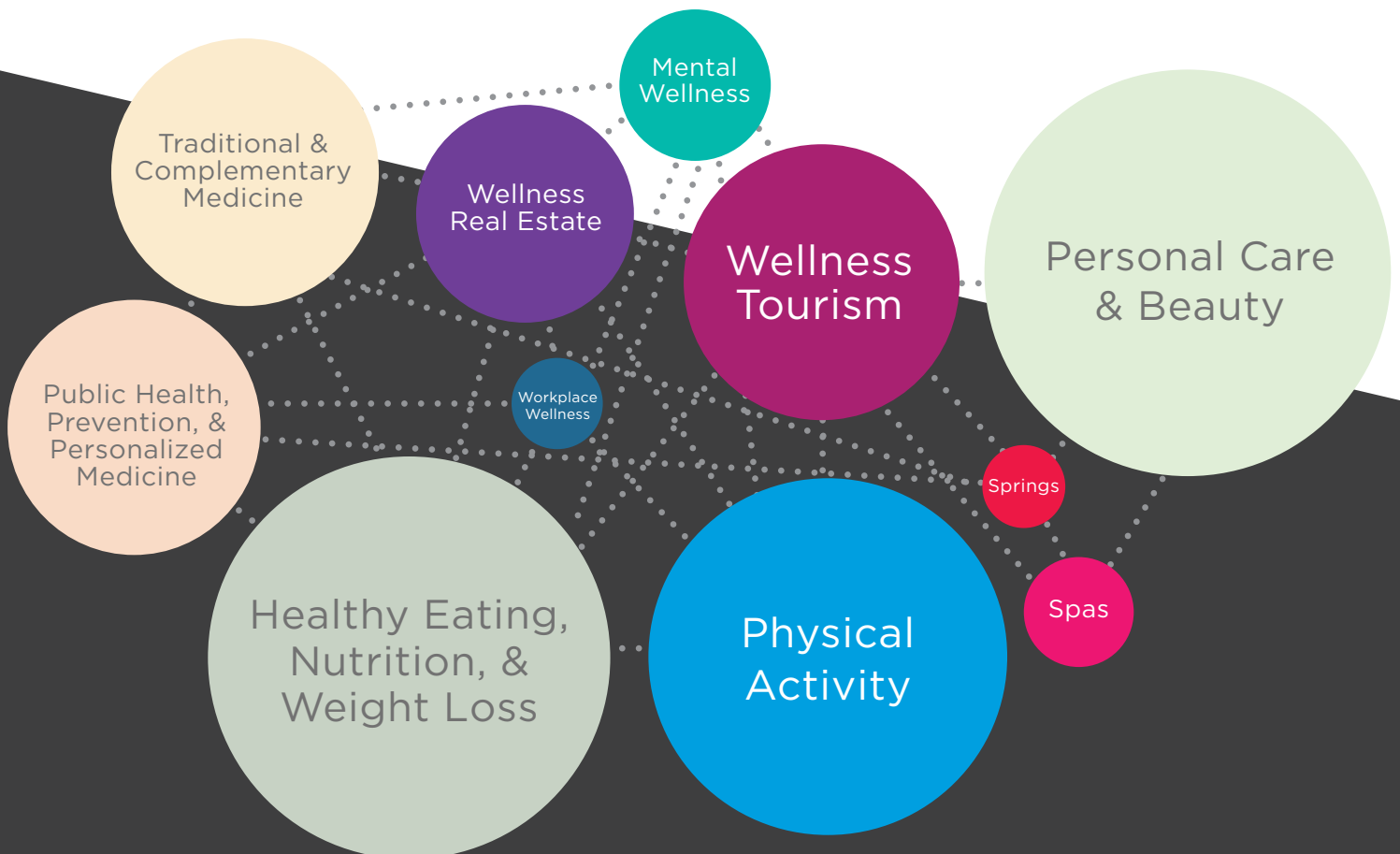




DECEMBER 2021

# The Global Wellness Economy: Looking Beyond COVID





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DECEMBER 2021

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**GLOBAL WELLNESS  
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# ABOUT THE AUTHORS

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## ABOUT THE GLOBAL WELLNESS INSTITUTE

The Global Wellness Institute (GWI), a 501(c)(3) non-profit organization, is considered the leading global research and educational resource for the global wellness industry and is known for introducing major industry initiatives and regional events that bring together leaders and visionaries to chart the future. GWI positively impacts global health and wellness by advocating for both public institutions and businesses that are working to help prevent disease, reduce stress, and enhance overall quality of life. Its mission is to empower wellness worldwide.

[www.globalwellnessinstitute.org](http://www.globalwellnessinstitute.org)

## ABOUT THE AUTHORS

*The Global Wellness Economy: Looking Beyond COVID* was prepared by Ophelia Yeung and Katherine Johnston, with major contributions from Tonia Callender. As Senior Research Fellows at the Global Wellness Institute, Ms. Yeung and Ms. Johnston bring decades of research and strategy experience in the public and private sectors to pioneer groundbreaking methodologies in measuring the size of the global wellness economy and its subsectors. Ms. Callender, Research Fellow, contributed research expertise in multiple wellness sectors. Katherine Ross, Rie Takemoto, and Stephan Ko provided assistance in data and literature research as Research Interns.

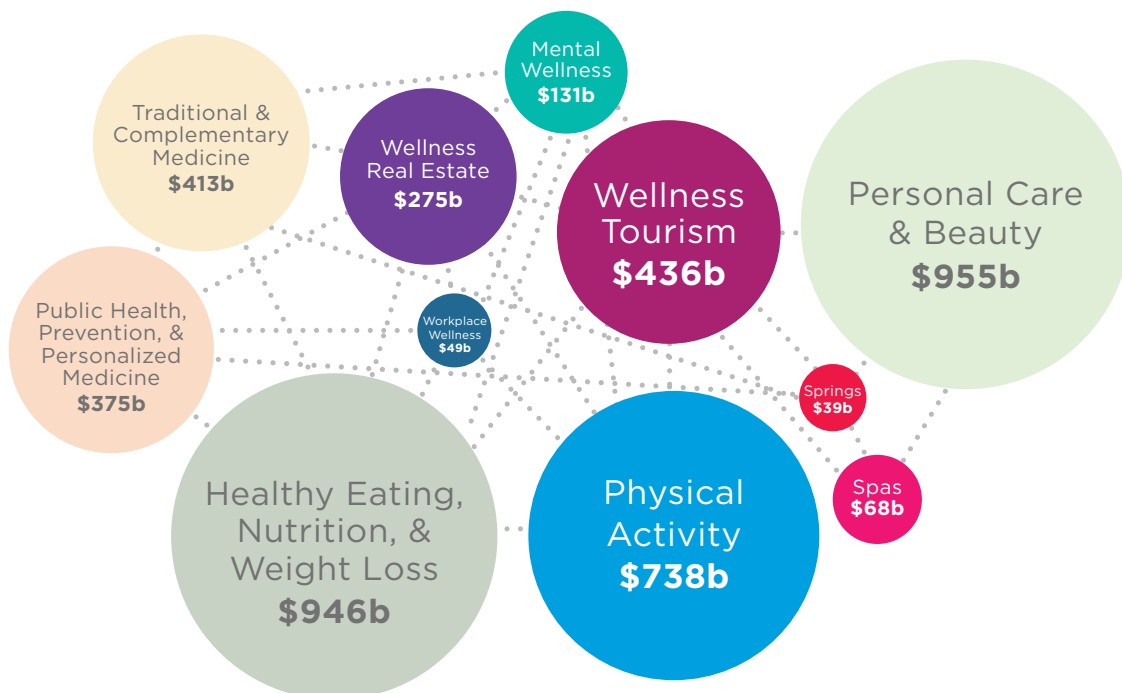
# I. THE GLOBAL WELLNESS ECONOMY

## The global wellness economy stands at \$4.4 trillion in 2020 amidst the chaos and disruptions caused by COVID-19.

The Global Wellness Institute (GWI) defines wellness as **the active pursuit of activities, choices, and lifestyles that lead to a state of holistic health**. There are two important aspects to this definition. First, wellness is not a passive or static state, but rather an “active pursuit” that is associated with intentions, choices, and actions. Second, wellness is linked to holistic health – that is, it extends beyond physical health and incorporates many different dimensions, including physical, mental, emotional, spiritual, social, and environmental dimensions.

The wellness economy encompasses **industries that enable consumers to incorporate wellness activities and lifestyles into their daily lives**. GWI last measured the size of the wellness economy in the 2018 *Global Wellness Economy Monitor*. In the last few years, major shifts and disruptions have taken place globally, with a period of strong growth (2017-2019), followed by the massive economic shock of the 2020 pandemic. An update for the global wellness economy is especially compelling and important now, because 2020 has become a watershed year that will forever divide history into “before” and “after” COVID-19.

### GLOBAL WELLNESS ECONOMY: \$4.4 trillion in 2020



Note: Numbers do not add due to overlap in sectors.

Source: Global Wellness Institute

We estimate that the global wellness economy grew from \$4.3 trillion<sup>1</sup> in 2017 to \$4.9 trillion in 2019, or by 6.6% annually, a growth rate significantly higher than global economic growth (4.0%).<sup>2</sup> In 2020, the wellness economy fell by 11.0%, to \$4.4 trillion (while global GDP declined by 2.8%).

In this edition of the *Global Wellness Economy Monitor*, GWI is able to present, for the first time, a breakdown of the wellness economy in each region around the world. Asia-Pacific was the largest region for wellness spending in 2020, at \$1.5 trillion, followed by North America (\$1.3 trillion) and Europe (\$1.1 trillion). Together, these three regions account for 90% of the entire global wellness economy. Per capita spending on wellness is significantly higher in North America (\$3,567) and Europe (\$1,236) than in other regions of the world. It is important to keep in mind that some of the wellness sectors are “export industries” (i.e., selling services to people who are not residents of the country in which the business is located). For example, about 27% of all wellness tourism expenditures are from international travel; likewise, a significant portion of revenues in thermal/mineral springs and some types of spas come from international visitors. Therefore, not all of the wellness spending shown in the table below for each region is made by residents of that region.

## Wellness Economy by Region, 2017, 2019, 2020

	Wellness Economy				Average Annual Growth Rate	
	(US\$ billions)			Per Capita 2020	2017-2019	2019-2020
	2017*	2019	2020			
Asia-Pacific	\$1,370.5	\$1,602.8	\$1,500.2	\$359.74	8.1%	-6.4%
North America	\$1,288.1	\$1,514.0	\$1,310.8	\$3,566.93	8.4%	-13.4%
Europe	\$1,168.3	\$1,288.6	\$1,141.5	\$1,235.83	5.0%	-11.4%
Latin America-Caribbean	\$311.7	\$302.1	\$235.4	\$360.31	-1.5%	-22.1%
Middle East-North Africa	\$104.7	\$120.9	\$107.7	\$214.53	7.4%	-10.9%
Sub-Saharan Africa	\$74.0	\$81.7	\$73.7	\$64.74	5.1%	-9.8%
<b>WORLD</b>	<b>\$4,317.3</b>	<b>\$4,909.9</b>	<b>\$4,369.3</b>	<b>\$563.44</b>	<b>6.6%</b>	<b>-11.0%</b>

\* 2017 figures for this sector have been revised since GWI released the previous version of the *Wellness Economy Monitor* (see box below for more details).

Note: Figures may not sum to total due to rounding.

Source: Global Wellness Institute, based on extensive primary research and secondary data sources.

<sup>1</sup> Note that the 2017 wellness economy figures have been revised and are slightly different from the figures presented in the 2018 *Wellness Economy Monitor*. See box below for more details.

<sup>2</sup> Global GDP data from: IMF, *World Economic Outlook Database*, October 2021 Edition, <https://www.imf.org/en/Publications/WEO/weo-database/2021/October>.



Asia-Pacific was one of the fastest-growing wellness markets from 2017-2019 (8.1% growth), and it also shrank the least during the pandemic (-6.4% from 2019-2020). Asia-Pacific's wellness economy was buffered during COVID-19 by its very high growth rates for *wellness real estate* and *public health, prevention, & personalized medicine*, and because it saw less decline in a few sectors, including *physical activity* and *personal care & beauty* (see individual sector chapters for more details on regional growth rates in each sector). Conversely, North America was the fastest-growing wellness region in 2017-2019 (8.4%), but then was among the hardest hit by the pandemic (-13.4%). Latin America-Caribbean's regional wellness market saw the greatest decline in 2020 (-22.1%) and was shrinking prior to the pandemic due to market volatility and economic crises in several of the region's largest countries.

***Using this newly expanded dataset on the wellness economy by region and by country, GWI will be developing a new report that compares, ranks, and analyzes the wellness markets in countries around the world (forthcoming in January 2022).***

With the addition of mental wellness last year, the wellness economy now comprises eleven sectors. The sizes and growth rates for all eleven sectors are presented in the table below. Note that GWI's 2017 figures for all of the wellness sectors have been revised, and they differ from the data presented in the 2018 *Global Wellness Economy Monitor* (see box below for an explanation of the revisions). We present figures here for 2017, 2019, and 2020, in order to provide a consistent time series for all of the sectors and a better understanding of the impacts of COVID-19. The overall wellness economy and most (but not all) of the eleven sectors peaked in 2019, and then declined in 2020 due to the pandemic.

*Personal care & beauty* and *healthy eating, nutrition, & weight loss* are the largest sectors in the wellness economy (and are now similar in size); together, these two sectors account for 44% of the entire global wellness market. *Physical activity, wellness tourism, and traditional & complementary medicine* comprise the rest of the top five largest sectors. The relative sizes and ranked order of many of the wellness sectors have changed quite a bit since the 2018 *Global Wellness Economy Monitor*, due to redefinitions and revisions in the measurements for some sectors (see box below for more explanation), along with varying levels of growth or decline during the pandemic.

## Wellness Economy Sectors, 2017, 2019, 2020

	Wellness Economy (US\$ billions)			Average Annual Growth Rate	
	2017*	2019	2020	2017-2019	2019-2020
Personal Care & Beauty	\$1,021.6	\$1,097.3	\$955.2	3.6%	-13.0%
Healthy Eating, Nutrition, & Weight Loss	\$858.1	\$912.3	\$945.5	3.1%	3.6%
Physical Activity	\$789.5	\$873.8	\$738.1	5.2%	-15.5%
Wellness Tourism	\$617.0	\$720.4	\$435.7	8.1%	-39.5%
Traditional & Complementary Medicine	\$376.2	\$431.9	\$412.7	7.1%	-4.5%
Public Health, Prevention, & Personalized Medicine	\$328.3	\$359.1	\$375.4	4.6%	4.5%
Wellness Real Estate	\$148.5	\$225.2	\$275.1	23.2%	22.1%
Mental Wellness	N/A	\$122.3	\$131.2	N/A	7.2%
Spas	\$93.6	\$110.7	\$68.0	8.7%	-38.6%
Workplace Wellness	\$47.7	\$52.2	\$48.5	4.6%	-7.0%
Thermal/Mineral Springs	\$56.1	\$64.0	\$39.1	6.8%	-38.9%
<b>Wellness Economy</b>	<b>\$4,317.3</b>	<b>\$4,909.9</b>	<b>\$4,369.3</b>	<b>6.6%</b>	<b>-11.0%</b>

\* 2017 figures have been revised since GWI released the previous version of the Wellness Economy Monitor (see box below for more details).

**Note: Figures do not sum to total due to overlap in sectors.**

Source: Global Wellness Institute, based on extensive primary research and secondary data sources.

## Revisions and Updates to the Wellness Economy Sector Data

The 2017 wellness economy figures that are presented in this report (for each of the eleven sectors, and for the overall wellness economy) have been revised and are slightly different from the figures presented in the 2018 *Global Wellness Economy Monitor*. These adjustments were made for a number of reasons, including changes in sector definitions and measurements to reflect the evolution of the wellness market, as well as revisions in the underlying data sources that are used for making GWI's estimates for certain sectors. International organizations that aggregate large, cross-country datasets (e.g., World Bank, World Health Organization, Euromonitor, etc.) gather their data from individual country sources across dozens of countries. Since every country has its own release schedule for different streams of data, the data aggregators will retroactively revise their cross-country datasets and estimates, as new, updated data become available in individual countries. This is a common and expected practice among data aggregators, and GWI's updates reflect this process, as well as our own revisions as better data become available in some of the countries and segments that we analyze.

Some readers may remember GWI reporting the size of the global wellness economy as "\$4.5 trillion" in the last couple of years, and then wonder why that number does not appear in this report. The estimate of \$4.5 trillion was a hybrid number, combining multiple years of data across different wellness sectors (2019 data for mental wellness, 2018 data for physical activity, and 2017 data for the other nine sectors). The two previous GWI reports where the \$4.5 trillion figure appeared were clear in explaining this approach. GWI has used this figure as a rough estimate or a "placeholder" update to cover the three-year gap between the last official wellness economy data (for 2017) and the current report. The \$4.5 trillion figure was a reasonable estimate showing the growth between the 2017 figure (now \$4.3 trillion) and the 2019 figure (\$4.9 trillion).

In this report, we present figures for 2017, 2019, and 2020. All data revisions and adjustments have been made across all three years, in order to provide a consistent time series for all sectors. Specific changes for each sector are as follows:

**Spas:** Although the spa establishment estimates have not changed (because they are developed via primary research by GWI), we have adjusted the types of data presented for the spa sector in this report. In the past, GWI estimated not only the revenues of spa establishments, but also the spending by supporting and enabling activities (e.g., spa consulting, education/training, media and events, associations, and capital investment). Together, the spa revenues and the supporting activities comprised the "spa economy." In this report, GWI has removed the estimates of the supporting sectors, and we only include the spa establishment revenues in the

overall wellness economy measurement. The reason for this change is because we do not include supporting activities for other wellness economy sectors, but rather focus specifically on consumer spending and consumer-facing activities. Using only the spa establishment revenues in this report keeps the spa sector measurements consistent with other sectors, which is important now that we are developing expanded, time-series wellness economy data across all countries and regions.

**Personal Care & Beauty; Physical Activity; Wellness Tourism; and Mental Wellness:**

These sectors' figures have changed slightly due to revisions in underlying datasets from Euromonitor, which are used as a basis for GWI's estimates for certain components of each sector.

**Healthy Eating, Nutrition, & Weight Loss:** Adjustments in this sector are for two reasons: 1) data revisions and updates made by two key underlying data sources (Euromonitor and IBISWorld); and 2) GWI has expanded the definition of this sector to include additional categories (e.g., foods/beverages free from gluten, dairy, lactose, and meat; as well as foods/beverages targeting weight management), reflecting the expansion of consumer interests and the wellness market in these areas.

**Traditional & Complementary Medicine:** 2017 figures were adjusted due to revisions in underlying data from Euromonitor, as well as improved data availability for several key countries.

**Public Health, Prevention, & Personalized Medicine:** 2017 figures were adjusted for two reasons: 1) revisions in underlying health expenditures data from the World Health Organization; and 2) GWI has redefined the personalized medicine subsector to focus more narrowly on personalized diagnostics (e.g., genetic, molecular, and environmental screening, analysis, and diagnostics).

**Wellness Real Estate:** 2017 figures were adjusted due to revisions in underlying construction output data from the World Health Organization.

**Workplace Wellness:** 2017 figures were adjusted due to revisions in underlying data from the International Labour Organization, which is used as a basis for GWI's estimates.

**Thermal/Mineral Springs:** 2017 figures were adjusted due to improved data availability in a few countries.

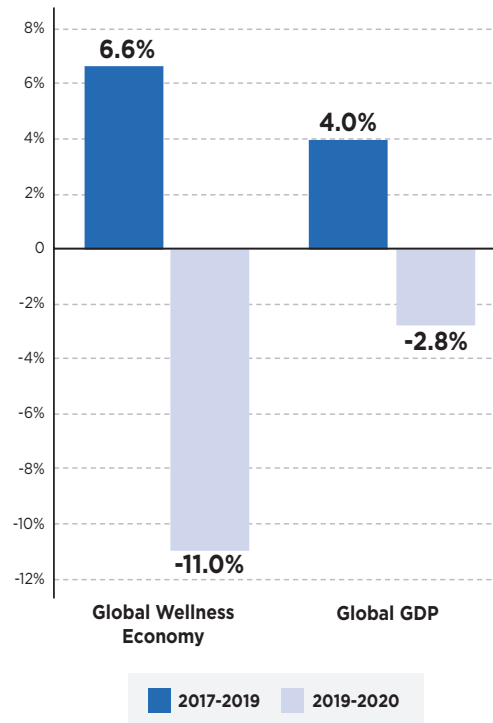
## Who are the “winners” or “losers” from the pandemic?

There is no question that consumer interest in all things related to wellness has been rising rapidly, and in many ways, interest accelerated during the pandemic (even as consumer spending on wellness declined). Wellness is becoming embedded in mainstream consumer lifestyles and is ubiquitous in media and retail. Wellness is now a differentiator or selling point for all types of products, services, and technologies. The upward momentum in the wellness economy is evident in the strong growth rates posted by all eleven wellness sectors from 2017-2019. All but two wellness sectors (and the overall wellness economy) were growing faster than global GDP prior to COVID-19 (see charts to the right and below). From 2019-2020, the wellness economy contracted by nearly four times as much as global GDP, due to the widespread disruptions of the pandemic.

Looking at the 2019-2020 growth rates, it is tempting to label sectors as “winners” and “losers” from the COVID-19 pandemic. At a fundamental level, wellness as a concept is a clearly a winner, as people all over the world have woken up to the importance of healthy lifestyles and personal resilience as a first line of defense against chronic and infectious disease. The 2020 performance of the wellness economy and its eleven sectors is the result of the interplay of many factors:

- Travel bans, border closings, business/school shutdowns, lockdowns, stay-at-home orders, and social distancing have hurt the service sector disproportionately, including many activities in the wellness economy.
- Disruptions in the global supply chain during the pandemic (factory and port shutdowns, labor and input shortages, temporary trade restrictions etc.), along with temporary retail store shutdowns, have had a negative impact on the sales of many wellness-related products (from personal care and cosmetics, to shoes and apparel).
- The sudden brake on economic activities worldwide led to business closures, job furloughs and layoffs, and a collapse in consumer spending power across the global population, especially for people living in lower-income countries and where social safety nets are weak. Global consumer spending fell by 4.2% from 2019-2020.<sup>3</sup> This decline in consumer demand ripples throughout the global economy, and it especially affects spending in areas where consumers deem their purchases “discretionary” or as “luxuries.”

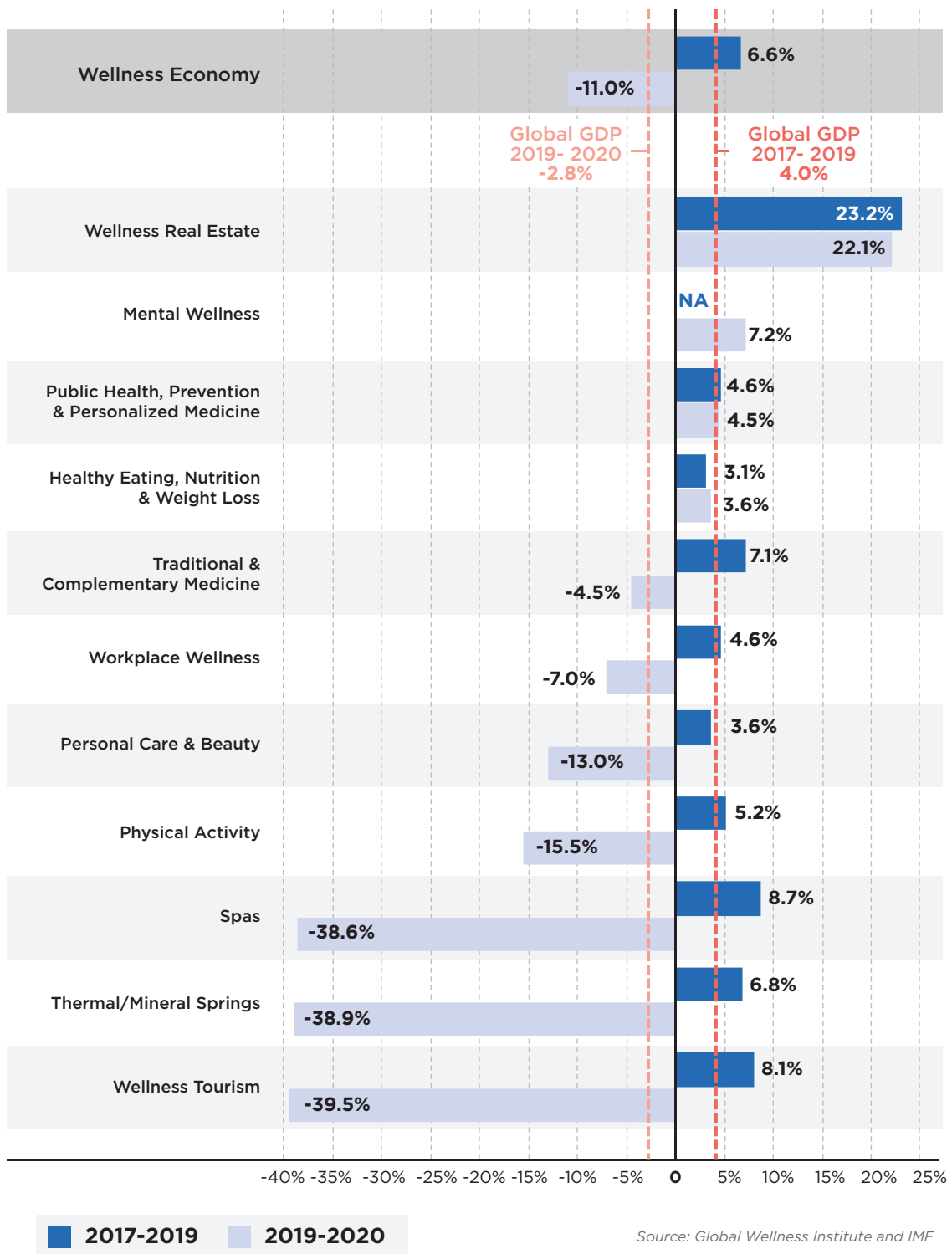
**Average Annual Growth:  
Wellness Economy versus Global GDP**



Source: Global Wellness Institute and IMF

<sup>3</sup> Based on consumer expenditures data from Euromonitor, accessed November 11, 2021.

