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Overview of the Current Status and Trends in the Revenue Structure of NBA Clubs

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Abstract. The NBA is the world's top professional basketball league, and its clubs' revenue structure has evolved greatly since its founding. Drawing on materials, data analysis, and comparisons, this paper studies this evolution, divides the NBA's development from 1946 to 2026 into four stages, and compares the revenue systems of the NBA, CBA, and European basketball leagues. The findings show that media development, internal league rules, and global commerce were the main drivers of these changes. Ticket revenue is an important indicator of the quality of professional sports operations, while the centralized sale of TV broadcasting rights uses its monopoly position to secure higher revenue. Analysis of the NBA's latest reforms shows that playoff prize money has continued to rise with league revenue, offering a reference for the CBA's innovative development and revenue distribution. Today, digital media broadcasting rights have become the largest revenue source, while ticket revenue's share has dropped significantly. In the future, the NBA will rely more on streaming rights, deeper global markets, and monetization of digital content. This paper can help the CBA optimize its revenue structure and improve distribution, and it fills gaps in research on stage division and comparisons between Chinese and foreign leagues.

Keywords: NBA revenue distribution, business model, trend changes, structure, media rights

1. Introduction

The commercialization of global professional sports has steadily raised the commercial value of basketball. The NBA, the world's top professional basketball league, originated from the BAA founded in 1946; after merging with the NBL in 1949, it adopted its current name [1]. Through multiple rounds of market expansion, it has developed a mature and diversified revenue system [2]. As a typical model of commercialization, the NBA offers important lessons for the CBA, which is undergoing transformation [3]. Existing research, however, lacks a stage-based review and a cross-team comparison of revenue [2, 3]. Therefore, this paper raises two core questions: (1) What landmark stages has the NBA club revenue structure gone through, and what future trends will it show? (2) What differences currently exist in the revenue scale and channels of clubs across the league? To answer these, this study traces the NBA's commercial development, summarizes changes in revenue channels, and compares basketball league operating models in China and abroad. Theoretically, it systematically divides the stages of NBA revenue evolution and enriches the

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literature on professional basketball club revenue; practically, it provides references for the CBA to optimize its revenue structure, broaden revenue channels, and improve revenue-sharing.

2. Research background and logic of income structure evolution

2.1. The history of the NBA's commercial evolution (1946 BAA—2026)

In 1946, North American ice hockey arena operators founded the BAA to fill idle venue hours and increase rental income; from 1946 to 1949 the league relied solely on ticket revenue, which was insufficient to cover costs and caused long-term losses [1]. In 1949, the BAA merged with the NBL and was renamed the NBA. The merger eliminated internal competition and established market dominance, but revenue remained centered on ticket sales, supplemented by a small amount of franchise fees and initial TV broadcasting revenue sharing; survival remained the primary goal [1]. This shows that a league's revenue structure is primarily constrained by the degree of market monopoly: without stable monopoly and bargaining power over broadcasting rights, revenue diversification is difficult to achieve.

From 1984 to 2005, the NBA entered a mature stage of commercialization. David Stern transformed it into a comprehensive entertainment industry group, forming three major profit segments—national TV broadcasting, commercial sponsorship, and merchandise licensing—with ticket revenue and media broadcasting as the two main pillars [2]. The key to Stern's reforms was not merely selling more broadcasting rights but turning the NBA from a game product into an entertainment brand, giving sponsorship and licensing room for long-term growth.

From 2005 to 2026, the NBA entered the era of digital globalization. Digital media rights jumped to become the largest revenue source, accounting for more than 40% of the total, while ticket revenue fell to a secondary position; sponsorship expanded steadily, and global layout broadened growth space and asset operation models [4]. Digitalization did not merely add distribution channels; it redefined the relationship between the league and fans, shifting revenue from selling tickets and broadcasts to selling content, memberships, data, and interaction.

