

Athletic Club: Socio-Economic Impact

2018–19 Season

July 2020



*Document
prepared for:*



Contents

Executive Summary	3
1. Introduction	12
2. Social impact	16
3. Economic impact	41
3.1. Impact on economic activity	43
3.2. Impact on employment	52
3.3. Impact on tax revenue	59
Appendix A. References	63
Appendix B. Input-Output Methodology	65

Contents

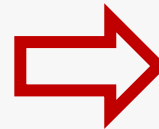
Executive summary	3
1. Introduction	12
2. Social impact	16
3. Economic impact	41
3.1. Impact on economic activity	43
3.2. Impact on employment	52
3.3. Impact on tax revenue	59
Appendix A. References	63
Appendix B. Input-Output Methodology	65

One of the chief pillars of Athletic Club's management model is its firm commitment to developing and training talented young players from a very early age ...



28,061

men's football licences supported through partnership agreements in the Basque Country.



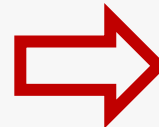
45.33%

of all men's football licences in the Basque Country.



36

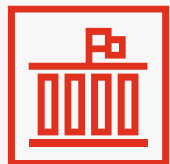
women's clubs with partnership agreements with Athletic Club



Equivalent to

39.6%

of all women's football licences in Biscay



39%

of all college-age players attend university



Higher than the net average of

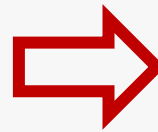
36.1%

university attendance in the Basque Autonomous Community

...creating a unique philosophy that has made it a benchmark for other teams and gained it the unconditional support of its members and fans...



465
fan clubs

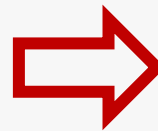


4th

most fan clubs in LaLiga



44,560
members

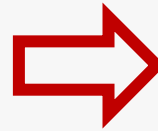


5th

most season ticket holders in
LaLiga



200
visits from other clubs in
2019



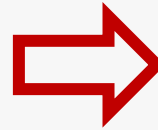
2 times
the total number of major-league
teams (Spain, England, Italy,
Germany and France)

... through a project fostering equal opportunities through youth employment, the promotion of women's football and the presence of women on its governing bodies...



100%

of the women's team are
paid over standard labour
agreement rates



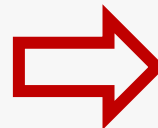
53%

higher than the minimum wage
established in the agreement



x6

number of under-30s
hired
(2017 – 2019)



43%

are paid above
the average Spanish wage for
that age group



23.5%

of women on the Board of
Directors



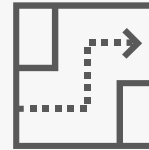
2.4 times

the average female
representation on LaLiga
governing bodies

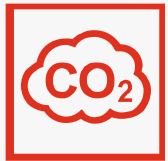
... and a commitment to sustainable development, as illustrated by having the first football stadium in Europe to receive the LEED certification.



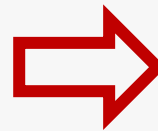
17
Electric cars



85,000
km/year covered by its
sustainable fleet



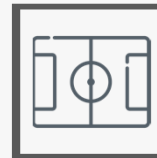
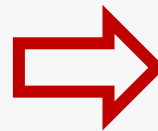
12,000
kg of carbon emissions
avoided thanks to its
sustainable fleet



Equivalent to nearly
€800,000
in social costs¹



LEED
San Mamés stadium has
this sustainability
certificate



1st
stadium in Europe to obtain the
LEED certification

PwC ¹ The social cost of carbon (SCC) is defined as the estimated monetary value of the harm caused by carbon emissions. The 2019 SCC has been calculated using a PwC meta-analysis of the ten most recent and relevant peer-reviewed studies on the social cost of carbon.

Moreover, through Fundazioa, Athletic Club is working to improve social cohesion, impacting over 74,000 people through 13,440 hours of volunteer work



13,440
hours of volunteer work



5,808
direct users of Fundazioa

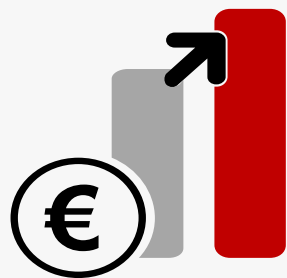


€4.4m
Fundazioa's budget

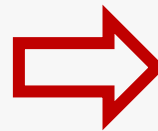


74,543
indirect users of Fundazioa

In the 2018–19 season, the Club's activities helped generate €465m in economic activity, 2,821 jobs and €103m in tax revenue for Biscay...



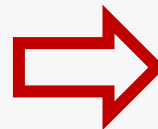
€465.9m
produced



Equivalent to
1.2%
of Biscay's GDP



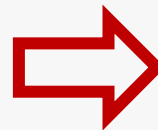
2,821
jobs



0.5%
of Biscay's workforce

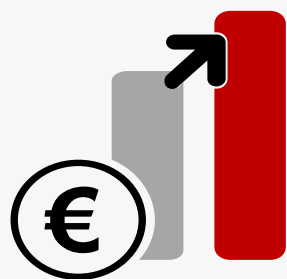


€103.2m
in tax revenue

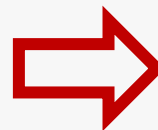


97.6%
of the Biscay Provincial Council's
budget for Industry, Energy, New
Technologies, Agriculture,
Farming and Fishing

...more than €570m in economic activity, 3,700 jobs and €115m in tax revenue in the Southern Basque Country¹...



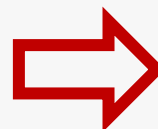
€570.3m
produced



Equivalent to
0.58%
of the GDP of the Southern
Basque Country



3,711
jobs



0.27%
of the workforce of the
Southern Basque Country



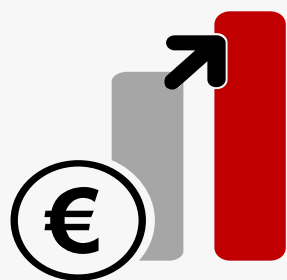
€115.3m
in tax revenue



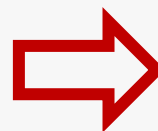
8 times
the combined sports budgets of
the Basque and Navarre
Governments

¹ Gipuzkoa, Biscay, Araba and Navarre

...and more than €750m in economic activity and nearly 5,500 jobs in Spain as a whole



€750.4m
produced



Equivalent to
0.06%
of the Spanish GDP



5,493
jobs



0.03%
of the Spanish workforce

Contents

Executive Summary	3
1. Introduction	12
2. Social impact	16
3. Economic impact	41
3.1. Impact on economic activity	43
3.2. Impact on employment	52
3.3. Impact on tax revenue	59
Appendix A. References	63
Appendix B. Input-Output Methodology	65

Athletic Club:

A driving force for the economic and social development of the Basque Country

Much more than Bilbao...

Athletic Club and its supporters have a strong social and cultural commitment to the Basque Country as a whole, extending beyond the city of Bilbao and the province of Biscay.

Under its unique recruitment policy, it welcomes players who have either trained in its own academy or other Basque clubs, or who were born in the Basque Country (encompassing Biscay, Gipuzkoa, Araba, Navarre, Labourd, Soule and Lower Navarre).

Due to its sporting excellence, the club also plays in the top tier of the Spanish professional football league, generating an additional social and economic benefit that extends to the rest of Spain via its supporters and fan clubs and through the business and employment Athletic Club generates for the wider area.

...and much more than football

But Athletic Club is much more than just a football club. In the social arena, the club and its supporters defend values such as loyalty, respect, commitment and fair play, which the organisation further promotes through its educational activities. It is also concerned about equal opportunities, diversity and the environment, putting this philosophy into practice both within the club and throughout Basque society through Fundazioa.

Economically, the Club not only generates the necessary income to finance its sporting and educational activities, but through its investments, employees and its policy of buying from local suppliers, also has an additional impact in other sectors (catering, commerce, the media, transport, etc.), which in turn helps maintain employment and tax revenue in Biscay and beyond.

The purpose of this report is to analyse and showcase Athletic Club's impact in both the social and economic spheres

1 Social impact

Sports training

Training of the club's youth talent and fostering of values among young people

Equality and diversity

Development of women's football and promotion of gender equality among staff

Labour development

Youth employment

Environment

Sustainability of the club's activities

Fundazioa activities

Promotion of cultural, social, sporting and environmental improvements in the Basque Country.

The Club



**Athletic Club, its supporters
and Fundazioa activities**

2 Economic impact

Impact on economic activity

Economic activity generated by the club (direct), its suppliers (indirect), dependent industries (economic driver) and employees (induced).

Impact on employment

Jobs created in all sectors of the economy due to the impact on economic activity.

Impact on tax revenue

Tax revenue for provincial tax offices due to the economic activity stemming from its direct, indirect, economic driver and induced impacts.

This study covers the activities of both the Club itself and Fundazioa during the 2018–2019 season in Biscay, the Southern Basque Country and Spain as a whole



Corporate scope

In corporate terms, the study encompasses both **Athletic Club** and its foundation, **Athletic Club Fundazioa**.



Timescale

The analysis focuses on **the 2018–19 season** (June 2018 – July 2019).



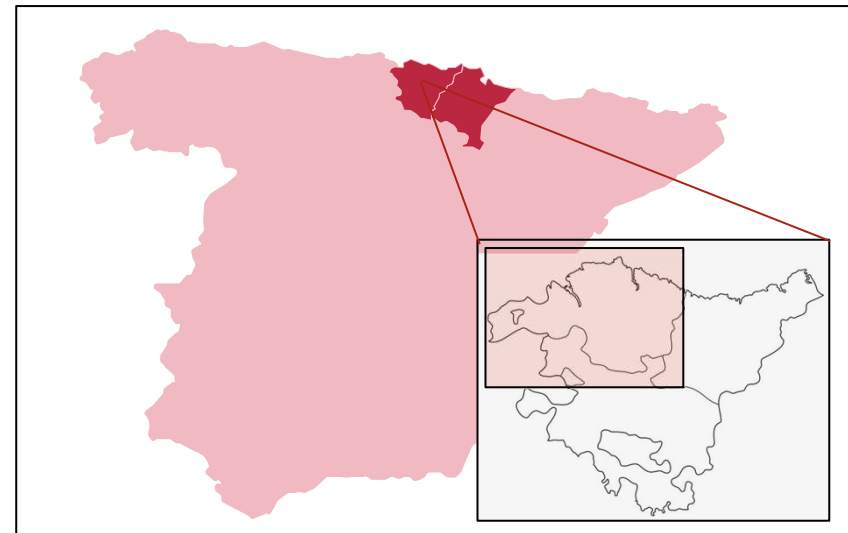
Information sources

A range of public and private sources were used (see Appendix A). These include the **Club's annual accounts for the last financial year** and a **PwC survey** of football-related consumer purchasing.



Geographical scope

Measurements and assessments apply to the province of **Biscay, the Southern Basque Country and Spain**.



Contents

Executive Summary	3
1. Introduction	12
2. Social impact	16
3. Economic impact	41
3.1. Impact on economic activity	43
3.2. Impact on employment	52
3.3. Impact on tax revenue	59
Appendix A. References	63
Appendix B. Input-Output Methodology	65

Athletic Club has a unique model for managing its players, enabling it to have a major impact on society...



