

The economic impact of the Premier League



Executive summary

The primary role of the Premier League is to organise the football competition between the 20 Clubs that make up the league.

In revenue terms, it is now the third largest league in the world, behind the US Major League Baseball and National Football League (American Football).

Each Premier League match is watched by thousands of fans, who travel the country to follow their team, and millions more on television. This interest helps to generate a range of revenues; including ticketing, merchandise and broadcast. In particular, the sale of broadcast rights has been one of the most significant revenue streams for the Premier League and Clubs.

This summary report presents the estimated economic contribution of the Premier League in the 2013/14 season. Also included are a number of other key performance metrics which have been updated to reflect the most recent available information. These estimates represent just a part of the economic impact of the Premier League and its Clubs. There are a range of other industries (e.g., tourism, broadcasting, gambling etc.) that are directly and indirectly supported by the competition.

Furthermore, the impact of the Premier League and Clubs goes beyond the economic impact described. For example, investment in facilities and the community programmes supported by the Premier League in schools and deprived areas has reached significant scale.

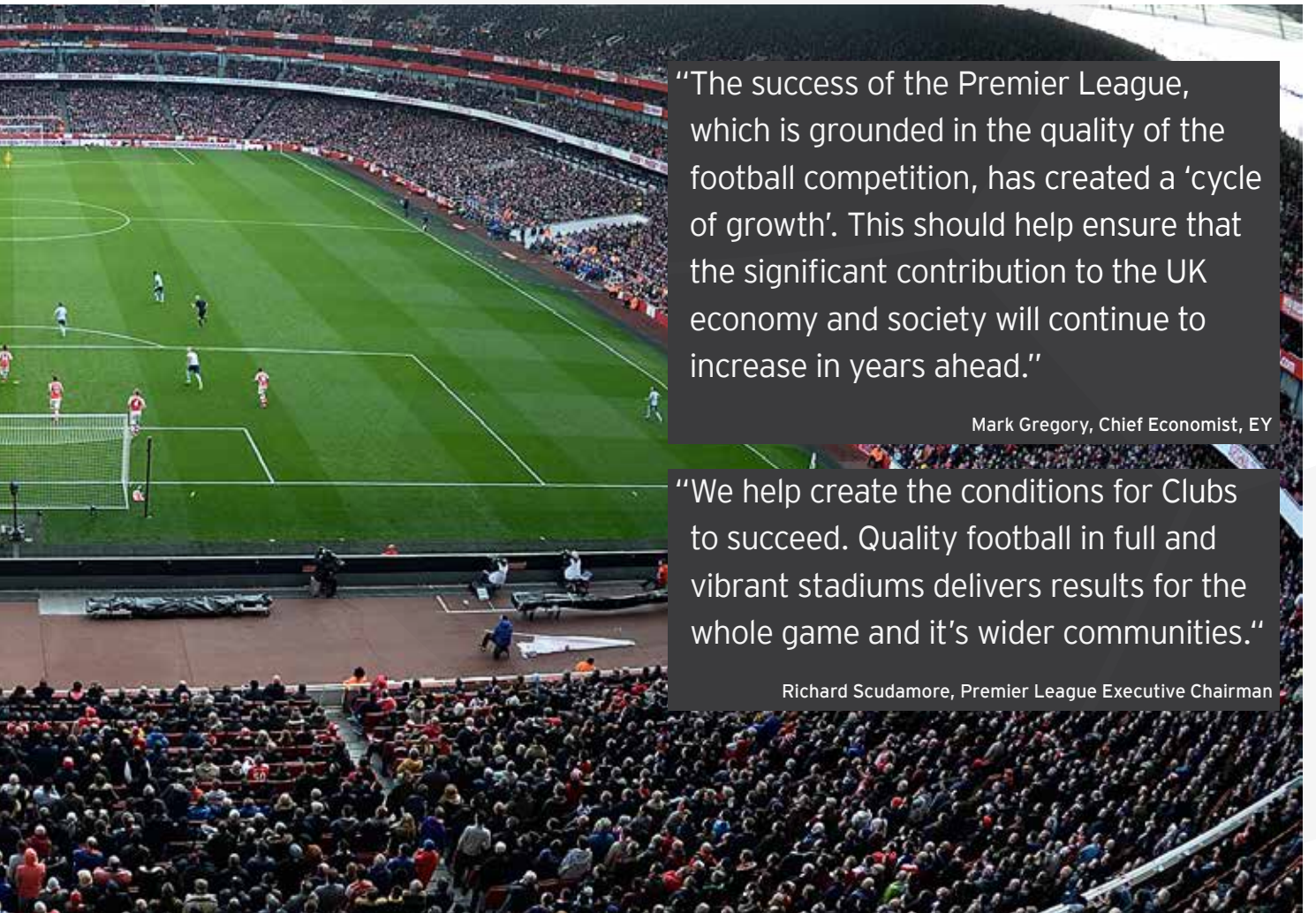
Building on the appeal of the UK's most popular sporting competition, these programmes are helping to realise a range of health, education and social benefits through increased participation in sports and development of skills.



