

# The Financial Line-up

## Financial Planning, News, and Tax Tips for Professional Athletes

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Editor: Allen W. Tharp, CPA

### The Real MVP's: Five Athletes Who Give Back

By Mark Hyman, sports journalist, author

If you could choose your child's sports hero, who would it be? The best athlete or the most giving person? Many pro athletes shine as brightly off the field as on.

1. [LaDainian Tomlinson](#): From September to December Tomlinson scored touchdowns for the San Diego Chargers. On the Tuesday before Thanksgiving, LT is at a Wal-Mart parking lot in San Diego. He passes out holiday meals -- vegetables, canned goods, stuffing, drinks and 16-pound turkeys -- to 2,100 needy families. "Standing in that line, I hear so many things: 'Thank you so much ... We love you. God bless you.' I can't explain the feeling it gives me," Tomlinson's [Touching Lives Holiday Program](#) gives away more than 2,100 books, toys and videos to children at local hospitals.



2. [Kevin Youkilis](#): In addition to his charity work through [Hits for Kids](#), each year the Boston Red Sox slugger spends Christmas morning visiting patients at Boston's Children's Hospital. "It's just a great thing when you can make a kid smile that's going through some hard times in life."

3. [Tamika Catchings](#): Before Thanksgiving, Catchings, who stars for the Indiana Fever of the WNBA, hosts a fitness clinic for youth players. Admission is free, but Catchings asks each child to bring 10 canned goods. Later, the kids stop by the local food bank with their donation. See page 2

### Athletes Sharpen Financial Game

By Susan Chandler, Chicago Tribune

It's an old story, and it doesn't have a happy ending. An athlete puts his trust and paycheck in the hand of a sports agent or financial adviser who takes advantage of his naiveté. The player's money is consumed by inflated commissions or is frittered away in bad investments.

But there's growing evidence professional athletes are getting smarter about how they manage their money, players and league officials say. The sports stars are acting less nouveau riche and more financially astute, which is a good thing according to agents and players' unions.

More athletes are using prominent banks and investment houses to handle their financial affairs rather than relying on a lone financial adviser who may be hard to check up on. Fewer players are letting their agents double as their financial adviser. It should be separate.

NFL players are lining up to attend three-day seminars at the nation's most-prominent business schools to learn more about entrepreneurship, finance and management. They are being proactive and trying to pursue ways to educate themselves.



Money management issues are getting more attention these days for a simple reason: Players are making astronomical amounts of money, which makes them targets for everyone, from family members seeking loans to scam artists offering to double their fortunes. See page 2

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The average salary in Major League baseball this year is \$2.9 million, putting ballplayers on a par with many CEOs. Of course, many athletes end up playing only a year or two before they are injured or cut.

Sometimes the biggest financial enemy faced by an athlete is himself. Temptations to blow a lot of cash abound in the form of expensive cars, yachts, mansions and private jets.

"Their first inclination is to blow it on jewelry or 15 homes around the country. They run around like they've never seen a dollar in their life," said Chicago sports agent Keith Kreiter. "You have to tell them to take a deep breath. The goal is to be able to live off their interest."

Gale Sayers, the Hall of Fame Chicago Bears running back, said he knows a lot of players who made big money but "don't have a dime today." They have only themselves to blame, Sayers added. Sayers' advice to players is straightforward: "Prepare to quit. You should be preparing to quit when you're in high school. You may not go to college. You may not ever play pro ball."



In the old days, some agents wanted to be everything to their athlete clients: contract negotiator, father figure, therapist, banker and investment adviser. Many agents were given power of attorney over their clients' checking accounts, allowing the agents to write checks for bills as if the money was their own.

Although it may be less lucrative, some agents are taking a hands-off approach to their client's money. Top agents negotiate contracts for clients but steer them to outside firms like Morgan Stanley Smith Barney or Merrill Lynch for money management services. The separation-of-powers approach has been a success. First-time athletes need guidance from an ethical professional. For example one agent didn't even tell their client that the NBA had a 401(k). They match 130 percent of what you put in, so if you don't know to do that, you are caught unprepared."

It's time to stop treating athletes like rich children and to start treating them like midsize corporations that need everything from insurance to private banking services to media relations advice. Within this corporation, the athlete is the chief executive, but he or she needs someone to act as a chief financial officer. Athletes need to define their lifetime goals to their financial advisor so he can "cost out what it will take to get there." The better the player can envision what he wants to do after sports, "the easier it is to save for it." If a player has a big year in terms of salary or bonus, your advisor might suggest making a large payment on the mortgage to shorten the duration of the loan. Few athletes are going to be playing for 20 or 30 years, but that's often the term of their mortgage.

## *Continued from page 1— 5 Athletes Who Give Back*

4. **Rick Nash:** Over the last four years, Nash, the leading scorer for the Columbus Blue Jackets of the National Hockey League, contributes to Santa's Silent Helpers. The group helps families with children, single mothers and the elderly in central Ohio who are having trouble paying bills.
5. **Jeff Suppan:** Last year, the Milwaukee Brewers pitching ace started a program called [Soup's Troops](#) to honor military personnel and their families at Brewers games. Suppan learned that shipping holiday gifts to loved ones serving in Afghanistan cost families more than \$3,000. So Suppan picked up the tab.

*Now that's a sports hero!*

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