Benefits Insights

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Gym Memberships, Stipends and Other Fitness Benefits

Fitness benefits are gaining traction as employers look for cost-effective ways to support employee health and stand out as a competitive employer. From subsidized gym memberships to flexible wellness stipends, these programs offer employers a relatively low-cost way to improve both the bottom line and the employee experience. As employees become more health-conscious than ever before, these benefits are becoming more popular for cost-conscious consumers who want to prioritize exercise and their overall wellness.

This article outlines common fitness benefits, why they're gaining popularity, and employer considerations for offering or expanding such benefits.

Common Program Structures

Employers have several options for structuring a fitness benefit, and many organizations combine multiple approaches. Consider these common program structures:

- **On-site or near-site fitness centers**—Employers with adequate space and budget can provide a dedicated fitness facility, giving employees free, immediate access during the workday and, in some cases, after hours. This option requires the largest upfront investment but removes cost and travel as barriers to use.
- **Gym membership subsidies**—Employers cover part or all of an employee's gym membership cost. Subsidies are typically structured in one of these ways:
    - A full subsidy covering the entire membership cost
    - A partial subsidy covering an employer-set percentage (commonly 25%-75%)
    - A capped subsidy that provides a fixed dollar amount toward any membership the employee chooses
- **Corporate group discounts**—Employers negotiate reduced group rates with local gyms or fitness studios. This approach lowers costs for employees without requiring the employer to fund the benefit directly, making it a lower-cost entry point for smaller organizations.
- **Fitness or wellness stipends**—Employers provide a flat, recurring allowance employees can apply toward a gym membership, fitness class, equipment purchase or fitness app subscription of their choosing. Stipends offer employees the flexibility to choose the option that best fits their lifestyle and location, which is particularly useful for organizations with distributed workforces.
- **Comprehensive wellness platforms**—Some employers bundle fitness access with broader wellness offerings, such as mental health resources, nutrition coaching and health screenings, through a single wellness platform or vendor.

Why Employers Are Adding Fitness Benefits

Wellhub's Return on Well-being 2026 survey asked HR leaders across industries if investing in employee well-being actually moves the numbers that matter, and 95% of employers responded positively. Fitness benefits are attracting employer attention for several reasons, such as the following:

- **Return on investment (ROI)**—The U.S. Chamber of Commerce (U.S. Chamber) reports that employers see a return of $1.50 to $3 for every dollar spent on fitness benefits. That return comes from a combination of lower healthcare costs, reduced absenteeism and higher productivity.
- **Reduced healthcare costs**—Wellness program participation is linked to a reduction in risky health behaviors of more than 10% and a roughly 15% drop in healthcare claims costs, according to a study published in the American Journal of Health Promotion. For employers managing rising healthcare spend, fitness benefits represent a preventive, upstream investment rather than a reactive one.
- **Rising employee demand**—Employees are increasingly asking for fitness support as part of their total rewards, and interest has continued to climb in the years following the COVID-19 pandemic as workers place a higher priority on health and work-life balance. Fitness ranks among the benefits employees most want added to their wellness support, with 24% citing it in the Wellhub survey.
- **Productivity and morale**—A UnitedHealthcare survey found that 77% of employees with access to workplace wellness programs report improved health and productivity. U.S. Chamber data also found that more than 60% of employees with workplace wellness programs also report lower personal healthcare costs.
- **Recruitment and retention**—As younger generations of workers place growing weight on holistic well-being when evaluating employers, a well-structured fitness benefit can differentiate an organization's total rewards package without the cost of a major benefit overhaul.

Employees who use fitness benefits report a range of health and lifestyle advantages. Regular exercise, even as little as once per week, has been shown to meaningfully reduce stress levels. Physical activity is also associated with improved emotional, psychological and social well-being. Beyond the physical and mental health gains, subsidized or discounted access makes fitness more financially attainable.

Employer Considerations

Employers considering a new or expanded fitness benefit should work through the following steps:

- **Assess employee interest.** Survey employees to understand which formats and fitness activities are most likely to be used before committing budget to a specific program structure.
- **Set a clear budget and subsidy model.** Determine how much the organization can allocate and choose a subsidy structure (full, partial or capped) that fits that budget.
- **Review tax treatment.** Gym membership subsidies and fitness stipends are generally treated as taxable income to the employee unless the benefit is structured as part of a qualifying wellness program. Employers should consult with local legal counsel to confirm how a chosen program structure will be treated before rollout.
- **Select a gym network or vendor carefully.** Location, amenities and class offerings all affect whether employees actually use the benefit. A subsidy for a facility employees can't easily reach will see low participation regardless of the subsidy amount.
- **Communicate the benefit clearly.** A strong enrollment communication plan, including clear sign-up instructions, helps ensure awareness and adoption.
- **Track participation and outcomes.** Monitor enrollment, participation rates, employee satisfaction and healthcare cost trends over time to evaluate whether the program is delivering an ROI.

Summary

Gym memberships and fitness stipends give employers a flexible way to support employee health while managing long-term healthcare costs. Whether through an on-site facility, a capped stipend or a broader wellness platform, the right structure depends on workforce size, budget and employee preferences.

Contact us for additional employee benefits resources.