The full EY Economic Impact Analysis of the Premier League is available to download at: www.ey.com/PremierLeagueEconomicImpact

In the 2013/14 season alone, the Premier League and its Clubs contributed:



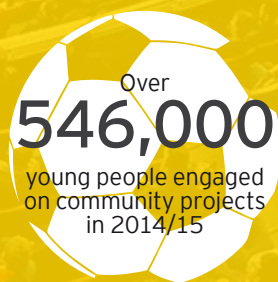


“The success of the Premier League, which is grounded in the quality of the football competition, has created a ‘cycle of growth’. This should help ensure that the significant contribution to the UK economy and society will continue to increase in years ahead.”

Mark Gregory, Chief Economist, EY

“We help create the conditions for Clubs to succeed. Quality football in full and vibrant stadiums delivers results for the whole game and it’s wider communities.”

Richard Scudamore, Premier League Executive Chairman



The success of the Premier League drives a cycle of growth

The Premier League competition consists of 380 matches played over a nine month season and sees each Club play each other home and away. It is run on a commercial basis and generates a range of revenues – including ticketing, merchandising and broadcast revenues – that flow to Clubs in the Premier League and beyond. These revenues have enabled Clubs to invest in all aspects of the game – including their squads, stadia and training facilities – which in turn has generated greater interest in the competition from football fans in the UK and overseas.

The appeal of Premier League football to both domestic and global audiences has helped to increase the inward economic impact of the competition by attracting international tourism, broadcasting revenues and foreign investment. Worldwide, the Premier League is available in 185 countries and broadcast to an estimated 730 million homes.



Stadium utilisation
95.9%
2013/14



Average attendance
36,691
2013/14



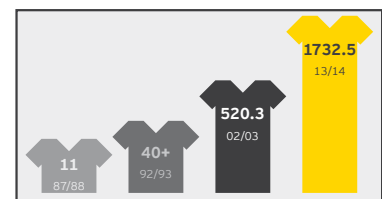
broadcast in
185
countries
2014/15



Televised games reach
730m
homes
2014/15



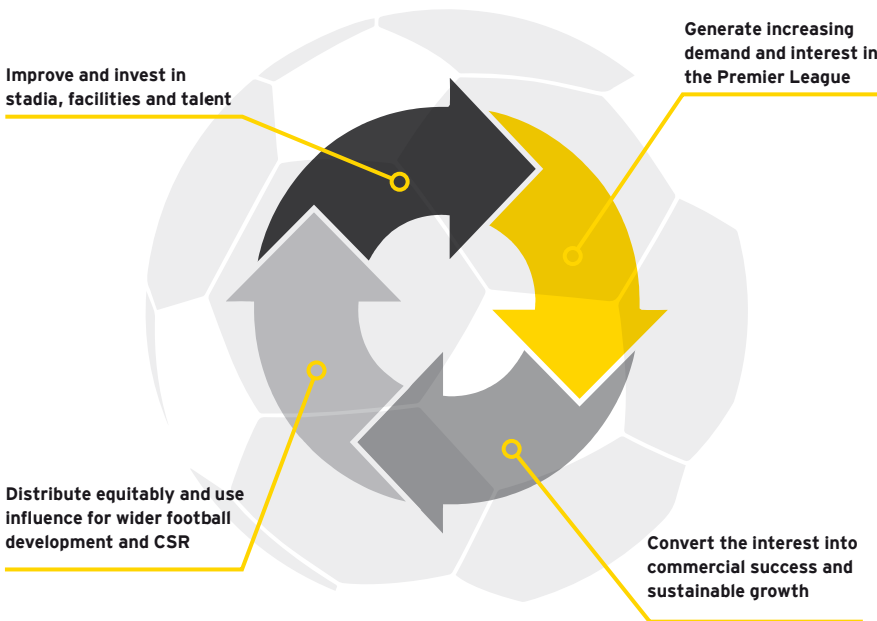
International broadcasting revenue



Total (millions)

Broadcasting rights value

The cycle of growth





The growth in popularity of English football has been based on the ability of the Premier League and the Clubs to realise the value of the football competition. Each of the main revenue streams, including ticket sales, merchandise, sponsorship, advertising and additional uses of the stadium, as well as the sale of broadcast rights, gain from a strong league competition that reaches a wide audience.

