How Money Flows Through Football

Idea In Short

Football looks like a fan-funded sport, but the fan is the product, not the customer. The money that actually sustains the game comes from broadcasters and sponsors, who pay clubs, leagues and governing bodies for access to attention. Everyone else, from FIFA to agents to players, sits between that attention and the cash, taking a share as it passes through. That structure explains three things fans often struggle to reconcile: why a club can earn over a billion euros and still report a thin profit, why FIFA plans for losses in three years out of every four and why the single best margin in the sport belongs to agents, who never touch a ball. Real Madrid, the world's highest-revenue club, shows how these layers interact in practice, from sponsorship and broadcast deals to a stadium rebuilt as a year-round venue

Who Actually Pays for Football

Most fans assume they are the customer, since they buy the tickets, wear the shirts and plan weekends around kickoff. In practice, the fan's attention is the product being sold and the real customers are broadcasters and sponsors, who pay far larger sums for the right to reach that attention. Clubs, leagues, federations, agents and the transfer market all sit between the fan and the money, each taking a cut as it flows through the system.

> Football is a stack of business models layered on top of each other, not a single one

Once that structure becomes visible, the odd parts of football's economics start to make sense. A club can post revenue north of a billion euros and still barely break even. FIFA can plan for financial losses in three out of every four years on purpose. And the highest-margin participants in the entire sport are the ones who never set foot on the pitch.

FIFA's Four-Year Cash Cycle

FIFA is not a conventional company and judging its finances the way you would judge a business misreads what is happening. It is a non-profit federation built around a single asset, the men's World Cup and it runs its budget on a four-year cycle tied to that event. For roughly three years out of four, spending on development programs and administration exceeds income and FIFA posts a loss. Then the World Cup year arrives and rights payments land at once.

FIFA's current 2023-2026 cycle, anchored by the expanded 48-team World Cup across the United States, Canada and Mexico, was budgeted at roughly 11 billion dollars and has since been revised toward 13 billion, with broadcast rights accounting for the largest share of that total.1 A normal company reporting three straight years of losses would face serious questions. FIFA does not, because the losses are a timing effect built into a business that only realizes its biggest cash flows once every four years.

Leagues and Confederations Sell Access, Then Redistribute It

A domestic league functions as a rights-pooling cooperative. Clubs would earn far less selling broadcast rights individually, so they sell as one collective product and split the proceeds afterward, which is why broadcasting has become the largest single entry point for money into the sport. The Premier League illustrates the model at its most valuable, with its 2025-2029 domestic and international rights package worth roughly 13.2 billion pounds in total, split unevenly enough that even the lowest-placed club still earns well over 100 million pounds a season from the central pot.

Continental confederations run a similar structure at a higher level. UEFA expects its Champions League, Europa League and Conference League competitions to generate around 4.4 billion euros in gross commercial revenue for the 2025-26 season, distributing close to 3.3 billion of that to participating clubs, concentrated heavily toward the clubs that go deepest in the Champions League itself.2 That concentration funds the same clubs that qualify again the following year, the dynamic that has widened the gap between Europe's elite and everyone else.

Clubs Turn Revenue Into Brand Value, Not Always Profit

Clubs generate three kinds of revenue: matchday income from tickets and hospitality, broadcast income from league and confederation deals and commercial income from sponsorship, merchandise and brand licensing. Commercial revenue has become the growth engine, since it is the one stream a club can expand on its own, without waiting on stadium capacity or a broadcast renegotiation.

Real Madrid is the clearest example of where this leads. The club became the first in football to cross a billion euros in single-season revenue, reaching close to 1.2 billion euros in 2024-25 and topping the Deloitte Football Money League for a third consecutive year, with commercial income up 23 percent to 594 million euros on the back of new sponsorships and merchandising.3 Much of that commercial growth traces back to the rebuilt Santiago Bernabeu, now home to a retractable roof and a museum and tour business open most days of the year, turning a venue that once earned money roughly 25 days a season into one that produces income almost daily.

Yet high revenue does not automatically mean high profit. Wages and the amortized cost of transfer fees consume most of what comes in, which is why a club generating that much money can still report a net profit measured in the tens of millions rather than the hundreds. Owners accept that trade-off because a top club functions less like a cash-generating operation and more like an appreciating brand and property asset, one where the payoff shows up in what the club is worth rather than what it earns in a given year.

The Transfer Market and Agents: Where the Real Margin Sits

A transfer is, mechanically, the purchase of a player's registration rights for a fixed term and clubs treat it as a capital transaction, amortizing the fee over the contract and hoping to extract value on the pitch or resell at a profit later. International transfer spending in the men's game hit roughly 13 billion dollars in 2025, a record, but the headline number obscures who benefits: most clubs are net buyers who lose money on trading and only a small group of consistently profitable sellers make the market work in their favor.

Sitting inside every one of those deals is an agent, who takes a commission on the transfer fee and the player's wages while carrying almost none of the capital costs a club carries, no stadium, no squad and no wage bill of their own. That combination of high margin and low capital requirement made 2025 a record year for the profession: clubs paid out roughly 1.37 billion dollars in agent service fees worldwide, a jump of 90 percent from the year before, after a FIFA attempt to cap commissions through its 2023 Football Agent Regulations was suspended following legal challenges in England, Germany and the European Union.4 Of every actor covered here, agents come closest to a pure margin business and the failed fee cap shows how hard that margin is to regulate away once it exists.

