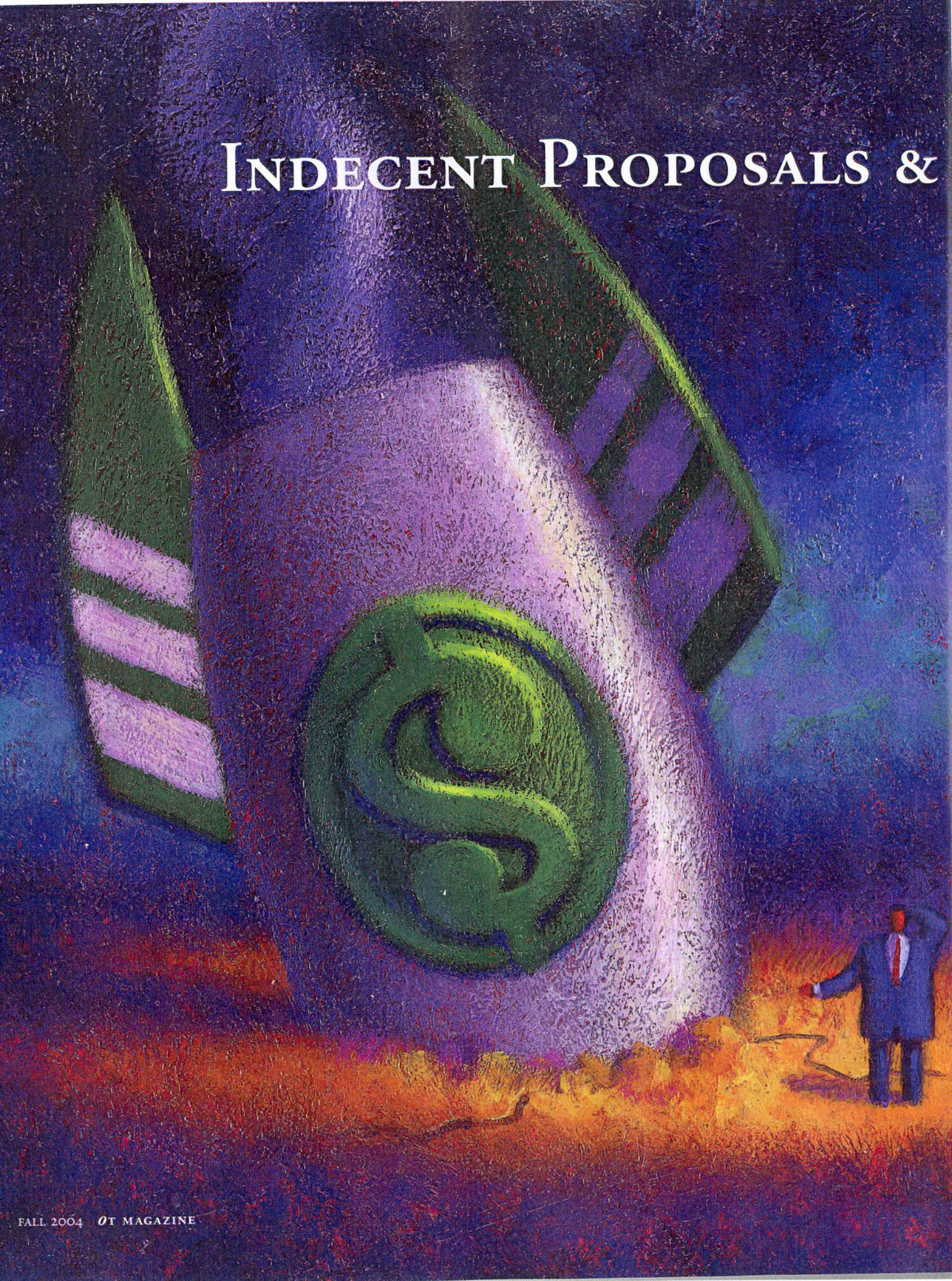


# INDECENT PROPOSALS &



# HOW TO AVOID THEM

IDENTIFYING SMART INVESTMENTS WILL GO A LONG WAY TOWARD PROTECTING YOUR FINANCIAL FUTURE.

