

# An Athlete and His Money Are Soon to Part

**How do incredibly wealthy superstar athletes blow their fortunes? We asked two experts to break down where the money goes**

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*Professional Athlete Bankrupt.* You've seen the headline before. It's a narrative that no longer surprises even the most casual sports fan. High profile examples are everywhere. Antoine Walker earned \$110 million and lost it all. Vin Baker managed to burn through the \$93 million teams paid him during an All-Star career. Mark Brunell made \$50 million over the course of his NFL career and is now \$25 million in debt.

Those are the big stories, the ones that find their way onto SportsCenter and into newspapers, but the tale repeats itself over and over again in smaller installments. Somewhere between 60% and 80% of athletes in the NBA and NFL go bankrupt within five years of retirement, despite making an average of \$5.15 million and \$1.9 million per season, respectively.

So where do the millions go? For answers, we asked Chris Gandy and Doug Glanville for some insight. Gandy, a former University of Illinois basketball star who played for the Chicago Bulls and L'Hermaine in France, is currently a district sales manager at Mass

Mutual where he advises 29 current professional athletes. (As an undergrad, he also once set this vicious pick on Duke's Steve Wojciechowski.) Glanville, who had a nine-year baseball career after graduating from the University of Pennsylvania with a degree in systems engineering, is a businessman and writes op-eds for outlets such as The New York Times that focus on the lives of professional athletes.

Gandy and Glanville cite three factors that combine to drive up costs: an athlete's desire to live a similar lifestyle as his peers; a priority on ease, and quickness of service rather than cost; and the perception that there is always another massive check coming.

Part of the expense comes from the unique realities of an athlete's life. For someone with a contract worth millions of dollars, the priority is ease rather than price. That luxury is expensive.

"Services cost more for these guys, mostly because no one has time to compare and contrast anything. It is all about speed and convenience," Glanville says. "It's not just because you're showing off. You are so busy with the game. [During a baseball season], you have 162 games. You're not paying attention to anything other than playing. I had one day when six or seven paychecks went into my back account and I didn't even look."

Agents, who are limited by the CBA in the fees they can charge (5%-7%, depending on the league), often make another 5%-10% of their client's contract through "management fees." (If the agent doesn't, another advisor does.) The players, who are busy focusing on day-to-day duties of being a pro athlete, are happy to sign on so their bills are paid, their clothes are laundered, and the rest of their non-athletic lives are handled. Another 5% doesn't seem like much when the checks are rolling in every two weeks.

"They are giving away so much money," Gandy says. "In 10 years, you ask them if they'd give someone \$250,000 to balance their checkbook, they'd say no. But when they are playing, sure they would."

Friends and family add to the tab. Antoine Walker reportedly had a crew of 30-70 people on his payroll. Most pros won't ever spend that much, but \$1,000 a month a piece for a couple friends, \$1,500 a month for your brother, and a \$50,000 for the mortgage on your mother's house adds up quickly.

Athletes do have more control over their investments, but they're seen as easy marks and are constantly being pitched products, clubs, restaurants, and other ideas. The people pitching want a player's money. Players rarely have the time or the inclination to do their due diligence—and a life of success in the field or on the court often breeds an attitude that makes them believe they can succeed in business.

"You're a gambler by nature. And everybody and their dog has been pitching you since you signed that first contract. Eventually, something is going to sound pretty good," Glanville says. "That competitive nature is hard to turn off."

In Gandy's experience, one in four athletes make a "horrible, horrible investment that no one else would make." For example, Torii Hunter sank \$70,000 into a raft designed to sit under furniture that could be inflated during a flood. The investor asked him for \$500,000 more, but the centerfielder declined. Hunter never saw his cash again.

Athletes are also forced to double up on large expenses. When Glanville was playing, he owned a house near Philadelphia—he bought another one in Dallas after he signed with the Texas Rangers. He also rented a place every year in Arizona during spring training and routinely shipped his car across the country.

Spending money, in other words, comes with the territory of being a professional athlete—being fiscally responsible is, in some ways, antithetical to athletic success. As long as a player continues to perform, the money will keep coming. When he no longer can, however, the spigot's turned off. Thinking about saving money for the future can mean an athlete is allowing doubt about his abilities creep into his mind. For someone who needs to perform everyday, in public, that can be a dangerous proposition.

*Next week: We'll offer a more conservative spending plan designed to keep an athlete solvent well after his career is over.*

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