terms such as “advertisement,” “ad,” or “sponsored.” Do not attempt to hide the disclosure by mixing it into a group of hashtags or links.

The Fine Print: It's All in the Details



Compensation

There are a variety of ways student-athletes may be compensated to participate in NIL-related activities, including direct financial payment, referral-based earnings, product gifting or a combination of these.



TYPES OF COMPENSATION:

Free products or services

Goods given at no cost to student-athletes in exchange for promotion, reviews or feedback.

Direct payment

Financial compensation in exchange for contract deliverable(s).

Affiliate payment

Compensation earned through executed referrals, or when someone purchases a brand's product/service using your affiliate code or link.

Example: Clothing retailer Rhoback created Rhoback U, a program which enables student-athletes to be paid in cash for any sales they generate within their networks using a sharable referral link.¹⁰

Combination

In exchange for brand promotion, student-athletes may receive a combination of cash payment and free products.

Example: Spanx partnered with 40+ female college athletes for Spanx's activewear campaign. In exchange for showcasing the products on social media, student-athletes earned financial compensation as well as Spanx products.¹¹



PAYMENT SCHEDULES:

Recurring:

Income for NIL activities may be earned at an agreed upon frequency, for example monthly, quarterly or semi-annually.

Lump sum:

A NIL deal may result in a one-time single payment at a specific time, for example, upon signing or completion of the project.

Residual:

Income generated over time from NIL activity established at an earlier period of time, such as licensing payments.



TIP:

It is important to understand the terms you are agreeing to and any considerations you may need to take into account, including financial, tax or aid-related objectives or consequences. Remember, NIL income is taxable. It may also impact student-athletes who receive need-based school, state or federal financial aid or the Pell Grant. Talk to your Financial Advisor to help you navigate the implications of any contract on your overall financial status and wealth planning.



DEAL PARTICIPANTS

Depending on the opportunity, a contract may be established between a student-athlete and brand or include other parties such as NIL Collectives or management. The number of parties involved and scope of each party's role can have an impact on the terms of the contract including compensation and deliverables.



For-Profit and Non-Profit Businesses

Brands in NIL deals, by size:¹²

40%

National
NIL Deals

13%

Regional
NIL Deals

46%

Local
NIL Deals

Collectives/Boosters

Collectives are third party for-profit or non-profit entities created by donors (also known as "boosters") to provide financial opportunities for student-athletes. As NCAA policy restricts institutions from paying student-athletes directly, boosters can represent the schools' athletic interests and pay student-athletes through Collectives.



CONTRACT BASICS

To formalize a partnership arrangement, it is important to have clarity on the terms of your agreement. Here are five common features that are covered in an NIL contract:¹³

1. Parties of the contract ("who").

For some deals, the contract may be between an athlete and brand, however for others, there may be additional parties involved, including agents, public relations firms, a group of athletes or multiple brands.

2. Deal activity and deliverables ("what").

These are the action(s) or outcome(s) the contract requires you to complete or fulfill in order to be compensated. The more details, the better to help ensure all parties are on the same page. Specifics may include details on:

- Type of NIL activity or activities.
- Platforms to use.
- Frequency of posting or participating in a particular activity.
- Word choice and content guidelines.
- Behavior exhibited with a product (how-to's, unboxing, daily usage, etc.).

3. Fulfillment date ("when").

This defines the timeline of the project and when completion of a task, action, or participation is expected or required.

4. Deal term ("how long").

This defines the duration of time the content must be available to the public (i.e., amount of time a social media post must be live). Beyond social media, deal term can also relate to licensing and at what point a brand is no longer allowed to leverage your NIL.

5. Compensation ("how much").

A contract should clearly state compensation specifics, including amount to be paid, timing and method of payment and any circumstances that may have an impact on payment. Some contracts may include a clause that notes a brand's ability to withhold payment if certain outcomes are not met. It is important to understand what you are required to fulfill your contractual obligations and protect yourself against any outcomes that may fall short of expectations or may be out of your control (i.e., social media posts not hitting certain performance benchmarks).



Due Diligence Checklist:

Questions to Consider Before Signing on the Dotted Line

- ☐ Do I have any concerns about the NIL rules regarding pay-for-play or inducements?
- ☐ Is this deal contingent on my performance?
- ☐ If using a professional services provider, do they have my best interests at heart?
- ☐ Have I consulted with all necessary parties to help ensure that I am protected, legally and financially, both from a business standpoint and on a personal basis?
- ☐ Does the contract clearly define deliverables?
- ☐ Do I feel comfortable that I can meet the timeline and expected performance benchmarks?
- ☐ Are the terms and conditions regarding compensation fair for the scope of work and time commitment that I am requested to engage in?



Questions to Ask Your Financial Advisor

- 1 What are the pros and cons of the different compensation types?
 - 2 What saving and/or investment vehicles should I consider to optimize my earnings?
 - 3 How will third-parties be compensated and how will those fees impact my estimated earnings?
-



Questions to Ask Your Team of Advisors*

- 1 How can I calculate the impact of taxes to understand if the earnings from a deal are worthwhile?
- 2 Will this deal impact my financial aid packages?

* With your permission, your Financial Advisor can work with your team of tax advisors and other professionals.

Chapter Sources

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Philanthropy & Legacy

As a student-athlete, you have the opportunity to translate your athletic talent into meaningful social change.

As your earnings increase and awareness of your brand grows, it is important to understand how to act as a responsible steward of that privilege. Through proactive planning and honest communication, you can navigate the complexities of estate and legacy planning—not just to benefit the lives of your loved ones, but to leave a lasting, positive impact on the causes that matter most to you.

Estate planning may not be top of mind in your twenties, but it's important to think about—regardless of your age. Even as you are just starting to build your own wealth, having a basic understanding of the steps involved in estate planning can be helpful in the event your parents, grandparents or siblings look to you for support. Without a proper plan in place, a family crisis can have tumultuous (and expensive) consequences for everyone involved from a personal, legal and tax perspective. A strong estate plan provides peace of mind in the event of the unexpected.

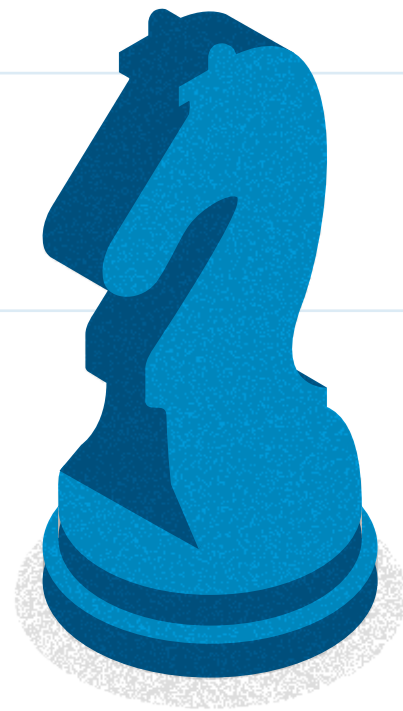




“It’s the one thing you can control.
You are responsible for how people
remember you—or don’t. So don’t
take it lightly.”

