2020

insights x impact

for the Health, Wellness, and Fitness Industry

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What is the Insights x Impact Report?

As the COVID-19 pandemic unfolded in March of 2020 and the world was put on hold, the health, wellness, and fitness industry was met with an incredible amount of uncertainty. Overnight, fitness businesses—from YMCAs and JCCs to boutique studios and multipurpose clubs—were shut down with no definite date or plan for reopening.

In the midst of uncharted waters, we sought to provide a resource for fitness businesses to use in navigating their new, ever-changing reality. Businesses needed trusted data to make informed decisions and tackle whatever came next. That's why we created the Insights x Impact report. Powered by our own Performance Analytics technology, our report and analysis breaks down the latest fitness industry statistics, empowering businesses to turn insights into action through trusted recommendations.

Divided into reports for three distinct markets encompassing nonprofit organizations, health clubs, and boutique fitness studios, Insights x Impact includes percent-to-normal data on revenue, member check-ins, joins, holds, cancellations, and more. With valuable insight into the state of the industry, our report provided the support fitness businesses needed to power through the pandemic and remain prepared for the unpredictable future.

What Did We Learn?

For the fitness industry, 2020 a year unlike any other. It was a year of unpredictability, chaos, struggle, and fear. Though it was a year we certainly hope to never see again, it also brought some silver linings. Through such a tough year, the fitness industry showed its incredible strength, resiliency, and heart by advocating for relief and banding together to weather the storm. By adapting to changing state regulations and policies, the fitness industry uncovered new innovations that served members through the pandemic and will continue to serve them in the future.

The general trend for the year showed that as COVID-19 cases rose, member check-ins, gross revenue, and active members dropped. The converse proved true. Regulations around fitness center capacity also largely affected check-ins and active members.

Gross revenue and check-ins followed a similar trend of dropping until the middle of the year and then steadily growing back by the end of the 2020. Active members steadily decreased from March 2020 until December 2020 when they reached a low of 77.1% back to normal.

As we move into 2021 and vaccines become more widely distributed, the fitness industry stands to see its strongest year yet. At just a little over three months into the new year, fitness facilities are already seeing major improvements in all key performance indicator categories. Active members at 66% back to normal, revenue is at around 80% back to normal, and check-ins are at almost 55% back to normal.

2020 Fitness Trends

(all data is compared to 2019 data)

Beginning of the pandemic complete industry data
(March 2020) (March 2020 vs March 2019)

- Active Members: 91.8% back to normal
- Gross Revenue: 83.8% back to normal
- Check-Ins: 49.79% back to normal

Middle of 2020 complete industry data
(June 2020) (June 2020 vs June 2019)

- Active Members: 87% back to normal
- Gross Revenue: 64% back to normal
- Check-Ins: 29.60% back to normal

End of 2020 complete industry data
(December 2020) (Dec. 2020 vs Dec 2019)

- Active Members: 77.1% back to normal
- Gross Revenue: 80.3% back to normal
- Check-Ins: 46.74% back to normal

Current complete industry data
(March 2021) (March 2021 vs. March 2019)

- Active Members: (waiting on Boutique data to complete) 65.7% back to normal
- Gross Revenue: 80.1% back to normal
- Check-Ins: 54.98% back to normal

The Impact of YMCAs, JCCs and Community Centers

For nonprofit facilities, including YMCAs, JCCs, and community centers, the negative impact of COVID-19 was widespread. Revenue, membership, and check-ins all dropped significantly and maintained downward trajectories for several months. However, by the end of 2020 things were trending back to pre-COVID numbers with revenue at 83% back to normal, check-ins were at 39% back to normal, and membership was at 72% back to normal when compared with 2019.

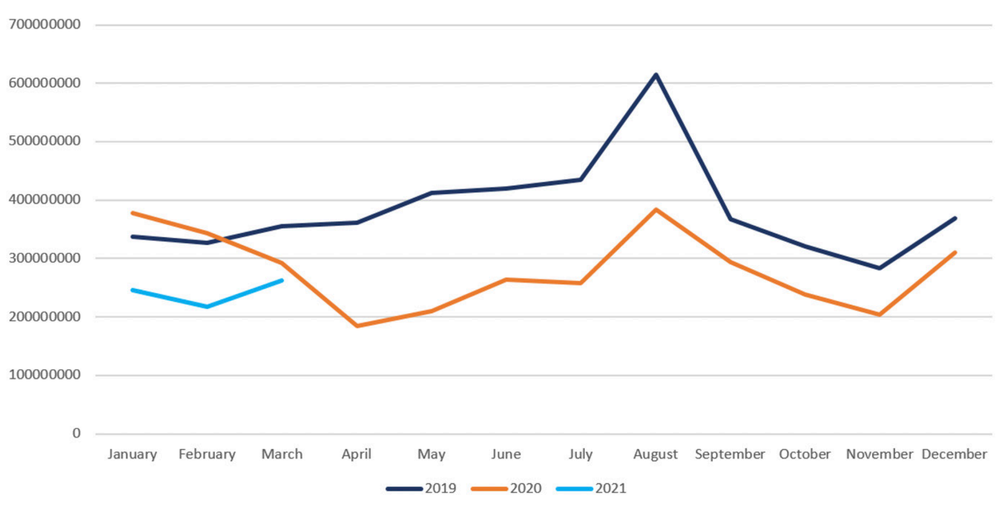
Despite capacity limitations other pandemic-related restrictions, nonprofit facilities focused on new missions and ways to serve the changing needs of their communities. For example, instead of closing their doors, YMCAs expanded their childcare and food services by partnering with food banks, restaurants, churches, and community groups to provide meals for those in need during the pandemic. They also offered childcare for children of essential workers, served as WiFi hubs where children could complete online schooling, sheltered the homeless, and hosted blood drives.

