

Retraction Notice

Title of retracted article: The Financial Divide in Football: Exploring the Impact of Financial Inequality on Competitive Balance and Team Performance in European Leagues

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History

Expression of Concern:

yes, date: yyyy-mm-dd

no

Correction:

yes, date: yyyy-mm-dd

no

Comment:

Due to authorship issue.

This article has been retracted to straighten the academic record. In making this decision the Editorial Board follows [COPE's Retraction Guidelines](#). Aim is to promote the circulation of scientific research by offering an ideal research publication platform with due consideration of internationally accepted standards on publication ethics. The Editorial Board would like to extend its sincere apologies for any inconvenience this retraction may have caused.

The Financial Divide in Football: Exploring the Impact of Financial Inequality on Competitive Balance and Team Performance in European Leagues

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Abstract

With football globally growing at rapid speeds, specifically in Europe, the sport is now one of the most commercialized and financially powerful. However, the growing financial divide between wealthy clubs and smaller clubs raises concerns regarding competitive and performance equality. This financial inequality allows top clubs to bring in massive revenue from broadcasting deals, sponsorships, and jersey sales while smaller teams are left struggling both competitively and financially. Despite regulations like Financial Fair Play, this financial disparity issue continues to impact European football. This paper dives into the influence of financial inequality on competitive balance and team performance in European football leagues. It argues that financial inequality contributes to reduced unpredictability, prevents the success of smaller clubs, and disrupts the overall sustainability of the sport. This research includes financial data, league results, a detailed literature review, and a Likert-scale survey given to fans of European football. Survey participants were selected through online social media platforms like Instagram and football communities on Reddit. This paper contributes to the debates on sports economics by offering a direct link between financial inequality and performance. It highlights limitations of current financial regulations and explores possible solutions like revenue-sharing systems and spending caps in the transfer market. The research results are specifically relevant for league organizers, managers, and policymakers working towards a more equitable competitive environment for the European football community.

Keywords

Financial Inequality, Football, Competition, Team Performance, European League

1. Introduction

Recently, in one of the world's most globalized sports, European football has seen a polarization between the elite and smaller clubs. A team's financial power increasingly controls its success in competitions and leagues. Clubs like Real Madrid, Paris Saint-Germain, and Manchester City are dominant in their respective leagues not merely because of strategic playstyles, but also because of the financial edge they have against their opposition. On top of a competitive imbalance, this financial inequality influences fans' excitement and views of fairness. This raises concerns among fans and leaves them questioning whether the essence of football is still about skill and tactics. As the same clubs win year after year, a sense of predictability sets in throughout the competition, and fans of less successful teams begin to lose hope. Financial disparity in European football not only affects who wins titles; more importantly, it erodes fan engagement, sponsorship deals, broadcasting rights, and youths' love for the sport. With revenue from broadcasting and sponsor deals favoring only top clubs, the gap between the leading clubs and the rest widens.

The more commercialized European football becomes, earnings from television rights, sponsorships, and fans increase the multibillion-euro industry. According to the UEFA European Club Finance and Investment Landscape 2024 report, revenue in the top five European leagues shows an unfair and continued growth, mainly because of broadcast and matchday streams (UEFA Intelligence Centre, 2024). Additionally, the transfer market has gotten to a level it has never been before; clubs are spending hundreds of millions of euros constantly signing top talent (Matesanz et al., 2018). This is called the transfer market inflation, and it's ruining the balance of football. This increased amount of player purchases and transactions has changed the competitive landscape, favoring richer teams on the field.

Academic research supports these trends, showing that European leagues each give way to different competitive balance scenarios. Goossens (2006) showed that competitive balance differs greatly from league to league. For instance, competitive balance in the Premier League, La Liga, and Bundesliga differs because of differences in revenue distribution systems and regulations. Interestingly, Özyaydin (2021) categorized European football leagues according to a balance-performance matrix. Results identified leagues that were relatively balanced, compared to those that were dominated by a few clubs. These findings show that a single solution won't be enough to combat this diverse issue. In addition, the globalization of football has other, more complex problems. Clubs are increasingly competing not solely domestically, but also in foreign markets for fans, sponsorship, and branding. Wicker and Hohmann (2025) state that globalization, by squeezing clubs financially, worsens inequalities. Therefore, competitive balance is no longer just a sporting concern but also an economic and cultural one, affecting fan engagement worldwide, as stated earlier.

This study seeks to answer the question: How does financial inequality among football clubs in European leagues affect competitive balance and team performance? This question explores the extent to which financial disparity limits balance and performance through an analysis of survey results, the distribution of revenue, club spending, league regulations, and performance outcomes.

The research methodology includes an extensive analysis and literature review of reports and papers from academic journals using quantitative, qualitative, and mixed methods. Sources like Deloitte's Annual Review of Football Finance 2017 and data from UEFA's Intelligence Centre provide statistics to help quantify the extent to which financial disparity becomes an issue. In addition, scholarly reports are used to identify the correlation between financial indicators and performance on the field. The research also explores financial indicators like the standard deviation of points, the Herfindahl-Hirschman Index (HHI), and the C5 Index to determine how success varies in each league. The impact of Financial Fair Play (FFP) will be analyzed to identify whether financial inequality is a direct cause of competitive imbalance.

This research begins with an exploration of the research objectives and questions, followed by a methodology section in Section 2. Section 3 then outlines the literature review along with a summary, while Section 4 presents the survey questionnaire and its findings. Section 5 dives into the analysis of survey results (see Figures 1-6), and Section 6 delves into the discussion section. Section 7 discusses the implications of the study, Section 8 addresses the limitations and future research directions, and finally, the paper concludes with a summary of key insights in Section 9.

