



International Health, Racquet & Sportsclub Association

Talking Points **Health & Fitness Recovery Act of 2020 (H.R. 8485)**

Summary – To address the unique and pressing needs of the health and fitness industry, Representatives Michael Quigley (D-IL) and Brian Fitzpatrick (R-PA) have stepped forward and filed the Health & Fitness Recovery Act of 2020 (H.R. 8485).

The Ask

Ask your member of Congress to co-sponsor the Health & Fitness Recovery Act (H.R.8485) and support its inclusion in any future COVID relief bill.

The Need

The health and fitness industry has been disproportionately affected by state and local government closures. Previous government programs have addressed some of the needs of the industry; though they have not been sufficient. The health and fitness industry continues to face a significant loss of revenue – both in direct membership and ancillary fees (like studio classes) – and will do so for the foreseeable future.

Economic Impact

The impact of COVID-19 Pandemic on Health and Fitness Industry has been extraordinary

- 480,000 Jobs lost as of October 1, 2020
- \$15.6 billion in lost revenue through October 1, 2020
- Closures up 23% since July, with 6,024 total closures, 2,616 of which are permanently closed. ([from Yelp](#))
- 25% of clubs projected to close by the end of 2020
- National fitness chains have filed for bankruptcy with expected closures of many facilities



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The Solution

The Health & Fitness Recovery Act of 2020 (H.R. 8485)

- Health & Fitness Fund: Creates a \$30 billion dollar fund to provide grants to affected health and fitness businesses.
- **Grant Amount:** Grant amounts are capped at actual business loss up to 10% of previous year's revenue or \$10,000,000, whichever is less.
- **Eligible expenses:** (A) Payroll costs; (B) Payments of principal or interest on any mortgage obligation; (C) Rent payments, including rent under a lease agreement; (D) Utilities; (E) Maintenance, including construction or reconfiguration to accommodate social distancing requirements; (F) Supplies, including protective equipment and cleaning materials; (G) Debt obligations to suppliers that were incurred before the covered period; and (H) Any other expenses that the Secretary determines to be essential to maintaining the eligible entity.

Industry Background – Pre-COVID Industry Data

- The United States has over 40,000 health and fitness clubs that generate over \$35 billion in annual revenue
- 3 million people employed in health and fitness industry
- 64.2 million Americans have membership to a health and fitness club (another 10 million use facilities as non-members)
- Over 80% of industry is comprised of small businesses – operating 5 or fewer clubs
- Industry is critical anchor tenant to shopping centers
- The fitness industry plays a central and essential role in the promotion and maintenance of mental, physical, and social health and wellbeing keeping U.S. healthcare costs down.