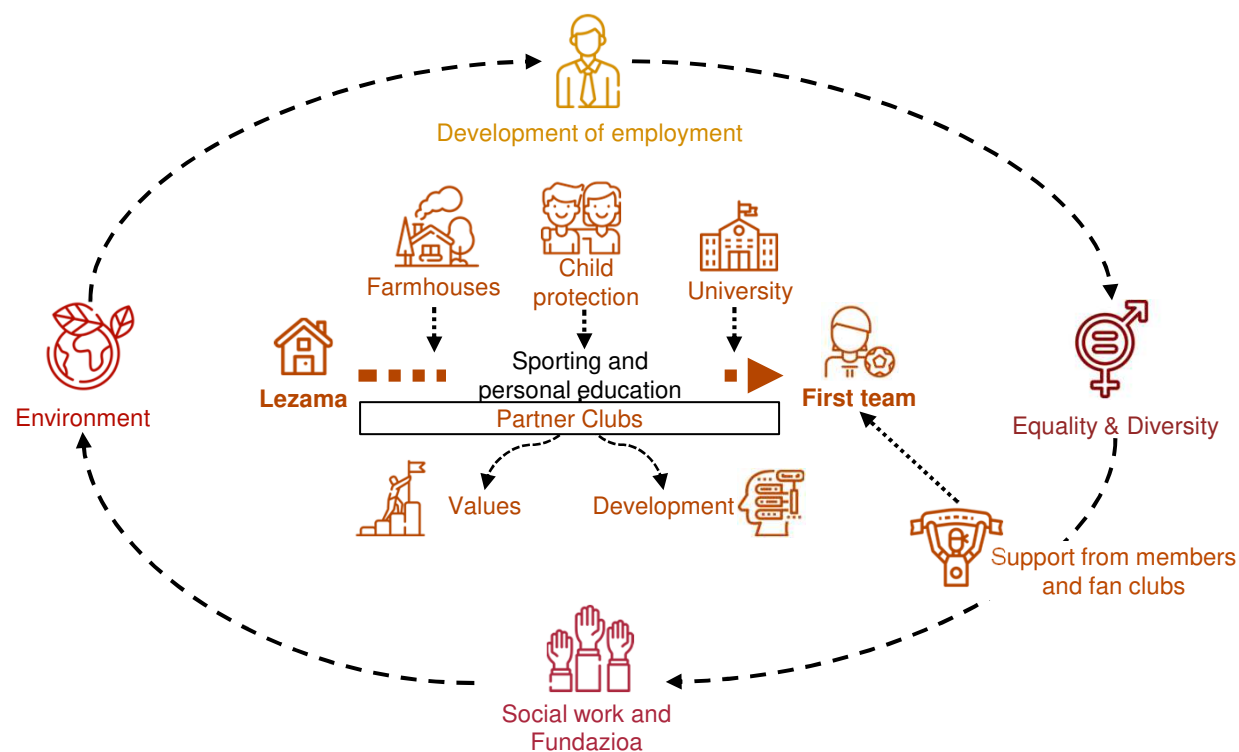
ATHLETIC CLUB

Athletic Club's **training and education model** seeks to impact individuals from an early age, starting with the time spent in Lezama staying in farmhouses (*baserris*) and halls of residence, where they receive a **comprehensive personal, sporting and academic education** which culminates, in some cases, with them joining the Club's first team.

Throughout this process, the Club **provides support to players**, developing their skills in clubs with which it has **partnership agreements** (the 'partner clubs').

This model, combined with the Club's approach to its employees and local environment, has **attracted the interest of numerous other clubs** which have sought to learn from its **philosophy**. Athletic Club works actively to spread the knowledge it has acquired over decades of educational tradition.

None of this would have been possible without the **support of the members and fan clubs** and without the Club's **responsible management of labour matters** and equal opportunities...and, of course, without the social outreach work performed by Fundazioa.



...and to transmit a series of values through its activities and its employees

A unique club

As the **oldest club** currently playing in LaLiga, Athletic Club has a responsibility to transmit moral values of **Loyalty, Respect, Commitment, Responsibility and Fair Play**, as an example both to its players and employees and to the rest of society.

This responsibility applies to all levels of the players' activity, all the way from the Young Players' Academy in Lezama through to the first team, and extending as well to the Club's employees and Fundazioa itself.

Athletic Club fosters a **sense of pride in these values** and strives to turn its players and supporters into standard-bearers of what it means to form part of this organisation.

Loyalty

We must be proud of what and who we are. It is important to defend and value the group of which you form part.



Respect

In our work, we must be polite and respectful to others. This includes both our colleagues and other people around us.



Responsibility

We must be inclusive and positive in our approach, aware that our actions have consequences.



Commitment

Football can serve as a foundation for developing other qualities, such as the importance of making an effort in all areas of life.



Fair play

It is important to comply with the established rules. We must behave appropriately when carrying out any activity.

This work begins at a very early stage at the centre in Lezama where...

Lezama is one of the **pillars on which Athletic Club is based**. The Club has spent many years adapting and working to offer the best possible (educational and mental) training to the young players who attend this facility.

Aware of its responsibility to care for these young people in every way, the Club has drawn up **a quality manual** which applies to the different departments.

Athletic Club looks after every detail of its young players' adaptation and development. Particularly important, for example, is the mentored three-person accommodation for young players in farmhouses in Lezama, **which helps them integrate gradually into the community**.



Accommodation facilities

Annual spending on these facilities comes to over **€550,000 — the equivalent of renting 63 homes in Bilbao for a year**.

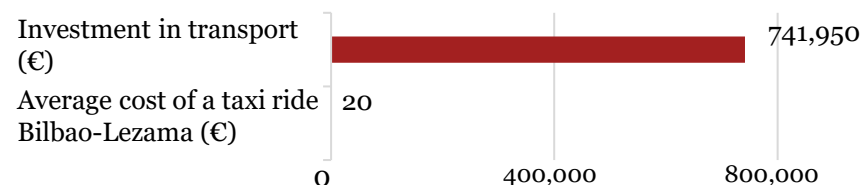
Source: Statistics of the Rental Market (2018), PwC, Athletic Club analysis (2019)



Transport

Athletic Club provides its young players, free of charge, with the means of transport they need to travel to the facilities (including several shifts of buses per training session and taxi rides). During the 2019–20 season, this involved an outlay of nearly **€750,000**. This amount is equivalent to **37,500 trips** by taxi from the city of Bilbao to the facilities in Lezama or **195 trips per player per year**.

Comparison of spending on transport



Source: National Institute of Statistics (2018), PwC, Athletic Club analysis (2019)



Academic education

During the 2019–20 season, Athletic Club invested more than **€133,000 in school and university education** for its players. This corresponds to **24 scholarships for players to attend school and 39 scholarships for players to attend university**.

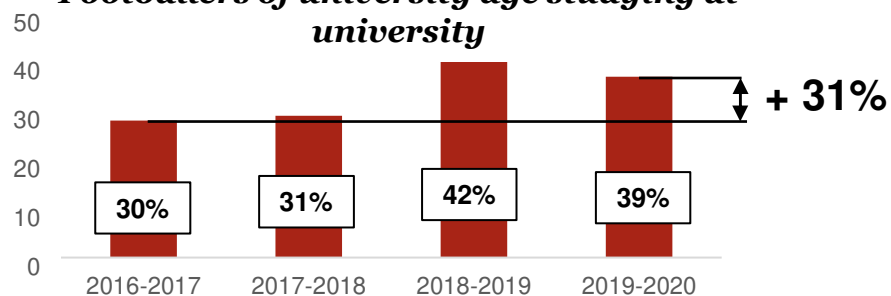
Source: National Institute of Statistics (2018), PwC, Athletic Club analysis (2019)

... and not only seeks to provide young players with a sports education, but also to instill a series of values...

The **percentage of college-age players who attend university** has increased by 31% in the last 3 years

↑ **31%**

Footballers of university age studying at university

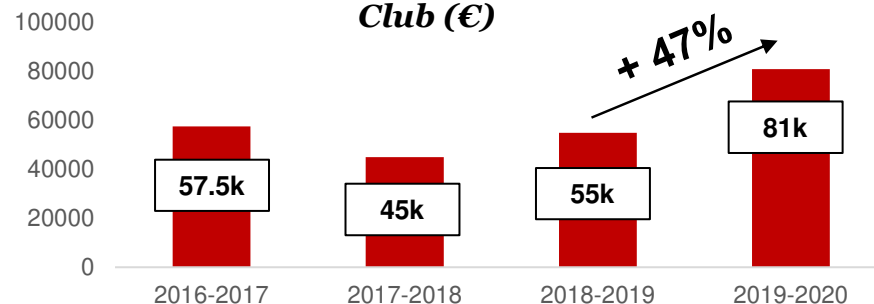


Source: PwC, Athletic Club analysis (2019)

The amount allocated to the Club's **scholarships for school attendance** among players rose by 47% in the last season (2018–19 vs 2019–20).

47%

School scholarships awarded by the Club (€)



Source: PwC, Athletic Club analysis (2019)

Athletic Club fosters education for young people, driving home the message that a good student makes a better sportsman. Players therefore **receive 20 hours per week of school support**. Residents at the facilities also receive special attention through **weekly 3-hour meetings** with their **schools and tutors** to ensure continuous monitoring of their grades.

Moreover, the Club, through Fundazioa, offers **former Lezama players** the opportunity of receiving a **university scholarship**, as a reward for successfully balancing their academic and sporting education during their time at Athletic Club.

Source: Athletic Club (2019)



... providing tools that foster the integration and development of young people at all levels

The club believes that a player who is committed to society will also be committed to his or her team. It has therefore replaced some of the weekly training sessions with **education in other key subjects (an average of 50 talks per year)**, focusing on issues such as diversity, cyberbullying, proper use of social media, environment and psycho-nutrition, for which the Club has **60 educators**.

It also caters to the players' psychological development. At an **individual level**, around **10 or 15 informal actions** are organised **per day** (in addition to the lessons learned on the playing field). **At a group level**, a further **70 sessions are organised each year**, focusing on key skills (motivation, leadership, social cohesion, communication, etc.).

To supervise the players' development, **talks are also held with managers and coaching staff from all stages**, with an **average of 70-75 meetings per season**.



Athletic Club organises **more than 3,000 informal actions per year related to psychological counselling for its players.**

The players' protection and wellbeing is assured throughout the training process...

As an organisation that is aware of the importance of its players' protection and development, and as a **pioneering club in Spain**, Athletic Club has a **dedicated child protection section and officer**.

A range of measures have been taken in this area, including: publication of a **Child Protection Declaration and Policy**, an **adapted Code of Conduct**, protocols of action for coaches and employees interacting with minors, specific training and a mechanism for reporting incidents (among other actions).

Athletic Club also **shares its knowledge in this area** at **specific forums and talks**, **awareness and training campaigns** for Biscay society, **events and forums** on the prevention of violence in sport in our society, as well as through its **collaboration with public bodies and institutions**.



Athletic Club has invested over €72,000 in child protection for its players ...

Source: PwC, Athletic Club analysis (2019)



... equivalent to an investment of over **€190 per player** in Lezama¹.

... or over **€1.200 per trainer** in Lezama.

Source: PwC, Athletic Club analysis (2019)



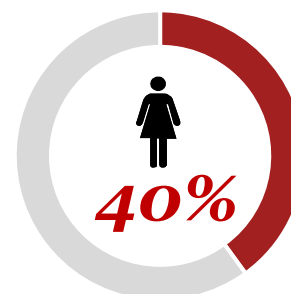
... helping Athletic Club to maintain a close and fluid relationship with a large number of partner clubs...

In implementing its philosophy, Athletic Club receives essential support through **its agreements with partner clubs**.

Athletic Club currently has agreements in place with a **total of 155 men's clubs**. This is equivalent to supporting **more than 45% of the men's football licences** in the Basque Autonomous Community—in absolute terms, **over 28,000 licences**. Including the licences supported by the club in Navarre, the figure stands at over 29,000 licences.

It also has partnership agreements with **36 women's clubs**, the equivalent of **supporting more than 500 women's football licences** in Biscay.

Furthermore, Athletic Club **invests in training the members of its partner clubs** (training camps, training pills and subsidised courses for sports instructors, among other aspects), for which it has **6 schools distributed throughout the Southern Basque Country**.



In the 2019–20 season, **2 out of every 5 women's football player memberships** in Biscay were subsidised by Athletic Club through its partner clubs.

Source: PwC, Athletic Club analysis (2019), Sports Statistics Yearbook (2019)

... to which it provides support and the best resources for player development, thereby building...

