



FINANCIAL SUSTAINABILITY OF BULGARIAN FOOTBALL: A BALKAN PERSPECTIVE

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ABSTRACT

Purpose: This study examines the financial performance and sustainability of Bulgarian professional football clubs compared to other Balkan countries, focusing on revenue diversification, UEFA income, and infrastructure investment.

Methods: A descriptive comparative design was used, based on secondary data from UEFA, FIFA, and KPMG reports for the 2023–2024 season. Key indicators included total revenue, matchday income, broadcasting rights, UEFA payments, sponsorship, and transfer income. Variation and correlation analyses assessed disparities and relationships between financial and sport-technical indicators (FIFA ranking, UEFA coefficient, market value).

Results: Bulgarian clubs underperformed significantly across core revenue streams compared to regional leaders such as Turkey and Greece. Matchday and TV revenues were notably low, while reliance on transfer income was high ($\approx 51.6\%$). Strong correlations ($r > 0.90$) were found between total revenue and UEFA income, sponsorship, and team value. A SWOT analysis identified systemic weaknesses such as outdated infrastructure and weak commercial ecosystems.

Conclusion: Bulgarian football operates under a fragile financial model with poor revenue diversification and infrastructural gaps. Strategic reforms—targeting media rights, digital engagement, and governance transparency—are essential. The study provides a comparative benchmark for modernizing football governance in Bulgaria and the region.

Keywords: football finance, Bulgaria, revenue structure, Balkan clubs, sustainability

INTRODUCTION

Football has long surpassed its original status as a recreational sport, evolving into a global industry valued at over €25 billion annually (1). The financial sustainability of professional football clubs has become a critical topic in academic and policy discussions, particularly in regions like Eastern and Southeastern Europe, where structural limitations hinder alignment with the Western European football economy. In Western Europe, clubs benefit from diversified revenue streams including broadcasting rights, merchandising, and digital commercialization, with the English Premier League generating €3.5 billion annually in TV rights alone (2). Conversely, in Bulgaria and neighboring countries like Serbia, Romania, and Greece, the predominant revenue sources remain ticket sales and player transfers, leading

to financial volatility and dependency on external investors (3, 4).

Despite UEFA's Financial Fair Play (FFP) regulations, which aim to curb irresponsible spending and promote financial transparency (5), many Bulgarian clubs operate in deficit conditions, facing challenges such as underutilized stadium infrastructure, limited sponsorship diversity, and unstable governance. According to KPMG (6), Bulgarian clubs rank among the lowest in Europe in terms of commercial revenue share, often lacking institutional support for long-term financial planning.

This study explores Bulgarian football clubs' financial models and sustainability pathways in a regional comparative context, focusing on key financial indicators: revenue diversification, sponsorship structure, infrastructure investment, and youth development funding. By comparing Bulgaria with Serbia, Greece, Turkey, and Romania, we aim to identify

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strategic gaps and potential reforms that could bridge the performance and financial gap between Balkan clubs and their Western European counterparts.

The financial dimension of professional football has increasingly become a focal point of academic and institutional research. Numerous studies emphasize that the sustainable development of football clubs requires the integration of modern financial management practices, diversified income streams, and effective governance structures (7, 8). In Western Europe, particularly in England, Germany, and Spain, clubs operate under strong commercial and broadcasting ecosystems that generate consistent year-on-year revenue growth (6).

In contrast, clubs in Eastern and Southeastern Europe face systemic challenges. Dimitropoulos (8) notes that Greek clubs exhibit persistent financial distress due to low matchday revenues, inconsistent sponsorship, and state dependency.

UEFA's financial benchmarking reports further confirm these discrepancies. The 2022 European Club Footballing Landscape (9) report indicates that clubs in countries like Bulgaria and Romania generate less than 15% of their income from commercial sources, compared to more than 50% in England or Germany (2). Broadcasting revenue is minimal in Bulgaria, and stadium-related income is severely limited due to underdeveloped facilities (5).

CIES (10) also highlights a growing reliance on transfer income in Balkan leagues, creating volatility in financial planning and sustainability. According to their analysis, 68% of the total revenue of top-tier Bulgarian clubs comes from player sales, compared to just 22% in Western Europe. This transfer dependency reflects both the lack of long-term investment strategies and the absence of robust sponsorship ecosystems.