By Steven M. Piascik, CPA, MT

**A** pro athlete is asked by a former high-school classmate to invest in a new restaurant located in the athlete's hometown. The restaurant, which will carry the athlete's name, is in a trendy, high-rent area. Thinking it sounds good, he agrees to loan his friend the cash. At the same time, he buys his parents a new home in an upscale golf community, and new cars for himself and his wife.

After three years, an injury forces the athlete to retire from his professional career, while the restaurant, no longer the latest "in" spot, has filed for bankruptcy. He considers opening up a sports bar, but doesn't have the necessary cash. With few options, he takes an assistant coaching job at a local school.

You can make sure this doesn't happen to you. It's okay to want things—new cars, new homes, even a business venture. But don't make the mistake of losing most of your wealth once your professional career ends because of a few bad investments—or none at all. Early in your career, take time to understand what makes for smart investments—those that can earn you income while you're still a professional athlete, and can offer you continued income long after your career ends. Don't think you can invest later. Do it now, while you still have the ample disposable income needed to finance the business and protect you against debt incurred from start-up costs.

At the beginning of your career, friends, family members and acquaintances will approach you for money or investment opportunities. Before you do anything, identify your personal interests. Do you want to help children excel in sports or give back to your local community? Perhaps you want to help find a cure for a health-related condition, such as multiple sclerosis, autism or Parkinson's? You must be passionate about your investment. Chosen right, it will remain with you for a long time.

Next, discuss your ideas and interests with a team of professionals—including your CPA and your financial advisor—who have specific experience in the tax and financial-planning needs of athletes. Together, you

and your team can establish a monthly financial budget and tax-minimization strategies, so you can still afford to buy that new home or sports car. They also will help you develop a business plan for your investment venture, to ensure you income today, as well as for tomorrow.

Let's suppose you want to help youths excel in sports. You decide to open a fitness center, and you hire your brother to run it. You've already met with your team of financial advisors, and you have a sound business plan in place. Through this investment, your CPA has helped you to lower your tax rate from 39 percent to 29 percent. You establish a real estate holding company, and with the 10 percent you saved in taxes, you purchase a building to house the fitness center. By owning the building, you are saving on taxes by deducting the interest on your loan. What's more, you're paying rent—but to yourself—and using that rent to pay off your loan.

Or, let's say your sister's son suffers from autism. You establish a needed foundation for this cause in your community, and you hire your sister to run it. The foundation is housed in the same building that you own. Once again, you are paying yourself in rent to run your foundation, and helping to pay off the loan on your building.

Life moves quickly, and sooner than you might expect, you'll reach the height of your career. Before you get there, stop to look around, and be sure you have a game plan in place for after your playing days.

Don't go it alone. Assemble a trusted financial team around you, and you'll gain the needed financial footing to guarantee your future.

*Steven Piascik is founder of Piascik & Associates in Richmond, Va., a personalized tax and financial-planning CPA firm experienced in handling the unique needs of professional athletes. Piascik is among a handful of CPAs deemed Registered Financial Advisors by the NFL Players Association. For more information, contact Steven Piascik, phone: (804) 527-1817; or email: spiascik@piascik.com.*



## Piascik's Playbook

**Find a passion, not just a paycheck.** Before you invest in a business, invest in yourself. Discover what motivates you. Your passion will translate into smarter business decisions and greater longevity.

**Build a trusted team around you.** Teamwork wins championships. It's equally important in business. Draft a trusted team of CPAs and advisors—pros who specialize in the tax and financial needs of athletes.

**Manage your expectations.** Sure, everyone wants to hit a business home run the first time at bat. But like great athletes, businesses need time to grow and mature. Start your game plan now, while you have the disposable income to finance your business venture.