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WOMEN, WEALTH & WHAT MATTERS | EPISODE 15

NIL Money: 5 Things Every Student-Athlete and Parent Needs to Know

Your kid just got paid to post on Instagram. Now what?

Before anyone signs anything, or spends anything, here is what every student-athlete and parent needs to understand about NIL money.

1. WHAT IS NIL?

- NIL = Name, Image, Likeness: athletes earn money from their personal brand.
- Deals can include ads, social posts, appearances, merchandise, and clinics.
- Most deals are modest, not millions. Even small ones count, and teach real skills.

2. YES, IT IS TAXABLE

- NIL income, including non-cash items like merchandise, is taxable per the IRS.
- You may owe self-employment tax and need to make estimated quarterly payments.
- NIL income is reported on the FAFSA and may affect financial aid eligibility.

3. DON'T SIGN UNTIL YOU UNDERSTAND IT

- Know exactly what you owe: posts, appearances, exclusivity, and image rights.
- Understand what happens if you transfer, get injured, or want out of the deal.
- Know who is sitting on your side of the table and how they are being paid.

4. HAVE A PLAN BEFORE YOU SPEND IT

- Set taxes aside in a separate account before you do anything else.
- NIL income may qualify as earned income, making a Roth IRA worth considering.
- Ask: How much can I spend while still covering taxes, savings, and my future?

5. BUILD YOUR TEAM

- Start with your school's NIL or compliance office for rules and reporting.
- For a real contract, add an attorney and a CPA who knows NIL.
- Ask any advisor: Are you acting as a fiduciary? How are you being paid?

> ***"The deal may last a semester. The athletic career may last four years. The financial habits can last a lifetime."***

Share this with any student-athlete or sports parent you know. The opportunity is real. So are the stakes.

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