

Reproduced with permission from *Benefits Magazine*, Volume 48, No. 11, November 2011, pages 11-13, published by the International Foundation of Employee Benefit Plans (www.ifebp.org), Brookfield, Wis. All rights reserved. Statements or opinions expressed in this article are those of the author and do not necessarily represent the views or positions of the International Foundation, its officers, directors or staff. No further transmission or electronic distribution of this material is permitted.



# what's working

NFL players association  
financial education

How do you get a young man thinking about his financial health and saving for retirement—especially if that young man believes he'll earn millions of dollars a year for the next ten to 20 years?

With its efforts to educate young workers about their finances, the National Football League Players Association (NFLPA) provides a model any organization can adapt. The union:

- Takes advantage of “teachable moments” to grab players’ attention
- Uses the personal stories of respected fellow players
- Makes every message count
- Keeps things interesting.

In mid-2009 the union had a near-perfect teachable moment gearing up for player contract negotiations and a possible lockout by NFL owners in early 2011. The union knew the lockout would mean multi-million-dollar players and highly paid rookies would lose their income indefinitely.

Dana Hammonds, the NFLPA’s director of player services and development, set an ambitious goal: convince players they needed to save at least half a year’s income over the next two years.

“One of the challenges we’ve had is trying to engage the guys into becoming fiscally responsible,” Hammonds said. “We are working with individuals who, in order to perform, must think: ‘I am the best,’ *not*, ‘What if I get hurt?’ You’re thinking how good you are and how good you’ll be the next time you play, to impress the coaches. We must get them to think about the end—which goes against everything they’ve been taught to think.”

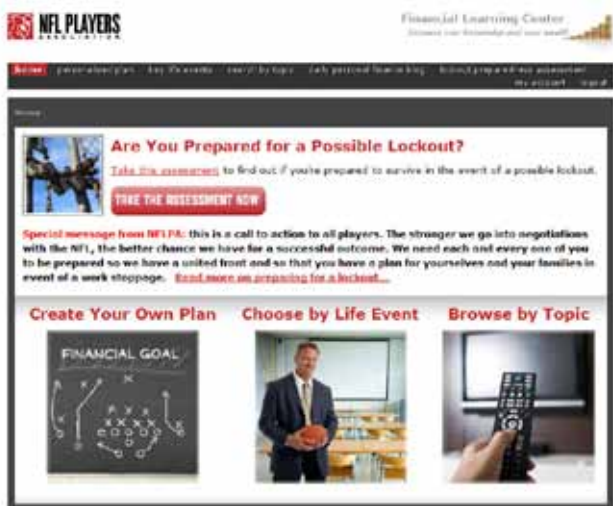
NFL players last year earned a minimum salary of



\$325,000, with a range of signing bonuses depending on draft level—from \$200,000 to \$300,000 for a third-round rookie up to \$4 million for the top pick.

“Although half a million dollars sounds like a lot of money, especially when compared to the average salary of someone just out of college, the difference is that they’re making the bulk of the money they’ll ever make early in their career,” Hammonds said. “They have an inverse earning capacity to most people. The *average* NFL career spans 3½ years, although it may go for ten years—and they all think they’ll play for 20. They’re in their early 20s, and when their career ends, they’ll experience a drastic drop in income.”

Along with a big income, for the first time in their lives, players—like most workers just out of college—are experiencing independence. “There’s a certain amount of immaturity—financial immaturity and personal immaturity,” Ham-



**If your paychecks stop, will it stop you in your tracks?**



Not if you've saved enough to keep you going. Create your own financial security that will save you when unexpected things happen.

- Save 25% of your income.
- Open a separate account to invest these funds.
- Choose investments such as certificates of deposit or short term bond funds that are liquid and accessible.

**What's your financial game plan?**

**Create yours at the Financial Learning Center.**

<http://www.financialfinesse.com/flc/nflpa>

Connect with us. Visit the FLC to learn how.  



monds said. “In the case of the player, there’s more (money) to blow than someone with a \$30,000 starting salary. But the mindset is the same.”

Players face extra challenges. They may want to emulate

the lifestyles of older players with multiple vehicles, houses and expensive clothes. Sometimes they go deep into debt—borrowing money at high interest rates from all-too-willing lenders—before the season even begins. They must learn to deal with what the NFLPA terms the “family and friends dilemma”—financial pressure from those closest to them. They may need to use the services of professionals to vet business deals and fend off scam artists.

“As an analogy, I compare players to stockbrokers in how they act in terms of money,” Hammonds said. “You see early on stockbrokers make a lot of money, and then the stock market takes a turn for the worse and they take a hit. But they can rebound from their mistakes. An NFL player has no opportunity to rebound. . . . If a player makes a mistake, gets involved with the wrong person, he has no opportunity to go back and get another contract to play again to replenish that money.”

Along with an ongoing and impressive investment advisor program, the NFLPA for the past 11 years has provided financial education to players. But that education took on a new urgency because of the possible lockout. “We could say, ‘On this day, there is a chance of being locked out,’” Hammonds said. “‘You won’t receive your salary. You won’t receive your bonuses. We don’t know how long it will last. You need to prepare.’”

