



Photography by Matthew Borkoski



# How He Plays The

Advisor Joseph N. Geier has built a practice that primarily caters to baseball players.



# Game

By Raymond Fazzi

**Jeff Ballard had just finished his second year pitching for the Baltimore Orioles, and he was looking for some help.**

**The problem wasn't with baseball. He was a member of the team's starting rotation and had just compiled an 18-8 record in 1989. Everything on the diamond was fine.**

**What he needed assistance with was buying a house. Because when it came to finances, Ballard, then 26 years old, was still in the minor leagues. "I had no clue," he recalls. "All I had ever done was rent apartments. Plus, I was young."**

**As it turns out, the person Ballard eventually hooked up with was pretty young himself. Joseph N. Geier, a CPA and financial advisor, was about 30 years old and just starting out in his own business. Soon after the two met through a common friend, Ballard signed up Geier as his accountant.**

Geier then proceeded to steer the ballplayer through the intricacies of the house-buying process. Not long after, Geier was handling Ballard's taxes and investments, as well as other miscellaneous financial matters.

Geier's conservative approach to money issues won Ballard over. Now, seven years since retiring from baseball and starting a career as an executive at a family-run oil business in Montana, Ballard still entrusts Geier with his nest egg and taxes.

"He has an ease about him and a laid-back approach to where you're real comfortable," says Ballard, senior vice president of Ballard Petroleum Holdings LLC in Billings, Mont. "And he thinks when you ask him questions. He doesn't make quick irrational decisions."

For the type of niche market Geier has carved out for himself, having a cautious long-term view on finances is an asset. That's because most of his clients are like Ballard was when the two met: young baseball players with a lot of money, little experience in how to properly manage it and an occasional impulse to splurge.

"What you're doing is teaching these guys how to budget and set a certain amount of money aside," Geier says. "You're always trying to get into these guys' heads that at any point in time their career could end."

Geier's focus on professional athletes was a result of both happenstance and effort. A longtime Baltimore Orioles fan, Geier graduated in 1982 from the University of Maryland with a business degree. He then worked as a teller for a small savings and loan, but a short time later, he got a job with a sports agent, Shapiro, Robinson & Associates in Baltimore. He had met a principal of the firm through his sister—a physical therapist who worked with Baltimore Orioles players and other athletes.

His first few years at the agency cemented his ambition to become a financial advisor. Although his contact with clients was limited, he developed budgets, prepared statements and did tax returns for many of the firm's clients. It was the type of work Geier found that he liked years before, when he was helping people open accounts at the savings and loan. "It was during that

time that I decided that's something I'm really interested in," he says. "I like helping people with their money."

In 1987, he started supervising clients directly. Some of his clients at the time included Baltimore Orioles Cal Ripken and Eddie Murray, and Kirby Puckett, an eventual Hall of Famer, of the Minnesota Twins.



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Joseph N. Geier

Three years later, Geier started a firm of his own, Geier Financial Management Inc. of Ellicott City, Md. The firm handles 35 clients, and the overwhelming majority of them are either minor or major league baseball players. His client roster includes Brady Anderson, Jerry Hairston and Doug Segui of the Baltimore Orioles, Armando Benitez of the New York Mets, Steve Finley of the Arizona Diamondbacks and James Baldwin of the Los Angeles Dodgers.

Geier charges his athlete clients 1.5% of annual income for his services, an all-inclusive fee that covers everything from drawing up budgets to negotiating deals for homes or cars. Sports agents, who, unlike Geier, negotiate contracts for players and may or may not offer

additional financial services, typically charge an annual fee of 4% or 5%.

Finley, a close friend of Geier's who made him the godfather of one of his children, says he started looking for a financial advisor in 1990, during his second year in baseball—after he burned through his first-year salary of \$68,000.

He was directed to Geier after fellow Orioles, including Ripken, "raved" about his trustworthiness. Trust, Finley says, can't be understated in the high-salaried world of professional baseball. "You get solicited all the time," he says. "I've heard horror stories of guys who've entrusted their money to someone and then have gotten taken."

Geier also operates a sister firm he formed two years ago, Geier Asset Management Inc., that serves 20 nonathlete clients. He started the firm with two minority partners: his brother, Tom Geier, who is vice president of financial planning, and Chad Norfolk, vice president of operations. The reason for separating the two firms, Geier says, was to avoid any concerns among his nonathlete clients that they would be treated as "second fiddle" to Geier's sports clients. Clients in the second business are charged an asset-based fee, a sliding scale starting at 1.5% for the first \$500,000 under management to 0.5% for \$2 million or more. Altogether, Geier's firms manage \$65 million in assets.

Although Geier has several agents from whom he takes referrals, he is not an agent himself. He doesn't negotiate player contracts, nor does he deal with team managements on behalf of players.

