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IN FOCUS

Private Equity and Professional Sports

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Certain professional sports teams generate revenue and valuation on a scale that attracts investor interest. In 2025, the five major U.S. leagues representing some of Americans' favorite sports—the National Football League (NFL), National Basketball Association (NBA), Major League Baseball (MLB), Major League Soccer (MLS), and National Hockey League (NHL)—reportedly generated approximately $60 billion in combined annual revenue. Some investors estimated that the combined value of teams across all five major leagues reached around $560 billion as of 2025 (**Figure 1**). Sports franchise value has increased in recent years, reaching new highs in 2026.

While private equity's (PE's) entry into professional sports is relatively recent and subject to various restrictions, PE firms view professional sports as an attractive asset class and accumulate significant investment positions. This In Focus discusses PE investments in professional sports, using selected sports operations as illustrative examples. For more on PE in other industries and cross-industry comparisons, see CRS In Focus IF13214, *Private Equity in Selected Industries: Policy Background*, by Eva Su.

PE Investments in Professional Sports

PE is a pooled investment vehicle that raises money from institutions and high-net-worth individuals and invests primarily in private (non-publicly traded) companies. PE is part of a broader set of private investment products, often called alternative investments, private capital, or private funds. These terms are sometimes used interchangeably. Global PE transactions in sports increased from 50 deals in 2018 to 192 in 2025, spanning major leagues and other sports, such as cricket and volleyball. U.S. PE investors have also invested internationally, including in European soccer clubs such as Chelsea and AC Milan. PE has entered college sports, such as the University of Utah's partnership with Otro Capital. Beyond major leagues, which form the main discussion of this In Focus, other industry segments, such as women's sports, are also emerging areas of PE investments.

PE investment in U.S. professional leagues began in 2019. Before then, league ownership rules largely restricted PE investment in their franchises (see "Governance of Professional Sports Leagues" section for more detail). As of October 2026, data provider PitchBook reports that 77 major North American sports teams, collectively valued at around $333 billion, had PE connections through either direct PE investments or investments backed by individuals affiliated with the PE industry. **Figure 1** summarizes selected restrictions on PE investment, the extent of PE investment, and estimated valuations across these leagues. Estimated combined league value reached around $560 billion as of 2025. Although there are restrictions limiting PE ownership stakes in individual teams and PE investments in teams are generally passive and nonvoting, between 32% and 70% of teams in each of the five major leagues have received direct funding from PE firms or their affiliates.

Figure 1. Private Equity (PE) in Sports Leagues: Investment Status and Restrictions

League	Year Start	Maximum Per-Team PE Ownership/ Single-PE Ownership	Teams (%) PE-Backed/ PE-Affiliated	Annual Revenue ($B)	Est. League Value ($B)
NFL	2024	10%/10%	22%/16%	$23.5	$242
NBA	2020	30%/20%	37%/33%	$12.3	$146
MLB	2019	30%/20%	27%/33%	$13.2	$87
NHL	2021	30%/20%	19%/13%	$7.9	$61
MLS	2020	30%/20%	23%/30%	$2.5	$24

Source: CRS using data from PitchBook (percentage of teams that are PE-backed and PE-affiliated, as of September 9, 2026), Sportico (2025 revenue), Holland & Knight (PE investment caps), Apollo Global Management (revenue multiples, as of August 2025), and Front Office Sports (MLB PE limits).
Notes: PitchBook identifies PE-backed teams as those that have received PE investments, while PE-affiliated teams are backed by individuals from the PE industry. "Year Start" refers to the year when a league first allowed PE investments. The estimated value was calculated by multiplying annual revenue and the revenue multiples (i.e., league average enterprise value divided by revenue). Different investors may use different valuation methods and multiples. The valuation estimates are for illustrative purposes only.

PE Investment Rationale

From a financial perspective, PE investors generally seek investment returns through ongoing cash flows and potential increases in investment valuations realized upon exit. Unlike PE investments in some other industries, which could be largely driven by financial returns, certain investors acquired professional sports teams as "trophy assets" to obtain benefits such as enhanced status, prestige, emotional satisfaction, and legacy, in addition to financial considerations. Recently, amid increasing concentration of investments in AI-related activities, professional sports have attracted investor interest because of their diversified revenue streams and their ability to offer human experiences that are less susceptible to replacement by AI.

Sports Industry Revenue Streams

While ticket sales have traditionally been an important source of revenue for the sports industry, the revenue streams have become increasingly diversified, including (1) **events**, such as ticket sales, concessions, live events, fan experiences, and activities associated with stadiums and other sports venues; (2) **commercial activities**, such as sponsorships, naming rights, advertising partnerships, licensing of team logos and brand marks, sports apparel, collectibles, memorabilia, sports betting, and data-related products and services; and (3) **media and broadcasting**, such as television and other broadcasting rights, digital media, streaming platforms and services, electronic sports, and fantasy sports. Revenue composition varies across sports teams. For example, the NBA reportedly generated,

among other revenue, 38% from league media, sponsorships, merchandise, and revenue sharing; 28% from seating and suites; 14% from team sponsorship; and 10% from local media.

