

Playbook for managing money



DAVID B. PARKER/RGI

Gregory Crawford, left, of Sierra Nevada Wealth Management chats with Rod Benson of the Reno Bighorns Nov. 25 after holding a financial seminar for team members at ArrowCreek Country Club.

Wealth management firm counsels Bighorns athletes on fiscal planning

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The executives at Sierra Nevada Wealth Management of Reno held a country club dinner recently for the Reno Bighorns players.

Nobody talked basketball. This was about managing money.

Team members said they have dreams of careers in the NBA or in lucrative European leagues.

Follow your dreams, the executives urged. And when they come true, be sure you know how to manage your money.

If not, there is a good chance the players will be bankrupt soon after their careers are over, the executives warned.

NBA rookies make a minimum salary of more than \$457,000 for the current season, according to the league. Yet 60 percent of NBA players are bankrupt five years after they leave the game, said Greg Crawford, founder and a managing partner of Sierra Nevada Wealth

Pro sports and money

■ NBA rookie minimum salary for the current season: \$457,604

■ NFL rookie minimum salary for the current season: \$310,000

Source: NFL Players Association, the NBA

Management, citing NBA Players Association statistics.

In the NFL it is worse. Seventy-eight percent of players are bankrupt or in severe financial shape just two years out of the game, according to the NFL Players Association. NFL rookies make a minimum salary of about \$310,000, according to the association.

"It's a similar number with lottery winners," Crawford said, referring to athletes' boom-to-bust financial road. "It's managing money. When you are not familiar with dealing with

Planning/Firm approved to advise athletes

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large sums of money, it is a challenge in itself. And if you are not getting good advice on how to manage your money and make it last, you'll spend it all and live for the moment. Unfortunately, a lot of people do that, in just five years."

Sierra Nevada Wealth Management executives spoke to the Bighorns with some credibility. The firm became part of the Registered Financial Advisor program for the NFL Players Association earlier this year, after undergoing an extensive investigation into its background.

Other player associations also look to the firms in the NFL program, since the football association is the only players association with an extensive background check of its potential advisers, Crawford said.

Since its approval, Sierra Nevada Wealth Management is doing financial planning for one current and one retired NFL player.

"It is something that is going to take a while to build," Crawford said.

That made the dinner with the Bighorns as much about gaining future clients as it was about the free financial advice.

"Hopefully, these guys will make it, and we can help ensure that their earnings will last them a lifetime in a very comfortable way, instead of having some of these high-profile problems that seem to



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Reno Bighorns players, from left, Rod Benson, Cezary Trybanski and Donnie Byrd listen Nov. 25 at a financial seminar.

befall a lot of athletes, Crawford said.

Recent news stories back up Crawford's story about high-profile NBA players falling into severe financial difficulty.

■ Former Boston Celtics player Antoine Walker, after rolling up about \$900,000 in gambling debts in Las Vegas and South Lake Tahoe, will be forced to pay more than \$12,600 per month to compensate, according to the Las Vegas Review-Journal. If Walker gets back to the NBA, his monthly payment could increase to more than \$21,000. He earned more than \$110 million in a 12-year career and has been pursued by multiple financial institutions for unpaid debts totaling more than \$4 million, according to the Boston Globe.

■ Former Knicks and Warriors' star Latrell Sprewell, who made an estimated \$50 million to \$90 million in a

13-year career, is facing foreclosure on his \$5.4 million Westchester County, N.Y., mansion. The issue with the mansion comes one year after Sprewell lost his \$1.5 million yacht for past-due payments, according to the New York Daily News.

In 2004, Sprewell turned down a three-year \$21 million deal from the Minnesota Timberwolves, saying, "I needed to feed my family. They offered me three years at \$21 million. That's not going to cut it."

■ Former Celtics star Vin Baker, who made \$90 million dollars in a 14-year NBA career, saw his home and business go under because foreclosures last year.

Bighorns players gave reasons why so many pro athletes have blown their earnings.

"Maybe it is because they want to take care of a lot of people," said the Bighorns'

Chris Davis, from Southern University. "When you are young and you don't have a lot of money, you want to spend it (when you get it). You want to get the things that you always wanted. Things like that tend to make people spend their money in the wrong ways."

Others said they appreciated the advice from the Reno firm.

"It's all about lifestyle," said Russell Robinson, from Kansas University. "Some guys live beyond their means, and they pay for it in the long run. But seminars like this can help us plan things out at an early age and show us how we can plan for later on in life so we're not struggling financially."

If the Bighorn players make it to the NBA, setting up a financial plan will help them become better players, said Robby Flink, vice president of Sports & Entertainment Group Investing for Realty Capital Securities of Phoenix.

"Think about getting that plan because I mean it when I say, when you are prepared for the future, you will perform better in the present," Flink said.

Pro athletes who are successful financially are not necessarily frugal, just smart, Crawford said.

"Most of the athletes are earning at such a degree that it is the frivolous stuff that we can help them cut out of their budget and still live very comfortably," he said.