## Average Annual Market Growth: 2017-2019 and 2019-2020



The growth rates for the individual wellness sectors also mask the uneven impacts within each sector that result from the following:

- The wealth and income gap between the rich and the poor has widened amidst global economic upheaval, further expanding the schism between the luxury and mass markets. For some wealthy consumers in high-income countries, their spending on wellness may have changed very little during the pandemic, while many middle-/low-income consumers had little time or money to spend on wellness in 2020.
- Across all wellness sectors (and the entire economy), consumer spending on services sank while the demand for goods and products often moved in different directions. Consumers shifted their expenditures to new categories of products and services when their typical preferences were not available (e.g., buying an at-home exercise bike rather than paying for a gym membership, purchasing luxury bath and aromatherapy products rather than visiting a spa). While most consumers are eager to return to in-person experiences, some of these spending shifts and new habits are likely to endure post-pandemic.
- Services and activities enabled by technology have replaced things that were previously experienced and delivered in person, spurring many new innovations and a boom in the tech sector, while cutting many old jobs. COVID-19 greatly accelerated the shift to virtual delivery channels for many wellness sectors, including exercise, yoga, meditation, and mental wellness.

In every way, COVID-19 is a classic “shock” – an external event that derails the prevailing trajectory of economies and industries. The eleven wellness sectors encompass many different types of consumer activities and expenditures, including products, services, travel, and technology. Within every wellness sector, there were winners and losers, depending on how many factors played out: how businesses reach their customers (via in-person services, versus in-person or online product sales, versus virtual platforms); whether the expenditures were deemed by consumers to be “essential” or “discretionary”; and how businesses were able to pivot their business models in order to meet consumer needs under pandemic-induced conditions and restrictions.

Below is a summary analysis of the wellness economy sectors that grew and shrank during the pandemic (note that more detailed analysis is provided in the chapters for specific sectors).

## Wellness sectors that grew during the pandemic (2019-2020):

- **Wellness real estate** (+22.1%) has maintained the highest growth rate in the wellness economy, both before and during the pandemic. COVID-19 has accelerated the growing understanding among consumers and the building industry about the critical role that external environments play in our physical and mental health and well-being.
- **Mental wellness** posted strong growth in 2020 (+7.2%) as consumers desperately sought out products, services, and activities to help them cope with the immense stresses they faced during the pandemic. Many mental wellness activities are done at home or via tech platforms (e.g., meditation, online self-help groups, relaxation activities) and many products are inexpensive and/or easily purchased online (e.g., meditation accessories, aroma and white noise products, stress gadgets and weighted blankets, brain health supplements, etc.), which helped to keep spending high amidst COVID disruptions.

- **Public health, prevention, & personalized medicine** maintained its growth momentum in 2020 (+4.5%), due to many governments and healthcare systems accelerating their public health and prevention expenditures during the pandemic.
- **Healthy eating, nutrition, & weight loss** (+3.6%) grew as consumers sought out a variety of processed/packaged foods and beverages, vitamins, and supplements that they believed would strengthen their immunity and help ward off disease during the pandemic. GWI cautions that the growth in this sector should not be interpreted as “consumers were eating healthier” during the pandemic, as there is scant scientific evidence and no consensus on how healthy these products actually are. In addition, the growth in some countries reflects rising food prices due to the pandemic, rather than an actual increase in consumer purchases.
- Even though the overall physical activity sector shrank, the **fitness technology subsector** exploded in 2020 (+29.1%), as millions of consumers switched their exercise-related spending to workouts via digital platforms (streaming and apps).

## Wellness sectors that shrank significantly during the pandemic:

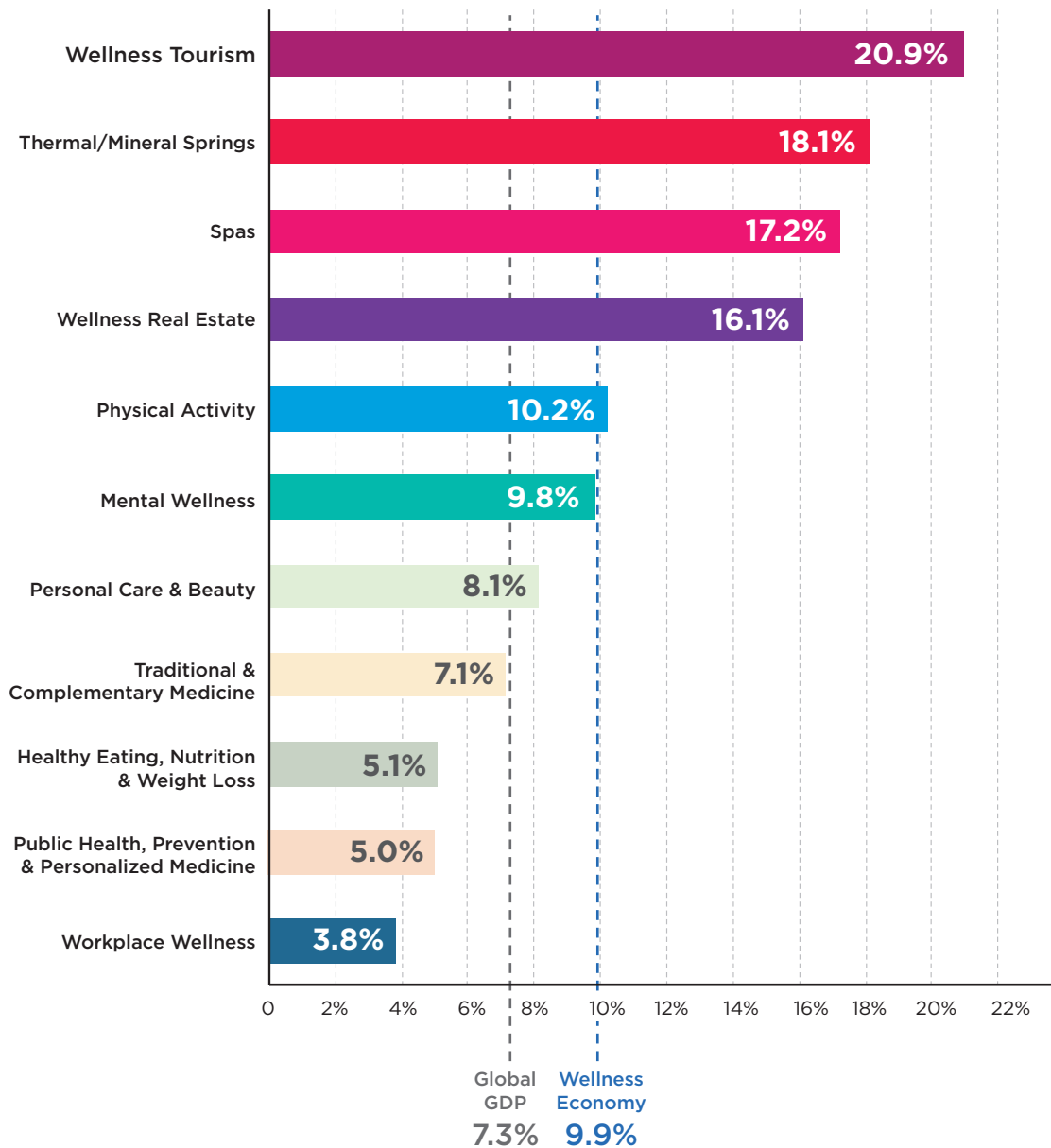
- **Personal care & beauty** shrank in 2020 (-13.0%), due to the overall decline in consumer spending and a reduction in discretionary purchases, along with retail store shutdowns and global supply chain disruptions.
- **Physical activity**-related expenditures declined significantly (-15.5%), due to the widespread shutdowns of exercise and sports facilities, in-person classes, and youth sports; stay-at-home orders; and a reduction in discretionary consumer spending on sports apparel and footwear.
- **Wellness tourism** (-39.5%), **spas** (-38.6%), and **thermal/mineral springs** (-38.9%) are the wellness sectors that were most adversely affected by COVID-19, due to travel restrictions, stay-at-home orders, and business shutdowns. Virtual offerings are a poor substitute for a physical presence and full immersion in these experiences.



## What is the future of the wellness economy?

The COVID-19 pandemic has accelerated the ascendance of wellness as a dominant consumer value all around the world. Consumers are increasingly aware that all aspects of their lives – where they live; how they work; what they eat; and how they exercise, socialize and travel – impact their health outcomes, mental resilience, and overall sense of well-being. The questions on everyone's minds: When will we return to the pre-2020 level of demand? What is the new normal? What is the future trajectory of the wellness economy?

### Projected Average Annual Growth Rate by Sector, 2020-2025



Source: Global Wellness Institute and IMF

**GW** predicts that the wellness economy will return to its robust growth and will continue to expand its share in consumer spending and the global economy. In spite of the temporary shocks from the COVID-19 pandemic, the underlying forces that propel the growth of wellness remain as compelling as ever, including: the growing global middle class, population aging, the ongoing rise of chronic disease, and expanding consumer interest in and awareness of healthy lifestyles. And, the pandemic has brought new shifts that accelerate many wellness drivers, including a growing awareness of the role of the built environment in health, a growing focus on mental health and well-being, a rethinking of the balance of work and life, an expanding focus on social justice and environmental sustainability, and much more.

**For the next five years, we project that the global wellness economy will grow at a robust rate of 9.9% annually**, a growth rate significantly higher than projected global economic growth (7.3% according to current IMF forecasts). As the global economy rebounds from the shock of the pandemic, the wellness economy is expected to reach \$5.0 trillion in 2021 (exceeding its 2019 pre-pandemic peak), and it will grow to nearly \$7.0 trillion in 2025.

## Wellness Economy Growth Projections by Sector, 2020-2025

	Market Size (US\$ billions)		Projected Market Size (US\$ billions)					Projected Average Annual Growth Rate
	2019	2020	2021	2022	2023	2024	2025	2020- 2025
Personal Care & Beauty	\$1,097.3	\$955.2	\$1,093.5	\$1,208.5	\$1,282.6	\$1,349.3	\$1,412.9	8.1%
Healthy Eating, Nutrition, & Weight Loss	\$912.3	\$945.5	\$986.3	\$1,035.8	\$1,089.2	\$1,147.2	\$1,209.9	5.1%
Physical Activity	\$873.8	\$738.1	\$828.0	\$907.7	\$999.9	\$1,094.5	\$1,198.8	10.2%
Wellness Tourism	\$720.4	\$435.7	\$652.8	\$816.5	\$928.2	\$1,030.6	\$1,127.6	20.9%
Traditional & Complementary Medicine	\$431.9	\$412.7	\$448.4	\$480.0	\$512.6	\$546.5	\$582.6	7.1%
Public Health, Prevention, & Personalized Medicine	\$359.1	\$375.4	\$394.5	\$412.4	\$429.7	\$453.3	\$478.3	5.0%
Wellness Real Estate	\$225.2	\$275.1	\$347.1	\$398.4	\$459.7	\$516.9	\$580.3	16.1%
Mental Wellness	\$122.3	\$131.2	\$147.5	\$163.4	\$180.1	\$195.5	\$209.8	9.8%
Spas	\$110.7	\$68.0	\$101.9	\$122.3	\$131.5	\$140.7	\$150.5	17.2%
Workplace Wellness	\$52.2	\$48.5	\$50.8	\$52.8	\$54.5	\$56.4	\$58.4	3.8%
Thermal/Mineral Springs	\$64.0	\$39.1	\$58.5	\$71.5	\$77.4	\$83.3	\$89.7	18.1%
<b>Wellness Economy</b>	<b>\$4,909.9</b>	<b>\$4,369.3</b>	<b>\$5,040.2</b>	<b>\$5,588.7</b>	<b>\$6,055.1</b>	<b>\$6,514.9</b>	<b>\$6,992.0</b>	<b>9.9%</b>

*Note: Figures do not sum to total due to overlap in sectors.*

*Source: Global Wellness Institute estimates, based upon economic and industry sector projections from the IMF, ILO, Euromonitor, and GWI's data and projection model.*

Most of the individual wellness sectors are projected to exceed GDP growth in the next five years. The sectors with the highest growth projections (wellness tourism, spas, thermal/mineral springs) are those that took the greatest hit in 2020. The growth rates for these sectors may seem abnormally high because they reflect a period of rapid post-pandemic recovery in 2021 and 2022, and then taper off to a growth trajectory similar to their pre-pandemic levels. Other sectors that maintained positive growth during the 2020 pandemic, including wellness real estate and mental wellness, are projected to continue their robust growth trends in the coming years.

While the wellness economy is well-positioned to recover and expand, future growth will likely look different from the past. Some industry segments may recover quickly from the short-term impacts of travel bans, business shutdowns, and capacity restrictions. Experiential activities, and those requiring physical touch or close contact, may return more gradually as consumers and markets balance vaccination rates and the fear of new waves of infection. Importantly, ***the COVID-19 experience has sparked some major shifts in how consumers understand, experience, and expect wellness.*** These shifts will have broad ramifications for the wellness economy and all of its sectors going forward.

## 1. Self-care for self-preservation and survival.

In consumer parlance, wellness is often equated with self-care – i.e., simply, taking care of yourself. While the notion of self-care has been gaining ground for many years, fueling the rapid growth of the wellness economy, it has often been associated with pampering or taking a respite from our daily responsibilities. The multitude of stressors unleashed by the pandemic have brought a profound shift in how we view self-care. Now, self-care is becoming a means for self-preservation and survival. How do I care for my own well-being so that I can cope with a difficult situation and not fall apart, in order to take care of myself, my family, and my responsibilities? The concept of self-care has expanded far beyond a bubble bath, a facial, a spin class, or a meditation session; it now extends to home-cooked meals, human connections, sleep, nature, financial wellness, search for purpose and meaning, and much more. The pandemic has revealed the multidimensional and omnipresent nature of wellness. For our survival and for our sanity, wellness is no longer something that we do for an hour a day, a few times a month, or only when we are on vacation; it is an essential focus to be embedded in our daily lives and priorities.

## 2. Prevention as a lifestyle and a public health priority.

Wellness has always been about staying healthy through our lifestyles, behaviors, and habits. The COVID-19 experience revealed the close connection between preventing infectious disease and preventing chronic disease. Data clearly show that people with chronic disease and poor metabolic health face much higher infection and mortality risks from COVID-19. This has spurred a surge of consumer interest in immunity – from “immune-boosting” foods, supplements, and therapies, to an expanding focus on exercise, sleep, gut health, stress management, and so on. The airborne nature of COVID-19 transmission also brought new attention to the longstanding, widespread problem of poor indoor air quality and environmental toxins, as well as the broader role played by our homes and built environments in harming or protecting our health, and in supporting/enabling healthy behaviors. The inequity in COVID-19 risks and COVID-19 deaths has sparked a widespread awakening to the inequities of preventive health and the external determinants of health. Public health on every level needs greater investment, and it must extend beyond vaccinations and anti-smoking campaigns to a more holistic and equitable promotion of healthy lifestyle habits and healthy living environments.

### 3. Wellness and science must move toward each together.

Wellness often gets a bad reputation from the quackery that has long been embedded in its practices, promoters, and businesses – i.e., dubious and sometimes harmful “cures” and quick-fixes, false claims of efficacy, magical thinking, bogus science, and even anti-science (as in the case of anti-vax influencers). As we have noted in the past, the wellness movement has been propelled by consumers and businesses, growing mostly outside of conventional medicine and its research, operational, and funding mechanisms. Rising consumer interest in all kinds of “alternative,” proactive, and lifestyle-based wellness modalities has forced medical science to play catch-up with the wellness industry. While many popular wellness modalities have been around for hundreds or thousands of years, scientific research and new technologies are now able to test and validate their benefits (e.g., for yoga, meditation, plant-based medicines, chiropractic, acupuncture, and psychedelics), leading to a gradual acceptance of some by mainstream medicine. Still, the consumer adoption of wellness practices is accelerating at a much faster pace than the scientific research, especially in areas like supplements and functional foods. Businesses looking to monetize a new fad are often too quick to make inferences from very limited evidence and exaggerate claims of efficacy. In the future, cost pressures on health systems, aging populations, and the rise of chronic disease around the world will force conventional medicine to increasingly look toward wellness and to value it for its holistic lifestyle approaches and therapies. But to avoid harming consumers, and to become truly complementary to healthcare, wellness entrepreneurs and businesses must embrace science and evidence, communicate honestly, and encourage consumers to do the same.

### 4. Leaning into nature for nourishment and healing.

When we define wellness as being holistic and multidimensional, we often include “environmental wellness” as a dimension without explicitly referring to nature. It is time to do so. The pandemic has put a spotlight on nature and its importance for our health and well-being. When we were warned during the height of pandemic lockdowns to stay away from other people, and to stop visiting exercise, recreation, and entertainment venues, we collectively turned to the outdoors. We took long walks in our neighborhoods, went jogging on the streets, and sought respite in urban green spaces and parks. We flocked to oceans and lakes for swimming, and to the woods for hiking and camping. During the pandemic, many of us discovered that nature is healing and nourishing for both our physical and mental well-being. We are even trying to bring more nature indoors, as evidenced by the spike in sales of houseplants during the pandemic. This renewed appreciation for nature will endure post-pandemic, and nature will feature prominently in many wellness experiences going forward – from exercising outdoors, to cherishing wildlife and natural landscapes, to discovering the little wonders and natural beauty hiding in our surroundings. And, of course, there is a close connection between the love of nature and the protection of planet earth. In the corporate world, there is some concern that sustainability took a backseat to health and equity issues during the pandemic, but the rising consumer appreciation and desire for nature will push wellness businesses toward a more regenerative and environmental direction in the long term.

## 5. Balancing physical and virtual connections.

Connection to other people is a vital part of being well; and yet, a global crisis of loneliness and fraying social fabric was unfolding long before COVID-19 introduced the concept of “social distancing.” Many pre-pandemic wellness trends clearly pointed to our desire to build connections and find a sense of belonging – for example, the growth of coworking and coliving, and the rise of fitness and hospitality brands that promote “finding my tribe.” COVID-19 prompted an almost instantaneous migration to digital platforms for all aspects of life: virtual classrooms and work meetings; exercise classes on YouTube; Zoom parties; virtual concerts and business conferences; apps for meditation, coaching, and therapy; hybrid weddings and funerals; and so on. Clearly, the tech sector has emerged as a clear winner in the pandemic. Tech businesses filled a critical void and showcased the advantages of digital platforms in scalability, accessibility, cost, privacy, and customization. Some tech businesses are doubling down, now looking to augmented reality and other emerging technologies to create immersive experiences. As we emerge from the pandemic and transition back to a physical world, a key question is whether and how much of these tech-based activities will endure, and under what conditions. Is the digital experience adequate for building and sustaining meaningful and enduring human connections? How is screen time harming us and our children? How much do we need to physically see and touch other people to feel loved and connected? No one knows the answer to these questions, at least not yet. Sorting out the balance between digital and physical connections will have ramifications across all sectors in the wellness economy going forward.

## 6. Mental well-being takes center stage.

Our mental unwellness has been a growing public health crisis for some time. Over 15% of the global population suffers from mental and substance use disorders.<sup>4</sup> Dementia is on the rise; happiness is on the decline in many countries; and stress, worry, sadness, burnout, and loneliness are increasing all around the world. The COVID-19 pandemic has accelerated the deterioration of our collective well-being. It has exposed the wide gap between mental health needs and mental health resources, and our vulnerability to mental distress even when we do not have a diagnosed mental illness. In this dire landscape, mental wellness offers a path forward to help meet widespread needs and increase well-being for all. In fact, a big shift toward mental wellness is just beginning – as a personal pathway toward higher levels of well-being, as a workforce protection, and as a public health and community strategy. Practitioners and consumers have been leading the way, with the private sector creating new solutions, services, and products to help people build resilience and improve their mental wellness in their daily activities at homes, schools, and workplaces; in hospitality settings; and in the overall built environment.

## 7. A global values reset.

The COVID-19 experience has launched a global values reset that is manifesting across multiple wellness fronts. For many of us, being isolated at home has become a time for self-reflection and contemplation on our careers, family, and relationships, and even extending to deeper issues like our life purpose, gratitude, and compassion for others. The inequities in COVID-19 exposures, COVID-19 deaths, and pandemic-induced job losses and economic devastation have awakened

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<sup>4</sup> Authors' analysis of data from the *Global Burden of Disease Study 2019*, downloaded from: Institute for Health Metrics and Evaluation, *Global Health Data Exchange*, <http://ghdx.healthdata.org/>, accessed October 16, 2020.

in many people, businesses, and governments a new urgency for economic and social justice, which was further amplified in the United States last year by the George Floyd tragedy. Across all wellness arenas, uncomfortable questions are now being asked by consumers and the media: Is wellness a privilege or a basic right? Am I causing harm to the planet or amplifying injustice with my purchases? Are people and places being exploited by the wellness industry? Are non-white consumers, practitioners, and entrepreneurs being discriminated against or excluded? Are we appropriating the traditions of peoples who have been marginalized and oppressed? This global values reset is spreading into many spheres – environmental and social justice, mindful leadership, and even questioning the capitalist system itself – with broad ramifications in all sectors of the wellness economy. In the future, we expect to see more wellness businesses embrace “conscious capitalism,” incorporating United Nations Sustainable Development Goals (UN SDGs) as part of their corporate social responsibilities (CSRs), reporting on their environmental, social and governance (ESG) metrics, or adopting a benefit corporation status.

\* \* \*

The following chapters of this report present detailed wellness economy data for each of the eleven sectors, with discussions on the broad shifts brought by the COVID-19 pandemic that are profoundly changing the landscape for consumers and businesses in each sector.

## Research Methodology and Scope

The global wellness economy and sector data presented in this report are for the years 2017, 2019, and 2020. The definitions, conceptual frameworks, and estimation models for each of the wellness sectors are developed by the authors under the auspices of the Global Wellness Institute (GWI), consistent with the data and methodologies used in prior GWI studies over last the thirteen years. The authors have developed original, country-level data estimates for nine wellness economy sectors (spas; thermal/mineral springs; wellness tourism; workplace wellness; wellness real estate; physical activity; mental wellness; traditional & complementary medicine; and public health, prevention, & personalized medicine), based on GWI's proprietary models and databases and drawing on a wide variety of primary and secondary data sources. Figures for the other two wellness sectors (personal care & beauty, and healthy eating, nutrition, & weight loss) are aggregated primarily from Euromonitor and other secondary sources.

The analysis is based on extensive primary and secondary research conducted from January to October 2021, including literature reviews, data research, and expert interviews. Key public and private sources consulted include: Euromonitor International, World Bank, International Monetary Fund (IMF), World Health Organization (WHO), International Labour Organization (ILO), World Travel & Tourism Council (WTTC), World Tourism Organization (UNWTO), Statista, Eurostat, U.S. Bureau of Labor Statistics, U.S. National Institutes of Health, International Spa Association (ISPA), International Health, Racquet, & Sportsclub Association (IHRSA), International Coaching Federation (ICF), and Health Enhancement Research Organization (HERO). Other sources include global travel promotion and booking websites; numerous industry-specific organizations, databases, publications, and media sources (e.g., the *Global Wellness Trends Reports* by the Global Wellness Summit, *Spa Business Handbook*, *Spa Business Magazine*, *Club Industry*, *Health Club Management*, etc.); and dozens of government ministries and statistical agencies in countries around the world.

The authors have also benefited from the industry insights and technical inputs from several Global Wellness Institute Initiatives, including: Mental Wellness Initiative, Wellness Tourism Initiative, Wellness Communities & Real Estate Initiative, Workplace Wellbeing Initiative, and Hot Springs Initiative.





## II. WELLNESS REAL ESTATE

### Wellness Real Estate: Definition, market size, and growth.

The Global Wellness Institute (GWI) defined and measured wellness real estate for the first time in the 2018 research report *Build Well to Live Well*<sup>5</sup>, defining the sector as **the construction of residential and commercial/institutional properties (including office, hospitality, mixed-use/multi-family, medical, and leisure) that incorporate intentional wellness elements in their design, materials, and building, as well as their amenities, services, and/or programming**. Just a few years ago, wellness real estate was a nascent industry that was not well understood by stakeholders – from consumers and builders to developers and investors. At that time, GWI predicted that homes and buildings that are built intentionally to protect and enhance occupants’ health and well-being would become the next real estate frontier, and that forecast is now bearing out.

### Wellness Real Estate Market by Region, 2017, 2019, 2020

	Wellness Real Estate Market				Average Annual Growth Rate	
	(US\$ billions)			Per Capita 2020	2017-2019	2019-2020
	2017*	2019	2020			
North America	\$59.8	\$100.2	\$118.5	\$322.33	29.5%	18.2%
Asia-Pacific	\$55.3	\$77.5	\$98.7	\$23.68	18.4%	27.4%
Europe	\$32.3	\$46.0	\$56.2	\$60.88	19.3%	22.2%
Middle East-North Africa	\$0.6	\$0.7	\$0.8	\$1.55	9.1%	9.6%
Latin America-Caribbean	\$0.3	\$0.5	\$0.6	\$0.94	26.4%	12.6%
Sub-Saharan Africa	\$0.1	\$0.2	\$0.3	\$0.22	36.0%	5.3%
<b>WORLD</b>	<b>\$148.5</b>	<b>\$225.2</b>	<b>\$275.1</b>	<b>\$35.47</b>	<b>23.2%</b>	<b>22.1%</b>

\* 2017 figures for this sector have been revised since GWI released the previous version of the *Wellness Economy Monitor*, due to data revisions and updates made by key underlying data sources such as the United Nations.

