



## Talking Points

### Gym Mitigation and Survival Act of 2021 (GYMS Act) (H.R. 890/S.1613)

**Summary** – To address the unique and pressing needs of the health and fitness industry, U.S. Representatives Michael Quigley (D-IL), Brian Fitzpatrick (R-PA) and Senators Tammy Duckworth (D-IL) and Jerry Moran (R-KS) have stepped forward and filed the **Gym Mitigation and Survival Act of 2021 (GYMS Act) (H.R. 890/S.1613)**

#### **The Ask**

Ask your representative and senators to co-sponsor the GYMS Act (H.R. 890/S.1613).

#### **The Need**

- The health and fitness industry has been disproportionately affected by state and local government closures.
- Gyms were among the first businesses mandated to close and the last businesses allowed to open.
  - Gyms were consistently tied to restaurants, bars, and live events venues for state closures.
- However, gyms have not received the same consideration as these industries when it comes to federal relief.
- Like restaurants, gyms have a high number of part-time workers, up to 70%.
  - Unlike restaurants and hotels, gyms did not receive a waiver from the SBA's affiliation rule resulting in gyms being unable to access PPP due to the employee cap and how SBA counts employees.
- Reopening doesn't solve the problem:
  - Gyms have members not customers. The decision to join a gym is driven by location, fit and the consumer's goals, a membership is an ongoing relationship and it takes time to build.
  - Deferred expenses, such as rent, are now coming due. While revenue will take months or years to approach 2019 levels, expenses have returned and in some cases increased.

#### **COVID-19 has Devastated the Fitness Industry**

- \$29.2 billion in lost revenue from March, 2020, through June 2021.
  - 52% decline from 2019.
- 22% of all fitness facilities permanently closed as of July 1, 2021.
  - 27% of studios closed as of Jul 1, 2021 an increase of 8% since January 1, 2021.



- According to a January survey, [fewer than 50 percent](#) of small gyms and fitness studios expect to survive through 2021 without federal support.
- According to [data released by Yelp](#), gyms and fitness facilities currently face higher closure rates than nearly any other industry, including restaurants and bars.
- 1.5 million jobs lost.
  - 47% of jobs in the industry.

### **The Solution**

#### **GYMS Act of 2021 (H.R. 890/S.1613)**

- The GYMS Act will create a \$30 billion fund to provide grants to affected businesses in the health and fitness industry.
- Grant: Initial grant amounts are capped at 45% of the facility’s 2019 revenue—or \$20 million, whichever is less. Health and fitness businesses considered severely impacted—with revenues of only 33% or less in the most recent quarter as compared to 2019—would be eligible for a supplemental grant, of up to 25% of their initial grant.
- A few expenses the grant would cover include: a) payroll costs, b) rent or mortgage payments, including interest, c) utilities, d) interest on debt accrued before February 15, 2020, e) taxes, f) costs required under any State, local, or Federal law or guideline related to social distancing,

### **The Fitness Industry Supports Communities Across the Country**

- The United States has over 40,000 health and fitness facilities that generated over \$35 billion in revenue in 2019.
- 80 percent of the industry is comprised of small businesses.
- Fitness facilities promote health equity by providing low cost access to year round fitness to Americans.
- The industry employs more than 3.2 million people.
- 64.2 million Americans have membership to a health and fitness club (another 10 million use facilities as non-members)
- Gyms and fitness studios are a critical anchor tenant for retail centers. According to the [Wall Street Journal](#), “gyms were a bright spot for retail owners until COVID-19.” Shopping mall owners, landlords, and retail tenants, such as sporting goods stores and others that bank on gym member traffic.



## **Fitness Facilities Are Essential to America's Physical and Mental Health**

### **Physical Health**

- In March 2020, the CDC issued a [preliminary report](#) which concluded that people with diabetes and obesity were at higher risk of mortality from COVID-19.
  - This has only been bolstered by more [supporting evidence](#): the CDC now considers type 2 diabetes, obesity and cardiovascular disease as diseases with the strongest and most consistent evidence of impact on COVID-19 severity.
- Rates of these chronic diseases remain high in the US. More than [4 in 10 adults are obese](#), and more than [1 in 8 adults has type 2 diabetes](#). These tens of millions of Americans are at increased risk for general mortality, including COVID-related mortality.
- Physical activity is proven to help prevent, manage, and treat a number of chronic diseases. Fitness facilities are essential in stemming the rise of chronic disease and strengthening the public's health and well being.

### **Mental Health**

- During the pandemic, 4 in 10 U.S. adults reported symptoms of anxiety or depressive disorders, compared to just 1 in 10 in 2019.<sup>1</sup>
- Another study found that depression rates tripled during COVID-19, skyrocketing to 27.8% from 8.5% pre-pandemic.<sup>2</sup>
- According to CDC data, young adults more frequently reported the following in the past 30 days:
  - COVID-19-related trauma,
  - starting or increasing substance use to cope with COVID-19-related stress,
  - serious suicidal ideation.<sup>3</sup>
- The relationship between physical activity and mental health has long been known, research shows that people who are more physically active:
  - are happier,<sup>4</sup>
  - experience greater levels of excitement and enthusiasm,<sup>5</sup>
  - are more satisfied with life, and
  - have higher self-esteem.<sup>6</sup>
- An analysis of 852,068 adults (out of 1.2 million surveyed) associated exercisers with 43.2% fewer self-reported mental health burdens per month than nonexercisers.<sup>7</sup> The study observed this relationship across all ages, racial groups and household incomes.

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<sup>1</sup> According to a new Kaiser Permanente brief, "[The Implications of COVID-19 for Mental Health and Substance Use](#),"

<sup>2</sup> A study from the [Boston University School of Public Health](#)

<sup>3</sup> <https://www.cdc.gov/mmwr/volumes/69/wr/mm6932a1.htm>

<sup>4</sup> <https://www.repository.cam.ac.uk/handle/1810/260310>

<sup>5</sup> [https://www.eurekalert.org/pub\\_releases/2012-02/ps-pay020812.php](https://www.eurekalert.org/pub_releases/2012-02/ps-pay020812.php)

<sup>6</sup> <https://dc.uwm.edu/uwsurca/2016/Posters/74/>

<sup>7</sup> Chekroud, S.R., et al. 2018. Association between physical exercise and mental health in 1.2 million individuals in the USA between 2011 and 2015. A cross-sectional study. *Lancet Psychiatry*, 5(9), 739-46.