

Norm Cates'

CLUB INSIDER

CELEBRATING 30+ YEARS OF TRUST

Cover Story Classics:

TRUST

NOVEMBER 2025

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CLUB INSIDER

CELEBRATING 30+ YEARS OF TRUST

Cover Story Classics: TRUST

By: Norm Cates

Publisher's Note: In 2018, when *Club Insider* reached the milestone of 25 years in publication, we changed our tagline to "Celebrating 25 Years of Trust." (this was updated each year until we hit 30 years; now, we have added a + for the subsequent years of our 30s) Most importantly, though, this tagline represents the reality of **TRUST** being required for our publication to exist. If we did not have the trust of our readers, our authors and our advertisers, we would never have made it.

During those 30+ years, one of our goals has been to be the shepherd of the health and fitness club industry's history. We very much believe those who do not know their history are doomed to repeat it. It is

for this reason that I came up with the idea of and presented this year's *Cover Story Classics* series. To say that picking from the hundreds of cover stories we have done for those that best exemplify our publication's beliefs and best teaches the lessons of our industry's history was a difficult task would be a complete understatement.

To close this year's *Cover Story Classics* series, we are going to go back to **August of 2009**. The title is simply: **TRUST**. As you read, please once again keep in mind, some statements may be dated, but I have updated/removed that content wherever possible for clarity and space requirements. Above all, the important thing to keep in mind is where the United States health and fitness industry was then, where it is now and where we believe it should go next:

- Then, we were at **45 million members** and a penetration rate of **18%** (*IHRSA*).
- Now, we are at **77 million members** and a penetration rate of **25%** (*HFA*).
- The obesity rate is **43%**... So, where do we want to go?

At quick glance, and I know an overly simplistic one, though we have come a long way, it doesn't seem like we are winning. But, I feel we are on the cusp of greatness and for two reasons:

First, time may tell GLP-1s to be a gamechanger, as they are helping people most likely too embarrassed or scared to enter health and fitness clubs with the ability to more easily lose 15 - 20 pounds on their own, thus possibly breaking down one
(See **TRUST** Page 8)



Workout Anytime Announces National Partnership with the American Cancer Society

ATLANTA, GA - *Workout Anytime*, the premium 24/7 fitness franchise with more than 190 locations nationwide, announced a national partnership with the American Cancer Society during its 2025 Franchise Conference in Atlanta, Georgia.



"Workout Anytime is more than just a gym. We are a community, and communities thrive when we give back," said **Larry Brayman**, *Chief Marketing Officer*, during his keynote address. "In 2026, we are taking that commitment to a new level with a national partnership that I am incredibly proud to introduce. We are joining forces with the *American Cancer Society*, one of the most respected organizations in the world."

off at the brand's annual franchise conference, where franchisees, staff and corporate leaders came together to launch the *Battle Rope Challenge*, a signature fundraising event designed to unite clubs and members under a shared mission. For 30 seconds, participants took on the ropes and dedicated their effort "in honor of" someone affected by cancer. Each challenge included a donation to the American Cancer Society and a personal
(See *Workout Anytime* Page 13)

The partnership officially kicked

Medicare to Reimburse Doctors for Physical Activity Assessments and GLP-1 Medications

WASHINGTON, D.C. - For the first time, Medicare will pay doctors to assess a patient's physical activity levels as part of routine care. This new policy formally recognizes physical activity and nutrition as vital components of preventive healthcare and integrates them directly into how doctors assess and talk with patients about their overall health.

The change follows joint advocacy from the *Health & Fitness Association (HFA)* and the *Physical Activity Alliance (PAA)*, including formal comments urging the *Centers for Medicare & Medicaid Services (CMS)*, the federal agency within the *U.S. Department of Health and Human Services (HHS)* that oversees major national healthcare programs to recognize



physical activity as a measurable part of care and to engage fitness facilities as trusted community partners in prevention and chronic disease management.

The changes:

Annual Wellness Visits: Doctors can now include a physical activity and nutrition risk assessment as part of personalized prevention plans.

Cardiovascular Risk Management: Physical activity is now explicitly listed as
(See *HFA* Page 6)

Inside the Insider: Edition #383

- "Insider Speaks" - We Should Scrap the PHIT Act... I Know, OUCH! - **By:** Steve Vucovich
- How Interior Design Influences Physical and Mental Wellbeing - **By:** Bruce Carter
- How to Get Intimate with Your Clients: Lessons From Pixie Acia - **By:** Nancy Trent
- The Future of Fitness is Friendship - **By:** Jeffrey Pinkerton
- HealthFitness Celebrates 50 Years of Transforming Corporate Fitness
- Bay Club Expands Greater Seattle Campus with Acquisition of ArenaSports
- HWLS Partners with Millennium Health and Fitness
- World Gym Q3 Results: EPS Jumps 82.5% on Record Revenue
- And, of Course, *Norm's Notes*

Norm's Notes

■ **Hello Everybody!** This is your **Club Insider Founder and Tribal Leader Since 1993** checking in with our **383rd monthly edition of this 30+ year running club business publication** I refer to as: **A Labor of Love!** I'm very thankful that you've tuned in again for this iteration of **Norm's Notes**, as I proceed on my keyboard with my longtime habit of "Telling-It-Like-It-Is!" I'm really happy that you're reading this edition, and I want to **THANK YOU ALL** for sticking with us every month! As usual, we have a bunch of health and fitness club business news, **so please read on!**

■ **Is AMERICA a GREAT COUNTRY, or WHAT!?** Hmm... hmm... hmm! And, as usual, let me start these **Norm's Notes** with my normal monthly salutation to you all: **GOD BLESS AMERICA and GOD BLESS YOU, YOUR FAMILY and YOUR BUSINESS!!!**

■ From our family to yours, we want to wish you a very **Happy Thanksgiving!**

■ This **Note** is from our friend, **EDDIE TOCK**, of **REX Roundtables**. Eddie announced that the **2026 REX Leadership Academy** events are scheduled for **July**

21 - 23, 2026 in New York. Management Training for Leaders, a/k/a The REX Leadership Academy happens over the course of two-and-a-half days, and you'll dive deep into critical leadership topics to help you lead your business or department with greater effectiveness and efficiency. Graduate from the only immersive industry event in the United States to engage with industry experts, network with peers and gain actionable strategies that will help you thrive as a leader. Eddie also announced the **RICK CARO Scholarship** that will be available for **one attendee**. Stay tuned for more details. Eddie Tock can be reached by phone at **(914) 643 - 3207** or email at **eddie@rexroundtables.com**.

■ Be sure to mark your calendar now for *The 2026 Health & Fitness Association Show*, coming to San Diego, California, **March 16 - 18, 2026!** We hope to see you there!

■ Last month, at long last, I reported that my friend, **DEAN WALLACE**, had been recognized by *Guinness Book of World Records* for the longest college baseball game ever pitched at 17 innings. This month, he has released a book entitled: *From Baseball to Business: A Legacy of*

Leadership. Here's how he describes it: "It is a 330-page book I wrote about how I grew up, earned my way through college, played in the Giants organization then moved from Giants organization/pitching into the brand-new athletic club industry. The book is full of industry names, my time on the Board and how we all evolved." Folks, if you need some good reading over the holidays, be sure to check it out at: **bit.ly/clubinsider166**.

■ **VASA Fitness**, one of the nation's leading high-value, low-price fitness club operators, announces a transformative \$30 million reinvestment in its 64 clubs across eight states. This capital infusion will bring expanded boutique-style **STUDIO** programs, upgraded equipment and enhanced amenities to the majority of VASA locations, all to be completed by the end of Q1 2026.

■ **Chelsea Piers Fitness**, one of New York City's leading premium fitness brands, announces it has signed a long-term lease with **TF Cornerstone (TFC)** to open a new 47,000-square-foot location, located on the ground and lower floors of the 32-story Midtown East building recently purchased



Norm Cates

by TFC as its newest office-to-residential conversion project. This will advance the brand's strategic expansion across the New York Metro area.

■ **Fitness Premier 24/7 Clubs**, the full-service fitness franchise, is making its Montana debut. Local gym owners, **Eddie Davila** and **Chase Isle**, *Founders of Urban Fitness*, are converting their facility in (See **Norm's Notes** Page 7)

About Club Insider

CELEBRATING 30+ YEARS OF TRUST

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Thanks and Appreciation

At *Club Insider*, we are excited to be in our **32nd Year** of this home-based health and fitness club trade publication! The thought that this publication was *founded to serve an industry I truly love*, and so that *I could become a Mister Mom for my son, Justin*, is still *intriguing and amazing* to us. So, I wish to extend my most sincere **Thanks and Appreciation** to everyone who has made this amazing 30+ year run possible.

Very sincere *Thanks and Appreciation* go to the **late Rick Caro**, the **late Dr. Gerry Faust** and the **Faust Executive Roundtable #1** for helping me decide in 1993 what my home-based business would be. *Thanks and Appreciation* to my long-time friends, **Ron Hudspeth** and **Cathy Miller**, formerly of **Atlanta's Hudspeth Report** for the tremendous assistance they provided. *Thanks and Appreciation* to all of the folks at **Walton Press** in Monroe, Georgia. They did an absolutely excellent job for us all these years and printed every one of our monthly printed editions! And, of course, *Thanks and Appreciation* to the **United States Postal Service** for sending those editions to our readers!