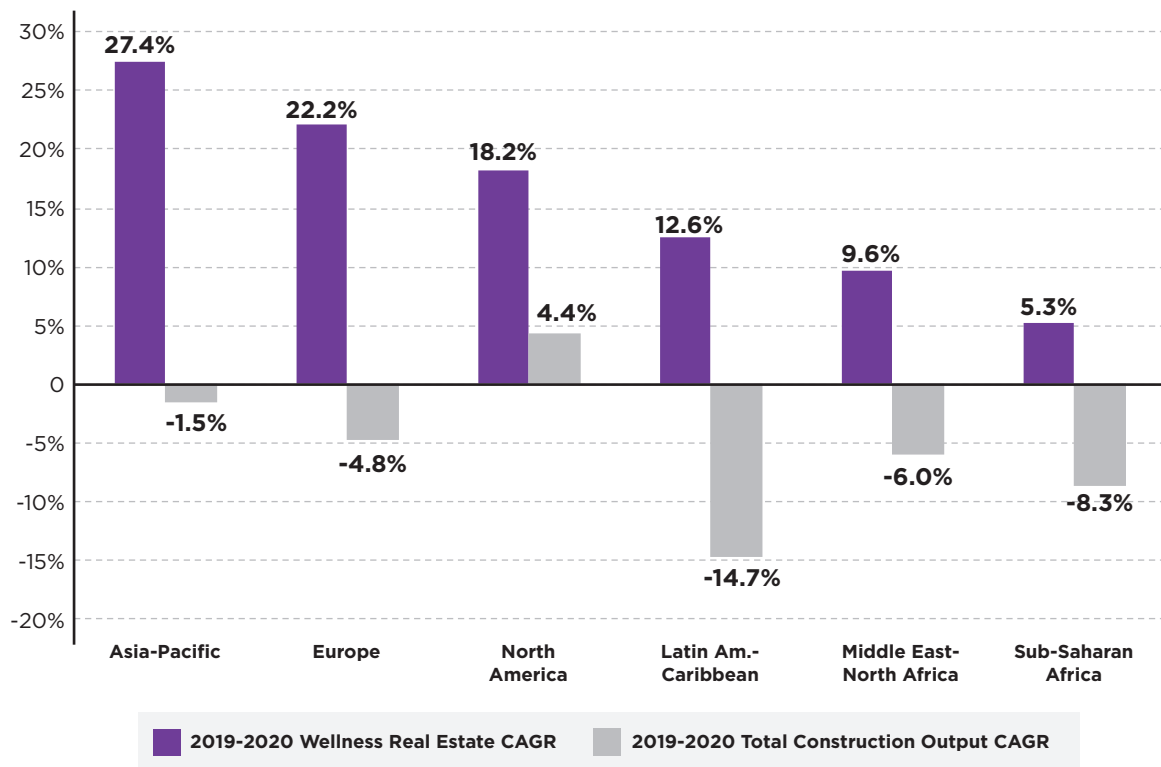
Note: Figures may not sum to total due to rounding.

Source: Global Wellness Institute, based on construction output data from the United Nations.

<sup>5</sup> See: Global Wellness Institute (2018). *Build Well to Live Well: Wellness Lifestyle Real Estate and Communities*. <https://globalwellnessinstitute.org/industry-research/wellness-real-estate-communities-research/>.

The COVID-19 pandemic has created a major shift in the construction and real estate industry toward wellness. GWI values the global wellness real estate sector at \$275 billion in 2020, growing from \$148 billion in 2017. Wellness real estate now represents about 2.4% of global annual construction output. The rapid rise of wellness real estate has been a bright spot in the wellness economy during the pandemic, with the sector’s growth significantly outpacing predictions as well as general economic growth trends. From 2017-2019, wellness real estate grew by 23% annually, as compared to 5.4% annual growth for construction overall. During the pandemic year (2019-2020), wellness real estate continued to grow by over 22%, even as overall construction output shrank by 2.5%. Numerous trends during the pandemic have bolstered this growth - from the renewed recognition of the role that buildings and indoor air play in spreading communicable disease, to the heightened dependence on outdoor recreation amenities and public spaces while indoor leisure facilities were shut down (see further discussion below). We predict this growth trajectory will continue, as healthy building features increasingly shift from being a luxury, or “nice to have,” toward becoming an expectation or even a minimum standard, especially in the commercial/office real estate space.

### Wellness real estate growth outpaces overall construction growth in every region, even during the pandemic



CAGR = compound annual growth rate  
 Source: Global Wellness Institute, based on construction output data from the United Nations

## Wellness Real Estate: Top Twenty Markets in 2020

	Wellness Real Estate Market			Average Annual Growth Rate		
	(US\$ billions)			Rank in 2020	2017-2019	2019-2020
	2017*	2019	2020			
United States	\$57.49	\$94.32	\$110.62	<b>1</b>	28.1%	17.3%
China	\$27.17	\$36.96	\$51.48	<b>2</b>	16.6%	39.3%
Australia	\$12.08	\$15.58	\$16.54	<b>3</b>	13.6%	6.1%
United Kingdom	\$8.25	\$10.77	\$14.76	<b>4</b>	14.2%	37.0%
Japan	\$2.53	\$7.60	\$11.47	<b>5</b>	73.2%	51.1%
France	\$6.10	\$9.55	\$11.24	<b>6</b>	25.2%	17.6%
Germany	\$6.52	\$8.67	\$9.78	<b>7</b>	15.3%	12.8%
Canada	\$2.28	\$5.87	\$7.83	<b>8</b>	60.6%	33.3%
South Korea	\$4.59	\$5.67	\$6.23	<b>9</b>	11.2%	9.7%
India	\$3.97	\$5.01	\$5.30	<b>10</b>	12.2%	5.9%
Netherlands	\$2.06	\$2.88	\$4.16	<b>11</b>	18.3%	44.4%
Switzerland	\$1.47	\$2.27	\$2.51	<b>12</b>	24.4%	10.4%
Norway	\$1.28	\$2.04	\$2.30	<b>13</b>	26.5%	12.5%
Sweden	\$1.41	\$1.63	\$1.80	<b>14</b>	7.8%	10.5%
Austria	\$1.17	\$1.50	\$1.78	<b>15</b>	13.1%	18.8%
New Zealand	\$1.14	\$1.47	\$1.55	<b>16</b>	13.6%	6.0%
Denmark	\$0.82	\$1.32	\$1.52	<b>17</b>	27.1%	15.0%
Italy	\$0.86	\$1.29	\$1.52	<b>18</b>	22.6%	17.8%
Singapore	\$0.85	\$1.14	\$1.28	<b>19</b>	16.0%	12.4%
Finland	\$0.75	\$1.02	\$1.18	<b>20</b>	16.8%	15.4%

\* 2017 figures for this sector have been revised since GWI released the previous version of the Wellness Economy Monitor, due to data revisions and updates made by key underlying data sources such as the United Nations.

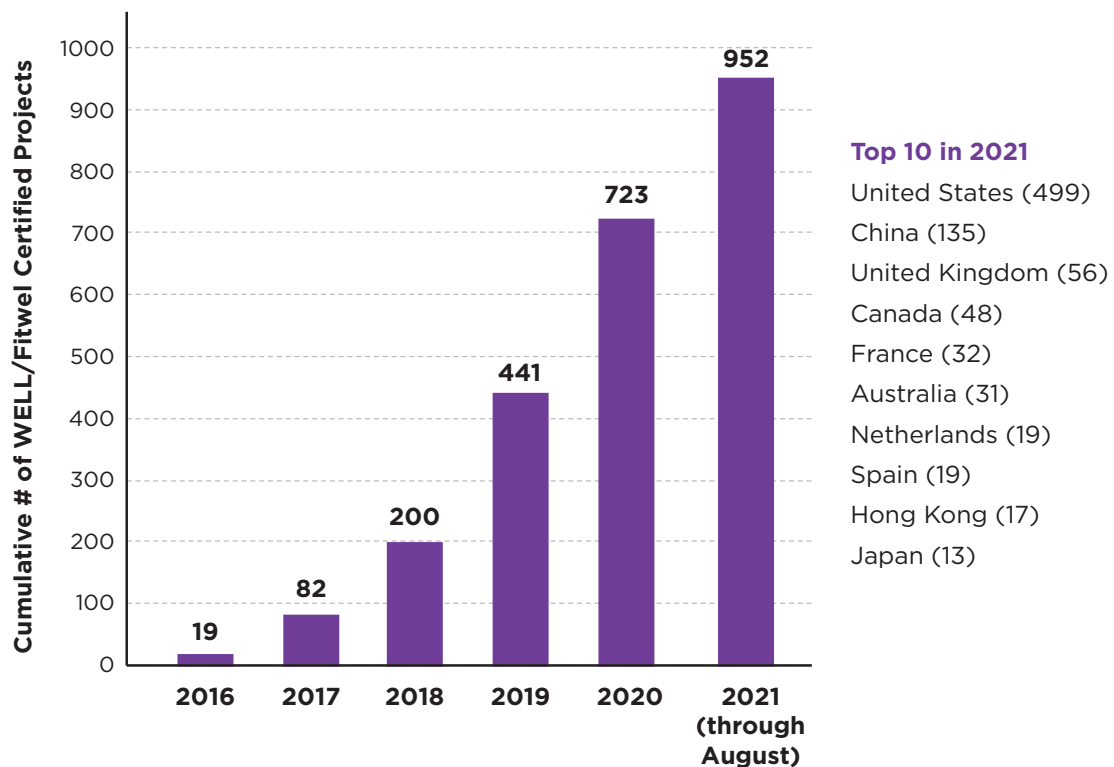
Note: Figures may not sum to total due to rounding.

Source: Global Wellness Institute, based on construction output data from the United Nations

The wellness real estate market is heavily concentrated in North America, Asia-Pacific, and Europe. Growth rates have picked up significantly in both Asia-Pacific and Europe over the last couple of years, as understanding and awareness of the sector has spread. Nevertheless, the wellness real estate market remains highly concentrated, with the United States and a few key countries in Asia (China, Australia, Japan) and Europe (United Kingdom, France, Germany) accounting for 82% of the market.

One good way to understand the rapid growth trajectory of wellness real estate is to look at the number of projects earning wellness building certifications in recent years. The WELL Building Standard (WELL) and Fitwel are the two major third-party rating systems that focus specifically on health and wellness of building occupants. WELL awarded its first certifications in 2014, while Fitwel certified its first projects in 2016. As evident in the chart below, interest in wellness certifications has risen rapidly since that time, with the total number of wellness-certified building projects increasing by nearly nine times from 2017 to 2020. As of August 2021, there are over 950 WELL and Fitwel certified projects globally, with just over half of these located in the United States. The majority of these certifications are for office/commercial, hospitality, and retail properties, with about one-third in residential projects. As of August 2021, an additional 1,431 projects are in progress for certification (Fitwel) or pre-certified (WELL), with the majority of these located in the United States, China, Canada, Hong Kong, United Kingdom, and Australia. During the pandemic, both organizations launched new rating standards to address disease transmission risks (the WELL Health-Safety Rating for Facility Operations and Management, and the Fitwel Viral Response Module); an additional 7,684 properties have earned those ratings to date (primarily in the United States and Mexico).

## Wellness building certifications (WELL and Fitwel) are growing rapidly



*Data compiled by GWI using publicly-available online project databases from WELL and Fitwel, as of mid-August 2021. These figures measure fully certified projects, and they are cumulative (showing the increase in the total number of certified projects over time). Source: Global Wellness Institute*

It is important to keep in mind that WELL and Fitwel certifications represent only a fraction of the wellness real estate market as defined by GWI. For one, the impact of these rating systems extends far beyond the simple number of certifications awarded. For example, large, multi-location companies are increasingly consulting with these rating systems to enhance healthy features across their entire portfolio of buildings, even though they may only officially certify their headquarters. Although WELL and Fitwel are the most well-known and most global programs, a wide range of other wellness-related certifications and toolkits are available in the market, many of which focus more broadly on sustainability or regenerative living rather than just wellness (e.g., Living Building Challenge, One Planet Living).<sup>6</sup> In recent years, well-established green building certifications like LEED and BREEAM have been shifting toward a more holistic emphasis on human health and have added criteria related to indoor environments and occupant health and well-being.<sup>7</sup> Early in the pandemic, the U.S. Green Building Council announced a new vision and strategy – “Healthy people in healthy places equals a healthy economy” – aiming to position LEED as a platform for post-COVID recovery and healthier communities.<sup>8</sup> In Japan, the government has worked with the Institute for Building Environment and Energy Conservation (IBEC) to develop a health and wellness certification for offices as part of the country’s CASBEE certification system. The first project evaluations took place in 2019, and 43 properties have been certified to date.<sup>9</sup>

Looking beyond the certifications and rating systems, there is a vast and ever-growing array of wellness-focused buildings and real estate projects around the world, in both new developments and redesign of existing properties. This is especially true in the residential space, where for over two decades, developers and builders have been experimenting with different ways to protect and enhance residents’ health and well-being through the built environment. Many different types of wellness living concepts are being developed across all types of residential projects, including master-planned communities; multifamily projects (apartments and condominiums); urban districts and mixed-use projects; resort/spa/hospitality-based wellness real estate; affordable/subsidized housing; and other wellness concepts based on eco-communities, coliving, senior living, and more.

In 2018, GWI counted over 740 wellness residential projects in the pipeline across 34 countries. This sector has grown so rapidly that these projects are now too numerous to list and count. **Today, GWI conservatively estimates that there are over 2,300 wellness residential projects around the world (either built, partially built, or in development).** Several trends, elaborated below, have been underpinning this growth and will continue to drive expansion of the wellness real estate market in the coming years for residential, office/commercial, hospitality, and other types of properties.

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<sup>6</sup> For a more comprehensive list of wellness-related certifications, toolkits, and design principles, see: GWI (2018), *Build Well to Live Well*, <https://globalwellnessinstitute.org/industry-research/wellness-real-estate-communities-research/>.

<sup>7</sup> For more information, see: <https://tools.breeam.com/filelibrary/Briefing%20Papers/99427-BREEAM-Health---Wellbeing-Briefing.pdf> and <https://www.usgbc.org/articles/human-health-and-wellbeing-through-leed>.

<sup>8</sup> See: Stanley, S. (2020, May 13). USGBC outlines path for how healthy places and LEED will support recovery efforts as businesses, governments and communities prepare for a post-pandemic world. *U.S. Green Building Council*. <https://www.usgbc.org/articles/usgbc-launches-global-economic-recovery-strategy>.

<sup>9</sup> See: 1) Japan readies certification for healthier office buildings. *Nikkei Asian Review*. 16 Aug. 2017. <https://asia.nikkei.com/Politics/Japan-readies-certification-for-healthier-office-buildings2>. 2) CASBEE Wellness Office Evaluation Certification. *IBEC*. [http://www.ibec.or.jp/CASBEE/certification/WO\\_certification.html](http://www.ibec.or.jp/CASBEE/certification/WO_certification.html).

## Ten Key Drivers of Future Growth for Wellness Real Estate

1. Rapidly rising interest in wellness certifications for residential properties (in addition to office/commercial properties).
2. In multi-family developments, wellness features and healthy design will become nearly ubiquitous in luxury properties and will increasingly be found in mid-market and affordable properties. In particular, countries with publicly funded healthcare will help push health-protecting/-enhancing features into affordable/subsidized housing, as a front-end investment to lower public health spending.
3. Continued growth of master-planned communities, mixed-use developments, and urban districts with expansive wellness amenities and/or with health and well-being as a key selling point. This trend will be especially strong in countries with rapid urbanization and a rising middle class, where more people are moving to suburbs and are looking to bring urban-style wellness amenities to the suburbs with them (e.g., walkability, mixed use, etc.).
4. Wellness residential concepts will grow rapidly in developments targeting seniors and young adults, including senior living, multigenerational living, and coliving – especially in Europe and Asia.
5. “Retreat-style” wellness living concepts (second homes, vacation homes) will expand to most major destination spa and destination resort brands.
6. A heightened appreciation for and emphasis on natural areas, parks, outdoor recreation amenities, and public spaces will continue in the post-COVID era – and especially a heightened focus on more equitable distribution of and access to these spaces.
7. Post-COVID, there will be ongoing emphasis on indoor air quality and general sanitation, especially in workplaces, schools, retail, and other public buildings.
8. As people return to their workplaces in the post-COVID era, employers will be forced to reconfigure workplace design to address employee concerns about disease risks, and increasingly other wellness needs (e.g., mental and emotional wellness).
9. Growing interest in healthy buildings and health-enhancing built environments among real estate investors (especially in Asia, North America, and Europe), driven by tenant demand as well as a growing emphasis on human health as part of ESG (environmental, social, and corporate governance) initiatives.
10. Increasing overlap between planetary health (sustainability) and human health (wellness) across all types of building projects.

## Looking beyond COVID-19: Pandemic-induced shifts in wellness real estate.

Before the pandemic, most consumers associated wellness real estate with vacation and resort properties; active retirement communities; and/or amenities like gyms, swimming pools, spas, walking trails, and recreational centers. COVID-19 has forced us to see our homes and our built environments in a new light – as the protectors and enablers of good health. With our homes becoming a first line of defense against COVID-19, wellness real estate is now quickly moving from elective to essential.

### The pandemic has driven healthy homes into mainstream consumer consciousness.

While many people are now waking up to the understanding that our built environment can impact our health, research long before the pandemic showed us that external and environmental factors (not genetics) can affect up to 80-90% of our disease risks and health outcomes. Wellness real estate has the potential to protect and enhance the health and well-being of its occupants across multiple wellness dimensions: physical, mental, emotional, social, spiritual, environmental, and financial. In our 2018 report, we described four key principles for understanding, conceptualizing, planning, building, and operating wellness real estate:

- **From “do no harm” to optimizing wellness.**
- **From passive to active wellness.**
- **From hardware to software.**
- **From ME to WE.**

The COVID-19 pandemic has created important shifts in how we apply these four principles.

### Expanding the scope of “do no harm” and optimizing wellness.

The science of “sick buildings” was well established before the pandemic. Many activities and substances can create harmful and/or lethal indoor air, including burning coal, kerosene, and biomass fuels for cooking and heating; mold and fungus; and various building materials and substances (e.g., PVC, phthalates, flame retardants, VOCs, etc.). COVID-19 amplified these problems by confining people at home and indoors for long periods of time, and by returning them to work in buildings where ventilation systems had been shut-off for months. The pandemic has brought renewed attention to the role that buildings play in spreading communicable disease, especially in high-density and shared spaces. There is now heightened interest in natural ventilation, airflow, and air filtration systems; temperature and humidity control; antimicrobial surfaces; voice-activated and touchless doors, keys, and elevators; UV light sanitation; and other products and solutions to prevent virus transmission. Developers and employers are also seeking out design innovations and spatial reconfigurations to tackle these problems. Having enough space to spread out people in high-traffic areas like elevators, corridors, bathrooms, and cafeterias may no longer be a luxury in a post COVID-19 world.

If “do no harm” is the minimum standard, then wellness real estate can and should aim much higher by improving and optimizing our wellness. Critical elements include access to nature and green space, which have many documented physical and mental wellness impacts: buffering/reducing noise and air pollution; increasing physical activity; improving cognitive abilities, productivity, attention, mood, and healing; and reducing aggression, violence, and negative feelings. Even when we are indoors, views of the outdoors and images of nature can have positive impacts on healing, stress, mood, and cognitive functioning. During the pandemic lockdown, consumer interest in many nature-based activities spiked, including parks, beaches, camping, hiking, gardening, indoor plants, and growing food at home. In a post COVID-19 world, we anticipate greater incorporation of biophilic design into buildings, as well as greater investment in natural assets in our neighborhoods and urban areas, e.g., greenways and multi-use trails, pocket parks, community gardens, and street trees.

Another critical area is improving sleep, rest, and stress reduction. Sleep is a cornerstone of good health, and yet it is constantly compromised by issues in our built environment, such as a lack of natural light indoors, artificial lighting that disrupts circadian rhythms, poor temperature control, and noise pollution. Design features that support rest and sleep will gain ground in the future, including soundproofing and noise reduction, circadian lighting, restrictions on gas-powered mowers and blowers, urban traffic control, etc. Already, some of the most frequently installed wellness technologies in 2020 include indoor air quality sensors/filters, human-centric lighting, motorized shade controls tied to astronomic timers, aroma infusers, and smart sleep technology.<sup>10</sup>

## Active wellness: Supporting and enabling healthy habits and behaviors.

Wellness real estate can include many “passive” wellness features that protect and improve our health and well-being without us doing anything (e.g., safer building materials, soundproofing, biophilic design, etc.). But it must also include “active” wellness features – things that nudge us to choose a healthier lifestyle. One of the most obvious areas for wellness real estate to promote active wellness is by providing exercise amenities and recreational spaces that support physical activity. Sedentary behavior, already a worldwide problem prior to the pandemic, has become more severe. When people were not able to use indoor gyms and attend fitness classes during COVID shutdowns, outdoor spaces like public parks, jogging/biking paths, hiking trails, and public squares and plazas became more important than ever. Numerous studies have shown that proximity to parks is associated with higher levels of physical activity, especially for seniors, children, and disadvantaged populations, while also helping to mitigate loneliness and strengthen social connections.

Building design and infrastructure can also nudge us toward healthy behaviors such as taking the stairs rather than the elevator, or walking/biking rather than driving. Since the beginning of the pandemic, people have taken over the streets in cities around the world with walking, biking, social gatherings, and outdoor dining. Many cities are now making these changes permanent – reconfiguring their streets to favor pedestrians, cyclists, and public transit – with public health in mind (i.e., reducing transmission of infectious disease, encouraging physical activity, and reducing pollution).

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<sup>10</sup> Knott, J. (2021, July 16). CE Pro Deep Dive: Does Wellness Market Need a Checkup? *CEPro*. <https://www.cepro.com/markets/ce-pro-deep-dive-does-wellness-market-need-a-checkup/>.



During the pandemic, our homes have become the epicenter of many functions: office, school, gym, restaurant, playground, socializing, and self-care. There are many opportunities to redesign our homes to support behaviors that enhance our physical and mental wellness. For example, kitchen design can encourage healthy cooking, healthy eating, and minimizing food waste.<sup>11</sup> Features like balconies, porches, and patios can encourage occupants to socialize with their neighbors. A quiet, meditative corner can beckon us to take a few minutes away from daily stress for mindful breathing. Rooftop and community gardens invite city residents to feel connected to nature and where their food comes from, while providing educational and recreational opportunities for children and families.

In addition to physical activity, public spaces can encourage prosocial behavior, build a sense of community, and even inspire spiritual and transcendent experiences. Studies show that good urban design can help increase civic trust and engagement, which have been vital to our survival during the height of the pandemic. Features such as parks, public plazas, sidewalks, mixed-use spaces, high density, housing diversity, and vernacular architecture can encourage pedestrian traffic, street activities, public gatherings, and spontaneous meeting of neighbors, all of which help to create a sense of place and community. COVID-19 also created a moment for public art and architecture to connect people with mindfulness, a sense of awe and wonder, and even transcendence. Brooklyn's Breathing Pavilion, for example, invites visitors to breathe and participate in a moment of meditation along its pulsating lights.<sup>12</sup>

## Redefining wellness hardware and software.

In the 2018 *Build Well to Live Well*<sup>13</sup> report, GWI advocated for wellness amenities (“hardware”) and intentional policies, management, and programming (“software”) to be incorporated into wellness real estate projects to encourage healthy behaviors among residents. During the pandemic, digital hardware and software have become even more vital to our health and well-being. Reliable, high-speed Internet underpins the digital platforms that allow us to work or attend school from home, connect with friends and family, stream exercise programs, buy food and necessities via apps, and even visit a doctor or therapist virtually. Research has shown that households with high-speed Internet have been better able to comply with COVID-19 stay-at-home directives. Broadband Internet infrastructure is most lacking in the rural, lower-income, and marginalized communities that are already facing higher risks of economic and social distress during the pandemic. In short, COVID-19 shows that the digital divide also translates into inequitable access to wellness.

At the other end of the spectrum – where wealthy households already enjoy strong digital infrastructure and access to wellness amenities – new smart home technologies and solutions are enhancing the wellness of our home environments. These include sensors that monitor indoor air and water quality, as well as emerging technologies that can monitor the health status of occupants (e.g., toilets that analyze “outputs;” floorboard sensors that can detect falls; and bathroom mirrors

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<sup>11</sup> See: Global Wellness Summit (2018). Trend #4: The Wellness Kitchen. *2018 Global Wellness Trends Report*. <https://www.globalwellnesssummit.com/2018-global-wellness-trends/wellness-kitchen/>.

<sup>12</sup> See: Global Wellness Summit (2021, June 23). Trend: New Public Spaces Where Art and Design Meet Nature and Wellness. *GWS Trendium*. <https://us14.campaign-archive.com/?u=3c3105a9b5dd3794bc35e2d8f&id=a472022160>.

<sup>13</sup> See: GWI (2018). *Build Well to Live Well*. <https://globalwellnessinstitute.org/industry-research/wellness-real-estate-communities-research/>.

that can monitor vision, skin cancer, and other issues). While these technologies are nowhere near mainstream adoption, the desire to age-in-place and to have better in-home healthcare will increase consumer demand in this space.