2. Research Methodology

To measure league balance, three quantitative indicators were used:

- Standard Deviation of Points (σ_{points}):

$$\sigma_{\text{points}} = (1/N) \sum_{(i = 1 \text{ to } N)} (P_i - P)^2$$

where P_i is the points of club i , N is the number of clubs, and P is the average points.

- Herfindahl-Hirschman Index (HHI):

$$\text{HHI} = \sum_{(i = 1 \text{ to } N)} s_i^2, s_i = P_i/T$$

where s_i is the share of total league points for club i and T is the sum of all league points. For comparability with economic standards, HHI is also reported on a 0 - 10,000 scale.

- C5 Index:

$$\text{C5} = \sum_{(i \in \text{top5})} s_i$$

which is the combined share of total points won by the top five clubs.

The target for this study includes football fans, and a total of 112 responses

were collected through online football communities and groups on social media platforms like Instagram, Discord, and Reddit. Survey criteria include being a minimum age of 16 years old.

For primary data, this research uses a structured Likert-scale system in the survey. Results are reviewed and then explored in the research. For secondary data, the paper dives into a selection of credible reports relevant to the scope of this research, and quantitative as well as qualitative data will be analyzed in depth. Findings have been compared across a range of sources to ensure results are valid and reliable. On top of that, ethical considerations include keeping responses anonymous and getting consent through the introduction of the survey form. Because participants were obtained through social media, the survey uses a convenience sample. A sample as such allows broad and quick access to engaged fans; however, it cannot be considered fully representative of the entire European football audience. Thus, the findings illustrate respondent perceptions rather than serving as population-level estimates. This limitation is acknowledged and discussed in the Limitations section.

The survey questionnaire aims to understand if fans feel financial inequality affects competitive balance and team performance. They're given a statement on which they are asked, on the Likert Scale, how much they agree or disagree with that statement.

3. Literature Review

This literature review aims to evaluate and synthesize existing research on the impact of financial inequality among football clubs in European leagues, specifically focusing on how this financial disparity affects competitive balance and team performance. The literature review covers key factors like income distribution, revenue sharing, spending trends, and the effects of financial fair play (FFP) regulations. Findings are organized and compared across a range of different studies, and an identification of research gaps is made. A summary of these key studies and their findings is provided below (see **Table 1**).

As shown in **Table 1**, studies agree that financial inequality correlates with reduced competitive balance across European leagues. Overall, it becomes apparent that competitive balance is reduced in leagues where there is financial inequality. *Szymanski (2001)* found that even though some balance is maintained, clubs with greater financial power tend to do better than smaller clubs. His research also looked at competitions like the FA Cup and found that match attendance and income inequality were negatively impacting this competition in the long term. With the extra money higher-end clubs have, they have the ability to sign better players and invest in better resources. As these higher-end clubs win competitions season after season because of their financial edge in the transfer market, it is shifting league dynamics and competitiveness and reducing fan engagement (*Goossens, 2006*).

Table 1. Selected literature review.

| Study | Methods | Country | Factors | Findings |
|---------------------------|---|-------------------------------|---|--|
| Szymanski (2001) | Qualitative | England | Income inequality & team performance | <ul style="list-style-type: none"> Findings show that despite an increase in inequality among clubs, competitive balance has been maintained for the most part. A comparison between matches in the league and in the FA Cup shows that, because of a decline in attendance at FA Cup matches over the last 20 years, the FA Cup has become more unbalanced compared to league competitions. Clubs with larger financial power have the ability to invest more in better players, which leads to competitive imbalance. |
| Goossens (2006) | Quantitative | European leagues | Competitive balance, European leagues, revenue distribution, Herfindahl index | <ul style="list-style-type: none"> Between 1960 & 2005, competitive league balance, especially in La Liga and the EPL, has declined. In La Liga, FC Barcelona and Real Madrid (the top 2 in the league) earned more than 40% of the league's total broadcasting revenue. The Herfindahl Index indicates that leagues like the Bundesliga (German first division league), which implement shared revenue models, maintain more balanced outcomes. |
| Özaydın & Donduran (2019) | Quantitative (using regression models from UEFA data) | Turkey/Europe (Top 5 leagues) | Distribution of Income, Lorenz Curve, Revenue Sharing, Competition in European Football | <ul style="list-style-type: none"> Findings show a positive correlation ($r > 0.8$) between clubs' revenue and their league ranking over a 10-year duration. Clubs earning in the top 10% of revenue, continuously placed in the top 4 of their leagues. Revenue-sharing can be implemented to help restore equality. |
| Matesanz et al. (2018) | Mixed | European leagues | Player transfer spending and team success | <ul style="list-style-type: none"> Clubs that are active and central in the transfer market (based on connections and volume) see a higher average win rate (over 60%). Higher spending power in the player transfer market led to signings of top players, which led to short-term club success. Smaller teams became "feeder teams" (lower-level clubs that provide training for young/developing players with an agreement that successful players can move up to higher-level teams) with little space to keep players, therefore, reducing their competitive potential in the long term. |
| Deloitte (2017) | Quantitative | Europe (Top 20 clubs) | Football finance, revenue inequality, broadcasting rights, club financial growth | <ul style="list-style-type: none"> In 2016, the 20 richest clubs collectively earned €7.4 billion in revenue, and of that €7.4 billion, Manchester United earned €689 million. The 'big five' European leagues earned €13.4 billion in 2015/16 (54% of the European market size), a €1.4 billion (12%) increase from the previous season. 59% of this growth is from broadcast revenue, showing how top clubs benefit from media rights deals and gain an unfair advantage. Clubs outside the top 20 saw minimal growth, increasing reliance on player sales. The UEFA Euro 2016 tournament revenues (over €1.9 billion with €800 million net profit) show how the higher-end events and clubs generate large amounts of income, reinforcing a cycle where bigger clubs can outspend and outperform rivals because of their unfair financial edge. |

