



American
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Financial Planning For Life -Panel Discussion by Steve Hartle (1994)

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Steve Hartle consistently placed among the top producers in New York Life's professional sales force. For several years now he has worked to provide insurance and financial products to meet the retirement needs of ASCA members. Steve is a registered representative for **NYLIFE** Securities Inc.

Hartle: I am with a financial services company called New York Life and I am also a registered representative with NY Life Securities. I would like to thank Coaches Jim Montgomery, Mick Nelson, and Paul Blair for serving on our panel this morning. This panel is going to discuss financial planning.

Where do you think financial planning for life should rank in a coach's financial game plan?

Nelson: I rank it third. My family is first. My personal health and well-being comes second.

Montgomery: For the first 35 years of my life I didn't have any financial plan whatsoever. I then became married with two children in one day and financial planning became very important. Those of us who have had a tendency to give ourselves away and spend more time with other people's children than our own ought to take a healthy look at how we are organizing our time.

Blair: Over the years financial planning has become more important to me. Financial planning should be like CPR, Multimedia First Aid, and Coaches Safety Training – it should be a requirement in order to be a swim coach. Without it you can coach the best athletes, you can help people, you can service teams, kids, families, but if you are not financially secure and sound then in the end it's going to be all for nothing.

Hartle: Do any of you recall any personal experiences or events in your life that caused you to take action with regards to your financial future?

Nelson: In the bathroom, changing the diapers of my first child, I remember thinking I wanted to make sure I was going to be able to send this child to college. I know

this sounds like a TV commercial but all of a sudden I realized that this wasn't going to be our only child and somewhere along the line I had to start

organizing a plan of what was going to happen 20 years down the road. Thanks to planning, last week we just dropped our third child off to his first year of college and I was able to write the check.

Montgomery: Six or eight hours after I met my wife I began to realize that I had been married to my profession and I had no financial career. When I knew I was getting married and was going to instantly have two children; from that point forward I started thinking about a financial security base.

Blair: I was 10 years old. I went to work for my grandfather's drug store and at the same time worked for my father at his car wash. "A clean car rides better" was our motto. I worked seven days a week and I thought that was the way it was supposed to be. From the time I was a young tot on, my grandfather told me how to save money and how to work. I saw him working 50 weeks a year and taking two weeks off with his family. He was a pharmacist and owned his own store. He came in at 8:30 in the morning and finished at 9:00 at night. That experience and influence helped me understand that financial planning was very important. My grandfather was very successful and sent both his children through college and bought them houses and sent 8 of his grandchildren through college and bought them cars and left his inheritance to his grandchildren. I hope that someday I am in that position and I am able to do that for my children

and grandchildren. Unless you have a plan you are not going to make it.

Hartle: Do you have any comments on the government's role in the retirement years, say 5, 10, 15, 20 years from now? Any comments on trends you see?

Blair: There is a lot of speculation as to whether social security is going to be out there and how much money is going to be available. The thing I try to do since I've been at Little Rock is surround myself with people who did things a lot better than I ever thought about doing it.

Recently I was at gentleman's condo in Aspen. He took us out there skiing. I always try to ask him as many questions as I can about government spending and taxes. He made a comment I found interesting. He said, "As a government, if we give nothing away there would be no taxes. We give no money out, we pay no money in." We give a lot away. Some of that is necessary but I think if more people would stand up on their own two feet and figure out how to work, how to invest, how to get an education, and we didn't give so much free stuff away then the middle class would not have to pay as much taxes and we would all be in better shape. Swimming coaches are some of the hardest working people in the world and we need to be rewarded for our effort and our excellence and we can take care of ourselves but it is hard to take care of everybody else. I guess you can see I am not real big on government.

Montgomery: One of the best sources to learn financial planning from the Money section in USA Today. If you read that every day for a year you will have a pretty good sense of what you might be able to look into. It doesn't give you all the answers but it helps you ask the right questions. I agree completely with Coach Blair. I think we have to stand on our own two feet. I am not going to wait for Uncle Sam. It scares me to death having to give responsibility of my own financial well-being and my family's financial well-being up to somebody else. It is absolutely 100 percent up to me as to

what my future is going to be like and what we can afford to do. I know I do not want to end up being a burden to somebody else.

Nelson: I love government, but I also ignore government. To anyone who wasn't in this room a half hour ago at the last presentation, I'm going to out coach you for the rest of your life because you just missed an opportunity to learn about the business of coaching. If you do your business homework and understand the advantages of the sports act of 501 c-3 and a sub-s corporation underneath it for ownership, you can ignore the government and go on about your merry way and set up your own financial security legally.

Hartle: From a personal standpoint coaches, do you know, or can you recall any acquaintances that right now during their retirement might be in a financial bind because of lack of planning.

Blair: I read a statistic recently that 90 percent of the people over 55 don't have more than \$5000 in liquid assets. Advertising in America, TV, and every magazine you read teaches you to do one thing – spend money.

They want you to spend more and more. Credit Cards

have been disastrous for people in America. People get into credit card debt with high interest rates and they can't pay it back. I personally know a number of people in retirement who cannot do a number of things they would really like to do after 40 years of hard work.

Montgomery: The United States has the lowest savings rate in the industrialized western world. We are being bombarded by spending concepts rather than saving and financial planning concepts. We are only as good as the environment we're in and if we're going to get better than our environment then we need a wakeup call.

Nelson: I think the messages we hear on TV play an important part in this. It misleads us on how easy retirement planning is. When Dean Witter says this, or Merrill Lynch says this or EF Hutton says this – people believe it, but it's not that easy. I know a lot of people who believed what they heard on TV and messed up their retirement. Our main problem is that we do not get ourselves educated.

Hartle: That's it for my questions. I'd like to open it up to any questions from the audience.

