

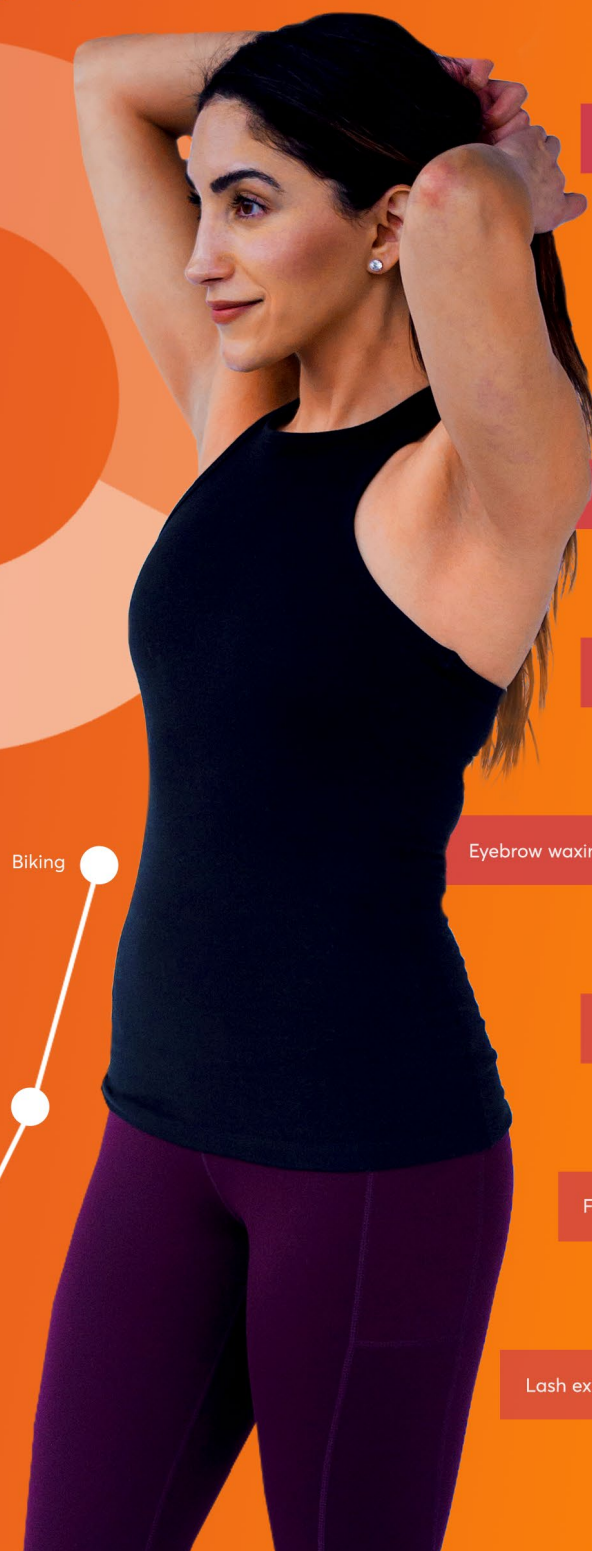
2019

MINDBODY Wellness Index

Understanding the State of the
Wellness Industry in America



- Hair cutting
- Manicure or pedicure
- Hair color
- Hair styling/blowdrying
- Eyebrow waxing or threading
- Waxing
- Facial
- Lash extensions



The State of the Wellness Industry in America

Wellness in America is booming and wellness-focused services are more available than ever; yet Americans continue to face high rates of obesity,¹ mental illness,² opioid³ and other drug addictions,⁴ and loneliness.⁵ The global wellness industry⁶ is strong and was worth \$4.2 trillion in 2017 or 5.3% of global economic output, up from \$3.7 trillion just two years prior.⁷ This growth shows an increasing opportunity for Americans to engage with fitness, beauty, and integrative health businesses to improve their own holistic health—but they aren't doing so often enough.

At MINDBODY, our purpose is to help people lead healthier, happier lives by connecting the world to wellness. With this in mind, we created the MINDBODY Wellness Index to measure and monitor the state of the wellness industry in America—from both the business and the consumer sides.