With the growing popularity of English club football and the emergence of the pay TV market, the Premier League is able to achieve broadcast revenues that were significantly greater than previous levels. By way of illustration, in 1992/93 (the first season of the Premier League) total broadcasting rights sold for over £40 million per year, which compares to the £11 million achieved by the Football League for the 1988/89 season; in 2013/14 total rights were worth over £1.7 billion.

Over the last 20 years, this growth cycle has seen the Premier League develop football into a sport that is more attractive and accessible to the general public.

In 2014/15 of all the individual people who attended a Premier League match:



26% were female



17% were from black, asian or minority ethnic groups

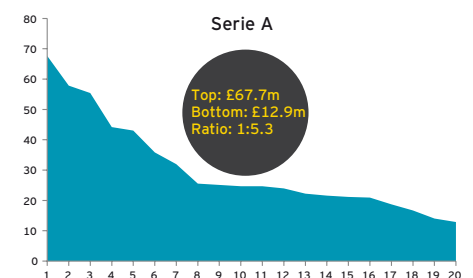
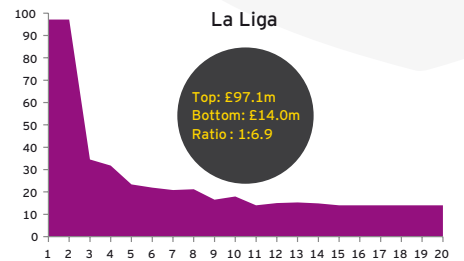
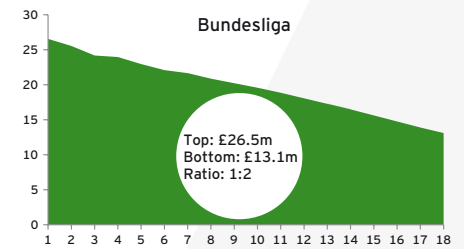
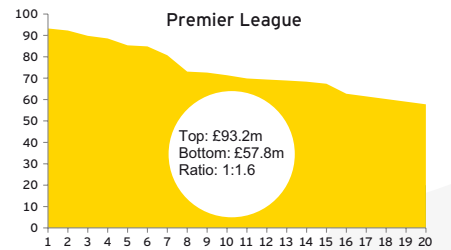


40% were aged 18-34



12% of season ticket holders were under-16

Broadcasting revenues distributed to Premier League Clubs in 2013/14 were greater than that in the Bundesliga, La Liga and Serie A. It is also more equitably distributed, with the Club finishing top of the Premier League receiving 1.6 times that of the Club finishing bottom. This compares with two times as much in the Bundesliga and almost seven times as much in La Liga.



The growth of the Premier League supports investment at all levels

The global demand for the Premier League drives higher broadcasting revenues

The Premier League is the largest of the 'big five' European leagues in terms of revenues.

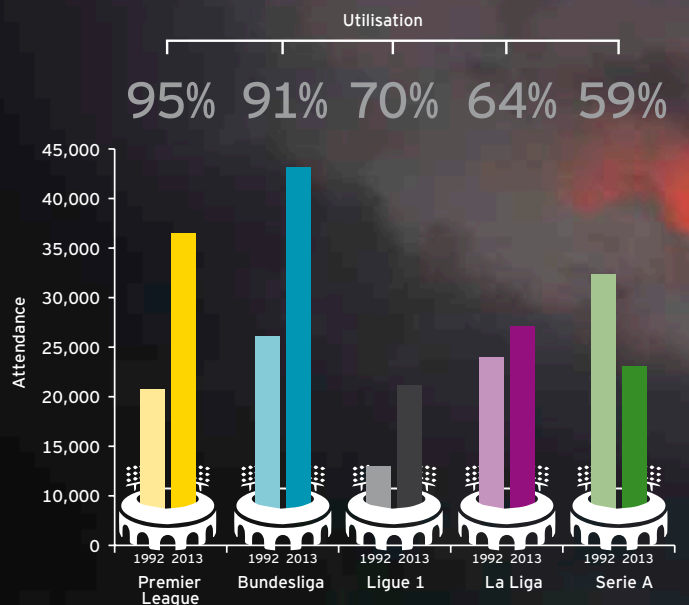
In 2013/14, the Premier League Clubs earned £1.7 billion from all broadcasting rights, which is more than the amount received by the next three largest European leagues combined.

Of particular note is the proportion of the Premier League's broadcasting revenue which is from international providers.

