



THE FINANCIAL CIRCUMSTANCES OF PROFESSIONAL FOOTBALLERS

A BELGIAN STUDY

Drs. Matteo Balliauw
University of Antwerp
Department of Transport and Regional Economics
Prinsstraat 13
2000 Antwerp
matteo.balliauw@uantwerpen.be

Study in collaboration with
Tomas Van Den Spiegel
tomas@sevenfootsports.com

Executive summary

Framework of the research

In the random sample of this research into the impact of various factors on the private financial circumstances of professional footballers, 102 players from the Belgian first division were questioned by means of surveys. These players are employed by 5 clubs, spread across all regions in the ranking of the Jupiler Pro League.

Financial circumstances

The research shows that almost 1 in 4 players is struggling with financial problems. Financial problems increase the chance that the financial circumstances have an influence on the sports performance.

Financial management

Almost 7 out of 10 footballers said they consult family when it comes to managing financial affairs, 1 in 5 receives guidance from his sports agent and only 1 in 4 uses the services of a financial specialist. A little more than 1 in 9 manages his finances entirely independently. The results show a trend that the chance of financial problems is greatest when a financial specialist is not consulted. This chance of financial problems decreases when a financial specialist is consulted in combination with others and this chance is smallest when only a financial expert is consulted.

Overspending and gambling

It was concluded that 1 in 4 players gambles occasionally. 1 in 4 players also believe they spend too much, for example on shopping, food and gambling. There is a trend that overspending and early deployment of the group insurance for sportsmen as collateral increases the chance of financial problems.

Financial assets and investments

The results show that the chance of financial problems decreases the greater the amount put into savings and invested in real estate. However, the chance of financial problems increases if the investments are in less stable sectors such as fashion, art etc.

Financial support to others

More than 4 out of 10 players said they provide financial support to other. In 9 of the 10 cases this money goes to relatives (outside of spouse and children). In 1 of 4 cases friends are also supported financially. The chance of financial problems for the player concerned increases significantly when others are given financial support.

Disability insurance

The results show that almost 1 in 2 players does not have an insurance against temporary or permanent disability.

Inheritance

Almost 2 out of three players indicates that no inheritance has been planned.

1. Introduction

There was a lot of interest in the American and English press for top sportsmen who face financial problems during and after their career (Torre, 2009; Pagliarini, 2013; Dean, 2013; Preston, 2013; Kuper, 2013). In light of this, the objective of this research is to study this situation in Belgian professional football, not through journalistic headlines, but through academic research based on economic and statistical analyses. For that reason, surveys were organized under players from the Belgian first division. Attention was given to several factors that often appeared in journalistic articles (Torre, 2009; Pagliarini, 2013; Dean, 2013; Preston, 2013; Kuper, 2013; Manfred, 2014) in relation to the financial circumstances of players. An overview of the circumstances of the sportsmen and a formal statistical assessment of the impact on the private financial circumstances are revealed in this report. The report consists of 5 sections. Section 2 discusses the random sample and the methodology applied. In Section 3 the dependent variable in this research is studied, namely the financial circumstances of the footballers. Section 4 examines the impact of different independent variables (factors) on this dependent variable. Finally, Section 5 lists the most important conclusions, such as some recommendations arising from the results and suggestions for follow-up research.

2. Random sample and methodology

In the random sample of this research, 102 players were questioned; they come from five teams from the Belgian first division known as the Jupiler Pro League spread equally over the different regions of the ranking (and the associated play-offs). The questions are included in Appendix 1 of this report.

Clarity and the guarantee to use as much of the data as possible, made it necessary to split all the factors into partial models. For each partial model a number of relevant factors were grouped according to content, several key figures are presented and the impact on financial problems considered.

In order to analyse the results, the statistics program JMP Pro 11 from SAS was used. The nominal logistic regression function was applied to calculate logistical regressions that link the chance of financial problems (a binary variable yes or no) to other factors. The applied significance level α is 10%. Given that this is explorative research, several trends are also considered from a significance level of 40%. These can be examined further in follow-up research with more specific, focused questions and extra respondents.

3. Dependent variable: a summary of the financial circumstances of players and the impact of this on their sports performance

The results show that 23% or 23 of 99 respondents occasionally face financial problems.