"The Y will continue to meet these challenges and embrace them. We're focused on arriving at a new reality, not returning to normal or returning to a new normal," -- EO Glen Gunderson, YMCA of the North

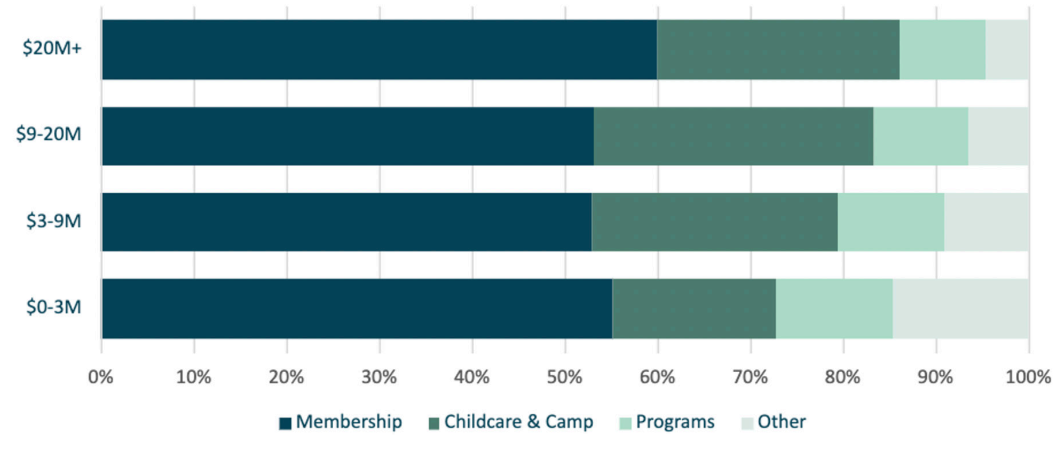
Revenue Data

Revenue is at ***83% back to normal***.

Total Revenue



Revenue Composition by Revenue Size



Average Gross Revenue % Back to Normal

$20M+	$9-20M	$3-9M	$0-3M
86%	79%	87%	80%

Key Takeaways

- Membership revenue was hit the hardest as facilities were forced to shut down and members either cancelled or put their memberships on hold.
- Childcare revenue was the second highest contributor to overall revenue, but experienced a decline as facilities were forced to shut down or limit capacity.
- Facilities in the revenue range of 20M+ were affected the worst by COVID-19 due to the fact that larger facilities often are located in highly populated metro areas that saw larger numbers of COVID-19 infections.

Check-In Data

Check-ins are at ***98% back to normal***

Total Check-ins

Average Check-ins % Back to Normal By Revenue Size

$20M+	$9-20M	$3-9M	$0-3M
44%	53%	49%	50%

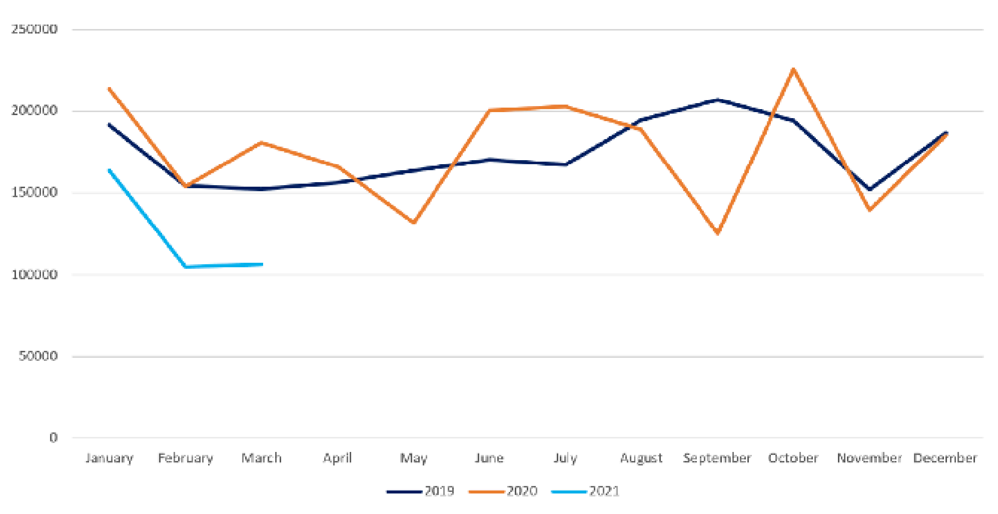
Key Takeaways:

- Overall, all four revenue sizes followed the same pattern in check-ins. This included a sharp drop in check-ins from March to April at the beginning of the pandemic when all businesses shut down, followed by a steady increase throughout the summer. After a plateau in late summer, check-ins once again took a slow incline, but dropped again from October through December when COVID-19 cases began to tick up around the holidays.
- When state restrictions required facilities to welcome fewer members through their doors, nonprofits counteracted the resulting drop in check-ins by adding virtual programming and virtual classes as options for members.

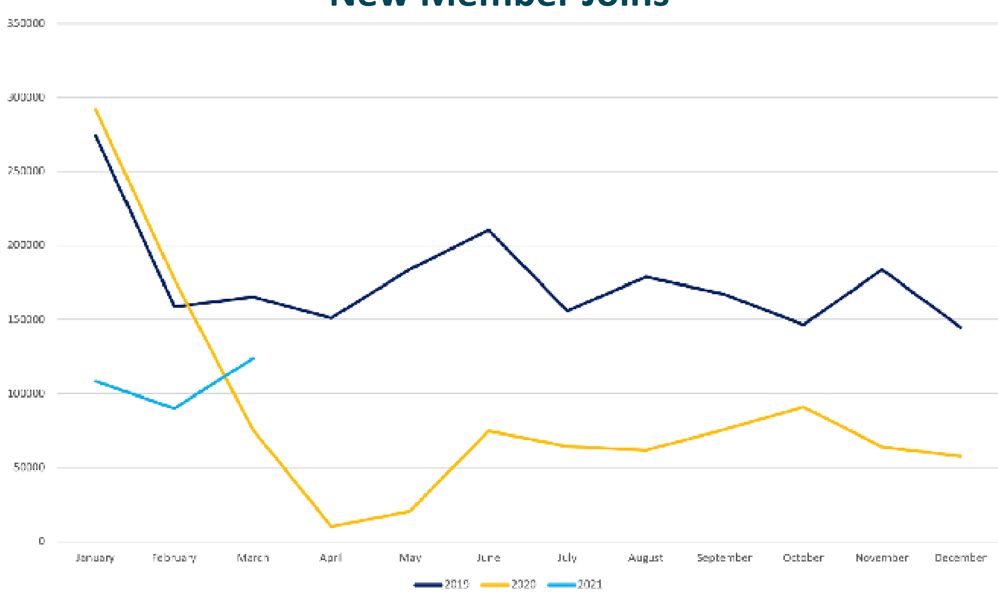
Membership Data

Membership is at ***62% back to normal.***

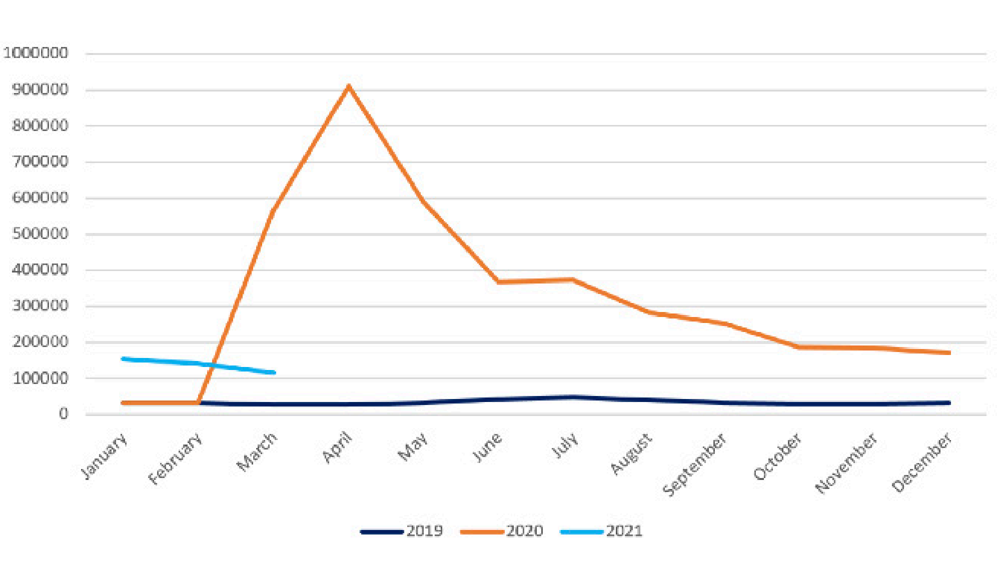
Member Cancellations



New Member Joins



Membership Holds



Key Takeaways:

- Overall, active membership took a big hit across 2020, whether due to a diminishing new joins, heightened holds, or erratic terminations.
- In all, smaller facilities fared better than large ones. Facilities with $0-3M in revenue are at 89% back to normal in terms of active units, while those with $20M in revenue are coming back, but a slightly decreased rate of 81%.
- As with check-ins, memberships at larger facilities (which are often times in highly populated metro areas) saw the largest negative impact.

The Impact on Fitness Clubs

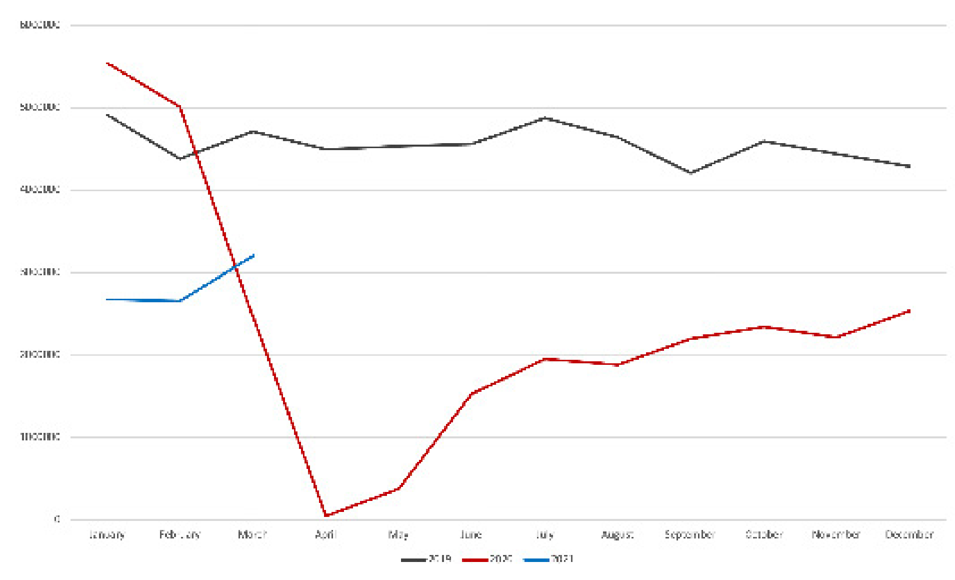
This market includes a wide array of health and wellness businesses, from tennis centers and multipurpose clubs to corporate wellness facilities and country clubs. With nearly all states shutting the doors to their fitness facilities, and many with restrictions still in place, the Club Division, like the rest of the fitness industry, took a hit.

During a time of great duress and uncertainty, clubs across the nation refused to leave their futures up to fate. Instead, they banded together to form state fitness alliances and advocate on behalf of the entire industry. Their efforts and tenacity played a big role in not only shifting public perception but enacting actual policy change from state and local legislators when deciding a plan for the phased reopening of businesses.

