

To what extent is the spending of premier league football clubs in England sustainable

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Abstract:

This study examines the sustainability of expenditure among English Premier League clubs, focusing on the balance between revenue structures, cost pressures, and regulatory constraints. As the world's most commercially valuable football league, the Premier League generates record revenues through broadcasting, commercial, and matchday income, yet significant disparities exist in financial performance between clubs. This study draws upon secondary data sources, including Deloitte reports, official financial publications from UEFA and the Premier League, academic research, and the latest financial results for the 2023/24 season. The findings reveal that a minority of clubs (such as Manchester City and Chelsea) have achieved relatively sustainable spending patterns through stable profitability and diversified revenue streams. Conversely, the majority remain heavily reliant on broadcasting income and face risks due to elevated wage and transfer expenditures. Historical cases (such as Leeds United and Portsmouth) illustrate the long-term crises that can arise from imbalanced financial management. The COVID-19 pandemic further exposed the league's structural vulnerabilities, triggering sharp revenue declines. While Financial Fair Play (FFP) has partially curbed excessive spending, its effectiveness remains contentious, particularly for clubs backed by state capital. Overall, the Premier League's expenditure model remains sustainable only for a handful of financially robust clubs, with the majority harbouring persistent concerns about long-term viability. Achieving a balance between competitiveness and financial stability may necessitate stricter regulation and systemic reforms.

Keywords: Premier League, football club spending, financial sustainability, Financial Fair Play, Profit and Sustainability Rules

1. Introduction

The Premier League has developed rapidly since it began in 1992. In the 2022–2025 cycle, domestic broadcasting rights alone were sold for more than £5 billion (Premier League, 2023). The EPL’s global appeal is underscored by the fact that it is one of the most-watched leagues in the world, with an estimated 4.7 billion viewers tuning in each season (Deloitte, 2024), and annual revenues reaching £5.5bn (KPMG, 2023). However, behind this impressive financial façade lies a critical question: is excessive spending on wages, transfers, and infrastructure sustainable, or does it risk financial instability? This concern has become increasingly relevant given recent controversies, such as Everton Football Club being deducted points as a penalty for violating the Premier League’s Profitability and Sustainability Rules, and Chelsea’s record-breaking £1 billion expenditure on transfers. These cases of overspending raise the question of whether Premier League clubs’ pursuit of success has led to an increased risk of financial instability. “Sustainable spending” in football is interpreted as balancing expenditure with revenue streams, complying with regulations, and avoiding long-term debt (Müller et al., 2018). In contrast, “excessive spending” refers to unsustainable wage-to-revenue ratios, speculative transfers, and reliance on owner subsidies (Peeters & Szymanski, 2014). The aim of this study is to address the question: to what extent is Premier League clubs’ spending financially sustainable? The objectives are to examine how clubs’ revenue models align with their expenditure, what role regulations such as FFP and PSR play in curbing overspending, and whether there are systemic risks to the Premier League’s financial ecosystem (Hamil & Walters, 2010; Preuss, Haugen & Schubert, 2014).

2. Financial Landscape and Regulatory Mechanisms

2.1 The Financial Landscape of the Premier League

The Premier League remains the world’s most profitable football league, with its revenue primarily derived from broadcasting rights and commercial partnerships. According to Deloitte data, the Premier League generated total revenue of £6.1 billion during the 2022–23 season, with matchday, broadcasting, and commercial revenue all experiencing strong growth. The total value of global broadcasting contracts for the 2023–2026 season is £10.4 billion, with international broadcasting rights valued at £5.3 billion, surpassing domestic broadcasting contracts for the first time at £5.1 billion (Premier League, 2023). Commercial revenue continues to grow, with the ‘Big

Six’ clubs (Manchester City, Manchester United, Arsenal, Liverpool, Tottenham Hotspur, and Chelsea) accounting for 45% of the league’s total revenue (Deloitte, 2024). However, financial disparities persist, with newly promoted clubs often struggling to match the financial strength of traditional powerhouses. Despite this, some clubs have achieved notable revenue growth through strategic marketing and fan engagement initiatives (KPMG, 2023). Additionally, significant increases in wage expenditures in recent years have placed financial pressure on clubs and raised questions about the sustainability of such spending, particularly for those with lower revenue rankings.