With the ultimate aim of encouraging the training and development of footballers during their initial stages, Athletic Club **strives to provide its partner clubs with the best possible human, material, methodological and medical resources.**

It therefore has a management and training team comprising 50 **staff members working with partner clubs. As a result, 100% of these clubs have received at least one visit per year from Athletic Club staff over the last 3 years.**

These efforts by Athletic Club to retain close ties with its partner clubs are reflected in the fact that **over 60% of these clubs have asked it to take charge of one or more of the training sessions they offer.** Of the areas in which the Club offers its support to partner clubs, of particular importance is child protection — particularly advice and mentoring in possible future situations.



....an educational and training model that is the envy of many football clubs.

The Athletic Club education and **training model** is seen as a **benchmark** by many clubs.

Many have expressed an interest in the model and have asked to visit Athletic Club or arrange talks on their philosophy and working methodology.

In the 2019–20 season¹, **more than 200 teams visited Athletic Club's facilities** to acquire new knowledge.



Visits by coaching staff

100

Throughout the 2019–20 season¹, we received over **100 visits from coaching staff from other football clubs**, 20% of which were related to the women's team.



Other visits

As well as visits for training purposes, Athletic Club receives an average of **over 600 visits per year from other groups** (parents, school teachers, the media, federations, etc.).

Source: PwC, Athletic Club analysis (2019)



Athletic Club also encourages gender diversity and was a pioneer in creating a women's team...

Athletic Club has had a **women's team playing in the Liga Iberdrola since the 2002-03 season**, making it one of the first clubs to create a top-tier women's team in Spain.

The Club has also brought the women's team into all levels of management, and **37% of the players in the women's first team in 2019** trained at Lezama before they were 16.

53%

The **average payment** received by Athletic Club women's players is 53% higher than the wage established in the first **Collective Labour Agreement for Women's Football**.



The Club is strongly committed to women's football and **consistently supported the signing of the Women's Football Collective Labour Agreement, fulfilling the conditions of the agreement even before it was enacted.**



As a result of its commitment to women's football, the team now boasts **more titles** in the Spanish Women's First Division than any other team.

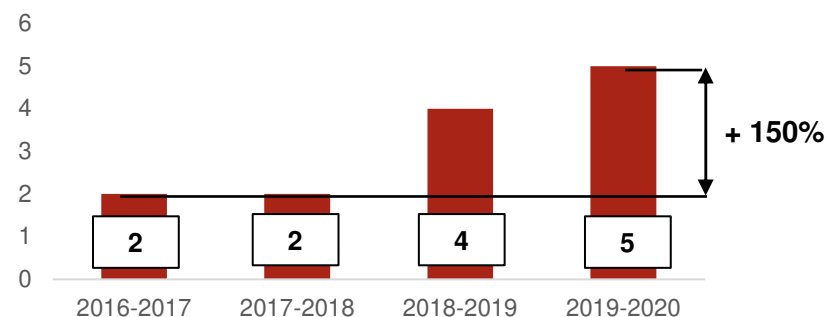
Source: Primera Iberdrola (2020)

150%

The number of **Athletic Club women's teams** has grown by 150% since 2016/2017.

Source: PwC, Athletic Club analysis (2019)

Number of Athletic Club women's teams



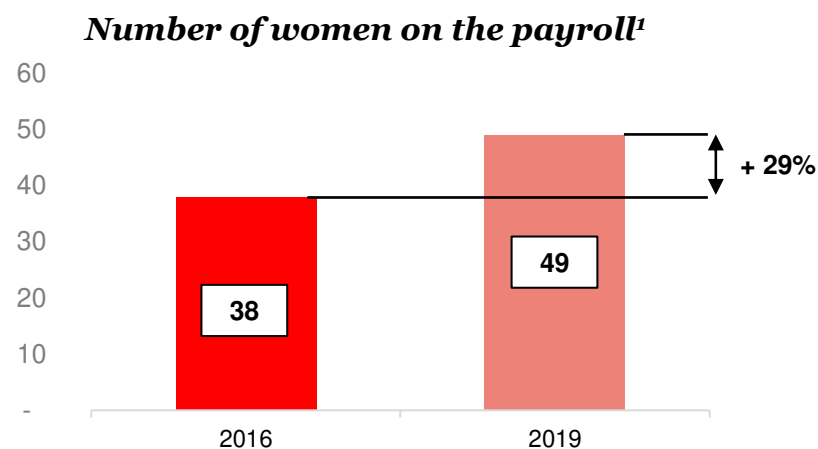
...as well as in promoting the presence of women in the Club's governing bodies



Women on the payroll

In its commitment to women's employment, **Athletic Club** has increased the number of women on its staff¹ by nearly 30% over the last 3 years.

Source: Analysis: PwC, Athletic Club (2019)



Source: Athletic Club (2019)



Percentage of women in governing bodies

Athletic Club has **more than twice the number of women on its governing bodies than the LaLiga average**, and the **proportion is over 13% higher**.

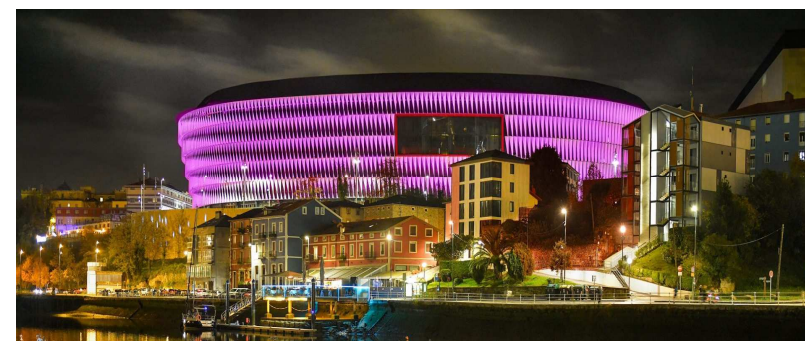


23.5 % women²



9.7 % women³

⁵ Source: PwC, Athletic Club analysis (2020), CCAA equipos de La Liga (2018/2019)



¹ Does not include players

² Percentage of women on the Board of Directors as of 25 March 2020.

³ Percentage of women on governing boards

⁴ 2018 figures

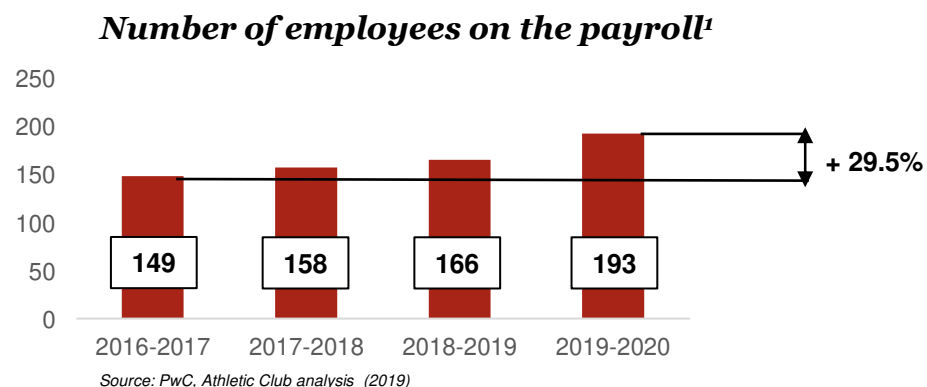
Furthermore, over the last 3 years, it has promoted job creation in general, increasing its workforce by nearly 30%...



Employees on the payroll

As part of its commitment to job creation in the Basque Autonomous Community, Athletic Club's workforce¹ has increased **by nearly 30%** over the last 3 years (2016 – 2019).

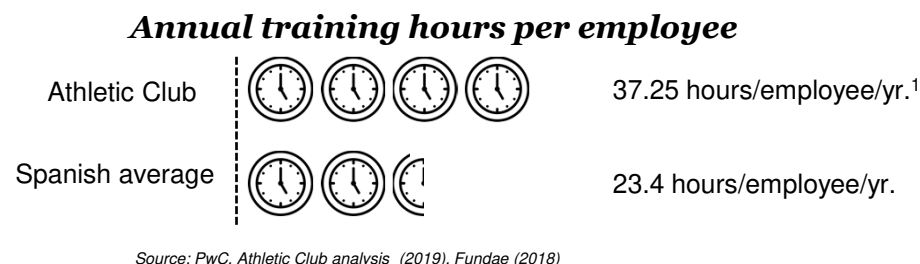
Source: PwC, Athletic Club analysis (2019)



Employee training

During the 2019–20 season, the average number of staff training hours¹ at Athletic Club was **60% higher than the Spanish mean.**

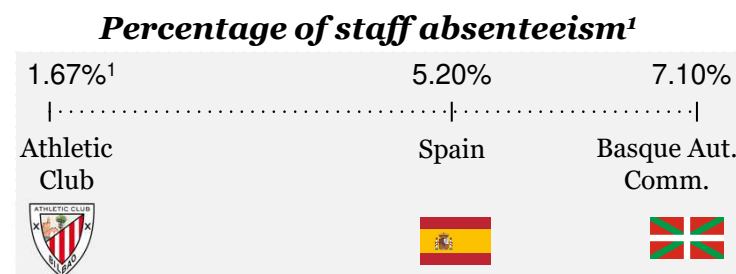
Source: PwC, Athletic Club Analysis (2019), Fundae (2018)



Employee absenteeism

Athletic Club has an employee absenteeism rate of **1.67%¹**, nearly **6% below the average for the Basque Autonomous Community.**

1. Employee figures, excluding players



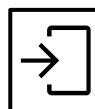
... and strengthening its commitment to youth employment, with a sixfold increase in the number of new staff aged under 30 hired in 2017–2019 ...



Youth employment

Athletic Club promotes job opportunities for under-35s, with **18%¹** of its staff being in this age group in the 2019–20 season.

Source: PwC, Athletic Club analysis (2019)



New staff hirings

As part of its commitment to creating youth employment, and within the context of **an unemployment rate of over 25% among under-25s in the Basque Autonomous Community**, Athletic Club has **increased the number of under-30s hired¹ in the last two years (2017-2019) by a factor of six.**

Source: PwC, Athletic Club analysis (2019), National Institute of Statistics (2019)



Average salary

The club's commitment to its young employees is reflected in the figures for the 2019–20 season, when the salary of employees aged under 30 was **43% higher than the Spanish average¹.**



Average salary of workers aged under 30 at **Athletic Club¹**.



Average Spanish salary for workers aged 25–29.

Source: PwC, Athletic Club analysis (2019), Spanish National Institute of Statistics (2016)



¹. Employee figures, excluding players

... maintaining at all times the foundation on which the Club's success is based: the support of its season ticket holders and fan clubs

Through its fan clubs, the members of which are extremely diverse, Athletic Club promotes a high degree of **social cohesion**, spearheading the Club's expansion and providing members with a **collective identity** that shares the values of the organisation. Athletic Club has 465 fan clubs, placing it **fourth amongst LaLiga teams**.

Source: Athletic Club (2019)

Number of fan clubs per team in 2019



Source: AFEPE (2020), Athletic Club (2019)

Season ticket holders per team (2019-20 season)



² Each shield represents 10,000 season ticket holders

Source: Palco23 (2020)

Athletic Club enjoys the backing of a unique group of people, who help generate a **feeling of belonging and encourage social integration**. It has the **fifth largest number of season ticket holders of any team in LaLiga** with a total of 44,560 members in the 2019-2020 season.

The number of events organised by fan clubs and attended by the Club increased by 60% last year (2018-2019).

The Club is firmly committed to the digital transformation and to improving the experience of season ticket holders. To this end, it has developed a digital application virtually simulating the membership card.

The app allows members to loan their seat to another person or to access the stadium even when they do not have their actual card with them.

During the 2019–20 season, the Club had **1,080 season ticket holders and 5,143 youth members** (under 28), equivalent to **13.3% of all members and season ticket holders**.

Attention to club members is of prime importance. As a result of this commitment, the Club has been awarded the **ISO 9001/2000 customer care certification**. In 2019, **98.5% of all queries received** were answered in **under 72 hours**.

⁴ Source: PwC, Athletic Club analysis (2019)

⁴ Source: PwC, Athletic Club analysis (2019)

At the same time, the Club has made a firm commitment to sustainability, and has the first football pitch in Europe to receive the LEED certification seal.