Check-In Data

Check-ins are at ***67.9% back to normal.***

Member Check-Ins



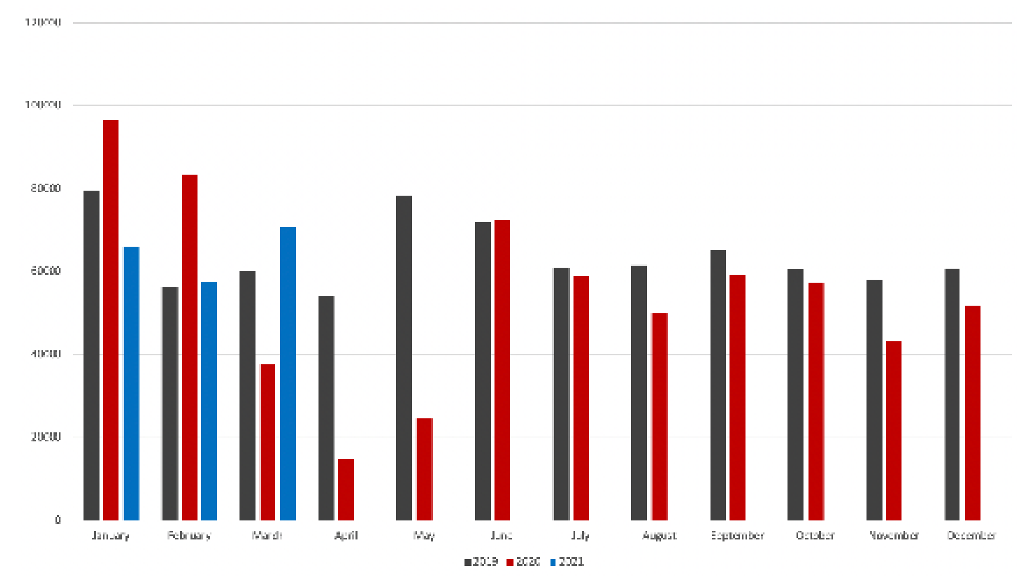
Key Takeaways

- Check-ins reached an all-time high at the beginning of 2020, paving the way for what would have been the club industry's strongest year to date.
- Check-ins dropped dramatically in March and were almost nonexistent in April at the start of the pandemic.
- Throughout 2020, check-ins ebbed and flowed in unison with the ebb and flow of COVID-19 cases in the U.S.
- The club industry adapted to heightened capacity restrictions and mandated closures by offering virtual cases that members could participate in from their homes.

New Joins Data

New joins are tracking at ***117.1% of what they were in 2019***.

New Join Data by Month and Year



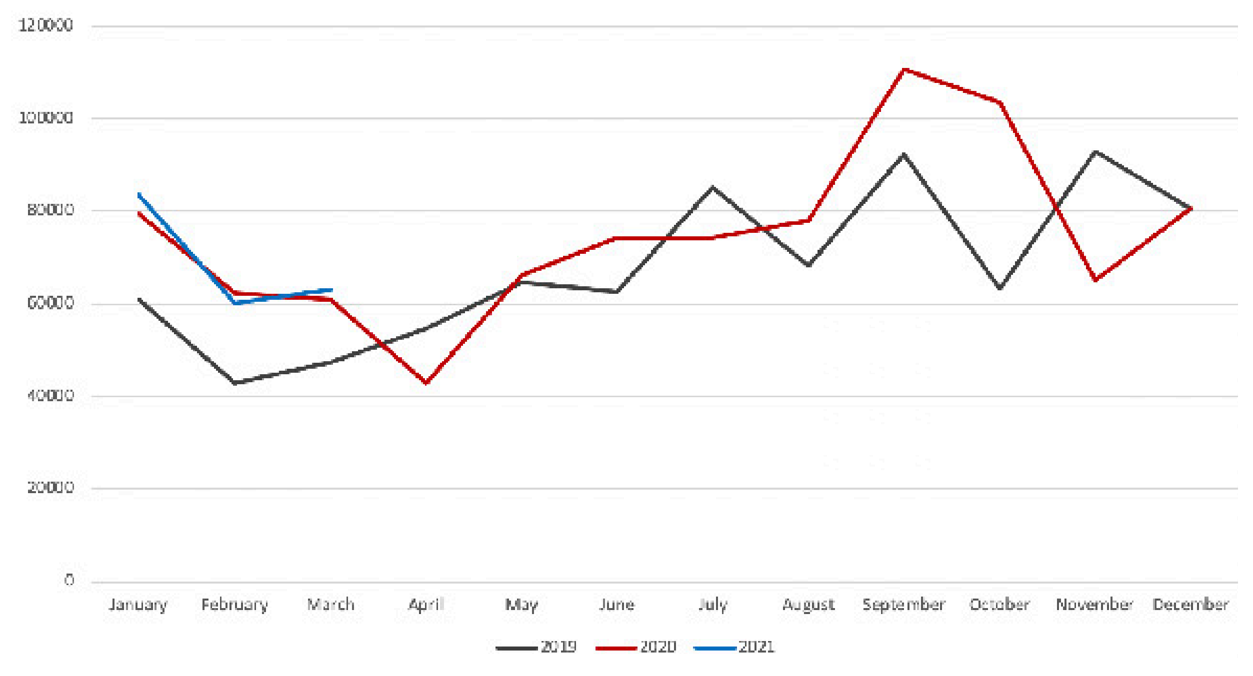
Key Takeaways

- New joins predictably plummeted during the first quarter of the year as the realities of the pandemic reached across the nation.
- Following, new joins followed the pattern of COVID-19 cases, rising and dropping with upticks in the virus.
- As vaccines roll out, more and more people are returning to regular workout habits and an uptick in new joins have followed.
- New joins are now tracking at over what they were in 2019.