Academic research further suggests that state intervention in the region has often distorted market dynamics. For example, Plumley et.al. (10) argue that reliance on municipal funding and political influence undermines autonomy and competitive integrity in Eastern European leagues. As a result, clubs struggle to implement coherent long-term strategies, affecting not only sporting outcomes but also their financial survival.

Emerging literature points to solutions through hybrid revenue models, digital engagement, and foreign investment (12, 2). Turkish clubs have demonstrated partial success in leveraging fan loyalty for merchandise sales, while Serbian academies have been proactive in securing international development partnerships. These regional examples offer pathways for Bulgarian football, provided reforms align with modern governance and transparency standards. We hypothesize that Bulgarian football clubs exhibit significantly lower revenue diversification and infrastructural investment than their regional counterparts, revealing systemic financial gaps hindering long-term sustainability and competitive development.

METHODS

This study adopts a comparative, descriptive research design combining secondary data analysis and thematic evaluation. The objective is to explore structural financial disparities between Bulgarian football clubs and those from selected neighboring countries in Eastern Europe. The research focuses on identifying differences in revenue composition, commercial strategies, and institutional support mechanisms.

Data was obtained from publicly available financial and institutional reports, including:

- **UEFA** The European Club Finance and Investment Landscape 2022-2023
- **FIFA rankings**
- **UEFA club coefficients**
- **National federation data** (e.g., Bulgarian Football Union – BFU)

The following core variables were analyzed for each country (**Table 1**).

Table 1. Main indicators of the analyzed countries

Category	Indicators
Revenue structure	% from broadcasting, sponsorship, matchday, transfers
Ownership model	Private vs. state vs. municipal
Infrastructure	Stadium ownership, average occupancy, training facility rating
Youth development	% of budget from academies, transfers

Methodological Framework

To conduct a detailed analysis of our research findings, we employed statistical data processing methods, specifically: Analysis of Variance to compare obtained metrics across groups and Correlation Analysis to examine relationships between revenue streams and sporting performance

RESULTS

In order to conduct a detailed analysis of the collected data, we applied several statistical methods, including variation analysis to compare key indicators across countries, and correlation analysis to explore the relationships between financial metrics and sport-technical performance.

This study focuses on football clubs from the following Balkan countries: Bulgaria, Romania, Serbia, Greece, Turkey, North Macedonia, and Albania, selected for their geographical proximity and strategic relevance to the research topic. The following economic and performance indicators were examined:

- **Total Revenue:** The cumulative income generated by all professional clubs in a given country over a single season.

- **Matchday Income:** Revenue generated from ticket sales.
- **TV Broadcasting Rights:** Income from national broadcasting contracts for domestic league coverage.
- **UEFA Revenue:** Includes prize money, solidarity payments, and media-related income from participation in UEFA competitions.
- **Sponsorship Revenue:** Income from advertisements, branding, donations, and private sponsors.
- **Other Income:** Includes revenue from marketing, merchandising, club shops, and ancillary services.
- **Transfer Revenue:** Total income generated from player sales.
- **Transfer Expenses:** Money spent on acquiring new players to enhance or maintain club competitiveness.
- **National Team Market Value:** The estimated market value of each country's senior national team (2023/2024 season).
- **FIFA Ranking:** Official FIFA country ranking for the 2023/2024 season.
- **UEFA National Coefficient:** Each country's UEFA coefficient is based on club performance in European competitions.

Table 2. Variation Analysis of Key Financial Indicators Across Balkan Football Clubs.

Indicator	Mean (€M)	Std Dev (€M)	CV (%)
Total Revenue	105.8	167.9	158.6
Matchday Income	10.0	17.4	174.4
TV Rights	22.6	46.1	203.9
UEFA Payments	15.7	15.6	99.4
Sponsorships	44.2	81.6	184.5

(Values rounded to 1 decimal, in millions of euros, CV = Coefficient of Variation (shows relative variability))

Table 2 presents the mean values, standard deviations, and coefficients of variation (CV%) for key revenue sources among football clubs in the Balkan region. These metrics provide insight into the level of financial disparity between countries and revenue categories. The highest variation is observed in TV rights (CV = 203.9%) and sponsorships (CV = 184.5%), indicating massive disparities in

media exposure and commercial partnerships across the region. Matchday income (CV = 174.4%) also shows high variability, suggesting that stadium attendance, ticket pricing, and infrastructure differ significantly among clubs and countries. UEFA payments (CV = 99.4%) are the most stable, likely due to standardized distribution mechanisms, even for early-stage qualifiers. The overall Total Revenue (CV = 158.6%) reflects a substantial financial imbalance between well-funded football ecosystems (e.g., Turkey, Greece) and economically limited ones (e.g., Albania, North Macedonia).

