

MAKE YOUR PASSION YOUR PROFESSION

Becoming a CrossFit affiliate provides a fruitful and rewarding opportunity to open, operate, and manage your own fitness business. Below is a working example of the CrossFit value proposition based on what we've seen in thousands of CrossFit gyms.

STARTUP COSTS

CrossFit has a low startup cost in comparison to other fitness concepts. These are the estimated investments for two of them:

- F45: ~\$300k+
- UFC: ~\$200k-\$1 million+

CrossFit Startup Costs: First Year¹

| Expense | Type | Average | High |
|-------------------------------|------------|------------------|------------------|
| Rent | Fixed | \$60,000 | \$240,000 |
| Personnel | Semi-fixed | \$42,000 | \$62,500 |
| Utilities | Fixed | \$6,000 | \$24,000 |
| Build-out* | Fixed | \$175,000* | \$225,000 |
| Equipment** | Fixed | \$50,000 | \$75,000 |
| Insurance | Fixed | \$2,000 | \$6,000 |
| Software & Website | Fixed | \$4,800 | \$7,200 |
| Affiliate Fee | Fixed | \$4,500 | \$4,500 |
| New Affiliate Application Fee | Fixed | \$500 | \$500 |
| Startup Cost Range | | \$169,800 | \$419,700 |

* Build-out cost: Total physical square footage of location leased (excluding any external usable space e.g., parking, patios, outdoor unfinished areas) x \$25 per sq ft will provide a comfortable mid-range build-out. Excluded from total cost range.

** Equipment cost: Square footage of usable training floor x \$25 per sq ft. This will provide ample equipment to launch a new location.

MEMBERSHIP SIZE & REVENUE

On average, gyms have 165+ members and generate ~\$300K in annual revenue. It takes ~127 members for the average gym to break even.

Gym Profitability Analysis²

| Annual Revenue | Breakeven* | Average Gym | Large Gym |
|--------------------------------|------------------|------------------|------------------|
| Members (Count) | 127 | 167 | 250 |
| (x) Membership Price per Month | \$150 | \$150 | \$150 |
| Total Revenue | \$228,600 | \$300,600 | \$450,000 |
| Annual Expenses | | | |
| Rent | \$90,000 | \$90,000 | \$90,000 |
| Personnel | \$76,000 | \$90,000 | \$120,000 |
| Utilities | \$15,000 | \$15,000 | \$15,000 |
| Equipment Upkeep | \$9,000 | \$9,000 | \$9,000 |
| Insurance | \$2,000 | \$2,000 | \$6,000 |
| Software & Website | \$3,000 | \$4,000 | \$6,000 |
| Affiliate Fee | \$4,500 | \$4,500 | \$4,500 |
| Other | \$26,000 | \$30,000 | \$38,000 |
| Operating Profit | \$600 | \$53,600 | \$163,000 |

*To increase profits, you can increase the membership fee, increase the number of members, or increase both.

TAKE-HOME COMPENSATION

Affiliate owners' take-home compensation, including salary and profit, typically ranges from \$50K to \$80K, with some owners doing well over \$120K.



WHAT DOES THIS PICTURE LOOK LIKE FOR YOUR CROSSFIT AFFILIATE?

Complete the tables below to calculate your estimated expenses and earning potential in three easy steps.



STEP 1: EQUIPMENT & BUILD-OUT

Build-out cost is based on the size of your entire internal usable location, including bathrooms, etc. The cost of equipment is based on the size of usable training floor. These simple calculations give you a good ballpark average for a mid-range, well-equipped gym. Depending on your budget, assumed member count, and general business model, you may choose to spend more or less.

Equipment and Build-Out Cost

| Cost | Floor space | Sq Ft | Per Sq Ft | Total cost |
|-----------|-----------------------|-------|-----------|------------|
| Build-out | Total location size | | | |
| Equipment | Usable training floor | | | |

For the sake of cash flow, don't acquire all this equipment immediately. Rather, expand your equipment gradually to match your current membership numbers as you get more members.

STEP 2: CALCULATE YOUR STARTUP COSTS

The costs of goods and services differ depending on your area. Use this table to note down your initial setup costs for each of these major categories, e.g., building your website.

The ongoing expenses, such as your website's maintenance and hosting, will be accounted for in Step 3, so don't add them here; only think about those bigger one-off payments for now.

Note that the cost of build-out and equipment was calculated in Step 1. If you want to edit these numbers, return to Step 1.

CrossFit Startup Costs: First Year

| Expense | Type |
|---------------------|------|
| Rent | |
| Personnel | |
| Utilities | |
| Build-out | |
| Equipment | |
| Insurance | |
| Software & Website | |
| Affiliate Fee | |
| Startup Cost | |

STEP 3: CALCULATE YOUR EARNING POTENTIAL

Now, calculate your revenue based on your achievable membership numbers and the membership fee you can reasonably charge in your area. This total revenue is offset against your ongoing expenses to calculate your profit.

Note that ongoing expenses are expenses you'll continue to pay after your initial startup costs, so your startup costs such as installation fees and one-time deposits should not appear in this table.

To increase profits, you can increase the membership fee, increase the number of members, or increase both. Alternatively, you can lower your expenses.

Gym Profitability Analysis: First Year

| | |
|--------------------------------|--|
| Annual Revenue | |
| Members (Count) | |
| (x) Membership Price per Month | |
| Total Revenue | |
| Annual Expenses | |
| Rent | |
| Personnel | |
| Utilities | |
| Equipment Upkeep | |
| Insurance | |
| Software & Website | |
| Affiliate Fee | |
| Other | |
| Operating Profit | |