## “ME” is not safe if WE are not healthy.

Wellness real estate starts with our individual micro-environments – the specific rooms where we sleep and work, our homes, and our workplaces or school buildings. But it also radiates more widely to our subdivisions, neighborhoods, communities, and cities. When we seek out health and well-being exclusively within our own micro-environments, we are living in a “wellness bubble.” But the experience of COVID-19 shows us that our individual wellness bubbles cannot keep us safe and healthy. During the pandemic, some of us may have been sequestered in our homes; perhaps we ordered everything to be delivered, or perhaps we had domestic helpers to do our shopping and errands. But if delivery personnel, essential workers, and the people living in vulnerable communities are sick, then the risks increase for everyone. The pandemic has brought a new level of understanding that our individual health and well-being are intrinsically linked with our community and the broader environment. For example, a recent Harvard University study found that higher rates of air pollution are correlated with higher COVID-19 deaths in the United States.<sup>14</sup> How we plan, build, and operate our homes and neighborhoods can have profound impacts on the social, economic, and environmental dimensions of community wellness, which in turn impact our individual wellness.

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<sup>14</sup> Wu, X., Nethery, R., et al (2020, April 5). *Exposure to air pollution and COVID-19 mortality in the United States*. Harvard T.H. Chan School of Public Health. [https://projects.iq.harvard.edu/files/covid-pm/files/pm\\_and\\_covid\\_mortality.pdf](https://projects.iq.harvard.edu/files/covid-pm/files/pm_and_covid_mortality.pdf).

## III. PHYSICAL ACTIVITY

### Physical Activity: Definition, market size, and growth.

Physical activity is intrinsic to wellness, and it generates significant economic activities around the world. There are two broad types of physical activity: **natural movement** (movement that is essential to our daily lives, like walking for transportation, jobs that require manual labor, and household chores), and **recreational physical activity** (movement that we choose in our leisure time, like exercise, playing sports, taking a walk, or playing on a playground). As our lifestyles become more sedentary, natural movement is on the decline around the world, and recreational physical activity is becoming more essential for a growing number of people in order to stay healthy.

The Global Wellness Institute's (GWI's) definition of the physical activity market focuses on private spending on recreational physical activity. We define the physical activity sector as **consumer spending associated with intentional physical activities performed during leisure and recreation**. GWI estimates that physical activities generated \$738.1 billion in private sector economic activity in 2020. Spending grew by 5.2% from 2018-2019, but then fell significantly by 15.5% in 2020, due to the pandemic. Among the 11 sectors that GWI tracks as part of the wellness economy, physical activity is one of the largest, ranking third in size (after personal care/beauty and healthy eating/nutrition).

### Physical Activity Market by Region, 2018, 2019, 2020

	Physical Activity Market				Average Annual Growth Rate	
	(US\$ billions)			Per Capita 2020	2018-2019	2019-2020
	2018*	2019	2020			
Asia-Pacific	\$241.4	\$262.6	\$247.1	\$59.24	8.8%	-5.9%
North America	\$284.3	\$300.7	\$230.9	\$628.25	5.8%	-23.2%
Europe	\$227.3	\$231.7	\$199.7	\$216.25	2.0%	-13.8%
Latin America-Caribbean	\$40.7	\$40.4	\$28.2	\$43.15	-0.7%	-30.3%
Middle East-North Africa	\$22.0	\$23.3	\$19.8	\$39.44	6.0%	-15.0%
Sub-Saharan Africa	\$14.8	\$15.0	\$12.4	\$10.89	1.8%	-17.6%
<b>WORLD</b>	<b>\$830.4</b>	<b>\$873.8</b>	<b>\$738.1</b>	<b>\$95.18</b>	<b>5.2%</b>	<b>-15.5%</b>

\* 2018 figures for this sector have been revised, due to data revisions and updates made by key underlying data sources such as Euromonitor.

Note: Figures may not sum to total due to rounding.

Source: Global Wellness Institute.

Almost 92% of the world's spending on physical activity takes place in Asia-Pacific, North America, and Europe. Asia-Pacific, where physical activity spending declined less during the pandemic, became the largest regional market in 2020. North America has the highest per capita level of expenditures on physical activity (at \$628 in 2020) but was one of the regions most negatively impacted by the pandemic (-23.2% from 2019-2020).

The United States and China are by far the world's largest markets for physical activity, together accounting for 45% of all spending in this sector. The top twenty markets are primarily concentrated in North America, Asia-Pacific, and Europe, although Brazil, Mexico, and South Africa also rank among the largest markets. All of the largest markets saw a reduction in physical activity spending in 2020, with the exception of Taiwan (note that it is one of the few economies where sales of sportswear grew in 2020, and participation/spending on sports and active recreation was not depressed by COVID).

## Physical Activity: Top Twenty Markets in 2020

	Physical Activity Market				Average Annual Growth Rate	
	(US\$ billions)			Rank in 2020	2018-2019	2019-2020
	2018*	2019	2020			
United States	\$265.80	\$281.56	\$215.81	<b>1</b>	5.9%	-23.4%
China	\$110.27	\$121.07	\$118.86	<b>2</b>	9.8%	-1.8%
Japan	\$43.11	\$44.90	\$41.03	<b>3</b>	4.2%	-8.6%
Germany	\$39.60	\$38.71	\$35.47	<b>4</b>	-2.3%	-8.4%
United Kingdom	\$40.35	\$42.53	\$34.65	<b>5</b>	5.4%	-18.5%
France	\$25.90	\$26.35	\$23.30	<b>6</b>	1.8%	-11.6%
South Korea	\$23.99	\$25.11	\$22.82	<b>7</b>	4.6%	-9.1%
Australia	\$16.39	\$18.23	\$17.34	<b>8</b>	11.2%	-4.9%
India	\$14.56	\$17.60	\$16.12	<b>9</b>	20.9%	-8.5%
Italy	\$18.83	\$18.96	\$15.45	<b>10</b>	0.7%	-18.5%
Canada	\$18.48	\$19.16	\$15.07	<b>11</b>	3.7%	-21.4%
Spain	\$15.68	\$15.87	\$13.10	<b>12</b>	1.2%	-17.5%
Russia	\$12.81	\$13.56	\$11.61	<b>13</b>	5.9%	-14.4%
Brazil	\$13.92	\$13.53	\$8.86	<b>14</b>	-2.8%	-34.5%
Mexico	\$11.13	\$11.81	\$8.51	<b>15</b>	6.1%	-27.9%
Netherlands	\$9.70	\$9.61	\$8.48	<b>16</b>	-0.9%	-11.7%
Taiwan	\$7.99	\$8.31	\$8.32	<b>17</b>	4.1%	0.03%
Switzerland	\$8.88	\$9.21	\$8.00	<b>18</b>	3.7%	-13.1%
South Africa	\$7.96	\$8.02	\$6.33	<b>19</b>	0.7%	-21.1%
Sweden	\$5.97	\$5.80	\$5.38	<b>20</b>	-3.0%	-7.1%

\*2018 figures for this sector have been revised, due to data revisions and updates made by key underlying data sources such as Euromonitor.  
Source: Global Wellness Institute.

## Physical Activity Market by Subsector, 2018, 2019, 2020

	Market Size (US\$ billions)			Average Annual Growth Rate	
	2018*	2019	2020	2018-2019	2019-2020
<b>Recreational Physical Activity</b>	<b>\$367.7</b>	<b>\$394.2</b>	<b>\$306.8</b>	<b>7.2%</b>	<b>-22.2%</b>
Sports & Active Recreation	\$230.1	\$238.1	\$200.0	3.5%	-16.0%
Fitness	\$108.6	\$122.8	\$77.2	13.0%	-37.1%
Mindful Movement	\$29.1	\$33.3	\$29.6	14.7%	-11.2%
<b>Enabling Sectors</b>	<b>\$468.1</b>	<b>\$489.9</b>	<b>\$445.3</b>	<b>4.7%</b>	<b>-9.1%</b>
Fitness Technology	\$32.8	\$38.3	\$49.5	16.7%	29.1%
Sports & Fitness Equipment	\$106.1	\$107.2	\$104.9	1.0%	-2.1%
Sports Apparel & Footwear	\$330.9	\$346.2	\$292.6	4.6%	-15.5%
<b>TOTAL</b>	<b>\$830.4</b>	<b>\$873.8</b>	<b>\$738.1</b>	<b>5.2%</b>	<b>-15.5%</b>

\* 2018 figures for this sector have been revised, due to data revisions and updates made by key underlying data sources such as Euromonitor.

**Note: Figures do not sum to total due to overlap in segments and rounding.** See Appendix A for detailed descriptions of the subsectors.

Source: Global Wellness Institute.

The core of the physical market is the services that allow consumers to participate in **three categories of recreational physical activities: fitness, sports and active recreation, and mindful movement.**<sup>15</sup> Consumer spending on recreational physical activities generated \$306.8 billion in economic activity in 2020, representing 42% of the total physical activity market.

- **Fitness** was the most negatively impacted segment during the pandemic, due to gym and fitness center closures, with a 37.1% decline in spending in 2020. This decline was slightly buffered by many consumers switching their spending to workouts on digital platforms (streaming and apps). In fact, without the increase in digital fitness spending, GWI estimates that fitness spending would have declined by 44% in 2020. Note that GWI's measurement of "fitness" is broader than just gyms and fitness studios, and it includes fitness workouts and classes that take place in home-based gyms, community centers, outdoor gyms, schools, hotels, and via online platforms.
- **Mindful movement** is the smallest segment in terms of spending (\$29.6 billion in 2020) and was the least negatively impacted by COVID-19 (-11.2% in 2020). In particular, yoga became a popular activity during the pandemic – not only as a good at-home exercise option when gyms were closed, but also as a stress reliever – and millions of people were prompted to try it for the first time in 2020. In spite of the rise in yoga participation, most new and existing participants were using free and low-cost digital platforms for their practices (apps, YouTube, etc.), and so spending still fell in this sector due to the pandemic shutdowns of yoga and Pilates studios, in-person classes, workshops, etc.

<sup>15</sup> For a more detailed definition and elaboration of the subsectors that GWI includes in the physical activity market, see: Yeung, O. and Johnston, K. (2019). *Move to be Well: The Global Economy of Physical Activity*. Miami, FL: Global Wellness Institute. <https://globalwellnessinstitute.org/industry-research/global-economy-physical-activity/>.

- **Sports and active recreation**, which is the largest category of spending (\$200.0 billion in 2020), also declined during the pandemic (-16.0% in 2020). While some outdoor recreation activities became more popular in 2020 (e.g., outdoor running, hiking, cycling), participation and spending on many other categories of sports and recreation activities were curtailed due to stay-at-home orders and facility shutdowns (e.g., swimming pools, martial arts studios, sports courts). The drop in participation among children was even more steep than for adults, because children's sporting and recreation activities (e.g., team sports, swimming, dance classes, etc.) were hard-hit by pandemic shutdowns, and children were much less likely than adults to substitute a different, accessible exercise activity (e.g., running/cycling outdoors for exercise) when their favorite sport or activity was put on hold.

The physical activity market also includes **three supporting sectors** that enable and facilitate consumer participation in these activities: **technology, equipment and supplies**, and **apparel and footwear**.

- **Fitness technology** was already growing rapidly prior to the pandemic, and, not surprisingly, exploded in 2020 (29.1% growth from 2019-2020). The \$49.5 billion global market for fitness tech includes wearable devices, trackers, and smart/networked equipment, as well as digital platforms (apps and streaming) and software – all of which support and encourage people's participation in fitness and physical activities by making it more convenient, fun, personalized, trackable, and affordable. GWI estimates that consumer spending on various types of fitness apps, streaming, and on-demand services grew by 40% in 2020 in response to COVID-related shutdowns of gyms and fitness studios, in-person classes, sports facilities, etc.
- **Sports apparel and footwear** fell by 15.5% in 2020, to \$292.6 billion globally. This decline is due to a number of factors including: 1) consumers not purchasing new apparel/shoes because they were staying at home or not participating in their normal sports/fitness activities; 2) an overall reduction in consumer spending (especially on discretionary items) due to job and income losses during COVID; and 3) temporary store closures, an accelerated shift to e-commerce sales, and supply chain disruptions. It is important to keep in mind that sportswear is increasingly popular worldwide as daily clothing (not just for sports/fitness); this trend has accelerated during COVID, and sales of sports apparel/footwear are expected to grow faster post-COVID than other categories of apparel/shoes.
- **Sports and fitness equipment** is a broad segment that includes sporting goods, protective gear, and fitness/exercise/training equipment and supplies. This segment fell by 2.1% in 2020, to \$104.9 billion worldwide. Some types of sporting goods saw an explosion in demand during the pandemic, especially during the first few months of shutdowns (e.g., bicycles, kayaks, at-home fitness equipment, connected equipment like Peloton bikes). But overall, this segment shrank slightly due to widespread shutdowns of fitness/sports facilities and activities; a general reduction in consumer spending and discretionary purchases; and ongoing supply chain disruptions worldwide.

One important question during 2020 was how the COVID-19 pandemic affected people's participation in various types of physical activity. There is no doubt that the pandemic has disrupted our exercise routines, and media reports on this topic have been mixed and sometimes misleading. For example, during the height of the pandemic shutdowns, there was an onslaught of surveys and headlines in the United States suggesting that “people were exercising more” because

they were working from home and had more free time, and probably an equal number suggesting the opposite. One must be cautious in interpreting or generalizing from these kinds of surveys, because often the “people” being surveyed represent a certain segment of the population (e.g., Fitbit users<sup>16</sup>; fitness studio members or app users<sup>17</sup>; or those who are higher income, privileged, or were already exercising prior to COVID<sup>18</sup>), but they are not at all representative of the entire population. Now, there are dozens of academic and peer-reviewed research studies examining COVID-induced changes in physical activity and exercise behaviors. These studies all look at very specific population groups, in specific locations, over specific time periods (e.g., during the first 3 months of COVID lockdowns), and so it is difficult to generalize from their findings. But most point toward an overall decline in physical activity levels, as well as reduced participation in recreational/leisure-time physical activities (especially during the peak of COVID-related shutdowns, but for many enduring as the pandemic has continued).<sup>19</sup>

## Participation in Recreational Physical Activity by Region and Subsector, 2018, 2019, 2020

	Percent of the total population who participate in some type of recreational physical activity on a regular basis (at least monthly)		
	2018*	2019	2020
<b>By Region</b>			
North America	57.76%	58.57%	59.47%
Europe	46.47%	47.46%	46.04%
Asia-Pacific	33.32%	33.27%	29.27%
Latin America-Caribbean	37.31%	36.69%	33.40%
Middle East-North Africa	25.78%	25.48%	23.27%
Sub-Saharan Africa	31.32%	30.71%	21.72%
<b>By Sector</b>			
<b>Recreational Physical Activity</b>	<b>35.65%</b>	<b>35.60%</b>	<b>31.55%</b>
Sports & Active Recreation	33.31%	33.31%	29.25%
Fitness	3.70%	4.01%	2.65%
Mindful Movement	3.78%	4.89%	5.25%

\* 2018 figures for this sector have been revised, due to data revisions and updates made by key underlying data sources. Source: Global Wellness Institute, based on a variety of country-level sources and surveys.

<sup>16</sup> Fitbit (2020, Oct. 20). Finding Your Pandemic Flow: New Fitbit Data Reveals Your New Favorite Activities. *Fitbit News*. <https://blog.fitbit.com/finding-your-pandemic-flow/>.

<sup>17</sup> McAlister, L. (2020). Here's How COVID-19 Has Changed Fitness. *MindBody Business*. <https://www.mindbodyonline.com/business/education/blog/heres-how-covid-19-has-changed-fitness>.

<sup>18</sup> Ronto, P. (2021, Aug. 6). Exercise is Up 88% During COVID-19 [12,913 Person Study]. *RunRepeat*. <https://runrepeat.com/exercise-covid-19-study>.

<sup>19</sup> See, for example: 1) Wilke, J., et al (2021). A Pandemic within the Pandemic? Physical Activity Levels Substantially Decreased in Countries Affected by COVID-19. *International Journal of Environmental Research and Public Health*, 18(5), 2235. <https://doi.org/10.3390/ijerph18052235>. 2) Stockwell, S. (2021). Changes in physical activity and sedentary behaviours from before to during the COVID-19 pandemic lockdown: a systematic review. *BMJ Open Sport & Exercise Medicine*, 7(1), e000960. <https://doi.org/10.1136/bmjsem-2020-000960>. 3) Reynolds, G. (2020, Oct. 7). How the Pandemic Is Changing Our Exercise Habits. *New York Times*. <https://www.nytimes.com/2020/10/07/well/move/pandemic-exercise-habits-study.html>.

GWI estimates that overall participation in recreational physical activities declined from 35.6% in 2019 to 31.6% in 2020. Participation rates for the fitness and sports/active recreation segments declined substantially, due to short- and long-term facility and activity shutdowns, stay-at-home orders, and other factors. Participation rates for mindful movement actually increased during 2020, due to more people seeking out yoga for stress relief and as an alternative, at-home exercise option. Looking regionally around the world, all of the regions saw a downturn in recreational physical activity participation rates from 2019-2020, with the exception of North America (where the rate increased from 58.6% to 59.5%). Interestingly, in the United States, participation rates for sports/active recreation went up slightly in 2020, along with increased participation in mindful movement and streaming/at-home fitness – which together offset the large decline in the gym/fitness studio sector. A small number of other countries also saw increased participation rates in 2020 (per national data sources), including Germany, Switzerland, Spain, and Singapore.

Importantly, many people around the world conduct their leisure-time physical activity in public places (e.g., public parks and plazas, community sporting facilities, in the streets), at home, and/or via digital platforms that require little or no spending. This is especially true in lower-income countries, where private fitness and recreational businesses, facilities, and infrastructure are less developed; it is also true in higher-income markets, where good publicly subsidized recreational infrastructure provides opportunities for greater participation at low out-of-pocket costs. For this reason, participation rates for recreational physical activities have fallen by less than the expenditures on these activities during the pandemic. When private gyms/fitness-studios, in-person classes, and fee-based activities were shut down, people had fewer opportunities to spend money on their exercise activities, but a portion of the population was able to maintain their participation by substituting at-home, outdoor, free, and digital activities. In higher-income countries where public recreational infrastructure and Internet infrastructure are well-developed, these kinds of substitutions were more feasible, and physically activity rates did not decline by as much. Some people were able to replace their gym routines with at-home workouts and online classes, and participation in outdoor recreational activities grew in some regions, as more people turned to exercise options with minimal “barriers to entry,” such as walking and hiking.

## Looking beyond COVID-19: Major shifts in physical activity.

### Physical activity for mental wellness.

The pandemic has underscored the critical links between physical activity and our mental and emotional health. Physical activity is essential for good health, and its beneficial impacts on our mental wellness are well-established and well-documented.<sup>20</sup> Most forms of recreational physical activity can help us to relax and de-stress, bring a sense fun and joy, help us access a “flow” state, promote a sense of purpose, and build resilience to support our overall well-being. Where and how we exercise can produce additional mental wellness rewards. For example, when we play on a sports team, we get the social connections that are so vital for our mental well-being. Likewise, when we exercise outdoors, we get the added mental and emotional benefits of being in nature.

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<sup>20</sup> For a discussion of the scientific evidence on exercise and mental health see: Vieten, C., et al (2020). *Move Your Mental Health: A Review of the Scientific Evidence on the Role Exercise and Physical Activity in Mental Health*. John W. Brick Mental Health Foundation. <https://www.johnwbrickfoundation.org/move-your-mental-health-report/>.



Despite these clear benefits, the global rates of physical activity have been declining in countries around the world, even prior to the pandemic. Studies indicate that more than a quarter of adults are physically inactive<sup>21</sup>, and COVID has exacerbated this problem. Most people became more sedentary during the pandemic, including children and youth, missing out on the myriad benefits of physical activity even while many suffered from increased stress, anxiety, and lack of sleep.

For those who engage in recreational physical activity, their motivation is shifting from just weight loss and appearance toward reducing stress and improving sleep. Mindful movement activities like yoga continue to rise in popularity (especially during the pandemic), as more people grasp how helpful they are for mental well-being. Today, many of us exercise not because of how it shapes our bodies but also how it improves our mental and emotional wellness. Providers of exercise services have noticed and embraced this shift, adjusting their offerings while creating new avenues that help people to exercise with a focus on their mental well-being. As our understanding of the mind-body connection deepens, physical activity will be increasingly integrated with mental wellness through new programs and services.

## A growing at-home market attracts big tech and big media.

With the onset of the pandemic, gyms and fitness clubs saw sharp declines as a significant number of exercisers turned to at-home workouts. Industry sources have estimated more than 70,000 new health and fitness apps were launched in 2020, while consumer downloads and spending on these apps was up by 30% in 2020 as compared to 2019.<sup>22</sup> Some consumers acquired kettle bells and yoga mats, while others invested in expensive “connected” bikes, creating a boom in the at-home fitness equipment market. The phenomenal rise of Peloton and Mirror confirms that consumers want high-quality, instructor-led workouts at home, without losing the motivation, energy, and camaraderie experienced in group classes. Even after reopening, many fitness clubs and studios have continued a hybrid model that combines live, online, and on-demand options to provide their customers with maximum flexibility.

The rise of the at-home exercise market not only benefits fitness companies with strong digital infrastructure, but also is attracting players outside of the fitness sector. Prior to the pandemic, few would have predicted that YouTube and Zoom would become major streaming platforms for exercise, dance, yoga, and tai chi classes. In fact, the most significant emerging players in digital fitness are big tech and big media companies like Apple, Samsung, and even Amazon, which are able to combine hardware, software, wearables, and other connected devices, with content, programming, and subscriptions – not just offering various exercise modalities, but also integrating music, entertainment, and gaming, in participatory and immersive experiences. Existing entertainment giants like Netflix, HBO, and YouTube are also expanding their footprint here, leveraging their global audience base and their pulse on popular culture, in addition to their hit shows, compelling stories, and the star power of celebrities and wellness influencers. Big media players (from Silicon Valley to Hollywood to Seoul) are building completely different business models in the recreational physical activity market, challenging traditional fitness companies to innovate and collaborate with other players.

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<sup>21</sup> See: Guthold, R. et al (2018, Sept. 4). Worldwide trends in insufficient physical activity from 2001 to 2016: a pooled analysis of 358 population-based surveys with 1.9 million participants. *The Lancet Global Health*, 6, e1077-1086. [https://doi.org/10.1016/S2214-109X\(18\)30357-7](https://doi.org/10.1016/S2214-109X(18)30357-7).

<sup>22</sup> Eaves, S. (2021, Feb 25). 71,000 new health and fitness apps launched in 2020, estimates App Annie report. *Fit Tech*. <https://www.fittechglobal.com/fit-tech-news/71000-new-health-and-fitness-apps-launched-in-2020-estimates-App-Annie-report/347246>.

Doing calisthenics, aerobic dance, and yoga along with TV and radio broadcasts has been around for more than half a century in many countries, from the United States to Japan to China. Media-based fitness has long been one of the cheapest and most democratic ways to help people access different forms of exercise. COVID-19 has given the latest virtual models a big boost, providing ever-expanding choices to people – different price points, skill levels, intervals, instructors, music, and affiliation groups; using whatever device they choose (TVs, computers, smart phones, tablets, or connected equipment); at any time and in any location. There are HIIT classes for pregnant women, yoga classes for inflexible people, and spin classes for LGBTQ+. While surveys indicate that consumers still crave in-person group classes, the digitization of fitness represents a permanent, significant shift in a more accessible direction that can help bring the benefits of recreational physical activity to more people.

## Physical activity as a right and an essential health service.

Physical activity plays a crucial role in our health and well-being, including cardiovascular health, stress reduction, social connections, and fostering physical and mental resilience. The pandemic forced people to leave the gym to exercise at home or in public spaces. Now, more than ever, there is wide recognition that our health and mental well-being are intrinsically linked to whether we have a walkable neighborhood and access to parks, public recreation facilities, and outdoor spaces for physical activity. The pandemic also highlighted the vastly unequal access to these important amenities, especially for the urban poor and marginalized communities. Not only are these groups deprived of free, well-maintained, high-quality outdoor recreational spaces, but sometimes they also must stay indoors because of poor air quality, pollution, or general safety concerns. These groups also have less access to public health resources, and they suffered and died from COVID-19 at higher rates. All of us have the right to support our health, regardless of our socioeconomic and geographic situations. As a society, we need to make sure that our living environments encourage rather than impede physical activity. For so many around the world who lack access to basic infrastructure and facilities, obtaining the necessary amount of physical activity will continue to remain an elusive goal.

While it is not yet a widespread practice, doctors can write prescriptions for exercise. Some physicians consider physical activity to be an integral part of patient care, especially for managing chronic pain, rehabilitation/recovery, and mental health. For those battling long COVID, exercise programs can help with chronic symptoms and healing. Fitness spaces, especially gyms, community centers, and physical rehabilitation facilities, have an important role to play in providing these services.

During the pandemic, businesses considered “essential” to society have been allowed to remain open, and many also received special government financial support. Unfortunately, health clubs and fitness studios were not granted this “essential” status in many countries, including in the United States. Clearly, the view that physical activity is merely a leisure activity needs to change, and there is still a long way to go before governments and communities sufficiently invest in infrastructure that will make physical activity truly a right for all people.

## IV. HEALTHY EATING, NUTRITION, & WEIGHT LOSS

### Healthy Eating, Nutrition, & Weight Loss: Definition, market size, and growth.

Food has always been an important aspect of daily living, and the COVID-19 pandemic has launched a new wave of interest in cooking, eating, and nutrition. We have become more aware that a healthy diet strengthens immunity, reduces risk factors, and fortifies our natural defenses in the face of a potentially deadly virus. During the pandemic shutdowns, many of us developed a new interest in home cooking and comfort cooking (like bread baking or canning), seeking solace in nostalgic and indulgent foods during difficult times. Orders for grocery deliveries, meal kit services, and takeout food surged, driven by risk aversion, desperation (due to store closures), and even boredom. And, even though our awareness of the food-health connection has grown, our eating habits did not necessarily become healthier; now, many of us are trying to lose the weight we gained during the height of the pandemic.