He's been asked to fill those roles, but has declined. The sports agent business, he says, is too cutthroat. "I have no desire to do that. It's just not my type of business," he says, adding that he will provide players with behind-the-scenes advice when they are negotiating a contract.

Rather than being a pit bull at the negotiating table for his clients, Geier instead plays the paternal guardian. Beyond spreadsheets and financial statements, Geier plays an active role in many of his clients' day-to-day financial dealings. He has bought homes and cars on behalf of clients. Testified at divorce proceedings. Advised them on prospective business deals. Quite often, his job

requires him to travel to the stadiums where his clients play or one of the several homes where they may live.

The evening before he was interviewed for this article, Geier was at Shea Stadium in New York City watching Benitez and the Mets play. After the game, the two huddled at the pitcher's home to discuss some issues related to real estate Benitez owns in the Dominican Republic.

It's a high level of service, Geier says, but one that is in demand by professional athletes who spend about six months out of the year traveling. "I liken it to a family office," he says.

Such service isn't devoted just to professional athletes. One of his longtime nonathlete clients, Jane Geraghty of Catonsville, Md., has utilized Geier for negotiating a deal on a car and for helping her sell and buy homes after her husband died six years ago. The couple originally became clients in 1990, after her husband became ill and no longer was able to tend to their finances. "I think of Joe like I think of one of my sons. He's a really great guy, a family man, a very good listener," she says.

What impressed her and her husband most about Geier when they met him 11 years ago was that "he wasn't just a loud-mouthed kid who was out for himself."

At the core of Geier's firms are money-management and financial planning services designed to take clients beyond their playing days, Geier says. Often getting players early in their careers, he tries to emphasize the accumulation of an initial block of savings before they venture into high-risk, high-return investments.

He typically likes to see a client hit a plateau of \$1 million or \$2 million to build a foundation for post-career income. "We start out with small baby steps, usually a money-market account and small mutual funds, to teach them the process of how it works," he says.

How fast a player reaches that foundation varies according to salary, but Geier initially will put most of their investments into money markets, bonds and other conservative vehicles during the first several years of a player's major league career. For a baseball player, Geier says, the idea is to play it safe up to

the sixth year of his career, when he is eligible for free agency.

"That's when they can hit the lottery," he says. If they get a lucrative contract, that's when Geier pumps more assets into equities. But even at this point, Geier prefers to maintain a conservative approach, rarely devoting more than 60% of assets to equities.

The conservatism, as expected, serves clients well in tough times but limits their gains during boom times. During the high-flying year of 1999, Geier's clients saw an average gain of 20%. But



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during last year's decline, portfolios averaged from 8% on the downside to 8% in the plus column.

"We're not the type who's going to look for the home run," he says. "We hit singles and doubles, and that's our game. With most of these guys, they know the money is going to be there when they finish playing. They don't have to worry about it."

The plan is easy, but implementing it can be another story. Many of Geier's clients play with stars making some of the top salaries in baseball. Getting clients to take his conservative advice often means talking them out of buying big cars and

big homes, at least for a few years.

"It does sink in for most guys, but there's also a tendency of keeping up with the Joneses," he says. Other pressure points that can distract his clients are relatives or friends looking for loans and business partnerships. He cites the case of one major league baseball client who doled out more than \$100,000 in money to relatives over the past three years. Geier finally stepped in and convinced the player to rein in the gift giving.

Many players use him as a go-between for all money requests, even from relatives. "It gives them that one step between them and a family member ... and it's easier for me to say, 'no,'" he says.

When clients are approached to join in a business venture, he usually gives a similar response. "Typically, as soon as something like that comes up, my response is 'no' right off the bat," he says.

"My whole question to them is, why would you want to do that when the amount of money you make if you invest, at 8% with \$2 million invested, will give you \$160,000 a year for the rest of your life? What business is going to generate a lot more than that that's worth the risk?"

Another reason Geier stresses a conservative approach, with a long view toward life without baseball, is that many of his clients have no guarantee of making it to the major leagues. About a dozen of them are minor league baseball players, making as little as \$1,500 a month in the Triple A leagues.

But even for his major league clients, Geier puts an emphasis on post-baseball planning. For Michael Devereaux, an ex-Oriole, Geier's suggestion for a career after baseball was to build houses. Devereaux had displayed a passion for building homes of his own, says Geier. "I said, 'Mike, why don't you build just one or two houses a year and sell them?' ... So that's what he started to do."

Finley, 36, is following the same advice as he nears retirement from baseball. He's considering a career in horse breeding. But Finley says Geier has been planning for his post-baseball career since he met him 11 years ago.

"He loves what he's doing like I love playing baseball," Finley says. "He takes our personal well-being and our financial stability personally." ©