

Beat: Sports

Spanish soccer debt totaled 3,440 million euros

Clubs begin to pay down

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USPA NEWS - The Spanish soccer boasts the best league in the world, the most valuable players and coaches with greater prestige. But that costs money and longtime, Spanish soccer has been living beyond its means.

Until the sports authorities, alarmed by the scale of the problem, decided to act. In 1999, the Spanish government approved the Sports Corporations Act (SAD), which requires clubs to run like enterprises with all the advantages and disadvantages of the market economy, including accountability to shareholders and subject to the possibility of falling into bankruptcy. The immediate consequence of this professionalization of Spanish soccer clubs was the disappearance of historic clubs drowning in debt.

Today, the Spanish clubs of First and Second Division should 3.440 million to the Treasury, Social Security, banks and sometimes also their own players. Last season (2013-14 season), eighteen clubs have applied under the bankruptcy law that allows suspend payments and keep running to avoid extinction. That was the first season that ended benefits after several years of accumulating losses. In the 2011-12 season, the clubs of First and Second division lost 78 million euros, while in 2013-14 won 154 million, a result that has allowed them to reduce their debt to finance 7% or 50 million euros.

Nevertheless, the debts of Spanish football remain substantial. Treasury debt in 2000 was 87 million; rose to 233 million in 2006 and to 467 million in 2012. The debt to Social Security exceeds 10 million. Red numbers, however, are reduced. Television rights, the box office, saving on signings -with the exceptions of the big two, Real Madrid and Barcelona- and asset sales have enabled the First Division clubs profit to those who pay their creditors.

The pressure of the government and criticism of the street, little inclined to understand that in times of crisis astronomical amounts paid by the signing of players, have made it clear to the clubs that have ended up time of big payouts and so now touches to regularize their tax situation and to win back some fans who are set but the results do not justify those who mismanaged.

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