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PENNSYLVANIA FITNESS ALLIANCE CLUB SPOTLIGHT – CITY FITNESS

(Philadelphia, PA) – Today, the Pennsylvania Fitness Alliance released its club spotlight, highlighting City Fitness.

IN THE EYE OF THE STORMS

In 2007, Ken Davies, opened the first City Fitness at Second St. and Spring Garden Ave. in Northern Liberties.

Ken wanted to build the kind of gym he would work out in, something he believed was missing in the Philadelphia area. He envisioned a gym that felt like a second home to its members. He built the club around three core values: clean facilities, a welcoming environment, and cutting-edge equipment and programming.

The path for Ken and City Fitness hasn't always been an easy one, indeed early on it was unclear whether Ken's dream would ever become a reality.

Ken's first City Fitness opened right as the country entered into the greatest recession since the Great Depression.

The challenges that Ken overcame in building City Fitness are the stuff of entrepreneurial legend. [In a 2017 Philadelphia Inquirer story, Ken recalled just how tough it was going for him in those early days,](#)

One of the worst times, Davies said, was "when I basically slept in a van for a week because I was locked out of my house because I couldn't pay my mortgage." The other was when his debit card was declined at Wawa for a \$1 purchase.

"That was the lowest point in my life," he said.

Eventually, Davies and City Fitness not only survived they thrived. Pre-pandemic City Fitness had expanded to 6 locations and had over 18,000 members. City Fitness was a true

American success story and Davies was looking at further expansion and growth of the brand.

Then 2020 happened.

Like many in the fitness industry, and indeed across the state, Davies thought the initial COVID shutdown in March was just a short-term measure.

“I thought the shutdown would be two weeks or maybe four weeks, I never thought it would last for months,” said Davies “In my worst nightmare I never imagined a scenario where we would be shut down for six months and that when we could open we would be open under severe occupancy restrictions.”

In many ways, Davies found himself back at the beginning of this entrepreneurial journey.

“In a lot of ways it was similar to the 2007-2008 financial crisis,” said Davies. “I had to work with lenders, and landlords, and creditors and vendors. The big difference from our experience during the 07-08 crisis was that at least then we could stay open. During COVID we didn’t have that option.”

Davies said, “We didn't have a way to generate revenue. This just decimated our cash reserves and put the company at tremendous risk of never reopening. Members would reach out asking if we would be there for them when they could go back to gyms. I couldn't give them an honest answer. It was a scary and frustrating time.”

Davies went to extraordinary ends to keep his staff employed and went four months without furloughing an employee.

“Early on the PPP money helped, but essentially all of that money was just a direct pass through to my employees and to landlords and banks,” continued Davies.

Just as the COVID numbers start to come down as spring turned to summer, and just when it appeared that there was a light at the end of the tunnel, the country was rocked by political and social unrest.

For Davies and his employees and its members, City Fitness is more than just a place to workout – it’s a community. As the social and political unrest swept across Philadelphia and urban areas all across the state and country, Davies realized City Fitness had a responsibility to respond.

“We knew we had an obligation to speak out,” said Davies. “But we wanted what we said to be meaningful, not just empty words. We took a long hard look at how we operated, we pulled our employees together and talked about what we could do differently. At the end of the day, we wanted this to be about action not just rhetoric.”

For Davies and City Fitness 2020 wasn't just about surviving one crisis, it was about surviving two. "COVID was and is a once in a hundred years pandemic and that was coupled with political and social unrest that was unlike anything we have seen for decades. It was like getting hit with back-to-back category 5 hurricanes."

Davies said 2020 was about survival, "my focus was on two things in 2020 – taking care of my staff and taking care of my members. At the end of the day, I knew that all we would have going forward is our brand – our reputation."

Economically, 2020 was devastating for the entire fitness industry, and City Fitness was no exception. Davies reports that City Fitness' revenue decreased by well over 50% in 2020.

"I can't sit around and think about what was lost, instead I have to focus on the future," said Davies.

Despite the historic challenges City Fitness faced in 2020, Davies is bullish on the future of the fitness industry.

According to Davies, "short-term the recovery is going to be slow. The younger, the less danger adverse and the vaccinated will make up the bulk of the first wave of those returning to gyms."

Like others in the fitness industry, City Fitness has taken extraordinary steps to keep members safe. "Masks, booking times, social-distancing, cleaning protocols, ventilation, we've done it all," said Davies.

Davies recognizes that short-term all of these measures are necessary to build trust among consumers who continue to be worried about COVID.

Longer term, Davies thinks the pandemic could provide an opportunity for the fitness industry. "The pandemic has made a lot of people think about their health in a way they haven't in the past. Many of the highest comorbidity factors for COVID-19 are entirely avoidable through exercise and lifestyle changes," said Davies.

"I believe that the future is not just about exercise, but it is about holistic wellness – an approach that takes into account mental health and nutrition in addition to physical fitness," continued Davies. "We are starting to partner with experts in these complementary fields that will allow us to offer members a holistic approach to their personal health and well-being."

Davies and City Fitness have now been through the eye of the storm - on multiple occasions - and have overcome adversity each and every time. While Davies is optimistic about the long-term future of the industry, he, like many other club owners, hopes that the government will do its part to help. "The fitness industry is a critical component of our nation's healthcare infrastructure and almost no industry has been hit harder by COVID

than us. We need our elected officials in both Harrisburg and Washington, DC to help this industry get back on its feet,” concluded Davies.

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