2.2 Profit and Sustainability Rules

UEFA introduced the Financial Fair Play (FFP) policy in 2011, with the core objective of promoting financial sustainability among European football clubs and preventing them from falling into financial crisis due to excessive borrowing or irrational spending (Müller et al., 2018). The policy aims to ensure that clubs can maintain healthy operations by limiting the amount of losses they are allowed to incur. The introduction of FFP was prompted by financial instability in the football industry in the late 2000s, with some clubs facing soaring debts or even bankruptcy due to excessive investments. By implementing FFP, UEFA seeks to create a more equitable competitive environment, encourage clubs to become self-sustaining, and prevent financial risks from spilling over and affecting the league as a whole.

One of the most important provisions in FFP is the ‘loss limit’ clause, which stipulates that a club’s cumulative losses over a three-year financial cycle must not exceed a certain amount, typically 30 million euros (Peeters & Szymanski, 2014). Clubs exceeding this limit face penalties, including fines, transfer bans, and even the revocation of European competition eligibility. This rule requires clubs to maintain a balance between income and expenditure, encouraging them to diversify their revenue streams—such as broadcasting rights and commercial sponsorships—and reduce reliance on external funding. The aim is to prevent clubs from prioritising competitive performance at the expense of financial health, thereby ensuring long-term sustainability. Although the objective of FFP is to regulate club finances, its implementation has encountered numerous challenges and controversies (Hamil & Walters, 2010). Some clubs have attempted to circumvent the rules through complex financial operations, such as related-party transactions and fake sponsorship contracts, to conceal their true financial status, thereby increasing the difficulty of regulation. Additionally, some scholars have pointed out that FFP may inadvertently exacerbate the advantages of large clubs, as these clubs are better equipped to meet the rules, leading to an imbalance in competition. Furthermore, strict financial restrictions may limit the

investment potential of smaller clubs, suppressing their competitiveness and innovation capabilities, and thereby having a negative impact on the football industry (Hamil & Walters, 2010).

2.3 Regulatory Mechanisms

Although UEFA introduced the Financial Fair Play (FFP) regulations with the aim of enhancing the financial sustainability of European football, some studies have questioned their long-term effectiveness and fairness. Some argue that while FFP restricts excessive spending and promotes financial responsibility, it inadvertently exacerbates competitive imbalance (Preuss, Haugen, & Schubert, 2014). Wealthy clubs with stable revenue structures are more likely to comply with FFP requirements, while smaller clubs or emerging powers face stricter investment restrictions, stifling their development potential. Additionally, FFP restricts external capital injections, stifles innovation, and raises legal and economic concerns regarding its compliance with EU competition law. These perspectives suggest that FFP has not truly achieved financial fairness but may instead reinforce the advantages of established powerhouses, prompting questions about whether such regulatory mechanisms genuinely support sustainability or merely uphold the existing order (Preuss, Haugen, & Schubert, 2014).

The Palgrave Handbook on the Economics of Manipulation in Sport delves into the phenomenon of financial manipulation in the sports industry, particularly offering a critical analysis of UEFA's Financial Fair Play (FFP) regulations. The book argues that while FFP was originally intended to promote financial stability, it is often exploited by large clubs through strategic means such as inflated sponsorship deals, multiple club ownership, and accounting maneuvers to circumvent restrictions, thereby legitimising their competitive advantage (Schubert and Hamil, 2024) introduce the concept of 'financial doping,' suggesting that current rules often favour established teams and suppress the growth potential of emerging clubs.