Now, as we have gone all digital, *Thanks and Appreciation* to all of our **READERS**. Sincere *Thanks and Appreciation* to our **Club Insider Advertisers**, past and present, for their kind and dedicated support of this publication. *Thanks and Appreciation* to all of our **Club Insider Contributing Authors**, past and present. *Thanks and Appreciation* to the **Health & Fitness Association** for all it does for all of us. And, sincere *Thanks and Appreciation* to my son, **Justin**, our *Publisher*, who is a truly great business partner. You name it and Justin does it each and every month!

Last, but surely not least, this writer who refused to fear failure when many told him he didn't have a chance of surviving the publishing business for even a year did survive. And, he would like to give his sincere *Thanks and Appreciation* to the power that made that survival happen: **God**.

Very sincerely, with love in my heart for you all,

Norm Cates, Jr.



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"Insider Speaks"

One Club Owner's Opinion #2 - We Should Scrap the PHIT Act... I Know, OUCH!

By: Steve Vucovich

Publisher's Note: *Club Insider* was founded on the principle of "Telling It Like It Is..." This month, our friend **Steve Vucovich**, *Managing Director of Club Apple* in Idaho Falls, Idaho, has submitted an article that truly does that. Though the opinion that is about to be expressed may ruffle some feathers, whether or not that opinion is right or wrong is irrelevant, but the conversation needs to be had. That is because the idea of passing the *PHIT Act* has been around for what is now decades. Heck, I remember first reading about it when I was in college (I graduated in 2007). That is why I made the decision to put this article up front and center as an "Insider Speaks" editorial. I welcome your opinions, counterpoints or supporting comments at justin@clubinsideronline.com. They can remain private or be utilized in any future write-ups on this subject; please specify your choice if you provide a submission. Thank you, Steve, for going out on the limb here with this article, containing a well-articulated opinion.

■ ■ ■

It is my opinion that the *Health & Fitness Association (HFA, formerly IHRSA)* should scrap the *PHIT Act* and develop a new bill, one that is designed solely around the club/gym/boutique fitness industry and not watered down by different industry lobbyists. Essentially, a new bill that offers new/different industry participation incentives, because the use of HSA dollars offers little incentive for the bulk of the population and makes no economic sense for Government. IHRSA was predominately formed to promote and strengthen *our industry*, not Spaulding's, or Wilson's, or

NIKE's, etc. That is the reason I joined IHRSA 30+ years ago.

The PHIT Act, eliminated from the "One Big Beautiful Bill" has not resonated with Congress for the last 20 years! It is not necessarily because they do not appreciate the positive benefits of exercise on the debilitating cost of our national health care. It is more likely that they just see the PHIT Act as just another bill that is doomed for failure. Meaning, the passage of the PHIT Act will not move the needle in the continuum for solving our national health care crisis.

Back in February of 2023, I emailed **Mike Goscinski**, *HFA's Vice President of Government Affairs*, suggesting we scratch the PHIT Act and develop a different, more pointed plan for our industry, and one that may resonate with Congress. His response? Crickets... not even a return email stating how stupid the idea was. I admit, I did not follow up as I had a feeling the PHIT Act would not pass again upon reintroduction. And, guess what? Bingo! And, here I am re-writing my opinion, but this time to a larger audience. Let's look at the hard statistics as to why the PHIT Act should be scrapped.

According to the *Bureau of Labor Statistics*, approximately 39% of American workers have access to HSA plans. Of those, around 90% are enrolled but only 75% of these enrollees are contributing. One study concluded that possibly only 10% of the nations' workforce is actually eligible for an HSA (bit.ly/clubinsider167). **Important Note:** Higher wage earners dominate not only the access to HSAs but also their contributions.

Another large study, updated for 2025, shows that approximately 60% of all health club members earn between \$50,000 - \$100,000 (that's gross income). After standard IRS deductions, taxable

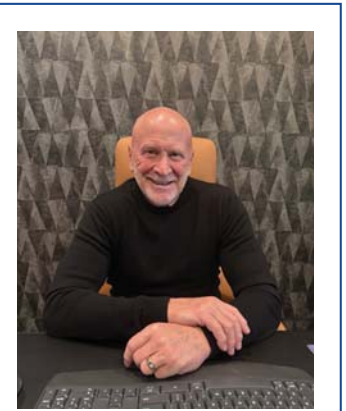
income would lower the majority of these persons to the 12% or less tax bracket. Statistics show most individuals with families earning \$75,000 or less either pay no taxes or would be in the 10% tax bracket. So, if 60% of all wage earners pay little or no tax, the PHIT Act (the use of HSA tax exempt dollars) offers no incentive to buy gym memberships, home exercise equipment, baseball bats, etc.

Statista's fitness surveys show that around 40% of fitness members make \$100,000+ a year. That means that 40% of the current adult members already have the incomes to afford most any fitness membership today. Common sense says: If people *can currently afford* a membership, but do not, it is not because they can't use their HSA dollars. It is most likely because they don't value the benefits of exercise.

The Government looks at these HSA numbers (presumably) and figures why should they give up tax dollars to people who can afford a membership, but in addition, why extend possible HSA tax breaks to the 60 million people who have already purchased a membership in the first place? In summary, when the Government takes into consideration that 40% of individuals can afford gym memberships with no subsidies, then factors in the people who do not have access to HSAs, and then considers the number of people in the low or tax-exempt brackets, they see that there is little to no incentive to pass the PHIT Act as written. The passage will not make America healthier.

Questions:

■ Could HFA have lost its way? Is it getting too big, too ineffective, almost Government-like (you know celebrating the "almost" but never crossing the finish line)?



Steve Vucovich

■ Can HFA not see that this is a flawed bill regardless of its passage?

■ Is HFA's prime focus now one of saving the world? It seems that way, with all the world travels and photo ops. Maybe the emphasis should have been spent at home by one of the *500 Most Influential People of 2025*, analyzing why the PHIT Act is *not the right bill to make America healthier*.

■ Could HFA be better off as its own entity, saving the world, and the U.S. health and fitness industry start over again with a new association and fresh ideas? Maybe one that is geared, and narrowly focused, on the U.S. market and its peculiarities? Just think, this new association would not even need its own trade show... Members could still go to the HFA Show!

(Steve Vucovich is the Managing Partner of Club Apple in Idaho Falls, Idaho. He can be reached at Steve@theclubapple.com.)

...HFA

continued from page 3

a modifiable risk factor in new Medicare cardiovascular risk assessment guidance.

Terminology Shift: CMS replaced "Social Determinants of Health (SDOH)" with "Upstream Drivers," acknowledging physical activity and nutrition as central to whole-person health.

This policy means doctors will now have both the reason and the support to ask Medicare patients about their physical activity habits, putting "move more" directly into the medical conversation.

With nearly 66 million Americans enrolled in Medicare, this change ensures more older adults hear from their

doctors about the importance of being active, reinforcing the critical role of the fitness industry in supporting healthy, active lifestyles.

Bottom Line: Medicare will now pay doctors to assess physical activity. That means more conversations about exercise, more recognition of its impact on health, and a stronger connection between the medical system and the fitness industry, helping more Americans move, feel better and live healthier lives.

Beginning in 2026, doctors will be able to bill Medicare for conducting a physical activity and nutrition assessment every six months. HFA will continue working with PAA to have CMS and other federal partners expand this foundation

into broader reimbursement for exercise counseling, referral and community-based activity programs. This is a pivotal step toward a future where exercise is standard medical practice and our industry is recognized as an essential partner in prevention and health promotion.

The Trump Administration also decided that Medicare would cover GLP-1 medications starting as soon as early 2026. In response, **Liz Clark**, *HFA President and CEO*, released this statement:

"Yesterday's announcement by the Trump Administration expanding Medicare coverage for GLP-1 medications is an important step toward addressing obesity and chronic disease among older Americans.

This move builds on recent progress by the Centers for Medicare &

Medicaid Services (CMS), which beginning in 2026, will reimburse physicians for conducting physical activity and nutrition assessments during patient visits, a policy the HFA and our partners at the PAA strongly advocated for. Together, these efforts signal a meaningful shift toward prevention and lifestyle-based care in our nation's health system.

To fully realize their impact, these advances must go hand-in-hand. GLP-1 medications are most effective when paired with structured exercise and behavior change. The next step is clear: Medicare should cover evidence-based physical activity programs and interventions delivered through trusted community partners like fitness centers, studios and wellness facilities.

(See *HFA Page 7*)

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...Norm's Notes

continued from page 4

Bozeman, Montana to a Fitness Premier, marking the brand's first location in the state.

■ From the *American College of Sports Medicine (ACSM)*, the *Centers for Medicare & Medicaid Services (CMS)* announces that, beginning January 1, 2026, coverage will be provided for physical activity assessments in the 2026 Physician Fee Schedule. Clinicians can now bill for a five-to 15-minute standardized assessment of physical activity and nutrition, reimbursed at \$20.00 - \$25.00 every six months. This service can be included in evaluation and management, behavioral health and annual wellness visits. The decision by CMS is

the result of years of strategic advocacy efforts led by ACSM and the *Physical Activity Alliance (PAA)* and marks a critical turning point in how movement is valued in clinical care.

■ The *American Council on Exercise (ACE)* announces that **Betty Su**, a seasoned brand and marketing executive, and **Amber Trivedi**, an innovative entrepreneur and expert in AI-driven career development, have joined its Board of Directors effective October 1, 2025. Their combined expertise will help guide the organization's mission and strategic direction during a period of growth and transformation.