At around £722 million, the international broadcast revenues received by the Premier League in 2013/14 were greater than the total (domestic and international) broadcast revenue individually generated by Ligue 1, Serie A, the Bundesliga and La Liga in that year.

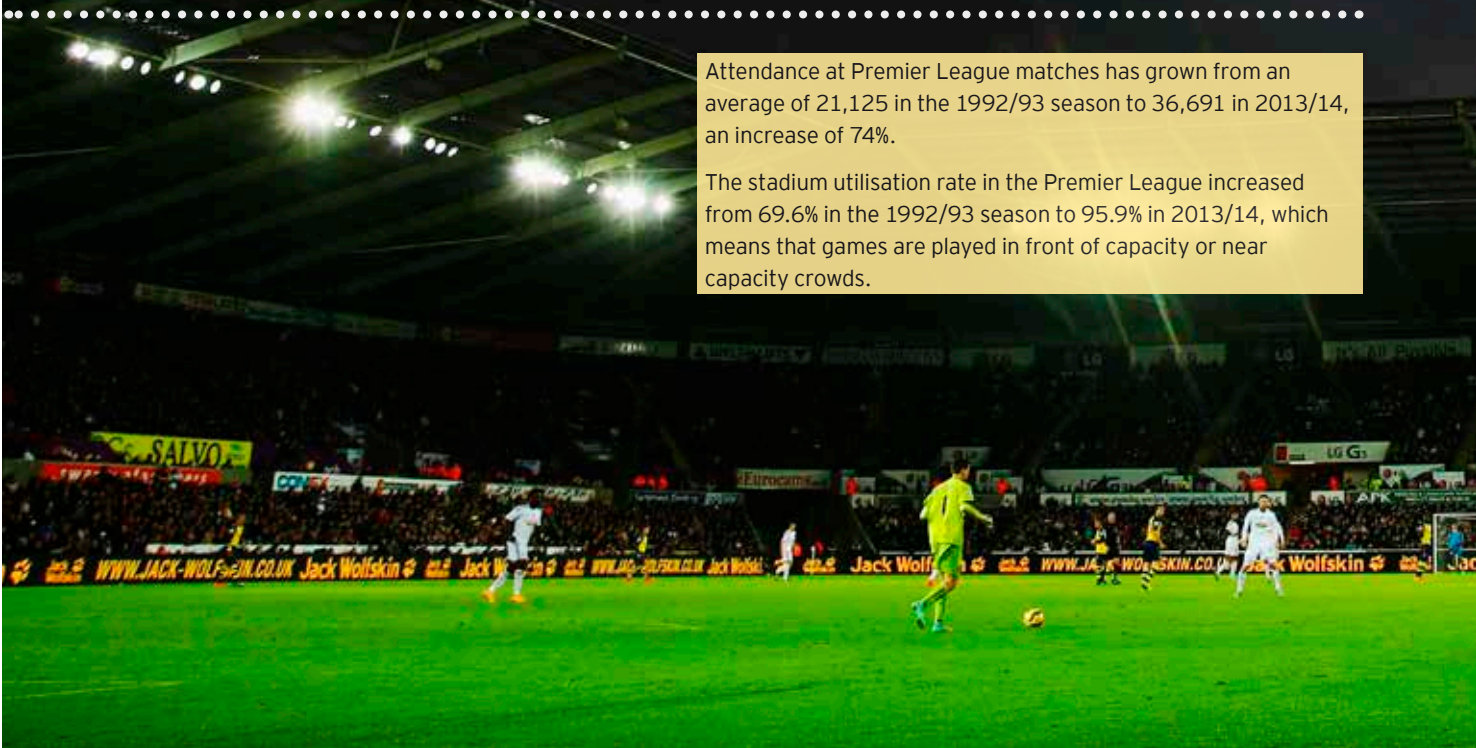
Of all the major European leagues, the Premier League has the most equitable ratio in terms of the amount received by the top and bottom revenue earners.

Stadium utilisation and average attendance across the European 'big-five' leagues



Attendance at Premier League matches has grown from an average of 21,125 in the 1992/93 season to 36,691 in 2013/14, an increase of 74%.

The stadium utilisation rate in the Premier League increased from 69.6% in the 1992/93 season to 95.9% in 2013/14, which means that games are played in front of capacity or near capacity crowds.



Investment in player performance supports the future of the game

The Premier League's Elite Player Performance Plan (EPPP) aims to develop more and better home grown players, with a £340 million commitment over a four year period for youth development across the top four divisions. A requirement of EPPP funding is a commitment by clubs to support all aspects of a player's development. In order to achieve this, many Premier League Clubs are investing in their Academy facilities.