In addition to criticism of UEFA's Financial Fair Play (FFP) regulations, recent studies have highlighted the complexity of enforcing financial regulations in football, primarily due to the complex financial structures and diverse governance models of clubs (Plumley, Wilson & Ramchandani, 2019). They analyse that clubs circumvent spending limits through creative accounting and off-balance-sheet financing, posing challenges to the regulatory framework. While FFP aims to promote financial stability, its effectiveness is weakened by insufficient transparency and inconsistent enforcement standards across leagues. The study also notes that regulators struggle to balance maintaining competitive fairness with promoting commercial growth, as overly strict rules may stifle investment and innovation. This perspective underscores the need for

future regulatory mechanisms to strengthen financial oversight while maintaining flexibility, ensuring sustainability without limiting clubs' competitive and commercial ambitions (Plumley, Wilson & Ramchandani, 2019).

2.4 Case Studies of Unsustainability

Everton reported a loss of approximately £124.5 million in the 2021–22 financial year, exceeding the £105 million limit set by the Premier League's Profit and Sustainability Rules (PSR) by approximately £19.5 million (Sharpe & Loomes, 2024). As a result, the club was deducted 10 points, which was later reduced to 6 points following an appeal (The Guardian, 2023). Notably, Everton attempted to classify nearly £94 million of the loss as 'exemptible losses,' including investments in a new stadium and youth development expenses, indicating an effort to exploit regulatory loopholes to mitigate penalties (Wallace, 2023). This case highlights that even under regulatory frameworks, excessive spending and strategic accounting practices can still lead to unsustainable financial risks.

Following their promotion to the Premier League in the 2021–22 season, Nottingham Forest was subject to a three-year PSR loss limit of £61 million. However, the club reported losses of £95.5 million, exceeding the limit by £34.5 million (Sharpe & Loomes, 2024). Despite cooperating with the investigation and voluntarily admitting the violation, the club was deducted four league points (Premier League Commission, 2024). This case illustrates that the competitive pressure of promotion often drives clubs to make aggressive investments, particularly in transfers and wages, leading to severe imbalances in financial ratios. Nottingham Forest's experience highlights the tension between short-term goals and financial sustainability.

Manchester United was acquired by the Glazer family through a leveraged buyout (LBO) in 2005, with initial debt totaling between £550 million and £660 million, most of which was directly added to the club's balance sheet. In 2010, the club refinanced through the issuance of £500 million in bonds and partially listed on the New York Stock Exchange in 2012. However, as of the 2023–24 season, net corporate debt remains close to £800 million (Joel Levesque, 2025). According to analysis, since the acquisition, the club's cumulative interest and dividend expenses have exceeded £1.1 billion, far surpassing the total investment in infrastructure and squad development during the same period. This case clearly demonstrates that while the club generates high commercial revenue, overreliance on a debt-driven structure will undermine its long-term flexibility and sustainable development capabilities.

2.5 Gaps in the Literature

The complexity of excessive spending makes it difficult

to study accurately. Clubs conceal their expenditures through related-party transactions, false sponsorships, and concealment of actual salaries, making it difficult to verify publicly available financial data (Plumley, Wilson & Ramchandani, 2017). Different clubs adopt varying accounting standards and disclosure criteria, lacking uniform regulations, which increases the difficulty of cross-club comparisons. Regulatory agency investigation reports are restricted by commercial confidentiality, and relevant data is not publicly disclosed, hindering researchers from gaining a deeper understanding of the details of violations. These factors make it challenging for academia to construct accurate models to explain the motives and actual impacts of clubs' excessive spending.

For example, Manchester City faces 115 allegations of violating the Premier League's Financial Fair Play policy, primarily involving complex financial irregularities such as overstating sponsorship income, concealing player and coach salaries, and related-party transactions (Sky Sports, 2025). These allegations reflect multi-layered violations in the club's financial operations, involving hundreds of documents and witness statements, making the case extremely complex. The investigation has taken several months, and due to legal details and confidentiality agreements, some evidence has not been made public, leading to delays in the penalty decision. Regulatory authorities must ensure the investigation is comprehensive and procedurally fair to avoid invalidating penalties due to procedural flaws (Sky Sports, 2025). Additionally, Manchester City and its supporters may file legal appeals and defences, further delaying the process. This complex investigation and judicial process has made it difficult for the public to obtain transparent information, and the delayed penalties reflect shortcomings in the Premier League's financial regulation in terms of enforcement and transparency.

