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The paradox of English football

What the IFR's "State of the Game Report" means for owners and investors

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"[I]t is possible for the English club football to simultaneously be the richest, best and most deeply competitive in the world while also standing on the edge of financial disaster."

David Kogan, Chair of the IFR[1]

Introduction

Published on 13 October 2026, the Independent Football Regulator's (IFR) draft 245-page "State of the Game Report" (the "Report") paints a picture of paradox: English football has never been wealthier, more commercially successful or attractive to investors, yet many clubs remain in a precarious position should financial support be withdrawn.

Against this backdrop, there has been a greater focus on who owns football clubs, and how they are owned. With most clubs reliant on owner funding to sustain their operations, the nature and suitability of their ownership arrangements are important considerations in assessing a club's financial resilience, corporate governance and long-term sustainability.

This article examines some of the key themes arising from the Report for owners and investors, including:

- **The changing ownership landscape in English football**
- **Different ownership models and investor motivations**
- **Whether there is a "preferred" or more financially resilient ownership model**
- **Ownership-related risks and challenges that the IFR is hoping to overcome**

The Report: Headline statistics

The Report challenges the perception of English football as a thriving, financially prosperous industry. Despite generating approximately £9 billion in revenue in 2025/26[2], 94% of clubs across the top five tiers were loss-making[3], with many dependent on continued owner funding to simply survive.

Commercial success does not necessarily equate to financial health. Rising player costs, increasing debt and widening financial differences between leagues help explain this situation, with the IFR reporting as follows:

- **Player costs** – "Since 1992/93, average wage costs have increased by: almost 50-fold in the Premier League, 16-fold in the Championship, 9-fold in League One, and 7-fold in League Two."[4]
- **Borrowing** – "Debt levels across English football increased from approximately £2.8 billion in 2020/21 to £4.1 billion in 2024/25 and are forecast to reach £5.1 billion by 2026/27. Premier League clubs account for around 75% of total debt."[5]
- **Liabilities** – "60% of EFL and National League clubs have liabilities that exceed the book value of their assets meaning they are technically insolvent."[6]

1 The IFR's "State of the Game Report" (2026), p. 2
2 The IFR's "State of the Game Report" (2026), p. 19
3 The IFR's "State of the Game Report" (2026), p. 22
4 The IFR's "State of the Game Report" (2026), p. 18
5 The IFR's "State of the Game Report" (2026), p. 23
6 The IFR's "State of the Game Report" (2026), p. 5

The changing ownership landscape

The Report charts a significant transformation in English football's ownership landscape, as traditional ownership by wealthy individuals increasingly gives way to more diverse investment structures.[7] The scale of investment has also grown: 78 ownership transactions worth £7.2 billion were completed between 2021 and 2025, compared with 30 transactions worth £2.4 billion in the preceding five years.[8]

Ownership trend	Key findings
Declining individual ownership	The proportion of Premier League and EFL clubs majority-owned by high-net-worth individuals declined from 76% in 2016 to 68% in 2025. In the Premier League, it fell from 70% to 45%.
Increasing overseas ownership	By 2025, non-domestic owners controlled clubs accounting for 75% of Premier League revenue and 70% of Championship revenue.
Institutional investment	Institutional investors, including private equity, have become increasingly prominent, particularly in the Premier League.
Minority investments	Acquisitions of minority stakes increased sevenfold between 2016–2020 and 2021–2025. Some 57% of Premier League and EFL clubs now have minority investors.
Multi-club ownership (MCO) and multi-sport ownership (MSO)	85% of Premier League clubs are part of an MCO or MSO arrangement, or have an owner holding equity in multiple clubs or sports. The corresponding figures are 25% in the Championship, 13% in League One and 4% in League Two.[9]
Complex corporate structures	Clubs increasingly operate through multiple parent and holding companies, sometimes across different jurisdictions, with separate entities owning stadiums, training facilities and women's teams.

Although the Report identifies the growth of MCO and MSO as significant investment trends, it provides little detail beyond the figures above. I have explored the prevalence of MCO in global football elsewhere, including (i) the core types of MCO group, (ii) the latest investment trends and (iii) the domestic and international regulations that shape MCO decision-making – see link to article here.

