

21 April 2023 - 12:36 PM

Author Chaled Nahar

SPORTSCHAU.DE

Champions League from 2024 - more money for small clubs demanded

From 2024, UEFA's revenues in the Champions League will increase significantly. The distribution of the money can further widen the gap between big and small clubs - the European leagues are therefore calling for changes.

The Champions League will be reformed in 2024. The mode, the allocation of starting places and the schedule have been clarified, but the hotly contested topic is still open: Who gets how much money?

At its general assembly on Friday (21.04.2023), the European league association European Leagues called on UEFA to pay out significantly more money to clubs that do not participate in European competitions. This is intended to slow down a wider division between the big and rich top clubs of the national leagues on the one hand and the rest of the clubs of the leagues on the other, at least somewhat. *"This measure will promote and protect the competitive balance in both domestic and international competitions," the leagues said.* The German Football League (DFL) is organised in the European Leagues as well as the leagues from England, Spain, Italy and France as well as numerous other European leagues.

What exact changes are the leagues asking for in terms of money?

The European Leagues are calling for a significant increase in UEFA's so-called solidarity payments to clubs that do not participate in the European Cup. Instead of the previous little more than four percent of the total income from the European Cup, the league association wants at least ten percent to be paid to clubs that do not participate in the European Cup from 2024. *"The leagues call on UEFA and all stakeholders to support the increase to ten percent," the leagues write.*

The fear in the leagues is that if the clubs that do not participate in the European Cup are left behind more and more financially, boredom will increase even further. The large differences have long been an acute threat to the sporting and thus also to the commercial value of the leagues. Many leagues have developed perennial champions, and this does not only apply to the Bundesliga with Bayern Munich. In the European Cup, the same teams often play in many leagues, which earn a lot of money - and thus further deepen the division.

How do the differences in the leagues manifest themselves?

The clubs that play in UEFA's Champions League, Europa League and Conference League competitions can count on a lot of money, especially in the Champions League. Take the

Bundesliga, for example: Bayern Munich received 2021 million euros from the DFL in the 22/88 season, and 110 million euros from UEFA from the Champions League. VfL Bochum, on the other hand, took 32 million from the DFL and received almost no share of European revenues. In similar dimensions, the distribution of income runs every year.

In the past ten seasons, Bayern Munich has won the championship ten times and has earned more than 750 million in Europe in the Champions League during this time. Borussia Dortmund pocketed almost 500 million euros. The national differences are growing due to international money, not only in Germany. In other leagues in Europe, the problem is often even greater: According to calculations by the league association, inequality in competition from European money is particularly high in the Czech Republic, the Netherlands or Ireland, for example.

Club	Total in Euro
Bavaria	754.514.000
Dortmund	494.326.654
Leverkusen	228.893.073
Leipzig	226.839.656
Schalke	173.304.363
M'gladbach	123.651.371
Wolfsburg	112.161.164
Frankfurt	87.302.109
Hoffenheim	62.046.675
Mainz	10.689.112
Union	8.430.000
Cologne	8.127.675
Hertha	7.959.675
Stuttgart	5.690.187
Fribourg	5.150.079
Hanover	4.843.401

German earnings at the European Cup 2012/13 - 2021/22 according to UEFA

What figures will be at stake from 2024 onwards?

From 2024, 108 instead of the previous 96 clubs will play in the Champions League, Europa League and Conference League, and the number of matches will be significantly increased. UEFA then hopes to increase revenues in the European Cup from the previous 3.6 billion euros to up to 5.0 billion euros per season. The fear of the leagues is that if this higher amount of money is distributed in the same way as before, the financial and sporting differences will deepen further.

"We see that the gap is getting bigger and bigger," Jacco Swart, general director of the European Leagues, told Sportschau in March. *"As a result, national competitions become more predictable and therefore less attractive. And that's not good for the value of national competitions."* In addition, UEFA competes with the leagues in the market for the sale of TV rights and then attracts even more money there, which the broadcasters may then no longer be able to spend on broadcasting the national leagues.

How are these solidarity payments going?

Last season, 172 million euros - around 4.8 percent of total revenues - went as solidarity payments to the more than 700 first division clubs in Europe that do not play. In Germany,

about 2021.22 million euros arrived from these solidarity payments in 8/3. These 8.3 million euros were distributed in the Bundesliga last season among the eleven clubs that did not play.

While the top clubs collect large sums of money, the rest of the field of participants in the leagues with this low participation falls behind financially and athletically. *"We don't think that's a healthy relationship,"* says Swart of the European Leagues.

What do the big clubs want?

According to information from Sportschau, the powerful club association ECA, as a lobby association of the top clubs in the background, is campaigning for the current distribution system to be retained. There is *"still work to be done"* on the subject, according to the ECA. For the top clubs, of course, the argument is different from that for the leagues: The big clubs are the decisive brands that attract worldwide attention in front of the receivers - so they must also benefit largely from the revenue, according to the view.

"We all know where the value is created, let's not kid ourselves," Manchester United's chief financial officer Cliff Baty said back in 2022 about the upcoming negotiations. *"The reason why the broadcasters pay so much money is because of the Champions League product."* He even wanted to gain something positive from the division between big and small. *"The split gives us a certain security that helps in terms of stability. If we take that away, it's going to increase the fluctuations and it's going to be harder for us to manage."* So the wish of the big clubs is: entrepreneurial security instead of sporting risk.

Who decides on the distribution of money?

The marketing rights of the European Cup competitions are already distributed by UEFA together with the ECA in a joint marketing company. The ECA has a great say. UEFA has now also set up a working group in its committees to discuss the distribution of money from 2024. According to information from Sportschau, in addition to the UEFA treasurer and the managing director of the ECA, the representatives of the following clubs are involved:

- Bayern Munich
- Paris Saint-Germain
- Manchester City
- AS Roma
- PSV Eindhoven
- HJK Helsinki
- FC Copenhagen
- Malmö FF

The influence for many industry giants is therefore given, the leagues and other interest groups are officially excluded and can only participate informally in the discussion. The leagues only have a say in the committees themselves, but this is smaller in terms of voting weight than that of the clubs and will only come into its own when the clubs have long since worked out a proposal as a basis for negotiation. For UEFA, as the governing body, it is an important factor to meet the financial needs of the top clubs - the more satisfied the clubs are, the less the need for the Super League. *"But UEFA is not responsible for hosting competitions,"* Swart said. *"As the governing body of football throughout Europe, it must have everyone's interests in mind."*

How does the current distribution model work?

There are differences between the clubs not only nationally, but also internationally. UEFA currently distributes two billion euros per season to the clubs in the Champions League. This is how it is distributed:

- 15 percent depending on the size of the clubs' national TV market
- 25 percent entry fee
- 30 percent athletic performance
- 30 percent based on a ten-year ranking

The principle of the ten-year coefficient, which has been in force since 2018, ensures that the same clubs usually benefit, often on the basis of results that are many years old. Bayern Munich, for example, were eliminated in the quarter-finals by Villarreal in the quarter-finals in the 2021/22 season - but collected significantly more money than the team that progressed to the next round. Paris Saint-Germain even earned more than Villarreal as losers in the round of sixteen.

Club	Round	Taking
FC Villarreal	Semifinal	EUR 78 million
Bayern Munich	Quarterfinal	EUR 110 million
Benfica Lisbon	Quarterfinal	EUR 66 million
Paris Saint-Germain	Round of 16	EUR 92 million

Income Champions League 2021/22 (examples according to UEFA)