| | | | | |
|---------------------------------|----------------------------|---|---|--|
| Serrano et al. (2023) | Qualitative | European leagues | Business and International Management, Marketing, Strategy and Management, Tourism, Leisure, and Hospitality Management | <ul style="list-style-type: none"> Competitive balance decreased before FFP (financial fair play). After FFP implementation, it increased only slightly. Even with financial regulations set, richer clubs still dominated in their leagues. The authors came to the conclusion that financial regulations alone aren't enough to balance competitiveness. Financial inequality is structurally embedded. |
| Özaydın (2021) | Mixed | European leagues | European Football, Transfer Market, Financial Fair Play, Big 5 | <ul style="list-style-type: none"> Smaller leagues with less financial power lose top talent to wealthier clubs that buy these players. The Bundesliga (German first division) is more balanced and showed better average team performance and tighter, more competitive tournaments. In the study with a 2D model that plots revenue balance and performance balance, the model showed that leagues with a more equal revenue sharing system are likely more competitively balanced, with a better chance of success for mid-tier clubs. |
| Wicker & Hohmann (2025) | Quantitative & AI analysis | European leagues | Spending efficiency, ROI in football, Club performance, Financial inequality | <ul style="list-style-type: none"> Better clubs convert money into results/performance much better than lower or mid-tier clubs do. Lower-tier clubs overspend relative to how they perform and generally get a lower return on investment. The gap between rich and poor clubs is widening, worsening the problem of competitive imbalance. |
| UEFA Intelligence Centre (2024) | Quantitative | 700+ clubs & 55 UEFA-affiliated leagues | Club finance, Revenue concentration, Wage disparity, League polarization | <ul style="list-style-type: none"> In 2023, the top 20 teams generated a combined €26.8 billion, €2.9 billion more than in 2022, increasing financial inequality. In the big leagues, when comparing the top 8 teams with mid-tier teams, there's a €300 million yearly revenue gap. In Europe, 70% of total transfer spending is from top clubs. Wealthier clubs are growing while smaller clubs' debts are increasing. |

According to Deloitte (2017) and UEFA Intelligence Centre (2024), revenue is concentrated among top clubs and is only increasing. Deloitte (2017) found that in the 2016 season, the 20 richest clubs collectively earned €7.4 billion in revenue, and of that €7.4 billion, Manchester United, one of the best clubs in the Premier League at the time, earned €689 million. Correspondingly, the UEFA Intelligence Centre (2024) reveals that in 2023, the 20 top teams earned a combined revenue of €26.8 billion, a €2.9 billion increase from 2022. These findings not only show a concentrated revenue trend but also an increasing one. This concentration is increasing financial gaps, which takes a toll on European competitive balance. The top 20 clubs accounted for 70% of spending in the player transfer market (UEFA Intelligence Centre, 2024). As a result, smaller clubs are at a disadvantage and are often reduced to what is called a "feeder" team meant primarily for training young, less experienced players who are later transferred to bigger, better teams.

Özaydın & Donduran (2019) argue that revenue sharing can be implemented to reduce imbalance, often referring to the Bundesliga as an example where financial equality is more prominent, but Serrano et al. (2023), focusing on the effect of financial fair play (FFP), explain how regulations like these aren't enough to effectively reduce inequality. Although financial fair play was initially introduced to increase sustainability and decrease spending for wealthier clubs, the research found that wealthier clubs still manage to find ways to dominate in their leagues through altering sponsorship structures, legal loopholes, or even simple financial scale. Therefore, without strict implementation, such policies are ineffective for the most part.

Clubs that spend more have that competitive edge over clubs that don't. According to research by Matesanz et al. (2018), teams that spend more on player transfers often have a better short-term outcome in terms of league success. These outcomes were typically not maintained over a period of multiple seasons unless they kept a consistent spending cycle in the transfer market and worked on improving the overall club's infrastructure. Similarly, Wicker & Hohmann (2025) find that top clubs convert transfer spending into better performance more efficiently than smaller clubs. In this research, with the help of AI-based modeling, results show that high-income clubs spend smarter and more effectively in ways that smaller clubs can't. This resulted in better, more consistent performance and higher return on investment for those clubs. In fact, smaller clubs often tend to overspend but end up seeing lower returns. Özaydın (2021) also notes that the mid-tier clubs in balanced leagues, like the Bundesliga, perform better than those in more unequal leagues. Özaydın used a two-dimensional model that tracks revenue and performance; he showed that leagues with a more even distribution of revenue were overall more competitive.

Although spending leads to short-term success (Matesanz et al., 2018), smaller teams became "feeder teams" (lower-level clubs that provide training for young/developing players with an agreement that successful players can move up to higher-level teams) with little space to keep players, therefore, reducing their competitive potential in the long term. This unfairly benefits wealthier teams since the smaller clubs are left training and developing top players and having to give them up to richer clubs without a long-term payoff (Deloitte, 2017).

Meanwhile, Wicker & Hohmann (2025) use their AI analysis to show that financial efficiency is different among teams and leagues. They argue that how money is spent matters just as much as how much is spent. This indicates that the amount of money spent does not correlate with performance. They found that average clubs in leagues with financial regulations have a better return per euro spent than wealthier clubs. This indicates that effective rules and regulations make a difference (Özaydın, 2021).