Although the media predicts that penalties may seriously affect league fairness and club financial health (The Times, 2025), there is a lack of quantitative analysis based on empirical data and economic models in academia. Existing studies are mostly case descriptions, lacking long-term tracking across time and clubs, and are unable to accurately assess the impact of penalties on income distribution, market confidence, and investment decisions. This research gap limits the scientific formulation and effectiveness evaluation of regulatory policies and hinders the establishment of more effective financial fairness regulatory mechanisms.

3. Methodology

This study examines the extent to which the expenditures of English Premier League football clubs are economically sustainable. A mixed-methods approach is employed, combining quantitative financial data analysis with qual-

itative content assessment to provide a comprehensive understanding of financial performance and context.

This study is an analytical research project and a purely secondary research article. Quantitative data includes club revenue, transfer expenditures, and wage costs, primarily sourced from official financial statements, Premier League official reports, and the Deloitte Football Money League. Qualitative data is derived from media reports, academic articles, and club statements, used to analyse expert and public perspectives and interpretations of spending behaviour.

To ensure the reliability of the data, this study evaluates all materials based on the CRAAP criteria (Currency, Relevance, Authority, Accuracy, Purpose). In terms of Currency, this study prioritises the use of data from the past decade (2014–2024) to ensure that the analysis reflects the current football financial environment; in terms of Relevance, this study screened literature using keywords (Premier League financial sustainability, club expenditure, FFP compliance) to ensure high alignment with the research questions; in terms of Authority, only reports from authoritative institutions (such as Deloitte, KPMG, and the Premier League official body) and peer-reviewed academic journals were selected, supplemented by reputable media reports; in terms of Accuracy, the study cross-referenced data across channels and utilised official data to ensure data authenticity and consistency. Finally, in terms of Purpose, all materials were subject to critical evaluation to avoid the use of materials with obvious commercial or biased content, thereby ensuring the objectivity of the information.

This study poses no ethical risks as it does not involve human interaction. All data will be properly cited and interpreted objectively, fairly, and transparently to maintain academic integrity.

4. Analysis and Discussion

4.1 Introduction

The financial operations of Premier League powerhouse clubs have long been a hotly debated topic, particularly regarding the issue of 'excessive spending' (Big Six). These include Manchester City, Liverpool, Chelsea, Manchester United, Arsenal, and Tottenham Hotspur. Excessive spending is defined as unsustainable wage-to-revenue ratios, speculative transfers, and reliance on owner subsidies (Peeters & Szymanski, 2014).

The significance of this issue lies in the fact that the Premier League is the wealthiest football league globally, and its financial model often serves as a benchmark for other leagues to emulate. If its spending model is unsustainable, it could not only disrupt the competitive balance of the

Premier League but also impact the entire football ecosystem, such as the Champions League, Club World Cup, and further widen the gap with lower-tier clubs (Andreff, 2020). As illustrated in Figure 1, the financial results for

sustainability of the league as a whole. This section will explore whether Premier League giants truly engage in unsustainable excessive spending, or if this is merely an inevitable trend in the commercialisation of modern foot-