2.2. Driving factors of the evolution of NBA club revenue structures

Regarding external factors, the expansion of media distribution channels has been a key force. Zhang Jun notes that in the 1980s and 1990s, Chinese fans mainly contacted the NBA through newspapers, magazines, radio, and television; later, the NBA increased cooperation with Chinese TV stations, built official and Chinese-language websites, and used Weibo for interaction [3]. Overseas revenue thus forms through a process of media exposure, brand identification, and consumption conversion. Li Zheng adds that after cable television emerged, sports stars could serve a huge paying audience without a corresponding rise in costs, making media broadcasting efficient and scalable [1]. Media rights have low marginal costs and broad reach; sold centrally, they generate scaled revenue more easily than ticket revenue.

Regarding internal factors, adjustments to league revenue directly drive changes in the revenue structure. Li Zheng shows that NBA playoff prize money rose with team and league revenue, from $2.4 million in 1989 to $11 million in 2009 [1]. As league revenue grows, the league adjusts internal interests through prize-money redistribution, incentivizing teams and players and forming a positive cycle between revenue growth and athletic investment [1]. Yao Jian's analysis of the latest reforms also notes that playoff prize money rises with league revenue, offering a reference for the CBA's revenue distribution [2]. Although prize money accounts for a relatively small share, it has strong

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signaling value: only by sharing the dividends of growth can the league maintain the willingness of labor and management, and of large and small teams, to cooperate.

Regarding policy factors, the international licensing strategy has greatly expanded the boundaries of NBA revenue. Li Zheng points out that NBA international licensors provide fans in more than 100 countries with sportswear, sporting goods, trading cards, publications, home goods, video games, toys, memorabilia, and phone cards; 25% of global licensed-product sales occur outside the United States, and China alone has 20,000 specialty stores selling NBA licensed products [1]. This expanded the NBA from domestic ticket revenue and broadcasting into the global licensed-merchandise market, promoting diversification [1]. International licensing extends watching games into buying a lifestyle; it is more stable and more resistant to volatility in a single market.

In addition, after comparing the management systems of the CBA and the NBA, Liu Jia points out that the NBA has a board of directors, a supervisory board, league operating bodies, and a players' union, with a clear division of labor, while clubs operate independently and bear their own profits and losses; the CBA, by contrast, has long been characterized by a state-led system and monopolistic management, with unclear rights and responsibilities, which has limited clubs' enthusiasm for market development [5]. This institutional difference is key: the NBA's model of centralized sales plus equal distribution plus club autonomy creates incentive compatibility, whereas if the CBA fails to separate government administration from league operations and its distribution is not transparent, it will be difficult to expand media rights and sponsorship. Following Table 1 compares profit change of NBA during different years.

Table 1. Research on the NBA's profit change[2]

Year	Prize money (USD 10,000)	Year	Prize money (USD 10,000)	Year	Prize money (USD 10,000)
1946	8.73	1992	500	2004	887.5
1951	5	1994	600	2005	950
1982	150	1995	700	2006	1000
1984	175	1999	750	2007	1000
1989	240	2002	800	2008	1100
1991	400	2003	875	2009	1100

2.3. Definition of the core components of NBA club revenue

NBA clubs generate revenue from four main sources: ticket sales, venue-related operations, sponsorships, and media rights. Ticket sales are among the most important; they also reflect fan satisfaction and provide a useful measure of a club's overall performance [2]. Venue-related revenue covers venue operations, advertising sign rentals, team sponsorships, food and beverage sales, parking, and team-related activities such as licensed products, souvenirs, jerseys, and official team websites [2]. Sponsorship is another major source, with league-wide advertising and sponsorship revenue reaching $490 million [2]. Media rights revenue mainly comes from shared advertising income and broadcasting fees; for example, CCTV pays the NBA about $6 million per year [6].

3. Literature review and research gaps (domestic and international)

International research has mainly examined how the NBA manages its finances and distributes revenue. Li Zheng highlights the importance of centrally selling television broadcasting rights: by having the league act as a single seller to multiple buyers, the NBA can increase the value of its

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broadcasting deals while also providing financial support to smaller-market teams [2]. The salary cap is another important topic; the 1995 collective bargaining agreement changed its calculation basis to basketball-related income, so the range of income covered became broader [2]. Ticket revenue also follows specific rules: six percent of regular-season ticket revenue is paid to the league, while 45% of the after-tax profits from each playoff game goes to the NBA to cover appearance fees and staff expenses [2].