■ Do you or anyone you know have knee arthritis? If yes, here's how exercise can help. It may sound counterintuitive, but

movement can ease the pain. The following report is by **JEN MURPHY** of *The NEW YORK TIMES*. Nearly 20% of Americans age 45 and older have knee osteoarthritis. Worldwide, the number is predicted to increase nearly 75% by 2050 because of aging, population growth and obesity. Knee osteoarthritis is a long-term, degenerative condition that *can't be reversed*. It develops in four stages as cartilage in the joint wears down, eventually leaving the bones to rub against each other and causing symptoms like stiffness, swelling and persistent ache around the joint. "Cartilage doesn't have pain receptors, but bone does," said **DR. YALE FILLINGHAM**, *Vice Chair of Research at Rothman Orthopedic Institute in Philadelphia*. Many people with the condition live with lurking dread that any misstep could aggravate it. But, as with other forms of chronic pain, experts agree that the best way to manage pain and improve quality of life is moving **MORE, NOT LESS!** "Exercise helps to lubricate the knee by sloshing around synovial fluid in the capsule that coats the joint and reduces stiffness," said **STEFANY MOONAZ**, *Director of Clinical and Health Services Research at Southern California University of Health Sciences*. "It's like oil, creating more mobility in the joints." she said.

being with us. And, in particular, **WE VERY SINCERELY APPRECIATE ANY and ALL SUPPORT OF OUR ESTEEMED Club Insider ADVERTISERS! PLEASE DO BUSINESS WITH THEM and WHEN YOU DO, PLEASE TELL 'EM Club Insider SENT YOU! THANK YOU ALL!**

■ **God bless our troops, airmen and sailors worldwide and keep them safe. Thank you, Congratulations and Welcome Home to all of our troops who have served around the world. God bless America's Policemen and women and Firemen and women; keep them safe. Finally, God bless you, your family, your club(s) and your members. God Bless America! Laus Deo!**

(Norm Cates, Jr. is a 50+ year veteran of the health, racquet and sportsclub industry. He is the Founder and Tribal Leader Since 1993 of Club Insider, now in its 32nd year of monthly publication. In 1981, he was IHRSA's First President, and a Co-Founder of the Association with Rick Caro and five others. In 2001, he was honored by IHRSA with its DALE DIBBLE Distinguished Service Award, one of its highest honors. And, in 2017, he was honored with Club Industry's Lifetime Achievement Award. You can reach Norm by phone at 770-635-7578 or email at Norm@clubinsideronline.com.)

...HFA

continued from page 6

Beyond weight management, regular physical activity --particularly strength training and balance-focused exercise--plays a vital role in preventing falls, the leading cause of injury and loss of independence among older adults. Expanding access to exercise-based prevention programs would not only improve quality of life but also reduce the

substantial medical costs associated with fall-related injuries and hospitalizations.

By connecting medical treatment to physical activity prescriptions and community-based support, we can help more Americans not only lose weight but also gain strength, mobility and independence, the hallmarks of healthy aging.

The HFA stands ready to work with CMS, HHS and policymakers to ensure exercise is recognized, and reimbursed, as essential medicine."

■ **JUSTIN** and I want to **THANK YOU** for reading Club Insider! We appreciate you

...TRUST

continued from page 3

of the greatest barriers to entry our industry has ever known. Attracting and harnessing this previously unattainable percentage of the population may be the greatest industry achievement of this century.

Second, the power of design, science and technology has culminated in the greatest facilities this industry has ever known able to accomplish more for the human body than we ever dreamed. Now, it is time to really let that secret out!

I don't have the answers, but as my Dad wrote in this speech/article from 2009, "this speech (and now, cover story entitled, 'Trust') is intended to stimulate an industry-wide discussion, and then, an action plan on the topic that is of great and crucial importance as we choose which direction to go at this fork in the road."

No matter what, though, it cannot be done without the **TRUST** of the consumer and providing them with a real, tangible result.

■ ■ ■

This is the transcript of a speech I (Norm Cates) delivered on August 18, 2009 at the *National Fitness Trade Journal Conference* in Reno, Nevada:

I bet many of you are wondering what I'm going to say in this talk about Trust, and if I were you, I'd be wondering, too.

Since the title of my presentation today is, "*Why Building Trust in Your Community is the Key to a Great Future For Your Club*," you might think the answer to my question is obvious. But, it's not.

Today, I will be telling you the truth about the status of our health and fitness club industry, as I see it. I may offend some of you with what I say, and if I do, I apologize in advance. But, I predict some real "*AHA moments*" for some of you. Regardless of the outcome, I am going to say my piece to help every one of you in our industry, whether you're a health club or fitness center owner or a fitness industry vendor.

I'm going to discuss industry issues that are impacting new membership sales in the United States and what we can do about them. The sensitive subject of Trust has never been addressed in our industry the way it will be here today.

But, before I get started, let me say a couple of things. First, please hold your comments, all questions and all cussing until I've said my piece. And, please, turn your cell phone off now.

I trust you will be energized as I attempt to achieve several things:

1. I'm going to discuss the idea of "insurance" to protect people who are members of health clubs that close, and I'm going to explain why we're stuck with the Churn* as a large part of our new

membership source. Then, I'll explain why escaping the Churn is necessary for club success in the future.

"For folks who are new to our industry, welcome aboard! The "Churn" is the practice in which our industry continues to attempt to supply itself with needed new customers (a/k/a members) by taking away customers (a/k/a members) from other clubs, i.e. everyone is fighting over the same pool of potential members.

2. I will explain "Benefits" marketing and how it should be used to focus on non-members instead of "Features" marketing that tends to draw existing club members.

3. I'll tell you how to go about building more Trust in the minds of the citizens in your community, especially people who are not currently members. You will receive some new tools for new member prospecting and recruiting, so you can leave here, go home and get started right away.

4. Finally, I'll tell you about some of the most well-trusted club operators in our industry and share some comments from each of them.

Club Closings Damage Health Club Industry Trust

Our industry, like the rest of America, is subject to the woes of the economy. Right now (*during the Great Recession*), we're experiencing club closings at a somewhat higher rate than we normally do. Suffice it to say, the *picture ain't pretty*.

It's important to know that virtually every time a club closes... *damage is done* to consumer Trust of our industry in the area where it happens. Sometimes, the damage extends nationally. If the right things are not done, this damaged Trust will hurt new membership business for everybody in the area for some time.

The severity of the damage to our industry's Trust from club closings depends on:

A. What the closing club owner does and how, and

B. What the competitors of the closing club choose to do.

"Insurance" for our industry image and reputation is available simply by those two parties, a club owner who is closing his club and at least one competitor of that owner, doing the right things.

So, today, I want to suggest that, if and when you ever have to close your club or know somebody that must close, think of this speech and this idea of "insurance" for clubs that must close. Or, if you have a competitor that's closing, remember that both of you working together can insure

less bad press, thus, less Trust damage from that closing. If you are the surviving club owner(s), you are the one(s) with the most at stake because you have more to lose, as well as much to gain.

The surviving club owner should make real efforts to help place the members of the closing club in his and other clubs in the area. That's because doing so will minimize bad publicity and press. Remember, this idea will be better if more than one surviving club participates because spreading the member absorption from a closing club to more than one club also gives the displaced members better options to choose from. This lessens the potential for bad feelings, bad publicity in the press and damaged Trust for all surviving clubs in the area.

For sure, you can expect very good "word-of-mouth" PR among the adopted members that you take in, and a well-orchestrated "adoption" of all members by several clubs surrounding the closing club can give our industry a very favorable PR image, as opposed to the alternative, which is negative for all in our business.

We are ALL in this together, and making this move now, and in a big way, will surely help our industry start the process of avoiding further damage of Trust because of clubs that close.

Damaged Trust from Club Closings is Not All We Must Overcome

Unfortunately, club closings are just *part* of the Trust-damaging events in our industry. Our industry's history is riddled with other events that have been *Trust Busters*, and they have been instrumental in keeping our industry dependent upon the Churn instead of attracting people who are not members.

Let me give you some examples, and let's see if they ring a bell for any of you.

■ How about *Bally Total Fitness'* long run of problems, including back in the mid-1990s when Bally had over 1,500 pre-sale consumer complaints filed against them in the Boston area before they even opened the doors of their first club there? How about Bally filing for bankruptcy twice in a two-year span?

■ And, I'm sure you've heard about the events in Texas involving steroids sales in gyms.

■ Of course, I'm sure you have also heard about a Dallas, Texas-area chain club throwing paperwork with member credit card numbers into dumpsters behind its location and subsequently being prosecuted by the State of Texas Attorney General's office for it.

■ Then, there was the chain in Ohio, Tennessee and Kentucky I had shopped a few years back. The shop was tape recorded because the chain's reputation was that it was standard practice to tell all prospects to join their club because their competitors were going out of business.

And, how about these?

■ The continued use of the "Retail Installment Contract," one of the worst industry reputation-damaging things ever created and used in our industry. Can you imagine how many Americans our industry has permanently turned off by suing them for a membership contract collection?

■ What about the continuation of "bait and switch" advertising?

■ And, how about high-pressure membership sales, including the infamous "Turn-Over" (TO), where a sales office is wired so the manager can listen in on sales (See **TRUST** Page 10)

Joe Cirulli on Trust

Joe Cirulli is the *Founder and CEO of Gainesville Health and Fitness (GHFC)* in Gainesville, Florida, a 120,000+ square-foot, world class mega-club. Joe has been in business for 50+ years and is without question one of the best independent club owners in the United States of America.



