

# Socio-economic impact study of the Pro League on the Belgian economy

June 2020



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# Foreword



**Pierre François**  
CEO Pro League

The 19/20 season will obviously be marked by the exceptional COVID-19 crisis, which will change the world as we know it today. However, we should not neglect the positive evolution our Belgian clubs have realized in recent years, in terms of turnover but also in terms of the economic and social impact on the Belgian economy.

The clubs continue to increase their importance and their contribution to the national economy and position themselves as key players in the social development of our country.

However, we should not ignore other lessons from this yearly report. Declining transfer results, (too?) high salary costs and agent commissions that are not decreasing are factors that affect the profitability of the sector and represent challenges for Belgian clubs if they are to ensure their sustainability in the current context. We will need to learn from the past to ensure the stability of Belgian clubs in the future.

The third edition of Deloitte's "Report on the socio-economic impact of the Pro League on the Belgian economy" focuses on the figures for the 18/19 season and provides an insight into the evolution of our business over the last three seasons.

Pierre François  
CEO Pro League



**Sam Sluismans**  
Partner Deloitte Belgium

Belgian professional football experienced a significant growth in revenue during the season 18/19, despite the operation 'clean hands'. All operational income categories have grown, along with successful European campaigns that repositioned our Belgian clubs on the European scene. Hence, it is no surprise that 18/19 was the first season in which more than €1 billion was spent in the Belgian economy thanks to the existence of Belgian professional football. Belgian football confirms the positive evolution in revenues, and has done so for several seasons.

Alongside their economic impact, the Pro League clubs are increasingly investing in social activities, enabling them to play a credible role towards society and leverage on the strength of their brands locally. The continued investment of clubs in youth academies shows their willingness to train and bring talent to the top, confirming the position of our country as a talented football nation.

On the other hand, clubs are facing increasing salary costs and agent fees. Taking control of the costs will be a key challenge for the clubs towards the future, especially with the current COVID-19 crisis, which will put pressure on the clubs' ability to confirm the positive revenue trend of the past seasons.

Sam Sluismans  
Partner Deloitte Belgium

# Executive Summary

## Evolution of professional football: Key numbers from season 18/19

### Total revenues

€378,5 million

a 18% increase compared to 17/18

### Broadcasting increased to

€84,3 million

22% of total revenues

### Sponsoring revenues

€76,2 million

### UEFA prize money

€63,6 million

(significant increase due to successful European campaigns in 18/19)

### Estimated impact of COVID-19 on Belgian professional football revenues

25%

decrease of total revenues in 19/20

### Player salaries

€249 million

(average gross annual salary of €233.000)

### Payroll cost / revenue ratio

55,2%

### Net transfer result

€22,4 million

### Agent fees

€45,3 million

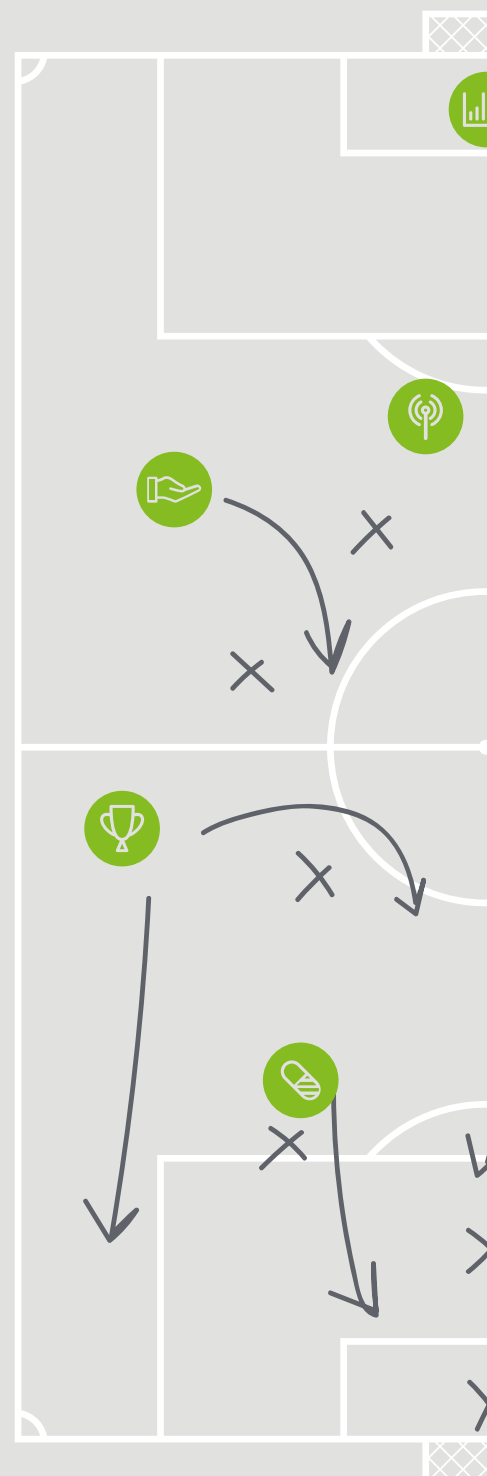
### Top 5 agents

37%

of total commission fees

12 clubs

with a Belgian majority shareholder  
(at 30/06/2019)





## Economic impact: Key numbers from season 18/19

### Gross output

€1,1 billion

### Gross Value Added

€630 million

### Jobs

4.095 jobs

### Net Contribution

€88 million

### VAT Generated

€112 million

## Social impact:

## Key numbers from season 18/19

### Community & Social Responsibility

#### Social projects in 2019

300

#### Annual budget made available

€1,8 million

#### Number of people participating in the projects

62.868

### Fans

#### Registered fan clubs

457

#### Social media followers

4,8 million

### Youth players

#### Number of minutes played

98.717

#### Number of youth contracts

261







# Introduction

Our third edition of the report focuses on the social and economic impact of the most popular and visible sport in Belgium. In line with the previous editions, we will look deeper into the financial development of the Pro League and our professional football clubs (in terms of revenues, player salaries, agent fees,...) and we will also deep dive into the impact of player transfers, a vital element in the business model of the clubs. In the chapter on the economic impact, we will examine how these financial evolutions translate in gross output, value added, jobs and tax contributions to our Belgian economy.

Aside from the economic impact, the social role that professional football clubs fulfill is becoming more important than ever. This year's edition will substantially recognize this effort, from both the professional clubs as well as the Pro League.

This report will also discuss the event that has affected so many businesses this year, not in the least (professional) football, COVID-19. Our report gives an estimation of the financial consequences of this crisis on the Belgian professional football, both for the season 19/20 (an approximation based on the 18/19 figures) and for the upcoming season 20/21.

# Scope

This report assesses the socio-economic impact of the following actors:

1. The Belgian football clubs in the First Division A (Jupiler Pro League)
2. The Belgian football clubs in the First Division B (Proximus League)
3. The Pro League as an organization.

It does not intend to show any conclusions on the economic value generated by the RBFA. This report refers to the Belgian professional football clubs mentioned in (1) and (2) as the clubs, unless explicitly mentioned otherwise.

Note that at some points this report will also make a distinction in the Jupiler Pro League between the G5 and K11 clubs. The G5 clubs are the five teams that have obtained the best sportive results over the last five seasons. The clubs in question are RSC Anderlecht, Club Brugge, KAA Gent, KRC Genk and Standard de Liège. The remaining eleven clubs in the First Division A make up the K11 (based on the 18/19 season).

The following data sources helped with building this report:

- Financial data from annual reports (balance sheets, income statements and cash flow statements)
- Employment data from social balance sheets
- Employment data from surveys sent out to the Belgian football clubs
- Investment and community data from surveys sent out to the Belgian football clubs
- Economic indicators set forth by the Belgian Federal Planning Bureau
- In depth-interviews with clubs and partners on case studies

The data used for the report includes the previous three seasons (16/17, 17/18, 18/19).





# Methodology

This report consists of two large sections. The first section discusses the evolution of professional football in Belgium. A brief overview of the organization of the Pro League sets the scene. The second chapter provides key business insights on the revenues and costs of the Belgian football clubs. A deep dive on ticketing, broadcasting, sponsoring & advertisement and UEFA prize money provides insights into the breakdown and evolution of revenues. On the cost side, the main area of focus is player salaries with an increased attention on the impact of transfers (and the transfer flows of players from and to the Jupiler Pro League). Finally, case studies look at team ownership and at the impact of COVID-19 on Belgian professional football revenues, as explained in the introduction chapter.



## Revenues



Ticketing



Broadcasting



Sponsoring and advertisement



UEFA Prize Money



## Costs



Player Salaries



## Transfers



## Case studies



Team ownership



Impact of COVID-19 on BE professional football revenues





The total value of Belgian professional football is more than the sum of its parts. The large participation of the Pro League and clubs in social initiatives creates an additional positive effect on the Belgian economy, but is difficult to quantify exactly. Stories of the community creation, fan clubs and youth working illustrate the additional value created by the industry.

The second section of this report provides a quantitative and qualitative assessment of the socio-economic impact of the Pro League and the clubs on the Belgian economy.

The economic impact assessment measures three different dimensions of economic influence: the direct, indirect and induced impact.

- **Direct impact:** The industry itself produces a certain impact, by conducting business within the economy, creating gross value added, jobs and tax revenues
- **Indirect impact:** The industry's supply chain generates gross output, value added, jobs and tax revenues as an indirect consequence of the industry itself
- **Induced impact:** Households benefitting from the industry and its supply chain have increased spending power which generates additional output, value added, jobs and tax revenues.





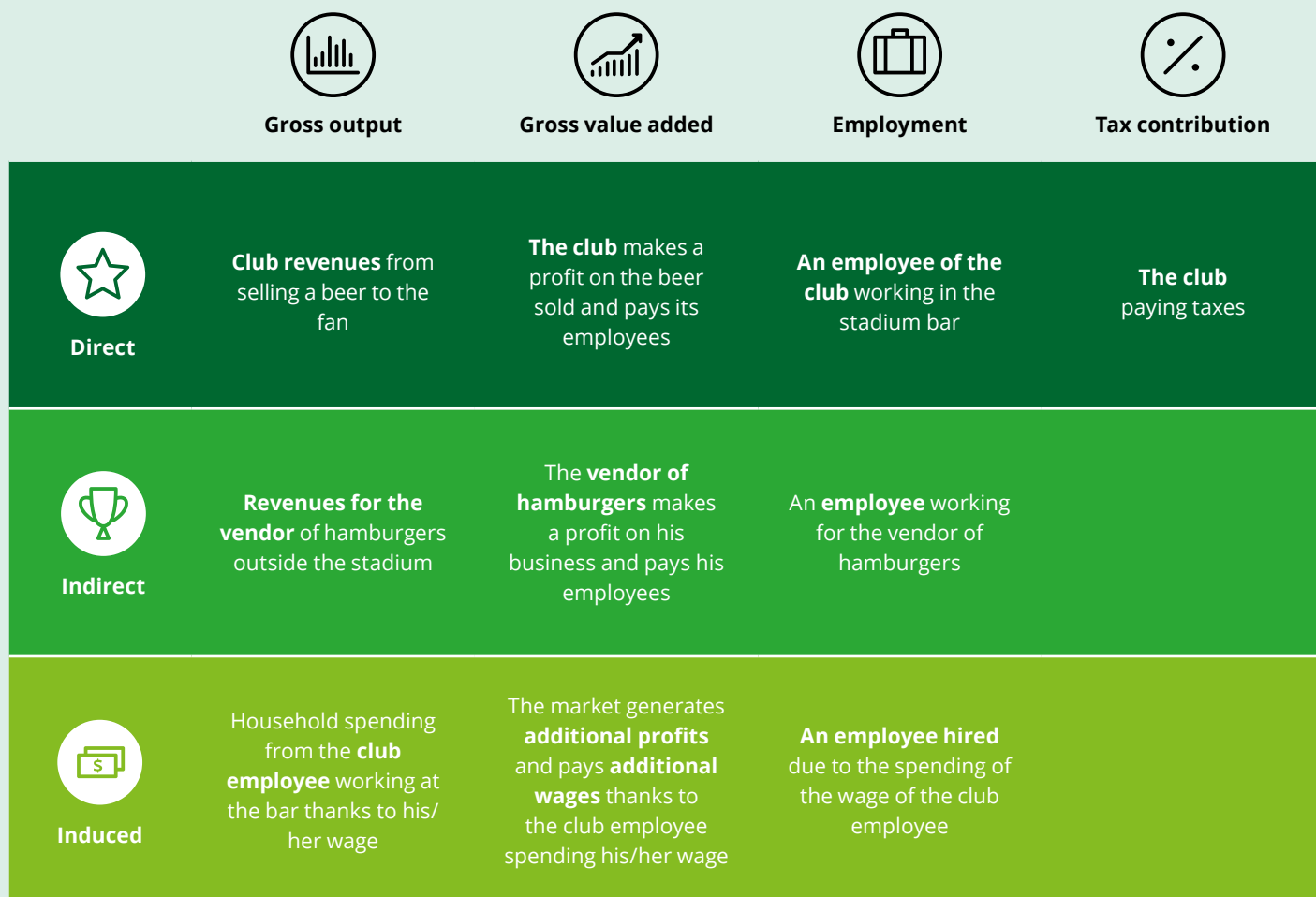
As indicated in the description above, four economic indicators make up the total economic direct, indirect and induced impact:

- **Gross Output** measures the total output generated by the existence of the Belgian professional football industry. It reflects the revenues generated over the entire supply chain, including both the gross added value and intermediate consumption
- **Gross Value Added** measures the value of goods and services produced, but does not include the intermediary consumption. It indicates the contribution to Gross Domestic Product (GDP). Profits, taxes and payroll costs make up the gross value added.
- **Employment** indicates the jobs provided by the Pro League and clubs
- **Tax contribution** investigates the impact of the industry on taxes from both provided sales and employment.

To calculate the direct, indirect and induced impact of the economic indicators, the methodology makes use of two different types of multipliers defined by the Belgian Federal Planning Bureau: the input-output multipliers and the National Accounting Matrix multipliers. The input-output multipliers were updated in 2019 in order to provide an up-to-date and accurate view of the current economic situation. The new multipliers are used in this report, which will have an impact on the calculations of the direct, indirect and induced impact of the following economic indicators: gross output, gross value added and employment. Tax contribution will not be affected by the change in multipliers. The impact due to change in multipliers will be explained for each economic indicator to ensure transparency and comparability with last year's results.



## An example of the socio-economic impact model









# The evolution of professional football in Belgium



# Organization of the Pro League

The Pro League organizes football matches for both the Belgian First Division A and First Division B with seasons running from late July to early May the following year. The First Division A is more commonly known as the Jupiler Pro League while the First Division B is more commonly known as the Proximus League. Besides this, the Pro League also organizes the Belgian Croky Cup in collaboration with the RBFA (as of the quarterfinals), the Belgian U21 Cup, the Elite Youth leagues, and the Proximus ePro League, the only official EA FIFA e-sports championship in Belgium.