### Healthy Eating, Nutrition, & Weight Loss Market by Region, 2017, 2019, 2020

	Healthy Eating, Nutrition, & Weight Loss Market			Per Capita 2020	Average Annual Growth Rate	
	(US\$ billions)				2017-2019	2019-2020
	2017*	2019	2020			
Asia-Pacific	\$294.1	\$318.9	\$325.7	\$78.09	4.1%	2.1%
North America	\$236.6	\$250.0	\$269.8	\$734.27	2.8%	7.9%
Europe	\$205.6	\$219.7	\$230.7	\$249.78	3.4%	5.0%
Latin America-Caribbean	\$79.7	\$76.7	\$69.2	\$105.92	-1.9%	-9.7%
Middle East-North Africa	\$26.8	\$29.5	\$31.7	\$63.10	5.0%	7.3%
Sub-Saharan Africa	\$15.3	\$17.6	\$18.4	\$16.19	7.1%	4.8%
<b>WORLD</b>	<b>\$858.1</b>	<b>\$912.3</b>	<b>\$945.5</b>	<b>\$121.93</b>	<b>3.1%</b>	<b>3.6%</b>

\*2017 figures for this sector have been revised since GWI released the previous version of the Wellness Economy Monitor; for two reasons: 1) data revisions and updates made by key underlying data sources such as Euromonitor and IBISWorld; and 2) GWI has expanded the definition of this sector to include additional data categories (e.g., foods/beverages free from gluten, dairy, lactose, and meat, as well as foods/beverages targeting weight management).

Note: Figures may not sum to total due to rounding.

Source: Global Wellness Institute, based on data from Euromonitor, IBISWorld, and other sources.

While this chapter focuses on food and nutrition, and how consumer behavior has been shaped by the pandemic, we need to acknowledge that the global crisis of hunger, malnutrition, and undernutrition also escalated during this period. Much of this food insecurity exists in developing and low-income countries, but it also afflicts pockets of people living in wealthy countries due to job and income losses and insufficient social safety nets. Unfortunately, addressing this dire and important issue is beyond the scope of this chapter.

The healthy eating, nutrition, & weight loss sector encompasses **a wide variety of foods and beverages that are positioned, marketed, and labeled as health- and wellness-enhancing, as well as vitamins and dietary supplements, and weight management products and services.** This market includes organic products, functional and fortified foods, plant-based dairy and meat substitutes, diet foods, gluten-free foods, high-fiber foods, sports nutrition, over-the-counter weight-loss remedies, vitamins, and much more.

By including these categories in our sector measurement, we are not implying that they are the most important or most effective way to eat a healthy diet; rather, we include products that are proactively labeled and positioned by businesses as “health-enhancing” and are most closely identified by consumers as such. Our measurements do not include large categories of fresh foods – such as fresh fruits and vegetables, fish and seafood, legumes, etc. – even though these are a core part of a healthy diet, because to include them would render this sector too broad and meaningless. In general, the quantity and balance of foods – and how they are prepared – are just as important as which specific foods we consume, and there is little to no consensus on the role that vitamins, supplements, organic foods, processed “health foods,” etc. play in a healthy diet. As such, this sector exemplifies the perpetual confusion and tension in the wellness economy between what is marketed by businesses as “healthy” versus what medical experts and science tell us is truly most essential for a healthy lifestyle.

Healthy eating, nutrition, & weight loss is one of the few wellness sectors that maintained a positive growth trajectory during the COVID-19 pandemic. This sector grew from \$858.1 billion in 2017 to \$912.3 billion in 2019, and then continued to grow by 3.6% to \$945.5 billion in 2020. Note that in this report, GWI has expanded the definition of this sector to include more categories of foods and beverages than were included in the previous version of the *Wellness Economy Monitor* (see note in table above). As a result, the healthy eating, nutrition, & weight loss sector is now on-par with personal care & beauty in its market size, making it one of the two largest segments of the wellness economy.

Asia-Pacific has consistently been the largest region in this sector, although the region only ranks 4th when the market is measured on a per capita basis. North American consumers spend the most per capita on healthy eating, nutrition, & weight loss (\$734), more than double the per capita spending in Europe (\$250). Market growth has been strongly positive in every region across the world, except for Latin America-Caribbean, where the sector has been declining from 2017-2020 (even before the pandemic). The decline in Latin America is primarily driven by market volatility and economic crises in large countries such as Brazil, Argentina, Colombia, and Venezuela; most other countries in this region actually saw positive growth in this sector in 2017-2019.

**GWI cautions that the growth in this sector in 2020 *should not* be interpreted as “consumers were eating healthier during the pandemic” – and, in fact, the opposite may be the case.** Consumer spending on certain categories of foods, beverages, and supplements *labeled* as healthy is not an indicator of healthy diets, when there is no consensus on how healthy these products are, or what a “healthy diet” even means (see further discussion below). In addition, it is important to keep

in mind that food prices and supply are heavily influenced by commodity prices, currency rates, and external shocks (e.g., weather-/climate-related), especially in smaller countries that depend upon imports for food. Therefore, in some countries and regions, high per capita spending levels and/or high growth rates for the healthy eating sector may simply reflect high/rising food prices (in US\$ terms) during the pandemic, rather than more consumers purchasing more healthy-labelled products.

## Healthy Eating, Nutrition, & Weight Loss Market by Subsector, 2017, 2019, 2020

	Market Size (US\$ billions)			Average Annual Growth Rate	
	2017*	2019	2020	2017-2019	2019-2020
Healthy-Labeled Foods & Beverages	\$614.1	\$655.1	\$680.1	3.3%	3.8%
Vitamins & Supplements	\$120.7	\$131.8	\$137.3	4.5%	4.1%
Weight Loss Products & Services	\$123.3	\$125.4	\$128.2	0.9%	2.2%
<b>TOTAL</b>	<b>\$858.1</b>	<b>\$912.3</b>	<b>\$945.5</b>	<b>3.1%</b>	<b>3.6%</b>

\* 2017 figures for this sector have been revised since GWI released the previous version of the Wellness Economy Monitor, for two reasons: 1) data revisions and updates made by key underlying data sources such as Euromonitor and IBISWorld; and 2) GWI has expanded the definition of this sector to include additional data categories (e.g., foods/beverages free from gluten, dairy, lactose, and meat, as well as foods/beverages targeting weight management).

Note: Figures may not sum to total due to rounding.

Source: Global Wellness Institute, based on data from Euromonitor, IBISWorld, and other sources.

In GWI's definition, the healthy eating, nutrition, & weight loss sector is comprised of three subsectors. All three subsectors have had positive growth rates from 2017-2020, including during the pandemic.

- **Healthy-labeled foods and beverages** is by far the largest segment, representing 72% of the market in 2020. This segment includes a wide variety of processed and packaged foods and beverages that are specifically positioned, marketed, or labeled with health and wellness claims, including low-sugar/low-fat/low-carb products; fortified/functional products with added nutrients (e.g., calcium, omega-3); products that are “free from” gluten/lactose/dairy/meat (e.g., plant-based alternatives, meat substitutes); products marketed as “naturally healthy” (e.g., high fiber, fermented, nuts/seeds); and organic products.
- **Vitamins and supplements** has been the fastest-growing segment in recent years. This segment includes all types of vitamins and dietary supplements (including herbal/traditional products), as well as sports nutrition products (e.g., protein powders, etc.).
- **Weight loss products and services** is the smallest segment, representing 14% of the market in 2020. This segment encompasses packaged foods/beverages specifically positioned to target weight management; over-the-counter supplements and remedies targeting weight management (e.g., meal replacement or nutritional supplement drinks, non-prescription weight-loss drugs and supplements); and weight loss services and programs (e.g., physical or online dieting centers, workshops, counseling; nutritionists and dieticians). In 2020, the services portion of this segment shrank slightly, due to pandemic-related business shutdowns, but the segment still grew overall, buoyed by strong growth in the weight-management foods/beverages category.

## Looking beyond COVID-19: Major shifts in eating and nutrition.

### “Immune-boosting” quick fixes and “nutritionism.”

The pandemic experience has highlighted the importance of prevention through a healthy lifestyle, and food plays a central role in this equation. There is broad agreement that modern eating habits all around the world – such as the excessive consumption of processed foods, refined sugar, salt, additives, saturated fats, etc. – are bad for our health. There is growing awareness that “food is medicine.” Beyond that, how we approach healthy eating and nutrition can take many different forms, depending upon our culture, family traditions, lifestyle habits, income, age, local economy, and other factors.

Much of the spending growth in the healthy eating sector has been driven by consumers’ desires for “quick fixes” in order to compensate for what is deficient in their diets, to lose weight, or to address specific health concerns. This trend was heightened during COVID-19, as people looked for easy ways to “boost immunity” and ward off disease via vitamins, supplements, and “immune-boosting” foods. The last 50 years are full of purportedly healthy fad diets that sought to avoid “bad” ingredients such as saturated fats, salt, carbs, gluten, and additives. In recent decades, the focus has been shifting toward the proactive consumption of nutrients that are marketed as “good,” such as probiotics, protein, fiber, and superfoods. Consumers are no longer limited to pills as dietary supplements; they now have an ever-expanding array of enhanced and fortified food and drinks to choose from (e.g., protein-enhanced snacks and drinks, yogurts with probiotics, turmeric-laced coffee). Much like pill-based vitamins and supplements, the marketing claims for the efficacy and healthfulness of enhanced foods can often get ahead of the scientific evidence. But, consuming these foods and products can make people feel good about their eating habits without doing the harder, time-consuming, and less glamorous work of preparing and eating a fresh, well-balanced, healthy diet.

The recent rise in faux/plant-based/lab-grown meats and dairy substitutes is yet another manifestation of our preference for quick fixes – i.e., trying to reduce meat consumption without altering our tastes and eating habits, and trying to support planetary health without fundamentally changing upstream agricultural and food production practices. Increasingly, modern consumers view food as the sum of its individual nutrients and dissociate nutrients from their food source, a phenomenon known as “nutritionism.” This approach may not be a healthy way for us to relate to food. In fact, eating as a purely utilitarian activity is the antithesis of the multidimensional and holistic wellness of food.

### The multidimensional wellness of food.

Food is much more than just nutrition and fuel for our bodies. The rapidly evolving field of microbiome research tells us that we are not only eating for ourselves, but also feeding the trillions of microorganisms living inside our bodies that keep us functioning and healthy. Furthermore, emerging understanding of the “gut-brain axis” shows that a healthy gut microbiome is crucial to brain health and mental wellness. These scientific advances have fueled growth in food products and supplements infused with prebiotics and probiotics, while demand is also increasing for food staples like fresh produce (organic or not) and whole grains. Ironically, the simple approach of eating in moderation, on a mostly plant-based diet, and minimizing processed foods and additives

would constitute healthy eating for most people, rather than needing to resort to supplements and enhanced/fortified processed foods.

In parallel to the “quick fix” approach described above, during the pandemic we have also witnessed a “back to basics” eating trend. With more time at home, many people started to bake bread, make jams, brew kombucha, pickle vegetables, and ferment kimchi. More people began to buy locally, buy organic, support small businesses and farmers, and even grow food at home. There is rising interest in traditional foods and their health properties – from ancient grains to mushrooms, and from foraging to fermenting and preserving foods. People are realizing that healthy eating means much more than just measuring nutrients and counting calories, but rather involves the whole process of knowing where our food comes from, preparing our own food, and savoring our food (e.g., mindful eating, slow eating). Many people have rediscovered the joy of cooking and family mealtimes during the pandemic. Food is wellness in a much wider spectrum than simply biological sustenance; it brings joy and pleasure through our five senses; sharing and community; curiosity and openness; memories and traditions; and connections to the land and to our history and heritage.

## Put your values where your mouth is.

The pandemic exposed many issues in our global food system. Growing interest in social and racial justice, as well as climate and environmentalism, is leading to more questioning of the prevailing economic order in the domain of food. In the past, healthy eating tended to come from a more self-centered angle – for example, eating more fresh produce and choosing organic foods because of their benefits to our personal health. A more comprehensive version of food activism brings a wider, systems-thinking approach our consumption habits, considering not only how food affects our own individual health, but also societal and planetary health – for example, how food is produced, how food waste is disposed of, the environmental and social impacts of commercial farming, and the declining nutritional value of food. As more people choose to eat less meat, many are doing so in order to reduce their carbon footprint and improve animal welfare, rather than just for own their health. When people choose to buy organic, they are also helping to reduce the impact of pesticides on farm workers, insects, and soil health.

With pandemic-related food shortages revealing the fragility of our food supply chain, consumers have become more aware that they need to support small, local farmers and small businesses. Food security no longer means being able to buy the largest quantities at the lowest prices from anywhere in the world, but whether there is a reliable and sustainable source of food when interruptions occur, as well as a safety net to ensure that we have enough to eat even when we lose our jobs or homes. The value and the humanity of workers in agriculture, food processing, warehouses, shipping, grocery stores, restaurants, and food delivery have become apparent, even as these jobs have become harder and more dangerous. And, if the food supply chain and the workers it depends upon are not healthy, we are not safe either.

As people begin to put their values where their mouths are, food corporations and brands are being forced to reconsider their business practices, and they are also seeing opportunities to create and market food that aligns with the quickly evolving consumer value system. Over the next decade, we will likely see governments in some countries and regions take a more active role in the food system beyond just food safety and transparency, with a greater push for agricultural, industry, and trade policies that tilt the balance toward human and planetary health.





## V. MENTAL WELLNESS

### Mental Wellness: Definition, market size, and growth.

The Global Wellness Institute (GWI) defines mental wellness as ***an internal resource that helps us think, feel, connect, and function; it is an active process that helps us to build resilience, grow, and flourish.*** In our 2020 report, *Defining the Mental Wellness Economy*<sup>23</sup>, we estimated the size of the mental wellness sector for the first time by including four subsectors: **1) self-improvement; 2) meditation and mindfulness; 3) brain-boosting nutraceuticals and botanicals; and 4) senses, spaces, and sleep.**

GWI estimates that the global market for mental wellness has grown from \$122.3 billion in 2019 to \$131.2 billion in 2020. The sector grew by over 7% in 2020, as consumers desperately sought out products, services, and activities to help them cope with the immense stresses they faced during the COVID-19 pandemic. North America is by far the largest regional market for mental wellness, with total expenditures nearly three times higher than in the next largest regions (Asia-Pacific and Europe). North America was also the fastest-growing region in 2020, with strong growth across all of the mental wellness subsectors except for self-improvement.

### Mental Wellness Market by Region, 2017, 2019, 2020

	Mental Wellness Market				Average Annual Growth Rate	
	(US\$ billions)			Per Capita 2020	2017-2019*	2019-2020
	2017*	2019*	2020			
North America	N/A	\$65.06	\$72.00	\$195.92	N/A	10.7%
Asia-Pacific	N/A	\$25.09	\$25.72	\$6.17	N/A	2.5%
Europe	N/A	\$24.06	\$25.59	\$27.70	N/A	6.3%
Latin America-Caribbean	N/A	\$4.78	\$4.48	\$6.86	N/A	-6.2%
Middle East-North Africa	N/A	\$2.11	\$2.18	\$4.34	N/A	3.6%
Sub-Saharan Africa	N/A	\$1.23	\$1.22	\$1.07	N/A	-0.8%
<b>WORLD</b>	<b>N/A</b>	<b>\$122.33</b>	<b>\$131.19</b>	<b>\$16.92</b>	<b>N/A</b>	<b>7.2%</b>

\* 2017 figures for this sector are not available, because GWI first defined and measured the sector in the 2020 Mental Wellness Economy report. The 2019 figures for this sector have been revised, due to data revisions and updates made by key underlying data sources such as Euromonitor.

Note: Figures may not sum to total due to rounding.

Source: Global Wellness Institute, based on data from Euromonitor, Arcview/BDSA, ICF, NCCIH, and other sources.

<sup>23</sup> Yeung, O. and Johnston, K. (2020). *Defining the Mental Wellness Economy*. Miami, FL: Global Wellness Institute. <https://globalwellnessinstitute.org/industry-research/defining-the-mental-wellness-economy-2020/>.

Overall, spending on mental wellness is heavily concentrated in North America, Asia-Pacific, and Europe, and these three regions together account for 94% of all spending in this sector. All three regions saw positive growth in mental wellness-related expenditures in 2020. At the country level, the United States is by far the largest market, at \$66.6 billion in 2020, followed by China, Japan, Canada, and Germany. The only region with a significant market decline in 2020 was Latin America-Caribbean, driven by declines in the largest Latin American countries, many of which have been affected by market volatility, economic crises, and/or consumer spending downturns even before the pandemic hit (e.g., Brazil, Mexico, Argentina, Chile, Colombia).

## Mental Wellness: Top Twenty Markets in 2020

	Mental Wellness Market				Average Annual Growth Rate	
	(US\$ billions)			Rank in 2020	2017-2019	2019-2020
	2017*	2019*	2020			
United States	N/A	\$60.41	\$66.63	<b>1</b>	N/A	10.3%
China	N/A	\$6.14	\$6.51	<b>2</b>	N/A	5.9%
Japan	N/A	\$5.66	\$5.78	<b>3</b>	N/A	2.1%
Canada	N/A	\$4.65	\$5.37	<b>4</b>	N/A	15.5%
Germany	N/A	\$4.37	\$4.76	<b>5</b>	N/A	8.8%
United Kingdom	N/A	\$3.30	\$3.64	<b>6</b>	N/A	10.3%
South Korea	N/A	\$2.51	\$2.60	<b>7</b>	N/A	3.4%
Italy	N/A	\$2.44	\$2.56	<b>8</b>	N/A	4.9%
France	N/A	\$2.37	\$2.55	<b>9</b>	N/A	7.7%
Australia	N/A	\$2.11	\$2.25	<b>10</b>	N/A	6.6%
India	N/A	\$2.02	\$2.03	<b>11</b>	N/A	0.4%
Brazil	N/A	\$2.18	\$1.94	<b>12</b>	N/A	-10.8%
Indonesia	N/A	\$1.43	\$1.47	<b>13</b>	N/A	2.7%
Spain	N/A	\$1.41	\$1.41	<b>14</b>	N/A	0.0%
Russia	N/A	\$1.48	\$1.40	<b>15</b>	N/A	-5.5%
Netherlands	N/A	\$1.07	\$1.15	<b>16</b>	N/A	7.6%
Mexico	N/A	\$1.10	\$1.03	<b>17</b>	N/A	-6.1%
Hong Kong	N/A	\$1.23	\$0.94	<b>18</b>	N/A	-23.3%
Taiwan	N/A	\$0.89	\$0.92	<b>19</b>	N/A	4.3%
Sweden	N/A	\$0.85	\$0.91	<b>20</b>	N/A	7.5%

\* 2017 figures for this sector are not available, because GWI first defined and measured the sector in the 2020 Mental Wellness Economy report. The 2019 figures for this sector have been revised, due to data revisions and updates made by key underlying data sources such as Euromonitor.

Source: Global Wellness Institute, based on data from Euromonitor, Arcview/BDSA, ICF, NCCIH, and other sources.

## Mental Wellness Market by Subsector, 2017, 2019, 2020

	Market Size (US\$ billions)			Average Annual Growth Rate	
	2017*	2019*	2020	2017-2019	2019-2020
Senses, Spaces, & Sleep	N/A	\$51.0	\$57.3	N/A	12.4%
Brain-Boosting Nutraceuticals & Botanicals	N/A	\$35.0	\$39.0	N/A	11.6%
Self-Improvement	N/A	\$33.6	\$31.4	N/A	-6.6%
Meditation & Mindfulness	N/A	\$2.8	\$3.5	N/A	25.4%
<b>TOTAL</b>	<b>N/A</b>	<b>\$122.3</b>	<b>\$131.2</b>	<b>N/A</b>	<b>7.2%</b>

\* 2017 figures for this sector are not available, because GWI first defined and measured the sector in the 2020 Mental Wellness Economy report. The 2019 figures for this sector have been revised, due to data revisions and updates made by key underlying data sources such as Euromonitor.

Note: Figures may not sum to total due to rounding. See Appendix A for detailed descriptions of the subsectors.

Source: Global Wellness Institute, based on data from Euromonitor, Arcview/BDSA, ICF, NCCIH, and other sources

In GWI's definition, the mental wellness sector is comprised of four subsectors. Three out of the four subsectors saw strong positive growth rates in 2020.

- Senses, spaces, and sleep** is the largest segment, representing 44% of the market in 2020 and growing at a robust 12.4%. This segment includes products, services, and design that target our senses and the mind-body connection, including sound (e.g., sound healing, white noise), scent (e.g., aromatherapy, home fragrances), light (e.g., circadian lighting, light therapy), and touch (e.g., stress toys, weighted blankets). Sleep is a major focus of this sector, and rising consumer spending on an exploding array of sleep and relaxation products and gadgets helped drive strong growth during the pandemic.
- Brain-boosting nutraceuticals and botanicals** is the second-largest segment, at \$39 billion and 11.6% growth in 2020. This segment includes products that we ingest or put into our bodies with the specific aim of improving our mental health and well-being, specifically: 1) over-the-counter natural supplements, herbals and botanicals, and traditional remedies targeted at better sleep, brain health, memory, energy, and overall mental wellness; 2) functional foods and beverages that claim to have brain health benefits; and 3) over-the-counter cannabis and cannabis derivatives.
- Self-improvement** declined by 6.6% in 2020 to \$31.4 billion globally. The segment encompasses a wide range of activities typically associated with self-help and personal development, including: self-help books; self-help gurus, organizations, and institutes that deliver a variety of classes, workshops, seminars, and retreats; self-help organizations and mutual support groups; personal and life coaches; cognitive enhancement and brain training products and services; a wide array of self-help apps and online platforms; and anti-loneliness efforts. The negative growth in 2020 was due to the impact of pandemic-related shutdowns on in-person self-improvement activities, such as personal/life coaching, live events/speakers, workshops/seminars, group meetings, and retreats.

- **Meditation and mindfulness** is the smallest but fastest-growing segment, at \$3.5 billion and 25.4% growth in 2020. This segment includes all forms of meditation practices, as well as related mindfulness practices like breathwork. Key spending categories include classes, teachers, retreats, online platforms, apps, books, and videos; meditation and mindfulness accessories (e.g., cushions, journals); as well as connected gadgets, trackers, and aids (e.g., headsets, wearable sensors). Interest in meditation has exploded during the pandemic, and the leading meditation apps saw a massive surge of new downloads during the initial COVID shutdowns, with sustained growth throughout the year.<sup>24</sup> Although the pandemic shutdowns curtailed spending on in-person meditation retreats and workshops, the growth of new participants and spending on meditation apps, books, and products helped drive the growth in this segment.

Note that by singling out these four subsectors, we are not implying that these are the most important or most effective practices for pursuing mental wellness. They are simply the commercialized products and services that are most often identified by businesses and consumers as being related to mental wellness. Importantly, there are many things we can do to support our mental wellness that are not acts of consumption (such as spending time in nature, joining a spiritual community, being with friends, or making/enjoying art and music) and, therefore, cannot be monetized by businesses or measured in economic terms.

## Looking beyond COVID-19: Pandemic-induced shifts in mental wellness.

### We can be languishing even without a diagnosed mental illness.

There is no question that our collective mental well-being suffered a major setback in 2020. The United Nations (UN) and World Health Organization (WHO) warned of a looming mental health crisis as “millions of people worldwide are surrounded by death and disease and forced into isolation, poverty and anxiety by the pandemic of COVID-19”<sup>25</sup> – a crisis that some have labeled the “second pandemic.” Governments around the world braced for a historic wave of depression, substance abuse, self-harm, post-traumatic stress disorder, and suicide. Increasing symptoms of depression and anxiety were reported across many countries in 2020. Data from the first three months of the pandemic showed that 60% of the population in Iran, 45% in the United States, and 35% in China suffered mental distress due to COVID-19.<sup>26</sup> Following the lead of the United Kingdom, Japan established a Minister of Loneliness in the wake of a suicide wave during the pandemic.

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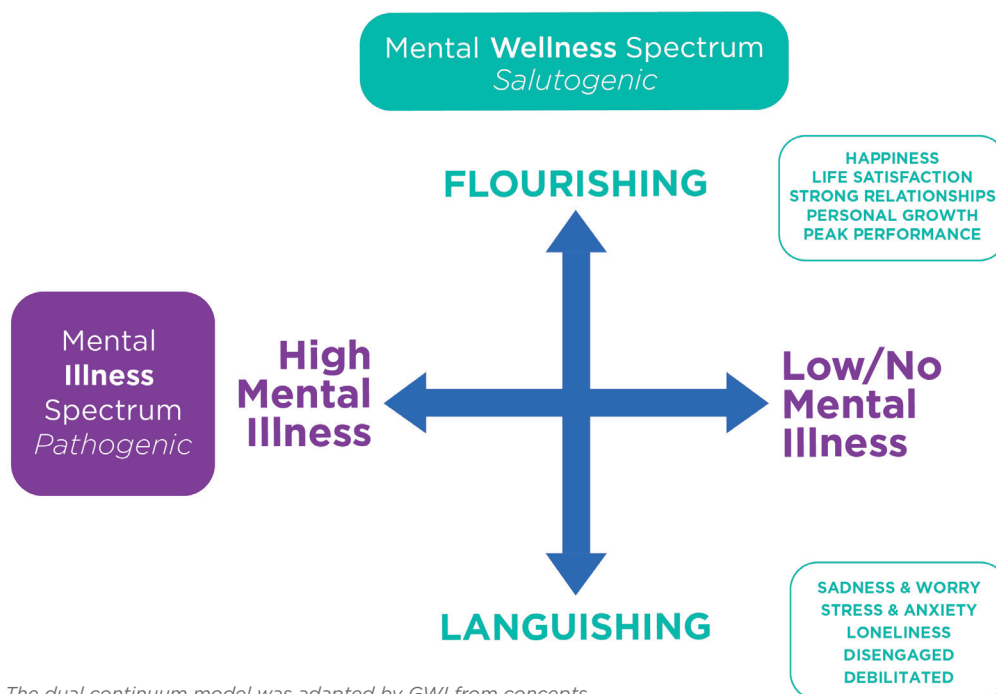
<sup>24</sup> See: 1) Todd, S. (2021, Jan. 17). The mindfulness business is thriving on our anxiety. *Quartz*. <https://qz.com/1957338/how-headspace-and-calm-led-the-boom-in-meditation-apps/>. 2) SensorTower (2021). *The State of Wellness Apps 2021*. <https://go.sensortower.com/rs/351-RWH-315/images/state-of-wellness-apps-2021-final.pdf>.