The Game Plan Around Estate Plans

Much of life is difficult to predict and impossible to control. What we can control, however, is how we prepare for whatever life may throw our way. Whether you are creating your own estate plan or helping loved ones with theirs, consider including the following:



Who Will Back You Up?

A fiduciary is a person who is legally appointed and authorized to act on your behalf in the event you are no longer able to make decisions for yourself. If you don't identify fiduciaries in advance, your desires and wishes may be left up to the court's discretion, so consider choosing people that you trust to have your best interest, and the best interest of your loved ones, at heart. Some important types of fiduciaries include:

EXECUTOR:

The person or institution (typically a bank or trustee company) responsible for settling your estate according to the terms of your last Will and Testament (your "Will"), including distributing assets, paying debts and claims, and preparing the estate tax and income tax returns.

GUARDIAN:

The person named in your Will who will be responsible for caring for any minor children. If you have no Will or your Will does not name a Guardian for your children, a Guardian will be selected by the court.

HEALTH CARE PROXY:

(or durable power of attorney for health care):

The person responsible for making healthcare decisions in the event you are incapacitated.



Care for Aging Parents:

At some point, you may find yourself providing care for aging parents. By engaging parents, siblings and other family members in a proactive, thoughtful discussion, you can help avoid the emotional complexities of making difficult decisions during times of crisis or medical emergencies.



Long-Term Care:

Help ensure that you and your loved ones are able to age comfortably by securing long-term care insurance.



Special Planning Issues:

Blended families, children with special needs and pets may require special consideration when putting together an estate plan.

CHILDREN:

If you have children with special needs or severe disabilities, it is important to make sure that any gift or inheritance they receive will not interfere with his or her eligibility for government benefits. The most common way to do this is through a Special or Supplemental Needs Trust, which suggests that any assets held in the trust are intended to supplement, but not supplant, the government benefits your child is entitled to.

PETS:

Leaving a pet to a caregiver in a Will may not account for situations in which you might become incapacitated. Consider setting up a traditional or statutory pet trust to help ensure that they will be taken care of in the event something happens.



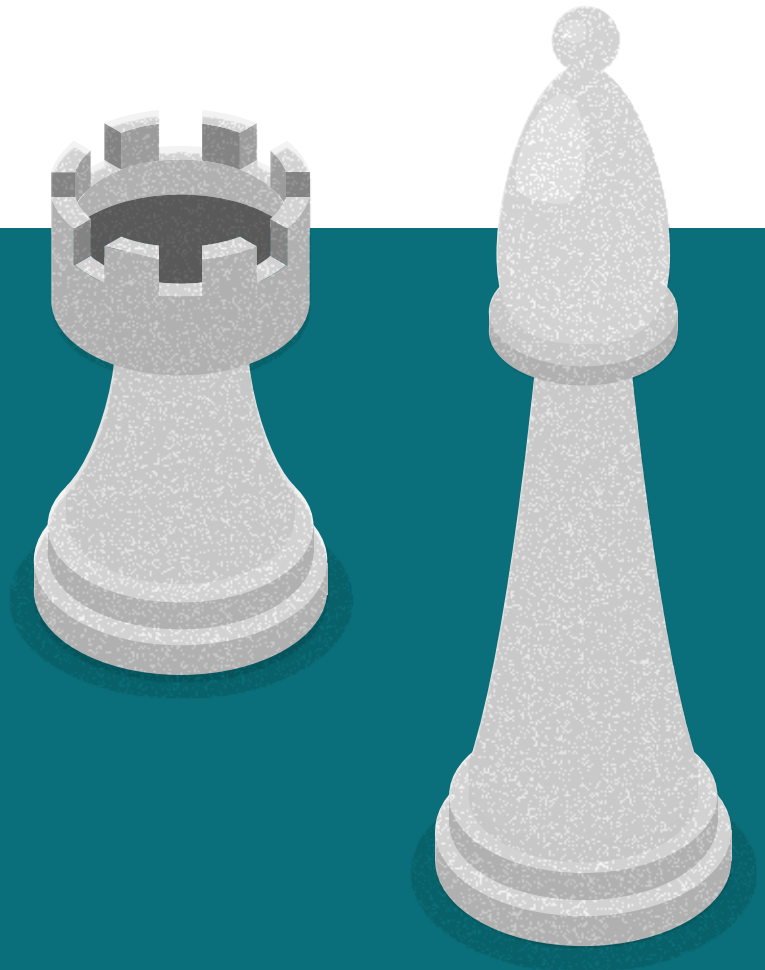
Burial Instructions and Last Wishes:

No one likes to think about death, but leaving detailed burial instructions and last wishes will make it a lot easier for surviving family members to make funeral arrangements and handle estate administration.

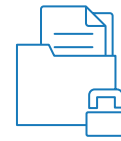


Organization of Financial Information:

Estate settlements can occasionally last years, especially in the absence of proper recordkeeping. By taking the time to organize personal and financial information, you can save your family a lot of hassle, stress and money.



The All Knowing File



The essential information everyone should have prepared in the event something happens:

- 1 THE LOCATION AND KEY TO ANY SAFE DEPOSIT OR POST OFFICE BOXES.**
- 2 THE LOCATION OF IMPORTANT DOCUMENTS.**
 - Will.
 - Trust documents.
 - Birth certificates.
 - Life insurance policies.
 - Prenups or marriage and divorce licenses.
 - Employee benefit program documents.
 - Real estate deeds.
 - Passports.
 - Social security information.
- 3 AN OVERVIEW OF ASSETS AND LIABILITIES.**
 - Documents related to debts and loans outstanding.
 - Credit card information.
 - Automobile titles or insurance policies.
 - Investment account information.
 - Bank or brokerage statements.
 - Retirement account information.
 - Insurance documents for any valuable assets.
- 4 CONTACT INFORMATION FOR IMPORTANT ADVISORS.**
 - Financial Advisor.
 - Insurance agent.
 - Attorney.
 - Accountant.
- 5 DIGITAL LOGINS, USERNAME AND PASSWORDS.**
 - Online banking, investment and retirement accounts.
 - Social media.
 - File storage and cloud-based accounts.
 - Online photo galleries.
 - Music and entertainment subscriptions (e.g., Netflix, Spotify, iTunes).

Building Your Legacy

Your legacy may be your greatest asset of all. What are the values that drive you? What impact do you want to make on your sport, family and community? Like your training regimen, building your legacy should be approached as a practice involving dedication and a well-thought-out strategy.

An important part of this strategy is giving back. Philanthropy can be a valuable tool for change, helping to put your wealth—and the strength of your brand—to work for the causes you care about. By carefully considering volunteer opportunities and giving opportunities (small and large), you can leave behind a meaningful legacy.



