

EPISODE 576

[INTRODUCTION]

[0:00:32.1]

FT: Today's episode is a real treat for anyone who follows pro football, welcome to the show, I'm your host Farnoosh Torabi, welcome to So Money. You know, a couple of months ago, I got an email from an NFL player named Mike Nugent. He said he was a fan of the podcast and he had some money questions for me.

He was a new dad and he wanted to ask about college savings and preparing for her financial future, it was very cool. Truthfully, I was kind of blown away, a little star struck excited. So much so, I asked him if he would do me a favor and come on the show to share with us, what is it like to manage money as a pro athlete. What are some of the behind the scenes of the role money plays in the professional sports world?

Why do we hear about so many athletes going bankrupt? He has some really interesting thoughts on that and dispels some of the myths, I really appreciated that perspective, a little bit more about Mike, he has been a play taker in the NFL for 12 years. He's played with the Tampa Bay Buccaneers, Arizona Cardinals and most recently, he just finished playing with the Cincinnati Bengal's.

He's a two time all American and football and he played in the 2002 national championship team. When we recorded this episode which was back in February, he was still a free agent so I was curious to also learn how that impacts his financial planning.

Lots to discuss with Mike Nugent, here we go.

[INTERVIEW]

[0:01:59.9]

FT: Mike Nugent, welcome to So Money, this is a first for us. A real NFL player, welcome to the show.

[0:02:05.4]

MN: Thanks a lot, I appreciate you having me.

[0:02:07.8]

FT: I understand you listen to the show so I have to ask, how did you hear about it?

[0:02:11.3]

MN: You know what? I think I just kind of heard it through a couple of friends, I heard people talking about it a little bit, It's embarrassing to say I had a couple of teammates that anytime I would give them, I don't know, a ride to dinner or something like that, they would want to connect their phone to my car and I had to tell them like, I apologize but I do not have Bluetooth music in my car so I actually didn't have a way of easily listening to podcast.

Once I finally — we were getting ready to have a baby and just needs a little bit bigger SUV than the current one that I was driving, my number one rule was I need to have Bluetooth — I had a Bluetooth phone but I didn't have Bluetooth music so now I just listen to podcasts nonstop.

I kind of jumped back and forth between a few but I heard a couple of people telling me about yours and I actually love it. I listen to it when I work out as well.

[0:02:58.0]

FT: Thank you, that's such a huge compliment and to know also that it was recommended from friends, it's like, it makes my day. You wrote to me because you had some really good questions, is your daughter already born? Yes, she is.

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MN: Yeah, she was born on the 27th of January.

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FT: That's right, congratulations.

[0:03:14.7]

MN: Thank you, thanks a lot.

[0:03:16.0]

FT: What's it like being a parent? You had some questions around just getting your financial ducks in a row for her which I thought was really great and responsible, what has now becoming a parent made you think about that you weren't thinking about before when it comes to money?

[0:03:32.6]

MN: You know what? A lot of times you hear a lot of people talk about, you just want the best for your kids and I think you just can't really say that very much until you have one. You can always say, okay, this is what I think I'll do or just certain attitudes you'll have but finally, welcoming our daughter, all I think about is okay, how can I make life the best for her, I want to do everything I can because I truly feel like, you know, before it was all about me and then once I got married, it was about my wife and I together and now it's about mostly about all of us as a family.

There's just certain things I've thought about, I feel like I was very fortunate the way I grew up, I never had people telling me, you can't do this, you can't do that, you're not going to college, I always had a lot of encouragement, I think I just want to deliver those same messages to my children but also, do what I can and do what the government will allow me to do to make her financially successful in the future.

Or, at least give her some kind of boost that I can do on my end.

[0:04:30.9]

FT: Right, including a college savings account, you're asking about trust, you have a financial adviser so it sounds like you're in good hands and you're thinking along the right path. Let's take a step back, you are an NFL player, currently a free agent, what does that mean actually? Does that mean — What are the pros and cons to being a free agent?

[0:04:52.9]

MN: So basically, a free agent, I'm not exactly sure about the dates or I'm sorry, about your years in the NFL, when I was younger, it was like, you had to play four years or three years to be — once your contract is up, you're an unrestricted free agent, that basically just means, if you're an unrestricted free agent which is what I am, I can talk to any team, sign with any team.

My team that I previously played for has no rights to my contract, my contract is officially up, then there's guys who are restricted free agents who, they're younger guys so their team can match a contract offer they get from another team and then if they match it, that player has to stay with the team, their current team that matched it but for me, unfortunately, I only played 13 games this season so I became a free agent with about three games to go.