■ ■ ■

"There is nothing positive that can happen without Trust. It begins with a leader who has Trust. In other words, in order to build Trust, you have to possess the ability to Trust others and other people's points of view. We can never build a powerful organization unless, first, our staff feels they can give different perspectives on issues without fear of retribution. When you have a staff that feels this, it will naturally extend to members and eventually an entire community. Trust is what builds a great brand."

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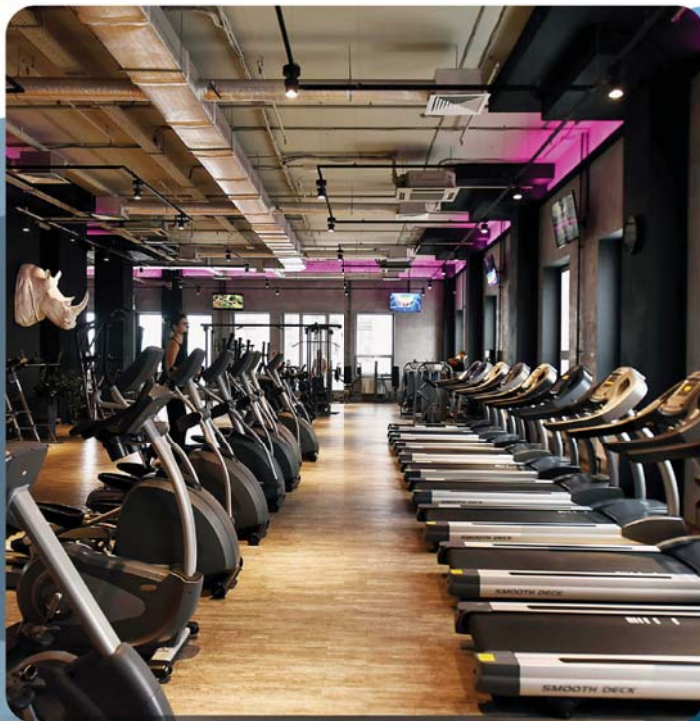
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HEALTH & FITNESS
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...TRUST

continued from page 3

presentations, then steps in to perform a TO if the sale isn't being closed.

The list goes on and on, but I'm sure you get the picture. Suffice it to say, we have a lot of work to do in the PR world for our industry in the United States.

We Know We Are Better Than That!

You and I know that we, as an industry, are far, far better than the reputation we must fight in consumer minds every day. We, as an industry, are far more professional than the average American realizes today. Millions of Americans don't do business with us because of many old memories they may have or may have heard about from friends or relatives. We, as in industry, are struggling with an old reputation... one from the past, and to a lesser extent, a reinforced negative image caused by club operators who are still doing unsavory things. We *must* fix this. This is the PR game we must win!

Our Industry is Living Off the Churn

Let me make something clear. Some of us, myself included, have damaged our industry's reputation and its standing in the eyes and minds of American consumers during its relatively short history.

That's why our industry is not a favorite of Americans, and a very high percentage of them don't do business with us at all. That fact is embarrassing for all of us, and it has to change.

I submit, and strongly believe, that the lack of and damaged Trust in our industry is at least partially responsible for making clubs live off the Churn, subsequently preventing our industry from having far more members in the U.S. than we have right now.

The American Health Club Industry Has Reached a Fork in the Road...

It's important for all of us to realize that American health club owners now have a choice of two directions to go:

A. We can take the wrong path at the fork and continue our industry dependence on the Churn. Eventually, our industry will succumb to this problem. Keep in mind that Churn dependence has helped keep our penetration numbers stagnant at the 42 to 45 million range for the past five years (now 77 million)!

or

B. We can take the right path at this fork and find a way to grow our membership by tapping into the percentage of the American population not currently doing business with us. By taking the right path, through

targeted and focused efforts to build Trust and relationships with the non-member population, we can more significantly grow our total industry membership further, and we will significantly reduce our long-standing industry dependence on the Churn because we will be attracting more non-members to our clubs.

"Features" Marketing vs. "Benefits" Marketing

It's important to know that the Churn process is partially caused by the use of time-worn "Features" marketing that fails to differentiate and does NOT make the advertised club stand out from all the rest. Instead, our industry should focus on "Benefits" marketing, which is essentially all about what the customer needs and wants and how your club can deliver those results, not what your club has.

"Features" marketing essentially attracts people who are much more likely to be current members of other clubs, thus the Churn continues.

An example of "Features" marketing is an ad that says something like, "We have 25,000 pounds of free weights, 25 treadmills, etc." You might as well save your money with such ads because nobody cares how many pounds of free weights and the number of treadmills you have but you and the company that sold the weights and treadmills to you.

"Benefits" marketing will attract the right target... the unfit, non-exercising people who've finally decided to change their lifestyle through the establishment of a regular exercise program but are not currently health club members.

An example of "Benefits" marketing is an ad that says something like, "Our Medical Fitness Association (MFA) Certified staff is standing by to help you develop your new exercise program so you successfully achieve your fitness goals. We CAN help, and we DO CARE about YOUR results."

It's important that everybody knows and understands that our continued dependence on the Churn will do nothing but lower the average number of members in clubs across the land. This is not something I've dreamed up. This is a fact, and the numbers are changing as I speak. According to IHRSA statistics, in 2000, the average number of members per club was over 1,900. Now (2009), it is less than 1,500 and falling (Currently, 55,000 clubs serving 77 million members equates to 1,400 per club).

How has that happened, you may ask? It has happened because our industry continues to build new clubs in places where they are not needed. They are not needed because an adequate supply of clubs, many already struggling, are already there. Therefore, the average number of members falls because the new club principally gains their memberships from other clubs, rather than attracting

the unfit, non-health club members. This, in turn, drives down the average number of memberships in all the other area clubs as well.

TRUST is the Ticket!

To break our industry dependence on the Churn, we must build relationships of Trust with more and more non-member Americans. We must identify and reach out to people who are not doing business with us. We must convince them that we truly care about them, their goals and their results. We must convince them that we are more professional than their Grandfather's health club was. We must convince them that we have a passion and deeply-held desire to help them.

We must not sell them a bill of goods. If we can't walk the walk, we shouldn't talk the talk. We cannot fail to deliver results for them. We must have a deep, deep desire and passion to deliver the results we promised them when they joined, and we must build a culture in clubs so that all individual members of the staff are unified as one team on the same page with a focus and passion for delivering member results.

Look at it like this. This will be a lifetime challenge. The movement to use Trust to defeat the Churn and move towards attracting the 150+ million eligible, non-member Americans will not happen overnight, but it will produce results once you define a plan for your business and begin to act on it every day. And, I mean every day. The keys are innovation in "Benefits" marketing, producing results for your members and dedication to this challenge.

Therefore, this speech (and now, cover story entitled TRUST) is intended to stimulate an industry-wide discussion, and then, an action plan on the topic that is of great and crucial importance as we choose which direction to go at this fork in the road. That topic is **Trust**.

How to Build More Trust

Here's a list of ideas to help you get started in building more Trust within your community:

1. Sit down and write down every idea you can think of that will help you introduce your club to people in your community who are *NOT* members of a health or fitness club.
2. Go through your membership lists and find members who are involved in church and synagogue organizations, charity events, fundraisers, etc. Contact them and discuss how your club facilities might be used to help the causes these folks are involved with. Communicate in person and by phone. Make sure each of your communications states how your club benefits its new members (with weight loss, increased energy, better sleep, etc.) and offer to speak to their groups to provide health and fitness ideas that will help them. You know the benefits of regular exercise, now reach out for speaking opportunities to share what you know.
3. Get involved in community efforts to help the sick and the underprivileged. Start by picking one or two good causes and take those under your wing.
4. Keep your eyes and ears open about what is going on with the competition in your area. If you get wind that a competitor could possibly close, *you* should be the *first* to approach that club owner to see if you might provide him with an alternative to putting his members out in the street. Make every effort to build an alliance with as many clubs in your area joining together as you can arrange so *not a single member* of the closing club gets left out. You will be amazed at how much doing this will build the Trust of the citizens in your community and how this positive word-of-mouth will
(See **TRUST** Page 12)

Phil Wendel on Trust

Phil Wendel is the *Founder of ACAC*, now operating 14 facilities across the Northeast.



"For far too long, and in many cases, deservedly so, our industry has failed to gain the necessary Trust from the American people. All of us as club operators and owners have spent the last 25 years fighting over the percentage of Americans who are already active. While they represent our bread and butter, our real opportunity is the percentage of Americans who have not yet joined clubs. This demographic, multiple times larger than our present member base, truly believes that fitness is essential for good health. In order to serve them, we need to earn Trust in our communities."



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HealthFitness Celebrates 50 Years of Transforming Corporate Fitness

LAKE FOREST, IL - *HealthFitness*, a Trustmark company and a leading provider of comprehensive fitness solutions, celebrates its **50th anniversary**. Since 1975, the company has partnered with organizations across the country to build healthier, more connected workplaces, evolving alongside the industry while staying true to its passion for people.

"What started as modest corporate fitness centers with treadmills and dumbbells has grown into comprehensive programs that support the whole person," said **Sean McManamy**, *President of HealthFitness*. "Today, workplace wellness is about connection, culture and creating spaces where employees feel seen, supported and engaged. That's been our focus for five decades, and it will continue

to guide us for the next 50 years."

