

*We are a coalition of businesses and independent practitioners from the **health & wellness industry** seeking support during the pandemic to save health & wellness.*

## **TO OUR PARTNERS IN GOVERNMENT**

The health and wellness industry is in a state of crisis and in need of immediate and concrete support from all levels of government.

Our businesses have been required to shut down in the fight against the spread of COVID-19 with no option of working from home. The industry plays a significant role in improving the physical and mental health of Canadian residents, employs thousands of workers, and represents a significant economic and social infrastructure; however, to date there has been no indication from government entities of plans for support for our business owners, operators and our workers.

The health and wellness company owners and stakeholders have come together to outline our needs to our governments and all others who can help including the list of gyms, studios and health and wellness related practitioners below.

This includes coaches, personal trainers, group instructors, yoga instructors, pilates instructors, chiropractors, physiotherapists, massage therapists, acupuncturists and sports and recreation centers and staff.

According to ibisworld reports, the gym, **health and fitness industry accounts for \$4 billion** in direct spending, and 0.2% of Canada's GDP. This includes **over 9,000 small and medium sized businesses, employing 70,000 Canadians**. This number of employees also does not reflect the contract and subcontract workers in the industry, leaving thousands of people ineligible for the very generous wage subsidies offered by the government to other industries.

Without proper aid, this industry will collapse, and with it, the significant good that it does in preventative health care. With the expected rise of adult obesity, (according to the Canadian Medical Association Journal, obesity is expected to surpass smoking as the leading cause of preventable morbidity) the Public Health Agency of Canada has increasingly stressed the merits of fitness regimens and healthy lifestyle choices.

Furthermore, the mental health and social benefits provided by these types of businesses cannot be understated, and the loss of businesses and healthcare workers that offer an outlet for people and a 'home-away-from-home' would have **a devastating ripple effect across multiple other sectors.**

The health and wellness industry play a crucial piece in the fight against COVID-19. At a time where Canadian's mental health is so fragile, our industry's work will help provide relief to the already heavily burdened healthcare workers.

***Supporting Canadians to fight anxiety, depression and help them to recover from this traumatic time will in return increase workforce productivity and lower healthcare costs.***

The recently announced \$40,000 small business loan is set out for those that qualify, however no information on what those qualification requirements are have been made clear to us. While banks are currently struggling to manage requests for mortgage deferrals, it is unlikely that banks will be able to service the hundreds of thousands of small businesses that would have required these loans for fixed costs including the ones already incurred for April 1st, 2020. The program does not address the immediate aid required to prevent the rapidly threatening closures of small businesses.

Further, as small business owners or self-employed individuals who are already maximally leveraged, the prospect of taking on additional debt to ensure our landlords get their rent, or our taxes are paid is not only daunting, is unfair, unrealistic, and will prove fatal for the vast majority of locally owned small businesses, such as we see in the health and wellness sector. We need an industry-specific response from all levels of government at the same scale as that afforded to so many other industries in their times of crisis. In a time when municipal, provincial and federal governments have mandated closures of health and wellness businesses to save the general population, there is a burden of responsibility from those governments to ensure these businesses also survive.

**TO EVERY LAWMAKER AND GOVERNMENT OFFICIAL CURRENTLY CONSIDERING HOW TO HELP THOSE MOST AFFECTED BY COVID-19, WE THE HEALTH AND WELLNESS-RELATED BUSINESS OWNERS ASK FOR YOUR SUPPORT DURING THESE UNPRECEDENTED TIME.**

**The following are our short-term and long-term recommendations:**

- Ensure immediate Employment Insurance benefits for all of our laid off staff. Due to the current overwhelming demand on the system, delays are leaving workers in an incredibly precarious financial situation. The federal government must immediately add capacity to these processing systems and we recommend Service Canada waiving the waiting period for everyone laid off, not just for those that are sick or caring for the sick.
- Defer the collection of commercial property taxes immediately for gyms, studios and health and wellness related business and their suppliers. We request that commercial property taxes related to all health and wellness venues be waived for 12 months from March 1, 2020.
- Require insurance companies to cover business interruptions during this time of mandated recreational business closures. Currently they are denying coverage for such claims.
- Require all health and wellness-related businesses to receive loan payment deferrals with a freeze on interest from financial institutions.
- Suspend all taxes owed to the federal and provincial governments including HST, source reductions obligations and corporate taxes, as well as remove any penalties and/or interest for current late payments. As long as returns for HST and corporate taxes are filed on time, businesses should not be penalized or charged interest.
- Waive WSIB payments for February and March, 2020 (due March 31st and April 30th, 2020 respectively), without penalty and interest for 90 days.

- Require credit card companies to lower all interest charges on cards held by health and wellness and health and wellness-related businesses.
- A federal government cash surplus package paid directly to landlords is a solution that will also help to benefit landlords as the costs of evicting a tenant (from legal fees to rent during vacancy) are fairly significant.
- Once the mandated business closure period has lifted, recognizing that these businesses will require time to re-establish revenue streams and rebuild client trust, an additional 3-6 months of rent abatement legislation will be required, which may be implemented on a case by case basis.
- While the Emergency Wage Subsidy program is beneficial for businesses in other sectors such as the restaurant industry, where they are able to continue partial operations, the fitness and wellness industry cannot make the same use of this program while forced to be completely shut down. Our recommendation is that the Emergency Wage Subsidy be extended to include the 3 months following the government issuing the order for health and wellness businesses to reopen. This will allow these small businesses to operate at lower overhead during a time of rebuilding

A significant cash stimulus package needs to be created in order to support health and wellness business operators through the government's required closures and for the reopening of their businesses.

We are asking for non-debt solutions to our forced closures as it is simply unfair that we have been asked to close to protect our community, then asked to take on a debt to ensure our bills are paid in full. This crisis calls for more equitable burden sharing.

**In summary, with these recommendations in place:**

- Health and wellness businesses would be provided liquidity during periods of no revenue
- Landlords would receive their rent
- Lenders would receive payments on existing loans
- The burden on the government would be reduced, as employees would be hired back and come off EI more quickly
- The economy would be stimulated by providing cash flow to related industries
- The long-term return for government would be avoiding a toll on our healthcare system as the health and wellness industry is able to provide relief to what could be an unimaginable burden to social services.

We take on the responsibility of maintaining and improving the health and wellness of Canadians. Ensuring that we survive this pandemic, protects the health and wellbeing of Canadians for the future. To protect our industry, our services, our employees, practitioners and clients we ask that you immediately provide the support listed above.

***If you would like to add your name to this letter please email us at [info@healthandwellnessrelief.ca](mailto:info@healthandwellnessrelief.ca) or click “Join the Coalition” on our website.***