WINNING PLAY

Passing on Values Through Estate Planning

Write down stories: Whether you choose to do so through journals, a book or even videos chronicling your journey, the process of documenting the experiences that have shaped your life is an incredible gift for future generations, as well as a powerful way to reflect on your life.



Philanthropy & Legacy: Making Your Mark

While the basic concept of philanthropy hasn't changed much since John D. Rockefeller and Andrew Carnegie established the first large-scale private foundations in the early 1900s, the channels and vehicles young donors have access to today have changed dramatically.

Today, we are no longer dependent on large institutions to drive positive social change, nor do we have to wait until retirement to start giving back. Philanthropy is being democratized and the individual donor has never been more empowered to make a difference. As a student-athlete, you have the opportunity to support causes that align with your personal brand. For example, college football player Dillan Gibbons founded Big Man Big Heart, Inc., a Florida non-profit that raises money for an array of charitable efforts and recruits NCAA student-athletes to do good by supporting their own charitable initiatives.¹

There are countless opportunities to use your resources—money, time, networks, expertise and perhaps even social influence—to affect social change. The key is identifying the opportunities that are most aligned with your personal brand and identifying the most effective giving strategies. Speak to your attorney about the pros and cons of each approach and how you can incorporate giving into your broader financial plan.

Why You Give: Creating Your Philanthropic Mission Statement

Make it count. One of the hardest parts about practicing smart philanthropy is staying focused. There are many worthy causes, but you will be most impactful when you hone in on the issues you truly care about. When passion and philanthropy align, the act of giving becomes more than a gesture or transaction—it becomes a reflection of who you are and the world you hope to create.

Creating a philanthropic mission statement can help you clarify the impact you want to have, while also making it easier to say “no” to causes that do not directly advance your personal philanthropic goals. Use the following questions to start exploring what is most important to you and why.²

Family Background and Values

- What are some of the lessons you have learned from friends and family about money and philanthropy? How have these lessons impacted your approach to giving today?
- What personal or professional opportunities did you feel most grateful for growing up?

Professional & Personal Development

- What are some of your unique talents, gifts and skills?
- What energizes you to get out of bed in the morning?
- What schools, institutions or relationships have had a significant impact on you?
- How have certain challenges or setbacks influenced or changed your perspective on things?
- Are there any particular books, experiences, or trips that have inspired you to give back?
- What are some of the beliefs, values or attitudes that guide your decisions and lifestyle?

Perspectives on Wealth

- Excluding your family, who or what has influenced your ideas about wealth?
- What are your greatest joys that arise from having access to financial resources?
- What qualities or circumstances do you believe account for your success in accumulating wealth?

Your Legacy

- Describe the causes that you care most about. What are your reasons for supporting these organizations?
- Do you want to focus on a particular geography?
- How much and how often do you want to give?
- Imagine your 80th birthday celebration. What would you like a dear friend or family member to say about you in his or her toast?

When thinking through these questions, do you notice any recurring patterns? Are there any themes that stand out? Use your responses to help craft a single-sentence mission statement that highlights the cause you want to focus on and how you hope to use the resources at your disposal to make an impact.

Here are some examples to provide inspiration:

“My mission is to strengthen the local community athletic organizations that had a meaningful impact on my personal athletic career, both monetarily and through my spheres of influence.”

“My mission is to make a difference in the health and well-being of others and to stop child obesity by sharing my personal experiences and knowledge about sports and fitness.”

“My mission is to improve the lives of disadvantaged children by helping to close gaps in sports equity through equipment, training and mentoring.”

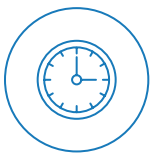


“If you don’t have a plan,
someone else is going to have a plan
for you and your money.”



How You Give: Time, Talent and Treasure

Once you know what you want to accomplish, it's time to think about how you want to do it. There are three main approaches when it comes to giving: time, talent and treasure.



Time and Talent

As a volunteer, you can give away your time and talent. One of the advantages of volunteering is that it can allow you to see the direct result of your contribution. When you donate a dollar to charity, you may not always see how that dollar is put to work, but through volunteering, you can witness your impact on people and organizations first hand. Sharing your time and unique talents with organizations you care about can also be a great way to build your personal brand.



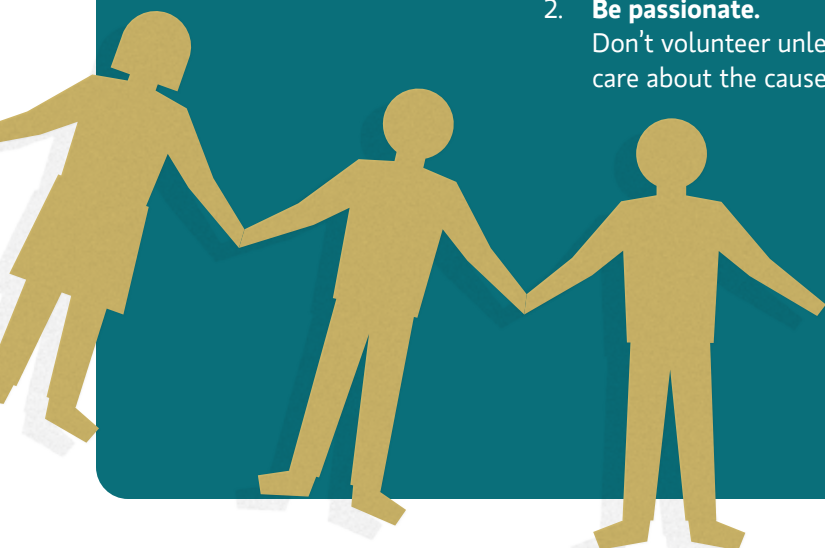
Treasure⁴

Giving away your treasure can get a little more complicated than giving away your time and talent. One of the most common strategies is donating directly to a charity, but there are plenty of other approaches to consider. Speak to your attorney about the pros and cons of each approach and how you can incorporate giving into your broader financial plan.

WINNING PLAY

Make the Most of Your Volunteering³

1. **Be results driven.**
It's not about spending time; it's about making a difference.
2. **Be passionate.**
Don't volunteer unless you really care about the cause.
3. **Have a collaborative mindset.**
Work with the nonprofit leadership and your colleagues to multiply your efforts.
4. **Make no excuses.**
Make a commitment and stick to it.
5. **Be consistent.**
Great volunteers are always looking for new ways to be helpful.
6. **Add energy.**
The more you put in, the more you get out.
7. **Give to get.**
Focus on what you can accomplish rather than what you get back.





1 DIRECT DONATION.

Legally, a nonprofit organization conducts business for the benefit of the general public without private ownership and without a profit motive. Nonprofits that are operated for charitable purposes under 501(c)(3) status are eligible for tax-exempt status. The government rewards people who give to charity by allowing them to deduct the amount donated from their taxable income at the end of the year, subject to certain limitations.

