

Retire Like a Pro

A Guide to Staying Wealthy Post-Career

By Brent Meyer

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Introduction

Are you wondering about how to stay wealthy once your career is over? Career spans can greatly vary in the NBA and other sports organizations. During their playing days, athletes can accumulate great wealth. But that's money they earn on average over just a few years. Money which is intended to last for the rest of their lifespan.

Everyone deserves to be secure. Preparing a customized plan will let you stay wealthy not only now, but for the rest of your lifetime. For professional athletes, a personalized trust and estate will help preserve hard-won earnings. Of course, it is also important to select the right advisor to work with, as well as the right solutions for your needs and goals. That's why we put together this guide – to help you become more educated about what's available and to enable you to make informed decisions about your future.

If you ever have any questions, don't hesitate to contact us at (800) 790-7791 and reference NBA RETIREMENT. It is my hope that by reading this guide, you are equipped with knowledge that will help you make the right decisions for you.

Brent Meyer



Founder



Endorsements

NBARetirement.com has teamed up with retired professional athletes to provide real-life insights into athletes' financial opportunities and challenges. These all-stars share their own experiences and advice on how to stay wealthy.



We're honored to have been endorsed as an educational resource for athletes' financial needs by these figureheads, including:

- [Anthony Avent](#)
- [Dr. John Carlos](#)
- [Terry Dehere](#)
- [Tim Perry](#)
- [Jerry Walker](#)
- [Luther Wright](#)



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- CNBC
- MSNBC
- ESPN
- USA Network
- CNN
- Fox Business
- MarketWatch
- Reuters

Table of Contents

- Why Plan for the Future?
- Common Financial Pitfalls
- Create a Financial Roadmap
- Estate Planning
- Trusts
- Selecting a Trustworthy Advisor
- Where to Get the Best Financial Advice
- Closing
- About the Author
- Resources

Why Plan for the Future?

Professional athletes have the opportunity to build up significant wealth. You offer a unique skill set in the highly competitive, ever-changing market of professional sports. In turn, athletes receive large annual earnings for providing their services.

But here's the catch. The timeframe someone has for receiving these large paychecks can greatly vary. On average, the typical career span for a professional athlete tends to be quite short. Consider this in context according to 2013 data from Mint.com:

- The average career span in the NBA was 4.8 years
- For the NFL, it was 3.5 years
- In MLB, the average career span was just 5.6 years

Once they retire from their respective sport, unfortunately many athletes fall from stardom into financial troubles. The data from Mint.com and a 2009 Sports Illustrated Article by Pablo S. Torres say:

- Within 5 years of retirement, 60% of former NBA athletes go broke
- 78% of retired NFL players go broke within 5 years of retirement
- MLB players file for bankruptcy 400% more often than the average U.S. citizen

Without a financial plan and proper measures in place, many retired athletes fall into financial trouble or even worse, bankruptcy. All in all, what would be more appealing: spending away and running out of your hard-earned money before you even reach retirement age (60-65 years old)? Or putting your money into solid financial vehicles and making it work for you – giving a safe, healthy income source for years to come?

“Get [your finances in order]. You never know when the sun might fall out of the sky and hit you on the head. No one is guaranteed the next day. So you have to prepare yourself for what God gives you. If you should leave here, you need to have those whom you love protected by the things you did in your life.”

- Dr. John Carlos, 1968 Olympian and Bronze Medalist

Why Plan for the Future? (Continued)



Source: APF/Getty Images

There are a number of factors which can unexpectedly, and in some cases quickly, end a professional career. In just the NBA, injuries are a real possibility. Hundreds of hours of playing, practicing, and perfecting one's game take a toll on the body. In a study done by Deitch (orthopedic), Moseley (M.D.), Starkey (PhD), and Walters (PT) of 702 NBA athletes, 65% of injuries were in the players' lower extremities like the ankles. These injuries can put a damper on a player's performance, leading to long recovery periods on the sidelines.

In the 2013-2014 season, Kobe Bryant played in only six games due to a severe injury. In fact, many of the players on the Los Angeles Lakers sustained injuries. It affected the team's performance to the point where the team finished 27-55, the first time the Lakers had missed going to the playoffs since the 2004-2005 season. Another source provided insights into injuries in the NBA. One study headed up by Podlog (PhD) found that NBA injury rates had increased between 1985 and 2005.

Why Plan for the Future? (Continued)

There are no Guarantees

These trends aren't provided to indicate they are sure career-killers. Nor are they intended to be representative of what an athlete's career might be like. Rather, it is just a sign of how uncertain the world of professional sports can be. Nothing lasts forever, and the future is anything but certain.