Since I'm a 12 year veteran now, it's obviously an unrestrictive free agent. I don't have any kind of timeline where I can't talk to teams right now. I think this year, around March ninth is the official start of free agency in the NFL, that's where players that are not under contract anymore are allowed to talk to other teams and see if they can get offers from other teams as well as comparable offer to their current team that they just finished playing for.

[0:06:08.3]

FT: Got you, you just finished playing with the Cincinnati Bengals. What's your hope? Do you want to move, do you want to go out of state, do you want to — what's the plan?

[0:06:17.0]

MN: Well you know what? I was extremely spoiled being here in Cincinnati, not only did I just love the guys I worked with every day. I think that's a huge plus, if you love what you do and you love the people you're with every day, I was extremely spoiled and to add to that, my wife grew up in Columbus Ohio so we're only about an hour and a half drive from her parents and I have a lot of family where I grew up in Dayton Ohio which is only about 45 minutes from here.

I'm very lucky to be basically playing for the team that actually was a diehard fan of, we had season tickets to Cincinnati when I was growing up as a kid. It's very tough to leave here being so close to home but my wife and I live in Scottsdale Arizona in the off season and we're just sticking around here, just raising our daughter here in Cincinnati still and we're going to head back around April.

I think at that point, it's just kind of a sit back and wait and see how free agency goes, starting in March, then you have the NFL Combine and the NFL draft and things like that. It's really just kind of sit back and see what teams decide to do and hopefully an opportunity will come up and I can go in and compete for a job this year.

[0:07:21.6]

FT: How do you negotiate a contract? I've always been curious about this, clearly, a lot of athletes have agents and they handle the negotiating but you've been at this for 12 years now and several teams, what's your approach now to kind of getting what you feel is a worthy contract?

[0:07:39.0]

MN: You know what? It's basically a standard thing that pretty much most guys, almost all players in the NFL do is you'll hire an agent and they're all capped at 3% by our players association. Usually, an agent will charge that or they might charge a little bit less to get kind of a leg up on other agents but they will be the ones that are not only deciding your — talking to

the GM's and the owners and even a little bit of coaches here and there and deciding where your fair market value is.

But also, they will also be kind of going to certain events like the senior bowl which is an all-star game for college players where a bunch of coaches, a bunch of GM's go to and basically they can almost kind of sell their players, guys that are free agents and see — talk to the teams that will need someone like me, like a kicker or a linebacker or a receiver.

Agents, they do a great job, they're the kind of guys that they have to be good with people, great with people but also great with contracts as well.

[0:08:45.4]

FT: I don't know a whole lot about sports but I do know that in football, your contract's not guaranteed, your pay is not guaranteed where as in basketball, there is more security. You've been at this for 12 years which is very — I think, I don't know, that's not always typical. Some people play for a year and then they're out, I've had people on the show in fact, guests who played for an NFL team for a year, for three months, for six months, got injured and then they had to rethink their entire careers.

How have you navigated that uncertainty in your own career as a professional football player? The financial uncertainty, the injury uncertainty, all of it?

[0:09:26.6]

MN: You know, I think that's one of the things, it's great to — I love being able to talk to someone like you or a financial adviser, someone that you know, has things figured out where they know, okay, this is where you could put money or what you could do to be successful way down the road but I think the biggest thing is coming in to the NFL, I think you need to realize like, this, we're very extremely fortunate the NFL is an amazing business.

It's thriving, it's doing great and luckily financially it's great as well for basically everyone involved and I think it's one of those things you need to realize that like you said, number one,

the contracts are not guaranteed, that's why so many times, people will see guys holding out for more money and for a while, I always thought I'm like, my gosh, you're making this much money, how could you possibly ask for more?

But they're really holding out, mostly it's going to be for the guaranteed money. Because like you said, it's not guaranteed. When a player gets released with a few games left or with 12 games left in the season, that money stops, it's not like you're getting your salary for the rest of the season, that money basically just ends that day and you're not going to get paid, unless you're a vet, we have something called termination pay.

If you're a four year veteran, I'm pretty sure it is. If you're on opening day roster, your contract is guaranteed just for that season, if you get released five weeks into the season, you'll still get your contract for the rest of the year but that's one of the other things that you either realize, it's not only the fact that the contracts are not going to be guaranteed, try to get as much guarantee as possible.

Btu also, you really need to realize that this kind of income, I think what a lot of people have trouble with is this NFL income is not going to be coming until you're 65 years old. It's not something you can do till for 30, 35 years, you have to realize, if you can save now, maybe you can do some sort of equivalent to that for the rest of your life but if you're lucky enough to play for a certain amount of years, you can try to build up your portfolio.

I think a lot of people kind of forget, okay, I'm not going to make this money when I'm 50 so you have to be smart and be saving.