Despite these findings, international studies have several limitations. One major issue is the financial gap between large- and small-market teams: the Lakers generate $82 million in ticket revenue, compared with only $19 million for the Thunder. Many studies also focus mainly on revenue while paying less attention to operating costs such as arena renovations, coaching salaries, and youth development, and league comparisons are often too general to examine differences in business and management systems.

In contrast, Chinese domestic research tends to focus on broader comparisons between the CBA and the NBA. Yao Jian points out that the two leagues differ significantly in star players, competition level, promotion strategies, and fan bases, so CBA reform should take China's own circumstances into account rather than simply copying the NBA model [3]. Li Zheng suggests that when choosing team locations, the Chinese Basketball Association should consider the local market, the number of major companies, and the region's basketball culture, and should explore centralized sales of national television broadcasting rights while improving marketing, promotion, and fan engagement [2]. He further argues that ticket sales should be a priority, since higher attendance attracts more sponsors and raises broadcasting value [2].

However, domestic research also has weaknesses in the accuracy and timeliness of its data. For example, the reported figure of average annual national broadcasting fees of $925 million does not match the current level of about $7 billion. The collective bargaining system has also changed considerably: the concept of basketball-related income was established in 2005, and negotiations in 2011, 2017, and 2023 introduced further changes to salary-cap calculations and revenue-sharing [2]. To address these gaps, this paper examines the factors behind changes in the NBA's revenue structure more systematically, compares the NBA and CBA business environments, and develops a framework considering three influences: the external environment, the league's internal institutions, and policy intervention.

4. Study design and league comparison

4.1. Research approach and technical roadmap

This paper combines historical analysis, league comparisons, and future trend analysis. It divides the NBA's history from 1946 to 2026 into four stages to examine how its main revenue sources changed over time, from ticket sales to television broadcasting rights and, more recently, digital media rights. It then explains these changes from three perspectives: media and communication technology, the league's internal revenue-sharing rules, and policies supporting global commercial expansion [1, 3, 7]. Rather than simply describing events chronologically, this framework explains why the NBA's revenue structure shifted from ticket-centric to media-rights-dominated.

For comparison, this paper divides NBA club revenue into five categories: ticket sales, media rights, venue operations, sponsorships, and licensed merchandise [1, 6]. The comparison proceeds at two levels: within the NBA, it examines the revenue gap between large- and small-market teams; across leagues, it compares the NBA, CBA, and European basketball leagues in terms of organizational systems, revenue distribution mechanisms, and the scale of major revenue sources [7,

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8]. Finally, considering streaming, globalization, and the digital economy, the paper explores the future direction of NBA revenue and lessons for the CBA [4]. Main data sources include the official NBA website, Forbes, CNKI, and Google Scholar.

4.2. Comparison of revenue structures: NBA, CBA, and Euro Leagues

To clarify the differences among the NBA, CBA, and European basketball leagues, this section first compares institutional arrangements such as labor-management relations, revenue sharing, and franchise costs (Table 2), then examines five major revenue categories, including media rights, ticket sales, and sponsorships (Table 3). Based on these comparisons, the paper identifies lessons for the CBA. Overall, the NBA has a more developed institutional system and revenue structure, built around controlling costs, sharing revenue, and making better use of commercial opportunities [5, 7]. The main difference is not the availability of commercial resources but the ability to negotiate deals centrally and distribute revenue effectively.

In terms of institutional arrangements, the NBA uses salary-cap and luxury-tax rules, supported by third-party escrow, to help control spending. Revenue from national television broadcasting, sponsorships, and licensed merchandise is shared equally among teams, while a separate revenue-sharing fund supports small-market clubs; the league also has an established system of labor-management negotiations, and high franchise fees can benefit existing teams [1, 7]. By comparison, although the CBA has introduced a salary cap, enforcement remains weak, distribution lacks transparency, and players have less independent bargaining power [9]. European leagues generally lack a unified salary cap, and commercial revenue tends to concentrate among the strongest clubs [7].

The differences are also clear in revenue structure. Media rights contribute more than 40% of the NBA's total revenue, making them its largest source; the league has also developed venue operations and licensed merchandise through luxury suites, arena naming rights, and global product licensing [1, 4]. The CBA has less bargaining power in media rights and more room to develop venue operations and licensed products, and its revenue still relies heavily on naming rights and ticket sales [5, 8]. European leagues have their own commercial characteristics, including transfer-fee systems, but their overall revenue remains far below the NBA's [7].