How MINDBODY defines wellness

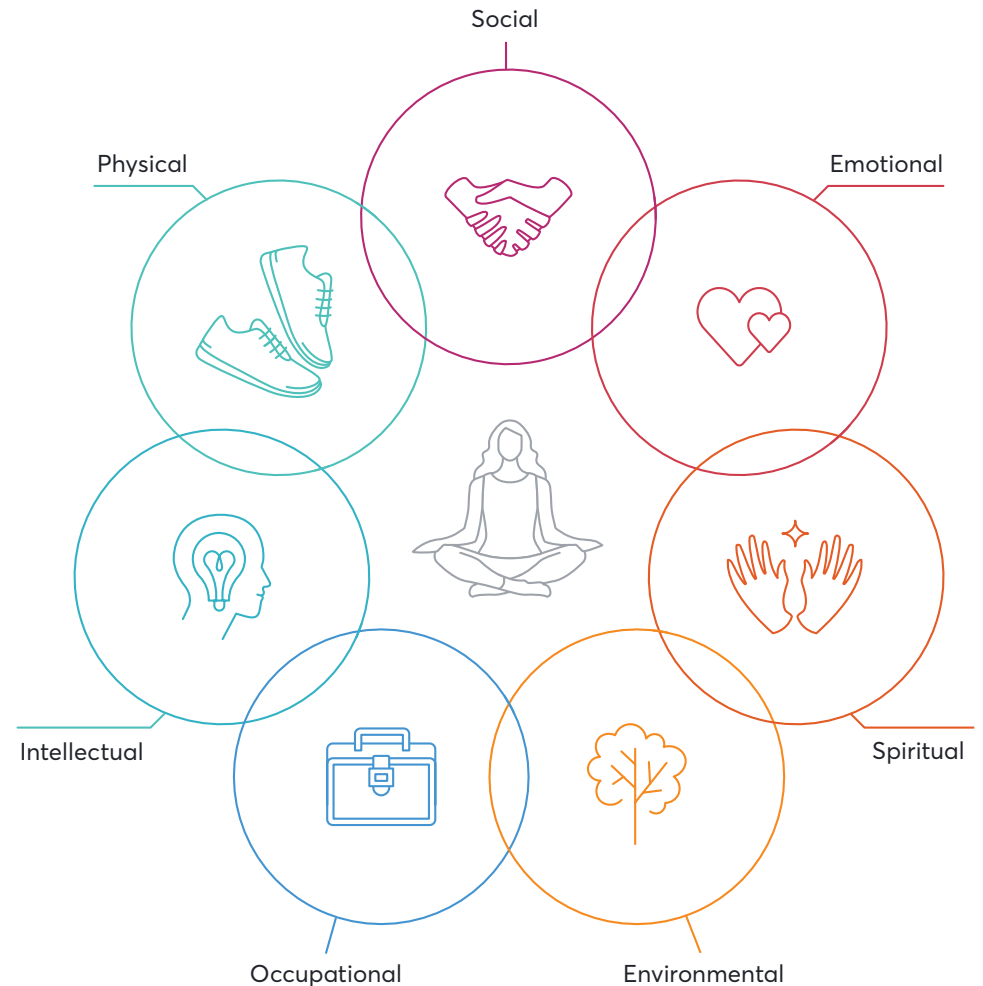
Wellness cannot be adequately defined by just physical health and fitness alone. The many factors that support wellness can be broken into seven dimensions: social, physical, intellectual, occupational, environmental, spiritual, and emotional wellness.⁸ The MINDBODY Wellness Index uses this multidimensional approach to wellness, considering a myriad of components that constitute a healthy life.

Not only is it important to exercise regularly and maintain a healthy diet, but one must also engage in self-care practices, which feed into these dimensions as well. Beauty services (such as haircuts, facials, manicures/ pedicures, etc.) thus become an important part of overall wellness. The fitness, beauty, and integrative health industries are all crucial components of personal wellness. Together, with these dimensions, they help to complete a holistic portrait of health.

