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**CAREER RETIREMENT PLANNING FOR PROFESSIONAL FOOTBALLERS  
IN GERMANY  
– A CRITICAL REVIEW OF EXISTING CONCEPTS IN EUROPE**

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Synopsis:

The objective of the paper was to propose a new financial planning concept to adequately address the financial security needs of German professional footballers following the end of their professional careers. The concept seeks to eliminate the gaps existing in Germany in the current career retirement planning of professional players. The paper's proposal was based on (a) fundamental retirement planning principles, (b) in-depth analyses of German players' specific requirements, (c) the concepts already in existence throughout Europe , and (d) best practice recommendations derived from job transition challenges in other industries and situations. The proposed concept will take into account the regulatory framework existing within Germany and all other legal, social and economic issues which are specific to Germany and may pertain.

Abstract:

AIM OF THE PAPER

The objective of the paper was to propose a new financial planning concept to adequately address the financial security needs of German professional footballers following the end of their professional careers.

The paper's proposal was based on (a) fundamental retirement planning principles, (b) in-depth analyses of German players' specific requirements, (c) the concepts already in existence throughout Europe , and (d) best practice recommendations derived from job transition challenges in other industries and situations.

## THEORETICAL BACKGROUND

The media has been reporting repeatedly on the number of professional football players who, after ending their active career, find themselves in serious financial difficulties. A study by the Vereinigung der Vertragsfußballspieler e.V. (Association of Professional Players) shows that only the minority of professional football players possesses further professional qualifications other than school education (VDV - Vereinigung der Vertragsfußballspieler e.V. 2012). As these situations also applied, and continue to apply, to players with above-average salaries (Uelschen 2011), the question is raised as to the causes and reasons involved.

As a result, a working group was formed in the spring of 2013 by the accadis Hochschule Bad Homburg, as part of a consulting project in cooperation with Hoesch & Partner GmbH Versicherungsmakler, to study the subject of career retirement planning for professional footballers in Germany. A result of the scientific approach applied by this working group and existing academic literature in this field suggest that there is an urgent need for improvement in this field in Germany (Wendeberg 2011). Furthermore, a recent study by Ernst & Young shows that specialized career retirement concepts exist in other European football leagues. These concepts were devised especially for professional footballers and have been successfully implemented (Ernst & Young Belastingadviseurs LLP 2013).

## METHODOLOGY

As indicated above, certain European football leagues have successfully improved the retirement planning opportunities available to their professional players. This paper utilized these concepts as well as insights from other industries and differing situations (Committee on Veterans' Affairs 2011) as a basis for its analytical work. The initial step was to perform a requirements analysis to identify the specific weaknesses, and their causes, currently existing in the career retirement planning of professional football players in Germany. The conclusion of this analysis was that an effective method for correcting the situation was to adopt an entirely new retirement planning concept, and to make it a mandatory one. Consequently, all existing mandatory European league retirement plans were reviewed, evaluated and compared to the situation in Germany. This data served as the basis for determining the individual requirements' criteria for the proposed new German concept.

## RESULTS, DISCUSSION, IMPLICATIONS

The aforementioned requirements analysis for German professional football needs was compared to the concepts functioning in the Belgian, French, Italian and Dutch professional leagues, and the resulting requirement needs for Germany were defined. These needs include low-risk investments, minimum return ratios, practical contribution levels, flexibility regarding the timing and method of pay-outs, guaranteed continuity in the event of moving from one league to another, and, whenever available, taking advantage of preferential tax treatment possibilities. The players' career retirement concept in use in Holland was evaluated as the most appropriate for achieving the required criteria for the new German concept, and was therefore the main basis used for that purpose. The ways in which the concept could possibly be implemented

were developed in cooperation with finance experts. As one of the most important components of the new concept was the need for flexibility, a managed fund was deemed to be an appropriate solution.

In case of the successful implementation of this career retirement plan, the potential exists for a wide variety of supplementary improvements and additions to be introduced. The integration of further concepts such as financial protection against occupational incapacity or unemployment is, according to experts, fully feasible. Also, as soon as the improved quality of German professional footballers' career retirement plans becomes demonstrable, it is conceivable that state assistance could be claimed – for example, in the form of specific tax allowances.

Looking still further into the future, a pan-European concept would appear to be a feasibility. In particular, countries suffering from an unstable political climate can encounter difficulties when introducing, or attempting to introduce, an improved and mandatory concept. These difficulties could be reduced or eliminated if, for example, a regulated FIFPro Division Europe concept were to exist.

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