Why families stretch their budgets for high-priced youth sports

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(Photo: Handout)

Judy Carter Davis and her husband, Dwight, recently got back from a trip to Scotland — the "Home of Golf" — with its tourist must-sees like Edinburgh and the Old Course in St. Andrews.

But the couple didn't travel 4,508 miles in late May to go sightseeing. They crossed the Atlantic and spent $4,800 over 10 days to watch their son Ian, who turned 14 last month, compete in the U.S. Kids Golf European Championship 2017 at the Royal Musselburgh Golf Club. He finished tied for 32nd place in the 13-year-old group.

When it comes to Ian's golf, the Davis family is all in, and they aren't just traveling to Scotland, or dropping thousands for one tournament. Since Ian played his first golf tournament at age 7, the couple's financial commitment to his athletic development has been sizable.

"Well in the six figures," Dwight Davis, 53, estimates. To reduce strain on their budget, the family "had to make sacrifices," such as not "going on as many vacations" and saving a "little less in 401(k)" retirement accounts, says Davis, who is a vice president for a global information and communications technology company.

The couple recently sold their Dallas home and moved to Orlando, Fla., so Ian could hone his skills at Bishops Gate Golf Academy, where annual tuition, including academics at Montverde Academy, costs $60,000.

The goal: an athletic scholarship and good education for Ian. Playing pro on the PGA Tour one day, Dwight Davis adds, would be a "bonus."

Welcome to the expensive world of elite youth sports. Annual spending for club travel-team tuition, personal trainers, top-of-the-line equipment, showcase tournaments and outlays for gas, airfares, hotels and food on the road runs into the thousands of dollars.

Nearly 20% of U.S. families spend more than $12,000 a year, or $1,000 per month, on youth sports, per child, according to a TD Ameritrade survey of parents between 30 and 60 years old with $25,000 in investable assets with kids currently playing youth sports or ones that did. That's in line with the median mortgage payment of $1,030 that Americans make monthly, according to the U.S. Census Bureau.

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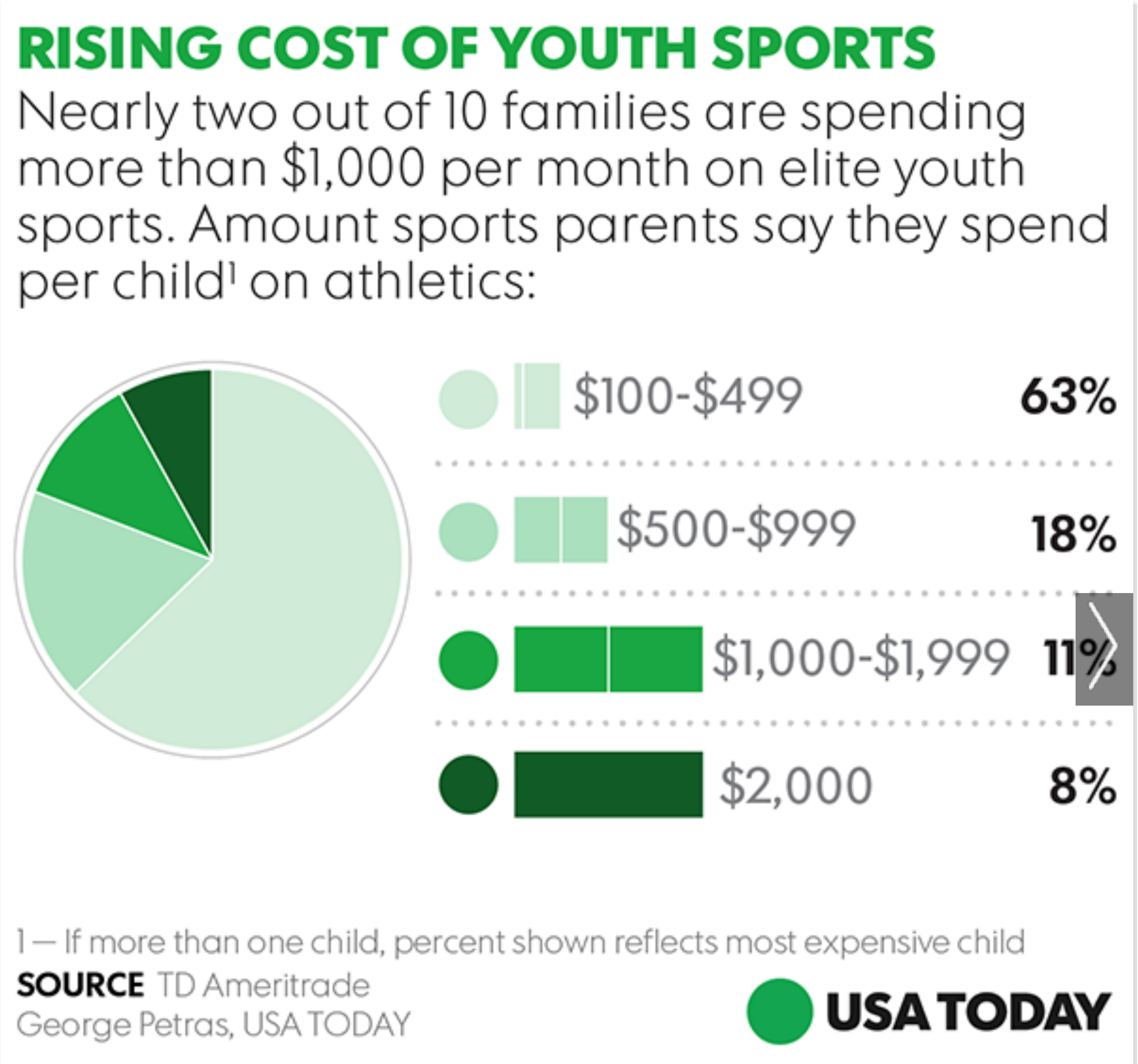
Most American families (63%) spend anywhere from $100 to $499 per child each month on youth sports, TD Ameritrade found. Another 18% fork over $500 to $999 monthly. Roughly one in 10 (11%) spend $1,000 to $1,999. On the high end, 8% said they spend $2,000 per month or more, or $24,000-plus per year.