Cancellation Data

Cancellations are ***up from 2019 by 33.2%.***

Member Cancellations



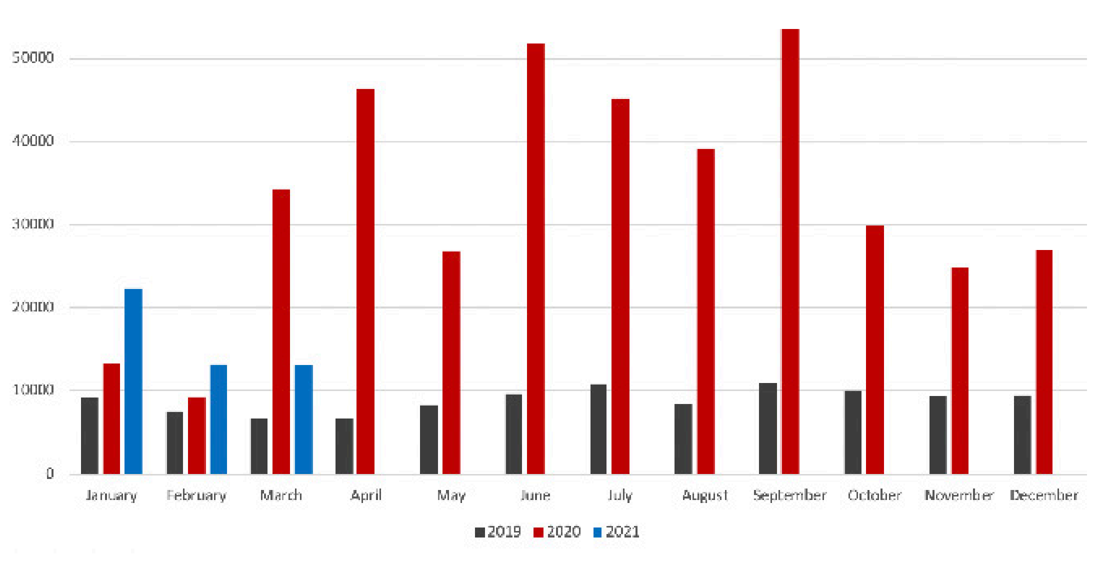
Key Takeaways

- Clubs saw their highest number of cancellations to date in 2020.
- Again, cancellations followed the general trend of the pandemic, with cancellations rising in months with more COVID-19 cases and falling in months with fewer.
- The number of cancellations could have been much higher but was tempered by members who chose to put memberships on hold rather than cancelling altogether.

Member Hold Data

Member holds are ***up 96.5% compared to 2019,***
but this is a number is steadily dropping in 2021.

Membership Holds



Key Takeaways

- In a typical year, membership holds remain at a steady level from month to month.
- During 2020, most clubs offered the option to freeze or put memberships on hold and many members took that route.
- Holds increased greatly at the start of the pandemic in March and April, as well as during the second wave of increased infections in the summer months of June and July.
- Holds tapered off toward the end of the year as clubs moved to reactivate memberships or cancel them one way or the other.

The Impact on Boutique Fitness

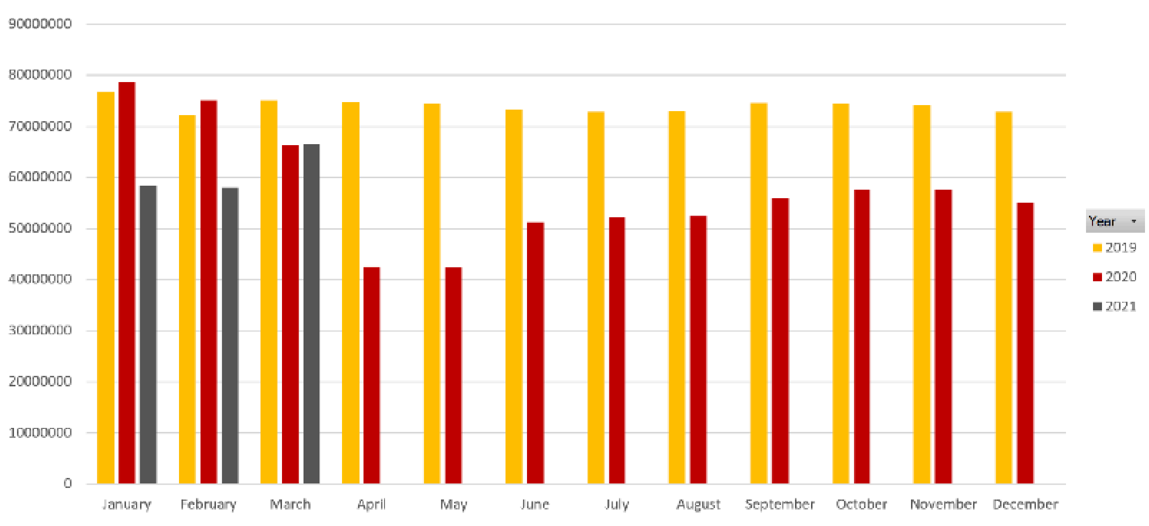
From Cross Fit gyms and martial arts schools, to yoga, spin, and personal training studios, the small fitness space is as diverse as it is widespread. As small businesses with smaller memberships and staffs, small fitness studios were definitely hit hard by COVID-19 related shutdowns, but that didn't stop them from continuing to reach and impact their communities during a difficult time.