In the Jupiler Pro League, 16 teams play a total of 240 matches in a regular competition before heading into play-offs, split into Play-Off 1 (PO1) and Play-Off 2 (PO2). This season marks the 10<sup>th</sup> anniversary of the play-off format, which was first launched in the 09/10 season. This new competition format was introduced to increase the competitiveness of the clubs while improving the spectator experience of the league. Under the current format, the top 6 teams will face each other in PO1 while ranks 7-15 will go into PO2, with the clubs ranked 2-4 in the Belgian First Division B. The team finishing the regular competition in 16<sup>th</sup> place relegates to the First Division B.

In June 2019, the Pro League made the decision to change the PO2 format as of the season 19/20. While the format of PO1 remains the same, PO2 consists of 4 pools of 4 teams, instead of 2 pools of 6 teams. The clubs ranked 7-16 in the Jupiler Pro League are joined by the top six from the First Division B. The relegated team and the First Division B champion will therefore take part in the PO2, which was not the case in the previous format.

## Organization of the Pro League: 18/19 season



### BELGIAN FIRST DIVISION A



Place 1

Place 2

Place 3

Place 4

Place 5

Place 6



1 group with 6 teams. Place 1 is the Belgian champion. Places 1 & 2 join the Champions League and Place 3 the Europa League. Place 4 faces off against the PO2 winner.

Place 7

Place 8

Place 9

Place 10

Place 11

Place 12

Place 13

Place 14

Place 15

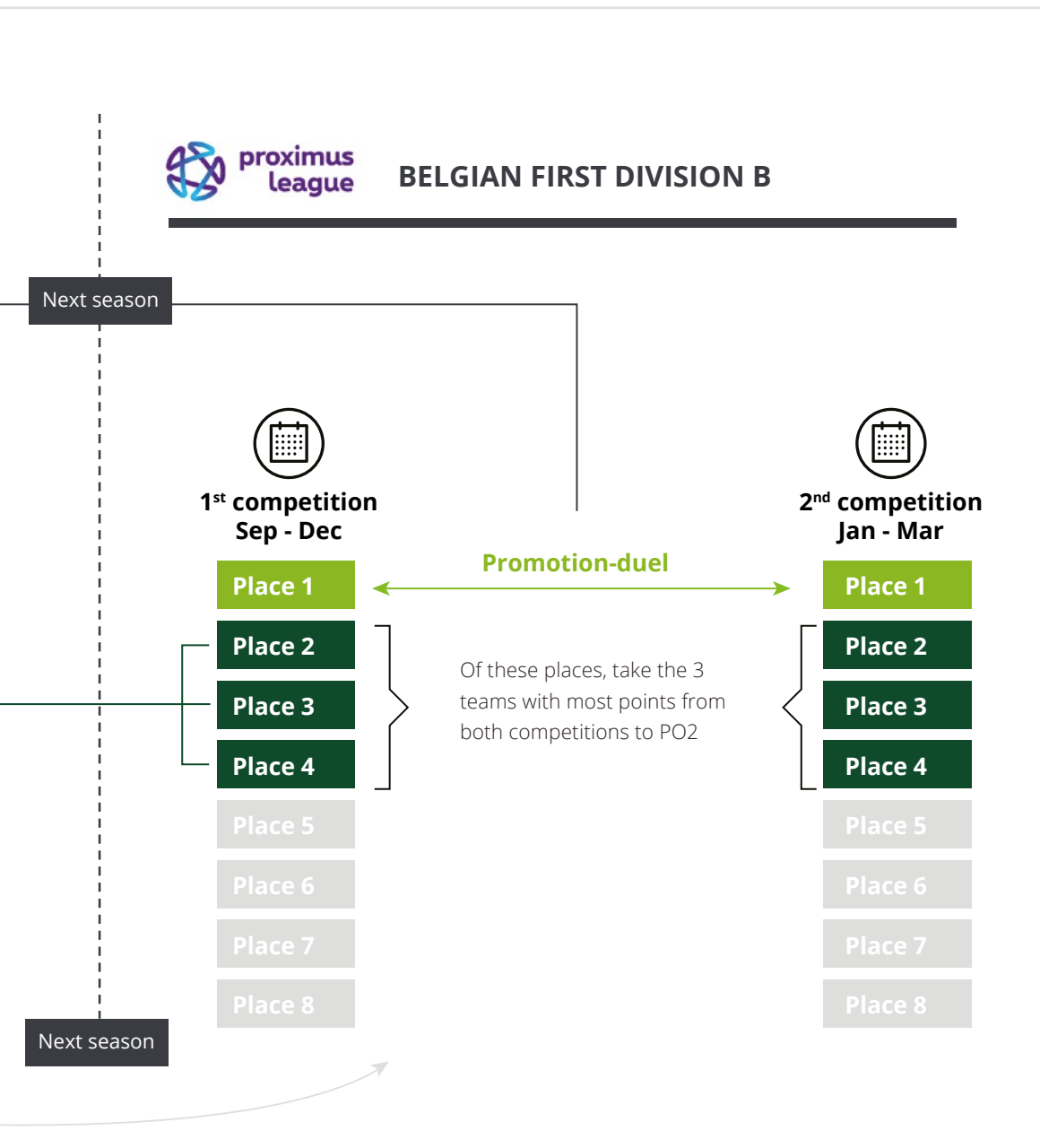
Place 16



9 teams of the 1<sup>st</sup> division and 3 teams from the 2<sup>nd</sup> division are divided in 2 groups. Group winners face off against each other to then play PO1#4 for the Europa League (under PO2)

relegation





# Belgian football club revenues

Belgian football clubs' revenues have increased significantly over the last three seasons, with an average yearly growth of 10%, mostly driven by impressive growth recorded in the 18/19 season. The total operational, non-subsidized revenue (which excludes transfer revenue) reached €378,5 million in the 18/19 season, an increase of €57,5 million compared to the previous season.

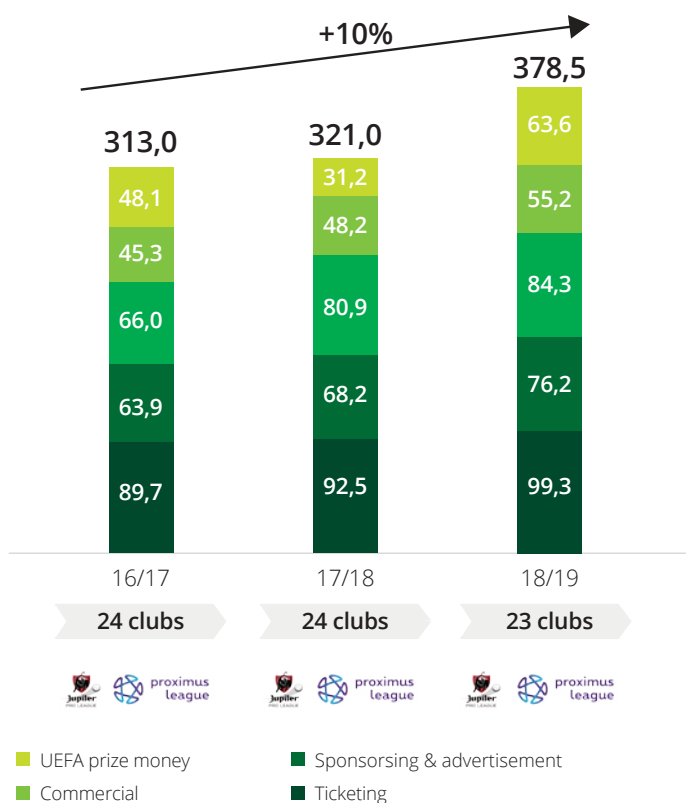
All revenue sources contributed to that compelling growth, with the UEFA prize money recording the most impressive growth. The amount has doubled in comparison to the 17/18 season due to successful European campaigns. A strong performance in European campaigns not only contributes to revenues from the UEFA prize money but also translates into positive results in other revenues sources, e.g. increasing the number of games in the season and the number of tickets sold.

Commercial, sponsoring and advertisement revenues have increased by more than 10% compared to 17/18, while ticketing and broadcasting rights have also witnessed some growth but to a lower extent.

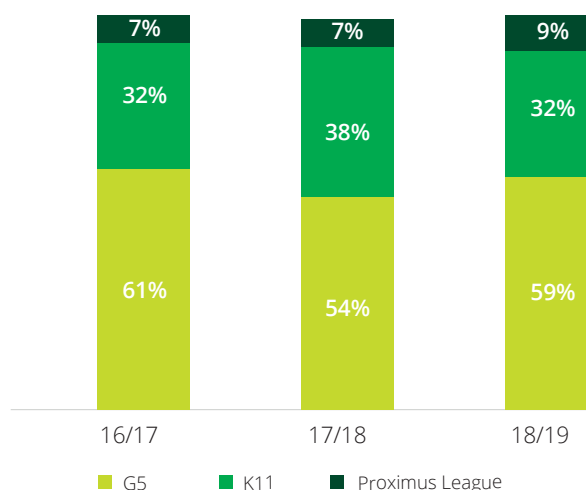
The share of the G5 clubs in the total revenues amounted to 59% in 18/19, an increase of 5% compared to 17/18. The rise in UEFA prize money is the most important driver for this growth. The UEFA compensations are very volatile, and highlight the importance of successful performances at European level for our Belgian clubs to secure the revenue growth of the league as a whole.

The following sections of the report will delve deeper into each of the revenue sources to identify the relevant drivers and trends. Later in this report you will find a dedicated section which addresses the revenues from player transfers.

Evolution of BE revenues\* (€ million)



Evolution of BE revenues per club type (%)



\*Data of 18/19 only includes 23 clubs, due to data unavailability from AFC Tubize





**99,3**  
Ticketing



**76,2**  
Sponsoring &  
advertisement



**84,3**  
Broadcasting



**55,2**  
Commercial



**63,6**  
UEFA prize  
money



**378,5**  
**Total**



## Ticketing

Ticketing revenues resulting from gate receipts and the sale of season passes have followed a similar trend and evolved positively for the last few seasons. With an average yearly growth of 5,2%, ticketing revenues amounted to €99,2 million in 18/19, representing the most significant source of revenue for Belgian clubs.

This growth was driven by an increase in revenues from both national and UEFA club competitions. Being able to qualify for a European campaign can have a significant impact on ticketing revenues, both from a price and ticket sales perspective. Top European games attract an increased number of fans willing to watch top players on the field, such as the visits of Borussia Dortmund or Atletico Madrid to Club Brugge during the UEFA Champions League group stage in 18/19. Consequently, ticket revenues increased thanks to higher priced tickets and a greater number of tickets sold. Based on the evolution of ticketing revenue sources, revenues from UEFA competitions increased from €3,7 million in 17/18 to €5,2 million in 18/19. The category 'other' includes revenues from vip tickets, membership contributions and other revenues.

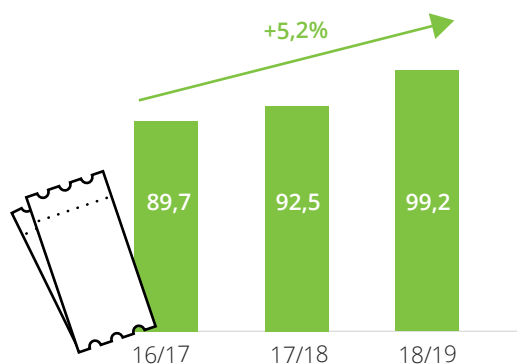
Another factor that could explain the positive evolution of revenues is the price of tickets. Looking at our Belgian clubs, the average ticket prices for the two national competitions increased in the season 18/19. While the Proximus League showed a strong 24% increase from €15,2 to €18,9, the Jupiler Pro League experienced a growth to a lower extent (10%) from €25,2 to €27,7. This price increase could partly explain the growth in revenues from national competition, which showed a €4 million increase in the last season.

Despite the increase in ticketing revenues, total match attendance and average match attendance for the Jupiler Pro League and Proximus League combined have marginally decreased in 18/19 compared to the season 17/18. Total attendance reached 3,74 million fans in 18/19, translating into an average attendance of 8.176 fans per game compared to 8.394 fans per game in 17/18.

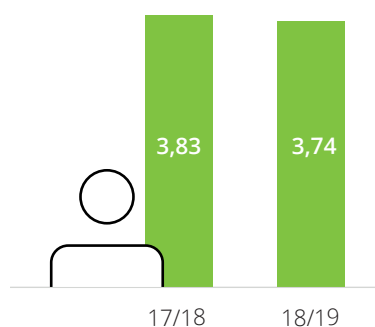
The increase in ticketing revenues in the season 18/19 was consequently driven by two elements: the growth in revenue from UEFA competition and the increase in ticket prices in national competitions.

\*Total and average number of visitors in last year's edition only included the Jupiler Pro League competition, while the numbers in this report include both the Jupiler Pro League and Proximus League

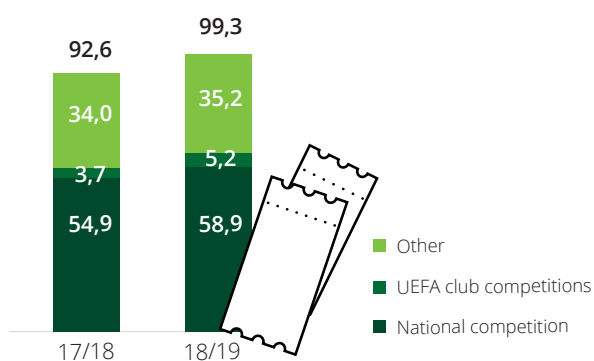
**Evolution of ticketing revenues (€ million)**



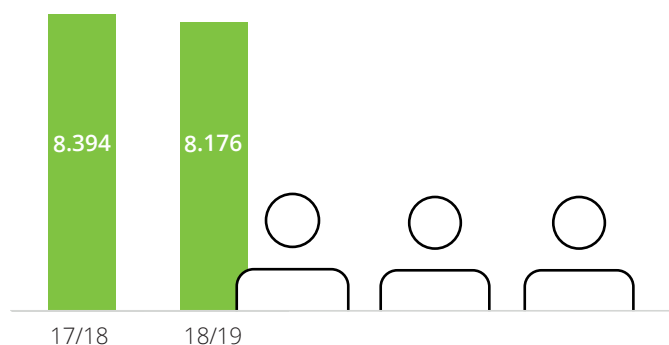
**Total match attendance (JPL & PL; million)\***



**Evolution of ticketing revenue sources (€ million)**



**Average match attendance (JPL & PL)\***





### Case study: Ticketing evolution at Standard de Liège

Ticketing revenues are generally the most important revenue source for Belgian clubs. We will look into the evolution of ticketing revenues at Standard de Liège for the last 8 seasons (12/13 until 19/20)<sup>1</sup> and how sportive performance and ticket prices influenced those revenues.