Upon retirement in 2010, Allen Iverson had earned \$154 million over a 15-season career. He was set for life. But in 2012 – just two short years later – he was in financial turmoil. At that point, Iverson told a judge his monthly expenses were \$360,000 per month – or \$4.3 million in expenses a year! As a result, his homes went into foreclosure and Iverson was required to pay outstanding obligations.

Over your career, you can earn great money. That money is intended to last for the rest of your lifetime. No matter what your age or your amount of wealth is, there's no other way to put it: Staying wealthy for life means you need to take the proper steps now.

Common Financial Pitfalls

For professional athletes, it is easy to think of retirement as beginning when you turn 60-65 years of age. However, a better approach is to see it as when a professional athlete has retired from their sport. Once the playing days are over, a new stage of life begins.

“Don't be foolish with your spending. Try to save some money. Save as much as you can for as long as you can. Hire an accountant and a lawyer to handle your finances. Set yourself up. Place yourself on a serious budget. Don't waste your money. Don't go to the clubs or do any of that dumb stuff. Put your money away. Look for ways to grow your money in investments, annuities, life insurance policies, or things like that.”

- Luther Wright, Retired NBA Athlete and 1993 NBA First-Round Draft Pick, Utah Jazz

Common Financial Pitfalls (Continued)

When an athlete has finished their professional sports career, there are many pitfalls which can lead to financial distress. Here are some of the more common pitfalls which unfortunately have impacted many athletes' fortunes:

- Limited time period for accumulating wealth – the average career is short
- Bad investment choices
- Overspending or no restraints on personal expenses
- Limited financial experience and knowledge
- Falling victim to fraud or bad money management
- Heavy tax liabilities
- Outstanding debts and liabilities
- **Divorce**

These pitfalls aren't limited to just the post-career period, either. There are many factors which affect your income during a career. For instance, according to Mint.com the average yearly NBA salary in 2013 was \$5.5 million. Say a professional athlete earned \$5 million in salary for one year.

By the time you finished paying your agent fees, management fees, and taxes, you would likely be left with just \$2 million! That's just 40% of what that athlete earned originally for the year. Let's consider other exterior factors as well.

In regard to investment choices: statistics show only 1 in 30 private investment deals (or 3.3%) work out the way they were pitched. Bad investment choices during a career or in retirement can dramatically impact an athlete's financial holdings. Likewise, active and retired professional athletes can be subject to fraud or bad money management alike. In one case, the NFL Players Association reported between 1999 and 2002, 78 NFL athletes lost at least \$42 million to fraud or poor money management.

Create a Financial Roadmap



Source: Keith Ellison, Flickr

Despite his troubles, fortunately Iverson still has strong reserves. Thanks to deals with Reebok, he accumulated funds of \$32 million. This money is safely stored inside an annuity account. Iverson is unable to touch it until he's 55 years old.

But in the meantime, it pays out \$1 million in income per year. Plus the funds are sheltered from taxes, have their principal (the original amount put into the account) protected, and have a reasonable growth rate over time.

What's the Takeaway?

Iverson's story shows the importance of having the right outlook on your finances. It is not just a matter of meeting your needs and goals in the immediate future. Rather, an effective plan will account for your requirements and objectives for many years ahead as well as where you're at in the present. It is a matter of creating a long-term plan for helping you stay wealthy for life.

Interested in putting together a financial roadmap for your needs? Call us at (800) 790-7791 and reference NBA RETIREMENT to get started.

Create a Financial Roadmap (Continued)

Professional athletes accumulate wealth in a shorter time frame and often at a much younger age than most people. Athletes need this money to last for a very long time – namely the rest of their life.

Specifically, trusts and estate plans are ideal solutions for athletes' unique financial requirements. They are effective means for not only keeping financial assets protected. It will also help greatly in creating an efficient transfer of wealth to loved ones or friends once someone has passed away. An estate plan is a dependable solution in the case of any unexpected events affecting an athlete's assets.

What are Trusts and Estate Plans?

According to BusinessDictionary.com, here are some solid working definitions for a trust and an estate:

Trust – A “legal entity created by someone (a trustor) through which a second party (the trustee) holds the right to manage the trustor's assets or property for the benefit of a third party (the beneficiary).”

Estate -- A “taxable entity that comes about after someone's death. [This] includes all of his or her assets (property and personal effects). [It] remains in existence until the assets are distributed to his or her heirs, beneficiaries, and/or claimants.”

Having covered these details, let's move onto the specific details and benefits of each of these solutions.

“Invest in your future financially... No matter how you look at it, the average guy is going to leave their sport in their early thirties. So you need to plan how to create income for yourself, and there's only one way you can do that. Find a good annuity plan [and the other right investments] for your needs... I would tell any young person who has a certain net-worth – I don't care if it's \$100,000 in their own home – to create a trust and a will. You can always adjust it over time.”