Athletic Club demonstrates its commitment to **sustainable mobility** through its 17 electric cars, each of which cover an estimated 5,000 km/year.



This is equivalent to a **total saving of over 12,000 kg of CO2 per year** in comparison with a diesel vehicle.

Source: PwC Analysis, Department for Environment, Food and Rural Affairs (2019), BMW (2019)

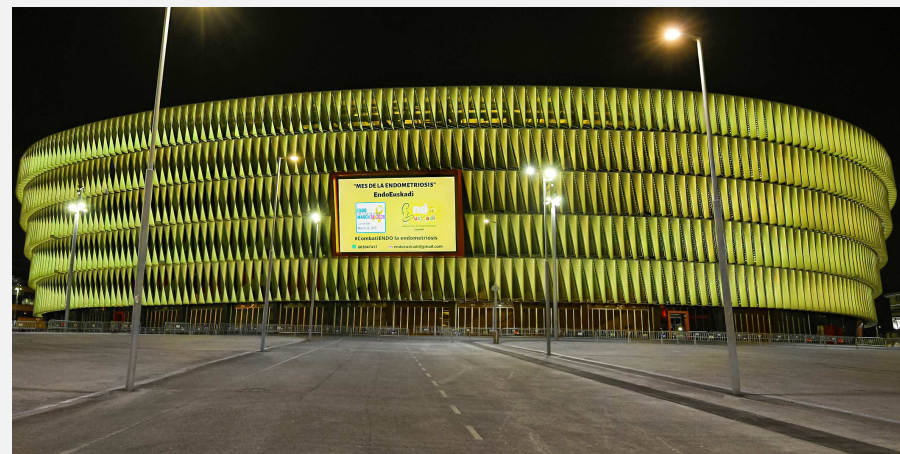
Source: BMW (2019), MITECO (2019)

Stadium and sustainable events



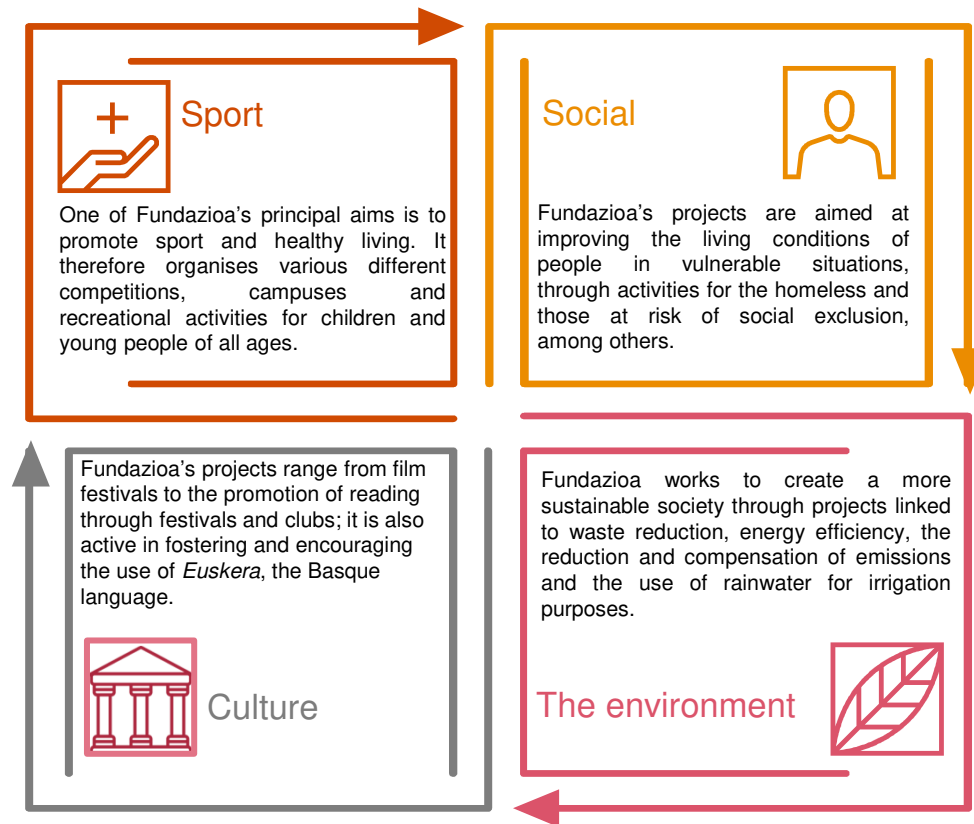
San Mamés is the **first football pitch in Europe** to receive the **LEED** (Leadership in Energy and Environmental Design) **certification**. As part of its **commitment to sustainability** and the holding of sustainable events, the Club continues to carry out different initiatives and has even managed to have **one of its matches certified as a sustainable event**. Also, during breaks, a **video is screened** showing the state the stadium is sometimes left in after a match, with the aim of raising **awareness among match-goers**.

Moreover, during the 2017-18 season, Athletic Club implemented the *Erronka Garbia* (Clean Challenge) methodology, designed to **minimise the negative environmental impacts of the large-scale events held in its stadium**. Thanks to this methodology, **Athletic Club has since received the Sustainable Event Certification for Matches**, becoming a leader and pioneer in this field.



Athletic Club also has *Fundazioa*, the foundation through which it channels its social initiatives...

Fundazioa's contribution to society



FUNDAZIOA

Set up in 2002, Athletic Club's *Fundazioa* foundation is its social outreach programme. It is designed to generate positive social impact through diverse projects targeted at a range of different beneficiaries.

Its main goal is to promote and foster sport and healthy living

...Benefiting a wide range of different users through a broad variety of projects supported by a large number of volunteers and organisations

5,808

Total number of people who benefit every year from Fundazioa projects involving sessions held at least once a week (direct users*)¹.

In 2020, Fundazioa had a budget of almost €4.4m for supporting and funding its diverse projects.

Source: PwC, Athletic Club analysis (2020)

Fundazioa carries out 13,440 hours of voluntary work every year....

Source: PwC, Athletic Club analysis (2020)



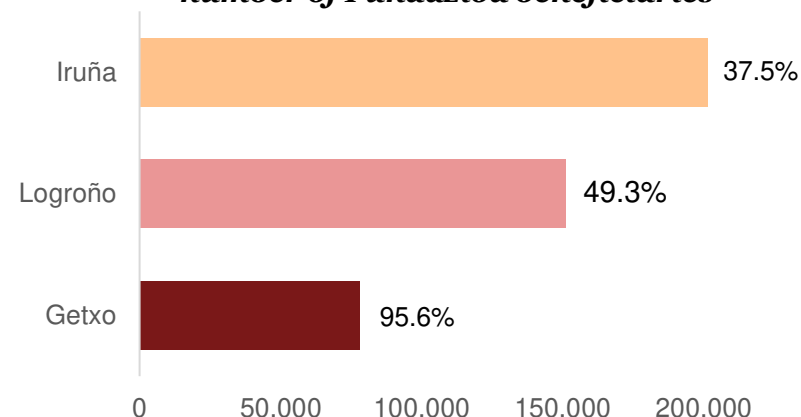
... Equivalent to almost 8 people working full-time for the space of one year¹.

Source: PwC, Athletic Club analysis (2020)

Almost 75,000 people benefit intermittently from the work carried out by Fundazioa or are relatives of direct users. These indirect users are equivalent to:*

Source: PwC, Athletic Club analysis (2020)

Percentage of the population equivalent to the number of Fundazioa beneficiaries



Source: PwC, Athletic Club analysis (2020)

This model helps foster the cultural elements inherent to the Basque Autonomous Community, as well as other aspects related to football...



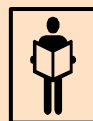
Thinking Football Film Festival

Fundazioa organises a film festival focusing on issues related to the social impact of football.



Arts and football

Fundazioa has a programme in which players from both first teams (men's and women's) collaborate to help foster reading by giving talks and joining in debates analysing different works.



Fostering the Basque language

Fundazioa has made a commitment to promote and use the Basque language by collaborating with and participating in projects which use Basque as their main language of communication.

FUNDAZIOA

Athletic Club's Fundazioa supports and carries out activities designed to promote the development of culture in the Basque Autonomous Community.



...and seeks to raise awareness among society of the importance of a healthy lifestyle, since this...

Healthy lifestyle

Fundazioa fosters healthy living (focusing on both physical and mental health) and promotes the transmission of values through the organisation of sporting events.

Beach football

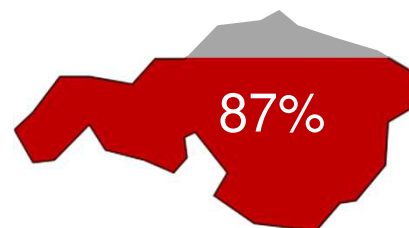
During the 2019-20 season, Fundazioa has once again started to organise beach football tournaments in Biscay. During previous years, over 400 people participated in these events.



This figure is equivalent to **organising 28 matches with 14 players each (7-a-side football)**.

Campus

Football campuses are run for young people in both summer and winter.



The 9,000 beneficiaries are equivalent to **87% of all the 12-year-olds** in Biscay.

Almost 9,000 people in total have benefited from the 18 campuses held.

Source: PwC, Athletic Club analysis (2020), Eustat (2019)



...also impacts mental health, generating a climate of inclusion and support for people in situations of vulnerability

Fundazioa runs 18 different projects designed to foster the **social integration** of people in situations of vulnerability and at risk of exclusion.

These projects aim to use football and its values to help a wide range of different groups, from **at-risk minors** to **adults in situations of vulnerability**, **people with intellectual disabilities** and those with **severe health issues**.

As well as collaborating with people from **the Basque Autonomous Community**, Fundazioa also has education and social inclusion projects based in **a number of developing countries**.

Participants acquire skills that are useful in the context of their specific situation and the projects are aimed at **fostering personal development**, **helping patients during convalescence** or **accompanying people involved in processes seeking to promote solidarity and empowerment**, among other goals.



And all this while at the same time supporting Basque society in its transition towards a more sustainable future



Athletic Club, 100% sustainable

In its roadmap, Athletic Club outlines various different strategies for minimising its environmental impact and optimising its energy efficiency and resource management.



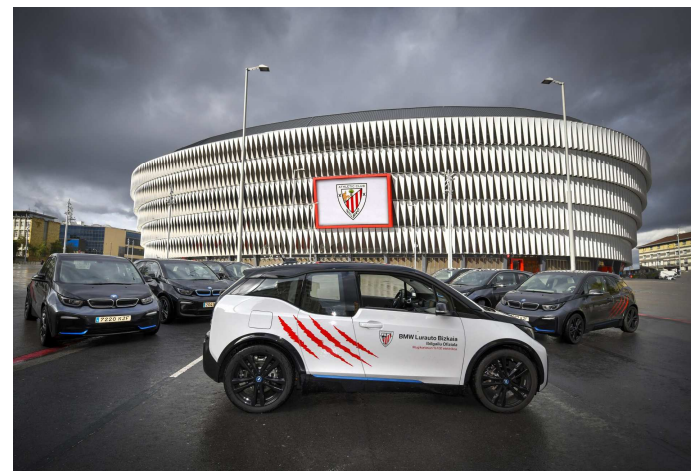
Sustainable mobility

Fundazioa works in several different areas to foster the development of a sustainable mobility model for all activities linked to the Club. Some of these measures involve decreasing the use of private vehicles and encouraging the use of non-polluting modes of transport.



Carbon offsetting

At the beginning of the 2019-20 season, Fundazioa set itself the challenge of offsetting all emissions generated by the movement of the different teams by engaging in reforestation initiatives.



Finally, it is important to highlight that football has a positive impact on health and subjective wellbeing...

Through its own activities season ticket holders, members, Fundazioa, etc.), Athletic Club works to promote the sport of football among Basque citizens, something which helps promote the subjective wellbeing of those who play it.

Through its various initiatives, Athletic Club promotes football in the Basque Autonomous Community, thereby helping to improve subjective wellbeing to the value of over €50m.