<sup>25</sup> Kellend, K. (2020, May 14). U.N. warns of global mental health crisis due to COVID-19 pandemic. *World Economic Forum*. <https://www.weforum.org/agenda/2020/05/united-nations-global-mental-health-crisis-covid19-pandemic/>.

<sup>26</sup> United Nations (2020, May 13). *Policy Brief: COVID-19 and the Need for Action on Mental Health*. <https://unsdg.un.org/sites/default/files/2020-05/UN-Policy-Brief-COVID-19-and-mental-health.pdf>.

Now well over a year into COVID-19, some research is finding that the negative mental health impacts of the pandemic may not be as dire or as prolonged as we had feared.<sup>27</sup> But, broad, population-level metrics and research studies do not erase the immense stress and struggles that have been faced by most people, on varying levels, over the last year and a half. Importantly, the pandemic made us realize that the absence of mental illness does not mean that we are mentally well. In our 2020 report<sup>28</sup>, GWI described “mental wellness” and “mental illness” as existing along two **separate** but **intersecting** continuums (see figure below). Mental wellness is about coping, resilience, thriving, life satisfaction, and happiness. The mental distress and negative emotions experienced during COVID-19 (e.g., grief, worry, stress, disengagement, loneliness) have moved many of us toward “languishing” on the mental wellness spectrum, even though most of these conditions do not qualify as mental health disorders.

## Dual Continuum Model of Mental Wellness and Mental Illness



*The dual continuum model was adapted by GWI from concepts developed by Keith Tudor (1996) and Corey L.M. Keyes (2002). Source: Global Wellness Institute*

Throughout the pandemic, mental health and mental wellness have moved to the forefront of global discourse, widely discussed in the mass media, in public health circles, and among employers and schools. Our collective experiences during COVID-19 have forced us to recognize that our stress and negative emotions are harmful and must be addressed. Recognizing languishing as a shared human condition – and not as a disease – can help to reduce the stigma surrounding the entire topic of mental health. Mental wellness is empowering because it acknowledges the universal desire to reduce suffering, and to seek peace, joy, connection, meaning, and purpose.

<sup>27</sup> Aknin, L., Zaki, J., and Dunn, E. (2021, July 4). The Pandemic Did Not Affect Mental Health the Way You Think. *The Atlantic*. <https://www.theatlantic.com/ideas/archive/2021/07/covid-19-did-not-affect-mental-health-way-you-think/619354/>.

<sup>28</sup> Yeung, O. and Johnston, K. (2020). *Defining the Mental Wellness Economy*. Miami, FL: Global Wellness Institute. <https://globalwellnessinstitute.org/industry-research/defining-the-mental-wellness-economy-2020/>.

## Multiple pathways of mental wellness open space for new innovations, experiences, products, and solutions.

While the pandemic brought greater risks for mental distress, it also brought greater attention to the many ways that we can cope with adversity, improve resilience, and move toward flourishing. For some people, isolation at home and the extra “free time” during COVID-related shutdowns became an opportunity to take up activities that stimulate creativity or spark joy, such as cooking, knitting, writing, or making art and music. Others found comfort by deepening their connections with family, friends, and neighbors, or by redirecting their personal meaning and purpose toward volunteering, social activism, and helping others. All around the world, there is growing interest in pets, house plants, gardening, cooking/baking, crafting, games and puzzles, and meditation. There is rising recognition that many aspects of our lifestyles affect our mental health, from exercise and sleep to our eating habits and gut microbiome. The multiple pathways for mental wellness (which include the things listed above and much more) were elaborated in detail in the 2020 GWI report on mental wellness.<sup>29</sup>

Clearly, many mental wellness strategies can be practiced for free or require little spending. But the rising focus on mental wellness has also opened space in the consumer market for new services and products that can give people a boost on their quest for resilience and flourishing. Mental wellness is no longer something one practices only with a meditation teacher, with a life coach, or on a retreat; it now extends to our homes, schools, workplaces, exercise, built environment, and travel. This is creating expansive market opportunities – supplements, cannabis, mushrooms, meditation apps, human-centric lighting, biophilic design, sound therapy gadgets, smart bedding, and much more.

In most of these areas, consumer interests and business innovations are far ahead of the scientific evidence, reflecting a nascent industry that until recently was seen as “fringe,” especially when compared to the conventional drug industry and established treatment protocols for mental disorders. The regulation of most mental wellness products and services is fragmented, and it is generally left to consumers to determine whether they believe in and find benefit from them or not. However, a new body of evidence is quickly growing, especially for certain modalities like meditation, light therapy, circadian science, and some psychedelics. Interest in mental wellness products and solutions extends from consumers (home use) to businesses (for employees) to hospitality (new and enhanced travel experiences). After the pandemic, consumer choices in their mental wellness pathways and their expenditures on related products and solutions may shift, but widespread interest in mental wellness, now unleashed, will certainly endure and grow.

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<sup>29</sup> Yeung, O. and Johnston, K. (2020). *Defining the Mental Wellness Economy*. Miami, FL: Global Wellness Institute. <https://globalwellnessinstitute.org/industry-research/defining-the-mental-wellness-economy-2020/>.

## Discovering the potential of technology and its limitations.

Technology has been an undisputed “winner” during the COVID-19 pandemic, and this is especially true in the mental wellness sector. Desperate for stress relief and faced with all kinds of social distancing restrictions, millions of people turned to various digital platforms for meditation, mindfulness, relaxation/sleep, coaching, therapy, and other solutions. The number of people using the top three global meditation apps reportedly rose by 59% in 2020.<sup>30</sup> Market leaders have made mental wellness modalities accessible to mainstream consumers, often by breaking down practices into bite-sized, self-driven, and customized modules, and by using music, stories, soundscapes, and games to help with mindfulness, calming, and stress reduction. Some apps offer their users a combination of mental health, self-help, and meditation techniques, including cognitive-behavioral therapy (CBT), journaling, motivational messages, and other mindfulness aides. Other companies have launched digital mental health products, using chatbots and voice analysis to mimic talk therapy and to promote meditation and regular mindfulness practices. Digital platforms are also enabling the development of content targeting various populations with different cultures and needs, such as Spanish, Arabic, and Chinese language speakers; BIPOC (Black, Indigenous, and People of Color); LGBTQ+; and other communities.<sup>31</sup> The venture capital community has taken note of the market potential in mental health startups, investing a record \$1.6 billion in 2020 (a nearly 80% increase over 2019), including high-profile deals such as Calm (\$75 million) and Modern Health (\$51 million).<sup>32</sup>

Still, there are challenges with the growth of app-based meditation, mindfulness, and therapy, including questions about whether these apps are truly science- and research-based, whether they are preying on vulnerable populations for profit, and whether they are protecting users' data privacy. Some question the use of tracking, gamification, push notifications, and social media sharing to promote a sense of calm and mindfulness. Other criticisms point out that meditation apps tend to focus narrowly on coping with daily stress, while ignoring the deeper insights and spiritual context of Buddhist and other meditation traditions for self-transcendence, greater awareness, and enlightenment. In addition, while digital platforms can be effective in scaling delivery of certain content (e.g., teachings, stories, sounds, music, self-help), they often hit a barrier where one-on-one interaction is needed. For example, therapy apps can only do so much when the supply of professional resources for mental health is limited across the globe, and there are no live, human therapists available to answer your urgent call.

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<sup>30</sup> Todd, S. (2021, Jan. 17). The mindfulness business is thriving on our anxiety. *Quartz*. <https://qz.com/1957338/how-headspace-and-calm-led-the-boom-in-meditation-apps/>.

<sup>31</sup> For more details, see Yeung and Johnston (2020), *Defining the Mental Wellness Economy 2020*, <https://globalwellnessinstitute.org/industry-research/defining-the-mental-wellness-economy-2020/>.

<sup>32</sup> Lee, J.L. (2020, Dec. 15). Mental health tech startups fetch record investments with COVID-19. *Reuters*. <https://www.reuters.com/article/health-coronavirus-mental-health/mental-health-tech-startups-fetch-record-investments-with-covid-19-idUKKBN28P1SA>.





## VI. WORKPLACE WELLNESS

### Workplace Wellness: Definition, market size, and growth.

The Global Wellness Institute (GWI) defines the workplace wellness market as **employer expenditures on programs, services, activities, and equipment aimed at improving their employees' health and wellness**. These expenditures typically seek to raise awareness, provide education, and offer incentives that encourage employees to adopt healthier lifestyles. Workplace wellness programs target a wide range of employee behaviors (e.g., lack of exercise, poor eating habits, smoking, lack of sleep) and risk factors (e.g., chronic illness, obesity, addiction, depression, stress). Programs can encompass a variety of services, products, and platforms, including: health screening assessments; diagnostic testing; in-house amenities or subsidized memberships for fitness clubs and exercise classes; healthy food offerings at company cafeterias; wearable fitness trackers; health fairs, educational programming, and counseling services for wellness; incentives for participation in wellness activities; etc. While some companies may design and administer their own wellness programs, there is now a sizable industry of third-party service providers who can administer these programs for companies (e.g., Optum, Virgin Pulse, ComPsych Corporation, Bupa Wellness, WellteQ, etc.). Many private insurance companies also administer wellness programs for the companies whose employees they insure.

### Workplace Wellness Market by Region, 2017, 2019, 2020

	Workplace Wellness Market				Average Annual Growth Rate	
	(US\$ billions)			Per Capita 2020	2017-2019	2019-2020
	2017*	2019	2020			
Europe	\$17.11	\$19.38	\$18.55	\$20.09	6.4%	-4.3%
North America	\$18.03	\$18.86	\$16.85	\$45.86	2.3%	-10.6%
Asia-Pacific	\$9.08	\$10.13	\$9.64	\$2.31	5.6%	-4.8%
Middle East-North Africa	\$1.58	\$1.73	\$1.63	\$3.24	4.9%	-6.2%
Latin America-Caribbean	\$1.51	\$1.66	\$1.46	\$2.23	4.7%	-12.0%
Sub-Saharan Africa	\$0.38	\$0.41	\$0.36	\$0.32	2.8%	-11.2%
<b>WORLD</b>	<b>\$47.69</b>	<b>\$52.16</b>	<b>\$48.49</b>	<b>\$6.25</b>	<b>4.6%</b>	<b>-7.0%</b>

\* 2017 figures for this sector have been revised since GWI released the previous version of the Wellness Economy Monitor, due to data revisions and updates made by key underlying data sources such as the ILO.

Note: Figures may not sum to total due to rounding.

Source: Global Wellness Institute, based on labor market, employment, and workplace wellness data from the International Labour Organization, OECD, Eurostat, Kaiser Family Foundation, HERO, and other sources.

The global workplace wellness market is estimated by GWI at \$48.5 billion in 2020. Much of this spending is motivated by employers' desires to lower healthcare costs; improve morale, retention, and recruitment; and increase productivity and competitiveness. Workplace wellness expenditures grew by 4.6% annually from 2017-2019, reaching a high of \$52.2 billion, but then shrank by 7.0% in 2020. This decline in 2020 may seem counterintuitive, given that worker health was in the forefront of everyone's minds during the pandemic. There are several short-term and long-term structural shifts that account for the current growth trends in the workplace wellness market (explained below, and elaborated further in the next section). These shifts mean that the types of workplace wellness expenditures that are measurable by GWI do not truly capture the changing global landscape for worker health and well-being.

## COVID-related factors have shifted worker health and safety expenditures in the short-term.

- A significant portion of traditional workplace wellness-related expenditures are on activities that rely upon in-person attendance (e.g., health fairs and screenings, gym memberships and fitness classes, educational classes, etc.), and many of these activities were curtailed or shifted to lower-cost online platforms during the pandemic, whether due to workplace shutdowns or company cost-cutting measures.
- The billions of dollars of COVID-related expenditures on employee health and safety (e.g., personal protective equipment, cleaning and sanitation, workplace design reconfigurations, upgraded HVAC and ventilation, etc.) are not classified as "workplace wellness" and are therefore not measured in GWI's estimates for this sector.

## As the structure of the global workforce changes, fewer workers are in jobs that have access to workplace wellness benefits.

- Around the world, the "gig economy," temporary employment, and contract work are on the rise, meaning that a growing portion of the workforce is in jobs with a lack of job security, irregular hours, unstable income, and other stressors. GWI estimates that the number of global workers in "permanent contract" jobs has declined from 1.226 billion in 2017, to 1.223 billion (2019), to 1.220 (2020), and this decline is happening even in years when total global employment is growing. This means that a shrinking number of workers are in the types of positions that would potentially have access to workplace wellness programs and benefits (or any benefits at all).

## Employers are shifting toward different employee wellness approaches that cannot be measured as "workplace wellness" expenditures.

- As the concept of workplace wellness matures, especially within larger, multinational corporations and in certain regions (North America, Europe), employers are increasingly recognizing that a compartmentalized, programmatic approach to employee health and well-being is not particularly effective, especially in addressing major challenges related to stress, burnout, work-life balance, and mental health. The sudden and dramatic shift to remote work has also challenged long-held assumptions about what wellness means in the work context.

Some employers are beginning to adopt a more holistic approach that encompasses company culture, hierarchy, leadership style, workflow, built environment, and much more. Expenditures on these kinds of initiatives cannot be classified or measured as “workplace wellness,” and so measurable expenditures on workplace wellness may go down even when the focus on employee wellness is actually expanding and broadening.

- In lower-income countries, a large portion of the workforce suffers from dire and often life-threatening issues related to exploitation, workplace safety/health threats, lack of living wages or a secure job, lack of sick leave, and so on – challenges that are not within the purview of typical workplace wellness programs. Even in wealthier countries, some of the greatest challenges for workforce health and well-being are related to living wages, availability of sick leave and maternity leave, childcare, access to healthcare, working conditions, and so on. The pandemic has put much greater attention on these issues, and efforts to address them would not be measured as “workplace wellness” expenditures, even though they would have a far greater impact on worker wellness than the programs specifically labeled as “workplace wellness.”

## Access to Workplace Wellness, 2017, 2019, 2020

	Percent of employed workers in each region who have access to workplace wellness programs/services		
	2017*	2019	2020
Europe	25.4%	27.3%	28.1%
North America	49.4%	47.7%	47.4%
Asia-Pacific	4.7%	4.9%	5.3%
Middle East-North Africa	8.9%	8.9%	9.1%
Latin America-Caribbean	5.9%	6.0%	6.2%
Sub-Saharan Africa	1.5%	1.5%	1.4%
<b>WORLD</b>	<b>9.7%</b>	<b>9.9%</b>	<b>10.2%</b>

\* 2017 figures for this sector have been revised since GWI released the previous version of the Wellness Economy Monitor, due to data revisions and updates made by key underlying data sources such as the ILO.

Source: Global Wellness Institute, based on labor market, employment, and workplace wellness data from the International Labour Organization, OECD, Eurostat, Kaiser Family Foundation, HERO, and other sources.

In general, the current level of workplace wellness expenditures is quite low when viewed from the perspective of employee coverage. GWI estimates that approximately 324 million workers around the world benefit from some form of workplace wellness program, representing only 10.2% of all employed workers in 2020. Across the world, workplace wellness is still not a widespread concept, benefiting only a small slice of workers who mostly work for multinational corporations and in knowledge-intensive industries (e.g., finance, investment, consulting, IT, high-tech, higher education, creative industries, etc.), and those living in the world’s wealthiest countries and cities.

The concentration of workplace wellness in high-income countries is evident in the list of top twenty countries, which together account for nearly 85% of global spending. The United States remains by far the world's largest market for workplace wellness program expenditures, estimated at over \$15 billion. Since the healthcare burden is mostly borne by employers in the United States, U.S. companies have strong incentives to control escalating medical costs while also improving productivity.

## Workplace Wellness: Top Twenty Markets in 2020

	Workplace Wellness Market			Average Annual Growth Rate		
	(US\$ billions)			Rank in 2020	2017-2019	2019-2020
	2017*	2019	2020			
United States	\$16.48	\$17.13	\$15.31	<b>1</b>	1.9%	-10.6%
Japan	\$4.41	\$4.96	\$4.73	<b>2</b>	6.1%	-4.6%
Germany	\$3.72	\$4.28	\$4.06	<b>3</b>	7.3%	-5.1%
United Kingdom	\$2.91	\$3.23	\$3.21	<b>4</b>	5.4%	-0.8%
France	\$2.28	\$2.52	\$2.39	<b>5</b>	5.2%	-5.1%
Canada	\$1.55	\$1.74	\$1.55	<b>6</b>	5.7%	-10.8%
South Korea	\$1.21	\$1.29	\$1.21	<b>7</b>	3.5%	-6.4%
Spain	\$1.01	\$1.20	\$1.16	<b>8</b>	8.9%	-3.1%
Italy	\$1.05	\$1.16	\$1.12	<b>9</b>	5.5%	-3.5%
Australia	\$0.93	\$1.10	\$1.07	<b>10</b>	8.4%	-2.8%
Taiwan	\$0.70	\$0.78	\$0.74	<b>11</b>	5.5%	-4.6%
Russia	\$0.71	\$0.75	\$0.69	<b>12</b>	2.8%	-7.6%
Netherlands	\$0.59	\$0.68	\$0.66	<b>13</b>	7.7%	-3.3%
Sweden	\$0.54	\$0.66	\$0.63	<b>14</b>	10.4%	-4.7%
Brazil	\$0.52	\$0.56	\$0.51	<b>15</b>	3.8%	-8.8%
China	\$0.48	\$0.50	\$0.49	<b>16</b>	2.1%	-2.6%
Switzerland	\$0.41	\$0.45	\$0.43	<b>17</b>	5.7%	-6.0%
Saudi Arabia	\$0.38	\$0.43	\$0.40	<b>18</b>	6.5%	-6.1%
Austria	\$0.37	\$0.42	\$0.40	<b>19</b>	7.5%	-5.2%
United Arab Emirates	\$0.36	\$0.40	\$0.39	<b>20</b>	5.1%	-3.2%

\* 2017 figures for this sector have been revised since GWI released the previous version of the Wellness Economy Monitor, due to data revisions and updates made by key underlying data sources such as the ILO.

Source: Global Wellness Institute, based on data from the International Labour Organization, OECD, Eurostat, Kaiser Family Foundation, HERO, and other sources.

## Looking beyond COVID-19: Pandemic-induced shifts in workplace wellness.

### From workplaces to workspaces: Prioritizing physical and psychological safety.

The COVID-19 pandemic has accelerated certain workplace trends, especially increasing the focus on workers' physical and mental wellness. First and foremost is worker safety. For those who can work remotely, some employers have furnished equipment, lighting, and furniture to create makeshift workspaces at home. For those who need to work onsite, employers have spent billions of dollars on trying to reduce COVID risks with sanitization, workspace reconfiguration, better air filtration and ventilation, and other health protocols. In countries like United States, where vaccine and mask mandates are fragmented, employers continue to navigate a maze of concerns and individual circumstances among their employees, customers, and stakeholders in an attempt to balance safety protocols with privacy and personal freedom. The pandemic has also intensified interest in creating comfortable workspaces that combat stress and improve mental wellness and job performance. Employers now have a greater appreciation for how lighting, indoor air, and biophilic elements (such as plants, green spaces, and views of nature) can impact employee well-being and productivity, and they are prioritizing these wellness-enhancing features over the food bars, sleep pods, and social/play spaces that were popular before the pandemic.

However, the traditional office has become just one option among a growing and diverse choice of possible workspaces for many employees – a shift that has greatly accelerated during the pandemic. When homes, vacation rentals, hotel rooms, and even the outdoors can be our workspaces, employers have the added challenge of ensuring a safe, healthy, and supportive working environment for their remote workers. This entails not only allowing time for Zoom breaks and coworker social connections, but also ensuring that online work interactions are free from harassment, discrimination, and micro-aggressions. Going forward, employers will need to allocate resources to create wellness-supporting environments – both physical and mental – in whatever spaces and places their employees may work.

### Taming burnout at its source: When, where, and how we work.

From Chinese workers protesting over the “9-9-6” work culture, to addressing *karoshi* (“death from overwork”) in Japan, to preventing 24/7 emails in France, employees have been battling the hazards of work-related stress and burnout for years. Diverse groups – including labor organizations, the World Health Organization, public interest groups, and the media – have all warned of the damage that stress and overwork inflict on workers' mental health and wellness. These concerns have only been amplified during the pandemic. Those who worked remotely during COVID have juggled long hours with social isolation or caregiving for family members, while others coped with furloughs, job layoffs, and financial strain. Millions of “essential workers” continued to go to work in-person, while facing stressful and unsafe conditions. The Gallup World Poll found that, after steadily rising for over a decade, employee engagement decreased globally during the pandemic (from 22% in 2019 to 20% in 2020), while workers' daily stress reached a record high (from 38% in 2019 to 43% in 2020).<sup>33</sup> Across the globe, daily worry and stress have

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<sup>33</sup> Gallup (2021). *State of the Global Workplace 2021 Report*. Washington, DC: Gallup. <https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx>.

risen, and employers can no longer ignore their employees' burnout and declining mental health. Many employers have strengthened existing mental wellness support systems and resources, and some have turned to tech-based platforms to reach out and support disconnected, disheartened and stressed-out employees.

Yet, to successfully tame burnout and foster engagement, businesses must first understand the causes of stress and disengagement and tackle these problems at their source, rather than just treating the symptoms. This requires combating both work and non-work sources of stress; searching for ways to stop burnout before it occurs; and helping an increasingly diverse workforce to develop the tools they need to cope with myriad work-life challenges. Since the pandemic began, more employers have introduced flexible well-being programs, including giving employees more freedom in choosing when, where, and how they work. Benefits like child/elder care assistance, shorter and more flexible work hours, and more paid leave are gaining momentum in some quarters. Employers/governments in Finland, Iceland, New Zealand, and Japan have made headlines in their experiments with 4-day work weeks, aimed at combatting burnout and improving engagement. In many sectors and professions, remote work is no longer a perk or a temporary pandemic-era arrangement, but rather has become a long-term reality and a new expectation from employees and job seekers. As flexible and remote work becomes the norm, employers will need to continue to explore different work arrangements, reimagine management and leadership, and evolve organizational culture to support worker engagement and workforce well-being.

## Going beyond workplace wellness programs: It takes a village to promote workplace well-being.

Workers have always faced a wide range of concerns, from caring for family, to financial stress and job security, to their individual physical and mental health. The pandemic has exacerbated many of these issues, and their impacts have become apparent on employee engagement, morale, productivity, and businesses' bottom lines. Even before the pandemic, some employers had begun to shift the focus of their workplace wellness programs toward a more holistic approach that incorporates mental, emotional, social, and financial well-being. Employers, business leaders, and managers are realizing that socializing with coworkers and putting limits on working hours represent only a small slice of what employees need for their mental wellness. The pandemic has given employers a forceful nudge in expanding the employee well-being concept beyond traditional workplace wellness programs, with a growing focus on compensation and benefits, paid leave, leadership styles, and wider organizational culture changes that affect work and work-life balance.

Today, with a workforce that spans four different generations, supporting employee health and well-being requires not just commitment but also imagination and flexibility. Employers must support a diverse array of needs, including working parents, young graduates, part-time caregivers, older workers delaying retirement, and people passionate about their hobbies. Employers who recognize this are creating different types of supports – for example, helping younger employees with financial literacy and student loans, in addition to providing retirement savings options. Going forward, the human resource department cannot bear sole responsibility for promoting workplace well-being. A successful approach would require all levels of an organization – from CEOs to line

managers – to listen to employees’ needs and pain points, and to be flexible and creative with solutions, resources, and supports.<sup>34</sup>

The pandemic experience also revealed how much our families, home lives, and communities can either benefit or detract from our ability to work effectively. If we are distracted, overwhelmed, or sickened by our living situation, our family situation, our finances, or our neighborhood, we cannot be mentally engaged and productive at work. Conversely, employees will be more likely to thrive when they have a stable homelife; a community environment that supports a healthy lifestyle; and opportunities for connection, meaning, learning, and rejuvenation. It does take a village, or a neighborhood and community, to provide healthy living conditions, access to nature, social and recreational spaces, and even childcare. Thus, some business leaders are reexamining their relationships with the community and are seeking ways to collaborate to support the wellness needs of their workers (and their workers’ families) outside of the workplace.

## “Good jobs” versus “gig jobs”: A widening workplace wellness gap.

The pandemic has made some workers reassess the nature and value of their work, reconsider their life priorities, and contemplate finding more engaging or satisfying jobs. This phenomenon – now known as “The Great Resignation” – has been particularly strong in the United States. A recent survey by the American Psychological Association found that 44% of U.S. workers intend to seek a new job in the next year.<sup>35</sup> Many resigning workers are searching for “good jobs” that will allow for work-life balance, provide financial and job security, and offer flexibility and choice, while still engaging their minds and giving opportunities for upskilling and professional development. Unfortunately, these kinds of “good jobs” are shrinking everywhere, and many workers must settle for “gig jobs” or non-permanent jobs. Most contract, gig, and nonpermanent workers do not have access to employer programs and policies that support their physical, emotional, and mental well-being (and most do not have access to any employer-paid benefits at all). As the media and wellness industry focus on companies’ expanding workplace well-being offerings, we must recognize that only a small slice of the global workforce has access to these benefits, and their share of the workforce is shrinking. The result is a widening wellness gap, between permanent and non-permanent workers, with a growing number of non-permanent workers and their health and well-being being left behind.