Remember that you can be most effective as a philanthropist when you are thoughtful about your giving strategy. Before making a direct donation, ask yourself the following questions:

- Should I provide my charity of choice with guidelines on how to use the donated funds or do I trust the charity to make this call?
- Would it be more efficient to concentrate my giving to fewer organizations?
- Would a matching or challenge gift amplify my contribution? Would it create an unnecessary administrative burden for the nonprofit?
- Is it better to make a substantial, one-time gift to a charitable organization or cause, or stretch my gift out over time?

Example: A gift to a qualified charitable organization may entitle you to a charitable contribution deduction against your income tax if you itemize deductions. If the gifts are deductible, your tax savings reduce the actual cost of the donation. For example, if Sarah is in the 32% tax bracket, the actual cost of a \$100 donation is only \$68 (\$100 less the \$32 tax savings). As Sarah's income tax bracket increases, the real cost of her charitable gift decreases, making contributions more attractive for those in higher brackets. The actual cost to a person in a lower bracket, 12%, for a \$100 contribution is \$88. If Sarah was in the highest bracket, 37%, the actual cost is only \$63. Not only can she afford to give more, but she will receive a larger reward for her giving.



2 DESIGNATING A CHARITY AS A LIFE INSURANCE BENEFICIARY.

Another way to share your treasure is to designate a charity as a beneficiary on your life insurance policy. This is relatively easy to do, and you have the right to revoke the gift at any time by simply changing the policy's beneficiary. While this type of giving may provide an estate tax deduction, you will not receive an income tax deduction.

Example: Sarah owns a life insurance policy. She is unmarried and doesn't have any siblings, so she decides to make her favorite charity the beneficiary. Sarah is comforted by the fact that, should anything happen to her, her charity would receive her life insurance payout.



3 CHARITABLE TRUSTS.

There are two main types of charitable trusts: Charitable Remainder Trusts and Charitable Lead Trusts. Below you can see the power of how charitable trusts work.

Charitable Remainder Trusts (CRTs)

CRTs allow you to give money to both a non-charitable beneficiary (such as yourself) and a charity you care about. They are designed to make payments to you or your designated individual beneficiaries first, before transferring the remaining funds to one or more charities when the trust is terminated.

Example: Joe is 65 and getting ready to retire from his coaching career in Major League Baseball. He anticipates that his annual living costs during retirement will be about \$80,000. While Joe and his wife are passionate about giving back to their community, they also want to supplement their retirement income with a lifetime income stream so they can buy a second home in the mountains and take vacations. Joe creates a \$1 million CRT with a fixed annual payout of 8% for his lifetime and the lifetime of his wife so that he and his wife can receive \$80,000 a year for as long as one of them is still alive. After they both pass, the remaining money in the trust can be given to the local charity designated in the CRT.

Charitable Lead Trusts (CLTs)

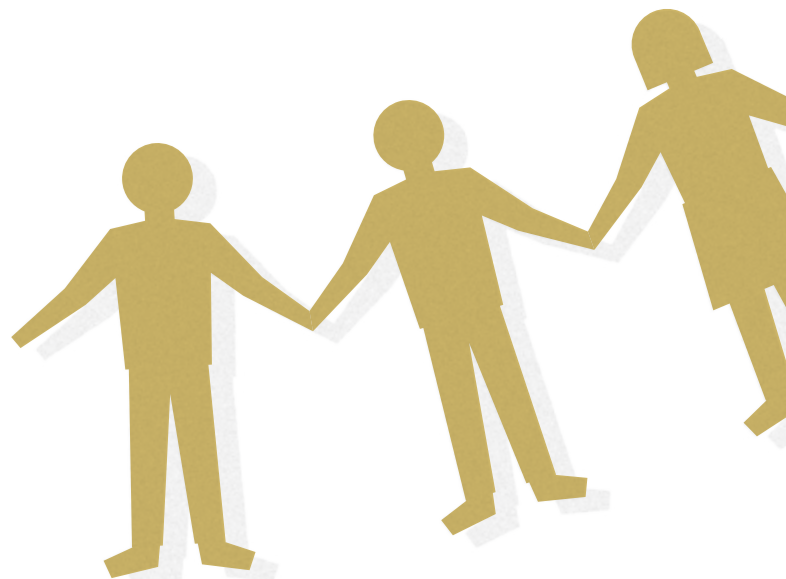
CLTs operate differently than CRTs. CLTs make payments to the charity during the trust term and the non-charitable beneficiaries are paid when the trust terminates. This trust is often funded with assets that you and the non-charitable beneficiaries may not currently need, but that you want to ultimately pass to the non-charitable beneficiaries.

Example: Susan is a 75-year-old widow with two children. She wants to pass on a portion of her wealth to her children, both avid athletes, but she is wary of the high tax rates she would incur if she were to gift a large amount to them directly. Instead, she establishes a \$1 million CLT designated towards charities supporting sports equity and names her two children as remainder beneficiaries. The CLT stipulates that her charity of choice will receive \$50,000 a year for 15 years. At the end of the 15-year term, the money remaining in the trust would then be payable equally to her two children. This not only allows Susan to fulfill her late husband's philanthropic wishes, but it also may reduce the amount of federal gift tax she could incur—this savings would apply to the remainder interest and, ultimately, the children's gift.

4 POOLED INCOME FUND (PIF).

A PIF is a charitable trust established and maintained by a qualifying nonprofit organization, providing a lifetime stream of income to the donor and/or other recipient(s) based on each donor's share of the income earned by the fund. A PIF is similar in many respects to a Charitable Remainder Trust. You may be eligible to take an immediate partial tax deduction, based on your life expectancy and the anticipated income stream, but income received from the PIF each year is taxable to the recipient. After the death of the income recipient(s), the balance of the fund is distributed to the charity that maintains the fund.

Example: Tom is 53 years old. His daughter is about to start college and he is looking for a way to help increase his annual income. Tom has a stock portfolio that is worth \$500,000 and pays a dividend of 3% per year. He purchased these stocks over 20 years ago and is hesitant to sell because he would be required to pay a hefty sum in capital gains tax. Instead, he decides to gift his stocks to a PIF that is being managed on behalf of his alma mater. By gifting his assets to the PIF, he increases his dividend payments to 5% per year and receives a charitable income tax deduction. When Tom dies, the shares he purchased in the PIF will be donated to the school's athletics program. In the meantime, he can use the additional income to pay for his daughter's college tuition.



5 CHARITABLE GIFT ANNUITY (CGA).

A CGA is a contract between you and a qualified charity in which you make a gift to the charity and, in exchange, the charity provides you (or other annuitant(s)) with a lifetime fixed income stream. You can get a potential immediate (partial) income tax deduction based on your life expectancy and the anticipated income stream. Generally, CGAs are established by donors who are 65 or older.