The MINDBODY Wellness Index defines a “wellness business” as a business offering fitness, beauty or integrative health services. People who consume these types of services are focused on their personal well-being and investing in their self-care.

Figure 1.1

Seven dimensions of wellness



About the MINDBODY Wellness Index

The MINDBODY Wellness Index is a composite quantitative measurement of the strength of a wellness marketplace in a geographic region. It encompasses the supply side, or business success factors for fitness, beauty, and integrative health service businesses, and the demand side, or consumer health behaviors and attitudes.

With over 67,000* fitness, beauty, and integrative health service businesses using MINDBODY software and participating in our wellness market worldwide, and with over 58 million* consumers using and participating in the MINDBODY marketplace globally, MINDBODY is uniquely positioned to offer insight into the relationship between the two.

The MINDBODY Wellness Index is a proprietary statistical scoring algorithm that incorporates Metropolitan Statistical Area (MSA) level anonymized and aggregated data from the MINDBODY marketplace, third-party data from sources such as the US Census, Google and other business listing services, and data from a large-scale MINDBODY consumer survey covering the largest 50 MSAs in the US.

The consumer survey includes responses from 16,412 individuals across the US who took part in a 16-minute online survey between October 26 and November 12, 2018.

Survey participants spanned the ages of 18 to 65, with a mean age of 39. The sample was 49% male and 51% female. Seventy participants, or 0.4%, self-identify as an alternate gender. Due to low base size, this data is not included in gender comparisons. Respondents reported earning a mean income of \$56,000 annually, with higher income seen among 26-45 year-olds and 46-65 year-olds.

Indicators of consumer health are meeting the US Department of Health and Human Services' Physical Activity Guidelines⁹, participation in wellness (including fitness, beauty, and integrative health), prioritization of wellness, behavior, mental/physical/spiritual health indicators, and others.

Factors that measure business health include revenue per capita adjusted for cost of living expenses, percentage of processed revenue, density of fitness, beauty, and wellness businesses in a particular MSA, and revenue per staff service hour, among others.

Using results from both the consumer and business sides, the MINDBODY Wellness Index calculates and ranks the overall strength of the top 50 MSAs using a scale ranging from zero to 100, with zero denoting the weakest wellness market and 100 denoting the strongest market.

Figure 1.2


Survey Participants

 **16,412**
Individuals

 **18-65**
Year-olds

 **49%**
Male

 **51%**
Female

 **\$56,000**
Mean household income

*As of September 30, 2018.



**Strongest wellness
markets in America**

MINDBODY Wellness Index complete ranking

The MINDBODY Wellness Index ranges from zero to 100, with zero representing the weakest wellness market and 100 being the strongest. Here, we've listed the top 50 MSAs and their respective Wellness Index scores.

Austin-Round Rock, TX, and San Francisco-Oakland-Hayward, CA, topped the list of the strongest wellness markets. On the other hand, San Antonio-New Braunfels, TX, and Riverside-San Bernardino-Ontario, CA, were among the weakest wellness markets.