Unfortunately, this trend is also playing out within the wellness industry itself. A significant portion of workers in the industry earn low wages in seasonal, lower-skill, and service jobs while providing essential services at hotels, spas, gyms and fitness studios, restaurants, and retail establishments. The proportion of non-permanent, temporary, and gig jobs in the economy has been growing for over a decade, as employers increased the adoption of technology-based services and desired

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<sup>34</sup> Recent studies have questioned wellness programs’ effectiveness; others have found that adversarial and “cookie-cutter” solutions for workplace wellness have not been successful. However, workplace wellness thought-leaders agree that successful programs depend upon providing flexible tailored solutions. See: 1) HERO/Mercer (2020). *HERO Health and Well-being Best Practices Scorecard in Collaboration with Mercer: 2020 Progress Report*. <https://hero-health.org/wp-content/uploads/2021/01/HERO-2020-Progress-Report.pdf>. 2) Miller, J. (2019, April 16). Weighing in on workplace wellness programs. *The Harvard Gazette*. <https://news.harvard.edu/gazette/story/2019/04/workplace-wellness-programs-yield-unimpressive-results-in-short-term/>. 3) Yar, S. (2020, March 4). Can Wellness Heal the Workplace? *New York Times*. <https://www.nytimes.com/2020/03/04/style/office-wellness-meditation-sound-baths-energy-consulting.html>.

<sup>35</sup> APA (2021, Oct. 4). Facing compounding stressors, many American workers plan to change jobs in coming year. *APA Press Release*. <https://www.apa.org/news/press/releases/2021/10/compounding-stressors-change-jobs>.

a more “flexible workforce.” The pandemic has accelerated this phenomenon, pushing service industry workers (including in many wellness sectors) into more job uncertainty, furloughs, and layoffs, while they endured dangerous work conditions and long hours, sometimes with less pay. As businesses continue to operate in and emerge from an uncertain business environment, they will likely de-risk their operations by shifting toward more labor-saving solutions and non-permanent positions, which means even more workers will lack benefits, job security, and advancement opportunities, not to mention workplace wellness offerings. Thus, the workers in the wellness industry will continue to be asked to de-stress and rejuvenate their customers, keeping others healthy while forgoing their own well-being.



## VII. TRADITIONAL & COMPLEMENTARY MEDICINE AND PUBLIC HEALTH, PREVENTION, & PERSONALIZED MEDICINE

### Traditional & Complementary Medicine: Definition, market size, and growth.

Traditional & complementary medicine (T&CM) encompasses **diverse health care and healing systems, services, practices, and products that are not generally considered to be part of conventional/allopathic medicine or the dominant healthcare system.** In the Global Wellness Institute's (GWI's) definition, this sector encompasses many different holistic, traditional, indigenous, and mentally- or spiritually-based practices, including homeopathy, naturopathy, osteopathy, chiropractic, acupuncture, Traditional Chinese Medicine, Ayurveda, Unani medicine, energy healing, traditional/herbal remedies and supplements, and much more. Many T&CM practices are native to the country or region where they are used, although a number of practices (e.g., acupuncture, Traditional Chinese Medicine, chiropractic) are now commonly practiced around the world.

### Traditional & Complementary Medicine Market by Region, 2017, 2019, 2020

	Traditional & Complementary Medicine Market				Average Annual Growth Rate	
	(US\$ billions)			Per Capita 2020	2017-2019	2019-2020
	2017*	2019	2020			
Asia-Pacific	\$265.82	\$308.94	\$295.32	\$70.82	7.8%	-4.4%
Europe	\$68.79	\$75.66	\$69.37	\$75.10	4.9%	-8.3%
North America	\$37.36	\$42.92	\$43.81	\$119.21	7.2%	2.1%
Latin America-Caribbean	\$2.88	\$2.78	\$2.59	\$3.97	-1.8%	-6.7%
Sub-Saharan Africa	\$0.75	\$0.86	\$0.82	\$0.72	7.2%	-4.4%
Middle East-North Africa	\$0.65	\$0.73	\$0.75	\$1.49	5.8%	2.9%
<b>WORLD</b>	<b>\$376.25</b>	<b>\$431.89</b>	<b>\$412.66</b>	<b>\$53.21</b>	<b>7.1%</b>	<b>-4.5%</b>

\* 2017 figures for this sector have been revised since GWI released the previous version of the Wellness Economy Monitor, due to data revisions and updates made by key underlying data sources such as Euromonitor.

Note: Figures may not sum to total due to rounding.

Source: Global Wellness Institute, based on data from Euromonitor, IBISWorld, and various national sources.

There is wide variation across countries in the extent to which T&CM is officially recognized, regulated, and monitored by the government; requires licensure; or is integrated into formal healthcare settings and health insurance coverage (this is most common in Asian and European countries).<sup>36</sup> In many places, indigenous healthcare practices remain in the informal sector, practiced by traditional healers and/or passed down within families. T&CM straddles the boundary between “wellness” and medicine. Many T&CM practices are curative in nature, focusing on diagnosing and treating various diseases and conditions; however, GWI includes T&CM in the wellness economy for several reasons: 1) many T&CM systems are holistic, preventive, and lifestyle-based; 2) T&CM practices/products are used proactively by consumers outside of the conventional healthcare system; and 3) T&CM practices are at the root of many services and products delivered by modern wellness businesses (e.g., spas, supplements, etc.). Data on T&CM are sparse, because these practices are not well-defined and/or are practiced informally in many countries, and so GWI’s figures for this sector are rough, conservative estimates only.

GWI estimates that T&CM was a \$412.7 billion market worldwide in 2020. The sector grew by 7.1% annually from 2017-2019, but then fell by 4.5% in 2020. Interest in and demand for some T&CM products increased among many consumers during the pandemic, as people sought out ways to strengthen immunity and fend off sickness; however, overall expenditures in this sector fell due to business shutdowns that affected retail sales, reduced visits to service providers (due to shutdowns, or consumers postponing elective/preventive care), and supply chain disruptions that affected product manufacturing and sales. As shown in the table below, spending on T&CM services and practitioners was hit harder by the pandemic than spending on medicines and products. Looking regionally, Asia-Pacific and Europe have the largest markets for T&CM, because many countries in these regions have centuries-old T&CM systems that are still widely practiced today, and that are to some extent integrated into conventional/public healthcare systems and/or covered by health insurance (e.g., Traditional Chinese Medicine in China, Ayurveda in India, naturopathy/herbal medicine and “Kur” in Germany, etc.).

## Traditional & Complementary Medicine Market by Subsector, 2017, 2019, 2020

	Market Size (US\$ billions)			Average Annual Growth Rate	
	2017*	2019	2020	2017-2019	2019-2020
T&CM Services & Practitioners	\$204.0	\$237.7	\$222.1	8.0%	-6.6%
T&CM Medicines & Products	\$172.3	\$194.2	\$190.5	6.2%	-1.9%
<b>TOTAL</b>	<b>\$376.2</b>	<b>\$431.9</b>	<b>\$412.7</b>	<b>7.1%</b>	<b>-4.5%</b>

\* 2017 figures for this sector have been revised since GWI released the previous version of the Wellness Economy Monitor, due to data revisions and updates made by key underlying data sources such as Euromonitor.

Note: Figures may not sum to total due to rounding.

Source: Global Wellness Institute, based on data from Euromonitor, IBISWorld, and various national sources.

<sup>36</sup> For a detail description of the traditional & complementary medicine practices around the world, see: WHO (2019). *WHO Global Report on Traditional and Complementary Medicine*. Geneva: WHO. <https://www.who.int/traditional-complementary-integrative-medicine/WhoGlobalReportOnTraditionalAndComplementaryMedicine2019.pdf>.

## Public health, prevention, & personalized medicine: Definition, market size, and growth.

The public health, prevention, & personalized medicine sector includes a variety of **medical services that focus on treating “well” people, preventing disease, or detecting risk factors** – for example, routine physical exams, diagnostic and screening tests, vaccinations, genetic testing, educational campaigns, etc. The “personalized health” subsegment uses advanced diagnostic tools for individual patients (including genetic, molecular, and environmental screening and analysis) to provide tailored approaches for preventing disease, diagnosing and managing risk factors, or managing and treating conditions.

GWJ estimates that public health, prevention, & personalized medicine generated \$375.4 billion in spending globally in 2020. The sector was growing by 4.6% annually prior to 2020, and it maintained its growth momentum in 2020, due to many governments and healthcare systems ramping up their public health and prevention expenditures during the pandemic. North America is the largest region by expenditures, followed by Asia-Pacific and Europe. North America and Latin America-Caribbean were the only regions to experience a decrease in expenditures in this sector during 2020. In North America, the decline was driven by a drop in overall health expenditures in the United States, the first time U.S. health spending has fallen in over 60 years (based on preliminary estimates and currently available data). North America also far exceeds other regions in its level of per capita expenditures for this sector (similar to the trend for health spending overall).

### Public Health, Prevention, & Personalized Medicine Market by Region, 2017, 2019, 2020

	Public Health, Prevention, & Personalized Medicine Market				Average Annual Growth Rate	
	(US\$ billions)			Per Capita 2020	2017-2019	2019-2020
	2017*	2019	2020*			
North America	\$119.91	\$133.01	\$131.82	\$358.70	5.3%	-0.9%
Asia-Pacific	\$91.03	\$105.56	\$114.82	\$27.53	7.7%	8.8%
Europe	\$67.40	\$73.27	\$81.38	\$88.10	4.3%	11.1%
Latin America-Caribbean	\$28.21	\$24.26	\$23.67	\$36.23	-7.3%	-2.4%
Sub-Saharan Africa	\$15.93	\$17.21	\$17.62	\$15.48	3.9%	2.4%
Middle East-North Africa	\$5.80	\$5.81	\$6.06	\$12.08	0.1%	4.3%
<b>WORLD</b>	<b>\$328.29</b>	<b>\$359.12</b>	<b>\$375.38</b>	<b>\$48.41</b>	<b>4.6%</b>	<b>4.5%</b>

\* 2017 figures for this sector have been revised since GWJ released the previous version of the Wellness Economy Monitor, due to data revisions and updates made by key underlying data sources such as the WHO, and because GWJ has redefined the personalized medicine subsector to focus more narrowly on diagnostics. 2020 figures are preliminary estimates based upon currently available data and are subject to revision, as full details on 2020 health expenditures are not yet available in most countries.

Note: Figures may not sum to total due to rounding.

Source: Global Wellness Institute, based on data from the WHO, OECD, Altarum, IBISWorld, and other sources.

In GWI's definition, the public health, prevention, & personalized medicine sector is comprised of two subsectors. Both subsectors had positive growth rates from 2017-2020, including during the pandemic.

- The **public health & prevention** segment accounts for the majority of spending in this sector (92%). Note that GWI defines and measures public health and prevention based upon standardized definitions established in the WHO/OECD/Eurostat *System of Health Accounts* for “preventive care.”<sup>37</sup> The \$375.4 billion in spending on public health and prevention in 2020 represented about 3.9% of total global health expenditures (at \$8.8 trillion, which is a preliminary estimate by GWI, based upon currently available data).
- **Personalized medicine** is a small but high-growth segment, at \$31.2 billion in 2020. Note that while some definitions of “personalized medicine” are very broad (encompassing diagnostics, therapeutics, health IT/telemedicine, personalized nutrition, and more), GWI's definition and measurement of this segment focuses more narrowly on what we define as the “wellness” or preventive components of personalized medicine (primarily personalized diagnostics and screenings, like genetic testing).

## Public Health, Prevention, & Personalized Medicine Market by Subsector, 2017, 2019, 2020

	Market Size (US\$ billions)			Average Annual Growth Rate	
	2017*	2019	2020*	2017-2019	2019-2020
Public Health & Prevention	\$307.4	\$331.0	\$344.1	3.8%	4.0%
Personalized Medicine	\$20.8	\$28.1	\$31.2	16.2%	11.0%
<b>TOTAL</b>	<b>\$328.3</b>	<b>\$359.1</b>	<b>\$375.4</b>	<b>4.6%</b>	<b>4.5%</b>

\* 2017 figures for this sector have been revised since GWI released the previous version of the Wellness Economy Monitor, due to data revisions and updates made by key underlying data sources such as the WHO, and because GWI has redefined the personalized medicine subsector to focus more narrowly on diagnostics. 2020 figures are preliminary estimates based upon currently available data and are subject to revision, as full details on 2020 health expenditures are not yet available in most countries.

Note: Figures may not sum to total due to rounding.

Source: Global Wellness Institute, based on data from the WHO, OECD, Altarum, IBISWorld, and other sources.

<sup>37</sup> For more information, see: WHO, *Health Accounts*, <https://www.who.int/health-topics/health-accounts>.

## Looking beyond COVID-19: Pandemic-induced shifts in traditional & complementary medicine, public health, prevention, and personalized medicine.

### The painful cost we paid by underinvesting in public health.

One of the most distressing lessons from COVID-19 is the immense risks and costs of underinvesting in our public health systems. The pandemic illustrated a painful truth that many government leaders have ignored for decades – that public health systems are critical in supporting our individual and collective well-being, and that investment in prevention can reduce future costs. Despite years of warnings from global health experts, nations around the world have neglected or sabotaged their public health infrastructure, whether through privatization, budget and program cuts, or purposefully crippling universal programs. This underinvestment has led to shrinking access to primary health care and preventive services, rising individual costs, understaffing, and higher rates of non-communicable disease across the world.

Although nations with more developed social support systems have had better outcomes with COVID-19, the pandemic overwhelmed many countries' health systems. As the numbers of the sick and deceased steadily climbed around the globe, healthcare and other frontline workers faced long hours with little support for their emotional and physical well-being. Many patients have had to delay or forgo necessary procedures, screenings, and preventive care. Moreover, during the pandemic we witnessed how our public health infrastructure failed to support specific populations. Underlying health issues and fewer options for sheltering and distancing placed some of our most vulnerable citizens – the elderly, the homeless, and low-income communities – at the highest risks. Inequitable access to health care, due in part to historical discrimination and bias, has translated into more illness and death in certain racial, ethnic, and marginalized populations.

Our failure to invest in public health leaves our national, regional, and global health systems vulnerable to the next political, environmental, and virological crisis. As people and communities continue to struggle with long COVID, loss of income, damaged family structures, and a growing number of orphaned children, we must find better ways to support our collective well-being. Health experts and equity advocates have proposed government, private sector, and community collaborations to address intrinsic inequalities and invest purposefully and strategically in public health. While the world does not lack for solutions that prioritize preventative health and protect the most vulnerable, the question remains whether, even after witnessing the cost of inaction, we have the collective will to change future approaches and outcomes.

A critical issue in public health today is how to improve health delivery to all people at all income levels, across geographically dispersed areas. Leveraging community health workers (CHWs), especially in low-resource settings, is critical to improving health equity. The CHWs – large numbers of whom practice traditional/indigenous medicine, especially in Asia – represent an important resource to deliver preventive health services and healthcare education. Because they are local, trusted, and embedded in the communities they serve, CHWs are well-positioned to help adapt nutritional guidelines and healthy lifestyle habits to local contexts, provide culturally based framing of health messages, and engage in mental wellness conversations.

## Mainstreaming of traditional & complementary medicine in the consumer space.

Traditional & complementary medicine (T&CM) has long been the foundation of the wellness industry in the Western world, as consumers search for solutions outside of conventional medicine and experiment with therapies and products based on ancient and indigenous traditions. Interest in T&CM has been spurred by several needs and desires. On the one hand, many consumers dealing with chronic conditions are looking for alternative approaches when allopathic medicine fails to provide satisfactory relief or a cure. On the other hand, many consumers are simply looking for ways to maintain and improve holistic health and well-being. Consumer adoption of T&CM practices and products has accelerated in recent years, with growing interest in acupuncture, reiki, forest bathing, essential oils, homeopathics, and many other “non-conventional” approaches. T&CM concepts have also permeated into other sectors such as healthy eating and nutrition (e.g., herbal supplements; herbal-infused teas, snacks, and drinks; mushroom powders); personal care and cosmetics; household cleaning products; and household accessories. Products infused with ginger, goji, chia seeds, turmeric, mushrooms, licorice, lavender, and other ingredients have migrated from health food stores to mainstream supermarkets, drug stores, and department stores, taking up increasing and more prominent shelf space.

COVID-19 has accelerated this trend in several ways. It has driven home the importance of holistic health and healthy, preventive lifestyle habits. Consumers are rushing to bolster their natural defense systems and are increasingly open to herbs/remedies that have long-standing lineages. The pandemic has also elevated interest in nature and its healing power – witness the increase in hiking, camping, houseplants, and gardening – and has boosted products and remedies that are plant-based or perceived as more “natural.” As the clean/green trend migrates from bathroom vanities and cleaning products to our medicine cabinets, consumers are shifting their preferences from synthetics and over-the-counter drugs toward homeopathic and naturopathic remedies. Concerns with declining mental well-being are also spiking interest in supplements, herbs, and cannabis, with the aim of alleviating stress and anxiety, bringing a sense of calm, and improving sleep; simultaneously, there is rising interest in psychedelics for their potential in treating mental health conditions such as depression, addiction, and PTSD.

Finally, increased screen time during the pandemic has multiplied the impact of wellness influencers who promote T&CM, including practices and products that have long been prevalent in many regions/cultures (e.g., echinacea, elderberry, ginger), as well as the more extreme and fringe ones (such as kambo tree frog detox, psychedelic herbs and mushrooms, and bee sting therapy). This development is a double-edged sword for the wellness industry, especially when some wellness and T&CM influencers are propagating pseudoscience, making false claims, and promoting dangerous messages, as in the case of anti-vaxxers. And, as T&CM becomes increasingly mainstream and co-opted by wellness entrepreneurs and major brands, there are many legitimate concerns about cultural appropriation, exploitation of indigenous communities and their traditions, and a lack of authenticity, as well as damaging the understanding of T&CM by selectively mixing and matching approaches and ingredients, without properly considering the underlying systems, principles, and contexts for these remedies.

## Conventional medicine has been slow to leverage the benefits of traditional & complementary medicine.

Even as consumers embrace T&CM, they are mostly accessing these practices and products outside the established medical system, paying out-of-pocket, and sometimes even hiding it from their doctors for fear of being questioned and criticized. Private insurers and public medical systems are slowly starting to offer and pay for selected T&CM therapies – most commonly, acupuncture, chiropractic, herbal medicines, and meditation – when there is scientific evidence of efficacy in treating a specific condition such as pain, addiction, and depression. Slowly, the list of T&CM approaches “acceptable” to the medical establishment is expanding (e.g., reiki to treat U.S. veterans with PTSD, and hypnotherapy to treat gastro-intestinal disorders), but not without debate and controversy. Most often, T&CM approaches are not offered or discussed by doctors as an option, except in countries with a long-standing tradition of using such remedies. For example, in China and India, Traditional Chinese Medicine and Ayurveda are well understood within the culture, are strongly promoted by the government, and are to some extent integrated into the conventional healthcare system. In many European countries, traditional “Kur” and sanatorium treatments (e.g., balneotherapy, thalassotherapy, hydrotherapy, climatotherapy) have long been covered by national insurance systems for rehabilitation, recovery, and treatment of chronic illnesses – and some of these centers shifted to treating long COVID patients during the pandemic. However, in some European countries (e.g., France, Germany, UK), there is a counter trend of government systems removing coverage for homeopathy, health resort stays, and other T&CM treatments, due to financial pressures, scarce resources, and lack of sufficient scientific evidence on efficacy.

Conventional medicine has a long way to go in leveraging the benefits of T&CM because it is organized as a sick care system. While more scientific research and evidence would encourage the adoption of T&CM, the fact remains that allopathic medicine is established to treat specific diagnosed conditions, and is not designed to support holistic health. Looking to the future, cost pressures on health systems, aging populations, and the rise of chronic disease around the world will force conventional medicine to shift toward prevention. As this happens, T&CM will be increasingly valued for its natural and holistic lifestyle approaches, and for its health-maintenance philosophies embedded with curative functions.

## New business models are emerging in preventive and personalized health, blending new technologies and delivery channels with wellness modalities.

As conventional healthcare systems lag in providing preventive and lifestyle services, businesses are stepping in to fill this void. The private sector is experimenting with many types of services and solutions that meet consumer needs for prevention and personalized health care. In the mass market, drug store giants like CVS and Walgreens are leveraging the exposure they got from COVID-19 testing and vaccinations to launch thousands of primary care clinics and wellness hubs across the United States. These mass market drug stores are angling to become neighborhood one-stop-shops for prevention, offering health checkups, screenings, and classes, alongside supplements, homeopathics, and consumer medical equipment and supplies. Fitness industry entrepreneurs are experimenting with co-locating fitness clubs with medical clinics (e.g., ReShapeMD/Body Renew), attracting customers for wellness exams, screenings, and medically supervised nutrition counseling, weight loss, and fitness programs. New sports-themed health clinics provide tailored health services targeting men (e.g., Man Cave Health).

New business models are also arising in the “medical wellness” arena, trying to integrate health care with self-care toward the goal of prevention and holistic health. High-end health/wellness resorts and destination spas have long been pioneers in this space. Now, more spas and hospitals are collaborating and competing with one another while experimenting with new partnerships and business models. New membership-based integrative health and wellness centers (e.g., Parsley Health, The Well) are offering a blend of functional medicine with diverse wellness and T&CM modalities. Subscription-based acupuncture studios (e.g., WTHN) provide a menu of T&CM practices and products in a spa-like setting. Clearly, the healthcare sector has a lot to learn from the wellness industry to integrate T&CM and lifestyle advice into patient care (especially for prevention and recovery), and to improve the patient experience by leaning into hospitality. At the same time, spas that want to enter the “medical wellness” space are leveling up their offerings; elsewhere in this report we have noted that immunotherapy, IV drips, gut health, sleep analysis, oxygen therapy, and the like are proliferating in spa menus. The wellness industry is recognizing that “medical wellness” should not be confined to destination spas and wellness holidays, as consumers want and need to access these services on a regular basis to support behavior change and maintain good health. Still, it will take time for these kinds of “medical wellness” approaches to become mainstream or affordable, as most of them are operating outside of medical insurance and reimbursement systems (requiring customers to pay out-of-pocket for pricey services). There is also the danger that medical and wellness providers are using each other to boost customer visits and revenues by pushing diagnostics, procedures, supplements, and therapies that are ultimately not necessary or helpful to consumers.



## VIII. PERSONAL CARE & BEAUTY

### Personal Care & Beauty: Definition, market size, and growth.

The personal care & beauty sector is broadly defined as **consumer spending on products and services for personal hygiene and appearance, encompassing the care of body, face, skin, hair, and nails**. This very large sector includes everyday products such as shampoos, soaps, and lotions; dental care; shaving; cosmetics and cosmeceuticals; and other hygiene and beauty items. It includes beauty, salon, hairdressing, and barbershop services (but excludes spas), as well as a variety of products and services marketed to address appearance and age-related issues.

### Personal Care & Beauty Market by Region, 2017, 2019, 2020

	Personal Care & Beauty Market				Average Annual Growth Rate	
	(US\$ billions)			Per Capita 2020	2017-2019	2019-2020
	2017*	2019	2020			
Asia-Pacific	\$262.8	\$297.0	\$275.8	\$66.13	6.3%	-7.1%
Europe	\$290.4	\$303.8	\$273.6	\$296.25	2.3%	-9.9%
North America	\$289.0	\$320.4	\$263.3	\$716.44	5.3%	-17.8%
Latin America-Caribbean	\$122.6	\$112.7	\$86.4	\$132.18	-4.1%	-23.3%
Middle East-North Africa	\$36.2	\$41.5	\$37.2	\$74.18	7.0%	-10.2%
Sub-Saharan Africa	\$20.6	\$22.0	\$18.9	\$16.63	3.2%	-13.8%
<b>WORLD</b>	<b>\$1,021.6</b>	<b>\$1,097.3</b>	<b>\$955.2</b>	<b>\$123.18</b>	<b>3.6%</b>	<b>-13.0%</b>

\* 2017 figures for this sector have been revised since GWI released the previous version of the Wellness Economy Monitor, due to data revisions and updates made by key underlying data sources such as Euromonitor.

Note: Figures may not sum to total due to rounding.

Source: Global Wellness Institute, based on data from Euromonitor.

Consumer spending on personal care & beauty grew from \$1,021.6 billion in 2017 to \$1,097.3 billion in 2019, and then declined by 13.0% to \$955.2 billion in 2020. By comparison, overall consumer spending grew at a similar rate from 2017-2019, but then fell by only 4.2% from 2019-2020<sup>38</sup> – i.e., personal care & beauty took a much greater hit during the pandemic than overall consumer spending. From 2019-2020, Asia-Pacific moved from being the third to first ranked region in size, because consumer spending on personal care & beauty shrank less in Asia than in other regions during the COVID-19 pandemic. While spending in every region fell from 2019-2020, Latin America-

<sup>38</sup> Based on consumer expenditures data from Euromonitor, accessed November 11, 2021.

Caribbean and North America faced the steepest declines in their personal care & beauty markets, with spending dropping by 23.3% and 17.8% respectively. On a per capita basis, North American consumers by far spend the most on personal care & beauty, with a per capita expenditure that is more than double the second ranked region (Europe).

## Looking beyond COVID-19: Important shifts in personal care & beauty.

The personal care & beauty sector has been adversely affected by COVID-19 with the shutdown of service and retail outlets; the reduced need for cosmetics, fragrances, and personal grooming in an era of working from home and social distancing; as well as overall global economic decline. Some of these consumer spending and shopping habits will likely return after the pandemic, and most personal care & beauty product businesses are sorting out their physical, digital, and omnichannel strategies. However, the pandemic has also heightened and intensified shifts in this sector that relate to the broader concepts of wellness and the wellness economy.