Source: PwC, Athletic Club analysis (2019)

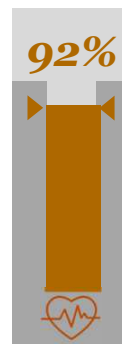
74%² of those surveyed said they played some kind of **sport**



73%² of those surveyed said they believed that **amateur football promotes** positive values

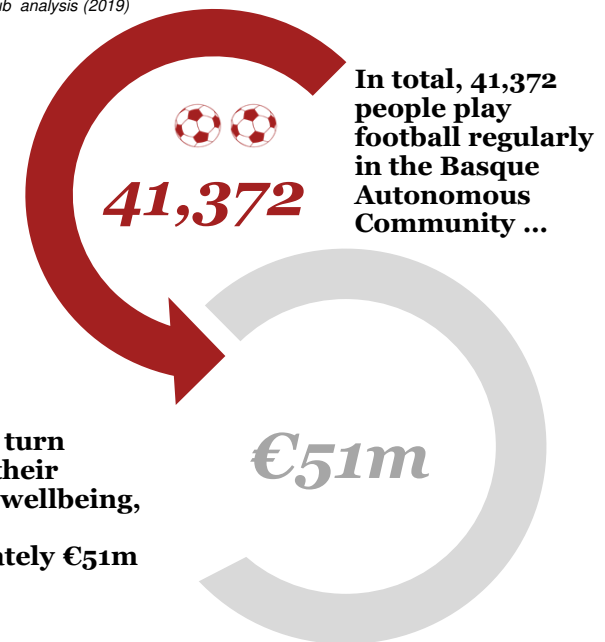


92%² of those surveyed said they thought football had a positive impact on **wellbeing and health**



² Source: PwC analysis within the framework of a study for the Professional Football League entitled 'The economic, fiscal and social impact of professional football in Spain' (2018).

PwC



...which in turn enhances their subjective wellbeing, valued at approximately €51m

Source: PwC analysis based on data provided by Athletic Club (2019) and Sheffield Hallam University (2016).



This is equivalent to over 5.5 times the **budget** earmarked for sport in the Basque Autonomous Community.

It is also equivalent to the **healthcare budget** for over **28,400 inhabitants** of the Basque Autonomous Community.



Source: Basque Country General Budget (2020)

...as well as generating other benefits in addition to those mentioned earlier...

In addition to those outlined in this study, a series of other benefits stemming from sport have also been identified:

Higher salaries

Studies have shown that adolescents who engage in some kind of physical sport or activity are more likely to enter higher education (e.g., go to university). Moreover, certain studies have found that physically-active people earn up to 5.2%¹ more than their sedentary counterparts.

Better social cohesion

According to studies, physical exercise fosters cooperation, social reciprocity and community spirit among those who engage in it. Thus, physically-active people are more likely to do voluntary work and to make donations to charity².

Reduced delinquency

Particularly among the youth population, physical activity fosters the development of skills, such as respect for established rules and limits and the individual will to overcome adversity and do better, that act as protective factors against possible delinquent behaviours. It also helps young people form and develop their personality.³

(1) Source: *Quantifying the Social Impacts of Culture and Sport*. Department for Culture, Media and Sport, UK (April 2014) and the University of the West of England (UWE) Business School (2015)

(2) Source: *A review of the Social Impacts of Culture and Sport*. CASE (March 2015). *Quantifying the Social Impacts of Culture and Sport*. Department for Culture, Media and Sport, UK (April 2014)

(3) Source: *A review of the Social Impacts of Culture and Sport*. CASE (March 2015).

...which in turn generates a feeling of belonging and a sense of family

Athletic Club and Fundazioa work hard to generate a community feeling and to promote key values that go beyond those usually associated with a football team.

Athletic Club also represents and fosters values such as **loyalty, commitment and respect**, which are the keys to the all-round development of everyone, not just footballers.

These values are reflected in the fact that it is currently the only elite football club in the world to function in accordance with a model based exclusively on players trained in the Young Players' Academy or born in the Basque Autonomous Community.

Its activities as a football team have a direct impact on the **employment and training** of many young people, as well as an indirect impact on the **health and psychological development** of many citizens, of all ages.

With its **35 projects**, Fundazioa has a major influence on the development of Basque society. With over **350 collaborative entities**, it operates in and has an impact on many different stakeholders from multiple sectors, generating a wide range of effects from enhancing social inclusion to boosting Basque culture.

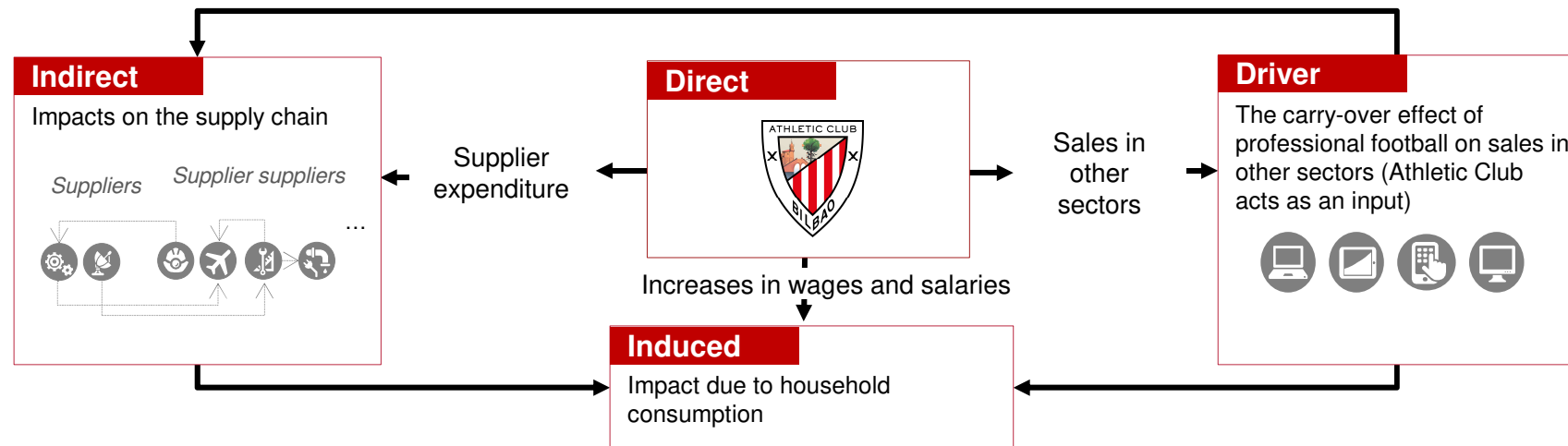


Contents

Executive summary	3
1. Introduction	12
2. Social impact	16
3. Economic impact	41
3.1. Impact on economic activity	43
3.2. Impact on employment	52
3.3. Impact on tax revenue	59
Appendix A. References	63
Appendix B. Input-Output Methodology	65

In addition to its social impact, Athletic Club and its fans generate a large amount of economic activity in the local area in terms of production, employment and tax revenue

The Club's economic impact



Economic activity (production)

The Club, its local suppliers, staff and other sectors which, in one way or another, use football as an input (the media, pay TV, etc.) together generate a large amount of economic activity in the local area.

Jobs (in absolute annual terms)

This additional activity generated by Athletic Club translates into an increase in the jobs provided by the local economy.

Tax revenue

Company profits, employee salaries and increased sales of final consumer products in turn increase the tax revenue of the Provincial Tax Offices.

Contents

Executive summary	3
1. Introduction	12
2. Social impact	16
3. Economic impact	41
3.1. Impact on economic activity	43
3.2. Impact on employment	52
3.3. Impact on tax revenue	59
Appendix A. References	63
Appendix B. Input-Output Methodology	65

During the 2018-19 season, Athletic Club had an impact of almost €466m on Biscay's economic activity, equivalent to €2.30 for every €1 generated directly

Impact in Biscay

The Club's total impact in Biscay totalled **€465.9m** (equivalent to **1.2% of the province's GDP**), with:



44.1% being **direct impacts** generated by the Club's economic activity.



27.6% being **economic driver impacts** stemming from the economic activity generated in other sectors in Biscay thanks to the Club's various activities.



14.8% being **indirect impacts** generated by suppliers from Biscay, from which the Club makes purchases and carries out investments.

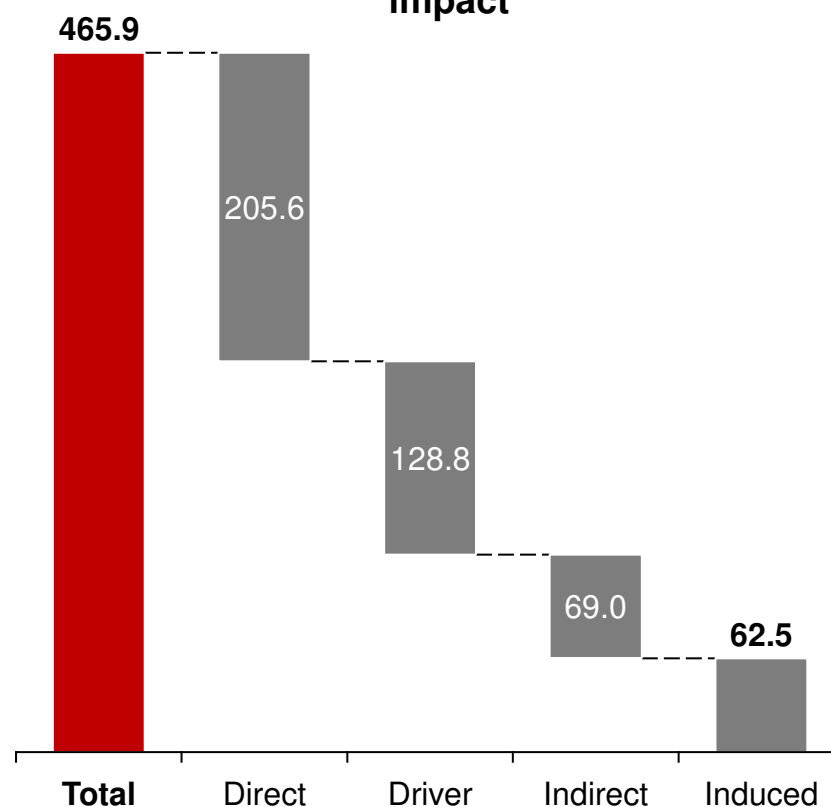


13.5% being **induced impacts** generated by consumption enabled by the jobs created by the Club's direct and indirect impacts.

Thanks to the **multiplier effect** of the Club's activities, **€2.30 of production is generated in Biscay** for every **€1 generated directly**.