HealthFitness Through the Decades

1970s - 1980s - Building the Foundation: Corporate fitness began with simple programs: assessments, incentive challenges and pedometers, laying the groundwork for today's health and fitness industry.

1990s - Expanding into Wellness: HealthFitness broadened its scope with prevention programs, nutrition and smoking cessation, shifting from just movement to whole-person health.

2000s - Growth Through Acquisition: A major milestone came in 2003 with



the acquisition of *Johnson & Johnson's corporate wellness business*, doubling the size and reach of HealthFitness.

2010s - Technology and Personalization: Trustmark Mutual Holding Company acquired HealthFitness with the goal of rounding out its services to become a comprehensive benefits company. HealthFitness embraced technology platforms, wearable devices and tools to deliver more personalized and impactful health and fitness programs.

2020s - Adapting to a New Workplace: COVID reshaped wellness needs, accelerating the shift from fitness centers to wellbeing hubs, spaces for movement, recovery and connection. HealthFitness expanded its reach with the acquisitions of *Corporate Fitness Works*, *Midtown Health* and *Professional Fitness Management, LLC (ProFIT)*.

Five Decades of Impact:

■ 50 years in business;

(See *HealthFitness* Page 13)

...TRUST

continued from page 3

lead to more new members for your club. You can expect to gain at least two or three new members per exiled member you take in during the years that follow.

5. Review the operation of your club business, and if necessary, consider change. If you currently use Retail Installment Contracts, consider changing to Month-to-Month membership dues agreements where there is no penalty should the member decide to quit. This is a great advertising tool. The words "No Retail Installment Contracts" are magic to many consumers. For a 12-month term, charge a reasonable upfront enrollment fee, the first month's dues, and at worst, require a 30-day written notice for cancellation. Then, leave it at that... Whatever you do, do not put your club into a position where you end up suing a member over money. That is the kiss of death, and for every dollar you might ever collect by suing a former member, you will lose \$100 over time because of the ill will against your club in the community. You will be amazed at how *negative word-of-mouth* can travel and hurt community Trust of you and your club.

6. Throw monthly member appreciation parties. If you have not done so already, establish a monthly member appreciation party. For example, a great time is the last Thursday evening of every month. Be sure you have the party on your monthly club calendar and website. During the month, provide your members with printed invitations to give to their friends and broadcast the invitation via email a couple of times a month. Make audio announcements in the club on the Monday, Tuesday and Wednesday nights before your monthly party. Make this a *lifelong habit*, and be sure to give a *Welcome Speech* during each party where you thank your members for being

members and welcome their friends as guests in your club. You should say *Thank You* verbally every month, year-in and year-out, without fail. Give *EVERY* friend of your members who attend a free, one-month Trial Membership (Of course, make this only for new guests to your club). This is *PR 101* folks, and if you're not hosting monthly member appreciation parties, you should be. The cost in time and dollars will be recovered many times over during each business year.

7. Speaking of appreciation parties, you can go further and host periodic events to show appreciation for police officers, fire fighters, nurses and other first responder professionals, etc. This, in turn, will connect you with each of those departments, hospitals, etc., providing another great source of membership leads.

8. Do what **Red Lerille** does. Get out and speak to community organizations like the *Chamber of Commerce*. Do like Red does and present yourself as the expert you are. In essence, share your club mission at Chamber of Commerce luncheons, breakfasts and other gatherings. Host the monthly "Chamber After Hours" events at your club once a year, and be sure to attend the Chamber After Hours events each month as they are excellent networking opportunities.

9. Join and support the *Better Business Bureau (bbb.org)*, whose slogan is, "**Start With Trust.**"

10. Be nice, nice, nice and nice! Remember that success in the health and fitness club industry requires friendly relations with thousands of people! Every one of them could make or break your business. Treat everybody that you and your club deals with, including your employees, ethically and fairly, in a friendly manner and as if that *single individual* will determine the fate of your entire business... because they will.

■ ■ ■

To summarize and close, let me say this. Our goal with every edition of *Club Insider* we've published since November of 1993 is to help you make your club better and more competitive. Through learning, and acting on what you learn, you can change the future of your health club business for the better.

(Norm Cates, Jr. is a 50+ year veteran of the health, racquet and sportsclub industry.)

He is the Founder and Tribal Leader Since 1993 of *Club Insider*, now in its 32nd year of monthly publication. In 1981, he was *IHRSA's First President*, and a Co-Founder of the *Association with Rick Caro and five others*. In 2001, he was honored by *IHRSA* with its *DALE DIBBLE Distinguished Service Award*, one of its highest honors. And, in 2017, he was honored with *Club Industry's Lifetime Achievement Award*. You can reach Norm by phone at **770-635-7578** or email at Norm@clubinsideronline.com.)

The late Red Lerille on Trust

Red Lerille established *Red Lerille's Health Studio* in January, 1963 in a 4,000 square-foot rented space that was a former boot shop. Since his first month in business, Red made at least one improvement to his club every month for over 60+ years, resulting in a 200,000+ square-foot club on 20+ acres in Lafayette, Louisiana. It now simply known as *Red's*.



■ ■ ■

"Trust is normally earned over a long period of time through a positive reputation, or often bought, such as through the purchase of a 'Brand Name' franchise. In the 1950s, I had none of these. I realized that, before a community would Trust me enough to support my dream of owning a health club, I would have to earn their Trust over time.

The day that I landed in Lafayette, Louisiana on September 9, 1959 on Trans Texas Airlines, I had no idea that I had stepped off into heaven, no question the greatest place for me to live. My reputation started to be known through my hard work at *Mike's Gym*, a local health club, and winning the *Mr. America* title.

In 1963, I borrowed \$250, built my own equipment and opened a very small health club in a rented building. I had no idea that the community would eventually have as much Trust in me as I had in them. So much Trust that I was able to grow to have 200,000+ square feet of building on 20+ acres today.

Because of the community, we changed our name from *Red Lerille's Health Studio* to *Red Lerille's Health and Racquet Club* to now 'Branded' by the members simply as *Red's*. "Without my weight training background and the community's Trust, I would be nowhere."



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...Workout Anytime

continued from page 3

tribute displayed on the "Battle Wall" at each club.

Throughout 2026, Workout Anytime clubs will host Battle Rope events and other community activities across the country, inviting both members and non-members to participate. National marketing campaigns, in-gym events and social media engagement under the hashtag **#FightTheBattle** will support the initiative.

With over 1.3 million volunteers nationwide, the American Cancer Society leads the charge in improving the lives of people with cancer and their families through advocacy, research and patient support. The organization currently invests more than \$500 million in active research grants, funds more than 870,000 free rides to treatment and provides 545,000 free nights of lodging for patients and caregivers each year. More than 80% of every dollar raised goes directly to ACS programs and research.

"We're thrilled to team up with Workout Anytime. They get that health isn't just about the gym," a **Juan Cueto**, VP, Georgia for the American Cancer Society, said. "By getting their whole community involved --members, staff and franchisees-- Workout Anytime is helping

us big time. They're moving us closer to our goal: making sure everyone has a shot at preventing, detecting, treating and surviving cancer."

The partnership also aligns with American Cancer Society guidelines for physical activity and healthy living, encouraging adults to engage in 150 to 300 minutes of moderate-intensity activity per week and adopt balanced, nutrient-rich diets to reduce cancer risk.

"Our members don't just join a gym; they join a movement," Brayman said. "And, when we deliver on our promise, they don't just stay, they bring others with them. That's the power of Workout Anytime."

Check out the **Workout Anytime Ad on Page #20.**

...HealthFitness

continued from page 12

- Clients dating back to the 1970s;
- 3,000+ employees nationwide, including some with 35+ years of service;
- 1 million+ participants;
- 191 clients with average tenure of 11 years;
- 337 managed sites;
- 94% Client Satisfaction Rating;
- 95% Client Retention Rate;
- 75 Net Promoter Score.

Reflecting on the company's journey, McManamy points to the power of consistency: "Despite a lot of changes over the years, our mission hasn't changed, our values haven't changed. We're very good at engaging a community and creating

great experiences; that's what we'll keep building on."

Looking Ahead

As HealthFitness looks to the future, the company is focused on redefining the role of workplace wellness by embracing movement, recharging, nutrition and connection.

"HealthFitness is proud of the lasting impact we've created: one relationship, one program and one small step at a time," added McManamy. "We're excited to continue helping organizations build cultures of care and belonging that keep employees strong, connected and thriving."



How Interior Design Influences Physical and Mental Wellbeing

By: Bruce Carter

Interior design plays a crucial role in addressing the health club industry's challenge of people disliking exercise by creating an environment that people love and want to spend time within.

Interior design has a deep and measurable impact on both physical and mental health within health club environments, playing a critical role in enabling members to meaningfully improve their wellbeing. Thoughtful design goes beyond aesthetics; it orchestrates how spaces are experienced, influencing emotional responses, motivation, community and long-term engagement with physical activity.

In other words, the environment can significantly impact a person's mental health by influencing mood, stress levels and overall psychological wellbeing.

Mental health status often affects motivation and ability to engage in physical activity. Being physically active improves mental health and self-image through physiological and psychological benefits. This creates a reinforcing cycle where a positive environment fosters good mental health, which leads to more physical activity, which in turn further benefits mental health.

This cycle continuously sustains and strengthens itself, suggesting that optimizing the environment plays a critical role in promoting an ongoing healthy interplay between mental and physical health.

