

## Recent NFL Rule Changes Leading to Unintended Consequences

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The NFL rule known as "targeting a defenseless player" was enacted in 2013 to protect players from the long-term risks associated with brain injury and cognitive impairments. The NFL's governing body and its owners had a financial incentive to change the rules. It was a \$765 million settlement that is still pending final agreement in courts, and the settlement amount could increase even more to benefit players of the past, present, and future. There is little dispute to the high level of interest in researching brain injuries when big NFL names like Junior Seau, Dave Duerson, and Jovan Belcher make national headlines. These tragedies have changed the perception of the risks in football all the way down to the high school and pee-wee levels, and concussion risks are at the forefront of football conversations everywhere. Fans and many in the NFL business are now trapped in a shell game. Did the NFL's new defenseless player rule come with unintended consequences? The concussion headline dominates the media's attention due to the uncertainty of the long-term risks, but do they outweigh the short-term financial risks for current players?

### Unintended consequences

In the 2013 NFL regular season, players saw an increase in lower extremity injuries. Heated conversations surrounded many injuries including the Packers' Randall Cobb and the Dolphins' Dustin Keller. Was this pure coincidence in the first year following a meaningful rule change with injuries below the waist? Or is one full year already a large enough sample size to determine what to expect over the seasons to come? Should the NFL's new defenseless player rule be viewed as more of a knee-jerk response to protect its own image, or were the players' best interests at the core of the implementation? The differences in opinions range from protecting the head

as the top priority, to protecting the legs as the most valuable asset. No one disagrees that more research is necessary to understand the effects football collisions have on the brain over the long term, but players should be mindful of how it will affect them financially over the short term and long term. For athletes, the financial planning process should include protecting income from injury risk; quantifying a lifestyle savings plan for today and the future; and developing an estate plan in the event of unexpected and untimely death (e.g., Derrick Thomas, Sean Taylor, Gaines Adams).

Our hypothesis is the career length in the NFL will decrease from the current average of 3.1 years. A quick look at 2013's increased rate of injuries seems to show that the defensive side of the ball avoids the lion's share of worry. The noticeable increase is on offense – specifically, the skill players. Is this on par with history, or have defensive players started hitting too low? The defensive player is penalized and fined extensively for tackling too high due to the defenseless player rule, so it is in their better judgment to aim lower. The financial and bankruptcy statistics for professional athletes are rather bleak, so who can blame a defensive player for wanting to avoid \$15,000 fines? Avoiding any financial risk would force the defensive player to err on the side of hitting too low as opposed to too high. A second offense in the same season could find the defensive player with a substantially higher

fine. Every man has responsibilities, so offensive players should “look out below,” as these financial concerns are equally important for them.

### **“Not For Long”**

The most imposing risk – one that has the potential to drive the average NFL career length lower than where it stands today and would worsen the financial statistics for NFL players – is when a player spends an entire offseason in rehabilitation versus optimizing their strength and speed. The opportunity cost of letting injuries heal and recover over time can unfortunately prevent a player from re-earning a spot on a 53-man roster – and isn't that technically career-ending? The definition of a “career-ending” injury could be open for further interpretation and speculation. Many contracts don't pay an injured player his full game salary. Too many players gamble by not protecting themselves with disability and loss-of-value insurance policies. This false sense of security stems from players viewing themselves through a lens of invincibility – this notion of having the ability to control injury avoidance is largely too prevalent.

The league is not at risk of becoming less competitive for roster talent. Consequently, there is an increasing risk of losing the opportunity to compete for a team following an injury. The label of having a “history of injuries” can affect roster and business decisions when evaluating the next year's rookie class. In fact, the second overall pick in the 2012

NFL draft did not play the final three games in the 2013 season per a coach's decision to maximize the player's offseason. Are there more coaches that consider benching a healthy player to make sure they can have a productive offseason? This move may have been the final straw for the coach's job, but make no mistake – the player was the beneficiary. The NFL – also known as “Not For Long” – and the business of professional sports are not on the verge of becoming less competitive with annual drafts and evolving strength and conditioning programs.

### **The importance of goals on and off the field**

If the “targeting defenseless players” rule has changed football to “protect” players over the long term, then they should not be naïve when considering the near-term health and injury risks. It's safe to assume that the NFL's rules will continuously adjust over time, but also fair to say in the same breath that many players have communicated that they fear a leg injury more than a concussion. Regardless of rule changes, the financial statistics are not ideal, with the majority of players in distress post-career. These types of conversations involve too much uncertainty, especially for first-contract players, and may even be uncomfortable for athletes focusing on today's window of opportunity. What should not be uncomfortable is the goal of lifelong financial stability for the player.

The biggest obstacle for many NFL players to overcome is the belief that achieving the highest level in football automatically entitles one to generational financial security. In addition, they also cannot afford to continually write checks for hitting defenseless players. Fortunately, all athletes are very familiar with goal setting. As a team that thoroughly understands the unique financial needs of professional athletes, our full-service wealth management practice provides comprehensive planning advice with recommendations suitable for athletes' special circumstances and family dynamics. Our financial goal-setting and planning process is one that evolves over time by using techniques in cash management, risk management, investments and estate planning – all are critical to the financial success of the highly compensated professional athlete. Furthermore, our wealth advisory capacity helps athletes prepare for potential unfortunate life events with conservative, comprehensive planning and a focus on long-term financial success – just like you customize and execute each game plan for the win. These conversations add lifelong perspective to the small window of opportunity the NFL provides. That's why we encourage players to begin their understanding of the wealth planning process early in their career, before it's too late.