Do different owners have different motivations?

The Report identifies several categories of football club owners, and suggests that their objectives may differ as a result:[10]

- **High- or ultra-high-net-worth individuals (HNWIs or UHNWIs)** – May be motivated by sporting success, personal fulfilment, community involvement, prestige or financial returns.
- **Institutional investors** – May place greater emphasis on financial returns, capital appreciation and increasing the enterprise value of clubs.
- **Fan ownership** – Recognised for its contribution to preserving clubs and their community identities. The Report cites AFC Wimbledon, Exeter City, Bury, Brentford and Portsmouth as examples of clubs that have benefited from supporter ownership at different times.[11]
- **Nation states or sovereign wealth funds** – Although the Report does not address their particular objectives, such investors may pursue economic diversification. Club ownership can support nation-branding and cultural and commercial ties.
- **Hybrid ownership** – May combine one or more HNWIs/UHNWIs with institutional capital, potentially bringing together different investment objectives and sources of finance.

The Report also distinguishes risks and motivations across the football pyramid.[12] It suggests that (i) Premier League investors face the financial consequences of relegation or failure to qualify for European competitions, (ii) Championship investors may pursue the high-risk, high-reward prospect of promotion and (iii) owners further down the pyramid are more likely to prioritise community objectives.

7 The IFR's "State of the Game Report" (2026), pp. 50–51 and 159–164

8 The IFR's "State of the Game Report" (2026), p. 50

9 The IFR's "State of the Game Report" (2026), p. 50. Note, these figures do not relate exclusively to conventional MCO groups. They cover clubs that are part of an MCO or MSO arrangement, or whose owner holds equity in multiple clubs or sports. The 85% Premier League does not mean that 85% of Premier League clubs belong to traditional multi-club football groups.

10 The IFR's "State of the Game Report" (2026), p. 163–164

11 The IFR's "State of the Game Report" (2026), p. 43

12 The IFR's "State of the Game Report" (2026), pp. 28

Is one type of ownership preferable over another?

The IFR does not champion a single optimal ownership model. Instead, its findings point to four considerations: (i) the club's financial resources, (ii) the sustainability of its business plan, (iii) transparent and effective governance and (iv) protection of its long-term interests.

The risks of dependence on individual benefactors are well known: 66% of clubs surveyed could not survive more than 90 days without additional owner funding, while 29% could not survive more than 30 days.[13] Most EFL and National League clubs also lacked contingency plans for an owner becoming unable or unwilling to provide further support.[14] Such dependence creates a significant liquidity risk.

Financial sustainability is not, however, the only measure of successful ownership. As the Report recognises, football clubs are not ordinary commercial businesses.[15] The UK government's 2023 White Paper observed that "football clubs do not behave like typical business, nor fans like typical consumers".[16] Their cultural and social importance helps explain why owners below the top two tiers are more likely to prioritise community objectives, sometimes acquiring clubs to prevent administration.[17]

The central distinction is therefore one of resilience rather than the legal or corporate form. The Report is consistent with the value of patient capital, long-term stewardship and objectives extending beyond financial returns, without presenting any of these as prerequisites for successful ownership.

Regulatory requirements: The IFR's response to ownership-related risks

The complexion of football club ownership creates regulatory challenges. As highlighted in the Report, the Football Governance Act 2025 (FGA) and the emerging IFR framework seek to address three principal areas of reform.

1. Greater scrutiny of who owns and controls football clubs

More sophisticated ownership structures, involving institutional and overseas investors, minority shareholders, MCO groups and cross-border holding companies, can obscure ultimate beneficial ownership, effective control and sources of funding.[18] The Report also highlights the potential for illicit investment, referring to the UK's 2025 National Risk Assessment of Money Laundering and Terrorist Financing.[19]

The IFR's owners, directors and senior executives (ODSE) regime addresses these concerns through suitability assessments, information-gathering powers and ongoing scrutiny, including of investors' integrity and financial resources. The Report expressly identifies the ODSE regime as a means of addressing potentially illicit investment motives.[20] It does not suggest that institutional investment or MCO is inherently problematic; rather, complexity increases the demands of transparency and oversight.