This research builds on past academic reports and papers by synthesizing relevant information on both competitive balance and team performance under circumstances of financial inequality in European football leagues. It dives into how financial inequality impacts a club's success over time, rather than just league competition. It's crucial to understand the way wealth circulates around a few clubs and how this unequally affects competition in Europe and the excitement of football leagues, impacting fans, smaller clubs, and the sport's sustainability. Serrano et al. (2023) mentioned the obvious advantage that top clubs have and how this lowers competitive balance and fan excitement. Still, there is little research on fan perception and the cultural influence of this imbalance. An aim for future research should be to target the role of financial management strategies and analyze fan-based metrics to look at inequality's impact on a broader scale. A useful addition to the scope of this topic would be to look into whether fans can help support their local teams towards success. In addition, a look into non-European clubs and how they're handling financial inequality can offer a much-needed universal comparison.

4. Survey

The survey was conducted in July 2025 and was distributed online through social media platforms. The questionnaire was given to fans of European football aged 16 and above, and a total of 112 people responded to the questionnaire, collecting a wide range of responses. The survey consists of 10 questions using a 5-point Likert scale system. The purpose of this survey was to gain an understanding of the fans' perception on financial inequality in European football. Ethical considerations are taken seriously. Responses were kept anonymous, and no private information was taken from any respondents. Participation was voluntary, and consent was obtained through the introduction of the survey form. Additionally, all respondents were informed of the purpose of the survey. See Table 2 for specific data on each question.

Table 2. Survey questionnaire and responses.

Note to applicants: Hi! My name is Mustafa Ahsan, a 12th-grade student studying at the American International School of Jeddah, Saudi Arabia. Through this research, I am to determine the Impact of Financial Inequality on Competitive Balance and Team Performance in European Football Leagues. I request you to fill the survey form for academic purposes. By completing this form, you agree to allow your anonymous responses to be used for academic research purposes only. I assure the confidentiality and security of your data. Thank you!

| Questions | Responses |
|--|---|
| 1. Financial inequality makes football leagues less competitive. | 1. Strongly Disagree: 4.5% 2. Disagree: 5.4% 3. Neutral: 13.4% 4. Agree: 58.9% 5. Strongly Agree: 17.9% |

Continued

| | |
|--|--|
| 2. Clubs with higher budgets generally perform better than lower-budget teams. | 1. Strongly Disagree: 2.7% 2. Disagree: 8% 3. Neutral: 10.7% 4. Agree: 53.6% 5. Strongly Agree: 25% |
| 3. I lost interest in a league or tournament because the same rich clubs always win. | 1. Strongly Disagree: 6.3% 2. Disagree: 17% 3. Neutral: 24.3% 4. Agree: 44.6% 5. Strongly Agree: 9.8% |
| 4. To ensure fairness, financial regulations should be stricter | 1. Strongly Disagree: 2.7% 2. Disagree: 8% 3. Neutral: 14.3% 4. Agree: 61.6% 5. Strongly Agree: 13.4% |
| 5. Smaller clubs have a fair chance of winning in top European leagues. | 1. Strongly Disagree: 10.7% 2. Disagree: 59.8% 3. Neutral: 11.6% 4. Agree: 13.4% 5. Strongly Agree: 4.5% |
| 6. Big clubs having more money makes football more exciting. | 1. Strongly Disagree: 16.1% 2. Disagree: 35.7% 3. Neutral: 31.3% 4. Agree: 13.4% 5. Strongly Agree: 3.6% |
| 7. Financial inequality has made league/match results more predictable (Example: The same wealthy clubs keep winning season after season). | 1. Strongly Disagree: 2.7% 2. Disagree: 15.2% 3. Neutral: 18.8% 4. Agree: 52.7% 5. Strongly Agree: 10.7% |
| 8. The current financial regulations in European football are doing a good job in maintaining fairness between teams. | 1. Strongly Disagree: 8% 2. Disagree: 54.5% 3. Neutral: 21.4% 4. Agree: 14.3% 5. Strongly Agree: 1.8% |
| 9. Teams with smaller budgets can still succeed if they have a good strategy. | 1. Strongly Disagree: 1.8% 2. Disagree: 8.9% 3. Neutral: 17% 4. Agree: 52.7% 5. Strongly Agree: 19.6% |
| 10. I would enjoy football more if financial differences between clubs were smaller. | 1. Strongly Disagree: 3.6% 2. Disagree: 9.8% 3. Neutral: 15.2% 4. Agree: 47.3% 5. Strongly Agree: 24.1% |

5. Analysis of Survey

A combined 76.8% of respondents agree or strongly agree that financial disparity makes football leagues less competitive (see **Figure 1**). This demonstrates a widely held agreement that financial inequality negatively affects league competition. There is minimal support for the idea that the current

financial situation does not affect league competitiveness: 9.9% of respondents disagree or strongly disagree with the statement. This data supports [Szymanski \(2001\)](#) and [Goossens \(2006\)](#). Both argued that as revenue becomes concentrated in rich, wealthy clubs, competitive balance decreases. The chart shows how fans' perceptions align with academic viewpoints, making this a central issue in European football.

Financial inequality makes football leagues less competitive

112 responses

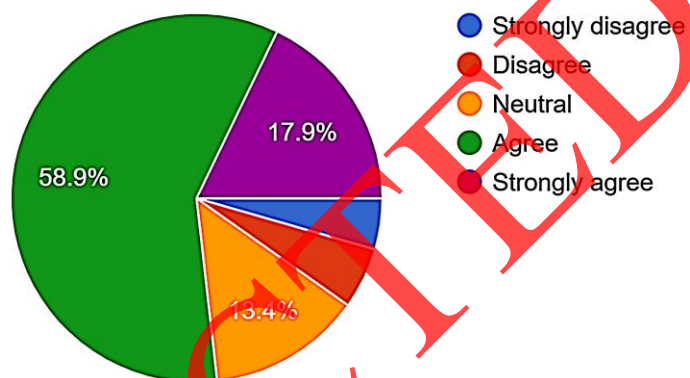


Figure 1. Financial Inequality and Competitiveness.