Example: Jessica and Ben are in their late seventies and are lifelong football fans and avid collectors of team memorabilia. They don't have children, but are very passionate about supporting youth athletics and want to find a way to give back to their local teams. Jessica and Ben decide to donate one of their collectibles, valued at \$1 million, to the local Boosters club in exchange for a charitable gift annuity. The couple can receive annual payments of \$50,000 and are entitled to a charitable income tax deduction

6 PRIVATE FOUNDATION.

A private foundation is a nonprofit organization created with endowments from individuals, families or corporations. Private non-operating foundations are required to give away at least 5% of their net investable assets each year. Typically, members of the donor's family are involved in the leadership of the foundation and serve on the board. Younger family members can sit alongside older family members on the board to gain an appreciation for the family's giving values, mission and vision, as well as participate in the foundation's grantmaking and activities. Note that there are significant start-up and maintenance costs associated with establishing and operating a private foundation.

Example: Five University of Georgia football players united to found the DGD Fund to engage Georgia fans across the country to support causes personally selected by each of the founders.⁵

7 DONOR-ADVISED FUND (DAF).

A donor-advised fund operates similarly to a private foundation but is operated by a public charity instead of the individual donor. The donor recommends the organizations that are to receive grants from the fund, but all administrative duties and taxes are handled by the charity. Unlike private non-operating foundations, DAFs are not required to distribute 5% of their net investable assets each year. Millennial philanthropists may consider a DAF because you can open an account with a much lower starting amount, no start-up costs and lower ongoing expenses and still have a formal structure to organize your giving and track the results of your generosity. And it provides the opportunity to set aside money for gifting during peak income years so that you can continue to give going forward.



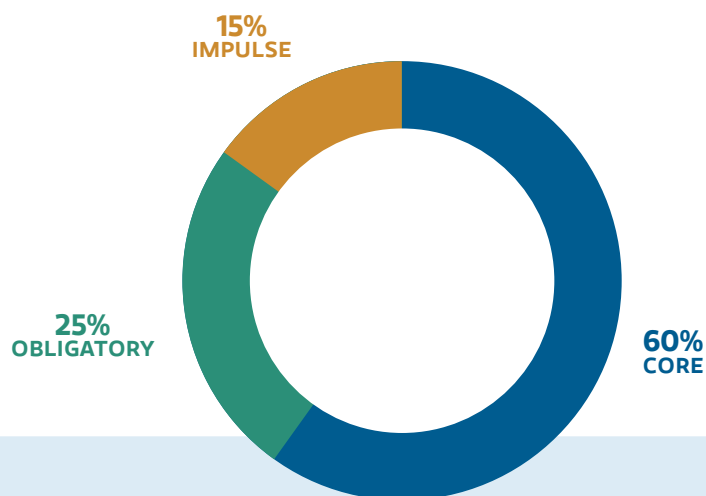
Who You Give To: Do Your Homework



Design Your Philanthropic Portfolio

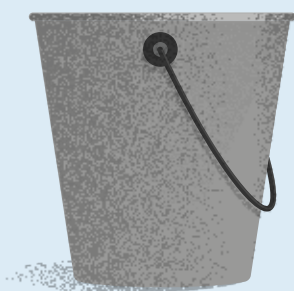
Like any traditional investment portfolio, your goal is to select a mix of philanthropic investments that will help to achieve your mission.

By thinking about your philanthropic commitments in the following three buckets, you can focus your efforts effectively and strategically:



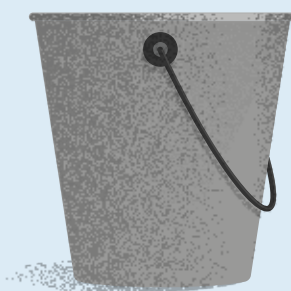
A good benchmark is to try and allocate 60% of your annual giving to the causes you are most passionate about, 25% to community or obligatory gifts, and the remaining 15% to impulse gifts.

CORE

**1**

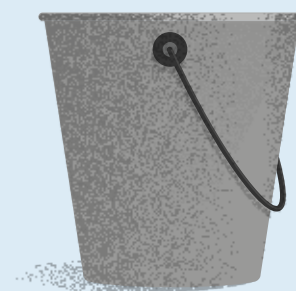
The organizations, causes or themes where your primary passions lie.

COMMUNITY / OBLIGATORY GIFTS

**2**

The causes you want to support because of where you live and the networks you're a part of (e.g., your alma mater, the local art museum, a friend's nonprofit, or religious organizations).

IMPULSE GIFTS

**3**

The causes you don't see coming and can't plan for (e.g., disaster relief or fundraising events).

Navigating Tough Situations: The Art of Saying No⁶

As you achieve heightened success and recognition, you may begin receiving outreach from various parties seeking to tap into your newfound wealth. Whether you are being sought out as a donor, approached as an investor, or caught off guard with a money request from a friend or family member, the key is learning how to say “NO” in a respectful and empowering way.

Here are some strategies for navigating uncomfortable financial asks.

1 STICK TO A FRAMEWORK.

Whether you have \$10 or \$10,000 to give, it's important to clarify the impact you want to make. This applies to your philanthropy, investments and relationships. Take the time to reflect upon your philanthropic mission statement. This will make it easier to say “no” to causes, opportunities and people that don't align with your mission.

Example: If your philanthropic passion is education, and you've been asked to support a friend's environmental charity, be honest. Emphasize that you have your own philanthropic goals that require your full dedication, and that this opportunity is not the right fit for you right now.

One-liner: “Thank you for the opportunity, but unfortunately it doesn't align with the causes I'm focused on at the moment.”

2 USE A THIRD PARTY AS A BUFFER.

When faced with an unexpected or personal ask, you may feel more comfortable using a third party, such as an Attorney or Financial Advisor, as a buffer. As an outsider and qualified professional, he or she can address the request directly and limit any strain on your personal relationship.

Example: If a friend asks you to invest in her new startup, tell her that you would love to help, but that she will have to talk to your Financial Advisor. Explain that you hired an advisor to help you stick to your financial plan by keeping you honest about what you can and cannot afford at this time.

One-liner: “I would love to help you, but I'm committed to a financial plan, and my advisor has pointed out to me repeatedly that I need to stick to that plan.”

3 OFFER OTHER FORMS OF SUPPORT.

There are often plenty of other ways you can support a friend or family member. Consider offering advice, expertise, or contacts from your network as a contribution rather than money.

Example: If a family member has asked you to help him pay for college, keep in mind that it may have been hard for him to come to you. Show kindness and explain that although you are not able to contribute financially at this time, you are incredibly proud of his aspirations and would like to support him in other ways.

One-liner: “I love what you're doing, but as a rule, I don't lend money to friends or family. Perhaps I can support you in another way?”

The more disciplined you are around giving, the greater your impact. Saying “no” can actually enable you to say “yes” to other opportunities in your life. Embrace the “no's,” so you can remain focused on the causes that truly matter to you.



Due Diligence

Before you make a donation, it's important to perform your due diligence to help manage expectations and hold organizations accountable.