Athletic Club's impact on production in Biscay during 2018-19 (in €m), by type of impact



Throughout the Southern Basque Country, Athletic Club contributes over €570m in production

Impact in the Southern Basque Country

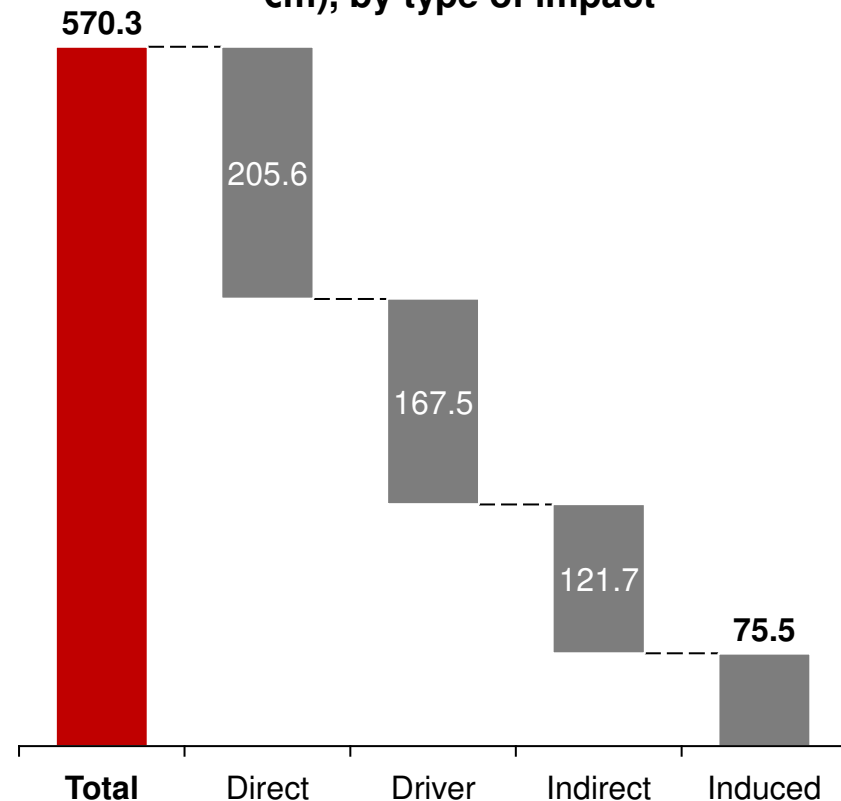
The Club's impact in the Southern Basque Country totalled **€570.3m** (equivalent to **0.58%** of the region's GDP), with:

	36.1% being direct impacts generated by the Club's economic activity.
	29.4% being economic driver impacts stemming from the economic activity generated in other sectors in the Southern Basque Country.
	21.3% being indirect impacts generated by suppliers from the Southern Basque Country (through purchases and investments).
	13.2% being induced impacts generated by consumption enabled by the jobs created by the Club's direct and indirect impacts.

Thanks to the **multiplier effect** of the Club's activities, **€2.8** of production is generated in the Southern Basque Country for every **€1** generated directly.



Athletic Club's impact on production in the Southern Basque Country during 2018-19 (in €m), by type of impact



The Club's economic contribution throughout the whole of Spain totalled more than €750m in production, equivalent to €3.70 of economic impact for every €1 spent

Impact in Spain

The Club's impact in Spain totalled **€750.4m** (equivalent to **0.06% of the national GDP**), with:



27.4% being **direct impacts** generated by the Club's economic activity.



27.5% being **economic driver impacts** stemming from the economic activity generated in other sectors in Spain thanks to the Club's various activities.



28.7% being **indirect impacts** generated by suppliers from Spain (through purchases and investments).

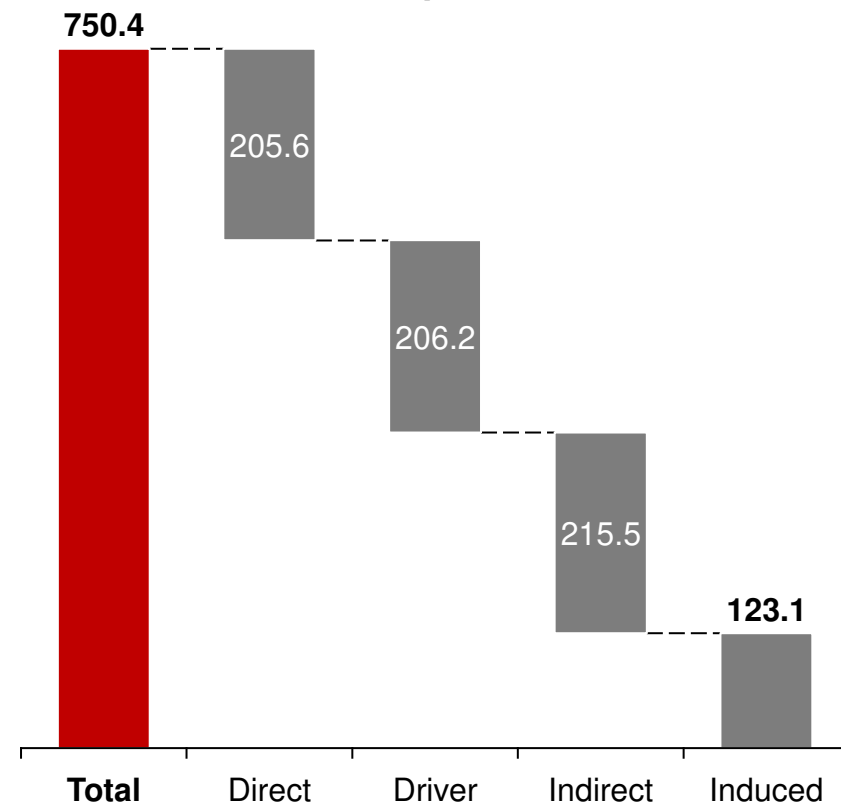


16.4% being **induced impacts** generated by consumption enabled by the jobs created by the Club's direct and indirect impacts.

Thanks to the **multiplier effect** of the Club's activities, **€3.70 of production is generated in Spain** for every **€1 generated directly**.








Athletic Club's impact on production in Spain during 2018-19 (in €m), by type of impact



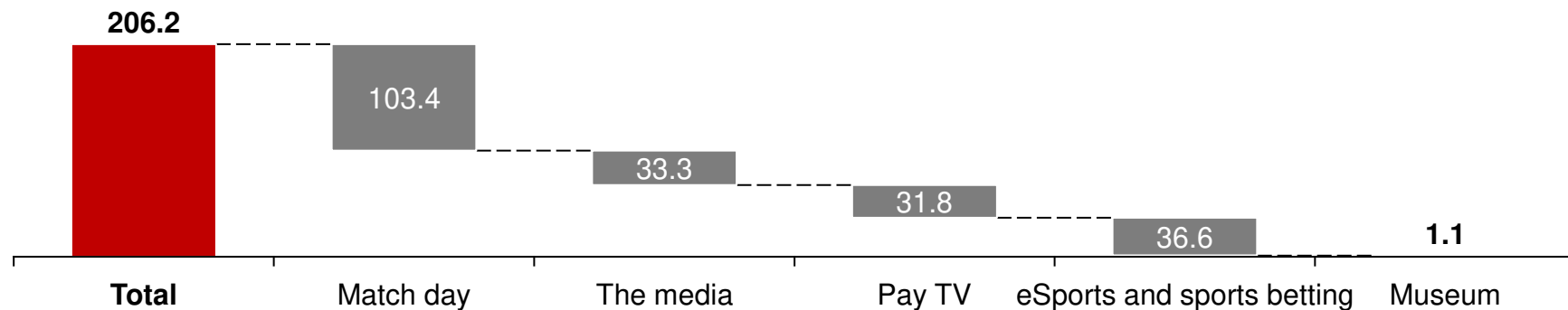
The economic impact generated by sectors which depend on the Club's activities ('economic driver impact') totalled over €206m of economic activity in Spain

Economic driver impact in Spain (see Appendix B)

During the 2018-19 season, the economic driver effect for the whole of Spain totalled €206.2m, with

 Match day 50.1% being generated by fans going to the stadium and to bars to watch Athletic Club matches	 The media 16.2% being generated by the sale of print media and advertising revenue linked to Athletic Club contents	 Pay TV 15.4% being generated by pay TV channels which include football contents attributable to Athletic Club	 eSports and sports betting 17.8% being generated by video game contents and sports betting attributable to the Club	 AC Museum 0.5% being generated by fans who visit the San Mamés Museum
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Athletic Club's impact on production in Spain (in €m), by type of economic driver impact



Source: PwC analysis

An important part of the economic driver impact in Biscay was generated by fans going to San Mamés and Lezama, who together generated almost €43m

Fans going to the stadium

During the 2018-19 season, the **San Mamés** stadium and the **Lezama** facilities attracted **941,938 fans**, both local and from further afield. While in Biscay, these fans **spent** money on **transport, merchandising products, food and drink and accommodation**, resulting in a total impact on the local economy of **€42.9m**.



Source: Athletic Club and PwC analysis.



Match attendance

San Mamés

 **908,911**
fans


Lezama

 **33,037**
fans




Consumption

€3.6m 
Accommodation

€14.6m 
Transport

€4m 
Merchandising

€20.7m 
Food and drink



Impact







€42.9 million in
production

San Mamés also hosted 142 sporting, social, commercial and professional events attended by over 130 thousand people, thereby generating additional impacts on the local economy

More than football in San Mamés

During the 2018-19 season, San Mamés, which has been dubbed the 'best sporting building in the world'¹, hosted a total of **142 commercial, sporting and social events and professional meetings**. During last season, the stadium received a total of **131,576 visitors**.

One of the largest and highest-profile events held in the stadium were the **MTV European Music Awards**, which attracted 35,000 people and had a **direct economic impact in Biscay of €46.8m²**. The **Bilbao Rugby Finals**, which were attended by almost 85,000 fans, had a **direct economic impact of €28.2m** in Biscay and of €37.6m in the Basque Autonomous Community in general³.

Activity	Num. Events	Attendees
 Sporting	3	84,853
 Social	43	41,810
 Professional	74	3,861
 Commercial	22	1,052



Impact



- *MTV Awards*
- *Bilbao Rugby Finals*

€75m
In Biscay



Source: Athletic Club and PwC analysis.

1) World Architecture Festival - Singapore 2015; 2) Bilbao City Council, Barakaldo Local Council and Biscay Provincial Council; 3) Bilbao City Council, Biscay Provincial Council and Basque Government

The Athletic Club Museum attracted almost 100 thousand visitors during last season, generating a total economic impact of over €1m

Visits to the Athletic Club Museum

During last season, the Athletic Club Museum, located in San Mamés, attracted **98,771 visitors**. These visitors, who came from both the local area and further afield, **also spent** on accommodation, transport and food and drink during their time in Biscay, generating an **economic impact of €1.1m**.



Source: Athletic Club and PwC analysis.



Visitors

AC Museum




98,771
visitors

- Biscay
- Rest of Spain
- Abroad




Consumption

€0.3m 
Accommodation

€0.1m 
Merchandising

€0.3m 
Transport

€0.3m 
Food and drink



Impact



€1.1 million in
production

The total impact of Athletic Club on the economy is very significant if we compare it with that of some other major economic sectors

The impact on production is equivalent to...

Impact in Biscay:
€465.9m



...**80%** of the cost of building the tunnel under the estuary linking **Getxo and Portugalete**

Impact in the Southern Basque Country: €570.3m

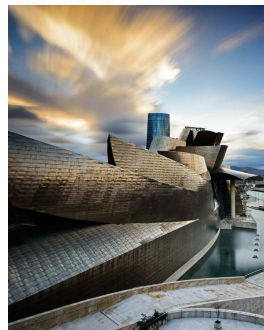


...**2.5 times** the amount spent by tourists in **Pamplona**

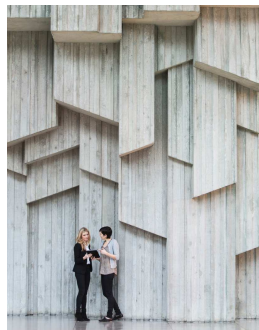
Impact in Spain:
€750.4m



...**4%** of the direct production of the sports industry in Spain



...**3.5 times** the cost of building the Bilbao **Guggenheim Museum**



...**30%** of the direct production of the entertainment industry in the Basque Autonomous Community



...**1.5%** of the direct production of the education industry in Spain

Source: PwC analysis based on information provided by Eustat, Nastat, the Biscay Provincial Council, the Pamplona Tourist Office and the Spanish National Institute of Statistics

Contents

Executive summary	3
1. Introduction	12
2. Social impact	16
3. Economic impact	41
3.1. Impact on economic activity	43
3.2. Impact on employment	52
3.3. Impact on tax revenue	59
Appendix A. References	63
Appendix B. Input-Output Methodology	65

Athletic Club helped generate over 2,800 jobs in Biscay during the 2018-19 season, creating 6.2 jobs for every person on its payroll

Employment in Biscay

The total impact of the Club comprised **2,821 jobs** in Biscay (**0.52% of the total**), with:



16.2% being **direct impacts** generated by those employed by the Club.



42.8% being **economic driver impacts** stemming from the economic activity generated in other sectors in Biscay thanks to the Club's various activities.