In this analysis, total ticketing revenues will be shown in an indexed form, to avoid mentioning the club's precise revenues. Over the years, Standard de Liège's ticketing revenues have been influenced by different factors, among which the club's performance in national competition and European campaigns. Figures 1 and 2 highlight the correlation between the club's sportive performance and its ticketing revenues. For the two seasons recording the highest ticketing revenues (season 13/14 and 18/19), the club qualified for a European campaign and performed well in our national competition. While the team reached the UEL group stage and finished 2<sup>nd</sup> in the national competition in 13/14, the club reached the UCL 3<sup>rd</sup> qualifying tour, the UEL group stage in 18/19 and finished 3<sup>rd</sup> in the national competition in 18/19, explaining the strong performance in terms of ticketing revenues. We can also observe a decrease in revenues for the seasons where the club did not qualify for the PO1. Indeed, the seasons 15/16 and 16/17, during which the club ended in PO2, witnessed respectively a 22% and 26% decrease

in total ticketing revenues compared to the season 13/14, during which the club arrived 2<sup>nd</sup> in our national competition and participated to a European campaign.

Another factor that can affect the evolution of ticketing revenues are ticket prices. Looking at Standard de Liège, prices for season passes and gate receipts have remained very stable for the seasons in scope, and did only change very recently. On the one hand, the prices of season passes have only changed in the season 19/20, with an increase in full fare tickets. On the other hand, the prices of gate receipts increased in the season 17/18 and in the season 19/20. Prices of business tickets have not changed in recent years.

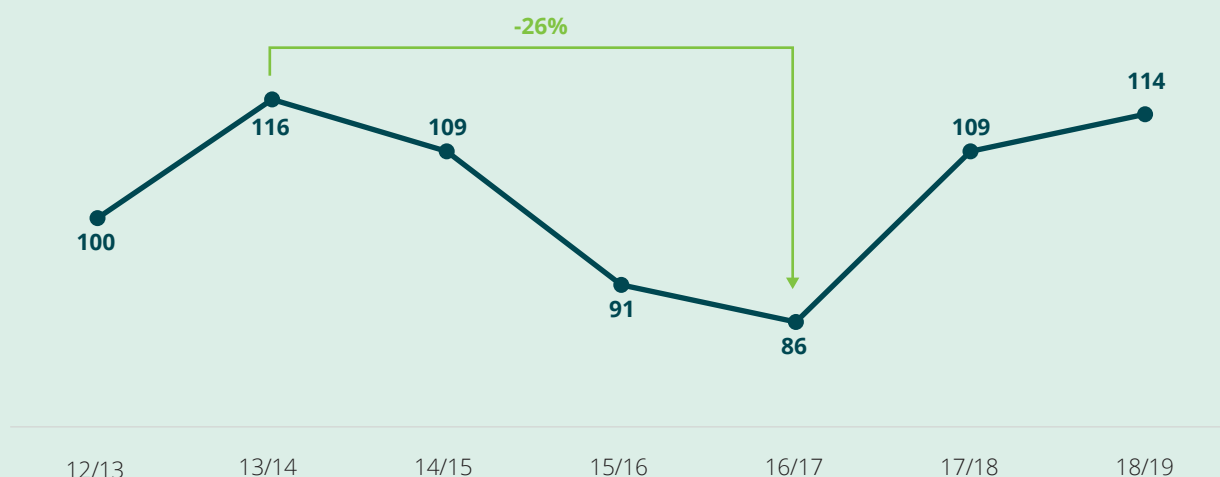
Changes in ticket prices may therefore partially explain the growth in ticketing revenues during the season 17/18 but we can consider that, for the other seasons, changes in prices have had a limited impact on the evolution of the club ticketing revenues.

We can conclude that the evolution in ticketing revenues for Standard de Liège is mainly determined by the club's sportive performance, and less by its ticket prices. Qualifications of the club to PO1 and European campaigns consequently play a key role in attracting the club's supporters.



<sup>1</sup> Data on ticket prices and revenues prior to the season 12/13 was not available due to an information system update at Standard de Liège

Evolution of ticketing revenues (indexed)\*



\*Numbers calculated based on the following assumption: total ticketing revenue in 12/13 = index base 100



The seasons 15/16 and 16/17, during which the club ended in PO2, witnessed respectively a 22% and 26% decrease in total ticketing revenues compared to the season 13/14, during which the club arrived 2<sup>nd</sup> in our national competition and participated to a European campaign.

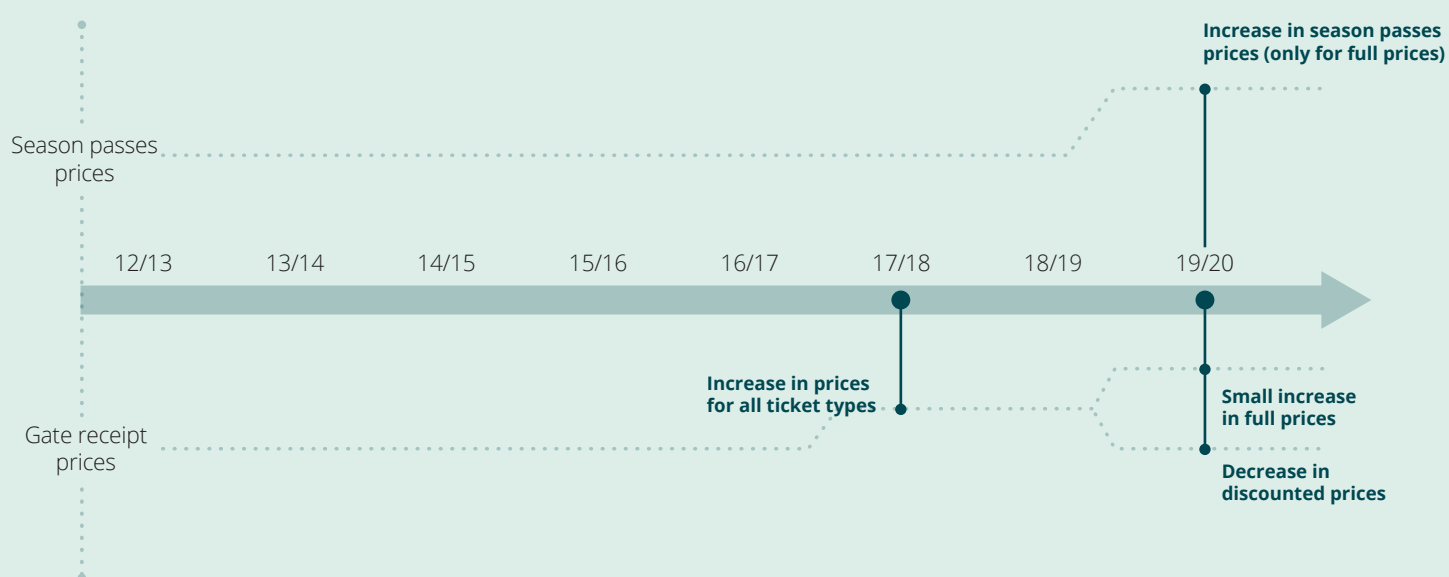


## Standard de Liège's performance since 12/13

	12/13	13/14	14/15	15/16	16/17	17/18	18/19
Participation to PO1	●	●	●			●	●
Participation to PO1 (title contender)*		●					
Participation to European competition (UCL or UEL group stage)		●	●		●		●

\*Play-offs in which Standard de Liège has occupied the first position for at least one day

## Evolution of ticket prices



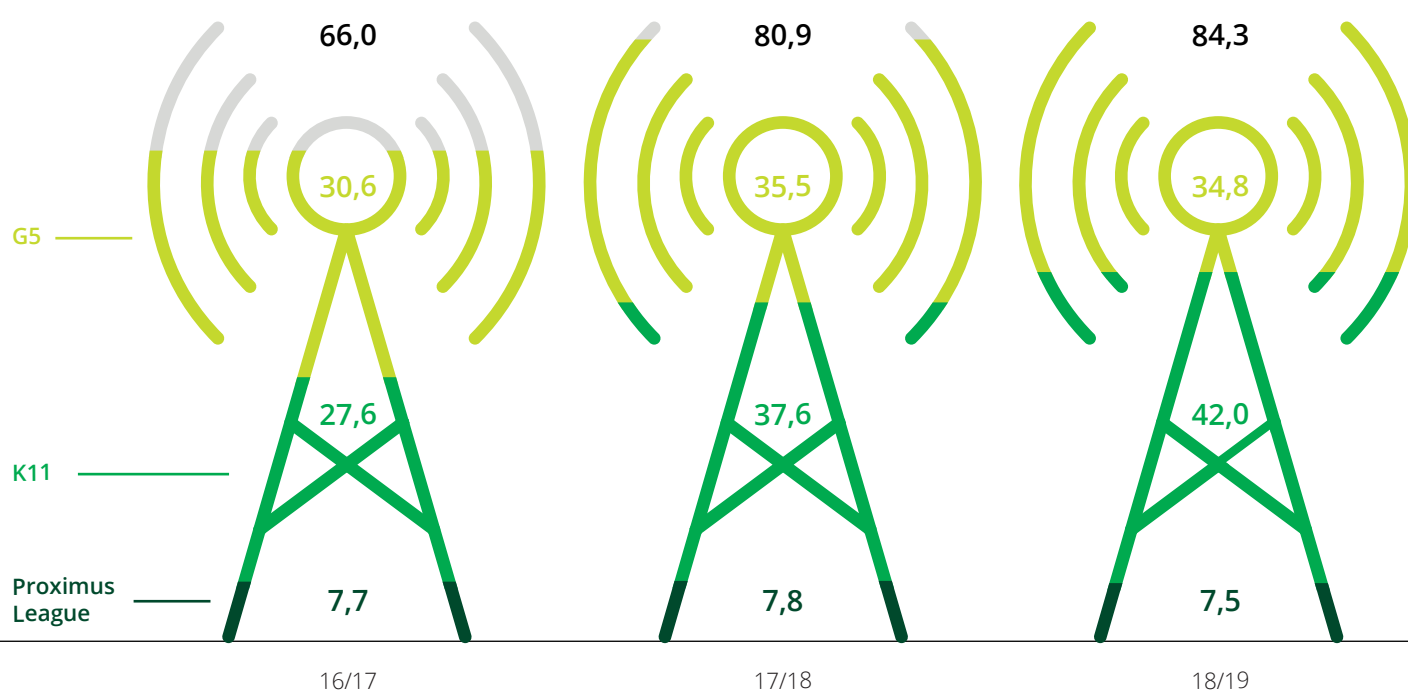
## Broadcasting

Broadcasting revenues remain essential for the Belgian clubs and represent 22% of total revenues in 18/19, i.e. the second most important source of revenues after ticketing (26% of total revenue). Revenues have kept growing and reached more than €80 million in 18/19 for the second consecutive year, thanks to the renewal of the broadcasting contract in 2017 with Belgian providers Proximus, Telenet & Voo, paying €80 million for the broadcast rights until 19/20.

The importance of broadcasting revenues for Belgian clubs is anticipated to remain and even increase with the outcome of the Eleven Sports deal from the season 20/21 to the season 24/25.

The importance of broadcasting revenues for Belgian clubs is anticipated to remain and even increase with the outcome of the Eleven Sports deal from the season 20/21 to the season 24/25.

Evolution of broadcasting revenues\* (€ million)



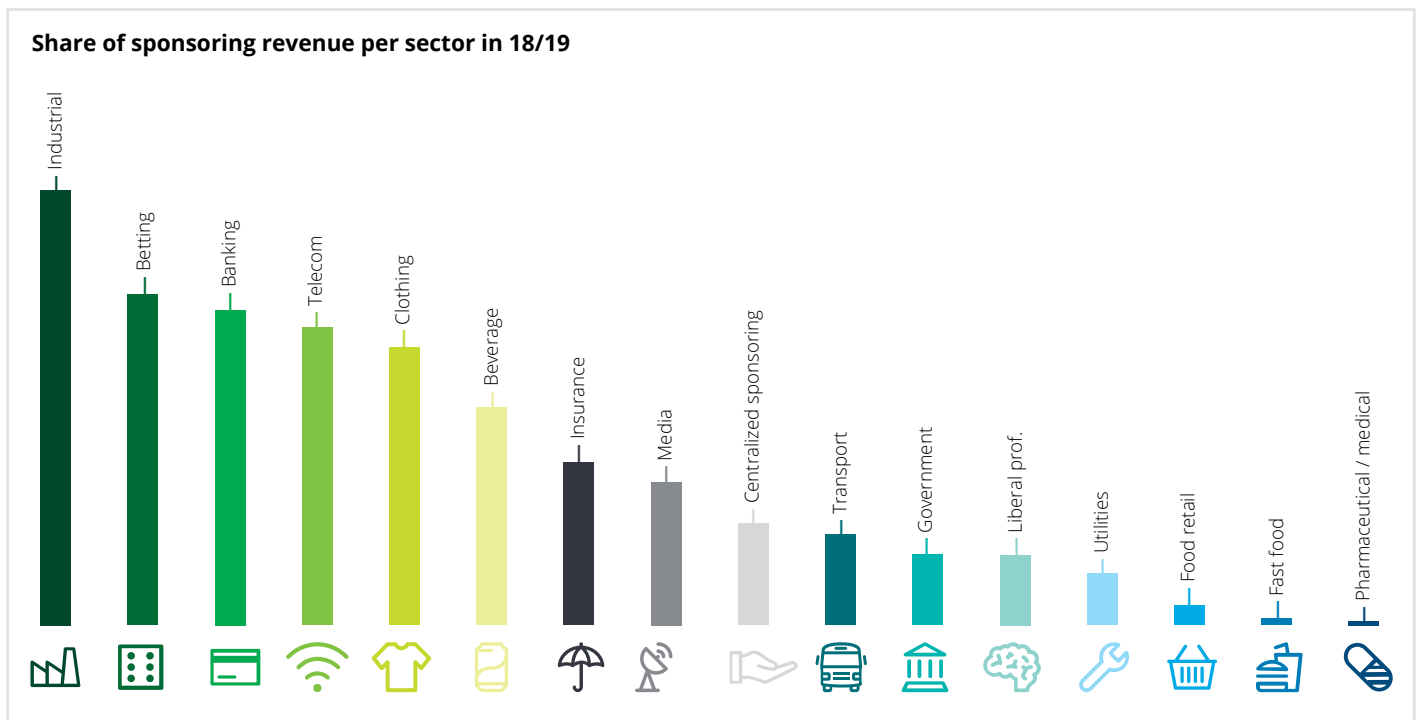
\*Including revenues from the Jupiler Pro League, Proximus League and Croky Cup



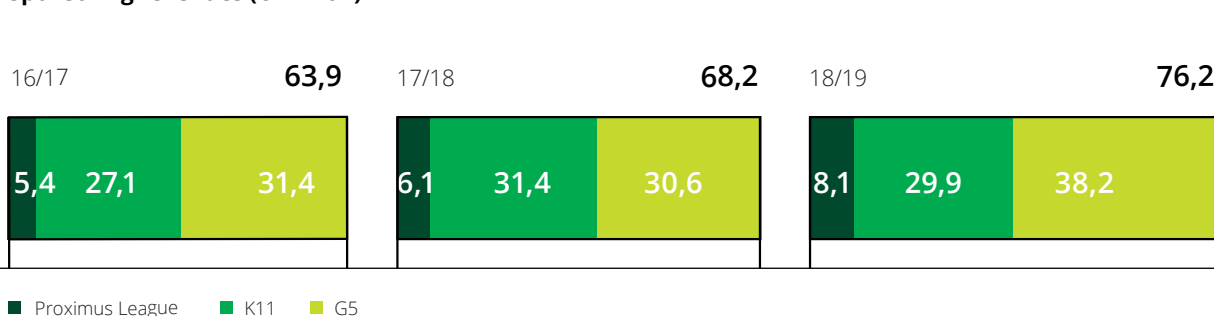
## Sponsoring & advertisement

Sponsorship and advertisement represents the third most important source of revenue for the clubs with €76,2 million in 18/19, a solid 12% increase compared to the previous season. G5 clubs' share in the sponsoring revenues remains substantial. Sponsoring flows to G5 clubs have increased and represent around 50% of total sponsoring revenues in 18/19. The K11 clubs and the Proximus League share the rest, with the K11 clubs witnessing a decrease in their total sponsoring revenues compared to the season 17/18.