2. A shift towards preventative financial regulation and stronger corporate governance

Persistent losses, rising debt and reliance on owner funding expose clubs to financial shocks. Promotion incentives may encourage excessive spending, compounded by weak contingency planning and governance. The Report also suggests that existing league financial regulations have produced unintended consequences, litigation and costs without adequately controlling losses.

The IFR will license clubs for the 2027/28 season, with applications opening in November 2026. The licensing framework seeks to establish a more preventative approach through so-called "Appropriate Financial Resources" requirements, financial action plans and mandatory stress testing. Key milestones include financial action plans before the 2027/28 season, stress testing by May 2028, and compliance with financial-resource requirements by May 2030.[21] The Football Club Corporate Governance Code will also require clubs to publish governance statements from October 2027, explaining how they apply its principles, including measures concerning board and senior executive diversity.[22]

Together, these reforms aim to improve financial discipline and governance, requiring owners to plan for and manage risks over the longer-term.

13 The IFR's "*State of the Game Report*" (2026), pp. 24, 89, 96

14 The IFR's "*State of the Game Report*" (2026), pp. 24 and 89

15 The IFR's "*State of the Game Report*" (2026), pp. 15, 18, 43

16 UK Government's 2023 White Paper, "A Sustainable Future – Reforming Club Football Governance", at para. 2.19

17 The IFR's "*State of the Game Report*" (2026), p. 159

18 The IFR's "*State of the Game Report*" (2026), p. 50 and 164

19 The IFR's "State of the Game Report" (2026), pp. 163-164

20 The IFR's "*State of the Game Report*" (2026), p. 163

21 The IFR's "*State of the Game Report*" (2026), pp. 37

22 The IFR's "*State of the Game Report*" (2026), pp. 37-38 and 221-231

3. Greater accountability to supporters and the wider football pyramid

Ownership decisions can also affect club identity, traditions, affordability and accessibility, creating tensions between investors' commercial objectives and supporters' interests. The Report questions whether existing fan consultation meaningfully influences decisions and whether supporters have sufficient access to club leadership.[23]

The FGA seeks to address these concerns through enhanced supporter engagement obligations and statutory heritage protections. In particular, the "Fan Engagement Threshold Requirement", to be satisfied by May 2030, will require clubs to consult supporters, explain their decisions and take supporters' views into account.

The Report also highlights financial inequalities across the pyramid, including revenue disparities between divisions and the apparent distortive effects of parachute payments.[24] The IFR's systemic resilience objective and revenue distribution backstop powers seek to address these structural pressures without fuelling further expenditure.[25] The aim is to reconcile investment with the long-term health of clubs and the wider pyramid.

Conclusion

The Report addresses English football's contradiction: unprecedented commercial prosperity alongside concerns over financial fragility. The IFR seeks to turn that diagnosis into reform. To that end, the IFR has outlined a six-point action plan addressing revenue distribution (preferably through a new Premier League/EFL agreement rather than intervention through its statutory "backstop" powers), reducing club losses, National League governance, financial risk management, fan engagement and improvements in corporate governance and diversity.[26]

Importantly, this is not yet the final whistle. The Report remains in draft form, with the IFR consultation responses due by 8 December 2026, and a statutory deadline of 24 May 2027 for publication of the final report. On 10 November 2026, The Athletic reported that the IFR will require EFL and National League clubs to hold financial reserves (essentially a rainy-day fund) commensurate to their assessed risk level: five months' operating losses for high-risk clubs, two months' operating losses for medium-risk clubs and one month's wages for low-risk clubs.

Ultimately, the test for the IFR will be whether it can promote responsible ownership and lasting financial discipline without diminishing the investment, ambition and competitiveness that make English football so attractive and successful.

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23 The IFR's "*State of the Game Report*" (2026), pp. 42–44 and 200–220

24 The IFR's "*State of the Game Report*" (2026), pp. 130–158

25 The IFR's "*State of the Game Report*" (2026), pp. 34–35

26 The IFR's *State of the Game Report* (2026), pp. 34–38

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