Governance of Professional Sports Leagues

In the United States, professional sports leagues and teams remain subject to federal and state laws affecting their business activities, including antitrust laws, sports gambling laws, and the Sports Broadcasting Act of 1961 (SBA; P.L. 87-331). The SBA provides a limited exemption from federal antitrust laws, which allows the NFL, NBA, MLB, and NHL to pool certain television broadcasting rights and negotiate league-wide agreements with television networks without facing antitrust liability.

However, federal and state governments generally do not directly regulate the internal governance and operations of professional sports leagues. Instead, professional sports leagues are primarily governed by internal rules and procedures established through organizational documents, such as league constitutions and bylaws. While major North American sports leagues generally allow PE investments, rules for these investments can be quite strict. The NFL, which has the most stringent requirements, not only limits single PE investments in individual teams to 10% but also limits access to a handful of league-vetted and approved firms. The NBA's rules are considered less strict, allowing a single PE firm to own up to 20% of a team and permitting players to own limited stakes as well. The rules and restrictions governing PE investments are evolving and may continue to change as stakeholders adjust to PE's presence.

Potential Impact of PE Investments

Changes in league rules to permit PE investments have coincided with rising sports franchise valuations and emerging business models emphasizing stadium-centered "entertainment districts" and increasingly diversified and globalized revenue streams. Historically, leagues have been cautious about allowing PE investment because of concerns about PE's compatibility with traditional ownership structures, which may be important to league culture and fan expectations. As PE investment in professional sports increases, it may bring changes that may present both benefits and concerns for the sports industry.

PE investments may help fund sports infrastructure. For example, after NFL owners agreed to allow limited PE investments in teams, one of the first franchises to participate was the Buffalo Bills. The team's controlling owners, Terry and Kim Pegula, sold 21% of the team to limited partners (including 10% to PE firm Arctos Partners) in December 2024 at an estimated valuation of over $5 billion. At the time of the sale, the Bills were constructing a new stadium and facing cost overruns that increased the total expenditures from $1.4 billion to $2.1 billion. Some cash from the sale may cover those costs.

PE involvement may influence team governance. Although all five major leagues ban PE investors from exercising control regarding the day-to-day operations of teams (e.g., decisions that would directly impact a team's performance on the field), PE firms may exert informal pressure that could affect team decisions, such as contractual arrangements, financial relationships, and strategic engagement. In addition, PE investors may negotiate with the leagues to amend their governance structures. For example, in 2026, the NBA reportedly amended its PE policy in response to investor requests to allow a firm and its executives to invest in a franchise at the same time.

PE investors may provide certain operational expertise. Given the expertise and financial goals of PE firms, they may be more active on the operational side for teams. While that has the potential to increase team revenue, new business practices may change the relationship between teams and their fans, especially if teams seek greater revenue by increasing prices. However, even if PE investors have different priorities from other franchise owners, they might also bring different perspectives and opportunities to franchises and leagues. PE investors motivated by returns may be interested in investing in improvements to enhance the fan base and interest in teams.

PE investors could offer liquidity for existing team owners to sell their shares. PE investment has become a way for individual owners, who may have a large share of their personal net worth tied up in the value of their franchise, to cash out their positions, sometimes without ceding operational control. For example, PE firm Arctos purchased a 10%, nonvoting stake in the Buffalo Bills. Arctos has gone on to purchase similar stakes in the Los Angeles Chargers, Cleveland Browns, and Atlanta Falcons. Rising sports team valuations may limit the pool of individual buyers able to finance acquisitions, increasing the potential role of the PE investors.

PE ownership may affect team performance. A study of PE ownership and performance outcomes in soccer clubs found that PE investments may have improved financial results through increased revenues while adversely affecting on-field performance and team dynamics.

Considerations for Congress

As previously discussed, sports broadcasting is a major revenue stream and an important contributor to sports franchise valuation for PE and other investors. In recent years, critics, including some Members of Congress, have questioned how leagues are using the SBA's antitrust exemption and whether changes in the media environment have weakened the policy rationale for the exemption. Another feature of sports franchises as businesses is their combination of national profiles and local roots. The success of teams is often tied to building and maintaining strong local support and sound relations with other local institutions, including municipal governments. From the sports industry perspective, as PE involvement increasingly institutionalizes sports investing, questions arise regarding whose interests shape franchise decisions—those of individual teams and their local communities or those of PE investors (who may hold stakes in multiple competing teams through multi-club ownership structures)—and the potential implications for the integrity of sports competition and entertainment value.

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