



TOP 5

Financial Planning Rules Professional Athletes Should Live By



GARTH KINLOCKE

Professional athletes earning lucrative contracts and eye-watering sponsorship deals might not pull at the heart strings of many - but the need to stretch this income generated over a relatively short-period to last a lifetime is stressful, complex and difficult to manage.

Unfortunately, there are far too many shocking stories of high-profile athletes who have either failed to manage their personal finances properly or have succumbed to the latest get-rich-quick scheme.

The charity XPro estimate that as many as three in five **Premier League footballers face bankruptcy** within five years of retiring from the game.

The good news is that these pitfalls are avoidable and those who seek prudent guidance can live comfortably in the future and retire with a nest egg large enough to assist with their transition out of competitive sport.

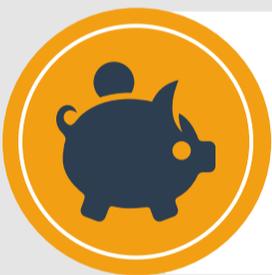
Here are 5 financial planning tips for professional athletes to start off on the right track:



Build a strong team

Professional sport is a high-pressure environment and competing requires every ounce of energy and concentration. By putting together a team of supportive and trusted professionals not limited to; an Agent, Accountant, Solicitor and Financial Adviser will help you make informed decisions which are in your best interests. This will help you focus on what you're best at - training and competing at the highest level which will only lead to more success.

1



Always budget

Disciplined budgeting habits early in your career can support you, and your family at each stage of your life and throughout retirement. A simple exercise, such as tracking how much is coming in/out and choosing the percentage of 'net' income you can live off and putting the rest aside, will safeguard against bad spending habits inhibiting your future prosperity.

2



Watch out for the 'tax man'

The high and 'lumpy' nature of club bonuses, image rights and sponsorship contracts can trigger huge tax liabilities. Ensure you are working with an Adviser to structure your income, making use of the available tax allowances for ISAs, pensions and capital gains.

3



Protect yourself and your family

a key consideration for athletes is to protect earnings and from injury and illness. Unfortunately, the risk of injury is extremely high so you should take out the appropriate insurance policies to maintain your family's standard of living and repay any mortgage debts in the event that these unforeseen circumstances arise.

4



Create a goal-based financial plan

A goal-based plan will help you focus on what is important for your future life and help answer questions such as "how much do I need to save or invest to maintain my lifestyle?" and "am I going to run out of money in later life?". Seek out an Adviser who can use cashflow modelling software to future-proof your lifestyle and the legacy you leave behind.

5

Please note that none of the above should constitute financial advice

If you would like to talk about any of the above, please do let us know.



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