A logistical regression with the impact of the financial situation on the sports performance as dependent variable and having financial difficulties as the independent variable, shows that in case of financial difficulties the chance that these financial circumstances have an impact on the sports performance increases significantly.

Log. Reg. Model: Impact(yes) = Fin_difficulties			$\chi^2 = 5.485531$	$p = 0.0192^*$
Likelihood ratio tests			Parameter estimates	
Variable	χ^2	p	Variable	Value
Fin_difficulties	5.48553096	0.0192*	Fin_diff. (yes)	0.5708068

4. Independent variables and discussion of their impact

4.1. Managing the finances of footballers

The results show that 56% or 54 of 96 respondents have insufficient knowledge of financial issues, 63% or 55 of 87 respondents meticulously follow the decisions of their advisor concerning their finances and 91% or 83 of 91 players are satisfied with this advice.

The persons who are consulted for financial advice by 99 footballers, and the related proportions are included in the table. Several possibilities combined by one player are possible.

Family	69%
Financial specialist	25%
Sports agent	20%
Self	13%
Friends	7%

Two logistical regressions show the link between satisfaction, financial problems and the analysis of the financial decisions. Absence of financial problems goes together with a sportsman who is satisfied with his financial advice. In addition, the decisions of the financial advisor(s) in such cases are analysed less frequently.

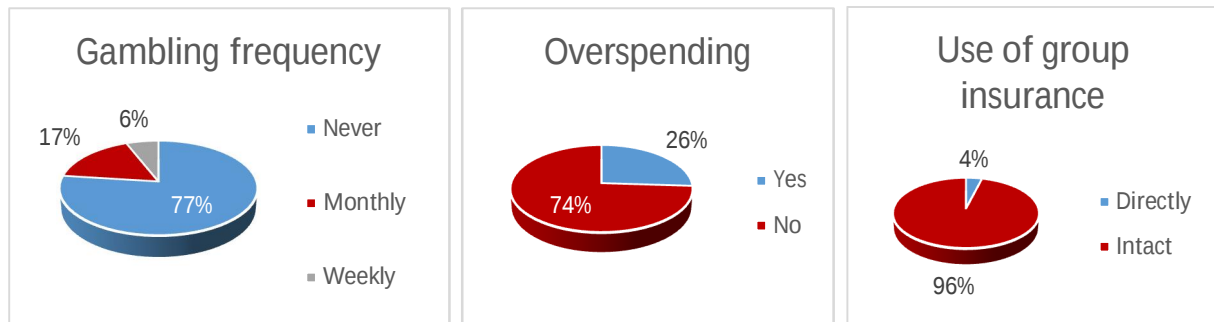
Log. Reg. Model: satisfied (yes) = fin_difficulties			$\chi^2 = 3.019943$	$p = 0.0822^*$
Likelihood ratio tests			Parameter estimates	
Variable	χ^2	p	Sign. variable	Value
Fin_diff.	3.0199427	0.0822*	Fin_diff. (yes)	-0.78109251

Log. Reg. Model: analysis (yes) = fin_difficulties			$\chi^2 = 2.734259$	$p = 0.0982^*$
Likelihood ratio tests			Parameter estimates	
Variable	χ^2	p	Sign. variable	Value
Fin_diff	2.73425939	0.0982*	Fin_diff (yes)	0.530436

A third logistical regression model (with 97 observations) shows a trend that the chance of financial problems is greatest when no financial expert is consulted. This chance of financial problems decreases if a financial specialist is consulted in combination with others. This chance of problems is smallest when only a financial expert is consulted. Follow-up research with extra, more specific observations could examine this trend more thoroughly.

Log. Reg. Model: fin_diff (yes) = advice			$\chi^2 = 2.099223$	$p = 0.3501$
Likelihood ratio tests			Parameter estimate	
Variable	χ^2	p	Sign. variable	Value
Advice	2.09922266	0.3501	Advice (also fin exp)	-0.5837218
			Advice(only fin exp)	-0.7985076

4.2. Excessive spending and gambling behaviour of footballers



The results show that 23 of 100 footballers occasionally gamble. This varies from weekly (6 players) to monthly (17 players). It was also observed that 4 of 98 respondents deployed the group insurance for sportsmen prematurely as collateral for spending. In addition, 26 of 101 players admitted to spending too much occasionally. 19 of these players specified their spending further; this is listed in the table below.