When considering the landscape of sponsoring companies, more than 15 sectors are represented. The industrial sector remains the biggest contributor, followed by the betting, banking, telecom and clothing industry.



### Sponsoring revenues (€ million)



## UEFA prize money

Since the season 18/19, the UEFA applies a new distribution model and defines four components in the prize money: starting fees (for participating in the group stage), performance-related fixed amounts in the UEFA Champions League (UCL) or UEFA Europa League (UEL), ten-year performance-based coefficient ranking and a variable amount depending on the national broadcaster's contribution to the market pool.

This source of revenue can be essential for clubs, especially for clubs in middle and lower-income leagues. According to the UEFA Benchmarking Report<sup>2</sup>, in 16 of the bottom 35 countries (in terms of total club revenues), UEFA payments accounted for a third or more of total revenue in 2018.

The total amount distributed by the UEFA<sup>3</sup> to clubs participating in European competitions (UEL, UCL, UCL play-offs) was €2,5 billion in 18/19, of which more than 75% was allocated to clubs participating to the UEFA Champions League (including the UEFA Super Cup). A total of €1,98 billion was distributed to the different clubs participating in this competition for the season 18/19, representing a substantial increase of 40% compared to 17/18. Of this amount, the winner Liverpool earned €111 million, which enabled the club to maintain its position as the 7<sup>th</sup> highest earning club worldwide according to the Deloitte Football Money League report<sup>4</sup>, published annually. Another example is FC Barcelona which, although not being the UCL winner, received the highest amount from the UEFA (€118 million) due to its better performance during the group stage, a higher coefficient ranking and a higher contribution from the market pool. This highly contributed to its 1<sup>st</sup> position as the highest earning club worldwide.

Looking at Belgian clubs, the total amount of UEFA prize money reached €63,6 million in 18/19, illustrating a good recovery from the disappointing performance clubs experienced in the European campaigns in 17/18. This represents around 17% of clubs' total revenues in 18/19.

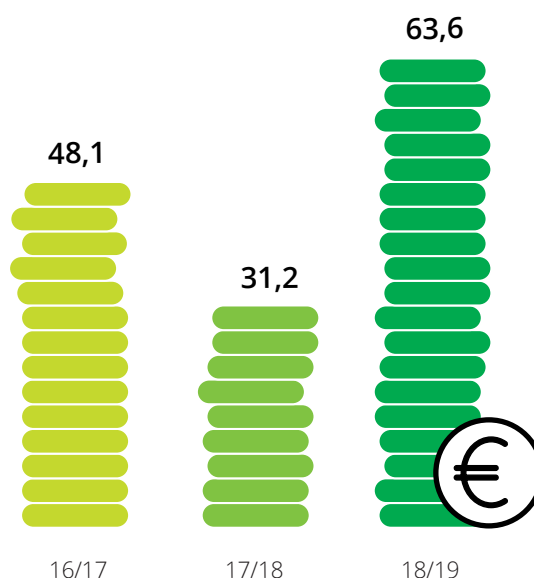
The UEFA prize money was divided between the five clubs participating in European campaigns in the season 18/19. While two out of the five teams were eliminated in the qualifying rounds (KAA Gent in the UEL and Standard de Liège in the UCL), four teams qualified for the group stage (RSC Anderlecht, Standard de Liège and KRC Genk for the UEL, Club Brugge for the UCL). Anderlecht and Standard de Liège did not survive the

group stage but Racing Genk made it to the round of 32 in the UEL before being eliminated. Club Brugge qualified for the round of 32 in the UEL where they were eliminated by Red Bull Salzburg. Of the total UEFA prize money distributed to Belgian clubs in 18/19 for their participation in European campaigns, 57% were distributed for their performance in the UCL and 43% for their performance in UEL.

The computation of the UEFA coefficient takes into consideration the performance in the five previous UCL and UEL campaigns<sup>5</sup>. Belgium reached the 8<sup>th</sup> position in 18/19 and maintained this position in 19/20, a consequence of its good performance in 18/19. Belgium has made a significant improvement over the last decade, moving up from the 14<sup>th</sup> position in 09/10.

Figure 3 shows the rankings of the European pool of countries with similar size and GDP as Belgium. Among these countries, only Portugal has a higher ranking than Belgium, positioning itself just behind the 'Big Five' leagues. The Netherlands, who lost a couple of places on the ranking over the last few years, did now climb back to the 9<sup>th</sup> position, just behind Belgium, driven by the exceptional campaign of Ajax as a Champions League semi-finalist.

**Evolution of UEFA prize money (€ million)**



<sup>2</sup> UEFA Club Licensing Benchmarking Report

[https://www.uefa.com/MultimediaFiles/Download/OfficialDocument/uefaorg/Clublicensing/02/64/06/95/2640695\\_DOWNLOAD.pdf](https://www.uefa.com/MultimediaFiles/Download/OfficialDocument/uefaorg/Clublicensing/02/64/06/95/2640695_DOWNLOAD.pdf)

<sup>3</sup> UEFA Financial Report 2018/19 [https://www.uefa.com/MultimediaFiles/Download/OfficialDocument/uefaorg/Finance/02/63/94/96/2639496\\_DOWNLOAD.pdf](https://www.uefa.com/MultimediaFiles/Download/OfficialDocument/uefaorg/Finance/02/63/94/96/2639496_DOWNLOAD.pdf)

<sup>4</sup> Deloitte Sports Business Group (2020): Football Money League

<sup>5</sup> UEFA Association Club Coefficients <https://www.uefa.com/memberassociations/uefarankings/country/about/>

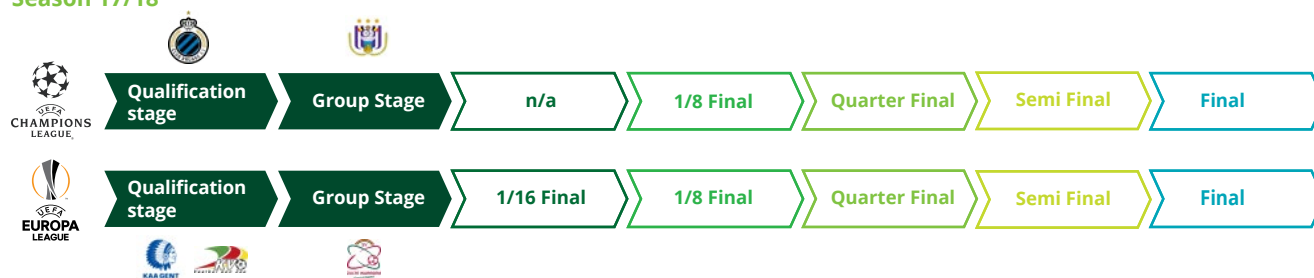


## European campaigns of Belgian clubs

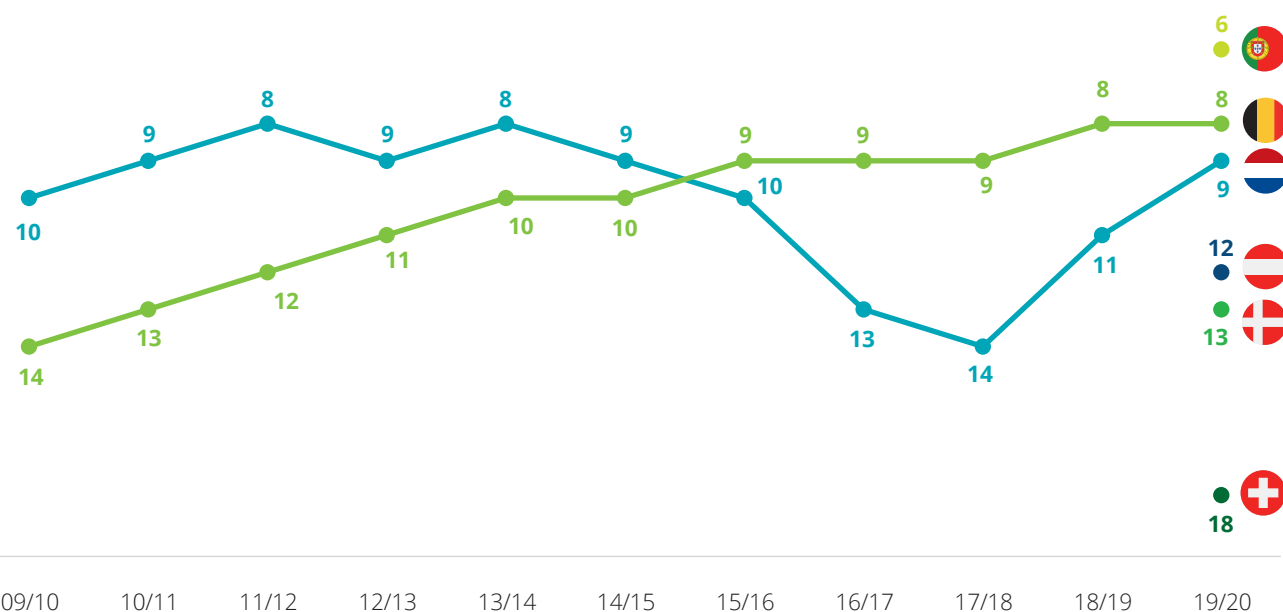
### Season 18/19



### Season 17/18



## UEFA ranking



Case study: the financial impact of a European game:  
Club Brugge – Real Madrid

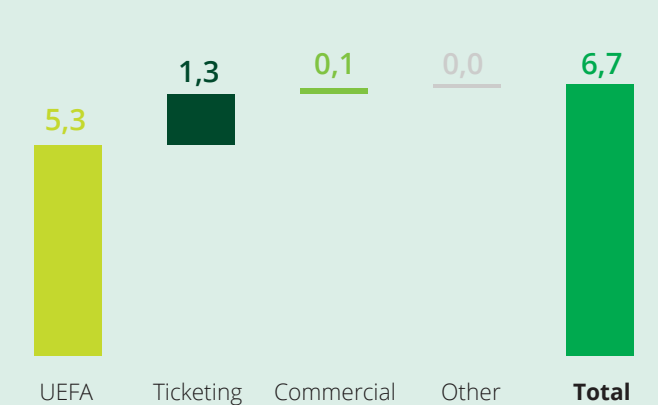
European games are especially attractive for domestic fans to watch global football stars playing against their favorite team. A recent concrete example is the visit of Real Madrid, a world-class team with Belgian stars like Hazard and Courtois, to Club Brugge during the group stage of this season's Champions League. This event attracted 26.742 fans, filling 95% of the stadium's total capacity. Of these 26.742 supporters, 94% (25.222) came to support their Belgian club and 6% (1.522) were Real Madrid supporters.

For such an event, Club Brugge generated €6,7 million revenues, mostly fueled by ticketing revenues and UEFA prize money. On the basis of UEFA's new distribution model, the prize money for this game consisted of starting fees (58%), coefficient ranking remuneration (38%) and market pool (4%). As the UEFA prize money represents around 79% of the total revenues, this illustrates the importance and strong impact that this compensation can have for Belgian clubs. Ticketing revenues

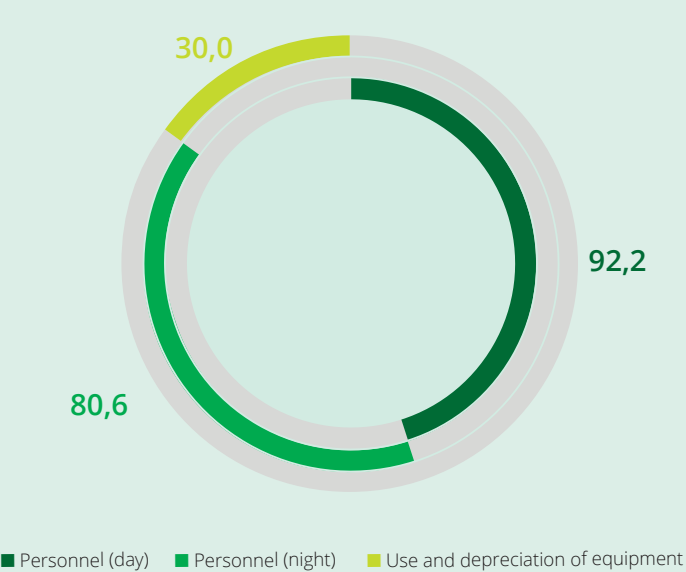
account for 19% of total revenues and commercial for 2%. Total costs for the game amounted to €194.000 (mainly from taxes, general organization, staff and security), leaving a profit of around €6,5 million for the club.

Club Brugge is not the only one to have benefitted from the game. Although we do not have the numbers on the spending by supporters in the city of Brugge, 1.522 fans of Real Madrid attended the game in Brugge, potentially injecting money in the city's restaurants, bars and hotels. The inflow of foreign fans also has a downside for the city, as events of such a scale require more security than other games, leading to additional costs for the city and the police force. In this case, the police cost for the city of Brugge was estimated at €203.000. A large part of this cost (85%) was for staff deployment, totaling almost 3.600 hours, and 15% was spent for equipment (including the deployment of a federal police helicopter).