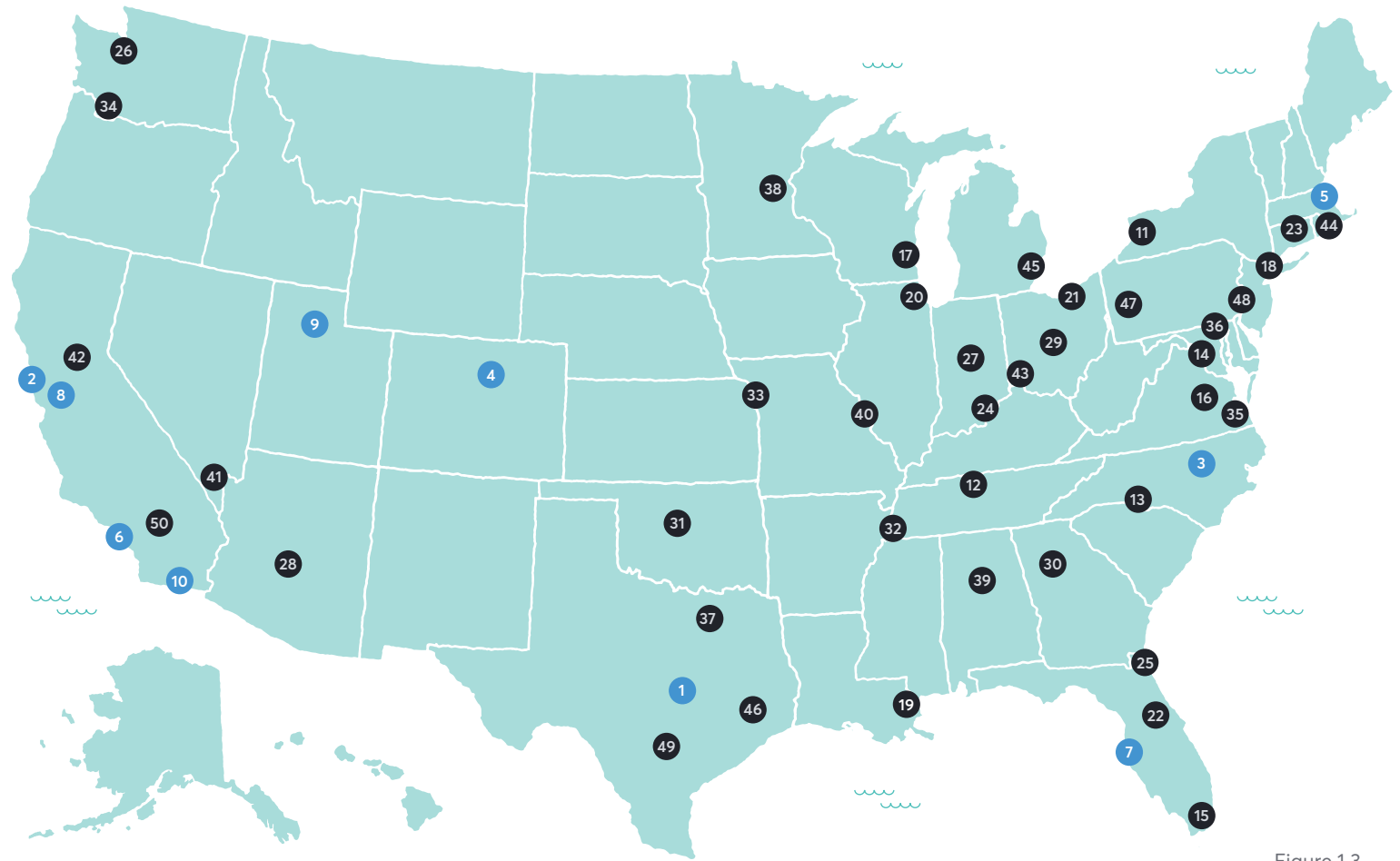


Figure 1.3

Mean Wellness Index Score = 46.1

Metropolitan Statistical Area (MSA)	Index Score	Metropolitan Statistical Area (MSA)	Index Score	Metropolitan Statistical Area (MSA)	Index Score
1. Austin-Round Rock, TX	55.8	13. Charlotte-Concord-Gastonia, NC-SC	47.6	26. Seattle-Tacoma-Bellevue, WA	45.8
2. San Francisco-Oakland-Hayward, CA	53.2	14. Washington-Arlington-Alexandria, DC-VA-MD-WV	47.5	27. Indianapolis-Carmel-Anderson, IN	45.7
3. Raleigh, NC	52.3	15. Miami-Fort Lauderdale-West Palm Beach, FL	47.4	28. Phoenix-Mesa-Scottsdale, AZ	45.6
4. Denver-Aurora-Lakewood, CO	51.3	16. Richmond, VA	47.2	29. Columbus, OH	45.5
5. Boston-Cambridge-Newton, MA-NH	50.6	17. Milwaukee-Waukesha-West Allis, WI	46.8	30. Atlanta-Sandy Springs-Roswell, GA	45.4
6. Los Angeles-Long Beach-Anaheim, CA	50.5	18. New York-Newark-Jersey City, NY-NJ-PA	46.4	31. Oklahoma City, OK	45.4
7. Tampa-St. Petersburg-Clearwater, FL	48.7	19. New Orleans-Metairie, LA	46.4	32. Memphis, TN-MS-AR	45.4
8. San Jose-Sunnyvale-Santa Clara, CA	48.7	20. Chicago-Naperville-Elgin, IL-IN-WI	46.3	33. Kansas City, MO-KS	45.3
9. Salt Lake City, UT	48.5	21. Cleveland-Elyria, OH	46.1	34. Portland-Vancouver-Hillsboro, OR-WA	45.2
10. San Diego-Carlsbad, CA	48.4	22. Orlando-Kissimmee-Sanford, FL	46.1	35. Virginia Beach-Norfolk-Newport News, VA-NC	45.1
11. Buffalo-Cheektowaga-Niagara Falls, NY	48.1	23. Hartford-West Hartford-East Hartford, CT	46.0	36. Baltimore-Columbia-Towson, MD	44.7