Shopping, clothes and shoes	58%
Food	32%
Travel and leisure	16%
Casino gambling	16%
Gadgets	11%
Family	11%
Electronics	5%

A logistical regression of 92 observations where financial difficulties resulting from gambling, overspending and the attitude towards the group insurance for sportsmen are examined shows that no one factor is statistically significant. However, there is a noticeable trend that overspending and deployment of the group insurance as collateral increases the chance of financial problems. Additional observations and further research may confirm this trend formally.

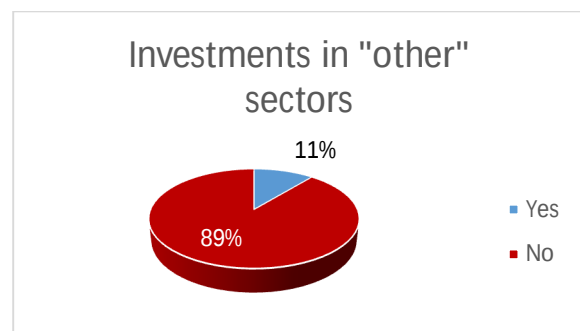
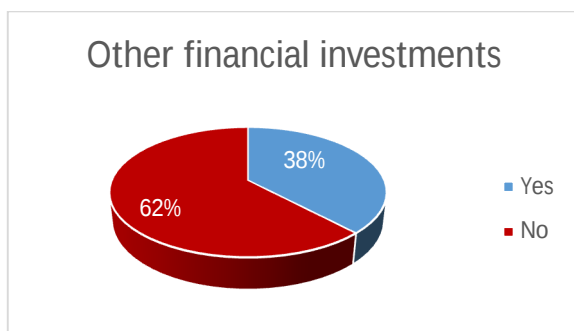
Log. Reg. Model: fin_diff (yes) = gr. ins., overspend, gamble $\chi^2 = 2.962546$ p = 0.5641				
Likelihood ratio tests			Parameter estimates	
Variable	χ^2	p	Sign. variable	Value
Groups ins	1.46874745	0.2255	Group ins(directly)	0.6478266
Overspending	0.87710783	0.3490	Overspend(yes)	0.2802646
Gambling	0.31102524	0.8560		

4.3. Assets and investments of footballers

Of all the footballers questioned, 59 revealed information about their salary, 61 provided information about their attitude to saving and for 56 the percentage of their income put into savings could be determined. Information was collected from 91 respondents about their investments in real estate. The related information is displayed in the table below.

	Monthly salary	Monthly savings	Savings percentage	Number of real estate investments
Average	€8670	€2407	32%	1.34
Median	€7500	€1750	28%	0
Minimum	€750	€0	0%	0
Maximum	€36000	€10000	90%	56

It became obvious that 36 of 95 footballers had financial investments (such as stocks, shares obligations or private banking). 11 of 98 players indicated that they invest in less stable sectors such as fashion, art, alcohol, art of a life insurance company.