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FT: For yourself, what have you thought about, where do you want to be once your football career retires? It's hard to probably work on other skills while you're playing football to then just hit the ground running in a different direction? What are your hopes, are you going to take time off to kind of think about it or do you really know what you want to do?

[0:11:54.2]

MN: I've always thought in my head, I've had certain goals, I think my initial goal, I really wanted to play 10 years, if I can play 10 years in the NFL, I feel like that will be a success and I'll be very happy with that. Luckily I've hit 12 so far but I just feel as though, I'm going to be 35 in about a little less than a month and even getting close to 35 years old, I just don't think I'm finished yet.

I think my body feels great and I have a lot more left in me for a long time, I really wanted to play 20 years. I've seen someone like Adam Vinatieri play, I think this is his 21st or 22nd season. I mean, just performing at the absolute best of his career so you can see how successful guys can be even I think he's in his early 40's.

I really look up to people like that who played for this long. That's always been my goal was 20 years and if I don't get to that completely, maybe I got to 10 or maybe I got to 15. I've gotten to a point now where kind of like I was saying earlier, just sit back and see what free agency looks like and I think I'm obviously going to have to compete for a job this year in training camp and then the off season and basically take it from there and see if I can add a few more years to my career.

[0:13:07.2]

FT: We see a lot of athletes when they retire, they go to broadcasting, some go into the financial investment field like Kobe Bryant, you know, he's started a hedge fund which is crazy but also makes sense because he's got a lot of connections to be able to support something like that.

What are your passions outside of football where you think you might be led down a path of doing something post retirement?

[0:13:34.0]

MN: I was a business major at Ohio state. Obviously something in the business field is something I'd be interested in. I could see myself staying with football and not so much as a coach on a field but more of a weight room type strength and conditioning coach, that's

something I have kind had a little bit more of a passion than watching film or drawing up plays, anything like that.

Obviously being a kicker, I don't have a huge play book, anything like that so I'm not looking at plays and ribbing defenses like most of this guys are but I think something in that field if I would stay in sports but I just — maybe I've always had aspirations with going back to Ohio State someday. I have so much respect for the school that just gave me so much.

I had so much fun playing there and I was pretty close to home and just — I feel like I gave so much to that school and I think I still owe a lot to that school, how much I got back for being able to play there and just have such — I had such a great time and so I would love someday to go back to Ohio State and do something with the school.

Specifically, I don't really know what that would entail but I would love to be in the sports department.

[0:14:40.8]

FT: Hearing you is so refreshing Mike, I have to say because unfortunately, a lot of the news, headlines around athletes and money, they're negative, you hear about athletes who we know how it works, you fall into a lot of money at a young age and you sometimes cannot manage it well or you have others who manage it improperly and I've heard a lot of stories about athletes going bankrupt and spending beyond their means and not paying their taxes.

I would love to spend a little bit of time talking about the behind the scenes from your perspective, what you have seen and why you think there is this degree of recklessness with athletes and money.

[0:15:23.0]

MN: Yeah, absolutely.

[0:15:23.8]

FT: Not to say that athletes do this but of course, I think this is sort of a symptomatic of anybody who gets sometimes a win fall right? If you win the lottery, you suddenly inherit a lot of money, it's very easy to make quick rash decisions.

[0:15:40.4]

MN: Definitely, I mean, I think the thing about the NFL that it's basically like you said, you go from a college kid who is, when I was in college, I was receiving a scholarship check which basically I think you got every month and that paid for food and rent but I even noticed it in college, guys will be — have a new wardrobe or maybe a little bit — I don't know, just certain things that they would be wearing, like newer shoes and I sit there, I'm thinking, you hear people complain a little bit, a lot of it's going on in college right now that people talk about how college athletes should be paid a lot more because it's such a huge business.

Which I agree, it is a massive business but I don't think people are appreciating what a scholarship is because I hear even a lot of times on your podcast, people talk about college debt. Being an athlete in college, to be able to graduate college with no college debt, I think it's one of those things that it shouldn't be overlooked by a college athlete.

I think the people, myself included who are very fortunate enough to get a scholarship and you do appreciate how lucky we are to have that and I look back and I thought, kind of like I said earlier, I received a check to pay for food and rent and I paid for my food and rent and I had a little bit of money left over to maybe go to a nicer dinner.

Sometimes during that month but I just looked at it as you know, you really have to be able to divide the money that's earned or the money that's given to you. I think going from a kid in college who just really doesn't have a lot of money to spend and to a tenth overall draft pick who signs a 15 million dollar with nowadays, maybe the top 10 or 15 picks are getting that full contract guaranteed.

You have 15 million, 20 million dollars guaranteed for your first four or five seasons and a lot can happen in those four years. If you can be smart and surround yourself with the right people, you

can do the right things but there's the other side if you don't have the right people around you and the right advice being told to you.