- Anthony Avent, Retired NBA Athlete and 1991 NBA Draft First-Round Pick, Atlanta Hawks

Estate Planning



Source: Darryl Dawkins Image provided with "Darryl Dawkins Breaks Two Backboards in One Season," Elise Bryers, NBA.com

In recent headlines, it was reported basketball legends Darryl Dawkins and Moses Malone had unexpectedly passed away. Dawkins was known as a superb slam dunk artist, delighting fans as the NBA's "Chocolate Thunder." As "Chairman of the Boards," Malone led the NBA in rebounds for six seasons, for which he was named three-time MVP and Pro Basketball Hall of Famer.

Dawkins was just 58 years old, and Malone was only 60 years of age. Their abrupt deaths show the importance of being prepared ahead of time. An estate plan allows for an athlete to detail how they would like their estate, or asset holdings, to be distributed to family, friends, and loved ones. It also provides a blueprint for keeping assets preserved upon one's death. Estate plans may consist of a last will and testament, or various forms of trusts.

Last Testament and Wills

Once a person is deceased, a last will and testament provides legal guidance on how an estate will be distributed. Without this setup, legal conflicts may arise among potential beneficiaries, which can delay the process and lead to unnecessary, drawn-out costs. In short, it provides a stable, efficient means of wealth transfer from a deceased person to their beneficiaries.

Trusts

Like a last will and testament, a trust is a vehicle by which an athlete can distribute their estate to beneficiaries upon passing away. It may also be a means of financial management during an athlete's lifetime. For the purpose of keeping assets safe, the athlete can designate a trustee, or a second party, to oversee their finances.

Under this model, the trustee protects the athlete's finances from fraudsters or other people with less-than-beneficial intentions. It is also a means by which an athlete maintains a long-term plan of financial wellness. A trustee can assist an athlete in this regard by investing their funds, and in turn the athlete can be designated as a co-trustee to take part in these decisions.

In a trust, oftentimes athletes put their money into a financial vehicle such as an annuity, life insurance policy, or other similar guaranteed-income solution. In general, other benefits of selecting the right trust include:

- Providing lifetime income benefits
- Keeping your wealth safe from lawsuits
- Helping ensure financial security for life
- Lowering estate tax liability
- Giving you lifetime access to your principal
- Keeping transfers of wealth anonymous
- And more

According to a survey by Rothstein Kass, in 2008 85% of athletes reported not having a plan in place to protect their assets. Asset protection is something that shouldn't be left to chance whether someone is living or passed away.

Want to stay financially secure? Both of these options are effective options no matter what age you're at in life. We strongly encourage professional athletes to consider them.

Our team has put together a solution for making trust planning a seamless, efficient process. To learn more, please call us at (800) 790-7791 and reference NBA RETIREMENT.

Selecting a Trustworthy Advisor



Source: Josh Hahn, Go-Grafix.com

Professional athletes have strong opportunities to be high net-worth individuals. In 2013, the average lifetime earnings for an athlete in the NBA were \$26.4 million. Likewise, it was \$6.5 million in the NFL and \$19.3 million for MLB players.

Unfortunately, this puts professional athletes at risk. Fraudsters may attempt to garner some of an athlete's hard-won money for themselves. Or people with inferior money management skills offer to handle an athlete's finances for them. It underscores the importance of choosing the right advisor for your financial needs and objectives – both for the short term and in the years ahead.

Factors to Consider

Are you unsure about ways to determine whether a financial professional may be the right choice for you? Here are some ways of gauging someone's qualifications, knowledge base, and business conduct:

- **Ask them about financial topics or investment strategies which you're uncomfortable with.**

Selecting a Trustworthy Advisor (Continued)

As a potential client, you have the power to decide whomever you'll invest with. Don't be afraid to ask an advisor about financial topics or strategies about which you aren't knowledgeable. The advisor should be able to answer any inquiries with terms that are clear and easy-to-understand. Likewise, a trustworthy financial professional will be open to giving time for you to become comfortable before making a decision. You shouldn't have to be pressured into making decisions with which you aren't comfortable.

- **Exercise caution in making decisions.**

Professional athletes work hard at staying at the top of their game. On the court, active involvement demands risks. It is important to weigh the risks and benefits of any investment option before making a commitment. After all, such decisions will have a great impact on your financial future.

Financial decision-making shouldn't be done lightly – rather, it should be through the lens of a long-term outlook. Your assets are important. Is a particular investment option an ideal vehicle for serving your needs for a lifetime? Again, don't refrain from asking the advisor about anything which is unclear. They are there to be a source of information as well as a financial partner.