Revenue split - Club Brugge (€ million)



Cost split – Police of Brugge (€ thousand)







# Belgian football club costs

## Player salaries

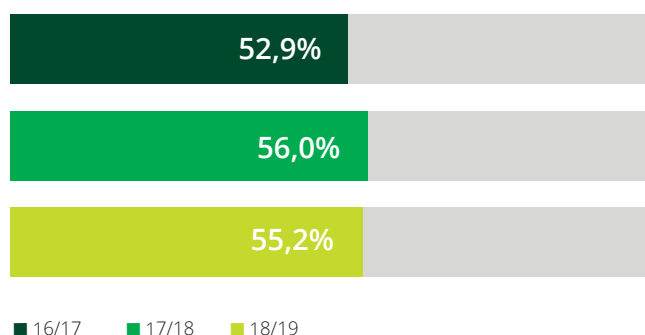
Player salaries absorb an important part of clubs' revenues; therefore, clubs need to maintain control of these to ensure sustainable growth and financial well-being.

Due to growing pressure from competition, clubs have been increasing their salary mass to retain and attract talent. The UEFA<sup>6</sup> confirmed that this is a trend witnessed across the whole of Europe, with 17 of the top 20 leagues who faced a salary increase in 2018 (this includes the wages of players, technical staff and administrative staff).

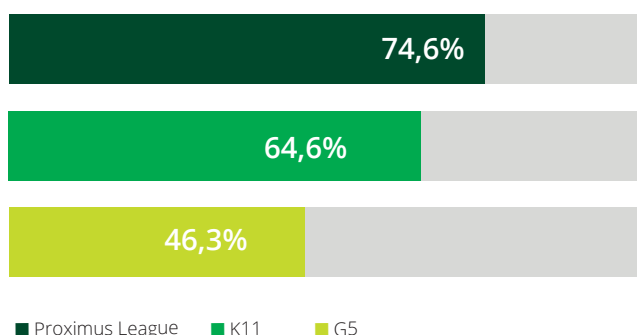
Looking at Belgian clubs, the solid increase in revenues in 18/19 outpaced the rise in player salaries, translating into a lower payroll cost/revenue<sup>7</sup> ratio compared to the season 17/18. From 56%, the average ratio decreased to 55,2%.

G5 and Proximus League clubs decreased their ratio compared to the previous season, while K11 clubs witnessed a 4% increase. Despite having the highest player salaries, G5 clubs scored below the average payroll cost/revenue ratio with 46,3%.

**Payroll cost / revenue ratio (average)**



**Payroll cost / revenue ratio per club type in 18/19 (average)**



<sup>6</sup> UEFA Club Licensing Benchmarking Report

[https://www.uefa.com/MultimediaFiles/Download/OfficialDocument/uefaorg/Clublicensing/02/64/06/95/2640695\\_DOWNLOAD.pdf](https://www.uefa.com/MultimediaFiles/Download/OfficialDocument/uefaorg/Clublicensing/02/64/06/95/2640695_DOWNLOAD.pdf)

<sup>7</sup> Payroll cost = total cost for player salaries (including government subsidies) ; revenue = total revenue excluding transfers

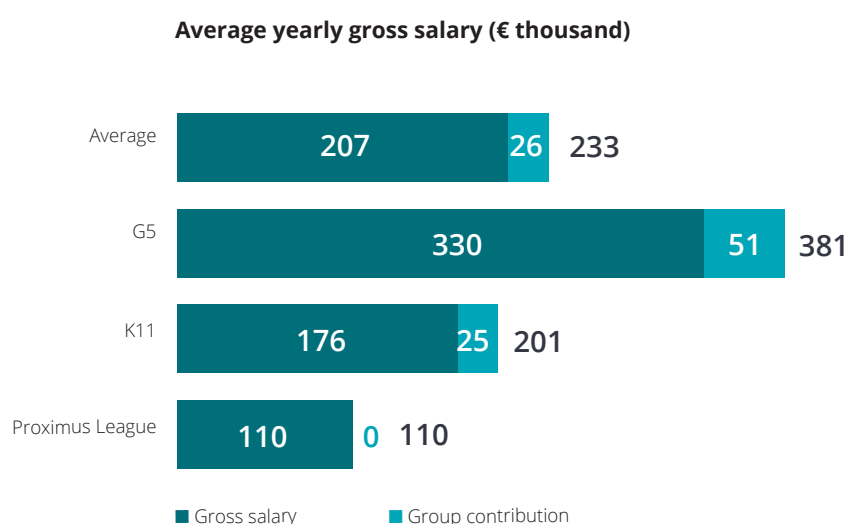


The total amount paid for player salaries reached €249 million in 18/19, compared to €214 million in 17/18, translating into higher average player salaries. Whereas the average yearly gross salary (including group insurance) was €211.000 in 17/18, the average salary increased by 10,4% in 18/19 and reached €233.000. This increase in salaries happened for the G5 clubs (€381.000 in 18/19 compared to €323.000 in 17/18), the K11 clubs (€201.000 in 18/19 compared to €187.000 in 17/18) and the Proximus League clubs (€110.000 in 18/19 compared to €90.000 in 17/18).

According to a recent publication<sup>8</sup> on the Ligue 1, the French first division, the average yearly gross salary of a player in the Ligue 1 is estimated to be around 3 times higher than the G5 average in Belgium. This figure is however highly inflated due to the salaries earned by big football stars like Neymar, Mbappé or Cavani in Paris Saint-Germain. If we consider the average yearly gross salary in Ligue 2, it is estimated to be much closer to the salaries paid in the Proximus League, being 20% higher.

A final important observation concerns the part of the gross salary that Jupiler Pro League clubs pay as a contribution to a group insurance scheme, which essentially constitutes a compensation in a pension scheme. Belgium has fixed a specific "retirement age" for football players at the age of 35, with potentially advantageous tax treatment for the pay-out of the lump-sum capital, for a maximum of 40% of the gross salary. This requirement does not apply to clubs that play in the Proximus League.

From the average yearly gross salary of €233.000, €207.000 is actual gross salary and €26.000 is contributions to group insurance. The total amount paid for group insurance by the JPL clubs was €28,3 million in 18/19.



<sup>8</sup> L'Equipe (2020) : « Le top 30 des salaires de la Ligue 1 : le PSG omniprésent »  
<https://www.lequipe.fr/Football/Article/Le-top-30-des-salaires-de-la-ligue-1-le-psg-omnipresent/1107213>

# Transfers

## Transfer balance

This section covers player transfers, which can represent a very important source of revenues for clubs.

Player transfers play a crucial role in the financial well-being of our Belgian clubs. For some countries, the transfer revenues are more important than others as they put an increased emphasis on being a training league for the more significant competitions.

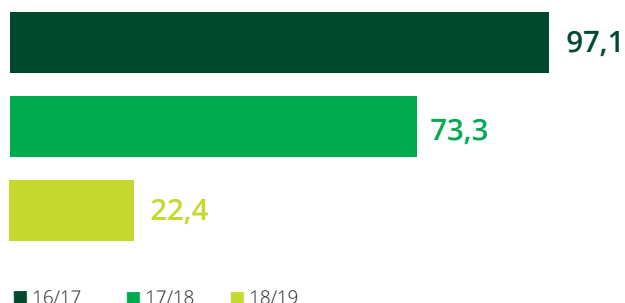
In this report, we use the net accounting transfer result, which takes into account the sale and purchase of players, player depreciation and agent fees. More concretely, the net accounting transfer result is calculated by subtracting the following from the income from the sale and rental of players: player depreciation, loss on player sales, player rental costs and agent fees.

Looking at the season 18/19, Belgian clubs recorded a positive net result from transfers amounting to €22,4 million. Even though the result remains positive, this represents a significant drop compared to the previous seasons. Since 16/17, the result from transfers suffered a decrease of almost €75 million.

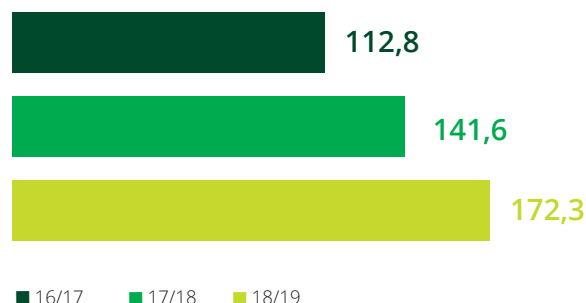
A factor contributing to this downward trend is the increasing amount of money the clubs are spending to attract highly valuable players in their teams. The value of players on the clubs' balance sheet amounted to €172,3 million in 18/19, with a yearly average growth of 24% since 16/17. The continued rise in transfer prices is a global trend that significantly affects the Belgian model, which relies heavily on transfers to keep clubs profitable. This reinforces the need for clubs to focus more on developing young talent in national youth academies.

The strong decrease in the net transfer result (€50,9 million lower) and increasing salaries of players and other employees (by €36,5 million) highly contribute to the consolidated loss of €91,3 million recorded by the Belgian clubs in 18/19, compared to a loss of €48 million in the previous season. In addition, the aggregated loss could have been higher if some clubs had not benefitted from one off exceptions ('debt exemptions') for a total amount of €19 million in 18/19. Eleven teams recorded positive transfer results in 18/19, and only five teams recorded profits (after transfer results). Despite steady growth in revenue sources, the Belgian clubs must keep control on their costs in order to generate profits.

**Net transfer result (€ million)**



**Payroll cost / revenue ratio per club type (average)**





## Transfers flows

Transfers traditionally play a very important role in the business model of our clubs. Therefore, we zoom in this section on the incoming and outgoing transfers of the Jupiler Pro League, for the seasons 17/18 and 18/19. We looked at the transfer flows with the European competitions with which the Jupiler Pro League has the majority of its transfer activities. These competitions are the 'Big Five' competitions (Premier League, Bundesliga, Ligue 1, Serie A, La Liga) and the Ligue 2, Eredivisie and the Proximus League (classified as 'other').

In terms of number of transfers, we observe that approximately 60% of all incoming and outgoing transfers (141 out of 238) occurred internally or with the Proximus League during these two seasons. The other European leagues with the highest number of transfers with the Jupiler Pro League are Ligue 2 (26) and Ligue 1 (24), followed by the Eredivisie (14), Serie A (12), La Liga (7), Bundesliga (7) and Premier league (7).

While the transfer volume is quite high with the 'other' competitions compared to the 'Big Five' competitions, the most valuable outgoing transfers are realized with those 'Big Five' competitions. The Premier League has the highest average value of €9,2 million per transfer, compared with €0,8 million for transfers between the Jupiler Pro League clubs. In addition, a significant difference can be seen between the average value of incoming and outgoing transfers, with the average value of outgoing transfers being much higher. While the average value of incoming transfers varies between €137.000 and €1,2 million, the average value of

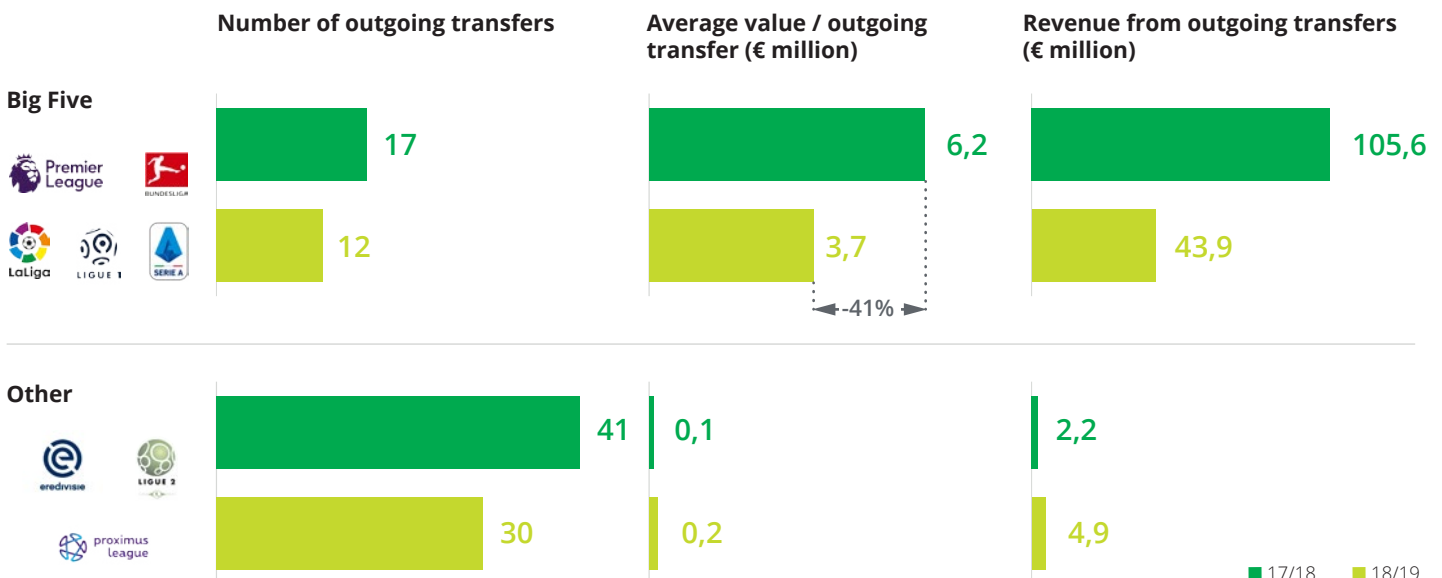
outgoing transfers is between €53.000 and €9,2 million. It can therefore be concluded that outgoing transfers have contributed the most value over the last two seasons, particularly those with the 'Big Five' European football leagues.

The €50,9 million drop in transfer result in 18/19, compared to 17/18, can primarily be explained by a drop in revenue from outgoing transfers, more than by an increase in the cost of incoming transfers.

Figure 1 zooms in on the outgoing transfers from the Jupiler Pro League to the competitions in scope. A first element contributing to the decrease in transfer revenue is the decline in the number of outgoing transfers to the 'Big Five' competitions, which fell from 17 in 17/18 to 12 in 18/19 (-29%). In addition, a second important driver is the sharp decrease in the average value per outgoing transfer to a 'Big Five' competition. Indeed, the average value per transfer to a 'Big Five' competition fell to €3,7 million in 18/19, a decrease of 41% compared to the season 17/18. As a direct consequence, the revenue from transfers with 'Big Five' competitions decreased from €105,6 million in 17/18 to €43,9 million in 18/19.

**A 29% decrease in the number of outgoing transfers to the 'Big Five' competitions and a 41% drop in the average value of outgoing transfers to those competitions are therefore the main factors behind the fall in net transfer result in 18/19.**

### Jupiler Pro League outgoing transfer flows



## Agent fees

Agents play an important role in player transfers and are very often involved in these operations by serving as intermediaries between the players and the club. The most common remuneration for agents is a percentage on the transfer amount (commission fee) for incoming transfers, outgoing transfers or mediation (e.g. negotiation contract renewals).

In Belgium, a total of €45 million of commissions was paid to 289 active agents in the 18/19 season, representing a solid increase of €8 million compared to the 17/18 season. Of this amount, €26 million (57%) was paid for incoming and outgoing transfers and €19 million (43%) for mediation.

