



International Health, Racquet & Sportsclub Association

Talking Points

Gym Mitigation and Survival Act of 2021 (GYMS Act) (H.R. 890)

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 **Gym Mitigation and Survival Act of 2021 (GYMS Act) (H.R. 890)**

The Ask

Ask your member of Congress to co-sponsor the GYMS Act (H.R. 890).

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, the last businesses allowed to open in many states, and among the first ordered to reclose during the new winter wave of COVID cases. Despite consistently being tied to restaurants, bars, theaters and live events venues for state closures, gyms have not received the same consideration as these industries when it comes to economic relief. While some gyms were able to take advantage of the PPP program, many were not able to or received little benefit. Like restaurants, gyms have a high number of part-time workers, up to 70% in some instances, unlike restaurants-which were granted a waiver of the SBA's affiliation rule- many gyms were blocked from accessing that relief due to the employee cap and how SBA counts employees. The health and fitness industry continues to face a significant loss of revenue – both in direct membership and ancillary fees – and will do so for the foreseeable future.

COVID-19 has Devastated the Fitness Industry

- \$20.4 billion in lost revenue through December 2020.
 - 58% decline from 2019.
- 17% of clubs permanently closed as of December 2020.
- 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.
- 1.4 million jobs lost.
 - 44% of jobs in the industry.



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The Solution

GYMS Act of 2021 (H.R. 890)

- 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 clubs that generate over \$35 billion in annual revenue.
- Small businesses comprise more than 80 percent of the industry.
- 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.

Fitness Facilities Are Essential to America's 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.