This due diligence checklist can help identify partners of greatest value to you by asking the following:

- ☐ Is the organization's strategy aligned with your objectives and is it pursuing that strategy in a manner that you can support?
- ☐ How does the organization define success and how is it measuring outcomes?
- ☐ Is the organization positioned as a thought leader in its field? Do people respect the organization and its leadership?
- ☐ Does the executive director of the organization have a clear vision and track record of success? Is he or she supported by a strong board and professional staff?
- ☐ Does the organization have a diversified income stream, or are revenue sources highly concentrated?
- ☐ What is the organization's overhead as a percentage of revenues? What about as a percentage of grants?

Consider using the following sources to help you answer the questions on the due diligence checklist:

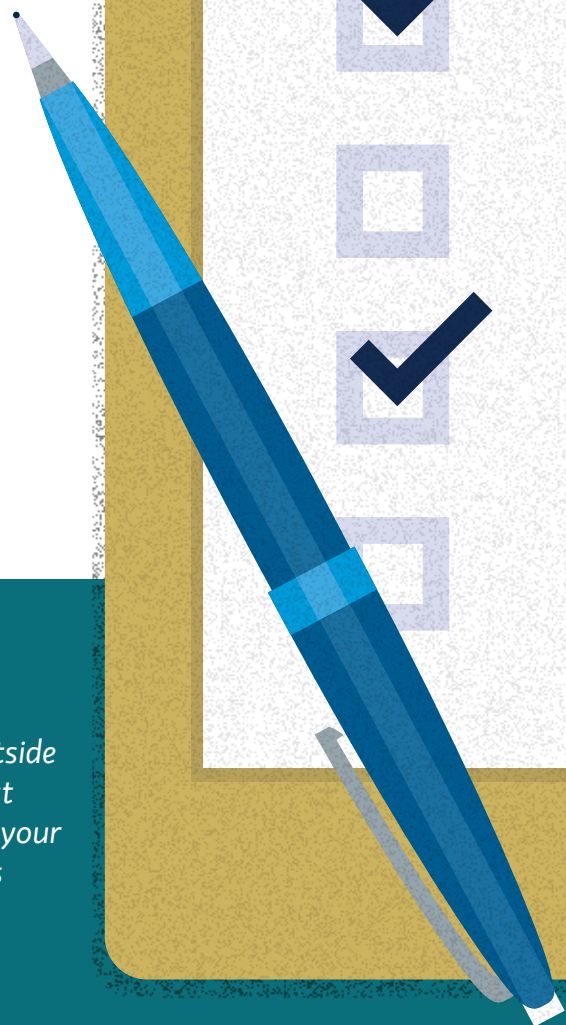
- Nonprofit website.
- Nonprofit financial reports.
- Recent news or articles on the nonprofit.
- Third party evaluators (e.g., GuideStar, Charity Navigator).
- A Philanthropic Advisor.



PRO TIP:

"When asked to support a friend's cause that is outside of your thematic focus or areas of interest, the best strategy is to be honest. Emphasize that you have your own philanthropic mission statement that requires your full focus and dedication."

—**Glenn Kurlander**, Managing Director,
Morgan Stanley Wealth Management





“Choose to live a life of
committed action. Have a clear
vision, measurable results and a
game plan.”

Melanie Schnoll Begun,

*Managing Director, Head Family Office Resources Field Engagement
Philanthropy Management President, Morgan Stanley*



Questions to Ask Your Financial Advisor

- 1 When should I consider updating or revising my estate plan?
- 2 Are there events that I can attend or other ways that I can connect with, and learn from, like-minded young philanthropists?
- 3 What vehicles should I consider for making a charitable gift and what are the pros and cons of each?
- 4 How should I allocate my annual philanthropic budget between core, community and impulse gifts?

Chapter Sources

- 1 bigmanbigheart.com.
- 2 Adapted from: Morgan Stanley Philanthropy Management. Philanthropy Discovery Questionnaire. Ideas for Good: Resources for Effective Philanthropy. (2014).
- 3 Lindenmayer, Michael. 7 Traits of Amazing Volunteers. Forbes (2013).
- 4 Morgan Stanley Philanthropy Management. Strategies for Charitable Giving. Ideas for Good: Resources for Effective Philanthropy (2014).
- 5 <https://www.dgdfund.org/>.
- 6 Adapted from: Morgan Stanley. Navigating Tough Situations.

Disclosure

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While we believe that MS GIFT provides a valuable philanthropic opportunity, contributions to MS GIFT are not appropriate for everyone. Other forms of charitable giving may be more appropriate depending on a donor's specific situation. Of critical importance to any person considering making a donation to MS GIFT is the fact that any such donation is an irrevocable contribution. Although donors will have certain rights to make recommendations to MS GIFT as described in the Donor Circular & Disclosure Statement, contributions become the legal property of MS GIFT when donated.

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Since long-term care insurance is medically underwritten, you should not cancel your current policy until your new policy is in force. A change to your current policy may incur charges, fees and costs. A new policy may require a medical exam. Actual premiums may vary from any initial quotation.

The Donor Circular & Disclosure Statement describes the risks, fees and expenses associated with establishing and maintaining an MS GIFT account. Read it carefully before contributing.

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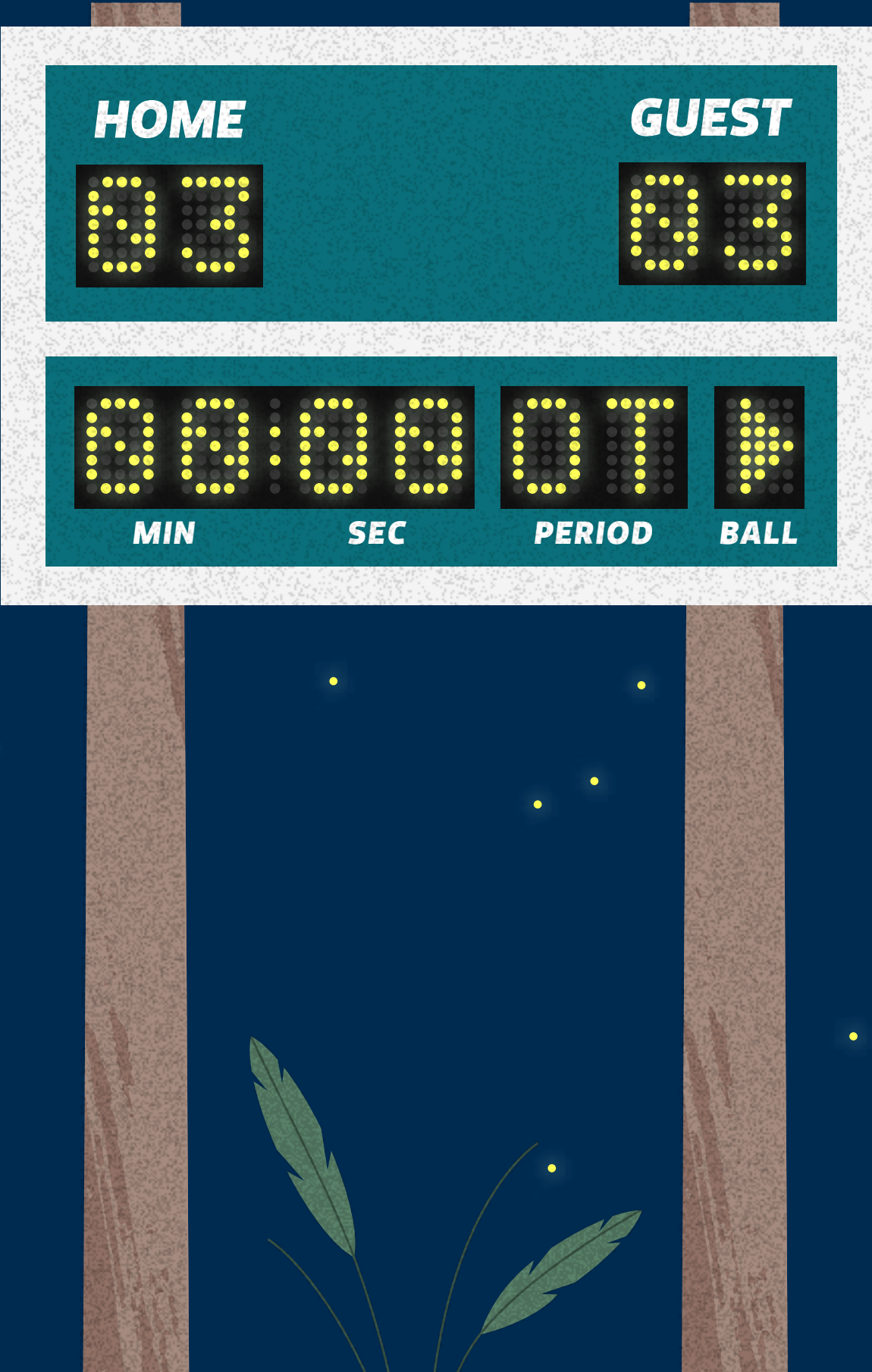
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Conclusion