Design can help to maximize health benefits by applying evidence-based principles from environmental psychology. This means crafting spaces that are not only visually appealing but that also foster social connection, motivation and peace: key drivers for adherence to fitness routines and long-term member satisfaction. Strategic design fosters a sense of belonging, boosts mood and strengthens community among club members.

Design and Social Interaction

A key part of effective club design involves deliberately committing space for social areas rather than viewing these as taking away from workout space. Social spaces offer relaxed environments where members can socialize, share interests beyond fitness and form friendships naturally, increasing emotional investment in the club and motivation to keep coming back. Modern fitness clubs are shifting from purely functional workout spaces to environments that promote community, wellbeing and social interaction. Creating lounges, dedicated comfortable seating areas, communal spaces and co-working spaces within fitness clubs encourages

members to connect, relax and engage with one another, making the gym experience about more than just physical exercise. Such social zones act as a "third place" beyond home and work where members feel a sense of belonging and support.

Operators report that social spaces do not negatively impact workout space but rather enhance member satisfaction and retention by fostering community. Instead of cramming equipment densely, layouts increasingly incorporate open plans and smaller pods of workout equipment combined with adjacent social and recovery zones. These allow both focused training and social interaction to coexist, improving the overall attractiveness of the facility. Thus, integrating ample social areas is strategic, driving greater member engagement and loyalty while supporting mental and physical health holistically.

To summarize, viewing social areas as complementary rather than subtractive to workout space is central to forward-thinking club design that meets the evolving expectations of today's fitness members.

Design Can Reduce Anxiety and Intimidation

A club environment needs to minimize the anxiety and intimidation people feel, thinking they are out of shape. Club owners are often removed from the actual emotional discomfort both men and women feel about this.

To do this, design needs to create spaces that feel welcoming and non-judgmental, avoiding intimidating bright lights, loud music and crowded layouts that can heighten anxiety. Open, spacious layouts facilitate creativity, freedom and cheerfulness. Higher ceilings support an open feeling, while cluttered or cramped spaces can heighten stress and decrease focus.

Familiarity and comfort are important (e.g., friendly faces, supportive friends) to ease nervousness when entering these environments.

Reducing obtrusive noise, such as choosing from a variety of attractive hanging architectural sound-absorbing features are widely available online, offering both visual appeal and effective noise reduction for workout spaces.

Design, Cleanliness and a Positive Gym Experience

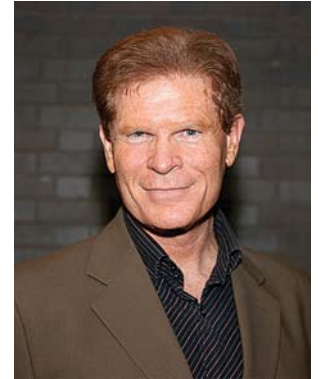
Thoughtful interior design can significantly impact the perception and maintenance of cleanliness in gyms, which is crucial for the emotional and mental experience of gym-goers. Choosing materials, finishes and colors

that support cleanliness is essential. For example, although white or light-colored walls and floors can give a clean and bright appearance, they require a high commitment to frequent cleaning and maintenance to avoid looking dirty or worn. Instead, neutral tones with durable, easy-to-clean materials like certain stones, vinyl or rubber flooring are often preferred to maintain a clean look without demanding excessive upkeep. It is important to note that a dirty club with unpleasant odors can quickly bring on negative emotions, and they become associated with a "bad" club.

Design and Peace of Mind

One last mental health component for clubs to include is to provide some type of calming experience for members. These calming experiences take various forms such as dedicated class spaces for yoga and meditation, relaxation areas resembling lounges or simply inviting locker rooms designed to promote tranquility. A locker room that incorporates soft music, soothing colors, gentle lighting and natural finishes helps to balance out the energetic spaces of a club.

Research highlights that strategic interior design, built upon principles of environmental psychology and evidence-



Bruce Carter

based design, creates spaces that actively promotes wellness. Integration of holistic design elements ensures both beauty and functionality, helping individuals manage stress, chronic conditions and their wellbeing more effectively. Thoughtful interior design in health clubs plays a crucial role in supporting both physical and mental health by creating environments that motivate, energize and provide comfort to users.

(Bruce Carter is the owner of Optimal Design Systems, International. Bruce can be reached at bruce@optimaldsi.com.)

Bay Club Expands Greater Seattle Campus with Acquisition of Arena Sports

SEATTLE, WA - The Bay Club Company ("Bay Club") is expanding and diversifying its portfolio and Greater Seattle Campus with the acquisition of indoor sports and entertainment company, Arena Sports, which consists of five locations in Mill Creek, Magnuson, SODO, Redmond and Issaquah, including the Magnuson Athletic Club.

The addition of Arena Sports marks a milestone for the Bay Club portfolio as it continues the company's long-term strategy to develop regional campuses that provide access to a range of activities beyond traditional health and wellness programming, while broadening the aperture on the range of family programming and all-ages recreational activities that Bay Club manages. The move both strengthens Bay Club's Seattle footprint and allows it to continue offering more access to sports, outdoor recreation and active lifestyle activities where members of all ages can connect, grow and thrive together.

Arena Sports is the area's top choice for youth soccer, offering year-round youth and adult soccer leagues, nationally



recognized Lil' Kickers and Skills Institute development programs, and seasonal youth camps. The facilities also provide a mix of fitness equipment plus a wide variety of family-friendly activities including arcade games, inflatables, laser tag, climbing walls and event hosting. Arena Sports has become a trusted destination for active play, skill development and memorable celebrations for families and athletes alike.

(See Bay Club Page 15)

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"I highly recommend the HWLS team. They've provided us invaluable guidance regarding membership marketing and fitness programming."

- Mary Thomas | Owner and General Manager | Western Racquet & Fitness Club | Green Bay, WI

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HWLS Partners with Millennium Health and Fitness

AMARILLO, TX - **Frank Guengerich**, *President and CEO of Health, Wellness and Lifestyle Services (HWLS)*, announces the company has partnered with *Millennium Health & Fitness, Inc. (MHF)* to lead the company's growth and expansion initiatives alongside an exceptional team.

Historically, MHF has focused on delivering health promotion programs within the government contracting (GovCon) space. With its recent acquisition by the private equity firm, *Boathouse Capital*, the company is now poised to expand its reach into corporate, commercial and aligned

GovCon sectors. HWLS is excited to help bring MHF's proven health and wellness expertise to new audiences, verticals, customers and clients.

"Together, we've created a groundbreaking wellness experience called *The WELL Journey*, designed to deliver impactful, transformative results for our clients and participants," states Guengerich.

The Well Journey takes a holistic approach to creating a culture of wellness across nine key dimensions, infusing all the progressive aspects into one's journey:

1. Move WELL;
2. Eat WELL;
3. Recover WELL;
4. Think WELL;
5. Connect WELL;
6. Spend WELL;
7. Feel WELL;
8. Lead WELL;
9. Thrive WELL.

"Our goal is to help organizations and their people create a pathway to a sustainable WELL Journey and lifestyle. We transform commercial and corporate

cultures with regard to wellness in the workplace and at home and everyday living," according to Guengerich.

MHF is engaging a limited number of new clients. To learn more about partnership opportunities or The WELL Journey, contact fguengerich@millenniumhealthandfitness.com.

Check out the **HWLS Ad** on [This Page](#).

...Bay Club

continued from page 14

"Arena Sports complements our Greater Seattle Campus by providing high-demand, family-centric experiences, which deepens our day-to-day relevance for members," said **Victor Woo**, *Executive Vice President, New Business Development at Bay Club*. "The youth programs, camps and all-ages activities Arena Sports is known for are a natural fit for our merger and acquisition model and ushers in the next chapter of growth in the Pacific Northwest."

Bay Club entered the Greater Seattle Area with the acquisition of *PRO Club* locations in Seattle and Bellevue, establishing a premium anchor for the region in December 2023. Earlier this year, Bay Club added *Harbor Square Athletic Club* in Edmonds, followed by the acquisition of three *425 Fitness* locations, broadening the campus footprint across the North Seattle corridor and Eastside communities. The acquisition of Arena Sports represents Bay Club's fourth announced acquisition this year and demonstrates Bay Club's ability to identify and acquire businesses

that reinforce the company's regional campus strategy.

"Joining the Bay Club family marks an exciting new chapter for Arena Sports," said **Don Crowe**, *CEO of Arena Sports*. "Our mission has always been to bring families together through play, sports and memorable experiences. As we become part of Bay Club, we look forward to continuing that mission on an even larger scale, while maintaining the community feel our customers have always valued."

Bay Club's acquisition playbook centers on building regional campuses

that unite sports, outdoor recreation and active lifestyle experiences paired with an innovative, flexible, Shared Membership, allowing people to discover, join and grow their community. "Expect many more additions to our Greater Seattle Campus," Woo said. "We're just getting started... exciting things ahead."

Lil' Kickers Inc., which licenses Lil' Kickers and Skills Institute youth soccer and child development programs to facilities nationwide, is not part of this acquisition and will continue to be operated independently.

How to Get Intimate with Your Clients:

Lessons From Pixie Acia

By: **Nancy Trent**

In the crowded world of fitness and wellness, client engagement often gets boiled down to numbers: memberships, attendance and retention rates. But, what if the secret to loyalty, motivation and meaningful results isn't found in metrics at all but in human connection?