Clubs with higher budgets generally perform better than lower-budget teams

112 responses

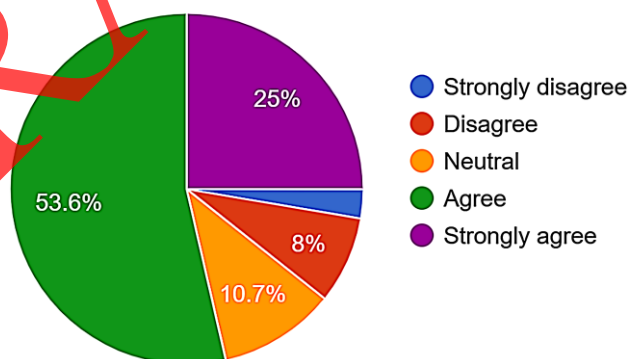


Figure 2. Spending & Performance.

As shown in [Figure 2](#), in question 2, 76.8% of respondents agreed or strongly agreed that wealthier clubs generally perform better than smaller clubs with less of a budget. In contrast, only 10.7% disagree or strongly disagree. This result matches with research by [Özaydın & Donduran \(2019\)](#) and data from [UEFA Intelligence Centre \(2024\)](#). Both show a strong connection between league ranking and revenue. According to the survey results, fans understand this link and agree with academic claims about the imbalance caused by wealth.

I lost interest in a league or tournament because the same rich clubs always win

112 responses

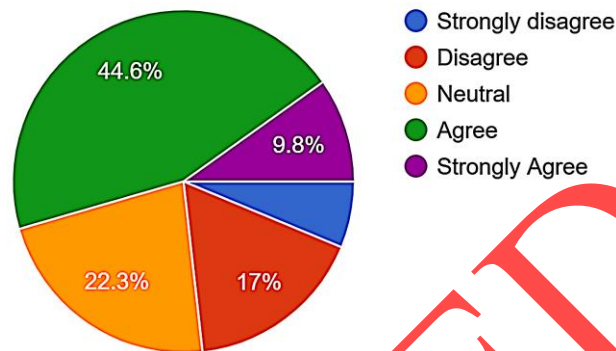


Figure 3. Fan engagement & interest.

In question 3, 54.4% of respondents agree or strongly agree that they'd lost interest in a league or tournament because of predictable outcomes. On the other hand, a combined 23.3% of fans disagree or strongly disagree with the same statement. See Figure 3 for deeper analysis. The results demonstrate how fans are directly affected by financial inequality. As earlier mentioned, predictability in football decreases fan excitement, which in turn affects league sustainability and fan loyalty (Szymanski, 2001).

The current financial regulations in European football are doing a good job in maintaining fairness between teams

112 responses

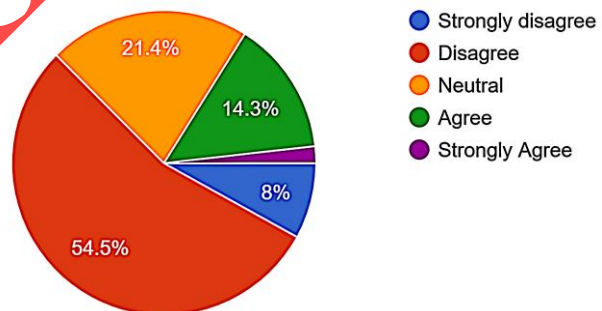


Figure 4. Effectiveness of financial regulation.

For question 8, 62.5% disagreed or strongly disagreed that current financial regulations are effective (as shown in Figure 4). Only 16.1% are in support (agree or strongly agree). This data suggests that a majority of fans understand how regulations like financial fair play are inadequate and can be easily avoided. Serrano et al. (2023) argued something similar, suggesting that financial fair play is ineffective for the most part since bigger clubs often find their ways around it.

I would enjoy football more if financial differences between clubs were smaller
112 responses

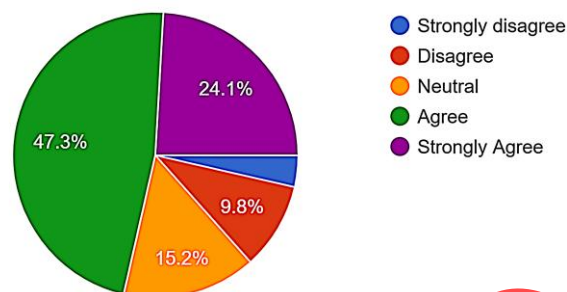


Figure 5. Demand for fairness and reform.

As shown in **Figure 5**, question 10 shows that 71.4% (agree or strongly agree) of respondents would enjoy football more if financial gaps were smaller. These findings indicate that fairness in football is more than just club success; rather, it influences fans' emotional connection with football. As evidenced by [Özaydın \(2021\)](#) and [Matesanz et al. \(2018\)](#), the results from question 10 support the argument for solutions like revenue sharing implementation or salary caps.

Teams with smaller budgets can still succeed if they have a good strategy
112 responses

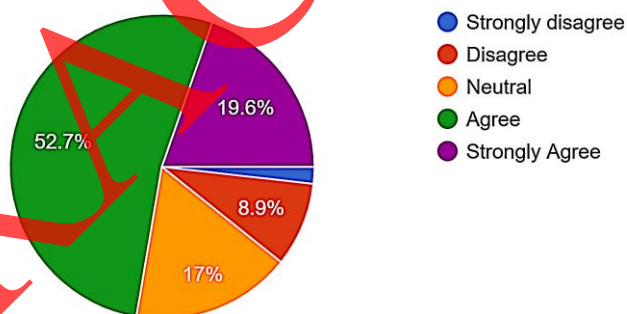


Figure 6. Strategic hope in smaller clubs.