By way of one example, in 2012/13, Stoke City opened their new £7 million Clayton Wood training facility. This investment has transformed Clayton Wood from 'four Portakabins and some grass pitches' into a state-of-the-art facility.

With increasing revenue streams, Clubs continue to invest in their facilities

Since the beginning of the Premier League, many Clubs have made substantial investments in new stadium facilities. Indeed, of the 20 Clubs that played in the Premier League in the 2013/14 season, all have embarked upon stadium upgrades – including new stands or refurbishments – whilst eight have moved to entirely new facilities. Each of these represents a substantial programme of private-sector capital investment.

£390m

spent by Arsenal on the Emirates Stadium

£32m

spent by Southampton on the St Mary Stadium

£42m

spent by Manchester United on their 2nd Tier expansion

£27m

spent by Swansea City on the Liberty Stadium

£15m

spent by Stoke City on the Britannia Stadium

£260m

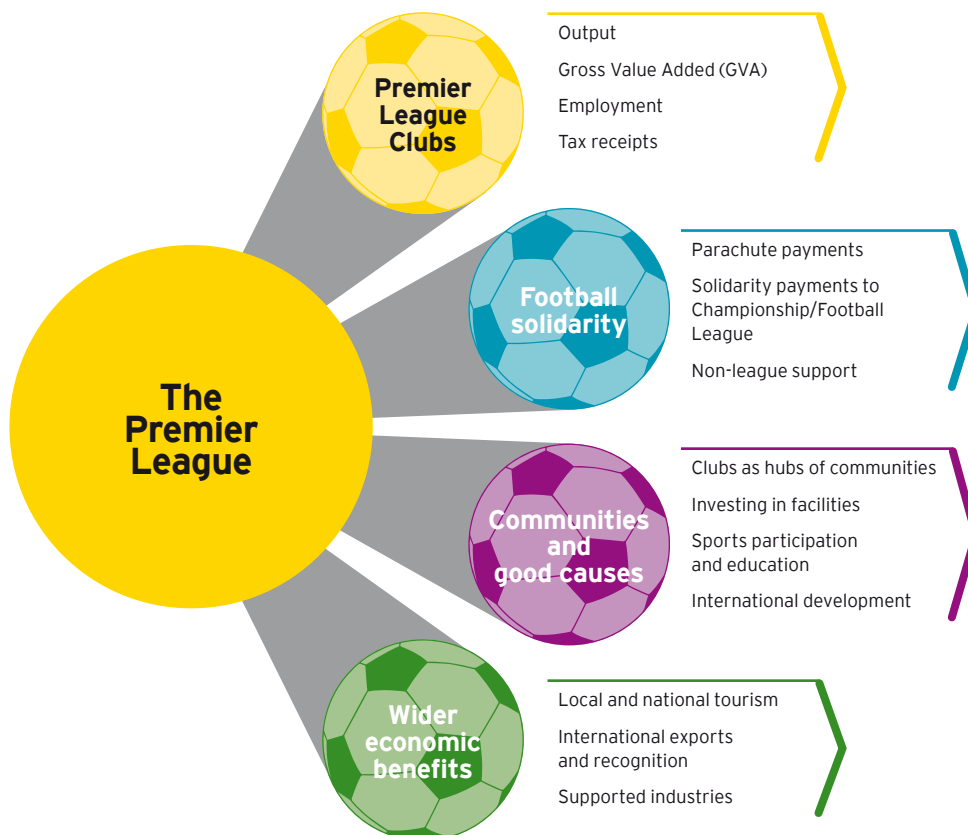
Liverpool's main stand redevelopment as part of a wider regeneration programme



The Premier League generates a range of economic benefits for the UK

The game of football is of considerable economic, social and cultural significance to the UK. During the football season, thousands of fans travel the country to follow their team, while millions more watch live games and highlights on television and, increasingly, online.

The growing interest in the Premier League from home and abroad reflects continued investment in the Clubs, stadia, players and across media outlets. This, in turn, generates significant economic activity in the UK, supporting jobs across a range of sectors and generating tax receipts to Government.



Capturing the direct, indirect and induced effects

The approach to estimating the economic impact of the Premier League captures not only the direct economic impact resulting from the Premier League and Clubs, but also the additional economic activity that occurs through their supply chains (i.e. the indirect impact) and additional activity that occurs from employee spending (i.e. the induced impact).

Capturing the induced impact is perhaps of particular importance in estimating the economic impact of the Premier League Clubs given that a large proportion of Club spending is on wages and salaries.