One of the things boutique studios did remarkably well throughout the pandemic was remain agile and innovate to reach their members at every stage of re-opening. In states where gyms were entirely closed, small businesses were quick to set up virtual options and weekly live-streamed workouts, helping studios maintain a minimum level of revenue. In states that rolled out reopening plans in late spring and early summer, recovery followed soon after with increased revenue and check-ins.

Total Revenue Data

Total revenue is at ***88.5% back to normal.***

Total Revenue



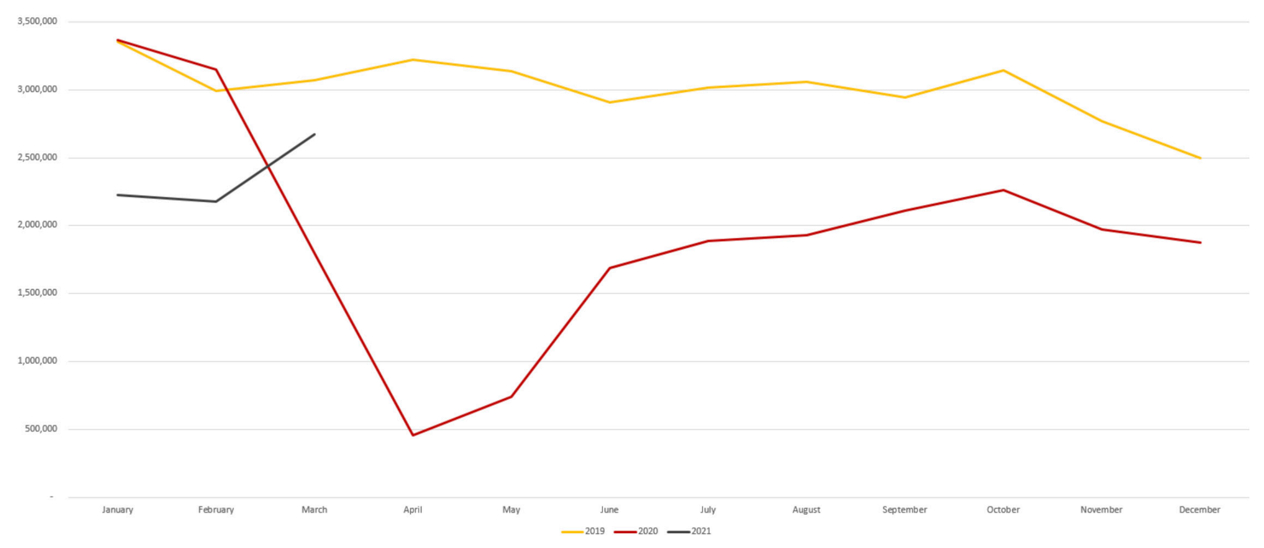
Key Takeaways

- By the end of 2020, total revenue was at 76% back to normal compared with 2019.
- Month-to-month revenue trends in 2020 were consistent with those in 2019, just at an overall lower volume due to COVID-19.
- Revenue dropped drastically in March and April at the outset of the pandemic, then slowly built back at a steady rate throughout the summer and into the fall. December saw a slight drop, falling in line with typical seasonality trends in which members' routines are disrupted around the holidays.

