

REVIEWER'S REPORT

Manuscript No.: IJAR-59460

Title: *Beyond the Pitch: An Analysis of the Relationship Between Financial Sustainability and Economic Value Creation in La Liga Football Clubs.*

**Recommendation: MAJOR REVISION
REQUIRED**

Rating	Excel .	Good	Fair	Poor
Originality		✓		
Techn. Quality			✓	
Clarity			✓	
Significance		✓		

Reviewer Name: Dr. Indrila Deb

Justification of Recomendación

The manuscript examines a relevant and potentially valuable question: whether financial sustainability in professional football clubs is associated with their capacity to support longer-term economic activity. Its comparative case-study design, use of secondary financial information across five seasons (2020–21 to 2024–25), and proposed Financial Sustainability Index (FSI) combining wage discipline, profitability, revenue resilience and regulatory headroom offer a useful starting point. The paper also recognizes the importance of differences in reporting perimeters and the difficulty of attributing broader economic value to individual clubs.

However, substantial revisions are required. The principal concerns are the very small number of complete club-season observations underpinning the FSI, insufficiently transparent reporting of the index's construction and sensitivity checks, incomplete availability of the proposed economic-value indicators, and a mismatch between some of the manuscript's strong relationship claims and its stated descriptive, non-causal design. The paper also needs tighter alignment among the research questions, hypotheses, findings and conclusions, together with comprehensive language and presentation editing. The topic has potential, but the conclusions should be narrowed to what the available evidence can substantiate.

Detailed Reviewer Report

With Respect to Originality

Rating: Good

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The manuscript's attempt to connect club-level financial sustainability with indicators of economic value creation is a relevant angle within sports finance and sports economics. The use of LaLiga's squad-cost limit as a regulatory-headroom indicator may add context beyond conventional profitability or wage ratios. The comparison of clubs with different governance and financial profiles is also potentially informative. Nevertheless, the manuscript should state its original contribution more precisely and distinguish it from existing research on football-club financial health, wage expenditure, revenue diversification, and the economic impact of sport. The literature review should identify the specific gap that the proposed FSI and club-level comparison fill, rather than relying on a broad claim that the two areas have not been connected.

With Respect to Technical Quality

Rating: Fair

- **Research design and sample coverage:** The study identifies six purposively selected clubs—Real Madrid, FC Barcelona, Athletic Club, Sevilla FC, Valencia CF and Atlético de Madrid—and covers five seasons. However, the abstract reports that the FSI is calculated from ten club-season observations for five clubs, with Valencia treated qualitatively, while the methodology also discusses 30 potential club-season observations and 24 potentially scorable observations after accounting for the unavailable base-year revenue data. Provide one clear flow of data coverage: the number of potential observations, exclusions, missing values, and the final analytical sample for each indicator and for the composite index.
- **Financial Sustainability Index construction:** The manuscript states that 16 constituent measures are z-normalised, wage ratio is directionally adjusted, and four dimensions are equally weighted before scores are rescaled to a mean of 50. The precise formula, the mapping of each constituent measure to each dimension, the treatment of missing data, and the exact rescaling procedure should be presented in a compact table or equation. Clarify whether the stated direction of the wage-ratio adjustment is consistent throughout the text and tables. Include sufficient worked detail for an independent reader to reproduce at least one club-season score.
- **Small analytical sample and interpretation:** The FSI is reported for only ten club-season observations. The manuscript appropriately explains why it does not estimate a correlation or regression, but it also uses wording such as a high correlation or a positive relationship. These formulations are not supported by a reported statistical estimate. Replace them with descriptive language such as 'the case comparisons suggest a pattern' and avoid presenting H1 as statistically supported. Explain that the evidence is exploratory and case-based.
- **Economic value creation measurement:** The dependent construct is represented by proxies including employment, commercial activity, infrastructure investment, attendance and fiscal contribution. These indicators are not equivalent measures of economic value added, and several are unavailable for most club-seasons. The paper itself reports only two employment figures, one fiscal-contribution figure and no capital-expenditure figure across the six clubs and five seasons. The authors should avoid treating this sparse and uneven evidence as a comprehensive measure of economic value creation. Define the construct more narrowly, present availability by proxy, and distinguish observed indicators from proposed but unavailable measures.