I can see how a lot of that money can go quickly because that 20 million is instantly right off the bat, it's not 20, it's 10.

[0:17:59.5]

FT: It's 10 and then your agent fee and then cost of living. How did you determine who were the right people to surround yourself with? It sounds like you have a pretty solid team in place but sometimes you can do a lot of the vetting and you get recommendations and still people end up with the wrong team. How do you know you're with the right people?

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MN: You know what? When I was coming — during my senior season in college, I don't know how my cellphone number got out but you start getting a lot of calls from agents. That was one of those things. That was at the time where you didn't have unlimited minutes in the day, you would have, you'd have to wait till eight or 9:00 to have unlimited minutes so I always told this guys, call me back at eight. I don't — they kind of talk your ear off so I don't want to be talking on the phone and getting a really high cellphone bill.

Call me later, that's when I can talk to you. I think that was a hard decision, to pick an agent but from then on, a lot of agents want to meet with you and talk to you and things — you know, after your season, you don't really want to do any one thing with them during the season because you know, if they pay for a \$5 meal for you then you could be ineligible because you're not allowed to accept any money after your college career is finished.

Actually, my dad met with a lot of agents and sat down with my agent and his name is Ken Harris. His own company is not a huge company and he's had some great guys and I have gotten to work with him for my entire 12 year career and my dad sat down with him and basically I was like dad, you sit down with this guys and tell me who you like and he's like, I love this guy Ken, I think you should sit down with him, he's great.

I think you'll appreciate things he has to say. After meeting with him, it was kind of a no brainer for me, just a great guy and really had his head on straight but at that point, after picking an agent, I was like yeah, this was difficult, this is a person you're putting a lot of trust in, it was actually way more difficult to pick a financial adviser than an agent.

The agents in charge of your contracts and things like that, you can work out a lot of numbers but a financial adviser, you're basically picking someone that you're trusting them with your entire life savings. I say, hey, here's all the money I've earned, hopefully you can make as much as possible for me.

I got to a point where I met some great people in the financial field like with financial advising things like that. The only thing is a lot of guys would want to entertain you, they'd sit you down, give you a big presentation and show you what you could be worth in 30, 40, 50 years, then they would want to entertain you and take you out to dinner and do all the stuff and I kind of sat there thinking — I almost really don't want to be best friends, I want to be business partners. Because I think it should be business first, not friends first when you're picking a financial adviser then I had some friends recommend me somebody and his biggest sale to me, he told me two things, he's like, you won't be my biggest client and you won't be my smallest.

The other thing he said to me, he was like, I am not going to — my company is going to — with or without you, my company will still be around, I want your business but I don't need it to stay afloat. To a point I obviously knew that it's a huge company. I didn't want to go with someone individual who I would just be — it would just be him by himself.

I wanted to go with a company that has a bigger reputation and you know, a lot of assets they've taken care of but that was one thing he told me was just like, he made me think like okay, I'm don't need your business, I just want it. I want to work with you, it's not something I need to do to survive. That was actually my biggest sell.

[0:21:39.4]

FT: It was like this passive aggressive, it's actually a very smart negotiating tactic, you want to show that you want the business but not that much.

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MN: Exactly yeah.

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FT: Then the other person's like pick me, yeah.

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MN: Yeah, it didn't come off as cocky or anything like that, it was very modest and it wasn't anything I put out there initially that he just responded to, it was just, hey, this is how we run our business, we'd love to have it but we're going to be here with or without you but we'd love to have you on board.

I just thought that was one of those things. It wasn't a huge sales tactic, it didn't seem like it and I've been very happy ever since I've been with the same company and the same group of guys for my entire 12 years career.

[0:22:23.4]

FT: Going back to your story about picking an agent, I like how you included your dad and his BS detector. It's probably really smart. Take us down memory lane a little bit. I feel as though you had very — you're very grounded and you had a very solid upbringing in terms of teaching values, teaching you just to hear even how you got a scholarship in college and you were rationing out the money.

Not a lot of 18 year olds would be doing that. I for one definitely blew through some money in college. Tell us about kind of how your childhood was in relation to money and what kinds of lessons you learned?

[0:23:06.0]

MN: You know what? Overall, I think I was saying this a little bit earlier, I hate to repeat myself but I'm just one of those people, I think we're true products of our environment, just growing up and just, the people around us. I am one of the very fortunate people, I had both my parents and they worked together — my dad recently passed away in 2014 but I was very fortunate to have parents who were extremely encouraging, they were never pushy.

Saying like we want you to play this sport or we want you to do this and I have a brother that's about a year and a half younger than me so we had great competition between the two of us but we were the kids that played a different sport every season in Ohio.

