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Private equity firms have \$1.2 trillion to spend on NFL teams. Will the league finally let them?

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The NFL's Washington Commanders were bought last year for more than \$6 billion.

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The National Football League is an exclusive club, and for those looking to buy their way in, the price of a franchise has gotten so high it's beyond the reach of ordinary billionaires. But now the league is set to change its rules and allow private equity firms, which make their living buying and flipping businesses, to invest in teams. Could this change how the league—and many people's favorite teams—do business?

The short answer is we shouldn't expect an onslaught of buyout shops bidding for NFL teams just yet. But there will be interest. The NFL's guaranteed TV deals could be worth more than \$126 billion by 2033, [according to Forbes](#).

In recent years, valuations of NFL teams have soared, prompting considerable interest in the league's 32 franchises. Last year, for instance, Dan Snyder [sold](#) the Washington Commanders for a record \$6.05 billion to a group of investors led by Josh Harris. Snyder paid \$800 million for the team—then called the Redskins—in 1999. The purchase of the Commanders stands as the [most expensive sale](#) of an American sports franchise, even eclipsing the \$4.65 billion paid for the Denver Broncos in 2022.

If billionaires can no longer afford sports franchises, who can? Well, that's why league officials are taking a hard look at private equity firms, which are sitting on a \$1.2 trillion [war chest](#) and always on the hunt for deals. A handful of PE firms have amassed stakes in NBA, MLS, MLB, and NHL franchises; the small number is mainly the result of high barriers to entry. (For example, most leagues require potential funds to have at least \$750 million in capital, one source familiar with the franchise industry told *Fortune*.)

The NFL is the last major professional sports league in North America that prohibits private equity firms from investing in teams, a rule that reflects the owners' historical desire to keep the NFL an insiders' club. But since the summer of 2023, a special committee has been reviewing potential changes to those rules, [according to ESPN](#). The NFL has appointed [PJT Partners](#) to serve as a liaison between the league and interested PE firms, [Sportico reported in May](#), and [is considering a plan](#) to allow PE firms to own up to 30% of a single franchise, with no single firm owning a stake larger than 10%. Current NFL owners were expected to vote on that measure last month, but the vote was delayed to later this year.

'Pretty hard for anyone'

Some franchises are lining up potential deals while others are waiting until the new rules are in place before engaging with private equity, [Bloomberg reported](#). "The NFL recognizes that it's become prohibitively expensive to buy teams," said Josh Harlan, founder and managing partner of PE firm Harlan Capital Partners and a former Allen & Co. director. Allowing PE firms to invest in the NFL will bring in liquidity and help current owners sell, Harlan added.

To buy the Commanders for more than \$6 billion, Harris, a cofounder of [Apollo Global Management](#), had to assemble a 20-person consortium that includes [Blackstone](#) executive David Blitzer, ex-[Google](#) CEO Eric Schmidt, and basketball legend Magic Johnson. Harris hasn't been shy about how difficult it was to raise the capital. "Unless you're one of the wealthiest 50 people [in the world], writing a \$5 billion equity check is pretty hard for anyone," he recently [told CNBC](#).

Even those who can raise the cash face an arduous vetting process, which includes extensive background checks. Letting private equity funds join the party could expedite these processes, Harlan explains, because "if you vet a private equity firm

once, you have somebody who could transact multiple times.”

‘The money is coming to them’

One potential bidder told *Fortune* it’s unclear what structure the NFL is considering for private equity investments, or how that would compare with what’s required by other leagues. The NFL could approve a list of three to four buyers, so it wouldn’t matter how much capital a particular firm might have right now. “If three or four firms are approved, the money is coming to them,” the person said. It’s also unclear if the NFL will require approval of a firm’s limited partners. Buyout shops with investors from China or Saudi Arabia would likely not be recommended, the person added.

Harlan thinks an NFL rule change is inevitable and could happen as soon as this year. Allowing PE firms to invest “presents so many advantages to existing owners and also makes managing the entry and exit of owners into the league more efficient,” he told *Fortune*.

Private equity firm investments in professional sports teams

In 2019, MLB became the first major U.S. sports league to change its ownership rules to include private equity firms, letting them buy passive, minority stakes. The NBA, NHL, and MLS soon followed. A handful of deals have ensued—also overseas, at big-time European soccer clubs—with these PE firms buying parts of teams known the world over:

Investors	Teams
ARCTOS PARTNERS	NBA: GOLDEN STATE WARRIORS, SACRAMENTO KINGS, UTAH JAZZ, PHILADELPHIA 76ERS
	MLB: BOSTON RED SOX, CHICAGO CUBS, HOUSTON ASTROS, LOS ANGELES DODGERS, SAN DIEGO PADRES, SAN FRANCISCO GIANTS
	NHL: NEW JERSEY DEVILS, TAMPA BAY LIGHTNING, MINNESOTA WILD, PITTSBURGH PENGUINS
	PROFESSIONAL SOCCER: PORTLAND TIMBERS, REAL SALT LAKE, UTAH ROYALS, LIVERPOOL FC, ATALANTA FC, AND PARIS SAINT-GERMAIN FC
BLUE OWL	NBA: ATLANTA HAWKS, SACRAMENTO KINGS, CHARLOTTE HORNETS
SIXTH STREET	NBA: SAN ANTONIO SPURS
	PROFESSIONAL SOCCER: BAY FC
	MLB: BOSTON RED SOX
	NHL: PITTSBURGH PENGUINS
REDBIRD CAPITAL PARTNERS	PROFESSIONAL SOCCER: LIVERPOOL FC, AC MILAN, AND TOULOUSE FC
	U.S. FOOTBALL: UFL
	MLB: SAN DIEGO PADRES
	NHL: OTTAWA SENATORS
ARES MANAGEMENT	PROFESSIONAL SOCCER: ATLÉTICO DE MADRID, CRYSTAL PALACE FC, INTER MIAMI CF
	MLB: DIAMOND BASEBALL HOLDINGS, WHICH OWNS AND OPERATES SELECT MINOR LEAGUE BASEBALL CLUBS AFFILIATED WITH MLB
	PROFESSIONAL SOCCER: MANCHESTER CITY FC, NEW YORK CITY FC
	PROFESSIONAL SOCCER: CHELSEA FC
CLEARLAKE CAPITAL	