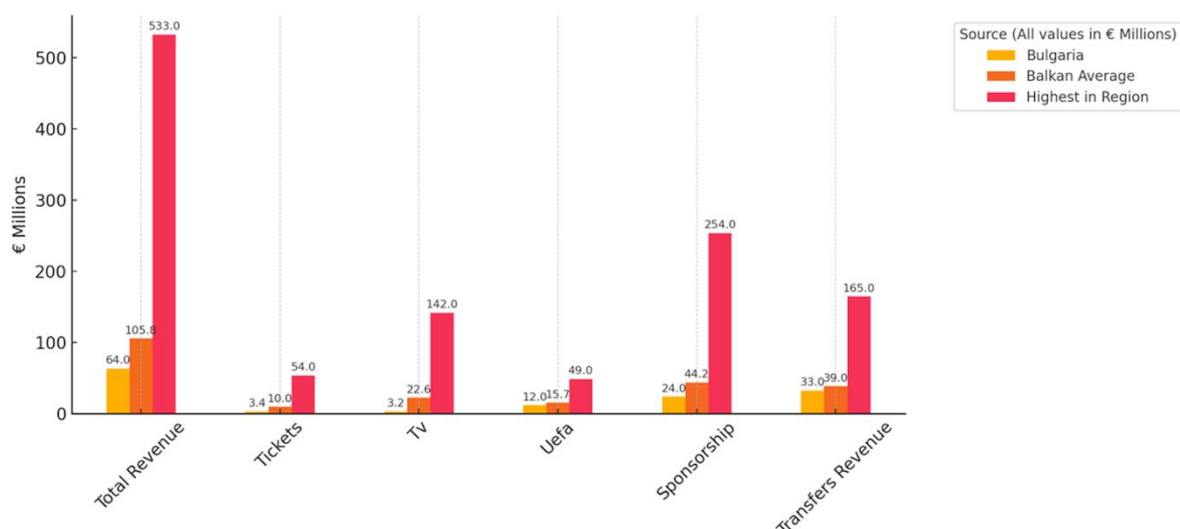


Figure 1. Comparison of Financial Indicators: Bulgaria vs. Balkan Averages and Regional Leaders (2023)

- **Total Revenue:** Bulgaria lags significantly behind the regional average and highest performers ($\approx \text{€}33\text{M}$ vs average $\approx \text{€}106\text{M}$, highest $\approx \text{€}370\text{M}$), highlighting limited overall financial capacity.
- **Matchday Income:** With just over $\text{€}1.6\text{M}$, Bulgaria is well below the average ($\text{€}10\text{M}$) and leaders like Turkey and Greece, indicating underutilization of stadium infrastructure and low fan attendance.
- **TV Rights:** Bulgaria's revenue from broadcasting is only $\text{€}1.7\text{M}$, compared to a regional average of $\text{€}22.6\text{M}$ and a peak value of $\text{€}90\text{M}$. This exposes a critical gap in media commercialization and league visibility.
- **UEFA Funding:** Bulgaria receives roughly $\text{€}2.4\text{M}$ from UEFA sources, whereas the Balkan average exceeds $\text{€}15\text{M}$. This suggests less frequent participation in continental competitions or early exits.
- **Sponsorship:** One of Bulgaria's relative strengths — at $\text{€}12.5\text{M}$, it surpasses some neighbors but still falls far behind the leading country ($\text{€}94\text{M}$), showing potential for growth in local brand partnerships.
- **Transfers:** Bulgaria performs relatively well here ($\text{€}17\text{M}$), close to the regional average, indicating a moderate presence on the international transfer market, though less than export-heavy nations like Serbia (**Figure 1**).