Figure 6 (Question 9) demonstrates obvious optimism as 72.3% of respondents agree or strongly agree that smaller clubs can succeed with a good strategy. In comparison, only 10.7% disagree or strongly disagree. The data from this question provides a unique perspective as fans, despite being aware of inequality, still believe in the core spirit of the game. This lines up with an argument made by [Wicker & Hohmann \(2025\)](#), who highlighted that planning and use of analytics can drive success for smaller clubs. Even though this isn't a solution to financial inequality, it certainly offers a way for smaller clubs to remain competitive in an unbalanced league.

6. Finance-Performance Relationship

A simple correlation and regression analysis was conducted (using Deloitte revenue figures & 2023-2024 final league points of top European clubs) in order to

test the claim that financial strength is linked to league performance. Though the effect is not substantial in this small sample, the results shown in **Table 3(a)** indicate a positive association between revenue and points. This aligns with prior research suggesting that wealthier clubs usually outperform lower-revenue teams.

Table 3. (a) Correlation and regression linking club revenue to league points (top European clubs, 2023-24); (b) Regression model.

| (a) | | | | |
|---|-------------|------------|---------|---------|
| Statistic | | Value | | |
| Pearson correlation (Revenue vs Points) | | 0.395 | | |
| Number of clubs (n) | | 15 | | |
| (b) | | | | |
| Term | Coefficient | Std. Error | t-value | p-value |
| Constant | -6.013 | 63.632 | -0.094 | 0.926 |
| ln(Revenue) | 12.848 | 9.900 | 1.298 | 0.217 |

- Dependent Variable: League Points (2023-24)
- Independent Variable: ln(Revenue in € millions)

Model Fit:

- $R^2 = 0.115$
- Adjusted $R^2 = 0.047$

Although the regression results are not significant (at 5% level), the positive coefficient present supports the broader narrative that higher revenues correlate with performance (see **Table 3(b)**). The R^2 reflects the fact that performance is also shaped by other factors: tactical management, injuries, and squad depth. These results further support the overall financial-performance relationship as summarized in **Table 3(a)** and **Table 3(b)**.

7. Discussion

Insights garnered from content analysis, the literature review, and fan surveys helped shape the proposed framework that explains how financial inequality impacts competitive balance and team performance in European football. This framework was developed by synthesizing various sources and grouping them into four categories: Stakeholder perspective, financial challenges, club strategies, and consequences.

7.1. Stakeholder Perspectives

In European football, stakeholders like fans, league organizers, and clubs (small and big) are all affected by financial inequality. Since all of these stake-

holders are impacted, their perspectives are crucial in understanding the dynamics of the sport.

1) Fans

According to *Szymanski (2001)*, one of football's biggest elements is the uncertainty that comes with it. After the same elite clubs win year after year, predictability grows, fan excitement falls, and when the element of anticipation is no more, fan interest fades. According to the *UEFA Intelligence Centre (2024)*, league revenue is highly dependent on fans, and with viewership and engagement declining, the industry experiences a long-term sustainability issue.

2) Smaller Clubs

Smaller clubs are at a financial and competitive advantage. According to *Özaydın & Donduran (2019)*, revenue and league performance have a strong positive correlation: clubs in the top 10% of revenue/income consistently placed in the top 4. These clubs often get referred to as "feeder teams" because they can't afford to keep their top players and have to rely on the sales they get from selling these players, which isn't enough to grow or compete consistently. This constant cycle of developing great players and losing them to bigger clubs makes it difficult for feeder teams to build and maintain long-term success.

3) Elite clubs

Current financial regulations give elite clubs a significant edge. The top 20 teams generated a combined €26.8 billion in 2023 (*UEFA Intelligence Centre, 2024*). This immense revenue allows wealthy clubs to invest in talented players and high-level infrastructure, giving them a competitive advantage (*Wicker & Hohmann, 2025*).

4) League organizers

Organizers like UEFA are struggling to maintain competitive balance while simultaneously preserving commercial growth. The implementation of Financial Fair Play was intended to highlight spending inequalities, but according to *Serrano et al. (2023)*, its impact was mostly ineffective. Wealthy clubs often tend to find ways around regulations like this, leaving league organizers struggling to maintain balance and fairness.

7.2. Financial Challenges

The upcoming financial challenges are closely connected to the stakeholder perspectives. In European football, these include income gaps, transfer market inflation, uneven revenue distribution, and weak implementation of regulations.

1) Income gap

A major issue in leagues across Europe is the concentration of revenue among big clubs. According to *UEFA Intelligence Centre (2024)*, in 2023, the top 20 European teams earned a combined €26.8 billion. The income gap between top clubs and mid-tier clubs that year was a whopping €300 million. This shows just how unequal the sport has become, with financial power

playing a bigger role than ever.

2) Transfer Market Inflation

Although clubs with more financial capabilities often dominate the transfer market, signing better players and increasing their short-term success (Matesanz et al., 2018), this pattern also contributes to inflation in players' transfer prices. Wicker & Hohmann (2025) argue that this player inflation is negatively and disproportionately impacting smaller clubs, which lack the needed resources to consistently earn returns on their investments. However, these effects are not multinational; Some smaller clubs with lower budgets have learned to adapt through strategic scouting, data analysis, and effective player development, contesting the premise that spending correlates with success.

3) Revenue distribution

Clubs like Manchester City from the Premier League and Real Madrid from the La Liga pull far ahead of their competition financially. This is because these leagues' revenue distribution systems are weak and uneven. In contrast, leagues where revenue distribution is monitored produce more balanced and competitive matches and tournaments. According to Goossens (2006), the Bundesliga's revenue-sharing system led to more equal and exciting results. Leagues without similar systems will continue to face growing inequality.