20.0% being **indirect impacts** generated by suppliers from Biscay, (through purchases and investments).

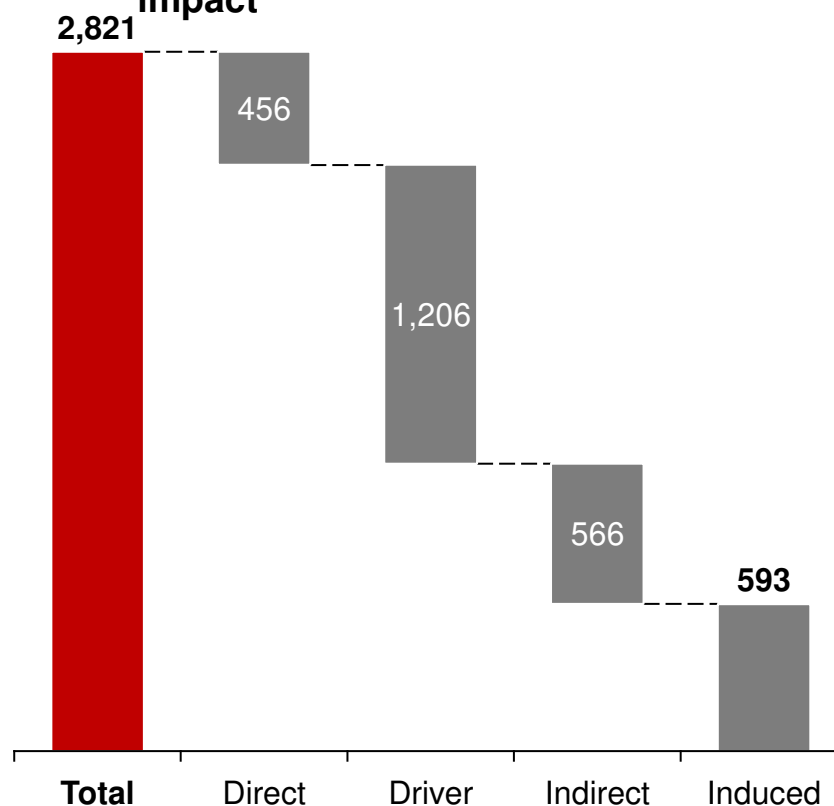


21.0% being **induced impacts** generated by consumption enabled by the jobs created by the Club's direct and indirect impacts.

Thanks to the **multiplier effect** of the Club's activities, **6.2 jobs are generated in Biscay** for every person employed by the Club.



Athletic Club's impact on employment in Biscay during 2018-19, by type of impact



During the 2018-19 season, the Club also helped generate more than 3,700 jobs throughout the whole of the Southern Basque Country

Employment in the Southern Basque Country

The total impact of the Club comprised **3,711 jobs** in the Southern Basque Country (**0.27% of the total**), with:



12.4% being **direct impacts** generated by those employed by the Club.



40.7% being **economic driver impacts** stemming from the economic activity generated in other sectors in the Southern Basque Country thanks to the Club's various activities.

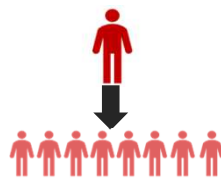


27.0% being **indirect impacts** generated by suppliers from the Southern Basque Country (through purchases and investments).

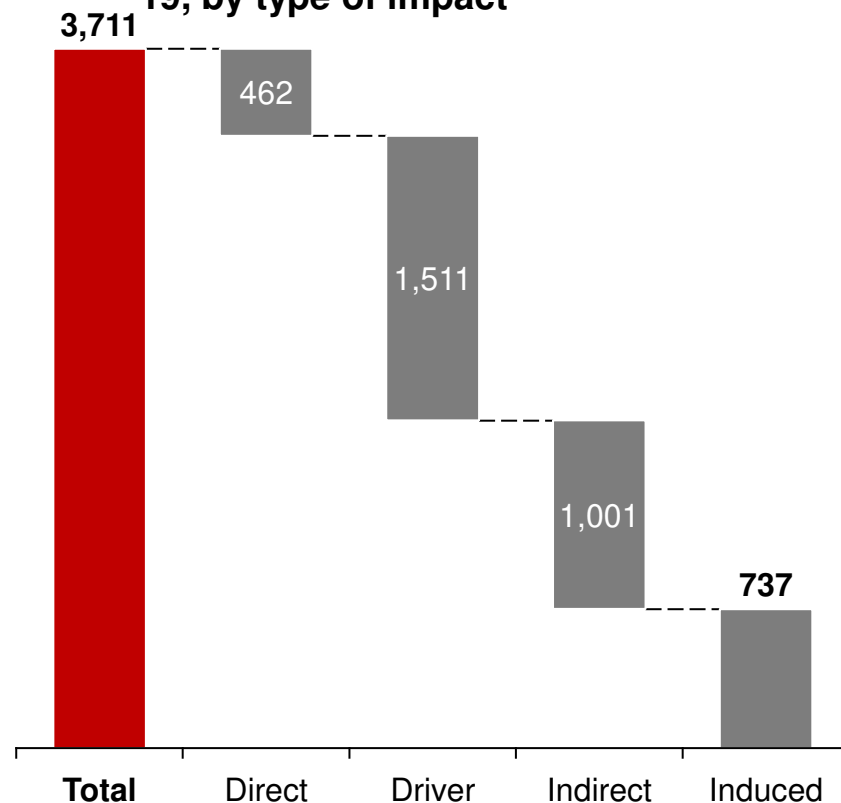


19.9% being **induced impacts** generated by consumption enabled by the jobs created by the Club's direct and indirect impacts.

Thanks to the **multiplier effect** of the Club's activities, **8 jobs are generated in the Southern Basque Country for every person employed by the Club.**



Athletic Club's impact on employment in the Southern Basque Country in 2018-19, by type of impact



Athletic Club's total impact on employment in Spain totalled nearly 5,500 jobs during last season, generating 12 jobs for every person on the Club's payroll

Employment in Spain

The total impact of the Club comprised **5,493 jobs** in Spain (**0.03% of the total**), with:



8.4% being **direct impacts** generated by those employed by the Club.



38.5% being **economic driver impacts** stemming from the economic activity generated in other sectors in Spain thanks to the Club's various activities.



33.1% being **indirect impacts** generated by suppliers from Spain (through purchases and investments).

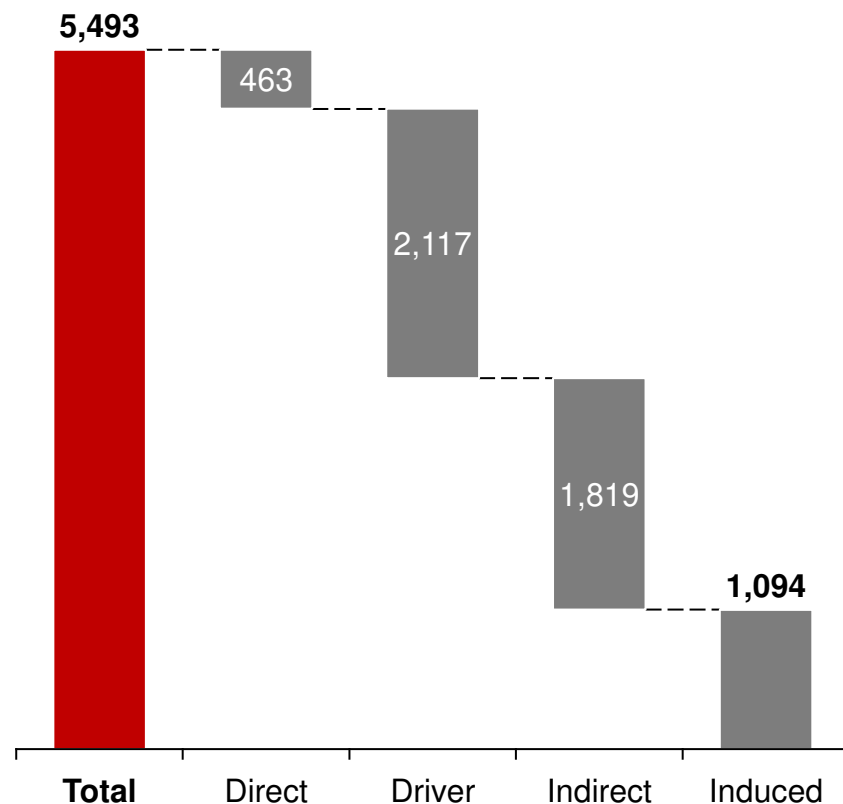


20.0% being **induced impacts** generated by consumption enabled by the jobs created by the Club's direct and indirect impacts.

Thanks to the **multiplier effect** of the Club's activities, **11.9 jobs are generated in Spain** for every person employed by the Club.



Athletic Club's impact on employment in Spain during 2018-19, by type of impact



A significant part of the economic driver impacts stem from the impact of fans going to San Mamés and Lezama to watch matches, which has generated 426 jobs

Employment created by fans going to the stadium

During the 2018-19 season, the **San Mamés** stadium and the **Lezama** facilities attracted **941,948 fans, both local and from further afield**. These fans spent a total of €42.9m in Biscay, mainly on **transport, merchandising, food and drink and accommodation**. This expenditure by fans helped create **426 jobs in Biscay**.



Source: Athletic Club and PwC analysis.

Visitors

San Mamés

 **908,911**
fans

Lezama

 **33,037**
fans

Consumption

€42.9 million in consumption

€3.6m  Accommodation
 €14.6m  Transport
 €4m  Merchandising
 €20.7m  Food and drink

Impact

 **426** Jobs

Athletic Club also had an impact through the players trained in its academy who end up playing in other professional teams in the Southern Basque Country

Contribution to the pool of young Basque players

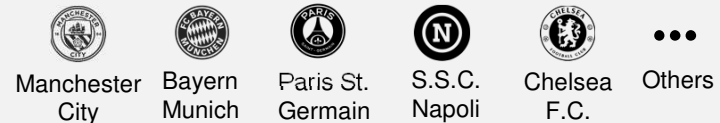
The **Athletic Club Young Players' Academy** also contributes to generating an **impact in the Southern Basque Country** through young players who have trained in it and end up playing in other professional teams. In specific terms, of the almost 40 players from the academy who are currently signed up to other **professional teams** in 10 different countries, **2** play for LaLiga teams in **Gipuzkoa** (S.D. Eibar and Real Sociedad) and **2** are in **Navarre** (C.A. Osasuna).



Source: Athletic Club and PwC analysis.

Players

39 players in top-tier teams



Countries

10 different countries

- Spain
- UK
- Italy
- France
- Germany
- Greece
- Israel
- Australia
- Poland
- Paraguay

Southern Basque Country



4 Players in teams from the Southern Basque Country

2 Gipuzkoa
2 Navarre

Athletic Club's total impact on employment is very significant if we compare it with that of some other major economic sectors

The impact on employment is equivalent to...

Impact in Biscay:
2,821 jobs

Impact in the Southern Basque
Country: 3,712 jobs

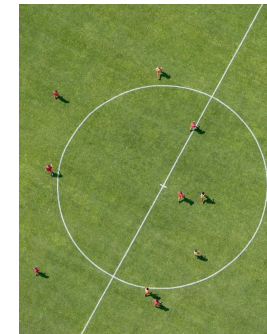
Impact in Spain:
5,494 jobs



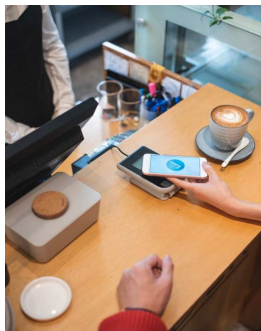
...**11%** of the
direct
employment
generated by the
**healthcare
industry in
Biscay**



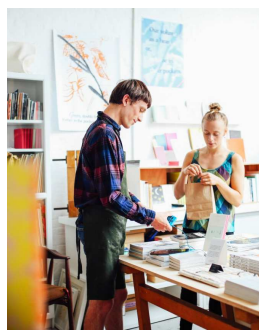
...**4%** of the
direct
employment
generated by
the **education
sector in the
Basque
Autonomous
Community**



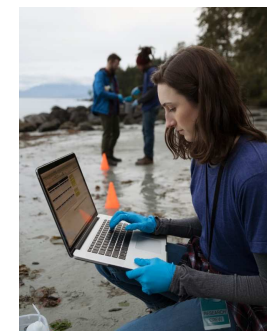
...**1.5%** of the
direct
employment
generated by the
**sports industry
in Spain**



...**9%** of the
direct impact on
employment of
the **hotel and
catering
industry in
Biscay**



...**15%** of the
direct
employment
generated by the
**cultural
activities
industry in
Navarre**



...**0.7%** of the
direct employment
generated by the
**social services
industry in Spain**

Source: PwC analysis, based on data from Eustat and Nastat.