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- **Comparability of financial data:** The manuscript acknowledges differences among individual-company accounts, consolidated accounts and LaLiga regulatory reporting, and excludes observations that cannot be reconciled. This is an important strength, but it also limits comparability and may influence which cases remain in the index. Provide a transparent club-season data-provenance table identifying the reporting perimeter, source type, adjustments and exclusions for every index input. Explain how derived values were checked and how exceptional or non-recurring transactions were treated.
- **Treatment of FC Barcelona's exceptional transactions:** The manuscript excludes the relevant Barcelona observation(s) because monetisation of non-recurring assets would distort comparisons and no non-arbitrary adjustment could be derived from the published accounts. The rationale is understandable, but the implications for the sample and findings should be made explicit. Where feasible, present a clearly labelled sensitivity scenario, or explain why no defensible scenario can be calculated. Do not imply that exclusion fully resolves the comparability problem.
- **Hypotheses and analytical method:** H1 proposes a positive long-term relationship between financial sustainability and economic value added; H2 compares sporting success with financial management factors; P1 is treated qualitatively. Given the small and incomplete data set, the paper should describe H1 and H2 as propositions assessed through structured case comparison rather than formal hypothesis tests. A summary matrix linking each objective/hypothesis to the evidence available and the conclusion warranted would improve methodological coherence.
- **Control variables and causal language:** The methods list membership size, operating revenue, regional GDP, population, league position and Champions League participation as control variables, but the analysis does not estimate a model using them. Clarify that these variables provide contextual information only and are not statistically controlled. Avoid claims that the relationship is independent of sporting performance unless the design can demonstrate this.
- **Revenue diversification and index interpretation:** The revenue-concentration measure is available only for some clubs, while the FSI is based on four other dimensions. Explain the relationship between the separate Herfindahl–Hirschman Index analysis and the FSI, and avoid implying that revenue diversification is directly incorporated into the composite index if it is not. Define the interpretation of higher and lower scores consistently.
- **Reproducibility and data documentation:** Because the analysis was performed in Microsoft Excel, the authors should provide the formulas or calculation steps used for ratios, standardisation, weighting and sensitivity analysis. A supplementary workbook with publicly available source data, calculations, data definitions and source references would improve auditability, subject to licensing and source restrictions.

Clarity of Presentation

Rating: Fair

The manuscript has a recognisable structure, progressing from the research problem and literature review to methodology, case comparisons and conclusions. Nevertheless, the prose contains frequent grammatical errors, awkward constructions, inconsistent terminology and sentences that are difficult to interpret. A thorough language edit is necessary. The abstract should state the final

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number of FSI observations and clearly distinguish the descriptive case-study findings from any claim of statistical association. Tables and figures should use consistent titles, units, season labels, source notes and definitions. The manuscript should also remove repetition across the introduction, research-gap section, findings and conclusion.

Several terms need consistent use, particularly 'financial sustainability', 'economic value creation', 'economic value added', 'relevant revenue', 'operating revenue' and 'squad cost limit'. The title and text should not suggest that the study measures net economic value for Spain when it relies primarily on club-level proxies and does not undertake macroeconomic modelling.

Significance / Contribution

Rating: Good

The paper may contribute to discussions on the financial management of professional football clubs, especially by highlighting wage discipline, revenue resilience, regulatory headroom and the challenge of transparent economic-impact reporting. The Sevilla FC comparison and the contrast between clubs of different revenue scales are useful illustrations. However, the evidence does not establish a general or statistically verified relationship between the FSI and economic value creation. The contribution should therefore be framed as an exploratory comparative analysis that identifies patterns and disclosure gaps, rather than as proof that financial sustainability generates wider economic value or that sporting success is independent of it.

Specific Recomendaciones for Revisión

- Rewrite the abstract to report the final FSI sample accurately, explain Valencia CF's qualitative treatment, and describe the findings as patterns from case comparisons.
- State the research gap and original contribution more narrowly, supported by a more focused synthesis of prior studies on club financial sustainability and economic-impact measurement.
- Provide a clear observation-flow table showing the potential sample, exclusions, missing data and final N for each variable and for the FSI.
- Publish the full FSI formula, the 16 constituent measures, dimension mapping, standardisation direction, equal-weighting procedure, rescaling rule and sensitivity-analysis results.
- Reconcile the stated counts of potential, scorable and final index observations throughout the abstract, methodology, tables and conclusion.
- Provide a club-season data-provenance appendix, specifying whether each input comes from individual accounts, consolidated accounts, LaLiga disclosures, or secondary reporting.
- Report the availability and limitations of each economic-value proxy. Distinguish employment, attendance, commercial revenue and investment activity from a direct measure of net economic value added.
- Moderate claims about correlation, hypothesis support, independence from sporting success and causal relationships. Explicitly acknowledge that no correlation or regression is estimated.
- Explain the treatment of FC Barcelona's non-recurring transactions and discuss how the exclusions may affect cross-case comparisons.
- Clarify whether revenue diversification is part of the FSI or a separate analysis, and define the meaning of higher scores and ratios consistently.
- Align the stated control variables with the analysis actually performed; if they are not used in a statistical model, describe them as contextual variables rather than controls.

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- Improve the presentation of tables and figures, standardise financial units and season formats, verify all references and source notes, and undertake comprehensive grammar and academic-style editing.
- Add a concise limitations section in the conclusion covering purposive sampling, limited index observations, incomplete economic-value disclosures, reporting-perimeter differences, COVID-19 disruption and the inability to infer causality.

Final Recommendation: Major Revision Required

The manuscript addresses a meaningful question and offers a potentially useful comparative framework for examining financial sustainability in professional football. Its use of multiple financial dimensions and attention to LaLiga's regulatory environment are promising. In its current form, however, the limited number of complete index observations, uneven disclosure of economic-value indicators, and insufficient alignment between the evidence and some conclusions prevent the paper from establishing the relationship implied by its title and hypotheses. A major revision should prioritise reproducibility, data transparency, conceptual precision and appropriately qualified conclusions.