4) FFP

Regulations like Financial Fair Play were initially introduced to limit overspending in clubs with more financial power than others. Unfortunately, such regulations have been weakly enforced and unsuccessful for the most part. Sereno et al. (2023) argue that wealthier clubs find ways around FFP through commercial loopholes or strategic sponsorships to stay within the rulebook while still overspending. As a result, financial inequality continues to grow despite the implementation of financial fair play.

7.3. Club Strategies

The increasing financial gap between clubs in European football leagues has forced both big and small clubs to make operational changes to their strategies. These changes and methods not only reflect economic challenges but also influence their long-term competitiveness and the overall balance of a league.

1) Elite clubs

- **Player Spending:** According to Matesanz et al. (2018), clubs highly active in the transfer market have win rates often over 60%, reinforcing a cycle of success dependent on financial investment and spending. Clubs like PSG, Manchester City, and Real Madrid have all adopted similar strategies, constantly spending heavily on top players in the transfer market. Elite clubs have the financial advantage, enabling them to spend more on key players. If a wealthy club doesn't have enough defensive players, they can simply turn to the transfer market and spend their money on elite defenders. This

gives wealthier clubs a competitive edge that smaller clubs don't have.

- Commercialization: Top clubs use their global brand to bring in high-return or high-value sponsorships and broadcasting deals. As earlier mentioned, the 20 top European clubs in the 2015/16 season generated €7.4 billion in revenue altogether, of which over half came from broadcasting and commercial deals. Manchester United, one of the best teams in the Premier League at the time, reported a revenue of €689 million in a single season, further emphasizing the power of global branding (Deloitte, 2017). This global reach allows clubs to maximize profits from merchandise sales and expand into emerging international markets, further firming their financial dominance. In addition, commercialization often allows clubs to reinvest in high-profile players. This creates a system where revenue and on-field performance/success support each other.
- Investment: Elite clubs invest in more advanced facilities, data analytics, and medical support systems. This edge improves player performance, but moreover, it attracts talent from smaller clubs, further increasing the financial gap. Clubs with state-of-the-art infrastructure can also implement more effective youth development programs. Implementations of such a program can help ensure a sustained pipeline of skilled players while reducing long-term recruitment costs. These investments also enhance a club's global reputation, making it more appealing to international sponsors/investors.

2) Smaller clubs

- Talent Development & Player-sales: Since smaller clubs cannot compete with bigger clubs in the transfer market, they end up as feeder clubs. They are left training young players as assets and are later forced to sell them to elite clubs for a small profit, which is what they continuously rely on. This cycle reduces competitiveness in the long term and balance (Matesanz et al., 2018). To maximize returns, smaller clubs often focus on scouting under-the-radar talent and providing high-quality development programs to increase the market value of their players before selling. Additionally, strategic loan arrangements with larger clubs can allow them to retain partial rights or future sell-on fees, ensuring some continued financial benefit.
- Tactical Adaptation: Smaller clubs, knowing they cannot compete on player quality alone, have adopted tactical playing strategies focusing on tactics rather than their financial disadvantage. These clubs play with defensive or counter-attacking styles depending on the team they're up against, to neutralize their opposition. Wicker & Hohmann (2025) found that these small clubs, which prioritize tactical playing styles, maximize performance despite earning significantly less than their much wealthier opposition. Furthermore, coaches of smaller clubs often innovate in training and match preparation, using video analysis and situational drills to exploit opponent weaknesses. Over time, this tactical emphasis can enhance the club's repu-

tation for strategic discipline, attracting players who thrive in well-structured systems rather than depending solely on star talent.

- **Financial Efficiency:** According to [Wicker & Hohmann \(2025\)](#), although elite clubs are more efficient overall, smaller clubs exploit analytics, careful wage structures, and planning to perform better than richer teams. Analytics are used by searching for undervalued players and making tactical decisions in signing those players. Wage structures ensure the club's finances are sustained. And strategic planning, like effective squad switches, targeting a selected number of matches for league points, and using loan markets, further improves performance. Additionally, smaller clubs often focus on revenue diversification, such as local sponsorships, community engagement, or youth academy fees, to supplement limited broadcasting or commercial income. This financial prudence ensures the club remains sustainable while still fielding competitive teams.

7.4. Consequences

The structural issues in European football leagues result in consequences that affect the sport beyond just matches and league seasons. These consequences affect a league's fairness, competitive balance, fan engagement, and the overall sustainability of a league.

1) Competitive balance

A clear effect of financial inequality is a reduction in competitive balance. [Goossens \(2006\)](#), who used the Herfindahl index, showed that leagues with unequal revenue systems, like La Liga, demonstrate a much less competitive balance than leagues like the Bundesliga, with balanced systems. Furthermore, [Özaydın & Donduran \(2019\)](#) reveal that teams with the most revenue often finish highest in their league standings in the long term.

2) Less fan engagement

The results from the survey support the trend that most fans are less engaged and excited because of financial inequality: 44.6% agree, and 9.8% strongly agree with the fact that they lost interest in a league or tournament because the same rich clubs always win. Fans yearn for the element of unpredictability, but because of financial disparity, that magic of football fades. According to [Szymanski \(2001\)](#), who highlighted the connection between fan engagement and unpredictability, a decrease in balance can lead to both reduced TV viewership and stadium attendance.

3) Unsustainability

Financial disparity threatens the future of the sport. With smaller clubs relying on player sales and dealing with debt, they find it hard to survive in leagues with wealthier clubs ([UEFA Intelligence Centre, 2024](#)). If these clubs continue to weaken or even disappear, leagues could lose diversity along with local passion. Meanwhile, elite clubs continue to grow, thus reinforcing the cycle of competitive imbalance.