Contents

Executive summary	3
1. Introduction	12
2. Social impact	16
3. Economic impact	41
3.1. Impact on economic activity	43
3.2. Impact on employment	52
3.3. Impact on tax revenue	59
Appendix A. References	63
Appendix B. Input-Output Methodology	65

The Club's activities in the Southern Basque Country contribute to revenues stemming from the taxes collected at both a provincial and local level



Athletic Club has helped increase tax revenue through its direct, indirect, economic driver and induced impacts on the provincial and local taxes levied by the Provincial Tax Offices of the Southern Basque Country.



Corporate tax

Stemming from **profits generated directly by the Club itself**, as well as from those generated by its **suppliers** and other industries which benefit from its economic driver, indirect and induced effects



Local taxes

Special taxes, levies and rates, such as property tax, tax on economic activities and tax on construction, installations and building works, paid directly by the Club



Personal income tax

Personal income tax levied as a result of the **salary-based income generated by the Club's direct, indirect, economic driver and induced impacts**



Value-added tax (VAT)

Value-added tax raised through the **Club's final sales, driver industries and the consumption enabled by the wages and salaries** generated by **direct, indirect, economic driver and induced impacts**

The economic activity generated by the Club resulted in over €115m in tax revenue in the Southern Basque Country during the 2018-19 season

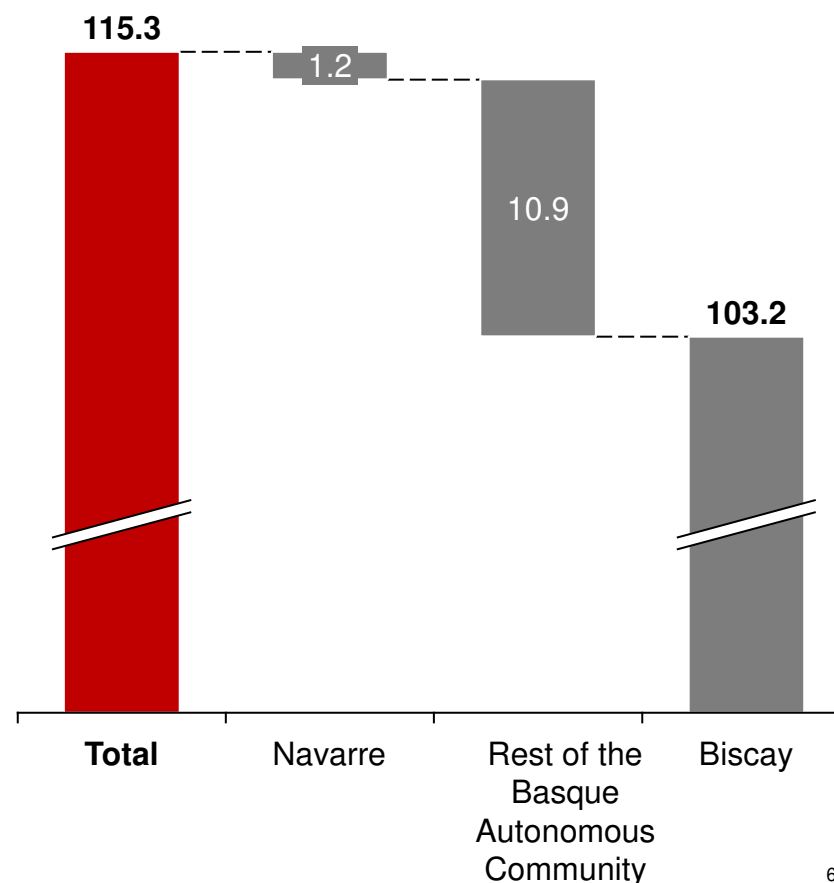
A stimulus for provincial tax revenue

Athletic Club's economic activities constitute an important stimulus for the Provincial Tax Offices in the Southern Basque Country, through **Corporate Tax, Personal Income Tax, VAT and local taxes**.

In specific terms, during the 2018-19 season, the Club contributed to the collection of **€103.2m** by the **Biscay Provincial Tax Office**. Since the impacts generated by the Club (direct, economic driver, indirect and induced) are mainly concentrated in the Biscay province, this sum accounts for **over 90% of the €114.1m collected by the three provincial tax offices of the Basque Autonomous Community as a result of the Club's activities**.

Furthermore, the Club's economic driver, indirect and induced impacts generated tax revenues of **€1.2m for the Navarre Tax Office**, bringing the total tax revenues generated for the Southern Basque Country up to **€115.3m**.

 Revenue generated by Athletic Club (€m), by region



Athletic Club's contribution to tax revenue is equivalent to some of the major public administration budget items

The impact on tax revenue is equivalent to...

Revenue in Biscay:
€103.2m

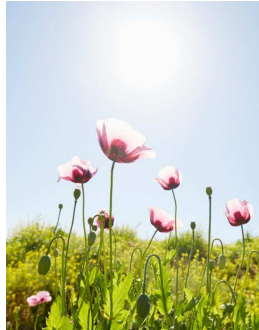


...**11 times** the Biscay Provincial Council's budget for sport



...**98%** of the Biscay Provincial Council's budget for Industry, Energy, New Technologies, Agriculture, Farming and Fishing

Revenue in the Basque Autonomous Community:
€114.1m

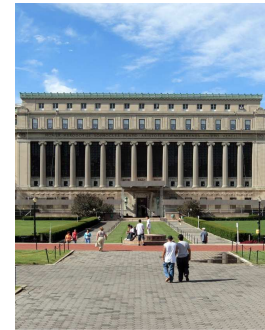


...**55%** of the Basque Government's budget for the environment, spatial planning and housing



...**4%** of the Basque Government's budget for education

Revenue in the Southern Basque Country: €115.3m



...**1.8 times** the budget for universities of the Basque and Navarre Governments



...**8 times** the budget of the Basque and Navarre Governments for sport

Source: PwC analysis, based on data from Eustat and Nastat.

Contents

Executive summary	3
1. Introduction	12
2. Social impact	16
3. Economic impact	41
3.1. Impact on economic activity	43
3.2. Impact on employment	52
3.3. Impact on tax revenue	59
Appendix A. References	63
Appendix B. Input-Output Methodology	65

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Contents

Executive summary	3
1. Introduction	12
2. Social impact	16
3. Economic impact	41
3.1. Impact on economic activity	43
3.2. Impact on employment	52
3.3. Impact on tax revenue	59
Appendix A. References	63
Appendix B. Methodology	65

Description of economic driver impacts

Economic driver impact

Athletic Club generates a large amount of **additional economic activity** in its immediate environment which would not occur if the Club did not exist, either because it depends on matches being held or because it uses the Club as an 'input' or content. We use the term **economic driver impact** to refer to this economic activity.

Within this impact, the **Match Day** effect is particularly worth highlighting. This effect includes everything spent by Athletic Club fans **going to watch matches in San Mamés and Lezama** (transport, food and drink, accommodation), as well as **that spent by those who go to bars to follow the match on television**.

Moreover, Athletic Club fans also spend on other items and activities linked to the Club, such as **newspapers**, subscriptions to **pay TV** services in order to watch matches at home, sports betting and **video games** linked to football and visits to the **Athletic**

Club Museum in San Mamés.



Match day

What fans spend on food and drink, transport, accommodation and other tourist items/activities during their trip to San Mamés and Lezama, as well as what they spend going to bars to see the match.



The media

What fans spend on print media and advertising revenue generated in newspapers, the radio, TV and the Internet linked to contents attributable to Athletic Club.



Pay TV

Subscriptions to pay TV channels or TV and phone bundles which include professional football contents that can be attributed to Athletic Club.



eSports and sports betting

What people spend on video games for any device (PC, tablet, mobile or video console), as well as on sports betting linked to professional football (football pools, for example) and which can be attributed to Athletic Club.



Museum

What fans spend when they visit the Athletic Club Museum, located in San Mamés.

The input-output model (1/2)

Economic impacts are calculated on the basis of the *input-output model*, which in turn is based on data from the Spanish National Accounts.

Input-output models are a standard technique widely used for quantifying the economic impact of economic activities and infrastructure investments. They are based on the production model developed by Leontief, in which the production requirements of an economy are equivalent to the intermediate demand for goods and services stemming from some production sectors, plus the final demand, as shown in the equation below:

$$X = AX + y$$

where X is a column vector that represents the production needs of each sector of the economy (of which there are 63, according to the Spanish National Accounts); y is a column vector representing the final demand of each sector; and A is a matrix (63 rows x 63 columns) of technical coefficients, whose rows indicate, for each specific sector, the percentage of its production that is earmarked for each of the other sectors in the economy; and whose columns indicate, also for each specific sector, the weight in its production of goods and services demanded by each of the other sectors in the economy. The above equation can also be expressed as follows:

$$\begin{bmatrix} X_1 \\ X_2 \\ X_3 \\ \dots \\ X_{63} \end{bmatrix} = \begin{bmatrix} a_{11} & a_{12} & a_{13} & \dots & a_{163} \\ a_{21} & a_{22} & a_{23} & \dots & a_{263} \\ a_{31} & a_{32} & a_{33} & \dots & a_{363} \\ \dots & \dots & \dots & \dots & \dots \\ a_{631} & a_{632} & a_{633} & \dots & a_{6363} \end{bmatrix} * \begin{bmatrix} X_1 \\ X_2 \\ X_3 \\ \dots \\ X_{63} \end{bmatrix} + \begin{bmatrix} y_1 \\ y_2 \\ y_3 \\ \dots \\ y_{63} \end{bmatrix}$$

where, for example, X_1 represents the production needs of sector 1; y_1 is the final demand of this same sector; and $a_{11}, a_{12}, a_{13}, \dots, a_{163}$ are the percentages of the production of sector 1 which are earmarked (respectively) for sectors 1, 2, 3, ..., 63, while $a_{11}, a_{21}, a_{31}, \dots, a_{631}$ are the weights in the production of sector 1 of the goods and services demanded (respectively) by sectors 1, 2, 3, ..., 63.

Source: PwC analysis, based on data from Eustat and Nastat.

The input-output model (2/2)

By reordering the previous equation, we can calculate the production needs of an economy (X), based on the final demand (y) that it must meet:

$$X = (I-A)^{-1} y$$

where $(I-A)^{-1}$ is the inverse *Leontief* matrix or the matrix of production multipliers used to calculate impacts.

The matrix of production multipliers that we use in our analysis is calculated on the basis of the data published by the National Institute of Statistics. This matrix enables us to calculate the impact of every euro spent or invested in the different sectors of the National Accounts (i.e., every euro of final demand), in terms of gross production (i.e., production needs).

The matrix of production multipliers is used to calculate the employment multipliers. First of all, we use the data published by the National Institute of Statistics to calculate the direct employment coefficients for each sector (ratio between number of workers and production). Next, we calculate the employment multipliers by multiplying the matrix of production multipliers by a column vector representing the direct employment coefficients calculated for each sector.

The multipliers used to calculate induced effects are obtained on the basis of: (i) the weight of household income (employee salaries) in the production of each affected sector, (ii) the distribution of household consumption across sectors, and (iii) the marginal propensity to consume estimated by PwC for the Spanish economy.

Source: PwC analysis, based on data from Eustat and Nastat.



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