SOURCE: THE COMPANIES

FORTUNE

Here’s a short list of private equity firms, in no particular order, that could nab a piece of an NFL team:

Blue Owl

Blue Owl HomeCourt was the first private equity fund approved to invest in the NBA after the league changed its rules in 2020 to allow institutional investors and PE firms to buy minority stakes. Blue Owl GP Strategic Capital, the former Dyal Capital, [launched](#) HomeCourt in 2022 to acquire a pool of minority stakes in an unlimited number of NBA franchises, according to a statement at the time. Blue Owl HomeCourt has been active and was [part of the group](#) that acquired Michael Jordan’s stake in the Charlotte Hornets last year. Blue Owl HomeCourt currently has \$700 million in assets to invest in minority NBA stakes, a source familiar with the fund told *Fortune*. To invest in the NFL, Blue Owl would have to create a separate fund focused on the league and would likely need several months to raise capital, the source said: “It would take quite some time.”

Sixth Street

Sixth Street has a massive, multi-strategy \$27 billion evergreen pool of private capital called TAO, which is larger than most private equity funds. The firm already owns Bay FC of the National Women’s Soccer League and has a stake in the NBA’s

[San Antonio Spurs](#). Sixth Street also [owns](#) a piece of FC Barcelona's TV rights and the stadium of Real Madrid in Spain's top soccer league.

Carlyle Group

In March, Carlyle made its first direct investment in a sports team when it [agreed to buy](#) Seattle Reign FC, a professional women's soccer team. The deal has yet to close. Founded in 1987, Carlyle is well-known for having many different funds but not a specific pool for sports. David Rubenstein, Carlyle's cofounder, recently led an investor group [to buy](#) the Baltimore Orioles. Major League Baseball [approved](#) that sale in March.

RedBird Capital Partners

Of those on this list, RedBird has the capital to back any deal, but the firm has yet to say if it would be interested in the NFL. RedBird is an investor in the United Football League, the American spring football league [created](#) from the merger of the XFL and USFL. Gerry Cardinale, a former Goldman Sachs partner, [launched](#) RedBird in 2014, and the firm currently owns soccer clubs AC Milan and Toulouse FC outright. RedBird is an investor in Fenway Sports Group, which owns the Boston Red Sox, the Pittsburgh Penguins, and Liverpool FC in England's top soccer league. RedBird has a stake in Skydance Media, which has been vying to buy Shari Redstone's shares in Paramount. RedBird's fourth flagship fund closed at nearly \$3.3 billion, the *Wall Street Journal* [reported](#) in May. Including co-investments and a joint venture, RedBird now has \$4.7 billion for future deals.

Arctos Partners

Arctos has been approved to invest in multiple teams by the NBA, MLB, NHL, MLS, global motorsports organizations, and European soccer federations. Arctos currently owns stakes in the Golden State Warriors, Philadelphia 76ers, Chicago Cubs,

Boston Red Sox, New Jersey Devils, and Real Salt Lake. In April, Arctos's second flagship sports fund [closed](#) with over \$4.1 billion in capital commitments, including co-investment and parallel affiliated vehicles. The firm has deployed about 30% of that fund.

Ares Management

Ares is known as one of the biggest direct lenders to the middle market. Several of the firm's executives, including Bennett Rosenthal, Tony Ressler, Michael Arougheti, Mitchell Goldstein, and Michael Smith, have individual holdings in sports teams. Ares as a firm owns minority stakes, including debt or equity, in the San Diego Padres, Ottawa Senators, Inter Miami, League One Volleyball, Eagle Football (which has stakes in football clubs like Crystal Palace), Atlético Madrid, and the Professional Fighters League. Ares also has a fund: In 2022, it [raised \\$3.7 billion](#) for its inaugural sports, media, and entertainment pool.

Clearlake Capital

Clearlake investments typically involve middle-market technology, industrial, and consumer sector deals. Clearlake's most well-known deal took place in 2022, when it teamed up with Todd Boehly to [buy Chelsea FC](#), in which Clearlake owns a majority stake.

Silver Lake

Tech-focused Silver Lake doesn't directly own any sports teams. Instead, the firm owns stakes in companies that invest in teams. Silver Lake owns Diamond Baseball Holdings, which owns and operates select minor league baseball clubs affiliated with MLB. It also has a stake in City Football Group, which owns several football clubs, including Manchester City FC and New York City FC.

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