8. Implications

This study empirically contributes to the field of sports economics by analyzing how financial inequality affects competitive balance and team performance in European football. It dives into the relationship between club income and success on the field by analyzing financial data, transfer trends, and league results. The research combines academic studies with industry reports, such as *Deloitte (2017)*, which shows that financial concentration, whether through broadcasting rights or transfer activities, provides a sustained competitive edge for elite clubs.

While previous studies have researched general competitive balance and club finance separately, very few studies have looked specifically at the connection between financial inequality and both league balance and team performance. A majority of past studies were conducted in a single country and often overlooked the long-term disadvantages lower-revenue clubs were experiencing. This research brings these aspects together, narrowing findings across Europe, including a larger number of leagues (like in *Matesanz et al.'s (2018)* work), and emphasizing the long-term implications for smaller clubs to compete.

The findings link to football regulators (such as UEFA), league organizers, and club presidents. From the results of this research, it becomes clear that policies such as revenue sharing, salary caps, or financial fair play reforms should be adopted to help manage increasing inequalities and to raise league predictability. This research draws attention to the need for support for smaller clubs and academies to prevent them from being reduced to "feeder" teams. League directors could utilize such data to determine whether current models are hurting fan interest by reducing competitive unpredictability.

At a social level, this research reveals possible concerns about inequality and mobility. In the same way that income gaps limit opportunity in economies, financial inequality in football limits the chance for success, therefore reinforcing systems of privilege. The results reflect real-world situations where fairness and resource distribution affect long-term outcomes. By underscoring the effects of what happens when money is distributed unequally, especially in one of the most widely globalized sports, the research emphasizes the importance of fairness, balance, and a maintained level of competitiveness, both on and off the field.

9. Limitations and Future Directions

During the research process, it's certain that there will be several limitations and obstacles that naturally come up. It's important to address them in order to fully contextualize the findings and help guide future researchers. Firstly, there was a lack of a network for the researcher since the Google Form used to collect survey responses was distributed mostly through the

researcher's personal network. Thus, the minimum age requirement was lowered in order to increase the response count. The survey uses a convenience sample that allows broad and quick access to engaged fans. But, it does not fully represent the entirety of European football fans. Therefore, the findings illustrate respondent perceptions rather than serving as population-level estimates. Because of this, the viewpoints of older football fans with more mature opinions were slightly underrepresented.

Because of this, the viewpoints of older football fans with more mature opinions were slightly underrepresented. However, younger fans still make up a large portion of the football fanbase, which means this group still offers relevant and credible insights on fans' perceptions of financial inequality in European football. Also, because of a lack of access to club financial data, there were challenges when assessing financial outcomes. The financial data used in the paper was from reports like Deloitte and UEFA, which often slightly exaggerate data.

Another limitation was the geographical reach of the research. The study focuses on European football leagues, but a majority of the respondents were based in Saudi Arabia. This introduces regional bias since fans living in Europe, who support local European teams, may hold varied opinions. Future researchers should make sure to distribute the questionnaire to fans across the world for more accurate results. Additionally, even though the literature review was credible and thorough, it doesn't include the best research that focuses on how clubs adapt to financial inequality strategically. As a result, this paper uses limited information to discuss these strategies. Future research should dive deeper into the methods different clubs use to combat financial inequality.

As football evolves, with new broadcasting deals and sponsorships, the types of financial issues will likely change. As a result, findings from this paper may become outdated in the future. This study lays important groundwork, but in short, it's merely a starting point for future research to build upon and adjust based on the circumstances. Future researchers can look into new financial regulations or research new market changes and analyze how they positively and negatively affect competitive balance in European football.

10. Conclusion

The primary aim of this research was to investigate how financial inequality among football clubs in European leagues influences competitive balance and team performance. As football continues to grow rapidly and is becoming increasingly commercialized, this paper examines the impact of uneven revenue distribution, financial advantages, and spending power on match outcomes, sustainability, and fan engagement.

Findings suggest a strong correlation between financial disparity and a decrease in competitive balance. Secondary research from UEFA and Deloitte, as well as primary data from survey results, confirm that wealthier clubs with

more resources perform significantly better than clubs with less financial power. 78.6% of survey respondents agree or strongly that clubs with higher budgets generally perform better than lower-budget teams. This paper emphasizes how smaller clubs are often forced into “feeder” positions while bigger clubs enjoy benefits both performance-wise and commercially. Methods like strategic adaptation and efficient spending, while helpful for smaller clubs, are insufficient in bridging the financial divide. In addition, Financial Fair Play has been unhelpful in helping smaller teams since wealthier clubs manage to find ways around these sorts of regulations. Thus, the effects of similar policies have weakened.

This study was limited by its survey distribution method. The survey questionnaire was distributed primarily through the researcher’s personal network, which means there has been an underrepresentation of European-based football fans or older fans. Additionally, reliance on already-published reports, like those of Deloitte and UEFA, meant that there was a lack of access to club-level financial data. These elements could only slightly affect the reliability of the survey results. Future researchers could look into how financial inequality impacts non-European leagues and how the methods these leagues use to combat this issue. To better understand the social impact of this problem, they can also analyze fan-based metrics and responses to financial disparity. Lastly, a more globally representative survey sample could also provide more accurate, nuanced data.

The findings from this paper can be used by league organizers, policymakers, and club directors to implement effective reforms, stricter financial regulations, structured revenue-sharing models, and policies that support smaller clubs. These changes could help restore fairness and competitive balance in European football leagues and help with the reignition of fan engagement, protecting the future of football in the long term.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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