Pixie Acia, somatic and spiritual wellness coach, fitness innovator and creator of #DOITFORTHE DOPAMINE, believes that intimacy with clients is the hidden ingredient for transformative experiences. With over 15 years of experience teaching at *SoulCycle*, *Fitt* and her own retreats worldwide, Pixie has built a reputation for inspiring clients not just to move but to show up fully in their lives.

Community Is the New Currency:

"Community is the new currency," Pixie says. From surf classes in El Salvador to sound baths and breathwork sessions, her approach revolves around cultivating a sense of safety and belonging. For her, intimacy begins by creating a space where clients feel completely accepted and included.

Safety isn't a gimmick; it's physiological. Our nervous systems are constantly scanning for threats. When a client feels safe, they can fully engage. "Whether I'm doing breathwork, retreats, surfing classes... people need to feel safe," Pixie explains. Safety is built through vulnerability, presence and honesty, not hierarchy or pedestals.

Walk Beside, Don't Lead:

Pixie's method rejects the traditional guru model. She doesn't claim to "fix" her clients; instead, she walks alongside them. "A teacher can't save your life. I hold the space, but I can't take credit for my students showing up," she says. This co-creative approach emphasizes collaboration over competition, empowering clients to own their progress while honoring the shared experience.

Intimacy also means being visible and human. Pixie learns clients' names, looks them in the eye and celebrates their presence. Recognition is simple but powerful: clients aren't numbers, they're reflections of the work and gifts the instructor brings to the world.

Authenticity Above All:

Pixie stresses authenticity as the cornerstone of connection. She advises trainers to stay in their lane and embrace their unique strengths. "Don't try to change lives you haven't lived. Just be your authentic self, and your people will find you," she says. She balances this authenticity with a continuous commitment to learning, ensuring that her guidance grows as she does.

Holistic Wellness - Beyond the Workout:

True intimacy, Pixie believes, extends beyond physical performance. "You can't out-exercise your life," she says. Fitness is one piece of the puzzle; clients thrive when movement is paired with mindfulness, journaling, breathwork and spiritual practice. Her *Daily Dose*

journal encourages reflection, gratitude and intention-setting, helping clients cultivate consistency in mind, body and spirit.

Whether it's yoga, cycling, breathwork or holistic retreats, Pixie's focus is on integration: aligning movement, emotional presence and community. The results are profound: clients leave her sessions invigorated, empowered and more connected, not just to their bodies, but to each other.

Lessons for Trainers:

- 1. Create Safety:** Vulnerability and honesty are more effective than authority or strictness. Create the vessel by being accepting, inclusive and non-judgmental.
- 2. Be Human:** Learn names, engage directly and acknowledge clients' efforts.
- 3. Collaborate, Don't Compete:** Progress is co-created; celebrate client autonomy.
- 4. Stay Authentic:** Honor your gifts and stay in your lane; your clients will resonate with your truth.
- 5. Think Holistically:** Physical training is only one component; integrate mindfulness, breathwork, journaling and community.

The Ripple Effect of Intimacy:

Pixie's philosophy highlights a crucial truth: clients come and go, but the depth of your connection shapes their experience long after they leave. The intimacy you cultivate is reflected in trust, engagement, loyalty, and ultimately, in better outcomes for everyone involved.

For Pixie, intimacy isn't just a strategy; it's a practice rooted in empathy, authenticity and community. As she says, "If humanity harms us, then humanity has



Nancy Trent

to heal us." In fitness and beyond, the real currency isn't memberships, it's connection.

(Nancy Trent is a writer and speaker, a lifelong wellness activist, a globe-trotting trend watcher and the Founder and President of Trent & Company, a leading wellness PR firm. Trent & Company, which launched many health and beauty brands, grew out of Nancy's personal and passionate commitment to helping people live longer and healthier lives. A former journalist for New York Magazine, Nancy has written seven books on healthy lifestyles, serves on the editorial boards of several magazines and travels around the world speaking at conferences and trade shows on trends in the marketplace. She is a recognized expert in PR with more than 30 years of experience creating and managing highly successful campaigns. Learn more at www.trentandcompany.com or contact Nancy at nancy@trentandcompany.com.)

The Future of Fitness is Friendship

By: **Jeffrey Pinkerton**

What is the future of fitness? If you get the same marketing emails I do, you'd think it's all about technology and trackers, the next new "thing" or machine promising to "revolutionize member engagement." Don't get me wrong, I love technology, but I don't believe the future of fitness (at least not a healthy and thriving version of the future) will involve more screens and more stats. Don't we already spend enough time each day staring at screens? I believe the future of fitness will be defined by people and programs, by connection and community. The future of fitness is friendship.

Three Epidemics, One Opportunity

Right now, the world faces three overlapping epidemics: physical inactivity, obesity and isolation/loneliness. Each one is serious by itself, but together, they form the biggest opportunity our industry has ever had. We can't fix loneliness with a leaderboard. We can't deliver meaningful and memorable experiences if everyone is wearing earbuds. And, we certainly can't encourage people to move by simply providing them with more information. People don't need more information; they need inspiration.

Fortunately, that's something our industry can deliver. We can create spaces

where people feel seen, supported and connected. Spaces where people move together, laugh together and keep showing up – not just because of the workout, but because of the community and connection that keeps them encouraged and motivated and moving.

Pickleball and the Power of Fun

If you want proof that friendship is the future, just look at pickleball. No one predicted that millions of people, many who hadn't been active in years, would fill courts across the country to play a sport with a funny name and a whiffle ball.

(See *Jeffrey Pinkerton Page 18*)



Jeffrey Pinkerton

World Gym Q3 Results: *EPS Jumps 82.5% on Record Revenue*

TAIPEI - World Gym Corporation, owner of the iconic global World Gym brand, announces record third-quarter results for the period that ended September 30, 2025, underscoring continued growth momentum and improving margins.

Financial Performance:

Revenue grew to a record NT\$2.82 billion (USD 91 million), an increase of 14.1% year-over-year, accelerating from 3.2% growth in H2 2024 and 10.0% in H1 2025.

Earnings per share (EPS) reached NT\$1.04, up 82.5% from NT\$0.57 in Q3 2024, up 42.5% from NT\$0.73 in Q2 2025, and up 131% from NT\$0.45 in Q1 2025.

Same-store sales increased 3.3% quarter-over-quarter, reflecting strong membership growth and low member attrition.

Capital Allocation and Growth Initiatives:

The Board of Directors approved a NT\$0.93 cash dividend per share for Q3 2025, emphasizing the company's commitment to shareholder returns. In addition, the Board authorized a NT\$500 million domestic unsecured convertible corporate bond issuance to support high-return initiatives such as AI driven fitness services and overseas expansion.

Global Footprint Reaches 280 Locations:

In October, the World Gym network crossed a major milestone: 280 clubs worldwide for the first time, with new franchisees started in Pinebrook, New Jersey and Giza, Egypt, plus two additional locations in Brazil, reinforcing the brand's international footprint.

On October 2, World Gym announced a Master Franchise Agreement

(MFA) in Mexico. The MFA will bring a minimum of 30 new World Gym facilities to Mexico. International Fitness Group, which operates 11 locations in the northern Mexico region, will open its first franchise locations under this agreement by year end 2025.

This month, the company launched its tenth company-owned location of the year in the high tech hub of Hsinchu, bringing total corporate locations to 139.

Advancing Integrated Health Management:

World Gym is currently collaborating with a leading Taiwanese medical institution to launch an AI-powered integrated Health Management Service that combines biomarker analysis, body composition data and fitness testing, with AI driven analytical tools for personalized reports and health score tracking. The program marks a first-of-its-kind model in Taiwan that connects gym-based body composition and fitness data with medical-grade health monitoring, forming an integrated ecosystem for wellness.