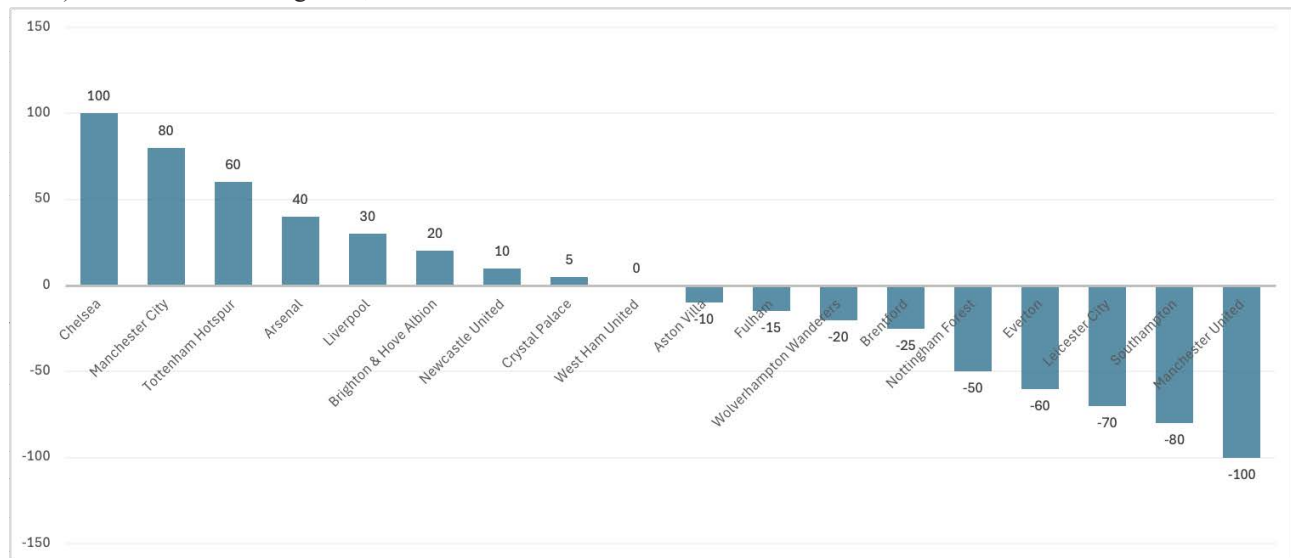


Figure 1 Premier League clubs post-tax profits/losses for 2023/24 FY (All values in GBP)

Source: Dixon, 2025.

4.2 The Financial Landscape of the Premier League

Premier League clubs have the most lucrative revenue streams in the global sports industry. Broadcasting rights are their primary source of funding, with the total value of domestic and international broadcasting contracts for the 2022–2025 period exceeding £10 billion (Premier League, 2023), providing the Premier League with unparalleled stability. Commercial sponsorship is equally crucial, as evidenced by partnerships such as Manchester City's collaboration with Etihad Airways and Manchester United's global deal with Adidas (Deloitte, 2024), highlighting the significant role of corporate capital in the league's operations. Additionally, the Premier League's vast global fan base generates substantial merchandise revenue, with team jerseys and related merchandise selling briskly in retail stores and e-commerce platforms worldwide (KPMG, 2023).

However, these revenues have also driven up costs. With stable broadcasting and commercial revenues, clubs are often more motivated to continuously increase spending in the transfer market and on wages to maintain their competitive edge. This 'revenue-driven cost' cycle has raised concerns about long-term sustainability. For instance, wage bills have grown by 7% annually on average since 2017, and transfer spending in 2022–23 reached a record £2.36 billion, the highest among all European leagues (Deloitte, 2024). These costs include not only transfer

fees and salaries but also agent commissions, performance bonuses, and long-term amortisation of player contracts, which collectively increase financial pressure on clubs.

4.2.2 Financial Fair Play (FFP)

The Financial Fair Play (FFP) regulations introduced by UEFA aim to ensure that clubs 'live within their means,' avoiding excessive reliance on debt or shareholder funding, in order to promote long-term sustainable development. For Premier League clubs, FFP has indeed had a certain restrictive impact, forcing some clubs to manage their finances more cautiously. However, its effectiveness is controversial. On the one hand, it has indeed prevented some extreme 'high-risk' investments and avoided potential bankruptcy risks; on the other hand, wealthy elite clubs often leverage their extensive commercial networks to continue making high expenditures while maintaining 'financial compliance,' such as Manchester City. Therefore, FFP has to some extent reinforced the advantages of elite clubs and limited the possibility for smaller clubs to 'catch up' through large-scale investments.

4.3 Examples of Excessive Spending by Top Clubs

4.3.1 Transfer Market Spending

The transfer market is the most direct manifestation of excessive spending by top clubs. Over the past decade, the Premier League has seen numerous record-breaking transfer deals, with the most notable being Manchester City's signing of Jack Grealish for £100 million in 2021

(BBC Sport, 2021). This massive transfer not only increased Manchester City's amortisation costs but also led to high wage expenditures, significantly increasing the club's financial pressure. Grealish's performance in the early stages of his tenure failed to meet the expectations of the club and fans (The Guardian, 2022), resulting in a mismatch between his book value and actual competitive contributions, constituting a classic case of sunk cost.