- **Evaluate the advisor's viability as a partner.**

Another critical step is determining if an advisor will make suggestions based on your best interests. Financial professionals are legally required to follow your interests. A careful evaluation process will consist of clearly communicating your needs, objectives, and thoughts. Everything should be clearly laid out.

Selecting a Trustworthy Advisor (Continued)

Don't hold back from asking questions, either. Inquire about their professional qualifications, background, appropriate licensing, and how they're compensated when investing your assets. These are some effective means for gauging an advisor's commitment to meeting your needs as a professional athlete.

Disclaimer:

This is meant to be a general educational guide for professional athletes and/or their representatives on athletes' financial issues. This educational guide is not designed to be a recommendation to buy any specific financial product or service.

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Where to Get the Best Financial Advice

NBARetirement.com was created to help you obtain important information on your financial needs, opportunities, and challenges as an athlete. We've seen this industry from every angle: as financial advisors, as consumers, as consultants, and currently as wealth planners to investors and financial coaches to independent financial service professionals. We have had countless opportunities to see the difference that great financial advice can create. Unfortunately, we've also witnessed what can happen when people receive mediocre financial guidance: costly, unnecessary mistakes that put clients' needs, objectives, and dreams in jeopardy.

Our Safe Money Resource team has 70+ years of financial insights and experience to share with you. Inspired by these experiences, we have built an independent network of top financial professionals across all 50 states. Through our "Safe Money Approved" qualification process, we introduce these independent advisors to the high net-worth individuals whom they are highly qualified to serve.

If you're looking for a financial plan with an emphasis on your specialized financial needs and retirement needs as an athlete, you don't have to go any further. I'd encourage you to take a close look at the information at NBARetirement.com and ask us if you have anything on your mind.

It is our goal to help you get back to the basics. That way you can truly create a plan that is guaranteed to fulfill your expectations. Consultations are completely confidential and customized to your specific requirements. We're here to make sure you receive high-quality advice to help point you in the right direction.

Don't hesitate to contact us with any questions or feedback at (800) 790-7791 – please be sure to reference NBA RETIREMENT.

Closing

I sincerely hope this information has been helpful to you, and I would greatly appreciate your feedback. If you have suggestions for improvement, or additional questions or thoughts, please reach out to me at brent@safemoney.com.

I hope that by reading this information, you now have knowledge that will help you make the right decisions based on your needs and goals. If you know anyone else who may benefit, feel free to send them a copy. Or better yet, just have them go to NBARetirement.com and request their own. You can also contact us with questions anytime by calling (800) 790-7791 and referencing NBA RETIREMENT.

It is my wish that you do the best you can with the resources you have. Continue to educate yourself, and surround yourself with people who care about your interests. Never assume there is only one correct way to do anything, including investing.



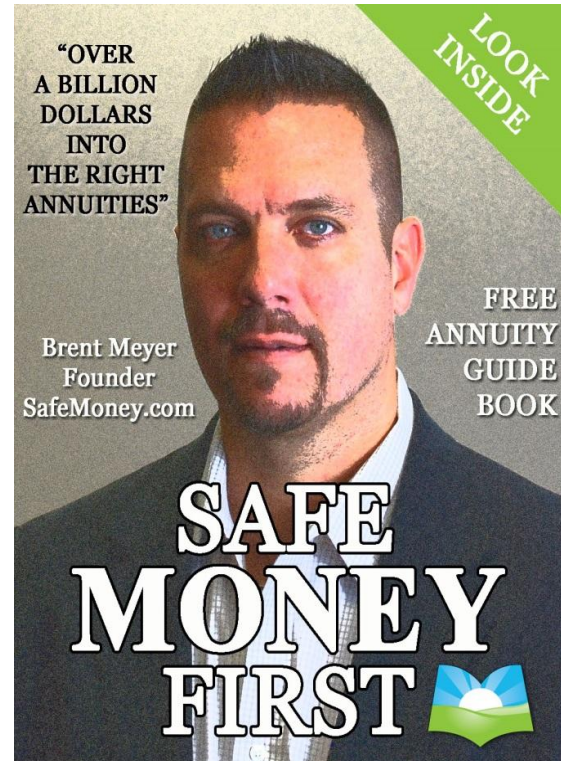
About the Author

Brent Meyer has spent many years witnessing the financial services industry from the inside and building a network of trustworthy, independent licensed agents nationally.

He owns NBARetirement.com, SafeMoney.com, and he and runs a boutique wealth planning brokerage firm in Cherry Hill, NJ - Safe Money Resource, Inc.

Brent has assisted in directing billions of dollars into the right annuities. He likes to spend most of his time with his family, and he enjoys sharing his knowledge of retirement income planning and the financial industry with everyone.

You can reach Brent at brent@safemoney.com or by calling (800) 790-7791, Extension 102.



Resources

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Retire Like a Pro™

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