Check-In Data

Check-ins are at ***87.1% back to normal.***

Boutique/Studio Check-Ins



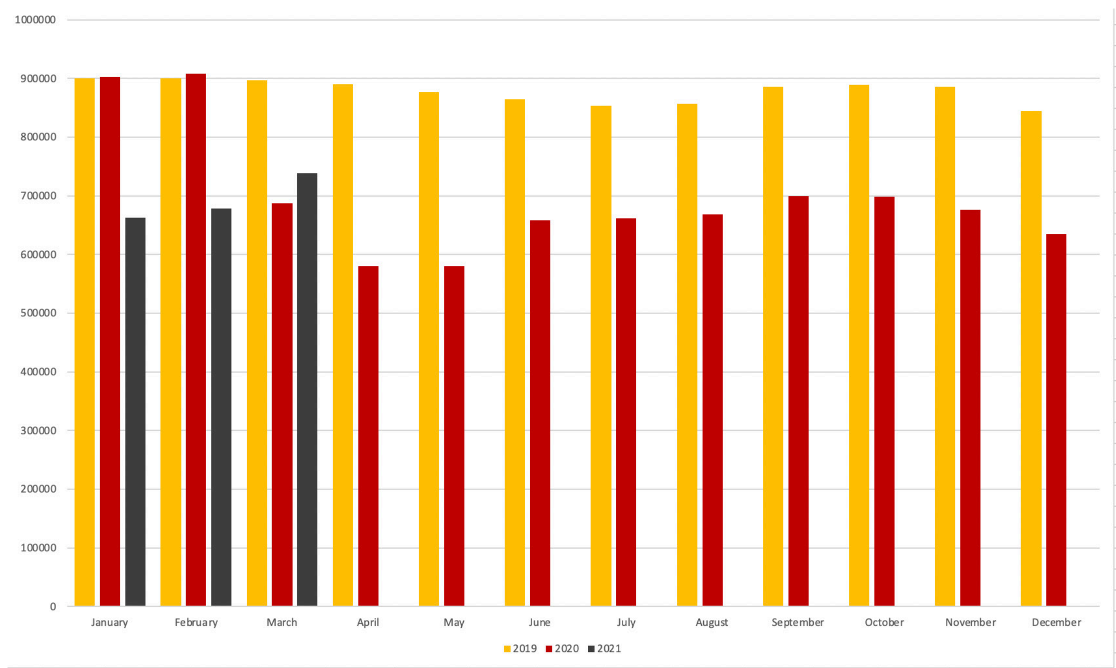
Key Takeaways

- Check-ins followed a similar pattern as revenue but were even more effected by the pandemic.
- After starting out stronger than ever in January and February, check-ins plummeted by nearly half in March and then were reduced to less than a third of their March levels by April.
- The summer brought a slow uptick in check-ins resulting in a post-pandemic high of 2,319,866 check-ins in September, before that number dropped steadily throughout the remainder of 2020 due to a resurgence of widespread COVID-19 cases.

Active Member Data

Active membership is at ***82.3% of normal***
(2021 data compared to 2019 data)

Active Member Data



Key Takeaways

- Once the pandemic hit, many members either terminated their membership, or went on hold throughout the pandemic.
- Active memberships took the greatest hit as many were forced to close their doors or limit their member capacity at a given time.
- Even through the pandemic, members hold on to their membership, and many did reinstate their membership at the end of 2020, in hopes of returning.

A Look into 2021

As the U.S. vaccine rollout ramps up and states loosen facility capacity restrictions, the fitness industry's full recovery is closer than ever. In addition, with many Americans itching to get active and build community after a year of quarantine and isolation, 2021 could become the strongest year yet for the fitness industry in terms of new members, check-ins, and total revenue.

Already in the first quarter of 2021, we're seeing significant growth and recovery with positively trending numbers from several key performance indicators. Fitness facility revenue is at 80% of what it was pre-COVID, and active members are at 66% of what they were in 2019. Total check-ins are up almost 10% from where they were at the end of 2020, and these numbers are only expected to continue improving as we progress further into the year.

As an industry, we're moving from "survive" to "thrive," and it's essential that all fitness businesses are ready for the shift. Whether you're a nonprofit organization, health club, or boutique studio, here are some tips to facilitate further recovery in the new year.

- ***Market to new members.***

The massive market disruption caused by COVID-19 forced many fitness facilities to close permanently. It also caused many individuals to reevaluate their fitness consumption and cancel memberships. Finally, for those without regular fitness habits, the pandemic brought to light the importance of health in combating viruses like COVID-19. Together, all three of these events have created a huge market of people searching for their perfect fitness fit.

As you work to add new members to your organization, club, or studio in 2021, remember this group of incredibly eager prospects and speak directly to them. Ramp up your digital marketing efforts to cast a wide net for new members, and tailor your messaging to hit on the pain points you know they're experiencing without a fitness facility to call home.

- ***Reach out to on-hold or lost members.***

Another huge group of prospects to focus on is all previous members who put their memberships on hold or cancelled altogether as a result of COVID-19. Be proactive in your pursuit of these lost members, and remind them what they stand to gain by returning to your fitness facility.

When reaching out to these members, it's important to uncover their precise reasons for leaving your club. With that information, you can speak directly to assuage their fears and hesitations about returning to a fitness facility. All facilities should widely publicize their new sanitization measures and updated policies for safe reopening.

- ***Tell everyone what's new.***

Over the course of a year, the COVID-19 pandemic forced many fitness facilities to get creative and introduce new ways to help members stay fit. While some of these innovations may fade as we return to normal operations, some are worth keeping around. For example, virtual fitness may be here to stay. For older members who have a difficult time leaving their homes, virtual fitness is a good alternative to physically visiting a facility. In addition, the flexibility may be appreciated and preferred for other members types like new parents.

If your facility plans to continue offering virtual and hybrid memberships, make sure your audience is aware. Communication is key to keeping current, past, and soon-to-be members engaged in your fitness community.