More broadly, such high investments do not necessarily translate into immediate top-tier competitive results. For example, despite Manchester City's substantial spending on transfers, they failed to win the Premier League title in the first season after signing Grealish, indicating that high investments have limited short-term impact on performance while increasing the club's financial pressure (Deloitte, 2022). Therefore, while transfer expenditures are viewed as a necessary means to compete for competitive achievements, their risks cannot be ignored, especially in cases of investment failure or when players fail to meet expectations.

4.3.2 Player Wages

Another major expenditure alongside transfer fees is player wages. According to Deloitte's 'Football Financial Annual Review,' the Premier League's total wages for the 2022–23 season have exceeded £4 billion, ranking first in Europe. In specific cases, Manchester United signed Anthony in 2022 for a transfer fee of £82 million, with a weekly salary exceeding £200,000, while Grealish's contract at Manchester City also ranks among the highest in the Premier League.

The sustainability of this high-salary model is questionable. The wage-to-revenue ratio for some clubs has exceeded 70%, far surpassing the generally accepted healthy level. If competitive performance declines, the risk of wage costs not matching revenue will become evident.

4.3.3 Luxury Infrastructure and Global Expansion

The investments of top clubs are not only reflected in players but also in infrastructure and global expansion. Tottenham Hotspur's new stadium, which opened in 2019, cost over £1 billion, while Manchester City continues to expand the Etihad Stadium, aiming to create a global sports and commercial complex. These investments aim to enhance long-term profitability by increasing matchday revenue, expanding commercial partnerships, and attracting international fans.

However, such projects often require massive debt financing and have repayment cycles spanning decades. Meanwhile, while global expansion holds significant potential, it faces intense competition and is not guaranteed to yield returns. Therefore, these investments beyond football also reflect the tendency of elite clubs to overspend.

4.4 Counterargument: Is the Spending of Elite

Clubs Reasonable or Sustainable?

4.4.1 Return on Investment

Despite the staggering scale of spending by elite clubs, some examples demonstrate that such investments can yield significant returns when managed effectively. For instance, under the leadership of Jürgen Klopp, Liverpool has built a highly competitive squad through the signing of players like Mohamed Salah, Sadio Mané, and Virgil van Dijk in recent years. The team won the UEFA Champions League (Europe's highest club honour) in 2019 and the Premier League title in 2020, resulting in a significant increase in commercial revenue and global influence, with clear positive returns on investment. Similarly, Brighton has demonstrated another sustainable profit model by identifying talent through a relatively low-cost scouting system, purchasing players at low prices, and then selling them at higher prices (the transfer of Kessie to Chelsea). These examples show that high investment is not necessarily unsustainable; the key lies in management and strategy.

4.4.2 International Comparison

When viewed from a broader global perspective, the Premier League's 'excessive spending' may not appear unusual. For example, Real Madrid and Barcelona in La Liga have maintained top-tier competitiveness through massive investments over the past two decades, while Paris Saint-Germain, backed by Qatari capital, has frequently broken transfer market records. In comparison, while Premier League clubs spend heavily, their expenditures are backed by more stable broadcasting and commercial revenues. In contrast, Chelsea, which invested over £1 billion in transfers after Todd Boehly took over, failed to achieve desired results, suggesting that the issue lies not in the amount spent but in the efficiency and direction of expenditures. Therefore, from an international comparative perspective, while Premier League giants' investments may appear aggressive, they are not unique globally. From a broader perspective, some leagues and clubs have demonstrated stronger financial sustainability. Bayern Munich of the German Bundesliga has achieved a balance between long-term competitive success and financial stability through prudent budget management, a robust youth development system, and commercial diversification. The club has kept its net expenditure within manageable limits, avoiding excessive reliance on external capital. The Premier League can draw on the following lessons: strengthening youth development and domestic player cultivation to reduce reliance on high-cost transfers; implementing strict wage-to-revenue ratio management to ensure financial health; and optimising commercial revenue structures by leveraging international sponsorships, global merchandise sales, and digital content to generate

stable income. Through these measures, Premier League clubs can pursue competitive success while enhancing long-term financial sustainability.