Taken together, these comparisons show that the NBA's commercial strength comes from combining centralized sales, revenue sharing, and effective development of different income sources. For the CBA, a key priority should be strengthening league-level commercial negotiation and developing a more effective media-rights market [5, 8].

Table 2. Comparison of revenue distribution mechanisms across the major leagues

Comparison dimensions	NBA	CBA	European Leauges
Salary cap system	Based on a fixed percentage of Basketball Related Income (BRI); it has been in effect since 1983 and was amended several times in 2011, 2017, and 2023	Salary cap in place but weakly enforced; separate salary cap for foreign players	Some leagues (e.g., Spain's ACB) have a salary cap, but it is less binding than the NBA's; Euro League has no unified hard salary cap.

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Table 2. (continued)

Luxury Tax / Penalty Mechanism	Luxury tax since 2002 ($1 paid per $1 over the cap); third-party escrow since 2001 (10% of player salaries in escrow).	Mediation fee system (similar to a luxury tax)	Some national leagues have "wage control mechanisms" or financial fair play rules, but enforcement varies.
Revenue Sharing Mechanism	National broadcast, sponsorship, and licensed product revenue distributed equally; special sharing funds rose from $30M to $49M since 2008.	League centrally distributes part of revenue, but transparency and coverage are lower than the NBA.	Euro League commercial revenue (broadcasting, sponsorship) shared among participating clubs, but ratios are not fixed, and powerhouse clubs have strong influence.
Player Revenue Share	Player salaries ≈60% of total team revenue (2000s)	Missing systematic data	About 50–65% (varies by league; higher in the five major leagues)
Labor Management Bargaining	League (management) and players' union (labor) negotiate collectively; agreements revised periodically	Led by the Chinese Basketball Association; no independent union or collective bargaining power for players	Euro League: no unified players' union; some national unions (e.g., Spain) less influential than U.S. unions
Expansion Fee	In 2004, Bobcats paid $300M expansion fee, distributed to existing teams	Low expansion fees; non-transparent distribution	No unified fee; entry by performance or wild card (ECA-managed)

Table 3. Comparison of core revenue source scale: NBA, CBA, and Euro League

Revenue Categories	NBA	CBA	European Leagues
Media Rights	Largest revenue source, >40% (2024 contracts ~$6.9B/yr); national rights centralized + local rights independent	CCTV-dominated; low fees (~$6M/yr vs. NBA); weak league bargaining; state TV monopoly	Main pillar but far below NBA; fragmented domestic rights (ACB, LBA); Euro League centrally sells some international rights
Ticket Revenue	Share fell from 35.57% to 31.51% (2002–2008), now ~20–25%; away teams get no gate share; 45% of playoff revenue to league	Core revenue source; systematic share data lacking; attendance and venue conditions uneven	Relatively high (~25–35%), but varies widely by country; some clubs rely on membership season tickets
Sponsorship Revenue	League-level + team-level sponsorship; 90% official sponsors were Fortune Global 500 in 2006; >$600M in 2009–10	Mainly corporate team title sponsorship (e.g., Guangdong Hongyuan, Liaoning Bengang); brand sponsorship system far from mature	Jersey ads as main form; Euro League unified sponsors, clubs can sign local sponsors independently
Licensed Products & Merchandise Sales	Sold in 100+ countries; 20,000 licensed stores in China; $150M distributed by league in 2007–08	Early stage; few stores; limited brand extension	Euro League licensed sales growing but far below NBA; mainly club-run sales

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Table 3. (continued)

Venue Operations	Highly commercialized; naming rights average from $1M–$10M+ annually; suite revenue up to $20M/season for successful teams	Most venues not club-owned; low operational development; no stable naming-rights system	Wide country variation; new arenas (e.g., Berlin, Paris) boost naming rights, but still below NBA
Transfer Fees / Training Compensation	N/A (no transfer fees for free agent moves)	Transfer fees for domestic players; buyout fees for foreign players	Important revenue source; inter-club transactions in Euro League
League Revenue Sharing	National broadcast, sponsorship, and licensed product revenue shared equally; special fund supports small/medium teams	League centrally distributes part of revenue; limited coverage	Euro League commercial revenue distributed by performance and market size; powerhouse clubs favored

