



ILC

Industry Leadership Council





Who or what is the ILC?

Industry Leadership Council members are passionate fitness industry leaders. Currently, over 200 ILC members, representing tens of thousands of fitness businesses across the U.S., as well as individuals and industry suppliers, contribute funds to support IHRSA's vital advocacy and lobbying efforts.



About IHRSA Advocacy and the Industry Leadership Council

For nearly 30 years, IHRSA's advocacy efforts have been protecting clubs from legislative and regulatory burdens, while also promoting the fitness industry's vital contributions to the health of the nation.

Over 20 years ago, industry leaders—including many direct competitors—came together to learn from each other, and work together to solve common industry problems. Out of this collaboration, the Industry Leadership Council and a way to fund the industry's legislative battles and industry growth goals was born.

Whether healthcare reform, onerous consumer protection regulation, revised tax laws, or a new and unforeseen pandemic – a strong association with a strong advocacy arm is necessary to track, confront, and overcome threats, take advantage of opportunities, and deliver results.

It is directly due to the generous contributions from ILC members that the industry has a strong advocacy arm — *one that is getting even stronger*.

100% of Contributions go to Advocacy Efforts

ILC Contributions are restricted funds dedicated to solely fund U.S. advocacy and lobbying efforts. They are NOT used for IHRSA operations or payroll. These contributions pay for a team of lobbyists in Washington, D.C., and state lobbyists across the country, bill tracking services, and software to do grassroots lobbying.

The ILC does not pay for overhead or IHRSA Government Relations staff, who:

- Analyze (and when necessary, alert and act on) the bills
- Manage the ILC funded lobbyists, write testimony, develop positions on bills
- Conduct grassroots lobbying to include research, campaign writing, planning, and promoting





Primary Functions

Contributions from ILC members enable IHRSA to fulfill its mission to fight for the industry; stop legislation and regulations harmful to club operations; and promote the leading role health and fitness clubs play in shaping a better future.

- Advocating at the federal level and all 50 states, to include bill tracking, submitting written testimony, working with IHRSA lobbyists (when applicable), and directly engaging legislators (with IHRSA members) to stop legislation that would be harmful or support legislation that would create opportunities for the industry and/or support physical activity and primary disease prevention
- Lobbying in Washington, D.C., to gain relief, protection, and stimulus for the fitness club industry in the wake of the Coronavirus Crisis

Maximize Industry Growth

IHRSA Advocacy is more than political and much broader than lobbying. It's about using influence to advance the industry by:

- Promoting industry contributions to health, happiness, and prosperity
- Positioning the industry as a key determinant of the preventive healthcare continuum
- Boosting consumer perception, increasing investment, developing partnerships, and furthering policymaker relationships
- Advocating for a more physically active population with increased access to physical activity and health education

Relief, Protection, & Stimulus in the Wake of COVID-19

Since the early days of the lockdown, IHRSA has been lobbying Congress for relief, protection, and stimulus. With the lockdowns lasting longer than originally planned, IHRSA has been lobbying at the federal level and in all 50 states for clubs to be allowed to open and remain open with safe protocols and a proper health environment.

Expand Industry Influence

The need for a stronger, more politically powerful fitness industry has never been greater! A more engaged industry with more contributors will ensure the fitness industry has a 'seat at the table' when policymakers are discussing (and deciding) issues that affect the health of the nation or the fates of America's small businesses.



IHRSA ADVOCACY

— Protecting Clubs in all 50 States

Advocating for the Industry at the State Level

While efforts at the federal level have received much of the attention in 2020, the fitness industry is more often affected by legislation at the state level. To ensure the industry operates in a business-friendly climate unhampered by stifling regulations and taxes, IHRSA protects club operations from legislative and regulatory burdens (tax proposals, restrictions on membership contracts, trainer regulations, restrictions on biometrics, data collection, and more.)