It was great to be able to jump around different sports as a kid and just learn what you like and learn what you're good at. I always had the parents, like I was saying earlier, I didn't — you hear all the stories like, guys that have succeeded or you know, even — not just guys but women who have succeeded in the sports world, they might have a story of you know, everybody told me I couldn't do this, I couldn't get a scholarship, I'll never go to the pros, I'm lucky enough, I never had that kind of doubt.

I didn't have people talking to me like that saying like you'll never make it, you'll never do this. I always had the people thinking. If you put your mind to it and work hard enough, you can do anything you want.

The only thing that's going to hold you back is you and my parents always instilled that in me and no matter what, I had pretty much both parents at every single sporting event that I ever played at. If I didn't have both, at least one of them was there, even in the NFL, I think my parents went to every single college game of mine except for my freshman year, we had a game at UCLA and it was I think the week after 9/11.

Every single flight got canceled and that was basically the only college game that they missed. Just the support I had growing up was just incredible and I owe so much to my family but not only them but I had two older sisters and so I had family around me that was so encouraging

and every step along the way just so positive in saying, just the support was unbelievable. I am very grateful for just what I had as a kid.

[0:25:16.8]

FT: With regards to money, were there any conversations around money and did you have a lemonade stand when you were a kid, what kinds of experiences did you have around money that later now as an adult, you're like, you know what? That was a really needle moving moment, it really taught me a lot and help me kind of get ahead in my life financially.

[0:25:38.7]

MN: Yeah, I hate to say it but there was nothing exactly that I did myself working as a kid. I was a lifeguard in the summer, anything like that, any time I got a little bit of time away from sports, I would do something but it was really just — I watched my parents, there were certain things, we weren't spoiled as kid, it wasn't, "I want this", I remember there was like \$80 basketball shoes that I was just dying to get and \$80 when I was at this age was probably too much.

[0:26:06.3]

FT: It's a lot back then.

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MN: Oh yeah, today it would be like you'd be asking for \$200 basketball shoes. It was ridiculous and I was so obsessed with these shoes that my mom was just like, "That's way too much money. We're not buying that for you" so it's not like we were kids and we got anything that we wanted but if we wanted to go to the movies of course. Yeah, go to the movies, enjoy time with your friends.

My parents were very smart. They weren't trying to save every single penny that they had. Not save every single penny but not just, "Okay we're going to buy you whatever you want" so I think just watching my parents every day. My mom was a kindergarten teacher for about 40

years or 41 years, so just watching them every day the way we lived it was modest but it's not like we were trying to make ends meet every month for all we knew as kids.

I think just watching them and I think the way myself and my wife we spend money now it's the way that I grew up and the way she grew up as well.

[0:27:13.4]

FT: It's important to find a partner that shares in your financial values. When you were getting married and even now, what kinds of conversations do you guys have around money? What seems to be some stuff that always comes up?

[0:27:27.5]

MN: You know what that's a really good question. I think she always gives me a hard time only because I don't really like to shop for myself. Amazon and Apple completely owned me so those are two things that I can say that I have a great relationship with but also an awful relationship with because they just...

[0:27:50.2]

FT: It's too easy.

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MN: Yeah, those two things have figured me out but she always gives me a hard time because just shopping for clothes for myself, anytime we do go shopping I'm always like, "Why don't I do this more often?" and she looks at me like, "Of course".

[0:28:06.4]

FT: Yeah, welcome to instant gratification world, yeah.

[0:28:09.4]

MN: Yeah, exactly but I'll buy a pair of nice pants at Lulu Lemon and I'll be like, "Okay, I'll get two different colors of this because I am going to wear them for the next 10 years" so yeah, it's just hopefully I'd better screen keep for that.

[0:28:25.2]

FT: You keep that cost per wear really down.

[0:28:27.2]

MN: I really do. I try to as hard as I can but she's really told me. There are certain times where I am just like, "Oh why don't I just go the cheap mode" and she makes some good point. She's like, "You know you can buy this and it's going to be need to be replaced in a year but if you spend a little bit more money it's a more quality product and you don't need to replace it for eight to 10 years".

So that's one thing that before I met her I would always be like, "Oh I just want to go the cheap route. I don't want to spend the money" but she's really taught me you do get what you pay for and I've learned that a lot in the service world as well. If you're getting your house worked on or anything like that so it's one thing that she's done a great job of if you are going to get something get a quality product. That has usually what comes up with us.

[0:29:12.3]

FT: What's it like playing with other players that do spend more frivolously? I can only imagine there's — I hear this from other athletes like there's pressure to have a certain kind of car and dress a certain way and buy certain things. Did you ever feel that pressure and did you ever fall into that pressure?