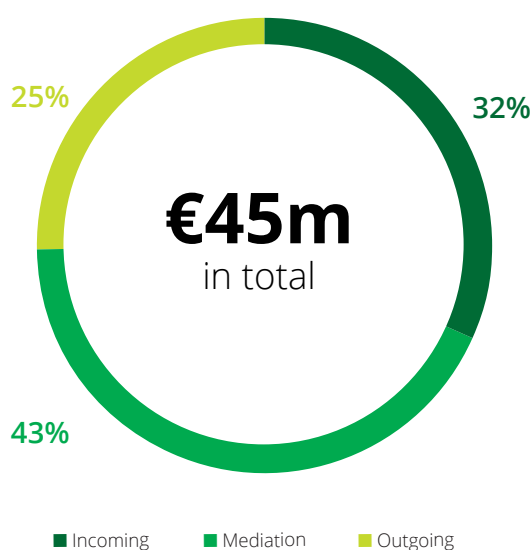
Total amount of commissions paid on incoming and outgoing transfers (€26 million) represent 6,9% of total revenues recorded by Belgian clubs in 18/19 (€378,5 million). As a comparison, total agent fees for transfers (excluding mediation) in the Premier League amounted to £211 million<sup>9</sup> in the season 17/18, representing 4,4% of total revenues recorded by Premier League

clubs (£4.819 million). Even though the absolute amount spent on agent fees by the Premier League is much more important, illustrating the financial power of the richest European league (in terms of revenue), Belgian clubs spent a higher percentage of their total revenues on agent fees.

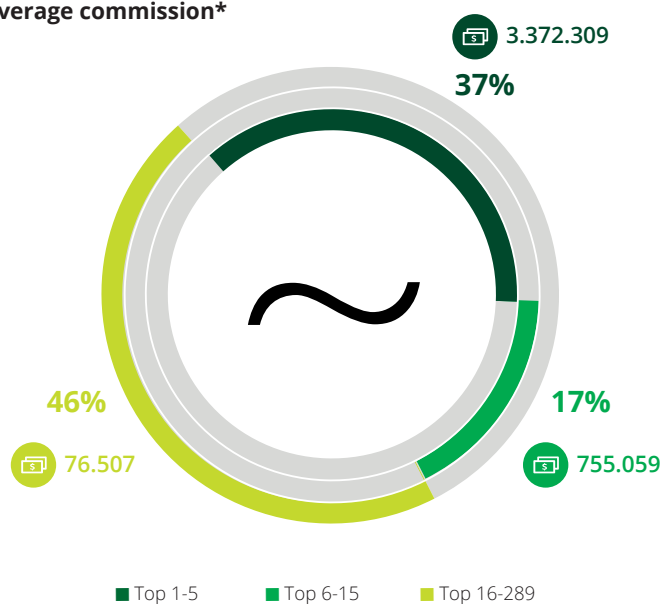
When looking at the distribution of agent commissions in Belgium, we observe a similar trend as for the season 17/18. The majority of commission was designated to a few agents, with five agents receiving more than a third of total commissions. This translates into an average commission of €3,4 million for this group, compared to €755k for the 6-15 agents and €76k for the rest.

As part of the 'Clean Hands' operation, the Pro League has taken on a series of measures as of 2019. These measures have different objectives including the following: ensuring more transparency in transactions, developing strong regulations regarding agents, and opening a dialogue with the authorities and social partners on the tax and social regime.

Agent commission\*



Average commission\*



\*Based on data from 21 clubs (missing are AFC Tubize, Lommel United & KSV Roeselare)

<sup>9</sup> Annual Review of Football Finance 2019 <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/sports-business-group/deloitte-uk-annual-review-of-football-finance-2019.pdf>

# Case studies

## Team ownership

In last year's edition, we discussed for the first time the increasing number of foreign investors who have become, over the years, majority shareholders of a Belgian club. Comparing the clubs' ownership structures for the season 17/18 and the season 18/19, we see an upward trend in terms of the number of clubs in foreign hands. Whereas 14 clubs were Belgian-owned clubs in 17/18, only 12 clubs are still in Belgian hands in the season 18/19. The remaining 12 clubs have foreign ownership, meaning that foreign individuals hold over 50% of shares. The foreign owners represent different nationalities from Europe, the Middle East and Asia.

Foreign owners invest in Belgian football clubs in order to support them financially and make them more successful. The football club Lommel SK<sup>10</sup> was bought by an Israeli investor in May 2019, who assumed a debt of about half a million euros. The other Belgian club that was bought by a foreign investor in 2019 is KVC Westerlo, which is now owned by a Turkish investor.

### Nationality of club's majority shareholder (situation on 30/06/2019)



<sup>10</sup> Based on ownership information available on 30/06/2019, not taking into account the recent acquisition of Lommel SK by the City Football Group



## Impact of COVID-19 on BE professional football revenues

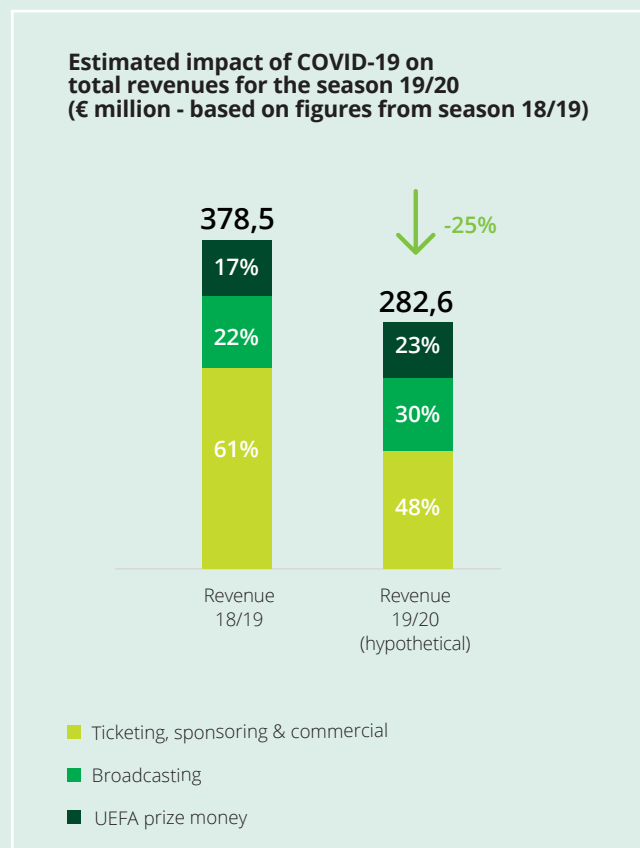
The positive evolution of revenues in the last years will be impeded by the COVID-19 crisis, which has severely hit the season 19/20 and will potentially have repercussions on future seasons. The suspension of the last day of the regular competition and the play-offs will have various consequences for the Pro League and its clubs. We expect the COVID-19 crisis to have an impact on traditional revenue sources (ticketing, commercial, sponsoring and advertisement), costs and revenues from player transfers. The impact on broadcasting revenues for 19/20 is not included in this analysis. The revenue from the UEFA prize money will not be taken into account, as Belgian clubs were no longer represented in European competitions during the season 19/20.

Although we do not have the figures available for the season 19/20, we estimate that the total impact of the premature end of the season 19/20 will represent a decrease of approximately 25% in total revenues. The decrease will be mainly due to a drop in ticketing, sponsoring and commercial revenues during the months of March, April, May and June 2020. Figure 1 shows the expected impact on the different revenue sources, based on figures for the season 18/19.

The impact on traditional revenue sources for the season 20/21 will depend on the decisions of individual clubs, such as potential discounts applied on gate receipts and season passes, sponsoring agreements etc.

The impact on costs is more difficult to quantify, given the remaining uncertainty. Various cost factors may witness a decrease in the season 19/20 during the months of March, April, May and June, including the total salary costs and commercial costs due to lower match day expenses. As mentioned in the section on Belgian football club costs, player salaries represent the biggest cost component for clubs and absorb on average 55% of the revenues. In view of this, measures on player salaries could be the most impactful lever to reduce the financial burden on clubs.

Looking at revenues from player transfers, it is expected that the transfer market, which has been very active in recent years, will inevitably suffer the effects of this crisis and affect the situation of Belgian clubs even more.



## Expected impact of COVID-19 on revenues, costs and transfers

## Season 19/20

March '20



## Revenues

**Decrease in traditional revenue sources** (ticketing, commercial, sponsoring and advertisement) due to cancelled games expected to reach **25% of total revenues**



## Costs

**Decrease in cost sources** such as salaries, commercial (lower match day expenses)

April '20



May '20



June '20



## Transfers

**Lower clubs' budget** to spend on transfers due to COVID-19 crisis. This may have a **relatively strong impact for the Pro League**, due to the importance of transfer results for the Belgian clubs

July '20



## Season 20/21

August '20



## Revenues

Potential decrease in revenues e.g. from discounts on season passes, sponsoring agreements...



## Costs

Impact to be determined for season 20/21

Sep '20



Oct '20



Nov '20



# Economic impact of the Pro League







# Economic impact

The comprehensive model that describes the economic impact of the Pro League and Belgian football clubs measures the direct, indirect and induced impact across four economic indicators: gross output, gross value added, employment and tax contribution. This captures the value generated by the industry and its supply chain, as well as households benefitting from these industries. The methodology section in the beginning of this report as well as the Appendix provide a complete overview of the model and computations.

The methodology makes use of two different types of multipliers defined by the Belgian Federal Planning Bureau: the input-output multipliers and the National Accounting Matrix multipliers. As mentioned in the methodology section, the input-output multipliers were updated in 2019 in order to provide an up-to-date and accurate view of the current economic situation. The new multipliers are used in this report, which will have an impact on the calculations of the direct, indirect and induced impact of the following economic indicators: gross output, gross value added and employment. Tax contribution will not be affected by the change in multipliers. The impact due to change in multipliers will be explained for each economic indicator to ensure transparency and comparability with last year's results.

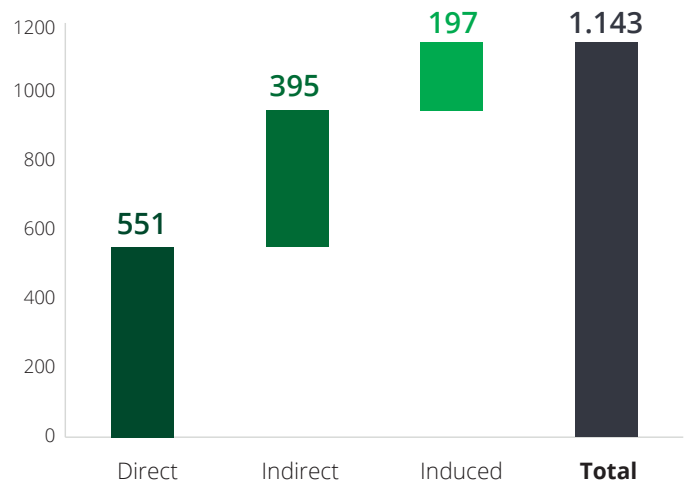


## Gross output

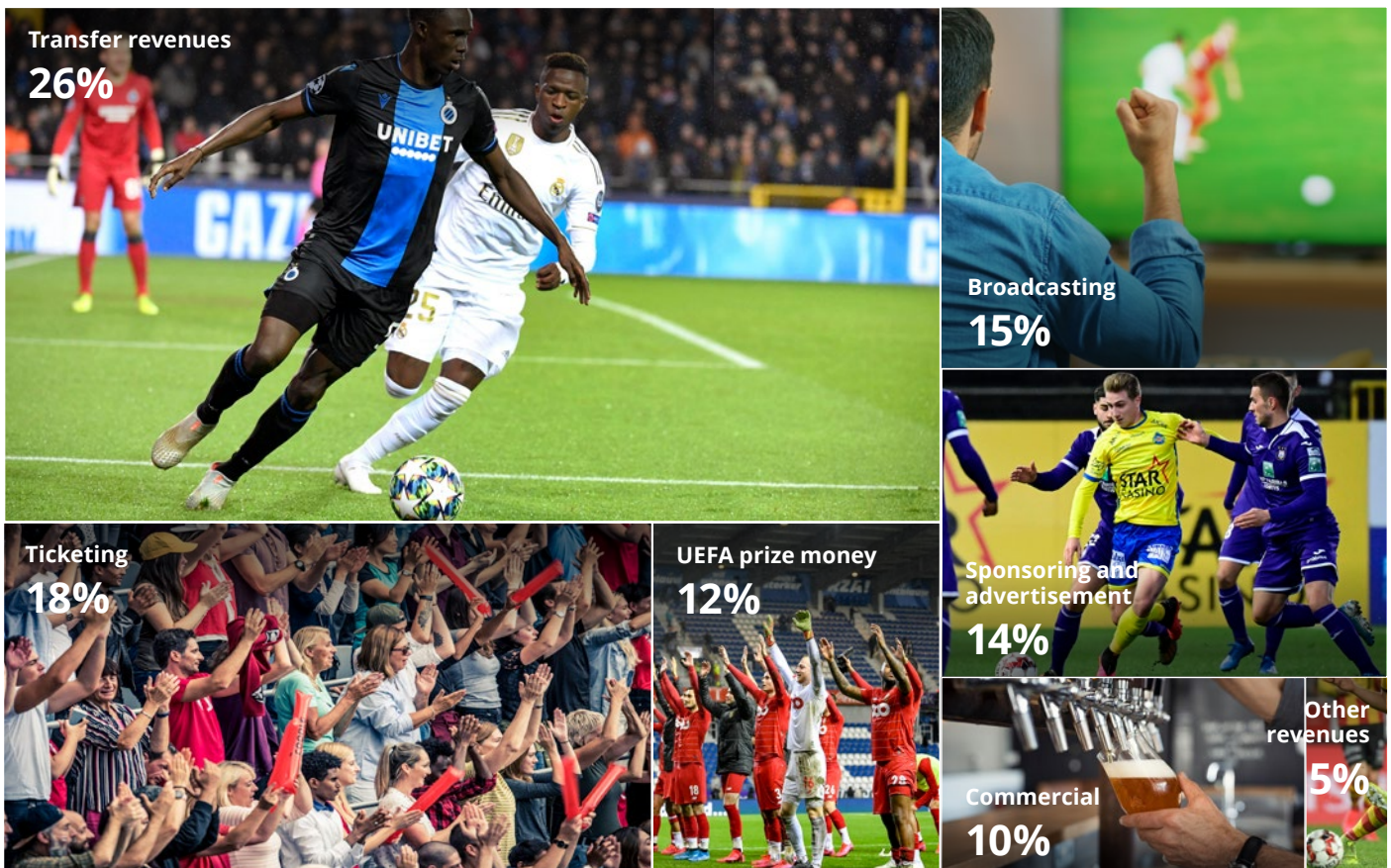
In the season 18/19, the total economic impact measured by the gross output reached €1,14 billion, representing a solid €200 million increase compared to the season 17/18. While part of this growth can be allocated to the application of the new income multiplier (+€112 million), there is a net increase in gross output of €88 million which is driven by a significant growth in all revenue sources (excluding transfers).