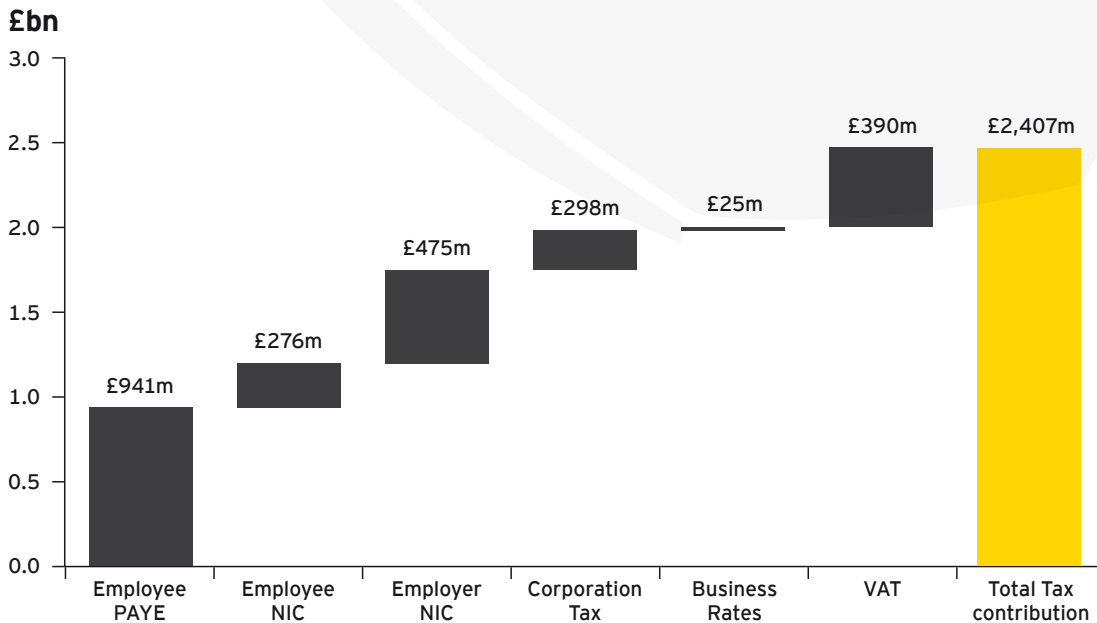
The Premier League generates significant returns to Government

The Premier League and Clubs contributed £2.4 billion to the public finances in 2013/14 when direct, indirect and induced effects are accounted for.

The Premier League contributed an estimated £88 million in taxation in 2013/14. This included direct contributions for National Insurance and employee PAYE of £5 million and indirect and induced effects totalling £58 million and £25 million respectively.

Meanwhile the Clubs contributed an estimated £2.32 billion in 2013/14 through business rates (on all facilities and stadia), corporation tax, National Insurance contributions, player and staff PAYE as well as directly attributable VAT. This includes a direct contribution of £1.34 billion and £0.63 billion and £0.35 billion of indirect and induced contributions.

Total tax contributions



The tax numbers presented above do not sum to the total provided due to rounding of numbers

- £2.4bn annual tax receipts
- £941m in employee PAYE
- Tax receipts equivalent to 93,000 police constables



Employment supported by the Premier League's activity

The Premier League supports a broad range of employment opportunities across the economy

The Premier League and its Clubs supported over 100,000 full time equivalent (FTE) jobs in the UK in 2013/14.

The majority of jobs (95,483) are supported by Premier League Clubs across direct (6,140), indirect (60,145) and induced (29,198) impacts. The Premier League itself employed only 99 people directly in 2013/14, but further supported 5,478 jobs through the supply chain (which includes those supported as a result of parachute payments and solidarity contributions) and 2,294 through induced effects.

These estimates show the significance of the Premier League and its Clubs' supply chains in supporting a large number of jobs. This is, in part, because a large part of this supply chain is made up of labour intensive sectors such as those supporting matchday revenues (e.g. hospitality and catering) and retail.



