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## **IHRSA, Health Club Industry Report Steady Membership and Revenue Growth in 2007**

BOSTON-March 17, 2008- The International Health, Racquet & Sportsclub Association (IHRSA) announced today that early estimates from an annual tracking study indicate health club membership in the United States increased by three percent last year, from 42.7 million members (over the age of six) in 2006 to 44.1 million in 2007, while industry revenues increased by 5% to \$18.5 billion. This growth in health club membership represents an increase of more than one hundred fifteen percent in ten years, while growth in total revenues represents an increase of one hundred twenty-seven percent.

Data reported in IHRSA's annual membership report, *Profiles of Success 2007* indicates that clubs have also improved upon membership retention from 2005 to 2006 by three-percentage points, increasing from 70% to 73%. Simultaneously, participating IHRSA clubs raised total revenue per member by nearly 5.5% in 2006, to \$741.80.

"As an industry, we aim to grow total membership year after year, and industry stability is in no small part dependent on customer satisfaction, membership retention, and increasing revenues per member," said Joe Moore, President & CEO of IHRSA. "The dedication to customer service demonstrated by IHRSA members is clearly evident as this data shows an increase in total membership and member retention. IHRSA health club operators across the nation are providing their members with desirable and essential services—an essential component to running a high-quality business," said Moore.

The typical club surveyed in regards to non-dues revenue reported generating nearly one-third (32.1%) of total revenues from internal profit centers. "These profit centers provide evidence of the clubs' ability to develop programs and services that meet consumers' fitness and recreation needs," said Katie Rollauer, IHRSA's Senior Manager of Research.

Additional results found that clubs' steady improvements in revenue growth (5.4% over 2005) and membership growth (4.2% over 2005) contributed to an overall improvement in productivity and profitability. Specifically, the typical business responding to the survey reported a 6.6% increase in the revenue per square foot (\$53.50), while club profitability for the entire sample improved by better than three percentage points to 11.3% (pre-tax earnings a percentage of revenues) in 2006. "These observations reflect a club's ability to control costs while generating overall growth," said Rollauer.

*Profiles of Success 2007*, as well as additional publications can be purchased at [www.ihrsastore.com](http://www.ihrsastore.com) in a pdf version on the IHRSA Store at [www.ihrsastore.com](http://www.ihrsastore.com). For media inquiries, please contact [pr@ihrsa.org](mailto:pr@ihrsa.org) or +1 617-951-0055.

The International Health, Racquet & Sportsclub Association (IHRSA) is a not-for-profit trade association representing health and fitness facilities, gyms, spas, sports clubs, and suppliers worldwide. The association's membership includes over 9,100 clubs in 75 countries, along with over 730 industry suppliers.

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