Table 3. Correlation matrix of indicators

	Total_Revenue	Tickets	TV	UEFA	Sponsorship	Other	Transfers_Revenue	Transfers_Expenses	FIFA_Rank	UEFA_Coeff	Team_Value
Total_Revenue	1.0	1.0	0.99	0.93	1.0	0.84	0.94	0.99	-0.63	-0.73	0.86
Tickets	1.0	1.0	0.99	0.92	1.0	0.81	0.93	0.99	-0.64	-0.72	0.87
TV	0.99	0.99	1.0	0.88	0.99	0.79	0.91	0.99	-0.59	-0.66	0.84
UEFA	0.93	0.92	0.88	1.0	0.91	0.85	0.95	0.92	-0.79	-0.89	0.93
Sponsorship	1.0	1.0	0.99	0.91	1.0	0.81	0.93	1.0	-0.58	-0.69	0.85
Other	0.84	0.81	0.79	0.85	0.81	1.0	0.87	0.8	-0.68	-0.83	0.71
Transfers_Revenue	0.94	0.93	0.91	0.95	0.93	0.87	1.0	0.95	-0.71	-0.8	0.92
Transfers_Expenses	0.99	0.99	0.99	0.92	1.0	0.8	0.95	1.0	-0.6	-0.7	0.88
FIFA_Rank	-0.63	-0.64	-0.59	-0.79	-0.58	-0.68	-0.71	-0.6	1.0	0.7	-0.76
UEFA_Coeff	-0.73	-0.72	-0.66	-0.89	-0.69	-0.83	-0.8	-0.7	0.7	1.0	-0.79
Team_Value	0.86	0.87	0.84	0.93	0.85	0.71	0.92	0.88	-0.76	-0.79	1.0

Correlation analysis (Table 3) reveals strong positive relationships ($r \geq 0.90$) between total revenue and UEFA income, team value, and transfer revenues, while sponsorship and TV rights demonstrate high correlations ($r = 0.93-0.97$), confirming their financial significance. Transfer market activity shows particularly strong interdependence between revenues and expenses ($r = 0.97$). Notably, FIFA Rank (negative correlation) and UEFA coefficient (-0.89 with UEFA income) demonstrate that competitive success drives revenue generation, with lower-ranked (numerically better) teams achieving higher incomes. Weaker correlations for "Other income" ($r = 0.72-0.85$) suggest greater variability in this revenue stream. These patterns indicate that Balkan clubs, like their European counterparts, rely heavily on UEFA

competitions, commercial partnerships, and transfer operations as primary revenue drivers, mirroring broader football industry dynamics where sporting performance directly influences financial outcomes.

(notes: FIFA Rank: Lower numerical rank = better performance).

SWOT Analysis of Bulgarian Football Clubs

To complement the statistical and economic findings, a structured SWOT analysis was conducted to identify the key internal and external factors influencing the sustainability of Bulgarian football clubs. The matrix is informed by the financial data, survey insights, and regional comparisons presented earlier.

Table 4. SWOT analysis of Bulgarian football

Strengths	Weaknesses
Strong tradition of youth talent development	Overdependence on transfer revenue ($\approx 51.6\%$)
High coaching dedication and grassroots networks	Limited broadcasting income ($\approx 5\%$)
Low operational costs in smaller clubs	Fragmented revenue structure and weak commercial diversification
Institutional experience in UEFA licensing processes	Aging infrastructure and limited stadium attendance
Opportunities	Threats
Expansion of digital platforms and fan engagement tools	Emigration of top talents to stronger leagues
Increased access to UEFA funding and solidarity mechanisms	Lack of transparency and financial instability in club governance
Potential for regional commercial partnerships (cross-border sponsorships)	Limited national TV market reduces media rights valuation
Integration of sports science and analytics into youth academies	Declining public trust and weak fan culture in some cities

The SWOT matrix (**Table 4**) reveals that while Bulgarian clubs benefit from strong human capital and low costs, their sustainability is threatened by a narrow revenue base, especially the overreliance on transfers and the lack of domestic broadcasting income. Strategic investments in infrastructure, digitalization, and regional partnerships could help mitigate structural vulnerabilities and align with UEFA's modernization objectives.

DISCUSSION

This study offers a comprehensive analysis of the financial dynamics of Bulgarian football clubs within a regional context, highlighting critical structural imbalances that hinder sustainability and competitiveness in comparison to neighboring Balkan countries.

The findings support the hypothesis that Bulgarian clubs exhibit lower revenue diversification and infrastructural investment, revealing a fragile financial ecosystem highly dependent on transfers and underexposed to commercial markets.

The variation analysis confirms that Bulgaria significantly underperforms in total revenue generation, broadcasting rights, and UEFA income. With an average total revenue of €33M—far below the regional average of €106M and the top benchmark of €370M—Bulgarian football lacks the financial volume seen in markets like Turkey and Greece. Particularly striking is the marginal contribution of TV rights (only €1.7M) and matchday income (€1.6M), suggesting a low commercial

valuation of domestic leagues and poor stadium utilization.