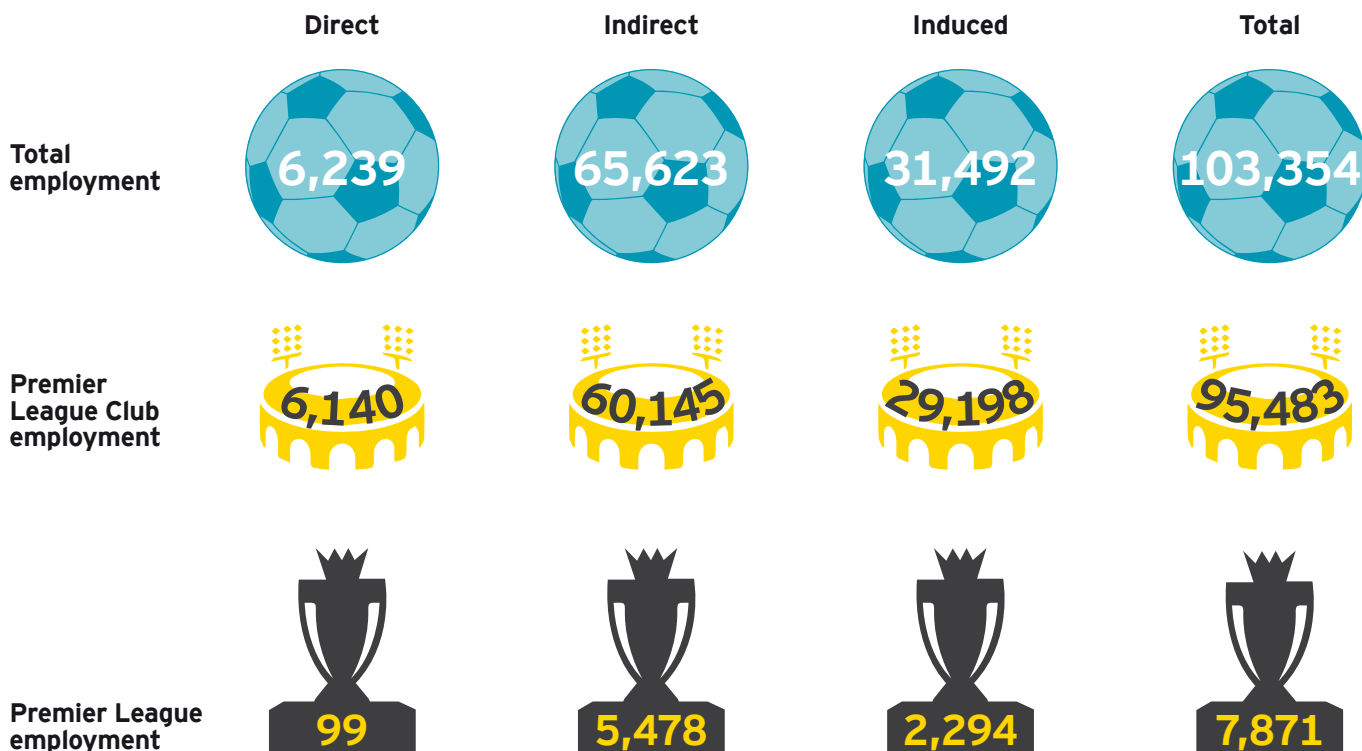
6,239
people employed by the Premier League and its Clubs



65,623
jobs in Premier League and Premier League Clubs' supply chains



103,000
FTE jobs supported in the UK



The Premier League as a contributor to national GDP

The Premier League stimulates economic activity across a range of sectors

The Premier League and its Clubs together generated over £6.2 billion in economic output that contributed approximately £3.4 billion to national GDP in 2013/14.