4.4.3 Examples of Smart Investment

Some Premier League clubs have demonstrated financial and competitive success through ‘smart investment.’ For example, Brighton leverages robust data analysis and scouting networks to acquire promising players at low costs and sell them at higher prices, achieving sustained profitability; Arsenal has achieved a relatively healthy balance between youth development and prudent recruitment; Liverpool’s ‘data-driven’ recruitment model has also helped the team avoid excessive ineffective investments. These cases illustrate that ‘spending money’ itself is not the issue; the real issue lies in whether it can be converted into long-term value through a reasonable strategy. Therefore, spending by top clubs can be entirely sustainable under certain circumstances.

4.5 Consequences of Overspending

The most significant consequence of overspending is the widening gap between elite clubs and smaller clubs. Elite clubs like Manchester City and Liverpool often have annual revenues several times higher than those of mid-to-lower-tier clubs, enabling them to maintain a long-term advantage in the transfer and wage markets. This financial disparity has gradually solidified the competitive landscape of the Premier League, leading to the ‘Big Six’ elite clubs monopolising European competition spots for an extended period.

Secondly, some clubs have fallen into financial difficulties due to excessive spending. Everton has invested over £700 million in the past five years, but its performance has remained lacklustre, and it now faces points deductions for violating financial regulations. Such cases demonstrate that excessive spending may not necessarily lead to competitive success but could instead undermine a club’s long-term stability.

Finally, excessive spending may also have negative effects on the entire football ecosystem. For example, smaller clubs, unable to compete with the giants for talent, have become ‘training grounds,’ while the giants continue to poach key players from smaller clubs with high salaries or transfer fees, driving up transfer market prices and creating a vicious cycle. This has led to increasingly unequal resource distribution in the football industry, threatening the overall development of the league.

4.6 To What Extent Does Spending Qualify as ‘Excessive’?

Overall, the high spending of Premier League giants has both an ‘excessive’ side and a reasonable aspect. In terms of absolute figures, transfer fees and annual wages in the

hundreds of millions of pounds far exceed the financial capacity of most clubs, posing a risk to financial health. However, from an investment return perspective, some top-tier clubs can effectively convert their investments into championship trophies, broadcast revenue shares, and commercial gains, making it, in a sense, a ‘reasonable gamble.’ For example, Manchester City invested approximately £1 billion during Pep Guardiola’s tenure and won 16 titles, including the Champions League.

The crux of the issue lies not in the scale of spending but in its sustainability, which can be assessed across multiple dimensions:

- Revenue perspective: Are expenditures covered by stable and sustainably growing revenue? Excessively high wage-to-revenue ratios increase financial risk.
- Financial structure perspective: Is there excessive reliance on debt or owner injections? Manchester United’s long-term debt burden is a classic counterexample.
- Compliance perspective: Are expenditures within the framework of FFP or PSR rules? Manchester City’s high-profile signings have drawn regulatory scrutiny, indicating uncertainty regarding compliance.
- Strategic and efficiency perspective: Does the expenditure have a clear strategic purpose and translate into competitive success or asset appreciation? Liverpool and Brighton are positive examples, while some of Chelsea’s signings and Calvin Phillips represent failed investments or underutilised assets.

Therefore, even if the expenditure of Premier League giants is reasonable in certain cases, it still carries the risk of being ‘excessive’ when the aforementioned sustainability criteria are not met.

4.7 Manchester City: A Model Case of Financial Sustainability

Among Premier League clubs, Manchester City is widely regarded as a prime example of financial sustainability. Over the past decade, Manchester City has consistently achieved profitability, with stable and substantial commercial revenue, enabling it to demonstrate strong resilience under the Financial Fair Play (FFP) regulations and Profit and Sustainability Rules (PSR). In contrast, while clubs like Chelsea and Arsenal have also shown strong financial capabilities in recent years, Manchester City maintains a clear advantage in terms of the sustainability of its profitability and commercial success.