[0:29:29.9]

MN: You know I'll be completely honest, I have not felt that pressure whatsoever. It's funny, you see Hollywood and a lot of things on TV and just think that the NFL and I can't speak for anything but the NFL but you'd think every single player on the team is making multimillion dollar deals and there's Ferraris everywhere. It's really at the end of the day mostly guys in the NFL are just guys making league minimum.

Which is mostly league minimum for every single person on the field is less than a million dollars a year but all you really see is the guys that are making the five to 10 to \$15 million deals. Those are the ones you see the most so they get the most publicity but when you really look at it most of the NFL and so many guys are really just like anyone with a job. They just want to be successful and be great at what they do.

Make the most money as possible so that they can give their family a great life and I think that's a misconception that people see a lot that it's just money, there's gambling and locker and money is thrown around like crazy. I definitely can't say that I felt really the pressure to buy certain things. You obviously see that, you'll see a Ferrari pull into the parking lot and it's cool. It's really beautiful but then you sit there and think, "Okay I obviously not going to spend \$200,000 on a car".

A guy that makes a million dollars is just taking home \$500,000 then you don't want to spend almost half of that. You take that pay off on a car that is...

[0:31:00.4]

FT: Some do because that's just — yeah.

[0:31:04.3]

MN: Yeah, I can't say that nobody does it.

[0:31:05.6]

FT: Well thanks for clarifying because you're right. I think when it comes to the news and the pop culture headlines a lot of it is targeting the big money making athletes and what all the crazy stuff they are doing and the reality is that on average, you're making good money but it's not enough to be buying Ferraris and champagne for everybody.

[0:31:30.5]

MN: Exactly and the guys that — we were just saying like what you see on TV makes you think, you know there's 53 players on the roster. So you have 53 guys you're paying and you have a \$148 million salary cap, there might be one guy that's making 16 — or I think there's two guys on the Bengals making \$30 million of that \$150 million cap. So take two guys away that number dwindles quickly. So it's one of those things.

You do see it but everything isn't as crazy and all the Hollywood lifestyle that you think that almost the media makes you think it is on a daily basis.

[0:32:15.6]

FT: What about endorsements? I hear that's a big revenue stream for athletes, have you had endorsements? What other kinds of revenue streams as an athlete that you can attract because of your position and your status?

[0:32:29.3]

MN: So that's the tough part about football. Like I was saying, the fact that there is 53 guys that makes it tough because you want to stand out and make an extra income off the field but this is going to sound a little — this isn't going to sound like it's correct but the fact that we wear helmets really hurts your endorsements off the field because you're going to have big time guys like for since I had Bengals like A.J. Green, an amazing receiver.

Andy Dalton, just a pro-ball quarterback, those are going to be the two guys that get a lot of publicity and will make a good salary off the field but football players aren't that recognizable since they're so many players who doesn't wear a helmet every day. Now I've always been

intrigued by maybe like a golfer like the fact that a tournament in Dubai will pay him, Tiger Woods, \$3 million just to show up.

So I think the kind of publicity that a golfer would get just being on camera, their face zoomed in on camera all the time. So it depends on the sport especially basketball since there's only five guys on the court. I don't know how many guys they keep on the roster but the five guys on the court getting so much Face time, they're becoming more and more recognizable every single game and football is not the same.

Unless every single team is going to have one or two guys that really stand out. So you'd be surprised that there is a lot less money made off the field in football than what actually you would think.

[0:34:02.7]

FT: I never thought of that, the helmet being a barrier. It's true, if you're a brand you want your brand ambassador to be visible. That makes a lot of sense. Have you had any money failures? I know you said you had a pretty smooth ride but have there ever been any times where you're like, "Ugh that was a mistake" or you learned something a little bit the hard way?

[0:34:25.7]

MN: You know what? I was thinking about that because the ones on your podcast that I have listened to. Really it wasn't a gigantic failure but it's something that whenever it comes up it makes me really frustrated. I had a teammate back in 2010 who, I was telling him, I knew he told me a little bit about someone that he worked with, with jewelry and I was getting ready to buy my now wife an engagement ring.

So this teammate put a lot of trust in this guy. He said, "I had a ring guy, he's amazing, he's great. Don't go to some corporation and pay retail price for a diamond. You can get it way cheaper" so I put my trust in him. He's a great guy, he still is a great guy and he hooked me up with this ring guy and the ring guy was just an incredible salesman and I think the reason I failed mainly in this is because I put a lot of trust in other people.

I assumed people are going to be as trustworthy as I am. I'd never sit there and try to get something out of someone that I don't deserve and I was sold a diamond that was actually they call it clarity enhanced. I don't know if you've heard of that before but they basically shoot lasers through it to make it more clear and I wasn't told that, that it was clarity enhanced. I was given a basically just the price of it, it was a great price and this is what's it worth.