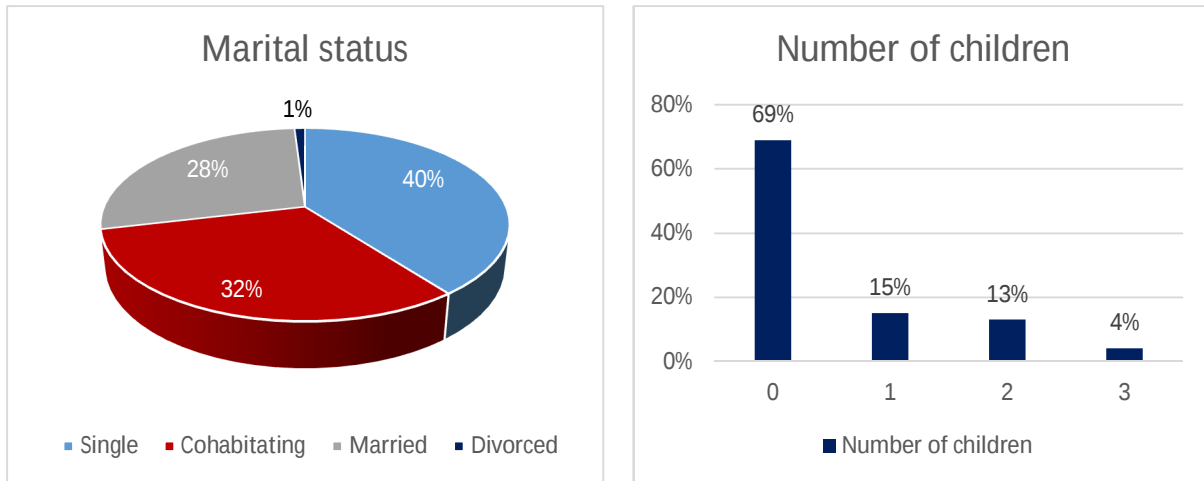


When all of this is put into a logistical regression model (with 55 observations), it can be seen that a higher percentage savings and more investments in real estate decreases the chance of financial problems. However, this chance increases when investments are made in "other" less stable sectors. Actually the salary, just as having financial investments, does not have an impact on the financial circumstances of the players.

Log. Reg. Model: fin_diff (yes) = salary, savings%, real estate, other_sect, fin_invest $\chi^2 = 14.57634$ $p = 0.0123^*$				
Likelihood ratio tests			Parameter estimates	
Variable	χ^2	p	Sign. variable	Value
Salary	0.37051532	0.5427	Savings%	-6.3410300
Savings percentage	6.99782211	0.0082*	No. real estate	-0.3762170
Amount real estate	3.21524484	0.0730*	Other_sect(yes)	6.1329695
Other sectors	4.09896817	0.0431*		
Financial investments	0.35526004	0.5512		

4.4. Financial support from others

The family situation of the players can be shown by their marital status (98 respondents: 39 single, 31 cohabitating, 27 married and 1 divorced) and the number of children (96 respondents: 66 without children, 14 with one child, 12 with two and 4 with three children).



Financial support can also be given to people outside of the immediate family, as is the case with 40 of the 93 players. 38 players disclosed who they support, see the table below.

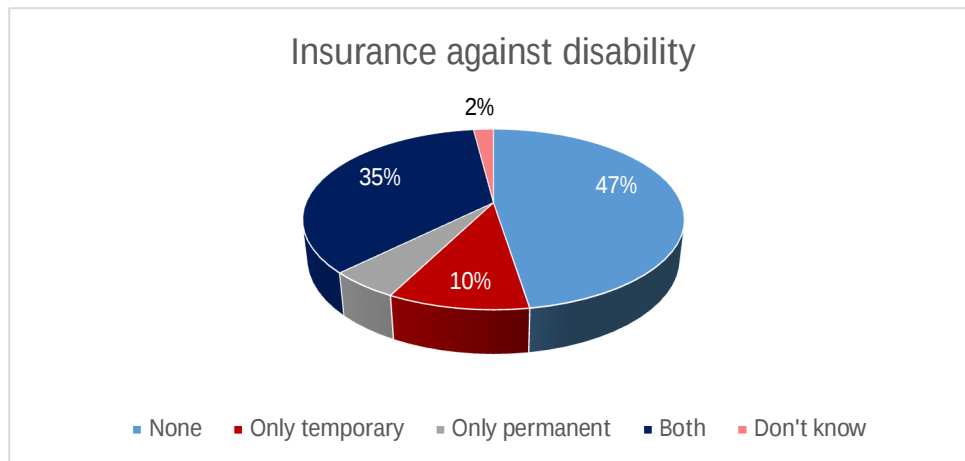
Family (broad sense)	92%
Friends	24%
Girlfriend	5%
Other (e.g. Unicef)	5%

If all of this is put together in a logistical regression model with 92 observations, the result is that the domestic situation does not have an impact on the financial circumstances of the player. The probability of financial problems does increase significantly if financial support is given to people outside of the family.