Firstly, Manchester City has achieved consecutive years of club profitability, which is extremely rare among Premier League clubs, demonstrating that its operational model can balance income and expenditure, avoiding over-reliance on debt or owner injections. Secondly, Manchester City has the highest income level in the league, with commercial partnership income accounting for a significant

proportion, such as long-term collaborations with global sponsors like Etihad Airways and Nike, enabling the club to maintain stable cash flow and diversified income sources. Thirdly, Manchester City's financial performance and robust income structure place it at a lower risk of non-compliance with the PSR regulations, meaning the club is unlikely to face penalties for exceeding its income with expenditures. Additionally, the club's participation in international tournaments like the Club World Cup offers further income potential, with the bonuses earned further enhancing its financial stability.

From a discussion perspective, Manchester City's case demonstrates that even in the high-spending environment of the Premier League, clubs can achieve financial sustainability through reasonable strategic planning, income diversification, and sustainable profit management. This also provides a reference for other clubs: high investment itself is not inherently unsustainable; the key lies in whether spending can be aligned with stable income, strategic objectives, and compliance to achieve long-term stable development.

5. Conclusion and Evaluation

5.1 Conclusion

This study aims to explore 'the extent to which Premier League clubs' spending is sustainable.' By reviewing existing literature, financial reports, and case studies, this study reveals the scale of top clubs' spending and its financial implications. This study employs a qualitative literature review and case study methodology, combining academic papers, Deloitte reports, and media materials to analyse clubs' financial strategies, regulatory frameworks, and actual spending outcomes. The study concludes that, in the 2024/25 Premier League season, there are 20 clubs, with only some demonstrating strong financial sustainability, while others remain reliant on external capital or exhibit high-risk spending patterns.

The study found that Premier League clubs, particularly top-tier clubs like Manchester City, Liverpool, and Chelsea, have high levels of spending on transfers, wages, and infrastructure. Some of these investments have successfully translated into competitive performance, commercial revenue, and brand value, while others have resulted in inefficiency or sunk costs, such as certain high-profile signings failing to meet expectations. Regulatory mechanisms such as the UEFA Financial Fair Play (FFP) regulations provide some constraints, but their effectiveness varies, particularly for clubs with substantial revenue or international investment, where compliance remains challenging. The study also identified key factors influencing sustainability, including the ability to cover expenses with revenue, financial structure, strategic clarity, and compliance.

Clubs with diversified revenue streams, financial stability, and long-term strategies (such as Liverpool and Brighton) demonstrate more sustainable models, while those overly reliant on owner funding or debt face higher risks. Overall, the study concludes that while the spending of Premier League giants is justified in pursuit of competitive success, inherent risks remain, and their sustainability heavily depends on strategic planning, financial discipline, and regulatory compliance.

5.2 Evaluation

This study has some notable highlights. It comprehensively analyses literature, financial reports, and case studies, highlighting the characteristics of Premier League spending that previous studies have not systematically integrated, such as the comprehensive impact of transfer fees, wages, and infrastructure investments on sustainability. The study provides practical insights into how elite clubs can balance competitive goals with financial stability, while also identifying typical cases of effective and ineffective investments.

However, the study also has limitations. This study relies entirely on secondary data and does not collect primary data, such as interviews or surveys with club management or financial personnel. Additionally, some cases may be limited by the availability of financial information, especially for privately owned clubs or recent investment projects. The football financial environment is rapidly changing, including external investments and post-pandemic impacts, meaning that some conclusions may need to be updated in the future.

Future research could involve conducting primary case studies or interviews with club executives, financial managers, and regulators to gain deeper insights into decision-making processes and long-term financial strategies. Comparative studies with other national leagues and clubs could also help identify best practices for sustainable spending. Overall, this study provides a solid foundation for understanding the financial sustainability of the Premier League, but further empirical research is needed to fully grasp the evolving financial landscape.

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