12. Nashville-Davidson-Murfreesboro-Franklin, TN	47.6	24. Louisville-Jefferson County, KY-IN	45.9	37. Dallas-Fort Worth-Arlington, TX	44.4
		25. Jacksonville, FL	45.8	38. Minneapolis-St. Paul-Bloomington, MN-WI	44.4
				39. Birmingham-Hoover, AL	44.1
				40. St. Louis, MO-IL	43.7
				41. Las Vegas-Henderson-Paradise, NV	43.3
				42. Sacramento-Roseville-Arden Arcade, CA	43.3
				43. Cincinnati, OH-KY-IN	43.0
				44. Providence-Warwick, RI-MA	42.9
				45. Detroit-Warren-Dearborn, MI	42.5
				46. Houston-The Woodlands-Sugar Land, TX	42.4
				47. Pittsburgh, PA	42.3
				48. Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	42.0
				49. San Antonio-New Braunfels, TX	41.0
				50. Riverside-San Bernardino-Ontario, CA	38.8

Figure 1.4

Why is Austin-Round Rock, Texas the strongest wellness market in America?

The Austin-Round Rock region in Texas tops the list of 50 MSAs, with a peak score of 55.8, nearly 10 points above the average index score. This achievement reflects strong pro-wellness attitudes and behaviors among consumers in these areas and demonstrates the strength of this region's wellness business marketplace.

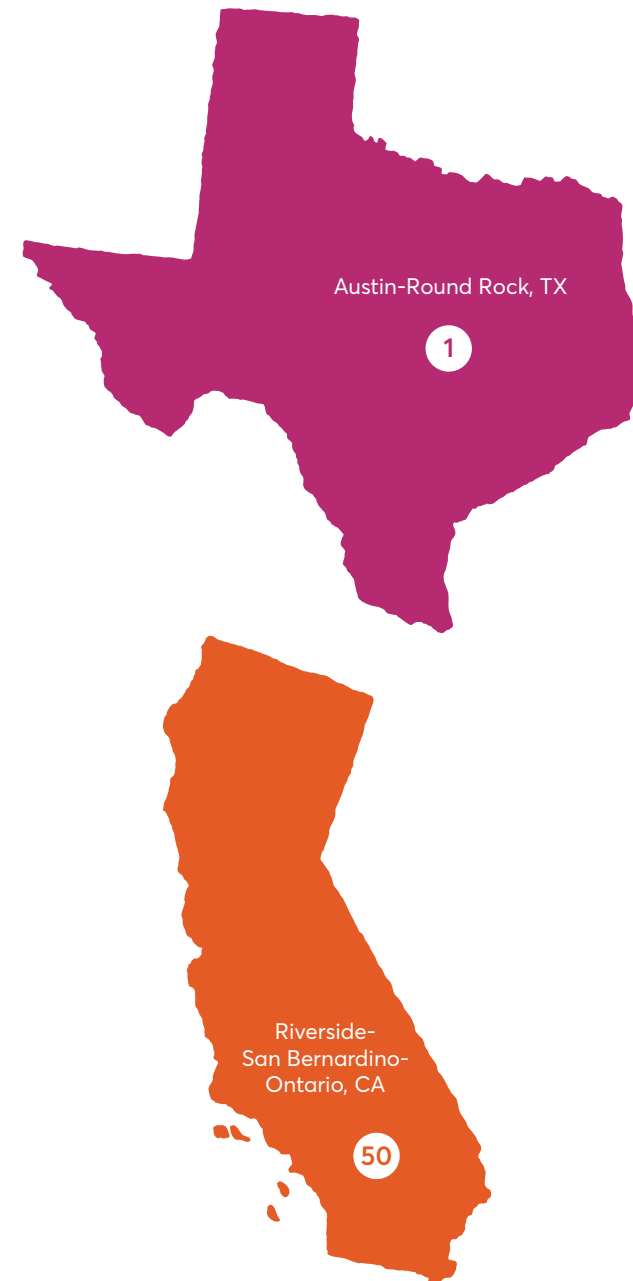
Overall, there are robust demands for wellness services and an equally strong supply of service providers to answer these consumer needs. Wellness businesses in the Austin-Round Rock area enjoy the highest revenue per capita of any MSA, meaning that the population in this area spends the most on wellness services each month. Austin wellness businesses are also efficient. They generate high revenue per capita per staff service hour.