In September 2009, the NFLPA hired Financial Finesse, a California-based financial education firm, to develop a program highly customized for the players. Much of the education was done through a patent-pending Online Financial Learning Center where players—at their convenience—could learn about topics relevant to them. About 750 of approximately 2,000 NFL players used the tool—a much higher percentage than the usual 5% to 15% of a workforce using an online tool and significantly exceeding the NFLPA’s expectations.

“One of the things we’ve tried to do is lure the players to the learning center through messaging,” Hammonds said. “If you just send them a link and tell them all the wonderful things the learning center can do, they wouldn’t use it. When we tie the link to messaging, the usage increases. Players and their family members have found it beneficial.”

Financial Finesse developed short, pointed biweekly e-mails that compelled players to visit the online center. For example, one e-blast was tied to a particularly egregious example of rookie hazing—a player spent \$54,000 on a dinner—that was plastered all over the media. The e-blast asked

players to submit ideas on better ways to spend \$54,000. Financial Finesse CEO Liz Davidson said she was skeptical that the prize, a \$150 dinner for two, would be meaningful. But players' competitive spirits prevailed and ideas poured in. The winner submitted an elaborate, well-thought-out PowerPoint presentation.

E-mail blasts with links to videos and podcasts took advantage of the camaraderie of NFL players, using well-networked players such as Detroit Lions linebacker Ryan Nece to share advice and stories.

"When we did an e-blast of players telling their own stories, the usage went through the roof," Hammonds said. "With the Online Learning Center and at workshops, player participation was greater when they were working together, teaching one another, sharing experiences. It's part of the locker room mentality. Stories are shared, advice is given—good and bad. We had the ability to vet the stories, choose from the better ones and use them—the voice of experience vs. the knucklehead."

One especially poignant video featured a well-known player whose ten-year career ended with a serious injury and bankruptcy, causing his large family to lose its home. He talked about mistakes he had made in his financial affairs. The same video featured NFL analyst Jerome Bettis talking about preparing for a television career that began while still a player. Another video featured National Basketball Association players describing financial effects of the NBA lockout in the 1990s.

In spring 2010, players were invited to take an online assessment of their financial preparedness for a lockout. "The assessment questions themselves

can be a wakeup call," Davidson said. "Players realize that 'there's a lot I need to be aware of, rather than delegating it to someone else.'"

Each player received a score of one to ten indicating financial preparedness compared to employees of all Financial Finesse clients taking the assessment. Based on his score and key vulnerabilities—i.e., "Living beyond your means," "Debt is a potential issue," "Not saving for retirement"—the player received a personalized "game plan" with resources tailored to him.

At any time, players can access resources on topics such as buying and selling a house, starting a family and other units chosen by the NFLPA. Some education units, such as dealing with fraud and preparing for a second career, were created expressly for the NFLPA.

The NFLPA also has workshops for players' wives at annual conferences. "The wives play a significant role in day-to-day management," Davidson said. "The wives were asking questions about things like dementia (because of the much-publicized effects of the head injuries) and long-term care. I was incredibly impressed with the wives. They were soaking up the information. We did a Jeopardy-like game called Money Madness with categories such as the lockout and postfootball careers. They competed and won prizes—showing up to play when they could have been on a beach in Florida or Hawaii."

Shortly before the lockout occurred, Hammonds had a Webcast for players and their wives on the nuts and bolts of preparing for it, including budgeting and worst-case scenarios.

As a result of the NFLPA efforts, and according to another online assess-

Be Certain about Your Finances...

Don't Get Caught Empty Handed.

Access the Financial Learning Center for NFL players and their families.

<http://www.financialfinesse.com/flc/nflpa>

Designed to replicate the experience of being one-on-one with a Financial Planner, the Financial Learning Center provides you with a personalized assessment of your financial situation, your key priorities, and step-by-step guidance on how to achieve your financial goals.

The NFLPA has partnered with Financial Finesse—the leading provider in unbiased financial education—to provide you with unbiased information, tools and guidance to navigate any financial crisis and become financially secure.

NFL PLAYERS ASSOCIATION FINANCIAL FINESSE

ment, 48% of players managed to save about 20% of their 2009 salary and 20% of their 2010 salary before the lockout.

Now that the lockout is over, Hammonds said the NFLPA will continue to use lessons learned in the past two years about getting the players' attention and using teammates and retired players to share their experiences. The union will capitalize on stories in the media, for instance, that players are aware of in efforts to keep directing them to evolving information on the Online Financial Learning Center.

"The need to evolve a financial education program is true with any company," Davidson said. "Companies change their benefit offerings, employees retire, new people are hired. It's always a moving target. With the NFLPA, before the lockout many players amassed a significant amount of savings. Now they need to hear: Don't spend it." 🗨

by **Chris Vogel, CEBS** | [chriv@ifebp.org](mailto:chriv@ifebp.org)