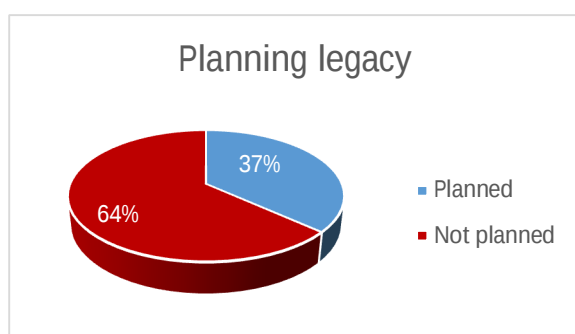
Log. Reg. Model: fin_diff (yes) = child, mar_st, fin_supp			$\chi^2 = 11.04436$	$p = 0.0870^*$
Likelihood ratio tests			Parameter estimates	
Variable	χ^2	p	Sign. variable	Value
No. of children	1.17220556	0.7597	Fin_supp (yes)	0.73647258
Marital status	0.5525271	0.7586		
Fin support	8.18606156	0.0042*		

4.5. Insurance against temporary and permanent disability

Out of 91 players 43 indicated that they do not have insurance against temporary or permanent disability. 9 players only have insurance against temporary disability and 5 only against permanent disability. There are 32 who have both, 2 players don't know. A relationship with the financial circumstances was not determined. The pie chart below illustrates this schematically.



4.6. Planning legacy



The surveys showed that of 89 footballers only 33 players have planned their legacy. However, no relationship was determined between this and their financial circumstances.

4.7. Age and length of contract of football players

Information from 99 players about their age, the age they were when they signed their first contract and the remaining length of their current contract is displayed in the table below.

	Age	Age first contract	Contract length
Average	24.57	18.32	2.29
Median	24	18	2
Minimum	17	16	1
Maximum	36	27	5

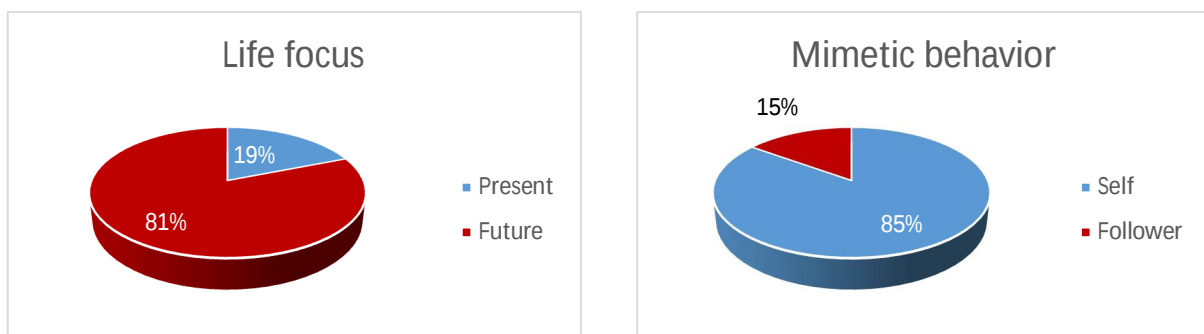
There appears to be no relationship between these factors and the financial circumstances of the players. However, there is a slight trend for players who sign their first contract at a young age to possibly have more chance of financial problems.

Log. Reg. Model: $\text{fin_diff}(\text{yes}) = \text{age}, \text{age1contract}, \text{rem_contract}$			$\chi^2 = 2.740999$	$p = 0.4333$
Likelihood ratio tests			Parameter estimates	
Variable	χ^2	p	Sign. variable	Value
Age	0.00061022	0.9803	Age1contract	-0.20065548
Age 1 st contract	1.88336825	0.1700		
Remcontractlength	0.574014	0.4487		