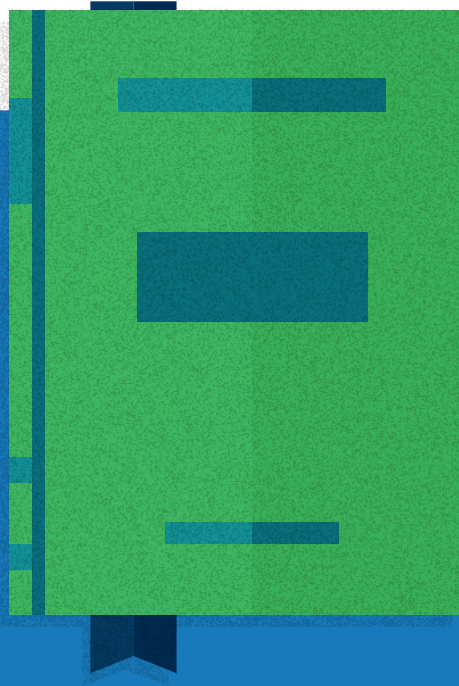
The Name, Image and Likeness (NIL) legislation has opened up a world of opportunity for current and future student-athletes to capitalize on their hard work, influence and talent. By enabling student-athletes to leverage their personal brand for profit, NIL is changing the game.

As the NIL space continues to evolve, so does the potential to earn significant income. Whether considering sponsorships, endorsements, merchandising and licensing deals or other NIL commitments, all student-athletes can now benefit from financial compensation. With new potential income streams, it's important that student-athletes are equipped with the knowledge and resources to make smart financial decisions in the near-term that can have a big impact on their success in the long run.





A Winning Mindset



Your Story on Your Terms

Personal branding is a powerful tool when it comes to reaping the potential benefits of NIL. It gives student-athletes control over their public image, including how and what they wish to communicate to an audience. Carefully crafting your personal brand can help differentiate your value-add in a highly competitive market by highlighting the skills, experience and distinct characteristics that you bring to the table. It can help expand your network, boost audience engagement and solidify your reputation. Whether pursuing NIL activities or opportunities in the workforce, your personal brand reflects the values that drive you and can lay the groundwork for building your legacy.



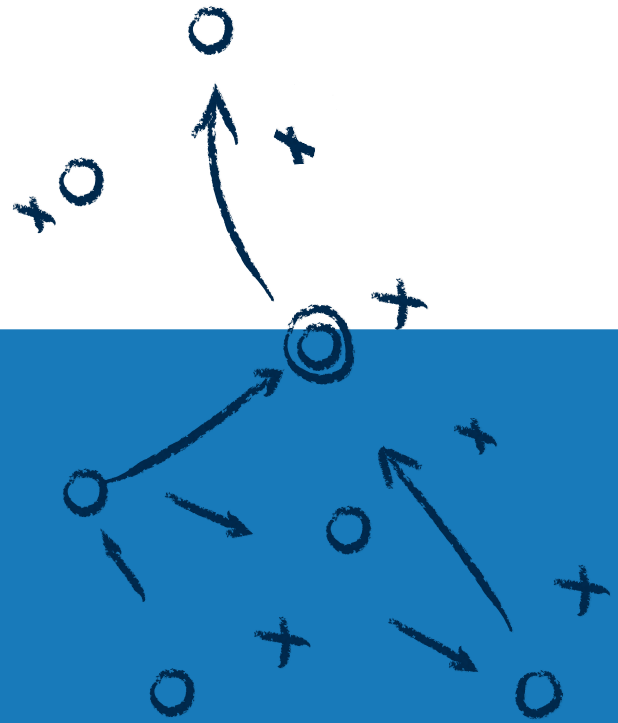
Get Your Head in the Game

Building your financial knowledge can help you navigate both opportunities and challenges with greater confidence. Having a clear understanding of budgeting, saving and investing enables you to establish healthy financial habits to make the most of your earnings. Whether it is saving for future milestones, retirement planning or navigating career transitions, creating a sound financial plan can help focus your pursuits. Financial literacy not only empowers you to grow and protect your wealth for the long run, but it can also help you in assessing and negotiating NIL opportunities to ensure deal terms are aligned with your best interests.



Defense Is the Best Offense

With the NIL landscape still evolving, student-athletes need to take school policies and state laws into consideration in addition to NCAA regulation. Use your school as a resource when navigating potential NIL activity to ensure all requirements are being met and that you are protected. Enhanced financial literacy may provide you with the ability to recognize potential pitfalls and mitigate unnecessary risk when pursuing business endeavors. Remember that NIL income can have various tax implications so it is important to be proactive and adequately prepared. Given such complexities, working with a professional can help protect you against unforeseen tax or financial issues.



Look to Your Team

There is strength in numbers, and when it comes to NIL, third-party service providers can guide you to reach your fullest potential. Qualified financial, tax, accounting, legal and agency or management professionals, among others, can provide you with the knowledge and resources to make more informed business decisions. Bringing on trusted team members can also help you safeguard your personal assets and interests.

