

3 Reasons Professional Athletes Should Hire a Financial Advisor

In this age of technology, the value of working with a financial advisor is even greater



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Ian is a Financial Advisor in the Pittsburgh, Pennsylvania office of HBKS® Wealth Advisors. He previously interned in HBK's Erie office following working as a financial advisor at Merrill Lynch in 2012. As a financial advisor, he will continue to serve the clients he has worked with in recent years as well as assist with the firm's existing clients. Among his clients he counts several fellow professional football players and plans to focus much of his effort in Pittsburgh on players and others he has met through football.

Upon earning an accounting degree from Mercyhurst University in 2012, Mr. Wild signed with the Buffalo Bills, then played with Winnipeg in 2013 and 2014 before signing with the Steelers in 2015. On August 22, 2014, he set a Winnipeg franchise record with 14 tackles against the Montreal Alouettes. In 2017, Mr. Wild will play June through November with the Blue Bombers and return to full-time with HBKS in December.

As a professional athlete, I am beyond blessed to be able to play the game I love and get paid for it. It is almost every kid's dream to play in the pros, and, when you make it there, it never ceases being a dream come true. Sure, there are days when it's tough, like hobbling to a 7:00 a.m. workout. Still, all in all, the lifestyle is everything you imagined it to be.

As a "journeyman" between the NFL and CFL and the "real world" as a financial advisor, I have been afforded a unique perspective regarding the financial challenges facing professional athletes today. As it is for other professionals and business people, those challenges are best faced with the help of a knowledgeable, experienced, credentialed advisor. I've identified three key reasons why you as a pro athlete should partner with someone throughout your career in order to maximize the opportunity you have in front of you.

1. Building Good Financial Habits

One of the biggest financial advantages of playing professional sports is the amount of money you earn at a young age. Most players find themselves in a major transition: from college where they were living on refund/housing checks to banking a signing bonus of a couple hundred thousand dollars. Most pro football players don't come from a prosperous upbringing. They haven't been exposed to that type of wealth and don't have anyone to help them manage it.

It is important for athletes – any college grad for that matter – to develop good financial habits early. Learning the differences between necessity and luxury, how to use a credit card properly, the advantages and disadvantages of leasing and owning vehicles and houses, how to manage debt, and how to invest – the list goes on – is not easy or intuitive. There are lots of apps, blogs, and books that offer help, but in my opinion, nothing can replace human interaction when it comes to developing the foundation for a solid financial future.

In this age of technology, where "doing it yourself" is getting easier, the value of a financial advisor is even greater. As you are an expert on your field, we are experts in ours – managing not just investments, insurance, and taxes, but behavior. Just as you use a trainer to hold you accountable and maximize your athletic skills, a financial advisor will hold you accountable for such things as saving for your children's educations and your retirement, and maximizing the passive earning opportunity that comes with large amounts of money.

Proper wealth management can set you up to live well during your playing career, post career and retirement, and to take care of your children as well.

2. Opportunity of a Lifetime

The concentrated rate at which an athlete gets paid is unmatched. An entire year's salary (NFL minimum is \$450,000), is paid out per game over four months, in excess, minimally, of \$100,000 per month. It takes most people years, decades, even lifetimes to earn that much money. However, the average career length in the NFL is just 3.4 years; nor are contracts guaranteed (unlike the MLB and NBA). The opportunity that NFL players have if they are able to live responsibly and invest an appropriate amount of their money, is that their wealth can be sufficient to sustain them throughout their life. Partnering with a specialist, such as a Certified Financial Planner®, you can create a plan to grow your savings throughout your life. Proper wealth management can set you up to live well during your playing career, post career and retirement, and to take care of your children as well.

3. Life after Sports

The transition from getting paid to play a game you love to anything else is tough. Almost every pro athlete experiences employment instability during their career, and all share the inevitable reality that their careers will end when they are still young. It's hard to put everything you have physically and mentally into playing your sport, and still consider life after your playing days. Very few athletes can plan their exit – unlike Peyton Manning, who was able to win a Super Bowl in the final game of an illustrious career. Many are caught off guard or injured and are forced out of their game and into the next chapter of their lives.

As a pro athlete, you have to save not only for a traditional retirement at age 65, but for the transition period between the end of your pro sports career and retirement. Whether your next chapter is coaching, broadcasting or an unrelated field, it is important to understand that although you could have some reputational value – which diminishes over time – you almost always will be paid a lot less than in your playing days. A financial advisor can provide critical support, helping you develop a strategy to supplement your income.

In conclusion, there are countless ways a financial advisor can be of great value to a professional athlete. As someone who both works in finance and plays football, I am fortunate to have learned how, not only for myself but for my friends in the game, to enjoy, during our sports careers and after, a life like no other. □

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