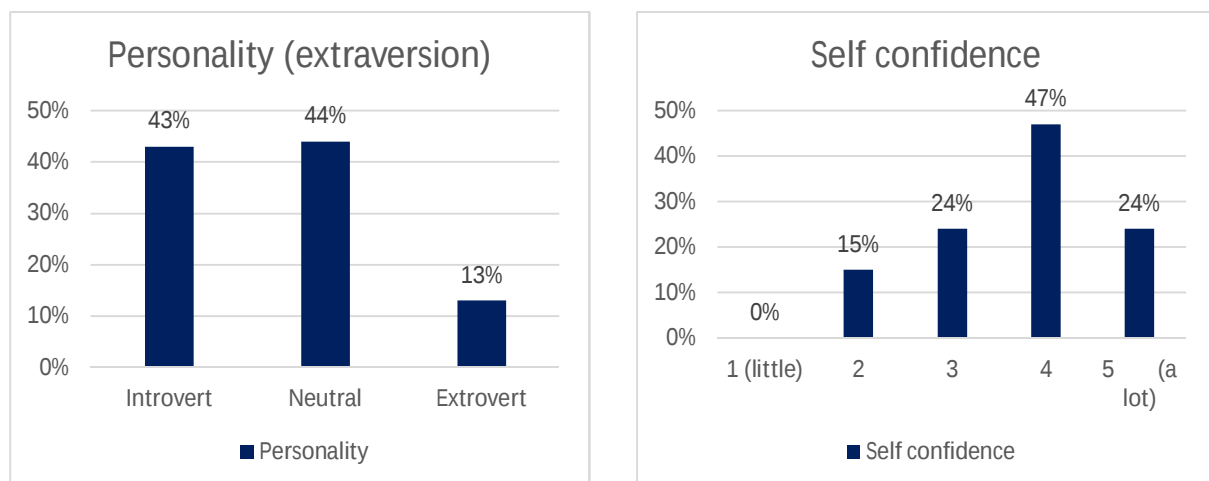
4.8. Personality of footballers: psychological factors

Some psychological factors that were considered, are the degree of extroversion, the self-confidence of players, their life focus (present vs. future) and their mimetic behaviour (are they a follower or trend setter with their actions and purchases). To test the first factor, 5 dilemmas were presented, where one proposition indicates extroversion and the other introversion. 1 point was allotted for each extrovert answer. Players with 0 or 1 point were seen as introvert, players with 4 or 5 points as extrovert and the rest as neutral. With the remaining propositions they were asked to assess themselves, on the one hand on a scale of 1 to 5 for self-confidence and on the other on a binary scale for the other two propositions.

Of 102 respondents, 83 indicated that they are likely to look more to the future, while 19 were more focused on the present. 87 of 102 respondents said they were more likely to decide for themselves what they did or purchased; 15 said they were more likely to follow others. This can be illustrated in a graph.



100 players also indicated the degree of self-confidence they have on a scale of 1 (little) to 5 (a lot). This and the distribution of the 102 players over the categories of extroversion, is shown below in a graph, from which it can be concluded that footballers are more likely to have a lot of self-confidence and more inclined towards introversion.



All of this taken together in a logistical regression model with 97 observations shows that the probability of financial problems increases significantly when a person is a follower. Furthermore, there is a noticeable trend that extrovert players are more likely to have financial problems. The same reasoning applies to more self-confidence, but due to a lack of sufficient observations, this parameter estimate is unstable.

Log. Reg. Model: fin_diff(yes) = self-confidence, focus, mim_behaviour, personality $\chi^2 = 10.27286$ $p = 0.1136$				
Likelihood ratio tests			Parameter estimates	
Variable	χ^2	p	Sign. variable	Value
Self confidence	3.52588415	0.1715	Self confidence	+ (instable)
Life focus	0.50583646	0.4769	Mim_beh(follow)	0.6957711
Mimetic beh	4.07123919	0.0436*	Personality(introvert)	-0.1291592
Personality	3.08914196	0.2134	Personality(extrovert)	0.720797

5. Conclusion, recommendations and follow-up research

In this research, where 102 footballers from 5 Belgian first division clubs were questioned, a picture of the financial circumstances of the players was drawn. This showed that almost 1 in 4 is dealing with financial problems and that this also influences their sports performance. Therefore, based on the statistical results, the players are advised to seek proper guidance when it comes to finances. The results first show the importance of a specialist in financial advice for sportsmen. This specialist can help when it comes to the proper management of finances and investments, focusing on the factors examined here and taking into account the personality of the sportsman. It is also important to pay attention to the insurance against incapacity to work and legacy, given that in many cases this has been neglected which can result in some cases to unpleasant surprises.