All that spending on sports crimps other parts of their lives, the survey found, with 55% saying they “cut back on entertainment,” 40% saying they “take fewer vacations,” and 23% admitting they have “cutback on money set aside for retirement.”

There’s nothing wrong with helping your son or daughter realize their sports dreams, learn useful life lessons, get fit and stay out of trouble, personal financial experts interviewed by USA TODAY say.



But it shouldn’t come at the expense of your own retirement account or other family funding needs, says Mike Trombley, a former ballplayer at Duke University who went on to pitch 11 pros seasons for the Minnesota Twins and who now runs Trombley Associates, an investment and retirement planning firm in Wilbraham, Mass.

“We all love our kids,” Trombley says. “But you’ve got to put yourself and your retirement first.”

But that’s often not the case, the TD Ameritrade survey found. One in three parents (33%) say they “do not contribute regularly to a retirement account” due to sports-related expenses. Forty percent say they don’t have an emergency fund. And 60% say they worry that paying for sports “may impact their ability to save for retirement.”

Most sports parents, even those with the best of intentions, have their financial priorities backwards, Trombley says.

His advice: Fund your 401(k) account first and take advantage of your company’s matching contribution. Saving for college tuition comes next. Stash some cash for emergencies, too. Funding youth sports should come last.

At that point, Trombley says, the family needs to demonstrate financial discipline and say, “This is what we can afford.” Or honestly answer the question, “My annual nut for sports is $10,000; is that doable?”

To minimize costs and avoid breaking the family budget, experts recommend paring back on weekend tournaments, playing for local teams rather than travel teams, not going overboard with private lessons and high-end equipment -- and most important, being realistic about your child's athletic future.

The increased spending on elite youth sports, which is often referred to as an “arms race,” is driven in part by the fact that 67% of parents have hopes that their investment will pay off in an athletic scholarship, and 34% who think their child-athlete will go to the Olympics or turn pro, according to the TD Ameritrade survey.

Parents' expectations about how far their child can go are too high given statistics that show how few high school athletes end up playing sports in college, and how even fewer go on to play in the Olympics or the NFL, NBA or NHL, says Trombley.

“There are a million reasons why sports won’t work out,” says Trombley. “You have to be realistic.”

The odds of playing Division I sports in college are long. Take men’s basketball. Of the 546,000-plus kids playing in high school in 2015-2016, only 18,684 played NCAA college basketball and only 1% of those players, or roughly 187 kids, went on to play DI, NCAA data show. The odds of playing men’s DI are also slim in other major sports. Only 2.6% of football players, 2% of golfers and 4.6% of hockey players made the jump from high school to DI. The statistics are similar for women athletes.

Getting to the pros is an even an longer shot. The probability of a college player going pro is 1.1% in basketball, 1.5% in football and 5.6% in ice hockey, NCAA data show.

Even the rare parents like Neil and Lorraine Shea -- a hockey-crazed family from Marshfield, Mass., who have three hockey-playing sons who got college scholarships – couldn’t avoid the financial pinch of a nomadic life going from rink to rink.

“We lived paycheck to paycheck so they could play hockey,” says Neil Shea, 54, an ex-hockey player at Boston College and current part-time scout for the NHL’s Colorado Avalanche.

“For 10 years," he says, "it was just hockey madness in my house. On some weekends, we were dropping $300 to $400 bucks on gas alone.”

The high cost of hockey, where high-end skates now cost upwards of $1,000 and composite sticks sell for $280, forced the Shea family to drive the same Toyota Sequoia SUV for 14 years and well over 200,000 miles.

“We got rid of it this past winter; it was ready to fall apart,” says the hockey dad who works for the utility company Eversource and was able to defray some of the costs of travel hockey by coaching his sons’ youth teams, which earned him a discount. Home repairs were also "put on the backburner" and his suits and work shoes got extra miles, too, he adds.

One son, Patrick, 20, currently plays DI hockey for the University of Maine and was a seventh-round pick of the Florida Panthers in the 2015 NHL Draft. His youngest son, Neil, recently committed to play DI hockey for Northeastern. And his oldest son, Brandon, is at Curry College after a serious injury shortened his hockey career.

“Between the three of them, I was fortunate to save a ton of money I didn't have on tuition,” Shea says.

But Shea says he’s been “fortunate” to have things work out, because in his role as a pro scout and a coach at the youth hockey level, he has seen many families overspend in an attempt to help realize their sons' dreams of playing in the NHL.

“Unfortunately, it doesn’t usually play out that way,” Shea says, adding that he has known families who have taken out second mortgages on their homes to help pay for sports.

Personal finance pros say more often than not, investing in sports does not reap a financial return.

Travis Dorsch, a former place kicker at Purdue University and ex-NFL pro with the Cincinnati Bengals who is the founding director of the Families in Sports Lab at Utah State University, says the trend is for families to spend more of their gross income on sports. He says an investment in your kids’ sports career is much different than buying a stock or mutual fund, and expecting it to rise in value.

“For most families there is no return on their sports investment,” Dorsch says.

Judy Carter Davis, 52, is 100% behind the investment in her son’s golf career, but is still keenly aware that the family’s dreams for their son are akin to a risky investment.

“It’s like putting all your money into one stock on Wall Street, and not knowing if your investment will be successful,” she says.

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