YOUR TEAM MAY INCLUDE:

- **Legal professionals:** may provide guidance on business structuring and contract negotiations.
- **Tax advisors:** can help identify potential deductions and anticipate tax obligations.
- **Managers/agency representatives:** can provide industry-specific guidance.
- **Marketing consultants:** can help define and communicate your personal brand.
- **Mentors/personal advisors:** may share comprehensive feedback or facilitate introductions.
- **Financial advisors:** can take into account all aspects of your personal life and business activity to help align financial decisions with your goals.

The Value of Financial Advice

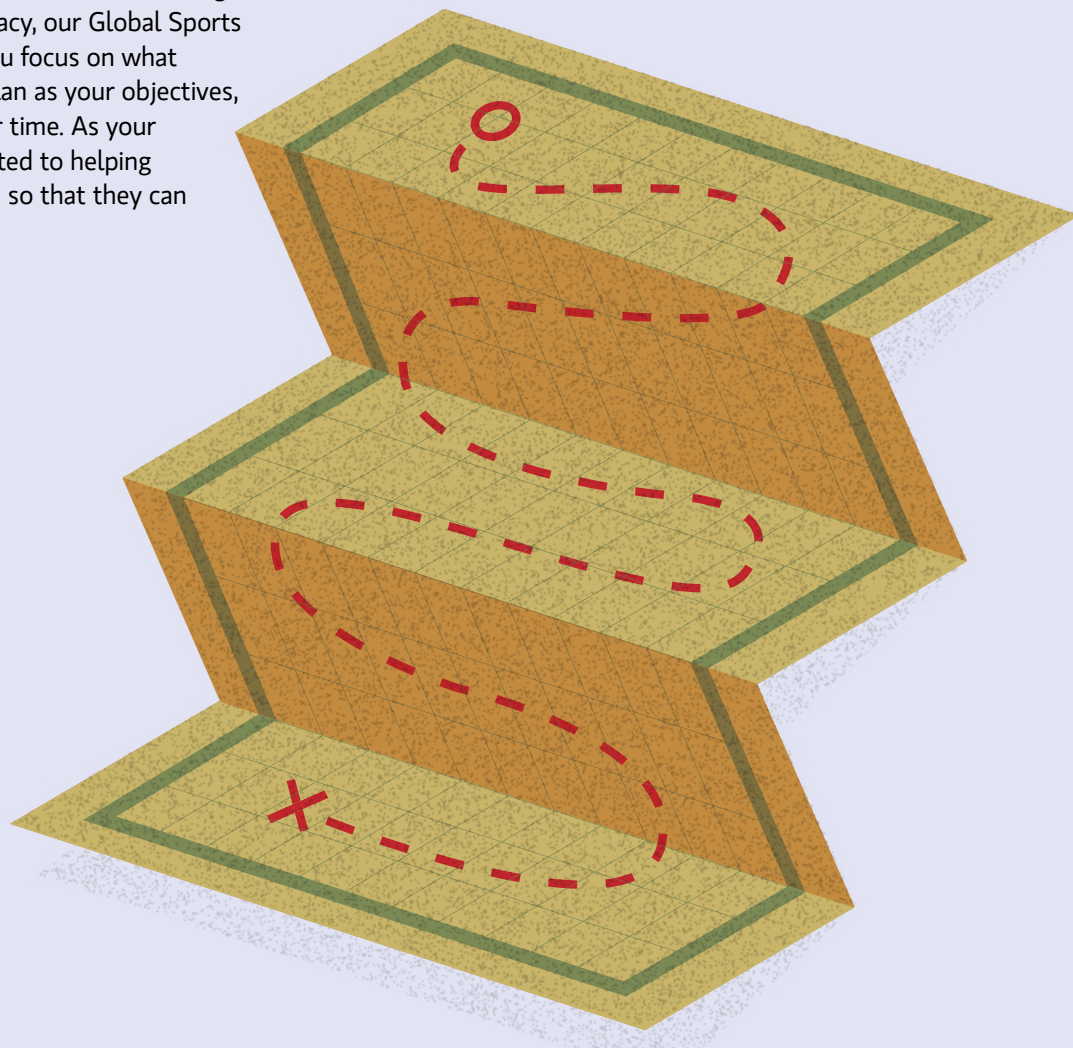
As you accumulate wealth, your financial planning strategies can become more complex. As everyone experiences a different set of challenges, expectations and pressures, there is rarely a “one-size-fits-all” approach when it comes to mapping out the road ahead. This is why a Financial Advisor can be an invaluable resource, helping guide you along the way.

A Financial Advisor can help you define your financial objectives, time horizon and risk tolerance to create a plan to meet your future goals. By taking into account your current and potential future NIL earnings as a student-athlete, short-term and long-term goals, career aspirations, personal commitments and life priorities, a Financial Advisor can help create a strategy that is tailored to your situation.

At Morgan Stanley, our Global Sports and Entertainment Directors are here to help student-athletes as they navigate the opportunities of NIL and the bright future ahead. Through Money in the Making, our suite of educational resources in partnership with E*TRADE, you can learn more about topics such as budgeting, saving and investing for the future. We are committed to understanding our clients’ aspirations, so that we can be as devoted to your goals as you are. From building an investment portfolio to building a legacy, our Global Sports and Entertainment Directors can help you focus on what matters most and adapt your financial plan as your objectives, priorities and responsibilities evolve over time. As your resource, partner and ally, we are dedicated to helping clients build, protect and manage wealth so that they can enjoy all that life has to offer.



Reach out to learn more about how a Morgan Stanley Global Sports and Entertainment Director can help you create a financial playbook that positions you for long-term success, on and off the field.



Must-Reads



Helpful Books, Websites and Resources on the NIL Opportunity

Books

[Athletes Are Brands Too: How Brand Marketing Can Save Today's Athlete](#)

by Jeremy Darlow

[Athlete Brands](#)

by Kimberly Whitler and Jay Hodgkins

[The ABCs for College Athletes: A Practical Guide to College Sports](#)

by Briana DuBose

[Get Good With Money: 10 Steps to Becoming Financially Whole](#)

by Tiffany Aliche

[Impact Beyond the Game: How Athletes Can Build Influence, Monetize Their Brand, and Create a Legacy](#)

by Malcolm Lemmons

[The Intelligent Investor](#)

by Benjamin Graham

[Getting to Yes: Negotiating Agreement Without Giving In](#)

by Roger Fisher and William Ury

[The Winning Playbook](#)

by Rob Welsh and Jonathan Ray Scott

Online Resources and Newsletters

[Business of College Sports Website](#)

[Inside On3 NIL and Sports Business Newsletter](#)
by On3

[Name, Image Likeness Resources Page of National College Athletics Association \(NCAA\) Website](#)

[Newsletter, Image, Likeness Newsletter](#)
by Darren Heitner

[NIL Insider Newsletter and Blog](#)
by Bill Carter

[Profluence Sports Newsletter](#)
by Andrew Petcash

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