



## BAT & BALL

### The financial challenge for the Sport and Media professional

A bat and ball costs £1.10  
The bat costs one pound more  
than the ball.  
How much does the ball cost?



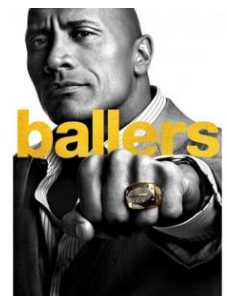
This is a common puzzle question and if you have attempted to answer this quickly based on your intuition there is an above 50% chance that you will have arrived at an incorrect solution of 10p. When you take a little time to work it out you actually realise that the correct answer is 5p.

I have chosen to use this little puzzle to try and put into perspective some of the challenges that sport and media professionals face when securing their financial security. In no way am I saying that financial problems are unique to professionals in these industries, but they are subjected to more detailed public scrutiny than a person working in a less high profile job.

#### After Retirement

There have been numerous publications over the last ten years which have described a number of high profile sportsmen and women who were earning millions of pounds during their careers but shortly after retiring declared themselves bankrupt. These stories of financial despair are a tabloid's dream showcasing riches to ruin and they appeal to the sensational nature of our psyche. The concern for me as an ex-professional sportsman in the context of my new role in wealth management is how much material is out there for these writers to fill their pages.

**78%** A study conducted in America in 2009 by Sports Illustrated suggested that 78% of NFL players faced financial stress or bankruptcy two years after retirement. This is an extra-ordinary figure, if accurate, and could explain the production of the hit fictional TV series called "Ballers" which follows the exploits of an ex-NFL player turned financial adviser. In the UK, the Professional Players' Federation conducted a similar study in conjunction with associations from football, rugby, cricket, and horse racing. While the results highlighted a comparatively modest figure of 24% of players who were struggling with their finances, there were some worrying consistencies.



#### Timing

During my time as a professional sportsman I was told that the most challenging period for me would be the two years after I retired, which is something highlighted in both of the above studies. The reason for this is as much about timing and behavioural inevitability as it is about poor financial decisions. It is important to recognise that the environment that surrounds sport and media professionals is heavily influenced by celebrity culture and the lavish lifestyles associated with this. Leading this lifestyle requires

high levels of income, and it is remarkably easy for one's perception of normal to shift. The key then is the point in your life when you retire.

In most careers your earnings increase steadily in line with the extra responsibility that comes with a growing family. By the time you come to retirement, if you have planned well, you have paid off your mortgage, your children have found their own careers and you can enjoy the fruits of your labour. When it comes to retirement for a sport and media professional, due to family and other commitments, the demand on your finances can often be at its most extreme. Planning to cope with this demand early in a career can make the difference between making a smooth transition to a new lifestyle and career, or potentially succumbing to the financial strain associated with the two year period after retirement.

There are lots of reasons that are well publicised for why some professionals have succumbed to financial stress, ranging from gambling and addiction to poor investment choices, but very few articles seem to recognise some of the unique features about the personalities behind these stories. The same characteristics that make you a success on the pitch or in the studio can often cause problems when it comes to planning the financial future for you and your family. It is interesting to note that in a study from the NBA, if a player's statistics demonstrate a preference for long-range low percentage shots, then they were also more likely than the average player to suffer financial problems.

**“Money was the last thing on my mind. There was no need to exercise any control as I knew that I had enough of it... When you are playing well, scoring goals and winning trophies, no one is going to stop you.” Dwight Yorke (*Telegraph Online*)**

In order to perform under the pressure of the media, the fans, and your own high expectations, psychologists will tell you to stay in the present and focus on what you can control and ignore what you cannot. There is a risk therefore that your view of the future is blinkered. This can breed an air of invincibility that is a trademark of many of the best players as any doubts or fear will be exploited by your opposition or critics. Learning to trust your instincts or intuition constantly is part and parcel of the job and you become comfortable making big decisions quickly, each one with the potential to have a significant impact on the end result of the match or your overall performance. As has been highlighted in the puzzle above, sometimes quick decisions based on intuition can lead to unfavourable results.

## The Team

The importance of taking some time to consider your financial future and plan for an achievable and desirable lifestyle cannot be overstated, yet in the context of a young sport and media professional, this can be a significant challenge. Understanding that the characteristics that make you a successful professional could potentially make it harder to develop a comprehensive financial plan is only the first step. To make it more difficult, time is normally in short supply and advice on what you should or should not be doing with the money that you are earning is not.

The perception is that anything to do with finances is very complicated and in the face of conflicting advice the default position is often not to do anything at all. Much in the same way that success in the sport and media industry can be attributed to your support team, securing your financial future will on the most part be about the people you choose to help you achieve this.

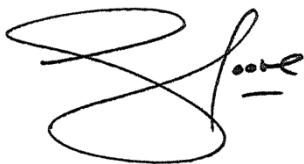
**10,000** It is said that it takes you 10,000 hours of quality practice or training to become a master of your art whether that is in sport, music, or any other complex skill. It is therefore reasonable to assume that any top professional has dedicated a large portion of their life to their skill in order to achieve the success that they are enjoying. It is equally reasonable then to expect them to take some time making sure that the professionals they choose to help them look after the results of that success are qualified and equally skilled to do the job asked of them. This should

be a considered process. A good start is to know the types of questions you should be asking your advisers when you are developing that support structure. Some examples can be found [here](#).

The high percentage of sport and media stars that end up under financial strain can therefore in part be explained by the characteristics of the personalities involved and the unique environment that they are exposed to from a young age. Securing your financial future is a key goal for every working individual, but for the sport and media professional the stakes can be higher and the impact on a young family can be great.

I am in the privileged position to have had a career in the professional sports industry. In my new role I am lucky enough to see on a daily basis the true benefit that a highly skilled and dependable network of professionals can have on a client's life on and off the playing field. I also know through my own experiences that by dedicating a little time, and by asking the right questions, it is possible to avoid some of these pitfalls and to develop a support team of trusted individuals and advisers. This will help to ensure that in retirement, or in your second career, you can enjoy the unique memories you have made and go on to make new ones with your family and friends.

If you would like to talk about any of the issues raised here then feel free to contact me or one of my colleagues.

A handwritten signature in black ink, appearing to read 'S. Moore', with a horizontal line underneath the name.

## **Stephen Moore**

Prior to joining Dewhurst Torevell & Co. Stephen Moore played first class cricket for over 10 years opening the batting for Worcestershire, Lancashire, and Derbyshire, while also representing England Lions.

The views expressed in this document are those of the author and should not be taken as financial advice on behalf of Dewhurst Torevell. This document and its contents do not constitute advice or a personal recommendation and do not take into account individual client circumstances or needs.

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Issued by Dewhurst Torevell & Co Ltd, 5 Oxford Court, Manchester M2 3WQ. Tel 0161 281 6400.

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