AN ANALYSIS ON THE INCOMES AND EXPENDITURES OF TURKISH FOOTBALL FEDERATION AND THE INCOMES OF THE FOUR MAJOR CLUBS

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ABSTRACT

In our study, the financial structure of Turkish Football Federation (TFF) and the clubs called four majors in Turkish public was examined over their income and expenditure items. Certain income and expenditure items of 2008-2009 and 2009-2010 football seasons were used as data for TFF. Firstly, it was focused on whether there was a change between the average incomes of 2008-2009 and 2009-2010 seasons. A normality test was made for income items, and Wilcoxon test was applied due to the fact that data did not demonstrate a normal distribution. As a result of the test, it was found that there was not a meaningful difference between the average incomes of 2008-2009 and 2009-2010 seasons. On the other side of the study, it was examined whether there was a change between TFF's average expenditures of 2008-2009 and 2009-2010 seasons. The same normality test was also made for expenditure items, and paired t test was applied due to the fact that data demonstrated a normal distribution. As a result of the test, it was found that there was not a meaningful difference between the average expenditures of 2008-2009 and 2009-2010 seasons. In the final part of the study, it was examined whether there was a change between the average incomes of the four major Turkish clubs in the 2010-2011 football season. Several income items were used as data for that purpose. A normality test was applied for the income items, and it was found that data did not demonstrate a normal distribution. In that case, Kruskal-Wallis test was applied to determine whether there was a change between the average incomes of the four major Turkish clubs in the 2010-2011 football season, and a graphical demonstration was presented for income levels.

Key Words: Football, Football Federation, Team, Income, Expenditure

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INTRODUCTION AND OBJECTIVE

With its rules, economy, culture, national and international cups, visual and aesthetical pleasure, struggle, transfers and excitement, football achieve to bring together tens of thousands to stadiums and billions of people on radio and television (Orta, 2008). Football is also considered as a sociological phenomenon for its feature of reflecting the community (Akaya, 2008).

As in many world countries, the most popular sports branch is football in Turkey, as well. Football activities carried out by sports clubs that are usually organized as associations creates a great economy in Turkey as in other countries (Devecioğlu, S., Çoban, B. 2003). With the fast monetization and commercialization of football, an economy reaching hundreds of billion dollars emerged. Distribution and sharing of the incomes from football also determines competitive powers of the clubs (Akşar, 2010). The universal and unbalanced development dynamics of football make its local problems universal (Akşar and Merih, 2006). Prominent clubs of commercializing and ever industrializing Europe seek to have a structuring for the purpose of outpointing its competitors in economic matters and to increase their incomes (Akşar, 2008a).

While football evolves from being a sport into industry, sports clubs are also seen as an economic organization. This evolvement and development process is seen in the marketing of football byproducts, football-media relations as well as in the profile of fans and football stars (İnan, 2007). Today, football is subject to free market norms and rules as all commercial sectors around the world. A sports club that cannot perform the Financial Fair Play rules both in management and economic way will have difficulty in surviving within the football world. In this context, sports clubs are liable to conduct modern methods of entrepreneurship that will bring success and fulfill the requirements of organizational management (Katırcı&Uztuğ, 2009).

Turkish football has experienced remarkable improvements in sports success with the autonomous management model, and substantial improvements were achieved through legal regulations in the administrative structure of football (Devecioğlu, 2003). In order to have a place in this evolving football sector, sports clubs should catch up with economic structuring and have a structure to follow closely financial movements (Devecioğlu&Çoban, 2003).

The greatest source of income for football clubs in Turkey are live broadcast incomes supplied from broadcasting agency. Considering that Turkish clubs are not satisfactory enough from other income items, the importance of broadcast income from the “pool bidding” becomes more clear (Arik, 2008). Since football is now a product bringing huge amounts of income, the issue of broadcasting matches creates a problem for our country as well as other countries in the world (Demir, 1998). Ticket prices, combined card prices, merchandising and the fees of football players all determine the balance of supply-demand, which is one of the fundamental principles of football economy (Doğru, 2010).