From the comparison between Table 2 and Table 3, the NBA's advantage lies not only in its revenue figures but also in its systematic lead in institutions and commercial development [5, 7]. If the CBA and European leagues want to catch up, they must first face these structural gaps rather than directly imitating a particular marketing tactic. In revenue structure, the gap in media rights is the most obvious: the NBA raises prices significantly by centrally holding and selling broadcasting rights, whereas CBA broadcasting fees mainly come from CCTV, at about $6 million a year, and the league's unified bargaining power is very weak [6, 8]. One of the CBA's next steps is therefore to centralize and sell national broadcasting rights so that media rights can become a core revenue source [8]. However, the CBA cannot learn only commercial development; it must also consider its own conditions. For example, the CBA All-Star Rookie Game invites the men's basketball teams of Peking University and Tsinghua University, a creative combination of sports and education that can attract more student fans [10]. Yet some systems cannot be copied directly: the NBA can implement the Last Two-Minute Report because its referees are highly skilled, while the CBA still lags in overall refereeing level [7]. The CBA should therefore learn from the NBA's business model while adapting it into its own structure. After recognizing these gaps, the paper forecasts the future of the NBA's revenue structure from three perspectives: media rights, global markets, and the digital economy.

4.3. Analysis of future trends in the revenue structure of NBA clubs

The growth benefits of cable TV are gradually fading. Streaming media, global localization, and digital business will become the core driving forces of revenue growth [4]. Future revenue competition is no longer about who has more TV stations but who has more digital entry points that directly reach fans. In terms of media rights, the NBA's copyright income has grown exponentially, from an average of $22 million per year in the 1983-84 season to an average of $6.9 billion per year under the new broadcasting contract in 2024 [1, 4]. The scale will continue to increase, but the driving force shifts to streaming platforms as cable subscribers decline; beyond full-season rights, single-game events and secondary authorization of short videos will become new revenue growth points [4]. Globalization will shift from extensive signal output to in-depth localization: many overseas markets have only completed event landing with limited commercial conversion, so the NBA will use localized events, regional sponsorships, and local derivative products to raise overseas revenues [11]. The digital economy will reshape monetization: star documentaries and behind-the-scenes footage will expand membership subscriptions, content payment, and advertising channels, making digital content an independent revenue sector [4]. At the same time, the gap between large

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and small market teams is difficult to eliminate; local broadcasts and revenues still tilt toward big cities, and streaming costs, overseas market environments, and the maturity of digital business models remain real challenges [1, 7]. The future revenue structure will be more digital, global, and content-based, but fair distribution will remain an issue for a long time.

5. Conclusion

Nearly 80 years of evolution in NBA club revenue structure traces who pays for basketball games. Revenue started with live ticket sales, shifted to television, and is now led by streaming. The 2024 broadcast contracts generate nearly $7 billion annually, over 40% of total league revenue, whereas ticket revenue accounts for roughly 20%. Four decades ago, annual broadcast revenue averaged merely $22 million. Three turning points fueled this shift: the 1961 antitrust exemption enabling centralized broadcast-right sales, David Stern's 1984 repositioning of the NBA as an entertainment enterprise, and intense streaming-platform bidding in recent years. Salary caps and luxury taxes balance player compensation and competitive fairness, yet big-market teams retain built-in financial edges, as local broadcast and ticket income are not equally shared. The NBA's formula — centralized bargaining, shared distribution, global expansion and digital innovation — cannot be directly replicated by the CBA. Considering China's local context, the CBA should strengthen league-wide negotiating power and incrementally refine its labour, salary cap, transfer and revenue-sharing systems. This study has limitations. Much reference data dates to around 2008, insufficiently capturing later collective-bargaining updates and streaming-rights growth. Cross-league comparisons draw on secondary sources and lack standardized quantitative metrics. The analysis overemphasizes revenue while giving scant attention to costs and profit distortions. Future work may incorporate up-to-date financial figures, apply consistent comparison benchmarks, and investigate complete club revenue-cost-profit chains.

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