



Nonprofit Health Wellness: Membership Trend Metrics

Source: Daxko Market Insights and Impact Group

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Since March 2020, the nonprofit health and wellness market -- largely served by YMCAs, JCCs, and similar organizations -- experienced multiple operational health impacts as a result of atypical membership behavior due to COVID-19. These impacts were felt widely among associations and organizations in this space regardless of size, location count, or offerings -- as well as in the adjacent greater fitness industry.

As associations and organizations serving their communities were required to close facilities, incorporate capacity levels, and pause or redefine offerings, individuals and households with active memberships chose to maintain, pause, or cancel memberships.

The following summary includes current directional trends related to new, renewed, and cancelled members, as represented by member management operational system transactions between March 1, 2020 through March 31, 2021.ⁱ

Overview

Orphaned Memberships Available as Prospects

- **Average of 21%** health and wellness memberships were cancelled across Daxko platformsⁱⁱ
- **33% of Daxko Operations** memberships were cancelled
- **Estimated 14Mⁱⁱⁱ orphans** nationally in the market today

Frozen At-Risk Memberships

- **Average of 8%** of memberships are still on hold across Daxko platforms^{iv}
- **3% of Daxko Operations** health and wellness memberships remain on hold
- **An estimated 5M^v at-risk** memberships nationally due to holds

Rejoins by Former Memberships

- **Average of 27% of memberships joins were brand new** to the association or organization they joined across Daxko platforms^{vi}
- **16% of Daxko Operations membership joins were brand new**
- **35% of memberships^{vii}** that joined since March 1, 2020 had previously canceled their memberships prior to the pandemic and chose to rejoin during COVID recovery.
- **49% of memberships^{viii}** cancelled at some point during COVID and came back during the pandemic

Summary Findings

Orphaned Memberships Available as Prospects

IHRSA, the Global Health and Fitness Association, reported there were 64.2 million gym members in the U.S pre-COVID. From March 1, 2020 to March 31, 2021, an average of 21% of memberships were cancelled or expired across Daxko Operations member management systems.^{ix} Daxko Operations customers experienced a higher rate of attrition of 33% when compared to the approximately 17-18% of fitness club and boutique studio membership cancellations.^x

This attrition rate equates to an estimated 14 million members across the health and wellness industry now available as potential member prospects. As vaccines continue to roll out, mask mandates lift, and health seekers feel more comfortable, this represents an operational opportunity for prospecting campaigns activities as non-members seek a sense of normalcy, routine, and community.

(1 in 3 Orphaned Nonprofit Memberships)

Frozen Memberships At-Risk

Many associations and members decided to move active membership to "on hold" during the pandemic, pausing membership fees and revenue, while also allowing for the possibility for the membership to reactivate instead of cancel.

As of March 31, 2021, 3% of members logged in Daxko Operations are denoted as being on hold. An average of 8% of members are designated as "on hold" across Daxko's member management solutions in multiple health and wellness markets^{xi}. This equates to approximately 8 million members still on hold across the U.S. as nonprofit associations are emerging from the pandemic.

An upcoming shift in membership holds behavior is expected, as associations and organizations make necessary decisions about operational hold and reactivation strategies.

Rejoins by Former Memberships

As restrictions ease and members return in greater numbers to in-person club usage, it is vital to analyze to what degree post-COVID memberships represent new or existing memberships vs. cancelled members and households choosing to rejoin. Of new memberships recorded in Daxko Operations, a sizeable 35% had cancelled prior to the pandemic and chose to return, 49% cancelled during the pandemic and returned, and 16% were brand new to their association or organization.^{xii} Brand new members that joined during this time were comparatively higher in fitness clubs joins averaging 27%^{xiii}.

Industry Membership Trends

A recent poll conducted by OnePoll^{xiv} on behalf of YMCAs found that:

- **62% of Y members surveyed reported “their mental health took the biggest hit”**
- Older adults that responded also reported the following activities “helped with the effects on their mental health”:
 - **44% exercise**
 - 63% hobbies
 - 44% socially distanced visits with friends and family

Respondents also said they would feel safe returning to their normal routine/pre-pandemic life within 2 months after being vaccinated:

- **52% of the respondents who plan to receive the vaccine say they plan to return to their health club/community center**
- 42% of the 52% plan to go a few times a week

A comparative fitness industry survey^{xv} released in March 2021 published the following findings:

- 71% of members are still not exercising at their gyms or clubs
- 35% in the US don't intend on returning, even after being vaccinated
- 56% of members have either canceled (30%) or paused (26%) their memberships
- Less than half (48%) said they would return when they themselves are vaccinated
- Another 24% will return, but not until their family, friends, and loved ones are also vaccinated

Methodology

All nonprofit data sourced through Daxko Operations member management solutions and analyzed by Daxko's Market Insights and Impact Group. Club and Boutique data sourced from Daxko's family of brands across the fitness industry and health and wellness markets, inclusive of the core member management systems: Daxko Operations, Club Automation, CSI Spectrum, Motionsoft, and Zen Planner.

Industry data sourced by YMCA of the USA (OnePoll Survey), IHRSA, and RunRepeat (see reference section for citations).

About Daxko

Daxko delivers comprehensive technology solutions, integrated payment processing, experienced services and deep insights to all kinds of health and fitness centers—enterprise health clubs, boutique fitness studios, affiliate gyms, campus recreation facilities, integrated wellness centers, YMCAs, and JCCs. As of 2021, the company spans 140+ countries, nearly 17,000 facilities, and over 25 million+ members, representing the most extensive tech-based community in health, wellness, and fitness.^{xvi} Learn more at [Daxko.com](https://daxko.com)

Source Citations

- ⁱ Daxko Operations, Club Automation, Motionsoft, and Zen Planner Aggregate, Nationwide Operational Data
- ⁱⁱ Data from Daxko Operations, Club Automation, Motionsoft, and Zen Planner Aggregate, Nationwide Operational Data
- ⁱⁱⁱ Estimate calculated as 21% of the pre-pandemic 64.2M fitness, health and wellness members nationally according to IHRSA; <https://www.ihrsa.org/about/media-center/>
- ^{iv} Data from Daxko Operations, Club Automation, and Zen Planner
- ^v Estimate calculated as 8% of the pre-pandemic 62.4M fitness, health and wellness members nationally according to IHRSA; <https://www.ihrsa.org/about/media-center/>
- ^{vi} Data from Daxko Operations and Club Automation; weighted average based on membership base size
- ^{vii} Data from Daxko Operations
- ^{viii} Data from Daxko Operations
- ^{ix} Data from Daxko Operations, Club Automation, Motionsoft, and Zen Planner
- ^x Data from Club Automation and Zen Planner
- ^{xi} Data from Daxko Operations, Club Automation, and Zen Planner
- ^{xii} Data from Daxko Operations
- ^{xiii} Data From Daxko Operations and Club Automation; weighted average based on membership base size
- ^{xiv} As published by YMCA of the USA <https://people.com/human-interest/americans-over-57-feel-theyre-more-independent-than-ever-because-of-pandemic/>
- ^{xv} RunRate National Survey of 11k Members: https://runrepeat.com/gyms-post-covid-vaccine?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosmarkets&stream=business
- ^{xvi} GI Partners; <https://www.gipartners.com/private-equity/portfolio/daxko>