Question: I'm a high school coach and I do not earn very much money for coaching. Is there a way for coaches to get together in some way to, and I don't want to use the word "unionize", but to be in a position to demand more money for what we do?

Blair: Swimming coaches, financially, are one of the most underappreciated groups in America. We provide a tremendous service to young people and to families. We play a role in the development of the child. We get laughed at and spit on, we are chewed up one side and down the other and unless we

make opportunities for ourselves then it is pretty tough to get ahead financially.

I knew that when I was swimming in college that someday I was going to be a swimming coach. I also knew that I was going to teach school because I love working with young people. But at the same time I knew I didn't want to live on a school teacher's or swimming coach's salary. I was always convinced you could do what you want in aquatics and at the same time make money. Over the years I have sold Amway, Neolife, burglar alarms – if there was something out there to do, I went out after it and tried to do it. Finally I came back to doing what I am best at doing and that is involved with swimming. Over the years I have tried to figure out ways through aquatics I could make a good living and at the same time coach and give of myself.

Nelson: I don't like unions or the term unions. I think I can do it for myself. I think we need to be more self-confident and creative in the way that we **present ourselves** to the American public.

About coaches being underpaid, here's how I look at it.

The average fireman's entry level salary in our town is

\$38,500. The average doctor in own town makes

\$500,000. I save more lives than either one of those people. I save thousands of lives each year. I sell that in our **community. I am a professional and we are starting to charge fees that are commensurate with that concept and**

people are buying into it once we have educated them. It's not going to be a union that does it for us, it's going to be us that does it .

Question: Many coaches move frequently from job to **job and it is hard to use real estate as a means of investment**. What do you recommend?

Hartle: There are a number of tax advantage plans that you can contribute to on a regular basis. Each person has a unique situation so it would be better to speak with you individually to go over specific plans. In general, a simple IRA is one way to go.

Question: I'm a young coach, married, and have a baby girl. I started a swim school which has done very well. I **also work for a swim team. I Jove to coach but my swim** school is more profitable. There is a possibility that I can **take over and own the team. I am wondering if anyone** has advice as to whether I should pursue the swim school exclusively or try to own the team as well?

Montgomery: You have diverse investments. You have established a swim school, that was smart. Don't let go of it. You have a swim club operation, hold on to that. **Take one more step and invest what you can in a tax. free annuity.**

Nelson: Search out people and programs that give you more for your dollar than anyone else. For example, as a **young coach with a family you need life**

insurance. Get the most investment power life insurance because you are in it for the long term. There are plans out there for health insurance where you can recover a portion of your premiums upon retirement.

Blair: Go for it. If you own your team there are liabilities **but there are also assets. I wouldn't have it any other way. I am a sub-s chapter. There are so many tax** benefits that I have by owning the corporation. My corporation **has the concession for swimming at our club. I run and operate the swim team. I have a swim school. I**

have set up a 501 c-3 with the swim team which is a **non- profit tax exempt. I get a percentage of all the money that is brought in there. I have an aquatic sales** division. Recently I started the Aquatic Therapy division. **There are lots of different ways to bring money in the door. What you have to do as a coach is figure how much time you want to coach and how great of a coach** you want to be. If you want to have great elite swimming in this country then maybe it is best if you get to a university where you can coach and be compensated for your time and get involved in camps and make a good living. If you want to run you own team they you can do that. **Mick Nelson has been very successful owning his** own team but he does much more than that. He does other things to bring dollars in through the door.

To me it is what you want to accomplish, what you want to do, what role you want to play – and there are choices you have to make. It is tough to be wealthy and be an **elite swimming coach.**

Question: [Not completely audible – has to do with “what is the balance of energy a young coach should put **into earning/investing money and coaching because greater coaching doesn’t necessarily mean more** money?]

Blair: I learned some things from Sam Freas. When I was in Wheeling, West Virginia, coaching my tail off **for nickels and dimes, he was telling me how he was giving private lessons and running clinics and camps** and making all kinds of money. At the time I thought, “How can you charge these people to do that?” What I learned is that people want your services and people **want to pay you for your excellence. Too many swimming coaches think of themselves as swimming coaches** instead of business people and providers of services and **opportunities. The service that you provide as a swimming coach is not any different than a doctor or an attorney or a dentist or any other professional. How good you are will dictate how much you are going to be compensated.**

Question: [Not completely audible – has to do with “**when you budget for your team you are only going to** have so much money for your staff. How do you figure what you are worth compared to your staff?]

Blair: It depends on how much you are willing to do. In **our program I enjoy coaching and teaching and that is** what I have decided to do. I have hired other people to **do the service of administration. But you can be creative there. In our situation, we have a guy who works for the pool, works for the parents group, and works for me so**

he makes a pretty good salary. If you cannot do it yourself, you have to hire somebody to do it for you.

From the first day you start working have a financial

plan. Save more money than you spend.

Nelson: Learn to work with a budget. If you want to be **in competitive swimming and think that it is going to** pay your way you need to go work for a university. If **you are going to be an individual the best you can hope for is for in competitive swimming is to stay afloat and break even. You have to get the surrounding sister businesses that are in aquatics and become involved in them also. Run a full service program.**

Montgomery: I learned this the hard way: You don't pay the rest of your staff first then decide what you're worth. Pay yourself first. Then see what you can afford to pay somebody else. If you can't work that many hours then **you have to decide what you are going to pay someone else. Nobody else is going to pay you first but you.**

Question: What financial planning programs are available through ASCA?

Hartle: Programs are offered through NYLife and NYLife Securities and approved by ASCA to present to **ASCA members. We have annuity programs, mutual** funds, life insurance, and a number of different vehicles. Please call me to discuss these. My phone number is 1 – 800-725-0298.