

Business With Family and Friends feature

By Jeff Louderback

On the field, during an NFL career that spanned 16 seasons, Hardy Nickerson was named to five pro bowls and recorded 1,867 tackles. Away from the stadium, a piece of wise fatherly advice helped the ferocious linebacker excel on Sunday and has guided him to success beyond his playing days.

“As soon as my NFL career started, I was approached by family members, friends and strangers alike with a variety of business opportunities. It was definitely a distraction because my goal was to focus on playing the game,” said Nickerson, who was drafted by the Pittsburgh Steelers and later played for Tampa Bay, Jacksonville and Green Bay. “My father suggested that I keep family, friends and finances completely separate. I took that advice to heart because I love my family and friends, and it was my intention to keep it that way.”

With the generous salaries that professional athletes earn, investing in a business can be a profitable venture. Yet, because the public is privy to these salaries, almost every member of a professional sport is bombarded by so-called “can’t miss” business offers.

“Everyone seems to have an idea that will make millions of dollars,” said John Sestina, a Columbus, Ohio-based fee-only financial planner whose client roster has included Rod Woodson, Deion Sanders and Nickerson.

Investing in the right business opportunity can provide a healthy income for professional athletes long after their playing days are over, but they should think twice before involving family members and friends in a deal, Sestina believes.

“Often, athletes turn to relatives and friends for business ventures because they feel they cannot trust people they don’t know,” Sestina said. “Unfortunately, in many cases, that relative or friend does not have experience in the business – such as managing a restaurant or operating a car dealership – and relationships are strained because the business fails and money is lost.”

If you are interested in exploring business opportunities – whether it is with a family member, friend or someone you don’t know – arm yourself with knowledge and exercise caution, Sestina recommends. Nickerson agrees.

“Mistakes are made when you don’t fully know what you’re getting yourself into,” Nickerson explained. “Early in my career, I invested in a gospel record company because I thought the people were upstanding. It wasn’t long before I found out they weren’t, and I lost my investment.

“It was a lesson learned the hard way,” he added. “After that, I was much more careful when business opportunities arose.”

Surrounding yourself with a trusted team of advisors – not one, but a team – is a valuable step before exploring business and investment ventures, Sestina says.

“Professional athletes have a short window of opportunity where they can make high salaries since playing days don’t last forever, so they need to focus on their body and their sport,” Sestina said. “This is why competent and trustworthy advisors are valuable. But it’s important that you don’t rely on one person to handle your money and help you with investments and opportunities. It is better to have a team – like an attorney, an accountant and a financial planner – involved so you can tap into more than one mind.”

Exercising caution and building a team of advisers has guided Nickerson to a successful post-NFL career. Nickerson developed an interest in real estate during his playing days when he sold his homes in Pittsburgh and Tampa. He approached Sestina and expressed his interest in exploring a post-playing career in real estate.

“I was a limited partner in an investment of a group of apartment buildings in California, and I closely observed the acquisition process,” said Nickerson, who is now founder and CEO of Nickerson Realty Group, which helps affluent clients find commercial real estate investment opportunities and also provides relocation services for high-income individuals. “Eventually, I went to real estate school, earned my license and started my own company.

“I took the time to learn the industry and understand it before getting heavily involved,” Nickerson added. “I encourage any professional athlete to do this instead of rushing into something you’re not sure about.”

Some players prefer to make low-risk investments rather than take a chance in the business world. Tennessee Titans wide receiver Drew Bennett is a prime example. An undrafted free agent when he signed with the Titans in 2001 for \$1,900, Bennett has since proven himself and gained the financial security of his present three-year contract.

“You get hit by many angles (for business opportunities) when you’re a professional athlete, and it’s hard to tell what is a good opportunity and what’s not,” said Bennett, who invests in government municipal bonds and hedge funds, and is in the process of buying his first investment property. “I want to take my time and learn more about the best opportunity for me before investing in a business.”

More players would be wise to emulate Bennett’s approach, Sestina believes.

“You don’t necessarily have to invest in a business to earn money for the long term. If you invest prudently in areas like real estate and stocks, your portfolio can become large enough to make you financially comfortable for the rest of your life,” Sestina said. “It’s not glamorous, but it can work.”