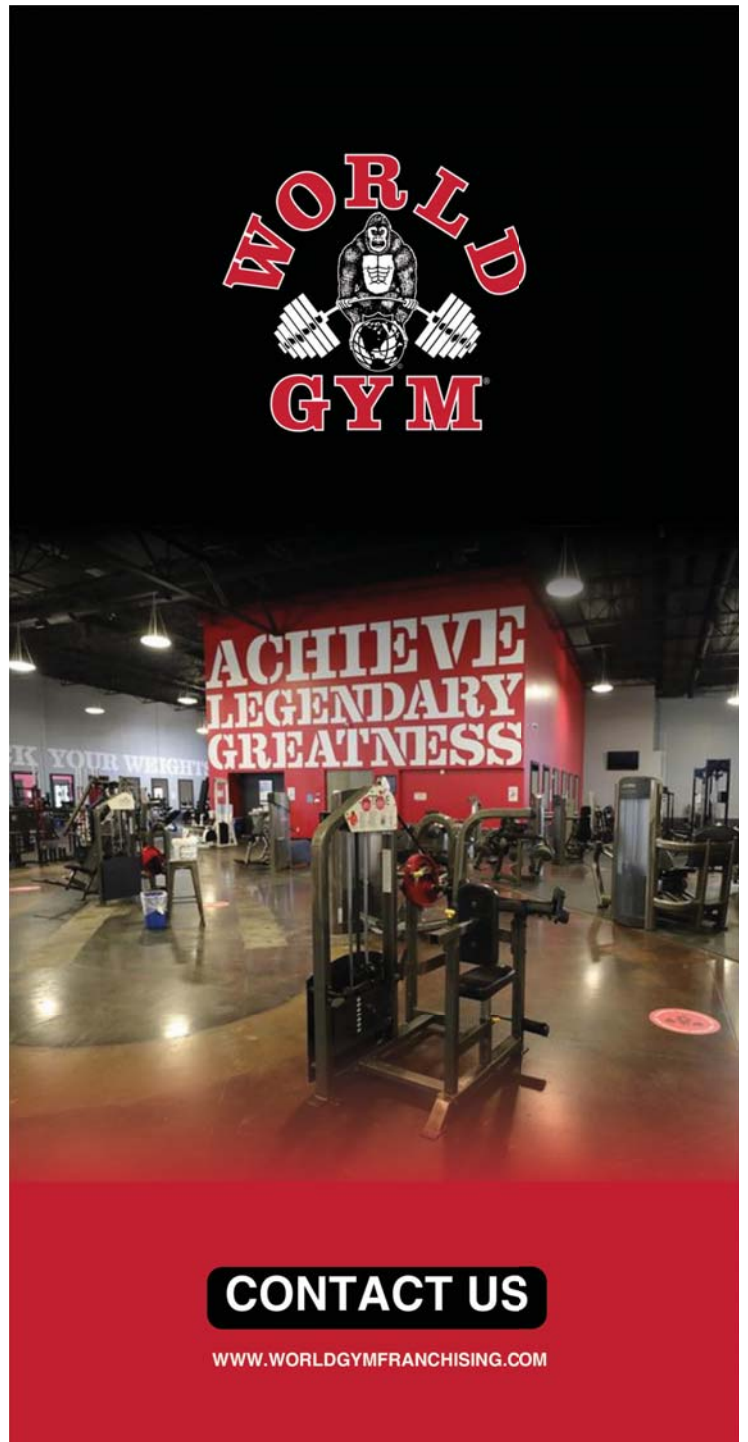
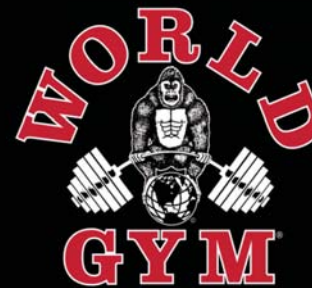
Leadership Perspective:

"We are pleased with our team's execution in the third quarter, achieving record-high revenue," said **John Caraccio**, *Chairman and President of World Gym Corporation*. "Our Q3 performance demonstrates the scalability of our business model, while the bond issuance, expansion into new regions and new integrated health platform represent bold investments in the next generation of personalized wellness. Our vision is to be at the intersection of fitness, technology and healthcare, improving people's lives through fitness; and so far, we are pleased with our track record of growth and remain confident in our execution for the coming quarters."

Q3 Results:

Item	2025 Q3	2025 Q2	QoQ%	2024 Q3	YoY%
Operating Revenues	2,823,808	2,711,338	4.15	2,475,358	14.08
Gross Profit	471,877	429,352	9.90	377,000	25.17
Income Before Tax	138,660	101,980	35.97	82,156	68.78
Net Income	113,177	79,727	41.96	63,065	79.46

Unit: Thousands of NTD



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...Jeffrey Pinkerton

continued from page 16

It's not about the calorie burn. It's not even about the competition. It's about community. It's about fun. Pickleball, to its great benefit, is inclusive, easy to get started, easy to get addicted to and easy to invite a friend. You can show up at the courts with a group of friends or by yourself (particularly on "open play" night, where the courts are open for all), and you can play – for an hour or for a lot of hours. The cost to get started? My first paddle only cost \$30. And, if my wife is reading this article, so did all of my others. And, what about technology? Surely there is some high-tech component involved. Isn't that what the consumer wants? Zero technology. In fact, on a great night of playing pickleball with friends, I forget entirely about my phone, my email and the hundred things waiting on my to-do list.

The Social Sticky Web

If you've ever worked in a great health club with a strong group fitness program, you know about the "social sticky web." It's that invisible web of relationships that keeps members coming back. It's

the instructor who knows your name. It's the front desk staff who asks about your vacation. It's the member (now a friend) who texts you when you miss class.

In order to pull as many people as possible into this wellbeing web of fitness friends, you need group fitness offerings that are inclusive, easy to get started, easy to get addicted to and easy to invite a friend to. Members should be able to show up with a group of friends or by themselves and immediately be welcomed into the group and into the experience, where the energy of the atmosphere, the enthusiasm of the instructor and the power of the music drive the experience and make the time fly by. And, during a great workout, with endorphins and encouragement running high, maybe members will even forget entirely about their phone or their inbox, or the hundred things trying to steal their time and attention.

The Future is Friendship

I believe, in the future, the most successful clubs will not be those with the "state of the art" machines or the latest and greatest highly personalized data-driven workouts. People may think that's what they need to get fit, to see results. But, we

know better now; to see results, people need consistency, accountability, the kind of staying power and social wellbeing that grows from communities, not devices. The best clubs will be those that invest in the events, people and spaces dedicated to creating connections, facilitating fitness and fostering friendships.



If you'd have told my younger self that I'd be investing ~~hundreds~~ of roughly thirty dollars in a pickleball paddle rather than a new monitor or watch, I wouldn't have believed you. Likewise, you wouldn't have believed me if I told you this truth a decade ago: the latest tech will take a

backseat to the greatest opportunity we've ever faced – battling three epidemics at once, not with a *what*, but with a *who* – the people in your group fitness rooms.

Do you need an update to programs? An upgrade to your promotions or people? Let's talk about how to energize your club by offering an inclusive, results-jammed and community-packed strength training workout like Group Power. And, sure, we can talk about pickleball, too. Email me at jeffreypinkerton@mossa.net.

(Jeffrey Pinkerton is the Business Development Manager for MOSSA. Jeffrey can be reached by phone at 770-989-4737 or email at jeffreypinkerton@mossa.net.)

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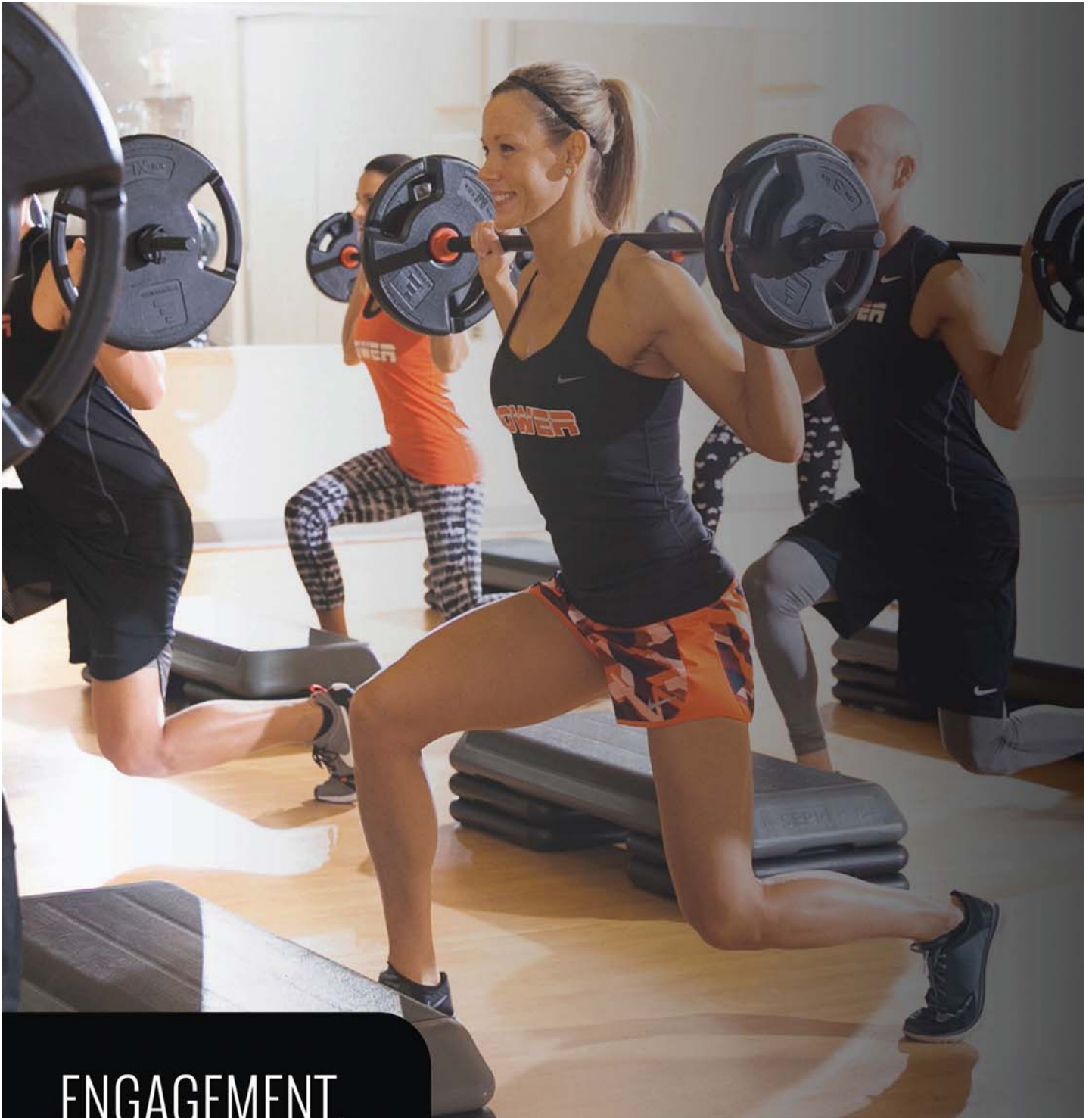
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