The gross output breakdown (Figure 1) illustrates the importance of the direct impact in the total gross output. The direct impact measures the revenues generated by the Belgian football clubs and Pro League, which can boost the indirect and induced impact by capturing the output from the rest of the supply chain and employee/player spending back into the economy. This is the operational output, meaning subsidies are not included. Direct impact includes transfer revenues, although they are not included in the indirect and induced gross output. When zooming on the direct gross output (Figure 2), it increased from €529,3 million to €551 million compared to the previous season, despite decreasing transfer revenues. Growth in all other revenue sources compensates for this drop.

Gross output (€ million)



Direct gross output (% of total)



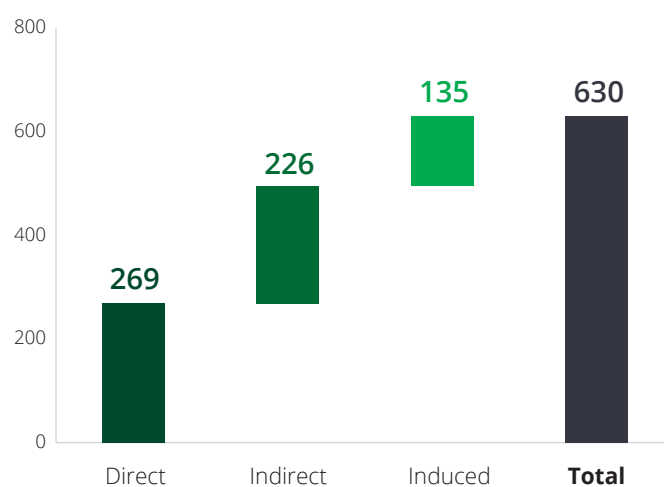




## Gross value added

The gross value added to the Belgian economy by the Belgian football clubs is €630 million in 18/19, a €15 million increase since 17/18. This increase is due to the application of the new output multiplier (+€31 million), the fall in transfers results and profits negatively affecting the gross value added compared to the previous season (-€16 million).

Gross value added (€ million)



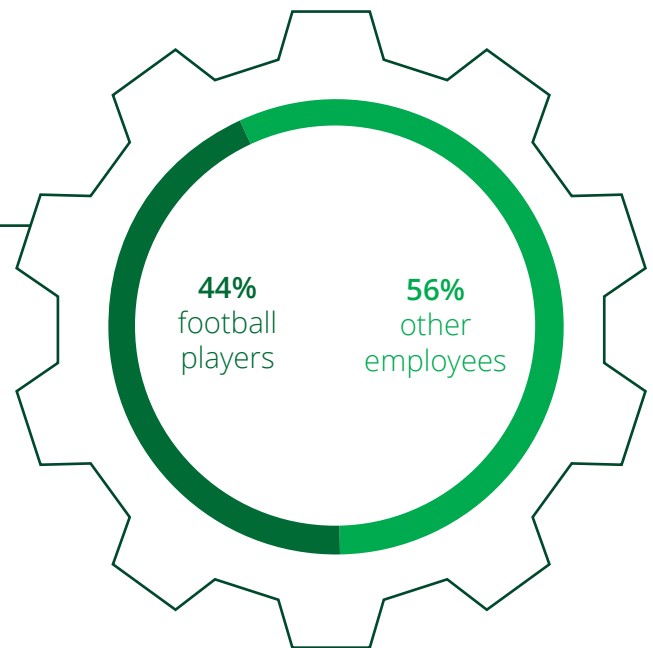
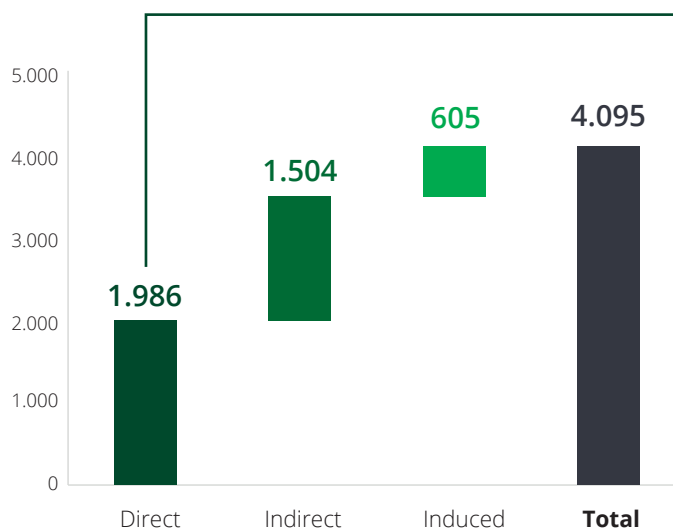
## Jobs

The Pro League and Belgian clubs provided a total number of 4.095 jobs in the Belgian economy in the season 18/19. This number has increased by 385 compared to the previous season, due to the new employment multiplier of final demand applied for the season 18/19. However, excluding this element, direct jobs (direct employees such as players of the clubs, employees of the club working in the stadium bar etc.) decreased from 2.108 to 1.986 in 18/19 due to smaller player staff and less employees.

Direct jobs are the most substantial part, even though indirect and induced jobs account for 1.504 and 605 jobs respectively.

Among the direct employees, 44% are football players, representing the same ratio as the two previous seasons. The remaining 56% are all other employees of the clubs.

**Jobs**



## Tax contribution

The Pro League clubs contribute to the State's finances through four different elements: the corporate tax, payroll tax, national insurance (social contributions) and VAT.

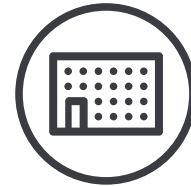
Regarding the corporate tax, the contributions of the clubs reached €3,5 million in 18/19, down 5% on the previous season. This decrease can be explained by the lower (or negative) pre-tax profits recorded by the clubs.

Payroll taxes and social contributions are influenced by the evolution of club payroll costs, which rose strongly in 18/19. This translates into a club contribution of €38,85 million on payroll tax, a 12% increase compared to the previous season. Social contributions follow a similar trend with a growth of 10% from €23,8 million in 17/18 to €26 million in 18/19.

The VAT balance shows the direct contribution of the football clubs on their added value, which reaches €19,6 million in 18/19. Total VAT paid, amounting to €111,6 million, gives a good overview of the total VAT paid throughout the entire supply chain due to the professional football.

We do not have data available to assess the tax impact generated by indirect and induced sources; therefore we expect the actual tax impact of the Pro League clubs to be more important than the figures reported in this section.

### Tax contribution (€ million)



Corporate tax  
**3,5**



Payroll tax  
**38,9**



Social contributions  
**26,1**



VAT  
**19,6**











# Social impact of the Pro League





# Social impact

## Community & Social Responsibility

### Introduction

While we described the financial impact of professional football, the clubs also have an increasingly important social responsibility. Therefore, the social commitment is an aspect that equally deserves attention, as both the clubs and the Pro League play an important role in fulfilling this responsibility towards society. The Pro League helps the clubs to play a credible social role through sustainable and structural partnerships and projects.

To recognize the efforts of the clubs, the Pro League annually awards the Pro League+ label, for the clubs that have developed a quality community operation over the past year, leaving a significant social impact. In 2019, 17 Pro League clubs received the Pro League+ label, compared to 18 clubs in 2018 and 15 clubs in 2017. Based on the quality of the social policy, the clubs also receive financial resources to develop their social operations. The 17 selected clubs together received €100,000 in 2019.

All the efforts resulted in diverse social activities organized by the clubs, aimed at improving physical fitness, mental health, education and integration within the group and the community. In total, Pro League clubs held 300 projects in 2019\*, involving a bit less than 63.000 participants. A total budget of €1,82 million was provided for social activities, compared to €1,68 million in 16/17.

In last year's edition, we focused on the project "Football for All" and gave a few examples of projects carried out by Club Brugge and KAA Gent. This year, we want to shed light on two other initiatives: Younited Belgium and the collaboration of the Pro League with the Vrije Universiteit Brussel.

\* Analysis based on figures from the season 16/17 for clubs with missing data (Sporting Charleroi, Zulte Waregem, Waasland-Beveren, Sporting Lokeren, Beerschot-Wilrijk, KSV Roeselaere, AFC Tubize, Lommel SK)



Number of social projects  
**300**



Number of participants  
**62.868**



Annual budget  
**€1,82 million**





Younited teams  
**28**

### Younited Belgium

Initially named the Belgian Homeless Cup, the project was founded in 2009 as an initiative to help homeless people and their integration in the society. This year a rebranding took place and the project was renamed Younited Belgium, focusing more on what the project aims to achieve, rather than who it is focused towards. Being part of a team, working together around common objectives, building relationships are all elements that support emancipation and integration and that are key focus areas in the context of Younited Belgium. Combining physical and social leisure can play an important role in improving the quality of life and help people to have better physical health, higher self-esteem and self-confidence, improved mood,... and help this vulnerable target group to get out of that position.



Players training on  
a weekly basis  
**500**

Football is the perfect way to do this, according to a survey launched by the Pro League in 2019, 66% of fans consider football as a means of integration. Today, 28 Younited teams are active in Belgium, of which 14 in Flanders, 10 in Wallonia and 4 in Brussels. Each Younited team is a collaboration between a football club and local social organizations such as street corner work, almshouses, shelters etc. No two teams are alike but they all work in the context of Younited Belgium, where football is a tool to improve the well-being of participants.



Annually training  
sessions  
**1.000**

The recruitment and coaching of the players and supporters is done by those local social organizations, resulting in 500 players training on a weekly basis, for a total of 1.000 training sessions annually. The trainings are in preparation of participation in the Younited Belgium tournaments, which are organized throughout the year (5 national and 9 regional tournaments). Evidently, those tournaments are one of the yearly highlights for players and coaches. The tournaments give a motivation to attend the weekly training sessions. Some of the tournaments are organized in public places, which gives a better platform for the players and helps to raise awareness to the broader public.

Important to note is that Younited Belgium is a joint collaboration between the Pro League and the RBFA. The Pro League provides a financial contribution through the receipts of its Christmas campaign (during which the Jupiler Pro League becomes the Belgium Younited Pro League), provides equipment, accommodation and creates awareness regarding the project through its clubs. The RBFA on the other hand provides the accommodation of the Belgian Football Center for training sessions and events, provides referees and communicates regularly about the activities of Younited Belgium. Therefore, Younited Belgium benefits from a high visibility thanks to the different actors in the football ecosystem joining forces.



### Pro League collaboration with VUB

In 2013, the Pro League and the Vrije Universiteit Brussel embarked in a partnership regarding professional football clubs' social responsibility policy. The initial exercise focused on assisting clubs in developing a strategic plan that covers their social responsibility towards their community in a structural and sustainable manner. The ambition of the Pro League is to support all professional clubs in developing a social responsibility policy. However, only a few clubs have been able to align their social projects with the long-term vision of the club, and thereby structurally embed different projects within club operations. Now, a few years later, VUB's Sport & Society research group organized two workshops to refresh that initial exercise. This was deemed necessary to further professionalize clubs' community work and assist new community managers in developing their strategic plans. In total 12 clubs participated in the workshops, which were organized in January 2020.

"We want to help clubs by providing the right framework and tools to work with, so that they can detail out a social responsibility policy, tailored to their own region and community, where they face unique challenges," explains Inge Derom, Sport Management professor at VUB, involved in this year's exercise. The clubs were educated about pillars upon which they can build their social strategy, stakeholders who they can collaborate with to organize various social initiatives, and methods to objectively measure the success of their initiatives. "Especially the last part is difficult. When, for example, developing a project that is focused on social integration, clubs can register how many individuals participated in the project and how many contact hours were delivered. However, going one step further, you want to know how this project has changed individuals on a personal level, which is more difficult to

measure. Despite that difficulty it is a very important element to keep track of the success of each initiative," continues Inge. Thanks to the research done by VUB's Sport & Society research group, and their experience in other sports sectors, they can help the clubs grow in this domain.

Important to note is that the partnership is mostly focused on guiding the clubs. "We do not have the ambition to write the social responsibility policy on behalf of the clubs. When you work with the different clubs simultaneously during workshops, there is no one size fits all solution. It all depends on the clubs' connection to local organizations and the social problems it faces in its region and community. Some clubs did ask us for a follow-up session to look at their policy with more detail and discuss their challenges and how they are coping with those."

The clubs continue to become increasingly aware of their social responsibility, which is a good thing, concludes Inge. "Club brands are very strong regionally and therefore their projects have a strong local reach. Social impact should not necessarily be limited to the traditional topics, but can go much broader, like launching initiatives focused on their fan base, but also support the development of grassroots football clubs to have a healthy football eco-system." Some clubs have already developed initiatives to involve their fans, such as KAA Gent, which trains fans to become guides for stadium visits, Club Brugge, which has launched a running programme to encourage its fans to take up sport, or KV Kortrijk, Club Brugge and Waasland-Beveren, which conducted a survey among their fans to identify their needs in terms of community action.

"We want to help clubs by providing the right framework and tools to work with, so that they can detail out a social responsibility policy, tailored to their own region and community, where they face unique challenges."

**Inge Derom, Sport Management professor at VUB**



## Fans

### Introduction

Fans remain the most important stakeholder group for a football club, as they carry the heart and the soul for their club. For many people in Belgium, football holds this special place in their heart, and is arguably the most popular sport in the country.

As evidenced by the numbers, clubs have a significant fan base, nationally and internationally. With 457 fan clubs\* and more than 4,8 million followers on social media in 2020 compared to 436 fan clubs and 4,3 million followers in 2019, the Pro League clubs are reaching more and more people. With the recent COVID-19 crisis, social media becomes ever more important for clubs to interact with their fans and keep them engaged.

On the other way around, fans can be a key enabler in a club's performance. Determined and loyal supporters can make a real difference, by pushing their team to go the extra mile and supporting them through defeats so they can recover.

We will gain a better understanding of the Belgian fan in the next two sections, by analyzing the fan's characteristics and presenting the results of a fan survey launched by the Pro League in 2019.

\*Analysis based on figures from the season 17/18 for clubs with missing data (KAA Gent, Sporting Charleroi, Zulte Waregem, Waasland-Beveren, Sporting Lokeren, Beerschot-Wilrijk, KSV Roeselaere, AFC Tubize, Lommel SK)



Fan clubs  
**457**



Followers on social media  
**4,8 million**



## Fans profile

Football is widely recognized as the most popular sport in the world. In a global survey conducted by Nielsen<sup>11</sup>, 43% of respondents indicated they were 'interested' or 'very interested' in the sport, a score well ahead of its closest rival, basketball. Belgium is no exception to this global trend, with 60% of Belgian fans recognizing football as a popular and accessible sport (explained in the Pro League fan survey section).