At the end of the day, I tried to get it — I think it was a little lose in the setting one day and this was a year or two after we were married and we took it to a jeweler to get it cleaned and the jeweler was like, "I'm sorry but I can't touch this diamond" and I was like, "Why not? What's wrong with it?" he's like, "I'm afraid if I apply heat or anything to it it's just going to shatter". I'm like, "What? That defeats the purpose of a diamond". It's one of the strongest things in the world.

[0:36:24.1]

FT: It lasts forever, right?

[0:36:24.7]

MN: Yeah and they were like, "Well this diamond is clarity enhanced, those lasers shooting through it to make it more clear they make it incredibly weak" and so I mean...

[0:36:34.8]

FT: You called the guy back? Did you call the sales guy?

[0:36:36.8]

MN: Yeah and then I've been trying to get with them for probably the last three or four years and the stories have changed five or six different times, family emergencies or now, the guy I get my rings from he's being investigated by the FBI and it's just a big work around that I'm still trying to stay on top of it but it's one of those things that's been a very frustrating thing in my life and I

think at the end of the day, it's one of those things that really all I had to do was take it to a jeweler and get it appraised.

But I put so much trust in this person and I thought, "Okay he would never do this" because I would never do that to anybody and it turns out it was just a failure that I paid for and I'd love to get it back but it's just one of those things that's been a giant headache. So I can't think, it just all came down to trust. Now anytime that I had a friend getting engaged I'm like, "Wherever you get your ring make the investment, take it to another jeweler, get it appraised and know what you're working with".

[0:37:37.5]

FT: Right, get a second opinion. Ask for the certification too, did he showed you any kind of certification?

[0:37:44.4]

MN: He did, yeah and I was explained I guess there's two or three of the main certifications and it was like the less dependable of the two and I started to learn that he didn't have an outside source appraise it. I think he has his appraisal license so he appraised the diamond himself. I mean I could have been...

[0:38:07.1]

FT: Oh Mike and you know what? I'm sure your wife totally gets it, understands and doesn't care but I know that I think my husband would be mortified.

[0:38:17.9]

MN: Oh yeah, again it's what? Seven years later I'm so, I still have the diamond. I am trying to get a full refund for it. She obviously doesn't wear that one anymore. I sit there and I'm like, "I'm sorry the one that I gave you"...

[0:38:33.3]

FT: Brings up so much angst.

[0:38:34.7]

MN: Yeah, exactly and I hate that the one I gave her isn't the one, she's not wearing the one today that I gave her the day we got engaged but it has nothing to do with her picking out a different one or anything like that. It's "I am so upset. This is a terrible diamond. We are getting a new one and we're going to do it by the books" and the one she wears now is absolutely gorgeous and I love seeing it every day and I hope she does too.

I mean she definitely does. She looks at it all the time and really admires it but it's one of those things that I've corrected it in a way but I am trying to get it fully corrected.

[0:39:07.9]

FT: And think about all the other people he defrauded.

[0:39:10.2]

MN: Oh exactly. Actually that same teammate that recommended me to him and I am not bashing this teammate at all, he's a great guy and he actually went through the same thing and went through I think I was told about a year ago he took him to court and got something figured out so now I'm kind of in the same process.

[0:39:27.9]

FT: Okay, good luck with that.

[0:39:30.3]

MN: Thank you. It's not one of the fun things I've had to do over the last few years.

[0:39:36.3]

FT: You never know what you are going to find out on this show. That's actually a really good tip so thanks for bringing that up and Valentine's Day was just two days ago as we record this. So it was timely to hear that. Let's do some So Money fill-in-the-blanks Mike. You've been such a fun guest, you know what this is right? When I start a sentence and then you finished it?

[0:39:55.5]

MN: Definitely.

[0:39:56.3]

FT: All right, so if you won the lottery tomorrow let's say 100 million bucks, the first thing I would do is?

[0:40:02.9]

MN: You know the first thing I would do is I would not tell a soul. I would obviously tell my wife and my wife would know and I would tell my financial adviser and then get it obviously invested but really after those are the kind of standard things I think anyone should do but I have a few charities that I am very interested in. I would take about 25, 30% of it right off the bat and donate it to charity and then I would definitely have to do something not very financially savvy for myself.

[0:40:33.2]

FT: Yes, you should get that \$80 sneakers that you wanted as a kid.

[0:40:35.9]

MN: Yeah, exactly. I should go back for those sneakers but I am obsessed with Tesla. I want a Tesla more than sneakers. I would buy a Tesla after doing all of that.