Players: A Finite Window Sold as Personal IP

A player's business model runs on two engines: a wage from the club, which is the reliable core and image rights or endorsements, which behave like high-margin licensing on the player's name and face. The mix varies enormously by brand power. Cristiano Ronaldo topped the list of the world's highest-paid soccer players in 2025 with earnings reported around 260 million dollars, most of it from his Al-Nassr contract plus endorsements, while Lionel Messi earned closer to 130 million dollars, with a larger share coming from off-field deals with brands such as Adidas and Mastercard.5

What separates this model from a club's or an agent's is the clock attached to it. The wage engine runs for roughly 15 years and then stops, often abruptly through injury or age, so the players who build lasting wealth are the ones who start treating their name as a licensable asset well before the playing career ends, converting on-field fame into brand deals and investments that outlast it.

What This Means for Business Leaders

Football is not one business model, it is a stack of them and each layer runs on different economics. Governing bodies operate cyclical rights businesses that bank a surplus once every four years. Leagues run collective-selling cooperatives that concentrate money toward whoever wins. Clubs generate enormous revenue while operating as brand and property assets more than cash businesses, a pattern visible even at Real Madrid, which closed the 2024-25 financial year with revenue near 1.2 billion euros and a net profit of just 24 million euros.6

Agents and to a lesser degree governing bodies, capture the best margins because they take a percentage of a deal without carrying the operating costs that clubs and players carry every day. For anyone studying the sport as a business, the practical rule is to follow where the margin sits rather than where the revenue is largest, because in football those two things are rarely the same place.

Key Partners

Real Madrid's commercial engine rests on long-term partners rather than one-off deals. Adidas supplies kits under a deal reported near 1 billion euros over eight years, Emirates remains shirt sponsor at around 100 million euros a season through 2031 and HP holds the sleeve sponsorship. UEFA and LaLiga supply the competitions that generate broadcast and prize income and broadcasters such as DAZN and Movistar+ distribute matches to global audiences. Financing partners behind the Bernabeu redevelopment complete the club's key partner network.

Key Activities

Winning trophies remains the core activity, since on-pitch success drives ticket demand, sponsorship value and merchandise sales alike. Recruiting, developing and eventually reselling elite talent runs in parallel, keeping the squad competitive and the transfer ledger balanced. Since the Bernabeu renovation, programming the stadium for concerts, tours, corporate events and other non-matchday use has become an activity in its own right, run alongside the football operation rather than beneath it.

Key Resources

The first-team squad and the club's youth academy pipeline are the core playing resources, supplying talent the club can develop, use or sell. The Santiago Bernabeu itself, now a retractable-roof venue open most days of the year, functions as much as a resource as any player on the roster. Real Madrid's global brand and fan base, built over decades of on-pitch success, keep sponsors, broadcasters and members willing to pay a premium for association.

Value Propositions

For fans and members, Real Madrid offers elite competitive football played by some of the sport's most recognized names. For sponsors and broadcasters, it offers association with a widely known brand and reliable global audience reach. For the city and for corporate clients, the Bernabeu now offers a year-round venue, hosting concerts, tours and other events well beyond matchday. Each proposition draws on the same underlying asset: the club's on-pitch performance and its stadium.

Customer Relationships

Paying members, known as socios, hold a direct, ownership-like relationship with the club and vote on major decisions, a closer bond than most sports franchises offer their fans. Digital apps and membership programs sustain engagement between matches. Sponsors and broadcasters operate on multi-year contracts that function more like long-term partnerships than one-off transactions.

Channels

Matchday access and ticketing run through the stadium and the club's own platforms. Broadcast and streaming deals distribute matches through partners such as DAZN and Movistar+ to a global audience far larger than the stadium can hold. The club store, official app and the stadium tour and museum operation serve as additional direct channels to fans.

Customer Segments

Global fans and paying members form the largest segment, spanning season-ticket holders in Madrid to international audiences who never attend in person. Broadcasters and media companies form a distinct segment, paying for distribution rights rather than attendance. Sponsors and brand partners make up a third segment, buying association rather than access. Tourists and event-goers visiting the Bernabeu for tours, concerts or non-football events form a fourth, growing segment.

Cost Structure

Wages and the amortized cost of transfer fees make up the largest share of costs, consistent with the rest of elite football. Debt service and operating costs tied to the 1.4 billion euro Bernabeu renovation add a second major cost line that did not exist before the rebuild.

Revenue Streams

Commercial income, from kit and shirt sponsorship to merchandising and stadium event deals, is now the club's largest and fastest-growing revenue stream. Matchday and broadcast income round out the model, with stadium-related income more than doubling since the Bernabeu reopened.

- 1Fifa 2023-2026 Cycle Budget
- 2Uefa Men's Competitions Revenue
- 3Real Madrid Tops Deloitte Football Money League
- 4Football Agents Record 1.37 Billion 2025
- 5World's Highest-Paid Soccer Players 2025
- 6Real Madrid 2024-25 Financial Year Results

Summary

Football is not one business model but a stack of them, each with a different economic logic. Governing bodies run cyclical rights businesses. Leagues pool broadcast rights and redistribute the proceeds unevenly. Clubs generate enormous revenue while running thin margins, because owners value them as appreciating brand assets rather than cash-generating operations. Agents capture the highest margins of all, because they take a percentage of a deal without carrying the operating costs that clubs and players carry. Real Madrid's climb past a billion euros in revenue shows how far the commercial side of the game can stretch, but its thin operating margin shows the same pattern playing out industry-wide. For anyone assessing football, or any attention-driven business, the lesson holds: follow where the margin sits, not where the revenue is biggest