Why is Riverside-San Bernardino-Ontario, California the weakest wellness market in America?

On the other end of our Wellness Index spectrum is the Riverside-San Bernardino-Ontario, California MSA, with the lowest wellness index score of 38.8, or 7.3 below the average.

Wellness businesses in this region have the lowest revenue per capita of all 50 MSAs, even after adjusting for the area's cost of living. The Riverside-San Bernardino-Ontario area is a wellness desert and ranks alongside Salt Lake City and the Phoenix-Mesa-Scottsdale area as the MSAs with the lowest density of wellness business per square mile.

This MSA, in particular, also has the lowest percentage of residents who noted they visit more than one wellness studio.



MINDBODY Wellness Index: Across the US

The top 10 MSAs representing the strongest wellness markets in America identified by the MINDBODY Wellness Index, as determined by strength of each region's wellness business marketplace as well as local consumer attitudes and behaviors.

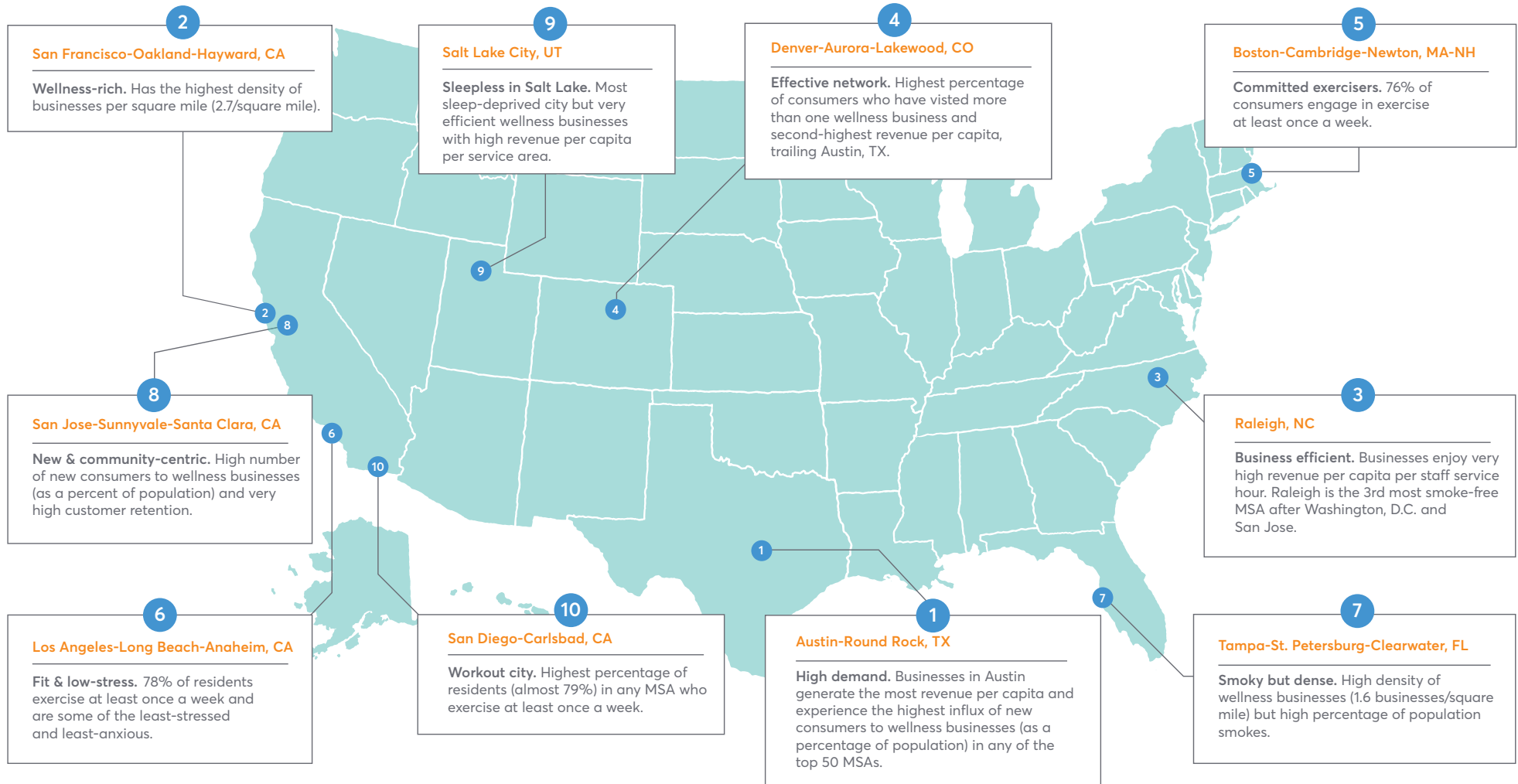


Figure 1.5

The highs and lows by market

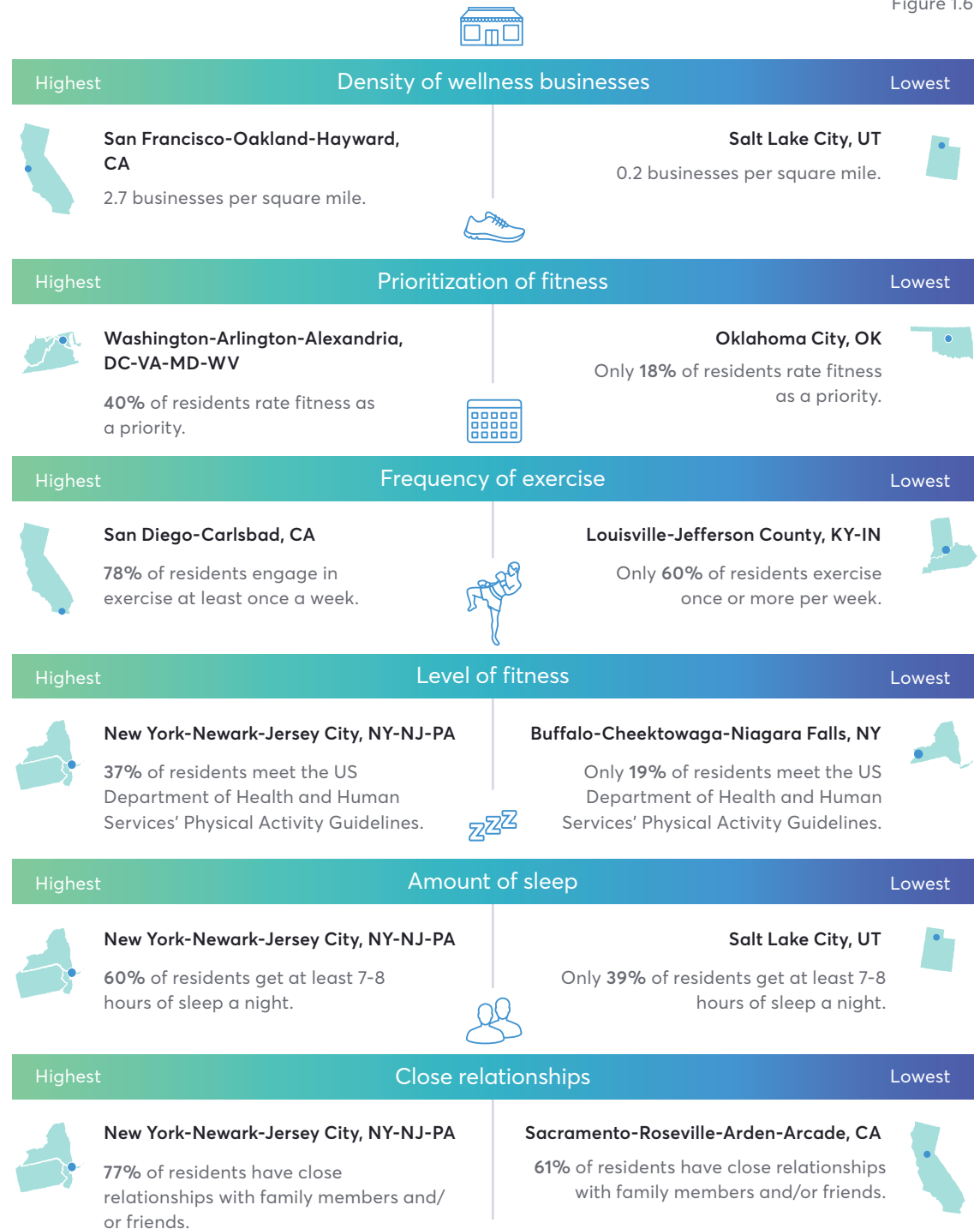
The San Francisco-Oakland-Hayward, California market has the highest density of wellness businesses with 2.7 businesses per square mile. Salt Lake City, Utah has the lowest density of wellness businesses with just 0.2 businesses per square mile.