Spor Toto Super League follows, in terms of incomes, the five major European league (England, Germany, Spain, Italy, France), followed by Russia and the Netherlands. The Russia

League gaining an income of 614 million Euros was followed by the Super League with an income of 515 million Euros in 2010-2011 season (Deloitte, 2012).

Turkish Football Federation (TFF) is the agency that has all the legal and managerial power for the management, inspection, organization and arrangement of football in our country (Akşar, 2008b). Subject to the Law on Turkish Football Federation Foundation and Tasks no. 5894, the following items generate the incomes:

- a) 15% of the name right granted to clubs for football mutual and fixed odds betting.
- b) Application fees and punishments.
- c) 10% of the incomes of the clubs gained from competition broadcastings via television, radio, internet and all kinds of devices etc. as well as all contracts they will sign with media organs.
- ç) Incomes gained from sponsorship contracts signed by TFF
- d) Net amount after deductions of the incomes gained from official and private national competitions, and incomes gained from their broadcasting via television, radio, internet and all kinds of devices etc.
- e) Incomes gained from registration, visa, transfer, dues, and football players affiliated to TFF and such incomes from the clubs.
- f) Property incomes, incomes gained from the transfer, assignment, sale and rent of property values.
- g) Incomes gained from all kinds of incentives and corporations to be founded or partnered by TFF.
- ğ) Interest incomes.
- h) Grants and benefits.
- ı) Other incomes.

As per Article 9 of the Law no. 5894, below are the expenditures of TFF:

According to the five year-budget basis of TFF, it prepares its own budget and incurs all necessary costs and expenditures within the framework of TFF Status in order to perform the tasks assigned to it under the Law.

Financial situation and profit/loss calculations are inspected every year by an independent audit institution having experience in international audit in sports sector, and audit reports

are declared publicly following tested by the General Council. All other incomes of TFF are exempted from all kinds of taxes, duties and charges. (TFF Law No. 5894, 2009)

In our study, it will be examined whether there was a change between TFF's average incomes and expenditures of 2008-2009 and 2009-2010 football seasons. Also, in the final part of the study, it will be analyzed whether there was a change between the average incomes of the four major Turkish clubs in the 2010-2011 football season.

METHODOLOGY

In this study, average comparison tests were applied to determine the financial structure. Thus, firstly, it was analyzed whether data demonstrates a normal distribution or not. Appropriate average comparison test will be selected according to the suitability for the normal distribution of data. Parametric tests will be applied for the data demonstrating a normal distribution, and nonparametric tests for the data not demonstrating a normal distribution.

Certain income and expenditure items of TFF in 2008-2009 and 2009-2010 football seasons were used as data. A normality test was made for income items, and Wilcoxon test was applied due to the fact that data did not demonstrate a normal distribution. On the other side of the study, it was examined whether there was a change between TFF's average expenditures of 2008-2009 and 2009-2010 seasons. The same normality test was also made for expenditure items, and paired t-test was applied due to the fact that data demonstrated a normal distribution. The main reason for using paired t-test was to make measurement on the same variables and make assessment on two groups. In the final part of the study, averages of several income items of the four major Turkish clubs in the 2010-2011 football season were used as data. A normality test was applied for the income items of the four major Turkish clubs, and it was found that data did not demonstrate a normal distribution. In that case, Kruskal-Wallis test was applied to examine differences between the averages.

FINDINGS

While Table. 1 shows the income items for TFF in 2008-2009 and 2009-2010 football seasons, Table.2 shows the expenditure items (TFF; 2009, 2010a, 2010b).