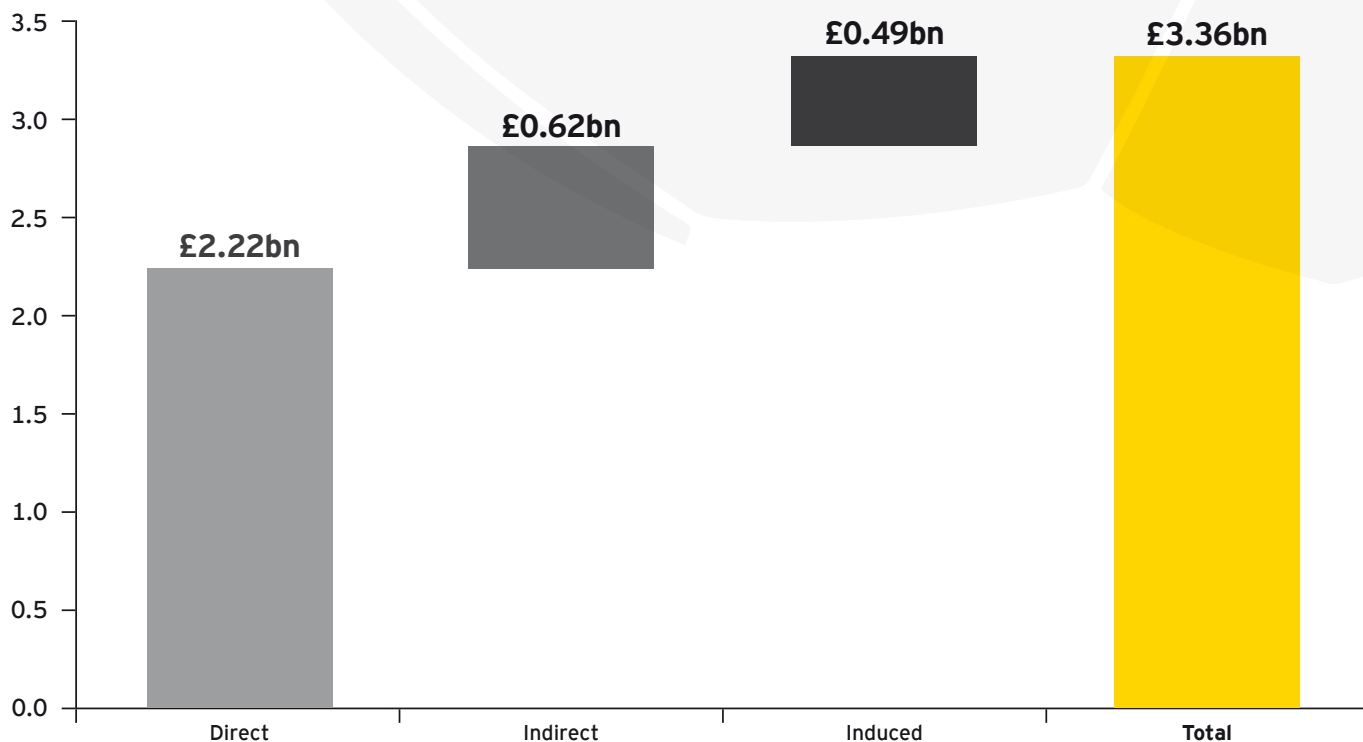
A Sport England study calculated the total direct GVA of the sports industry to the UK economy, which included all economic activity relating to the consumption or participation of sport, including equipment sales, ticket sales and education, as £20.3 billion. This compares to the estimate of £2.22 billion direct GVA in this report, which suggests that the Premier League and its Clubs are responsible for just over £1 of every £10 of value that is generated through sports in the UK.

The economic impact of the Premier League and its Clubs is significant from an international perspective. With total Club revenues of £3.3 billion in the 2013/14 season, the Premier League was the third largest professional sports league in the world by revenue, behind only Major League Baseball (MLB), and the National Football League (NFL).



Total contribution to GDP

£bn



The tax numbers presented above do not sum up to the total provided due to rounding of numbers

Solidarity with the wider football world

In addition to the economic impacts set out in the previous section, the Premier League makes significant contributions to non-Premier League Clubs right across the football pyramid.

As part of its commitment to developing English football outside of the top tier, the Premier League gives a significant proportion of revenue to Football League and non-league clubs. For example, in 2013/14 the Premier League paid over £225m in solidarity payments, including parachute payments to relegated clubs.



£171.5 million through parachute payments to clubs that are relegated from the Premier League. During the 2013/14 season, there were 10 clubs in receipt of parachute payments

£38.1 million solidarity payments to Championship clubs

£13.8 million solidarity payments to League 1 and 2 clubs

£1.9 million to non-league clubs through community and solidarity payments

Supporting communities and good causes drives sporting and non-sporting outcomes

The success of the Premier League provides a platform for it and its Clubs to invest across the footballing pyramid to support local communities, engage young people and partner a range of other good causes in the UK and globally.

Investing in facilities



544 artificial grass pitches built to date

2,755 real grass pitches with proper drainage systems

1,701 grants for stadia improvement at professional and amateur clubs

Community hubs



137,000 young people engaged in the Premier League Kicks programme at 50 Premier League and Football League clubs

76,000 young people engaged in 12 different sports through the Premier League 4Sport programme

18,917 girls participating in the Premier League Girls Football programme at over 450 locations

Schools, education and skills



168,000 primary school pupils taking part in the Premier League School Sport programme

Partners including Sport England, The FA, The Prince's Trust, Sport Relief, Barclays and local Police forces

26 countries benefiting from the Premier Skills programme in partnership with the British Council

In 2014/15:

161 Premier League, Football League and Conference Clubs supported

Over **546,000** young people on projects funded directly by the Premier League

4,158 schools with Premier League sport and education programmes

The Premier League's success supports a broad range of UK industries

In addition to the industries which are supported through the Premier League and Clubs, their supply chains and employee spending, there are also other parts of the economy which indirectly benefit from the Premier League's success.

The Premier League attracts tourists from across the globe, helps to stimulate demand across the hospitality sector, supports a growing media and high-tech industry, represents a significant proportion of gambling revenues and is a key pillar of the UK brand and image abroad. The economic impact therefore goes beyond the impacts estimated in this report.





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