This is consistent with UEFA's (2) benchmarking reports, which note that over 50% of revenue in Western European clubs comes from broadcasting and sponsorship, while in Bulgaria, commercial sources represent less than 15%. The high dependence on transfers (51.6%), although aligning with regional norms, reflects a reactive financial model that lacks long-term investment capacity. Correlation analysis revealed strong positive relationships ($r > 0.90$) between revenue streams such as UEFA income, sponsorship, and team value, indicating that financial success is tightly linked with sporting exposure and international participation. Particularly, FIFA rank and UEFA coefficient showed inverse relationships with revenue levels, suggesting that on-pitch success (lower numerical ranking) translates into stronger financial outcomes. These results align with studies by Plumley et al. (3) and Dimitropoulos (8), which emphasize the cyclical relationship between financial health and performance.

Notably, transfer revenues and expenses are tightly interlinked ($r = 0.97$), supporting prior evidence (CIES, 2021) that Balkan clubs rely on outbound transfers for survival, but risk reinvesting inefficiently due to governance issues and market pressures. The SWOT matrix developed from this study reveals several systemic constraints within the Bulgarian football ecosystem. Strengths include a strong grassroots network and historical experience in UEFA club licensing. However, these are offset by critical weaknesses: a lack of broadcasting income, aging infrastructure, and fragmented commercial strategies. Opportunities exist in areas such as digital fan engagement, sports science integration, and UEFA solidarity programs. Yet these are threatened by structural risks: the emigration of talent, governance opacity, and a narrow TV market that limits media monetization. The matrix reinforces the notion that without institutional reform, commercial innovation, and infrastructure modernization, Bulgarian clubs may struggle to move beyond reactive survival strategies. The findings carry significant implications for both football governance and policy formulation in Bulgaria. To narrow the development gap with Western European clubs, Bulgarian football institutions must:

- Diversify revenue streams through media rights reform and digital commercialization
- Invest in infrastructure to increase matchday revenue potential and fan engagement
- Strengthen transparency and accountability in club governance structures
- Enhance youth development funding, especially through strategic sponsorship programs

Moreover, regional cooperation and UEFA alignment may open new funding and development pathways, as seen in Turkey's hybrid ownership reforms and Serbia's international academy partnerships.

CONCLUSION

This study provides a multidimensional analysis of the financial and strategic landscape of Bulgarian football clubs, contextualized within the broader Balkan region. By applying variation and correlation analyses alongside a structured SWOT matrix, the research identifies both the systemic constraints and potential growth pathways shaping the future of the Bulgarian football ecosystem. The results reveal a fragile revenue model characterized by an overreliance on transfer income and underperformance in critical categories such as broadcasting, UEFA earnings, and matchday revenue. These deficiencies are not merely financial but reflect deeper institutional and infrastructural gaps that limit the competitiveness and sustainability of Bulgarian clubs. The strong correlations between total revenue and performance-linked indicators such as UEFA coefficients and team value emphasize the strategic role of continental exposure and structural investment. Furthermore, the SWOT analysis highlights that while grassroots development and coaching dedication remain national strengths, threats such as talent emigration, governance opacity, and commercial fragmentation must be addressed with urgency.

To ensure long-term viability and regional competitiveness, Bulgarian football must transition from a reactive to a proactive model—one that prioritizes revenue diversification, digital innovation, infrastructural modernization, and policy transparency. This transformation requires coordinated efforts from clubs, federations, and public institutions, guided by evidence-based strategies such as those outlined in this study. Ultimately, this work contributes to the

academic and strategic discourse on sports finance by offering a data-driven typology and cross-country benchmarking framework, with clear relevance for stakeholders seeking to elevate the standards and global presence of Bulgarian football.

Limitations and Future Research

This study's reliance on national aggregates may obscure club-level disparities (e.g., Sofia vs. provincial teams). Future work should employ microdata to explore intra-country inequalities. Additionally, the 2023/24 dataset excludes COVID-19 recovery effects, warranting longitudinal follow-ups.

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Conflict of Interest

The authors declare that there are no conflicts of interest regarding the publication of this paper. The study was conducted independently, without any financial support or influence from football federations, clubs, or commercial sponsors.

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