[0:40:44.4]

FT: Are you worried about particular people coming after you for the money is that why you would keep it hush-hush?

[0:40:49.8]

MN: No not whatsoever. I feel like I never had anyone around me that I've been worried about whatsoever with that but I think it's just one of those things when every now and then I would watch one of those lottery shows and they would just have family come out of the woodwork that they have never met before and people trying to get a hold of them. So for me it would be like I'd keep it very quiet.

I'd obviously tell family members because I love every single in my family but when it comes to publicity or anything like that, I would just like to keep it quiet so.

[0:41:22.2]

FT: Smart, all right one thing that makes my life easier or better, one thing that you spend on that makes your life easier or better is?

[0:41:29.6]

MN: The boring answer would be a financial adviser. I can't sit here and recommend any stock to anybody. All I could say is kind of what you and I have talked about before in some emails is just to be as diverse as possible. So that's the first thing, I think having a great financial adviser just makes everything easier and you can see money work for you but one kind of thing that I really just love to spend money on is technology for my house.

There's nothing like sitting on a couch and grabbing your cellphone and adjusting the temperature of the house or turn your lights on and off and operating your TV something like that. That's just something or one of those tech things that I've always been really into. Home automation is one thing that's made my life easier.

[0:42:19.6]

FT: That's a good point. So that was my next question, your biggest splurge. It would be technology for the house?

[0:42:24.6]

MN: Probably not my biggest splurge but my wife and I, we do enjoy really going on dates and having a great glass of wine or going out to dinner or even taking a nice vacation. We try to go somewhere nice like once a year and those are two things we really never feel ashamed or bad putting almost an investment into because it's to invest in great experiences but one thing I would definitely say kind of a guilty pleasure that I don't get worried too much when I do spend the money on is maybe a house renovation.

I feel like if I redo a bathroom, I don't feel like I just spent money on a car. I feel like it's on a bathroom so not only am I going to enjoy it for the rest of the time we're in this house but hopefully I will get that and maybe some more from what I put into it when you sell it. So that's one thing, I always never really feel too bad about is renovating something in your house.

[0:43:17.8]

FT: Bathrooms and kitchens, those are the two rooms that have to the most ROI when you renovate.

[0:43:23.8]

MN: Exactly, yeah.

[0:43:25.2]

FT: One thing I wish I had learned about money growing up is?

[0:43:29.6]

MN: I wish I had known you never have too much or too little money to have a budget. I think basically you get to a point where whether you're a kid who's 15 and has your first job ever or you're 55 and you have \$40 million, your money is always going to be something that's going to be — I don't want to say like an issue negatively but money is always going to be an issue. I'm sure money is an issue for Donald Trump or Bill Gates.

There's certain things that he's just like, "Nope I don't want to spend my money on that" so I think you never have too little or too much to be able to put together a budget.

[0:44:11.8]

FT: Yeah, although sometimes when you're a little too young and budgeting, unless you're earning the money it's hard to really appreciate a budget.

[0:44:22.0]

MN: Yeah especially if you have certain payments like a car payment or car insurance or gas, things like that.

[0:44:28.5]

FT: Exactly. When I donate, I like to give to "blank" because?

[0:44:33.9]

MN: I like to give to cancer free kids. It's an organization that hits home. My niece, we'd learned she had a brain tumor a few years back and now she's cancer free and so it's one of those

organizations that hits home with us and it's really fun to be involved in and meet some kids who've had a really tough time and just really appreciate being around people that kids are so resilient and they're such fighters and it's very, very inspiring.

[0:45:06.9]

FT: Mike, it's been so great to have you on the show. Before you go though, let us know why are you So Money?

[0:45:12.6]

MN: You know what? I've thought about that question every time you ask somebody that. I think it's a little bit vague but I just really think it's because I live within my means. I've experienced a lot of people who I've seen try to save every single penny and I've seen people who just are living paycheck to paycheck. So for me like I was saying earlier, create a budget and live within your means I think that will get you to a point where you'll be successful.

No matter what goals you set if you live within your means you'll satisfy that part of your life, the financial part of your life. So I think that's my biggest goal is to live within my means.

[0:45:52.5]

FT: And I will say I don't know you very well but from what I hear and what you've told us, it sounds like you don't take a backseat when it comes to your finances. You're very much a driver in your path to financial wellness and while you have a team and you trust your adviser, that's all great but some people would just let those people decide what to do but it sounds like you are being really proactive.

So I think that's another reason why you're So Money and we wish you the best of luck as this new season unfolds and this new chapter in your life. We hope that you and your family will find a great new home, a new team and keep us posted.

[0:46:31.5]

MN: Thanks a lot. I really appreciate you having me on. It was a lot of fun.

[END]