Table. 1: TFF Incomes Between 1 June 2008 – 31 May 2010

Income Items	1 June 2008 - 31 May 2009	1 June 2009 - 31 May 2010
Education Incomes	1.801.455	2.737.611
National Team Incomes	18.112.973	6.207.618
Professional Football Incomes	83.706.366	74.584.963
Amateur Football Incomes	7.540.488	9.230.523
UEFA and FIFA Incomes	6.593.803	6.656.681

Sponsorship Incomes	28.049.499	41.916.075
Current Incomes	12.900.701	4.890.331
Other Extraordinary Incomes and Profits	0	50.250
Total of Incomes	158.705.285	146.274.052

Table. 2: TFF Expenditures Between 1 June 2008 – 31 May 2010

Expenditure Items	1 June 2008 – 31 May 2009	1 June 2009 – 31 May 2010
Education Expenditures	9.160.834	8.436.579
National Team Expenditures	46.265.441	34.003.411
Professional Football Expenditures	26.973.957	48.400.325
Amateur Football Expenditures,	15.547.838	21.529.730
UEFA and FIFA Expenditures	5.201.018	1.383.947
Expenditures Set Forth in the Law	11.776.313	14.090.969
R&D and Project Expenditures	2.641.741	11.444.307
Current Expenditures	34.404.280	31.648.507
Other Ordinary Expenditures	1.294.655	1.827.077
Total of Expenditures	153.266.077	172.764.852

Table. 3: Beşiktaş, Fenerbahçe, Galatasaray and Trabzonspor Incomes in 2010–2011

Income Items	Galatasaray	Fenerbahçe	Beşiktaş	Trabzonspor
Match Day Incomes	17.333.714	41.783.280	22.103.734	7.093.481
Broadcast Incomes	43.426.159	41.214.684	55.692.265	83.964.647
Commercial Incomes	69.774.881	98.239.719	41.296.349	14.319.251
Financial Incomes	4.358.722	7.745.898	21.662.137	17.559.267

ANALYSIS FOR TFF INCOME ITEMS

It will be examined whether there was a change between TFF's incomes of 2008-2009 and 2009-2010 seasons. For that purpose, following income items will be used as observation values:

- Education Incomes
- National Team Incomes
- Professional Football Incomes
- Amateur Football Incomes
- UEFA and FIFA Incomes

- Sponsorship Incomes
- Current Incomes

Firstly, it will be analyzed whether TFF's income items of 2008-2009 and 2009-2010 seasons demonstrate a normal distribution or not.

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Incomes 2008-2009	,282	7	,099	,727	7	,007
Incomes 2009-2010	,380	7	,003	,713	7	,005

a. Lilliefors Significance Correction

Normality test results can be seen in the Table above. The number of observations is lower than 50 for the income items of 2008-2009 and 2009-2010 seasons, and therefore, Shapiro-Wilk test is applied. According to test results, it was found that within the country, meaningfulness value for the incomes of 2008-2009 season is $0,007 < 0,05$, and for the incomes of 2009–2010 is $0,005 < 0,05$. So, it is the case that both variables do not demonstrate a normal distribution at a significance level of 5%.

WILCOXON TEST

Incomes of 2008–2009 and 2009–2010 seasons do not demonstrate a normal distribution. Therefore, Wilcoxon test will be applied to test whether there is a difference between TFF's incomes of 2008-2009 and 2009-2010 seasons. The test is used as a nonparametric alternative method to the dependent sampling t-test.

Test Statistics^b

	Incomes 2009–2010 - Incomes 2008–2009
Z	-,169 ^a
Asymp. Sig. (2-tailed)	,866

a. Based on positive ranks.

b. Wilcoxon Signed Ranks Test

Wilcoxon test result can be seen in the Table above. According to it, Z score obtained got the test statistics was calculated as -0,169, and the meaningfulness value as 0,866>0,05. According to the meaningfulness value, no meaningful difference was found between the average incomes of 2008-2009 and 2009-2010 seasons at a significance level of 5%.

