

# In Pro Athletes' Finances, A Defensive Line Pays

## Personal Business

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By PAUL SULLIVAN

**P**ROFESSIONAL athletes have a horrible reputation for managing their money. It may be apocryphal, but one commonly cited statistic is that three-quarters of players in the National Football League have serious financial problems within two years of leaving the game.

But the reality is that most professional players do not get huge paychecks. Even among those who do, the savviest ones are not buying Bentleys and mansions for their families. They are renting apartments and driving modest cars, looking at the long term instead of the immediate. And given the uncertainty surrounding the 2011 season as labor talks continue, this is true now more than ever.

That is the case with Paul Posluszny, a linebacker who four years ago was a second-round draft pick in the National Football League and signed a four-year contract for \$4.75 million with the Buffalo Bills. Of that, about \$2.5 million was guaranteed; the rest was in performance incentives.

Still, with a \$1 million signing bonus and a first-year salary of \$285,000, it is fair to say that he was doing better than most of his classmates at Pennsylvania State who were entering the job market.

Yet Mr. Posluszny, the son of a teacher and a mechanic, said he was well aware of the financial problems that a rush of wealth had caused many professional athletes. And he did not want to be among them.

"I knew I wanted to be in something safe and secure," he said. "A long career isn't guaranteed. I wanted to have this money for life."

Instead of trying to manage his money on his own — or worse, turn to a friend or family member — he found someone independent who could advise him and steered away from the people who promised him sky-high returns or asked him to invest in their schemes.

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"I'd hear, 'I've got a great idea for a bar or a car dealership,'" he said. "I knew they sounded too good to be true."

Today, he lives in a modest townhouse in Buffalo, but does not own a car. Instead, he drives a Nissan Armada, which he gets to use in exchange for signing autographs and doing promotions at a local car dealership.

But many professional players "make a lot of money and save none of it," said Ron Carson, the founder of the Carson Wealth Management Group, who advises Mr. Posluszny and several other football players. "The athletes we work with understand that things can change quickly. This is irreplaceable capital."

The players who are the most successful at managing what Dana Hammonds, director of player services and development at the N.F.L. Players Association, called "sudden money" assume the worst. They budget, save and invest carefully — and that is something they can teach the rest of us.

**WHOM TO TRUST?** In his first few seasons as an offensive lineman with the Arizona Cardinals, Chris Dishman said he struggled with money. "The majority of players make a lot of mistakes in their first few years, and I was no different," he said.

Mr. Dishman played eight years in the N.F.L., making \$750,000 a year by the time he retired in 2004. But his first financial adviser put him heavily into technology stocks in the late 1990s and he lost money when those stocks collapsed in 2000. His finances have recovered, he said, and his plan now is to use his N.F.L. savings as a nest egg while working as a corrections officer in Lincoln, Neb.

As far as financial horror stories go, Mr. Dishman got off easy. In 2001, the N.F.L. Players Association created a program to evaluate financial advisers and help players get better advice. Ms. Hammonds said the 400 advisers and accountants now in the program needed to have clean regulatory records, a minimum of five years of experience and a degree from an accredited university.

"The players wanted to have a secure place to obtain access to financial advice," she said.

Some teams realized the importance of this sooner than others. Joe Bailey, the managing partner of Heidrick &

Struggles's global sports leadership advisory group, worked in the N.F.L. for 29 years — 19 of those with the Dallas Cowboys in the 1970s and '80s. "When I negotiated contracts with a player, I'd put in a clause where we'd pay for a financial adviser," he said. "We gave them a list of 10 advisers that we had vetted. Candidly, it worked quite well for the players."

At the time, Mr. Bailey considered this a competitive advantage for the Cowboys. "We had a vested interest in our players' success," he said. "We knew what happened off the field affected what happened on the field."

But Ms. Hammonds said the most recent survey of the financial adviser program showed that only 50 percent of players were participating.

**SAFETY PLAYS** N.F.L. players are often compared with lottery winners — coming into a vast sum of money all at once — but the ones with the best financial sense are more like small-business owners. Entrepreneurs who build a company over decades know that they probably cannot make that money all over again.

That was how Adam Carriker, a defensive end for the Washington Redskins, said he felt in 2007 when he received a five-year, \$14.5 million contract, \$9.5 million of it guaranteed.

"My biggest fear is that I lost a whole lot of money and couldn't play and couldn't make it back," Mr. Carriker said. "Obviously, you want it to grow, but it's better for it to grow at a slow amount. Defense wins championships."

He said from the start that he wanted that first contract to be managed so that he and his family would not have to worry, and his adviser agreed. "We don't need to take a lot of unnecessary risk," said Phil McBride, Mr. Carriker's wealth adviser at the Carson Wealth Management Group. "We want to protect the downside."

**KING OR PRINCE?** Unlike many highly paid people, N.F.L. players cannot count on earning their high salaries for long. The average player is in the N.F.L. for about three years, though most players hope to last 10 years.

"A lot of players think the money is going to come in forever," Mr. Carriker said. "The best line I've heard is, 'Don't live like a king for a little bit; live like a prince forever.'"

Matt Slauson, the starting left guard for the New York Jets last season, has already scaled back. He said he feared that next season could be canceled, depending on how and when negotiations between players and team owners are resolved, and that influenced his wedding plans.

"I didn't feel comfortable having this grand wedding, which would have been great," he said. "I'm constantly working with my budgets. I know that this week could be my last week in the N.F.L., and then I won't have any more checks coming in."

While he has a four-year, \$1.8 million contract, he still has to make the team each season because his contract is not guaranteed. That is why he, his wife and their baby are living with his parents while he waits to see what will happen next year.

It may seem absurd for a person who made \$390,000 last year, as Mr. Slauson did, to move back home. But it reflects a sense that the good times may not go on forever. He said his primary financial goal was to be able to buy a house, and this would help him save for it.

"Going from not having money to having money is easy," said Steve Piascik, president of Piascik & Associates, an accounting firm and registered adviser with the N.F.L. Players Association. "Going from having money to not having money is devastating."

Mr. Piascik said he made sure that his clients asked for business plans from everyone who wanted them to invest money — even family members. "If you have no experience in a restaurant, it's going to fail," he said.



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Paul Posluszny, a linebacker, said he did not want to be among the professional athletes whose wealth created financial problems. "A long career isn't guaranteed. I wanted to have this money for life," he said.