There are also notable differences in the attitudes and behaviors of consumers across separate MSAs. For instance, those in the Washington-Arlington-Alexandria MSA boasted the highest number of residents who rate fitness as a priority, whereas Oklahoma City had the lowest percentage.

The San Diego-Carlsbad, California market has the highest percentage of residents who engage in weekly exercise with 78%. Areas of Kentucky and Indiana have the lowest percentage in this category, with 60%.

Where overall level of fitness is concerned, the New York-Newark-Jersey City MSA tops the list with 37% of residents meeting the US Department of Health and Human Services Physical Activity Guidelines. On the other end of the spectrum comes the Buffalo-Cheektowaga-Niagara Falls, New York region, where only 19% of residents meet the guidelines.

In addition to being the strongest wellness market overall, Austin-Round Rock, Texas also comes first in terms of inflow of new customers to regional businesses spanning fitness, beauty, and integrative health. Memphis has the lowest inflow of new customers to businesses in its area.



About MINDBODY

MINDBODY, Inc. is the leading technology platform for the fitness, wellness, and beauty services industries. Local entrepreneurs worldwide use MINDBODY's integrated software and payments platform to build, market, and successfully run their businesses. Consumers also leverage MINDBODY to more easily find and engage with providers in their local communities. MINDBODY is committed to helping people lead healthier, happier lives by connecting the world to fitness, beauty, and wellness.

About the MINDBODY research team

The MINDBODY Research & Insights team is a diverse and experienced group of market and user researchers, with deep expertise in advanced quantitative methods, qualitative, and mixed research methodologies. The team brings together PhDs, MBAs, economists, behavioral and social scientists, and international specialists. With broad skills in both consumer and business research and decades of collective industry experience, the team delivers high-impact research in both domestic and international markets to help position MINDBODY as an industry leader.





For more information on the MINDBODY Wellness Index, or to review other reports in our MINDBODY Wellness Index series, visit business.mindbody.io/education/wellness-index-2019, or email wellnessindex@mindbody.io.

For more educational resources, including webinars, guides, conference presentations, and online courses to help your wellness business, visit business.mindbody.io/education.

To learn first-hand how MINDBODY can position your business for success, schedule a guided tour today at www.mindbodyonline.com/business-software, or give us a call at 877-755-4279.

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