Since 2014, the Pro League has started a collaboration with SportsAlliance to build a central database of Belgian football fans. This database contains information about the fans registered at the different Pro League clubs, as well as the fans who have registered through one of the Pro League platforms<sup>12</sup>. The objective of this database is to understand who the football fans are and to interact with them more effectively.

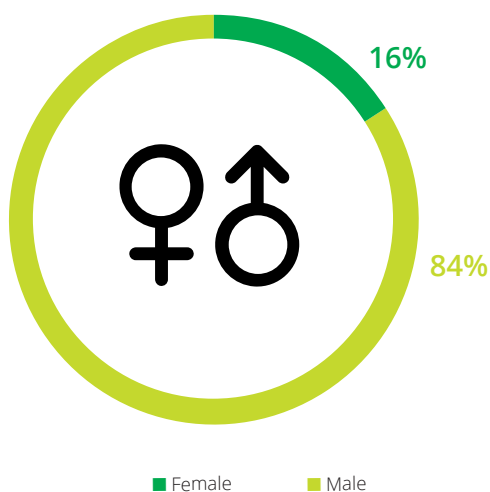
Based on the data available on the platform in May 2020, there are 1.566.127 unique fans registered at the different Pro League clubs. Of those 1,57 million fans, 70.590 fans have their official address registered outside Belgium. This means there are 1,5 million registered fans in Belgium, which represents 13% of the total Belgian population, according to Statbel<sup>13</sup> information. It can

be expected that the percentage of the population being actual football fans is higher, as not all football fans are registered at one of the Pro League clubs.

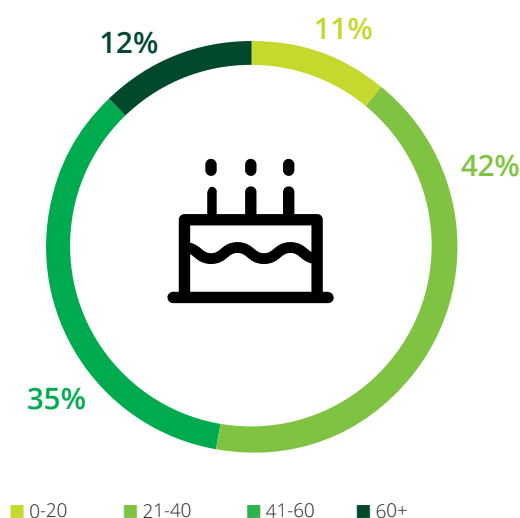
Taking a closer look at the 1,57 million fans as shown in the visual below, the vast majority of those registered fans are male (84%), while about 16% of the registered fan base are female. For both gender groups, the majority of fans are between 21 and 40 years of age. Another interesting finding is that 12% of the registered fans are over 60 years old.

Finally, if we look at the geographical distribution of fans across the Belgian provinces, football appears to be particularly popular in West Flanders, with 242.252 registered fans for a total population of 1.195.796 (approx. 20% of total population in the province). Other regions where football is very popular are Limburg and East Flanders (15%), Antwerp and Namur (10%). The province with the lowest football popularity seems to be the Brussels Capital Region (2%), although the missing data for RSC Anderlecht in the Pro League's SportAlliance database may explain this lower percentage.

## Number of registered fans



## Distribution of registered fans across age groups



<sup>11</sup> Nielsen World Football Report 2018 <https://niensports.com/reports/world-football-2018/>

<sup>12</sup> Data missing for RSC Anderlecht

<sup>13</sup> <https://statbel.fgov.be/nl>



Number of registered fans

**1.566.127****Province****Registered fans****% of province**

West-Vlaanderen	242.452	20%
Limburg	132.851	15%
Oost-Vlaanderen	222.114	15%
Antwerpen	206.964	11%
Namur	50.092	10%
Hainaut	114.936	9%
Vlaams-Brabant	88.130	8%
Luxembourg	20.831	7%
Liège	74.115	7%
Waals-Brabant	19.058	5%
Brussels Hoofdstedelijk Gewest / Région de Bruxelles-Capitale	27.109	2%



80% of the fans and 60% of the representative sample of the Belgian population consider football as an accessible and popular sport.



### Pro League Fan Survey

The Pro League launched a fan survey in 2019 to gain insights on various topics, including what the fans think of the values Belgian professional football carries out, their interest in football, in the Pro League and in other competitions and their media consumption. The survey results include responses from 1.209 interviewees, of which 83% (1.007) were a representative sample of the Belgian population in terms of gender, age, region and type of employment and 17% (202) were football fans interested in the Pro League competitions.

According to the fans, football remains the sport with the most positive image and that attracts the most interest, despite the scandals and challenges it has faced in recent years. Although both samples seem to share the view that too much money is involved in the football industry, 80% of the fans and 60% of the representative sample of the Belgian population consider football as an accessible and popular sport. Football also plays an important role in bringing families and friends together. According to the survey, main reasons for attending games on site are to enjoy the good atmosphere and to have a good time with friends.

Looking at the fan interest in football competitions, fans are generally more interested in our national competition than in other European competitions, and therefore value proximity and locality. Fans also explain that the main reason to support a club is the geographical proximity (club of their city or region), which links back to the important aspect of locality.

In addition, the majority of respondents consider the Red Devils and the Jupiler Pro League as the symbols of Belgian football, rather than individual players, bringing collectivity over individuality. Regarding our national competition, the majority of respondents (65%) have a positive image of the Pro League. Fans' expectations towards the Pro league include the support and development of youth training and the organization of social projects, two elements on which the Pro League has been taking steps over the last years.

Based on the answers of both samples of respondents, Belgians can be considered as more traditional in terms of media consumption and are generally informed through newspapers, television and radio and less through social media or mobile applications.

# Youth

## Introduction

Youth academies are the backbone of a club. They create an environment in which young talented players develop their skills and prepare for a life as a professional football player. Belgian clubs have invested significant time and money in their youth academies, with the ultimate objective to have some youngsters make it to the top of the football world. While the clubs were legally required to invest €23m in 2018, they invested €50m in their youth.

During the season 18/19, 261 young Belgian players (under 23 years) had a full-time or part-time contract, which shows an increase of 13% compared to the previous season. These young players played a total of 98.717 minutes together (+20% compared to 17/18), representing 11% of the total minutes played by all players. Belgian players aged 23 to 26 played 9% of the total minutes, while Belgian players aged over 26 years played 23% of the total minutes. Foreign players played the remaining 57%.

While heavily investing in youth is important for the overall quality of Belgian football (and indirectly contributes to the success of our national team), it is equally important in the broader business model adopted by a majority of the clubs.

Clubs who successfully train and grow young players are paving the way for the future successes of their first team. Additionally, the possibility that a few players will make a high profile move to another club can also give a financial boost to the clubs and help grow the business.



Minutes played by  
young players

**98.717**



Young players  
under contract

**261**









# Appendix

The Belgian football clubs have a direct impact on gross output, gross value added, full-time equivalent jobs and taxes, information needed to run the economic model. The annual reports of the football clubs and Pro League deliver the data for gross output and value added, while surveys provide the necessary information on employees in their different functions.

As economic activities in different industries are closely related, a change in one organization will have an impact elsewhere in the economy. Applying input-output models on direct effect quantify this additional impact. Wassily Leontief, Nobel Prize winner, developed this input-output model. It is a quantitative technique to measure interdependencies between different sectors in an economy. National economic bureaus often use the model to calculate varying economic indicators, among them GDP. While input-output models look at the impact of companies and their supply chain within an economy, the National Accounting Matrix (NAM) takes this a step further, taking into account all economic actions taken in an economy during a certain period. It estimates household income and its effect on top of the original impact on the supply chain.

Three types of impact exist in the socio-economic impact assessment framework:

1. **Direct impact:** the industry itself produces a certain impact, by conducting business within the economy, creating gross value added, jobs and tax revenues.
2. **Indirect impact:** the industry's supply chain generates gross output, value added, jobs and tax revenues as an indirect consequence of the industry itself
3. **Induced impact:** Households benefitting from the industry and its supply chain have increased spending power, which generates additional output, value added, jobs and tax revenues.

The computations in this report conform to the guidelines outlined by the Belgian Federal Planning Bureau.<sup>14 15</sup> The analyses also used working papers on the theory behind input-output model.<sup>16 17</sup>

Some caveats on the economic computations include:

- Multipliers are calculated based on a measured total production over the period of a year and show average relations.
- The used multipliers for NACE code 93 include industries other than professional sports, such as the fitness industry. This multiplier is used as a proxy because for the sub-industry professional sports, there is no specific multiplier.
- The multipliers only contain effects that happen up-stream.

Down-stream effects are neglected. This should have minimal impact on the professional sports industry, which is generally very close to the end of the supply chain.

- A multiplier is a relationship between the initial effects on output, GVA or employment and the total effect. For this reason, a high multiplier value could indicate large total effects (numerator) or low initial effects (denominator)

## Direct impact

Responding to the demand for professional football, the football clubs themselves generate direct effects the initial impact. The last available financial year 2019 is used for gauging direct output and direct gross value added generated

## Direct gross output

The revenues of the football clubs generated by the following sources sums up to the direct gross output:

1. Gate receipts & season passes revenues
2. Broadcasting revenues
3. Sponsoring & advertisement revenues
4. Commercial revenues
5. UEFA prize money

Subsidies received by the State or the benefits of the reduced payroll taxes enjoyed by athletes in Belgium are not included, even though they appear as a revenue source.

## Direct GVA

The sum of profits before tax and total wages & salaries calculates GVA. As such, the GVA indicates the "value added" to the economy to answer the question: "How much value does this activity bring to participants in the economy?" These participants are (1) providers of capital and the State and (2) households, in line with the common beneficiaries of profits before tax and wages & salaries. The GVA also avoids overlap with the gross output, as the cost of goods sold, which occurs as revenues for suppliers is not taken into account.

## Direct jobs

The amount of FTEs working for the football clubs account for the direct jobs. Additionally, a questionnaire filled out by the Belgian football clubs sheds more light on the category of the FTE's.

## Direct taxes

Annual reports and tax returns give an accurate estimation of the tax contribution of Belgian football clubs and the Pro League. The

<sup>14</sup> Belgian Federal Planning Bureau (2016). Multiplicatoren: handleiding.

<sup>15</sup> Belgian Federal Planning Bureau (2016). NAM-multiplicatoren: handleiding

<sup>16</sup> Avonds L., Belgian Federal Planning Bureau (2013). Working Paper 10-13. Bijdrage van de componenten van de finale vraag tot het bbp 1995-2005.

<sup>17</sup> Avonds L., Hambjé C., Hertveldt B., Michel B., Van den Cruyce B. (2016). Working Paper 5-16. Analyse van de interregionale input-outputtabel voor het jaar 2010.

total sum contributed to the State includes 4 relevant buckets of tax contribution:

- Corporation tax
- Payroll and income taxes
- National health insurance contributions
- Value added tax (VAT)

As the data on payroll and income taxes of non-player employees of the football clubs is not available for the smaller clubs, we are making an estimation based on larger clubs applied taxes to wages rates for those employees, resulting in an average of 28%.

### Indirect impact

As Belgian professional football clubs sell goods and provide services to their customers, other industries benefit by supplying the football clubs. Other occurrences such as a football supporter in need of a hotel room, generate an indirect impact. Particular industries impacted by the existence of professional football in Belgium are the hospitality, construction, retail of sportswear, media & entertainment, medical services and gambling industries.

### Indirect output

As output generated by the football industry increases, the sector will call upon its suppliers to increase production, who then turn to their suppliers for increased production. The Leontief input-output model provided by Belgium's national planning bureau in its open datasets can calculate the cumulated effect of direct and indirect revenues. The relevant sector for the professional football industry corresponds to the NACE code 93. The total effects are estimated by using the output multiplier for industry with NACE code 93, being 1.97. Concretely, this means that every €100 generated in direct revenues in the sports industry, corresponds to €97 of indirect revenues in the economy. An important caveat to bear in mind when considering the total output is the possibility of double counting.

### Indirect GVA

Similarly to indirect output, an increase in GVA in the football industry will lead to an increase in GVA in the overall supply chain. As the Belgian Federal Planning Bureau does not provide a precise multiplier for GVA in her 5-yearly calculations, the income-multiplier for primary inputs serves as a proxy. This multiplier is very similar to GVA because of how primary inputs are calculated: GVA + Taxes & Subsidies on intermediary production. The GVA input-output multiplier of Type I for NACE code 93 is 1.84, meaning that for every €100 in direct GVA generated in the sports industry leads to €84 of indirect GVA generated in the economy. For economic value creation, GVA is a much more solid metric than output, as it does not include any double counting from cost of goods sold by suppliers.

### Indirect jobs

The official data from the Belgian Federal Planning Bureau shows the indirect effect on employment, by looking at industry specific

employment multipliers. The relative employment multiplier of Type I at 1.76 estimates that for every FTE job created by the sports industry, an additional 0.76 FTE equivalent is created.

### Indirect taxes

Indirect taxes are taxes generated by the existence of the Belgian professional football clubs. This report will not attempt to estimate these effects for most taxes due to a non-availability of economic indicators, but does include the total VAT paid as an estimation of the VAT paid over the entire supply chain of the football industry. However, it is important to note that there are more taxes generated due to Belgian professional football than first meets the eye.

### Induced impact

As household income rises due to the provision of labor, so does household spending. While not all household income will be spent, the National Accounting Matrix provided by the Belgian Federal Planning Bureau allows to estimate the total effect of spending of wages and capital earned from the sports industry on the economy.

### Induced output

The cumulated effect of direct, indirect and induced output is located in the NAM-matrix, being 2.46 for Belgian sports industry (NACE code 93). Concretely, this means that every €100 generated in output by the professional Belgian football clubs, corresponds to a generation of €246 in total as a result of direct (€100), indirect (€97) and induced output (€49).

### Induced GVA

The same logic applies as in "Induced Output", with the multiplier for cumulative direct, indirect and induced GVA being 2.35. This means that for every €100 generated in GVA by the professional Belgian football clubs, corresponds to a generation of €235 in total because of direct (€100), indirect (€97) and induced GVA (€38). Caution is necessary when looking at induced GVA for the professional football industry, as spending patterns of high net worth professional football players may not entirely correspond to normal spending patterns.

### Induced jobs

The cumulated effect of direct, indirect and induced jobs is also in the NAM-matrix of the Belgian Federal Planning Bureau. The relative employment multiplier of Type II for the Belgian sports industry (NACE code 93) at 2.06 indicates that for every FTE in the Belgian professional football clubs, an additional 0.76 FTE exists throughout its supply chain while 0.3 FTE exists as a result of the spending of disposable income.

### Induced taxes

Similar to indirect taxes, no attempt is made to estimate these in the current edition.





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