Ranks

	N	Mean Rank	Sum of Ranks
Incomes 2009-2010 Incomes 2008-2009			
Negative Ranks	3 ^a	5,00	15,00
Positive Ranks	4 ^b	3,25	13,00
Ties	0 ^c		
Total	7		

a. Incomes 2009-2010 < Incomes 2008-2009

b. Incomes 2009-2010 > Incomes 2008-2009

c. Incomes 2009-2010 = Incomes 2008-2009

The order totals and order averages of the income items of 2008-2009 and 2009-2010 seasons can be seen in the Table above. According to it, when we look at the order averages, it was calculated as 5 for 2008-2009 season and 3,25 for 2009-2010 season. In conclusion, this difference is not statistically meaningful.

According to those results, no meaningful difference was found between the average incomes of 2008-2009 and 2009-2010 seasons.

ANALYSIS FOR TFF EXPENDITURE ITEMS

It will be examined whether there was a change between TFF's expenditures of 2008-2009 and 2009-2010 seasons. For that purpose, following expenditure items will be used as observation values:

- Education Expenditures
- National Team Expenditures
- Professional Football Expenditures
- Amateur Football Expenditures
- UEFA and FIFA Expenditures
- Expenditures set forth in the Law
- R&D and project Expenditures
- Other Ordinary Expenditures

Firstly, it will be analyzed whether the expenditure items of 2008-2009 and 2009-2010 seasons demonstrate a normal distribution or not.

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Expenditures 2008-2009	,214	8	,200 [*]	,913	8	,374
Expenditures 2009-2010	,179	8	,200 [*]	,957	8	,777

a. Lilliefors Significance Correction

*. This is a lower bound of the true significance.

Normality test results can be seen in the Table above. The number of observations is lower than 50 for the expenditure items of 2008-2009 and 2009-2010 seasons, and therefore, Shapiro-Wilk test is applied. According to test results, it was found that within the country, meaningfulness value for the expenditures of 2008-2009 season is $0,374 > 0,05$, and for the expenditures of 2009–2010 is $0,777 < 0,05$. So, it is the case that both variables demonstrate a normal distribution at a significance level of 5%.

DEPENDENT SAMPLING T-TEST

Expenditures of 2008-2009 and 2009-2010 seasons demonstrate a normal distribution. Therefore, the dependent sampling t-test will be applied to test whether there is a difference between TFF's expenditures of 2008-2009 and 2009-2010 seasons.

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Expenditures 2008-2009	1.90E7	8	1.541E7	5.450E6
	Expenditures 2009-2010	2.14E7	8	1.565E7	5.533E6

Error values for average and standard deviation from descriptive statistics are presented in the Table above.

Paired Samples Test

	Paired Differences				t	df	Sig. (2-tailed)
			95% Confidence Interval of the Difference				
Mean	Std. Deviation	Lower	Upper				
Expenditures 2008-2009 - Expenditures 2009-2010	-2.371E+06	1.004E+07	-1.077E+07	6.024E+06	-.668	7	.526

Dependent sampling t-test results can be seen in the Table above. Double-sided credit margins, t statistics and meaningfulness value of the t statistics are demonstrated at a significance level of 5% for the difference between averages, standard deviation of the differences and average differences. According to it, the meaningfulness value obtained for test statistics was calculated as $0,526 > 0,05$. According to the meaningfulness value, no meaningful difference was found between the average expenditures of 2008-2009 and 2009-2010 seasons at a significance level of 5%.

ANALYSIS OF THE INCOMES OF FOUR MAJOR CLUBS

It will be examined whether there was a change between the incomes of the four major clubs in 2010-2011 season. For that purpose, following income items will be used as observation values:

- Match Day Incomes
- Broadcast Incomes
- Commercial Incomes
- Financial Incomes

Firstly, it will be analyzed whether the incomes of the four major clubs in 2010-2011 season demonstrate a normal distribution or not.