Some of the results of this exploratory research brought certain trends to light without these being statistically significant. For this exploratory research this provides a sufficient initial indication that can be confirmed by means of follow-up research. More interviews and specific, in depth questions in further research can formally confirm these trends.

Acknowledgements

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Appendix 1: English version of the survey

- 1) Age? _____ years
- 2) Nationality? _____
- 3) How old were you when you signed your first professional contract? _____ years
- 4) Number of children? _____ children
- 5) Marital status?
 - ☐ Married
 - ☐ Cohabiting
 - ☐ Divorced
 - ☐ Single
 (Multiple options possible)
- 6) If you are divorced: Did the divorce make your financial circumstances more difficult?
Yes / No (cross out what does not apply)
- 7) In what year does your current contract end? _____
- 8) What is your approximate average gross monthly salary? _____ Euro
If you only know your net income, then write that here: _____ Euro
- 9) Approximately how much of your income goes into savings each month? _____ Euro
- 10) Do you have real estate investments?
 - ☐ No
 - ☐ Yes: Number: _____ (number of properties)
- 11) How do you use the group insurances for footballers?
 - ☐ I am keeping them for a pension, and do nothing else with them.
 - ☐ I want to use them now: (partially) as collateral for a credit application.
- 12) Are you currently insured against temporary inability to work/disability, separate from your national health service?
Yes / No (cross out what does not apply)
- 13) Are you currently insured against permanent inability to work/disability?
Yes / No (cross out what does not apply)
- 14) Besides real are you currently investing in other sectors?
 - ☐ No
 - ☐ Yes, in _____ (which sectors?)
- 15) Do you have other investments (financial, private banking)? Yes / No (cross out what does not apply)

16) Do you involve other people by important financial decisions?

☐ No

☐ Yes, my most important advisor is:

(tick 1 option)

☐ External financial specialist

☐ Sports broker

☐ Friends

☐ Family

☐ Other: _____ (who)

17) Are you satisfied with your financial guidance? Yes / No (cross out what does not apply)

18) Choose the statement that suits you best (only 1):

☐ ☐ I carefully analyse the decisions of my financial advisor.

☐ I assume that the decisions of my financial advisor are correct.

19) Do you think you have enough knowledge when it comes to financial affairs? Yes / No
(cross out what does not apply)

20) Have you experienced financial difficulties?

☐ Never

☐ Occasionally

☐ Often

21) Do you think your financial circumstances have an impact on your sports performance?

☐ No

☐ Yes, a positive impact

☐ Yes, a negative impact

22) Do you think you spend too much money at times?

☐ No

☐ Yes, on what precisely: _____

23) Do you gamble now and then?

☐ Daily

☐ Weekly

☐ Monthly

☐ (Almost) never

24) Do you provide substantial financial support to persons apart from your partner and children?

☐ No

☐ Yes namely: ☐ Family

☐ Friends

☐ Other: _____ (who?)

I spend approximately _____ (how much?) Euro per month.

25) a) Have you planned your legacy? Yes / No (cross out what does not apply)

b) Have you drafted your testament? Yes / No (cross out what does not apply)

26) On a scale of 1 to 5: Do you think you have a lot of self-confidence?

Little

A lot

1

2

3

4

5

27) In each case, pick one proposition that suits you best: you may only tick 1 proposition; if you think both propositions apply to you, pick the one that applies best.

- ☐ O I live mostly day to day.
- ☐ O I work towards certain future goals.

- ☐ O I am energetic and enjoy crowds.
- ☐ O I am reserved and love peace and quiet.

- ☐ O I am more likely to follow the trends set by my team mates.
- ☐ O I am more likely to do my own thing.

- ☐ O I have a loud voice.
- ☐ O I have a soft voice.

- ☐ O I wait and see what the day brings me.
- ☐ O I have a clear vision about my future.

- ☐ O I grab everything without thinking.
- ☐ O I want to think it over first.

- ☐ O I love work that brings me into contact with different people.
- ☐ O I love work where I have plenty of opportunity to concentrate.

- ☐ O I feel the pressure to buy what my team mates buy.
- ☐ O I only buy what I myself really want.

- ☐ O Generally, I do not think it is difficult to speak spontaneously in a group.
- ☐ O In a group I prefer to think beforehand about what I want to say.