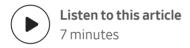
BUSINESS

Gym Owners Take On New Role as Washington Lobbyists

Federal aid programs weren't good it, forcing fitness industry to navigate unfamiliar waters in seeking relief

By <u>Julie Bykowicz</u> / Photographs by Anna Watts for The Wall Street Journal April 5, 2021 10:00 am ET



Brooklyn fitness-studio owner Katie Muehlenkamp's duties expanded during the pandemic to include tech support for her online classes, scouting for outdoor workout locations and extra scrub-downs of ballet barres and yoga mats.

There was also a new job she didn't expect to have, and where success has been elusive—that of a de facto lobbyist.

Gyms and exercise facilities have been walloped by long closures, capacity limits and added costs to operate remotely and safely even as the U.S. slowly resumes pre-pandemic life.

The federal Paycheck Protection Program provided aid for small business, but largely to cover salaries. Gym owners say most of their expenses are for facility leases and insurance.

Gyms also didn't receive special funding streams like ones Congress allocated to restaurants and entertainment venues, which face similar issues.



'The pandemic for businesses like mine is not even close to being over yet,' says fitness-studio owner Katie Muehlenkamp.

Ms. Muehlenkamp and other gym owners are now waging what they see as a make-or-break campaign while there is still some momentum in Congress for helping small-business owners. About 75 Republicans and Democrats have co-sponsored House legislation to provide up to \$30 billion in aid to the struggling industry.

"The pandemic for businesses like mine is not even close to being over yet," said Ms. Muehlenkamp, who owns The Bar Method Brooklyn. "The restaurant industry and some industries as impacted as us have gotten more public attention, which is great for them. We have gotten less, and I'm not really sure why."

Squeezing support out of the federal government is old hat to some industries. Airlines and restaurants are among those that have well-established political ties thanks to trade groups and decades or more of Washington glad-handing.

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But the fitness industry and many others—from bowling centers to small concert venues to timber loggers—have been learning on the fly how Washington works.

Business owners who aren't used to comparing notes with competitors are scrambling to forge alliances. They are reorienting from local politics, where they are used to weighing in on rules and regulations, to federal, where they think they have the best chance of

securing coronavirus relief. They are hiring pricey lobbyists and experimenting with grass-roots activism.



Elaine Lamm, center, a studio coordinator at The Bar Method Brooklyn, checks temperatures of people attending a fitness class.

"Bowling's just been overlooked," said Jim Decker, president of the trade group Bowling Proprietors' Association of America.

Mr. Decker said his own centers in California remain completely shut down. There are 5,000 bowling centers across the country, a tiny fraction of the number of restaurants. "We don't have clout," he said.

Loggers, who said they were struggling just as much as others in farming, were shut out of the Agriculture Department's relief program until they grabbed the attention of Sen. Susan Collins (R., Maine). She worked a designated grant program into the December round of federal relief.

When the coronavirus pandemic lowered the curtain on live performances more than a year ago, independent venues didn't even have a trade group. The question last March, as Audrey Fix Schaefer put it: "How does a nonentity get help from Washington?"

By the end of last year, 3,000 of them banded together to form the National Independent Venue Association, of which Ms. Schaefer is now spokeswoman. The new group hired lobbying giant Akin Gump Strauss Hauer and Feld—thanks to funding from ticket vendors whose fortunes rise and fall along with the venues—and secured \$16 billion for closed venues.

Working in that industry's favor was its Type A promoters, email lists of concertgoers and big-name musicians such as Dolly Parton to Alice Cooper who could campaign for federal help.

The fitness industry started somewhere in the middle.

It established a trade group, the International Health, Racquet and Sportsclub Association, 40 years ago. But fitness centers haven't needed much out of Washington, so they tended to focus more on the state and local politicians who typically have a more direct impact on their businesses.

"The club industry is not a real political industry," said Helen Durkin, executive vice president of public policy for the gym trade group. Still, when the pandemic hit, it quickly became clear that federal aid could be the key to survival.

"At first we thought, can we spend enough money on lobbyists to help us?" Ms. Durkin said. "But really what seems to be making a difference is the 20,000 or so emails our people have sent Congress asking for help. What's turning the tide is those voices."

In December, the trade group ditched two of its three lobbyists and instead enlisted its own membership from its network of 50,000 clubs to lobby their congressional representatives for relief.

By then, smaller fitness-facility owners had grown frustrated, thinking lawmakers were unfairly lumping them in with big-box gyms like <u>Planet Fitness</u> and assuming they could all just weather the Covid storm without extra federal help.

About 15,000 of those businesses—many of them affiliated with brands like Orange Theory, Pure Barre and CrossFit—formed their own advocacy group, the Community Gyms Coalition, to supplement IHRSA's efforts.



PSKC CrossFit studio in Portsmouth, Ohio, last month.

PHOTO: DALE KING

Brett Ewer, the lobbyist for CrossFit, started working the phones and setting up Zoom meetings between owners and their local congressional offices.

In Ohio, Mr. Ewer thought of Dale King, a garrulous military veteran who had a brief star turn on Shark Tank in 2017 for his line of natural ointments. (He walked away with a deal.)

"Gym owners are notoriously self-sufficient and wary of assistance, but this time it's much needed," said Mr. King, whose CrossFit studio in Portsmouth, Ohio, works with recovering addicts.

In February he met over Zoom with staff members for Sens. Sherrod Brown (D., Ohio) and Rob Portman (R., Ohio). Ms. Muehlenkamp also has met virtually with a House member and plans to show Rep. Carolyn Maloney (D., N.Y.) around her barre studio this month.

Reps. Mike Quigley (D., Ill.) and Brian Fitzpatrick (R., Pa.) introduced the \$30 billion aid package in February.

But supporters of the plan, including Mr. Quigley, worry it is a tough sell since the federal government has already invested trillions of dollars in relief and there is a perception that the country is moving from crisis to recovery.

A self-described gym rat who represents much of Chicago, Mr. Quigley said he became interested in sponsoring the relief package after fitness-club owners and fellow gymgoers approached him a few months ago.

"They don't have the exposure like others like the restaurant industry did. They're catching up," he said. "You don't want to introduce yourself during a crisis. You want to

have a relationship."

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