Tests of Normality

		Kolmogorov-Smirnov ^a			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
Income	Galatasaray	,214	4	.	,963	4	,795
	Fenerbahçe	,308	4	.	,918	4	,525
	Beşiktaş	,287	4	.	,870	4	,298
	Trabzonspor	,394	4	.	,743	4	,033

Tests of Normality

Club	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Income Galatasaray	,214	4	.	,963	4	,795
Fenerbahçe	,308	4	.	,918	4	,525
Beşiktaş	,287	4	.	,870	4	,298
Trabzonspor	,394	4	.	,743	4	,033

a. Lilliefors Significance Correction

Normality test results can be seen in the Table above. The number of observations is lower than 50 for the incomes of the four major clubs in 2010-2011 season, and therefore, Shapiro-Wilk test is applied. According to test results, meaningfulness value for Trabzonspor was calculated as $0,033 < 0,05$. The meaningfulness value for the other major clubs was calculated as higher than 0,05. So, it is the case that the incomes of Trabzonspor do not demonstrate a normal distribution at a significance level of 5%.

KRUSKAL-WALLIS TEST

Since the data do not demonstrate a normal distribution, Kruskal-Wallis test was applied to compare the incomes of the four major clubs.

Ranks

Club	N	Mean Rank
Income Galatasaray	4	8,00
Fenerbahçe	4	9,75
Beşiktaş	4	9,50
Trabzonspor	4	6,75
Total	16	

Order averages for the incomes of the four major clubs can be seen in the Table above.

Test Statistics^{a,b}

	Income
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Chi-Square	1,037
df	3
Asymp. Sig.	,792

a. Kruskal Wallis Test

b. Grouping Variable: Club

Kruskal-Wallis test results can be seen in the Table above. According to test results, qui-square test statistics was calculated as 1,037 and meaningfulness value of the test statistics as 0,792. According to it, no meaningful difference was found between the average incomes of the four major clubs at a significance level of 5%.

Average incomes of the four major clubs for four income items can be seen in the Table above. According to the graphic, although there is no quantitative difference between the incomes of the clubs, this difference is not statistically meaningful.

CONCLUSION AND ASSESSMENT

In this study, it was focused on the incomes and expenditures of Turkish Football Federation (TFF) as well as sports clubs called four majors in Turkish public, and the financial structure of TFF as well as Beşiktaş, Fenerbahçe, Galatasaray and Trabzonspor was analyzed.

Certain income and expenditure items of 2008-2009 and 2009-2010 football seasons were used as data for TFF. Firstly, it was focused on whether there was a change between the average incomes of 2008-2009 and 2009-2010 seasons. A normality test was made for income items, and Wilcoxon test was applied due to the fact that data did not demonstrate a normal distribution. As a result of the test, it was found that there was not a meaningful difference between the average incomes of 2008-2009 and 2009-2010 seasons. In that case, it can be concluded that there is no meaningful improvement in TFF income and that the income situation follows a stable course.

On the other side of the study, it was examined whether there was a change between TFF's average expenditures of 2008-2009 and 2009-2010 seasons. The same normality test was also made for expenditure items, and paired t-test was applied due to the fact that data demonstrated a normal distribution. As a result of the test, it was found that there was not a meaningful difference between the average expenditures of 2008-2009 and 2009-2010 seasons. Thus, it can be said that there is no meaningful increase in the expenditure level of TFF.

In the final part of the study, it was examined whether there was a change between the average incomes of the four major Turkish clubs in the 2010-2011 football season. Several income items were used as data for that purpose. A normality test was applied for the income items, and it was found that data did not demonstrate a normal distribution. In that case, Kruskal-Wallis test was applied to determine whether there was a change between the average incomes of the four major Turkish clubs in the 2010-2011 football season. As a result of the Kruskal-Wallis test, no difference was found between the average incomes of the four major clubs in 2010-2011 season. Also, a graphical demonstration was presented for income levels. Considering the graphic, numerical differences can be seen between the income levels of the four major clubs, but these differences are not statistically meaningful. In this case, it can be concluded that the four major clubs are, on average, at the same income level for 2010-2011 season.

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