Legislative Threats Impeding Club Operations

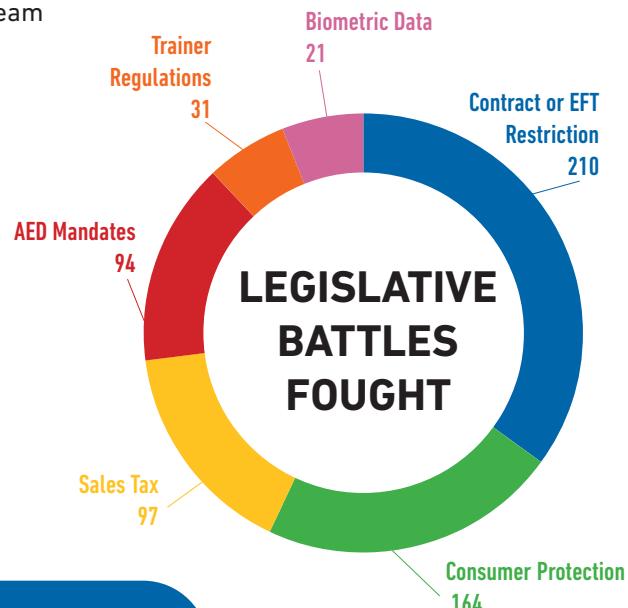
Before the crisis hit in early 2020, IHRSA's Government Relations team warned IHRSA and ILC members of six major concerns:

- restrictions on membership contracts and EFTs (electronic funds transfers)
- sales tax impositions or expansions
- biometric data privacy, such as facial-recognition and finger-print check-ins
- AED mandates without adequate liability protection
- personal trainer licensing/regulations
- locker room privacy

Now, as we look at the industry months after the initial lockdown mandates, clubs should be more concerned than ever about tax impositions as states are facing enormous budget shortfalls, and severe restrictions on auto-renewal and EFT collection.

WHAT WOULD HAPPEN TO YOUR . . .

- **Membership** roster or revenues when a state sales tax is applied to club membership dues? (e.g. 6% x \$2 Million = \$120,000/year hit)
- **Monthly cash revenue** if EFT dues processing was prohibited?
- **Retention rate** if every member was required to sign a new contract every year? (huge attrition problem of \$300,000-\$500,000 in damages)
- **Personal Training revenues** if trainers were no longer legally allowed to train?
- **Members' progress and engagement** if clubs were no longer allowed to use Biometric Data to profile and track their club journey?



IHRSA's Record and ILC ROI

Thanks to the generous financial contributions from industry leaders, IHRSA, to-date, has had the financial resources to be extremely successful in protecting club operations at the state level. **Our five-year record is 88 WINS and 4 losses.**

In 2019 alone, the IHRSA team monitored over 500 bills from state legislatures across the country. Of those bills, 18 reached a level that required direct advocacy efforts. All 18 were successfully mitigated through IHRSA's advocacy, testimony, and/or grassroots engagement from club operators. The 18 victories of 2019 encompass many states (TN, WA, NM, MD, AZ, CO, FL, MO, MT, NH, VA, WV) and consist of permitting regulations, automatic renewal restrictions, wearable biometric data, sales tax, automatically renewing contracts, and AED liability. Unfortunately, while 18 were stopped, many of the more worrisome bills did carry over into 2020.

The Actions

IHRSA's Government Relations team, with ILC-funded lobbyists across the country, regularly monitors, alerts club operators, and, when necessary, acts upon legislation and certain legal issues that would affect health club operations, club revenues, and/or consumer access to health clubs whenever and wherever needed.

Financial contributions directly support:

- bill tracking software, so the team can track each and every bill introduced across the country,
- ILC-funded lobbyists in battleground states for direct lobbying, as well as man-on-the-ground information gathering and strategizing.

Your Invitation to Support These Vital Efforts

Your contribution will help IHRSA fulfill its role as your industry's sole protector and advocate in Washington, D.C., and position the industry for continued success across the country. 100% of your contribution directly supports the Growth, Promotion, and Protection of the U.S. fitness club industry.



TO CONTRIBUTE:

- Visit ihrsa.org/ilc
- Contact Meredith Poppler (mpoppler@IHRSA.org or 617.316.6750)
- Wire funds to:
IHRSA, 70 Fargo Street, Boston, MA 02210, Acct: 029108269
BANK OF AMERICA, 100 Federal Street, Boston, MA 02110 Routing/Transit (ABA) Number: 0260-0959-3, Swift Code: BOFAUS3N