### Skin-deep versus inside-out.

Because beauty and personal care relate to our appearance, these concepts have always existed in a central yet uncomfortable space within wellness. Science suggests that human beings (and all living things) are innately drawn to beauty for survival and the perpetuation of our species. Caring for our appearance and expressing ourselves through our appearance are part of self-care and reflect a healthy human psyche. But there is also an ugly side to beauty. Judging people by their looks and giving attractive people special preferences and benefits – whether consciously or unconsciously – are both discriminatory and harmful. These commonplace occurrences demand deep human reflection, and they are the reason for a growing recognition of “unconscious bias” and training on this issue in professional fields and the criminal justice system.

In some ways, this duality in the world of beauty and personal care has been intensified during the COVID-19 pandemic. Long periods of staying at home, increased hours spent on social media, and screen-based meetings and gatherings have had wide-ranging impacts on people’s grooming habits. On the one hand, some people adopted a more casual attitude and cared less about their appearance because they didn’t have to go to the office and were spending less time in public (e.g., less coloring of gray hair, men growing long hair and beards, women wearing less makeup, etc.). On the other hand, some people have become more much critical of their own faces after staring at themselves on-screen for hours on end, or when comparing themselves to the edited and filtered “perfect” faces of social media stars. Emerging evidence indicates that pandemic-induced “Zoom dysmorphia” is sending more people to seek out cosmetic procedures or consultations on acne, wrinkles, and hair loss. If this development endures – holding ourselves to artificial standards, obsessing over every blemish or asymmetry in our features, and refusing to accept the reality of aging – these behaviors do not align with mental wellness and can even lead to mental health issues like anxiety, depression, and body dysmorphic disorder.

At the same time, the concepts of self-care, prevention, and healthy lifestyles have gained wider consumer awareness during the pandemic. Within the realm of personal care and beauty, there is deepening understanding that our external appearance is connected to our general state of health. Even as consumer spending on personal care and beauty shrank overall in 2020, skincare

as a subcategory has been more resilient than other segments like cosmetics and fragrances.<sup>39</sup> There is growing understanding that skincare is not just surface-level, and that healthy skin reflects our internal state of health and is connected to our diet, sleep, stress, exercise, and environmental exposures (to sun, chemicals and toxins, pollution, etc.). There is also increasing consumer interest in cosmeceuticals, dermatological supplements, and functional beauty beverages, even though many of these products are not yet backed up by rigorous scientific evidence. While consumer spending on personal care & beauty is expected to bounce back post-pandemic (with a projected 8.1% annual growth rate from 2020-2025), there will continue to be a rising tension between external and artificial “quick fixes” for beauty versus a holistic, inside-out notion of a healthy appearance.

## Wellness within wellness: The emerging “clean” and “green” category.

Personal care & beauty has always been the largest sector within GWI’s wellness economy framework, but it is fair to question whether consumers truly associate all of the products and services within this space with wellness. Earlier, we noted how the pandemic has elevated the importance of self-care, immunity, and prevention; has deepened our appreciation of nature; and has increased our concerns with environmental impacts on health. These shifts are reflected in the growing consumer interest in “clean beauty” and personal care products that are labeled “clean,” “green,” “natural,” “non-toxic,” “botanical,” and the like. In response, major retailers and brands are launching clean beauty lines/sub-brands, many startups are emerging, and investment is flowing into this category. However, across the board there is major confusion about what any of these labels mean. There is no central arbiter or certification authority to verify that ingredients and formulations conform with these labels. Many of these so-called “clean” products are marketed as “free from” ingredients such as sulfates, parabens, and formaldehyde. Beyond that, what is accepted as “clean,” “green,” “natural,” or “non-toxic” is left to businesses and consumers to determine. For example, “green” can mean anything from being GMO-free, cruelty-free, or vegan, to the environmental impact of the production process or packaging, to the recyclability or life cycle of the product.

American consumers are especially interested in the “clean” label because the United States is behind other developed countries in banning harmful substances in personal care and cosmetic products (the United States restricts dozens of chemicals, as compared to more than a thousand in many OECD countries). The discrepancy is so wide that many major U.S. store brands are taking matters into their own hands, eliminating from their branded products and phasing out many toxic chemicals that are still permitted in the United States while banned in other countries. At the same time, the growing concern about toxicity has created a new segment of consumers who are obsessed with avoiding anything containing chemicals or “unnatural” ingredients, even when these beliefs are not grounded in scientific and medical literature. Some purely plant-based formulations can cause reactions and allergies in some people, which raises further questions about what labels

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<sup>39</sup> See, for example: 1) Barbalova, I. and Oster, M. (2020). *Health and Beauty in the Coronavirus Era*. Euromonitor International. <https://go.euromonitor.com/webinar-bpc-2020-covidhealthbeauty.html>. 2) Beckwith, G. and Villena, K. (2021). *Beauty in Recovery: Going Green and Clean*. Euromonitor International. [https://go.euromonitor.com/webinar-bpc-210622-beauty\\_state\\_of\\_play.html](https://go.euromonitor.com/webinar-bpc-210622-beauty_state_of_play.html). 3) Villena, K. (2021). *World Market for Beauty and Personal Care*. Euromonitor International. <https://blog.euromonitor.com/world-market-for-beauty-and-personal-care-2/>.

such as “clean,” “natural,” or “non-toxic” really mean, and whether these products are truly safer and healthier for us or not. Regardless of the confusion and fragmentation in this space, the increasing visibility and declining price points of “clean” products will not only fuel mass market interest, but also consumer demand for more transparency in ingredients, labeling, formulations, and production processes.

## Diversity and inclusion: The color of beauty and personal care.

The global social justice movement that accelerated during the pandemic is having wide-ranging impacts in the beauty and personal care industry. Self-care is about feeling good, and more consumers are starting to care about what a brand represents just as much as what its products would do for them. Increasingly, companies’ brand stories need to incorporate ESG (environmental, social, and corporate governance) components, from their packaging, ingredients, and supply chain transparency, to their labor policies, social responsibility, and diversity and inclusion. In the past two years, loud calls to combat racism are drawing attention to all aspects of the beauty industry where inequity and injustice exist. Investors, brands, and retail outlets are being asked whether they are doing enough to support and promote Black entrepreneurs and professionals – for example, in their investments, supply chains, shelf space, marketing supports, partnerships, and so on. Many Black and Brown consumers also feel that beauty and personal care brands do not “see” or value their unique needs, and that companies typically create skincare, haircare, sun care, and cosmetic products that are mainly for Caucasian skin types, hair types, and coloring.

The growing awareness and visibility of niche skincare, haircare, and cosmetics markets is a first step toward diversity and inclusion. But to truly honor the many colors of beauty and personal care, we need to ask: Who is setting the beauty standards? Are the faces of Instagram stars real? Why do people feel the need to whiten their skin, even using products that do long-term damage? Why do so many Asian people get double-eyelid surgery? Why are we so obsessed with anti-aging when aging is a natural and inevitable fact of life? Clearly, there is still a long way to go before we see a real democratization of beauty, when looking and feeling good is truly a form of self-expression, self-care, and self-love rather than judgment and self-doubt.

## IX. WELLNESS TOURISM, SPAS, AND THERMAL/MINERAL SPRINGS

There is no question that wellness tourism, spas, and thermal/mineral springs are the wellness economy sectors that were most adversely affected by COVID-19. These sectors require a physical presence and/or full immersion for the actual experience. Although some businesses have tried, it has not been easy to replicate the experience of a retreat, a massage, or a hot spring soak through virtual or mechanical (touchless) offerings or through products. This chapter presents data on wellness tourism, spas, and thermal/mineral springs, and it highlights the important post-COVID shifts that will affect all of these sectors.

### Wellness Tourism: Definition, market size, and growth.

The Global Wellness Institute (GWI) defines wellness tourism as **travel associated with the pursuit of maintaining or enhancing one's personal well-being**.<sup>40</sup> We estimate that wellness tourism expenditures reached \$720.4 billion in 2019, and then declined to \$435.7 billion in 2020, as a result of the pandemic. The sector's 8.1% annual growth rate from 2017-2019 is more than 50% higher than the 5.2% growth rate for overall tourism. In 2020, wellness tourism expenditures declined by slightly less than overall tourism (-39.5% for wellness tourism, and -43.0% for all tourism).

### Wellness Tourism Expenditures by Region, 2017, 2019, 2020

	Wellness Tourism Expenditures				Average Annual Growth Rate	
	(US\$ billions)			Per Capita 2020	2017-2019	2019-2020
	2017*	2019	2020			
North America	\$238.5	\$277.4	\$170.4	\$463.79	7.8%	-38.5%
Europe	\$217.2	\$248.2	\$160.3	\$173.58	6.9%	-35.4%
Asia-Pacific	\$118.6	\$145.4	\$80.0	\$19.18	10.7%	-45.0%
Latin America-Caribbean	\$28.2	\$31.9	\$15.8	\$24.22	6.3%	-50.4%
Middle East-North Africa	\$9.6	\$12.1	\$6.2	\$12.32	12.3%	-49.1%
Sub-Saharan Africa	\$4.9	\$5.5	\$2.9	\$2.56	6.1%	-47.0%
<b>WORLD</b>	<b>\$617.0</b>	<b>\$720.4</b>	<b>\$435.7</b>	<b>\$56.18</b>	<b>8.1%</b>	<b>-39.5%</b>

\* 2017 figures for this sector have been revised since GWI released the previous version of the Wellness Economy Monitor, due to revisions in underlying tourism data from Euromonitor.

Note: These figures combine both international/inbound and domestic wellness tourism trips, and they also include both primary and secondary wellness tourism trips. Figures may not sum to total due to rounding.

Source: Global Wellness Institute, based on tourism data from Euromonitor.

<sup>40</sup> For more details on GWI's definition of wellness tourism, see: Yeung, O. and Johnston, K. (2018). *Global Wellness Tourism Economy*. Miami, FL.: Global Wellness Institute. <https://globalwellnessinstitute.org/industry-research/global-wellness-tourism-economy/>.

## Wellness Tourism Trips by Region, 2017, 2019, 2020

	Number of Wellness Tourism Trips			Average Expenditures Per Trip
	(millions)			2020
	2017*	2019	2020	
North America	196.8	221.9	124.8	\$1,365.84
Europe	289.4	333.5	221.1	\$725.32
Asia-Pacific	243.0	309.9	209.5	\$381.63
Latin America-Caribbean	46.1	51.7	34.0	\$465.76
Middle East-North Africa	9.8	11.9	6.9	\$890.41
Sub-Saharan Africa	6.3	7.5	4.5	\$649.95
<b>WORLD</b>	<b>791.4</b>	<b>936.4</b>	<b>600.8</b>	<b>\$725.16</b>

\* 2017 figures for this sector have been revised since GWI released the previous version of the Wellness Economy Monitor, due to revisions in underlying tourism data from Euromonitor.

Note: These figures combine both international/inbound and domestic wellness tourism trips, and they also include both primary and secondary wellness tourism trips. Figures may not sum to total due to rounding.

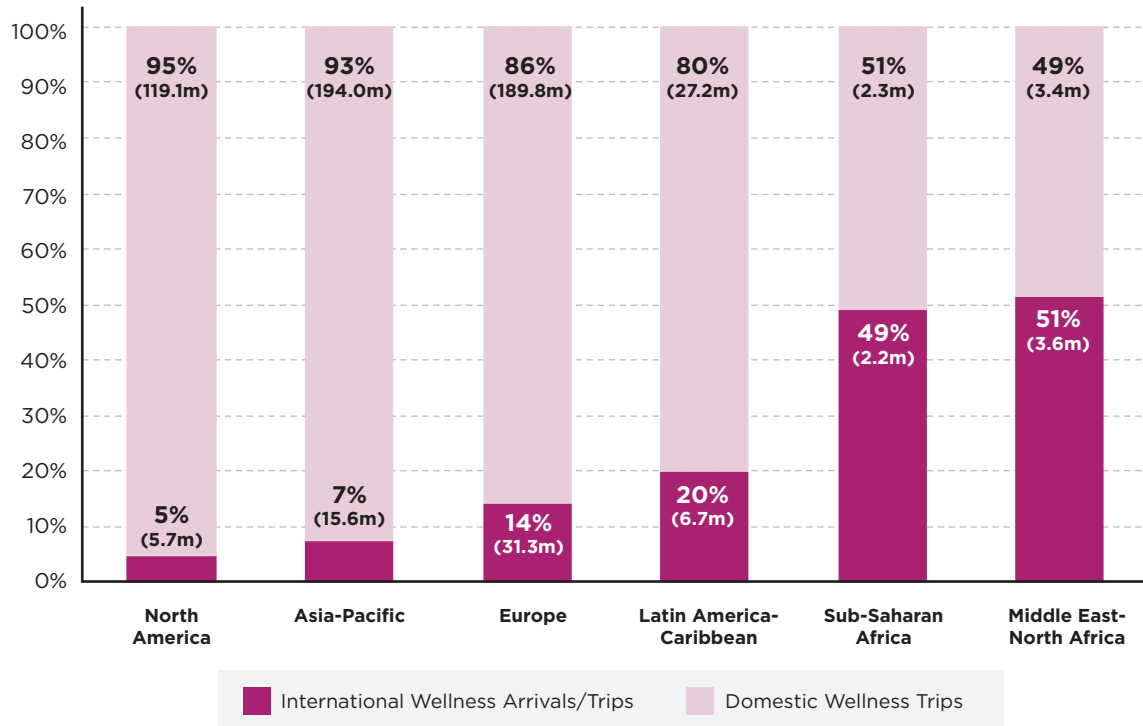
Source: Global Wellness Institute, based on tourism data from Euromonitor

Wellness travelers made 936 million international and domestic wellness trips in 2019, which is 145 million more than in 2017, and then trips fell to 601 million in 2020. Wellness trips accounted for 6.5% of all tourism trips but represented 16.2% of all expenditures in 2020. This is because wellness travelers tend to spend much more per trip than the average traveler.

For most people, it is easier and cheaper to travel domestically than overseas, especially for shorter trips. Worldwide, there are eight to nine times as many domestic trips taken as international trips in most years. Likewise, wellness travel is much more likely to be domestic travel rather than international. Among the 601 million wellness trips taken in 2020, international/inbound trips accounted for only 11% (65 million trips), while domestic trips accounted for 89% (536 million). International trips as a share of all trips were quite a bit lower in 2020 than usual, due to the pandemic border closures that depressed international travel.

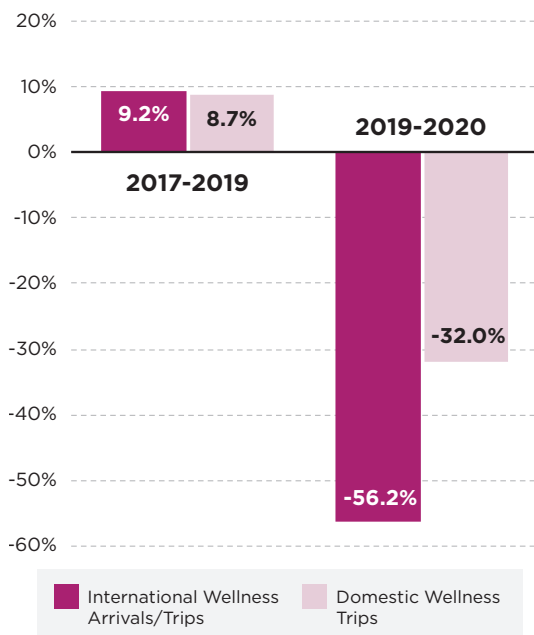
Europe remains the region with the largest number of wellness trips, while North America continues to lead in wellness tourism expenditures, because the average spending per trip is significantly higher. Asia-Pacific and Middle East-North Africa were the fastest-growing regions prior to the pandemic (2017-2019), with demand stimulated by strong economies and an expanding middle class, as well as major investment in tourism infrastructure and promotion in some countries. In 2020, wellness tourism expenditures declined the most in Latin America-Caribbean, the Middle East, and Africa (-50%, -49%, and -47%, respectively) because international trips account for a much higher share of the wellness tourism market in these countries, and international travel was much more affected by pandemic restrictions (see charts below).

## Breakdown of Wellness Trips by Region: International versus Domestic (2020)



Source: Global Wellness Institute, based on tourism data from Euromonitor

## Average Annual Growth in Wellness Trips: International versus Domestic



Source: Global Wellness Institute, based on tourism data from Euromonitor

Wellness tourism is heavily concentrated in North America, Europe, and Asia-Pacific. The United States alone accounts for 19% of all trips and 37% of all expenditures in 2020. The top five countries (United States, Germany, France, China, Japan) represent 64% of the global market, and the top twenty countries represent 87%. A few countries have dropped out of the top twenty in 2020 because they were more negatively impacted by the pandemic (Indonesia and Russia), or they had slower tourism growth and/or economic volatility even prior to the pandemic (Brazil and Russia).

## Wellness Tourism: Top Twenty Destination Markets in 2020

	Wellness Tourism Expenditures				Average Annual Growth Rate		Number of Trips
	(US\$ billions)			Rank in 2020	2017-2019	2019-2020	(millions)
	2017*	2019*	2020				2020
United States	\$226.0	\$263.5	\$162.1	<b>1</b>	8.0%	-38.5%	114.8
Germany	\$65.7	\$73.5	\$59.0	<b>2</b>	5.7%	-19.7%	57.4
France	\$30.7	\$34.7	\$21.3	<b>3</b>	6.3%	-38.6%	21.8
China	\$26.4	\$34.4	\$19.5	<b>4</b>	14.1%	-43.3%	67.5
Japan	\$23.9	\$26.6	\$19.1	<b>5</b>	5.5%	-28.1%	33.8
Austria	\$16.5	\$18.9	\$11.9	<b>6</b>	6.9%	-37.1%	13.1
Switzerland	\$13.4	\$15.5	\$10.8	<b>7</b>	7.6%	-30.7%	8.4
Italy	\$13.4	\$14.5	\$9.0	<b>8</b>	4.0%	-37.8%	8.6
United Kingdom	\$13.5	\$15.1	\$9.0	<b>9</b>	5.9%	-40.4%	16.4
Australia	\$12.3	\$14.0	\$8.5	<b>10</b>	6.9%	-39.4%	8.6
Canada	\$12.5	\$13.9	\$8.4	<b>11</b>	5.3%	-39.6%	10.0
India	\$11.4	\$13.3	\$7.2	<b>12</b>	8.0%	-45.6%	48.2
Mexico	\$9.7	\$12.5	\$6.2	<b>13</b>	13.6%	-50.9%	11.9
Spain	\$9.9	\$10.8	\$5.2	<b>14</b>	4.7%	-51.6%	12.7
Thailand	\$12.0	\$16.9	\$4.7	<b>15</b>	18.7%	-72.3%	6.5
South Korea	\$6.8	\$8.3	\$4.3	<b>16</b>	10.8%	-48.4%	16.8
Malaysia	\$5.0	\$6.1	\$3.5	<b>17</b>	10.1%	-42.1%	7.5
Portugal	\$3.4	\$4.4	\$2.8	<b>18</b>	13.6%	-36.0%	4.0
Denmark	\$3.2	\$3.8	\$2.8	<b>19</b>	9.3%	-26.2%	6.6
Turkey	\$4.5	\$5.7	\$2.7	<b>20</b>	12.4%	-52.5%	6.7

\* 2017 figures for this sector have been revised since GWI released the previous version of the Wellness Economy Monitor, due to revisions in underlying tourism data from Euromonitor.

Note: These figures combine both international/inbound and domestic wellness tourism trips, and they also include both primary and secondary wellness tourism trips.

Source: Global Wellness Institute, based on tourism data from Euromonitor.



In GWI's definition and measurement of wellness tourism, we include two types of wellness trips:

- **Primary wellness travel** refers to trips in which the trip itself, the destination, and the activities are primarily motivated by wellness.
- **Secondary wellness travel** refers to trips where wellness is not the primary motivation for the trip, but where wellness affects some choices and activities because the traveler would like to maintain good health and/or their wellness lifestyle during the trip.

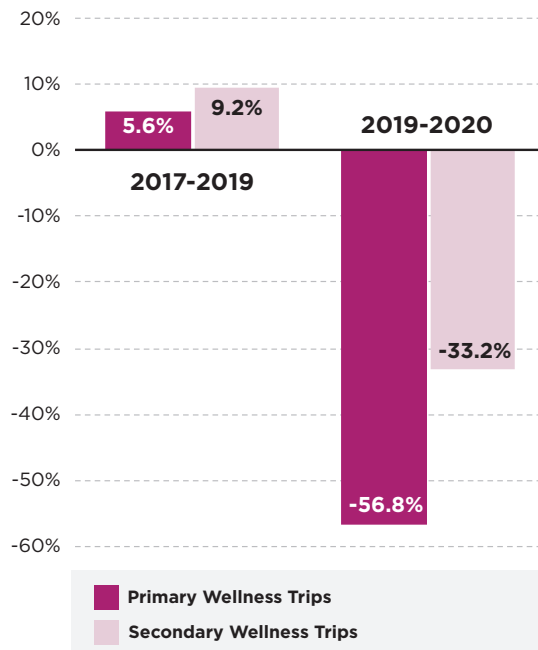
The bulk of wellness travel is done by secondary wellness tourists - i.e., those who seek wellness experiences or healthy options during their travel, while taking any type of trip for leisure or business. Secondary wellness tourism accounted for 92% of wellness tourism trips and 90% of wellness tourism expenditures in 2020. From 2017-2019, secondary wellness tourism continued to grow at a faster rate than primary wellness tourism; secondary wellness tourism trips grew by 9.2% annually, while primary trips grew by 5.6% annually. In 2020, secondary wellness trips declined by significantly less than primary trips (-33.2% versus -56.8%). This is because many of the destinations and experiences that motivate primary wellness tourism (e.g., destination spas, retreats, hot springs resorts, etc.) were cancelled, shut down, and/or under capacity restrictions for all or part of the year due to the pandemic. On the other hand, secondary wellness tourism involves any type of trip - for leisure or for business - and a substantial and growing share of travelers continued to seek out healthy options and wellness experiences during their trips, even during the pandemic year.

### Breakdown of Wellness Trips: Primary versus Secondary (2020)



Source: Global Wellness Institute, based on tourism data from Euromonitor

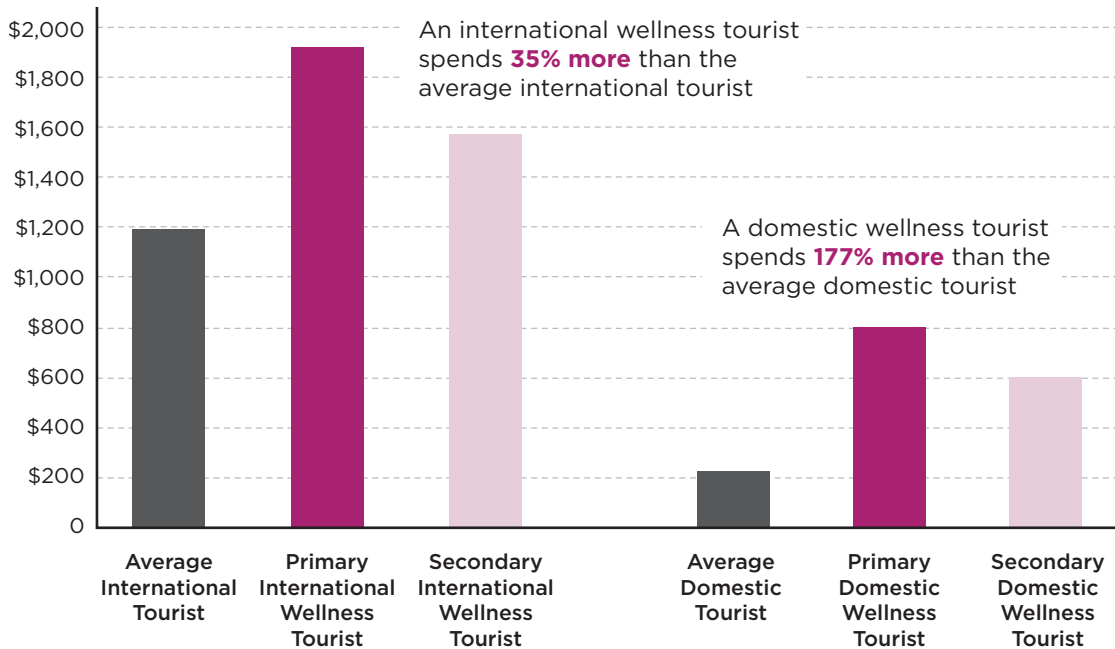
### Average Annual Growth in Wellness Trips: Primary versus Secondary



Source: Global Wellness Institute, based on tourism data from Euromonitor

Wellness travelers spend more per trip than the average tourist; this holds true for both domestic and international travelers, even during the pandemic. In 2020, international wellness tourists on average spent \$1,601 per trip, 35% more than the typical international tourist. The premium for domestic wellness tourists is even higher at \$619 per trip and 177% more than the typical domestic tourist. This is because wellness travelers are typically more affluent, educated, and well-traveled, and they are willing to spend more on travel experiences, services, and amenities that support their health and well-being.

## Wellness Tourism Spending Premiums (2020)



Source: Global Wellness Institute, based on tourism data from Euromonitor

## Spas: Definition, market size, and growth.

The Global Wellness Institute (GWI) defines spas as **establishments that promote wellness through the provision of therapeutic and other professional services aimed at renewing the body, mind, and spirit**. From 2017-2019, the spa industry was growing at a rapid pace, reaching \$110.7 in spa revenues and 165,714 spa establishments in 2019. This represents an 8.7% annual revenue growth, which was largely driven by rising consumer incomes, ongoing tourism growth, and an increasing propensity to spend on all things related to wellness. In 2020, COVID-19 hit the spa industry hard, due to travel restrictions, temporary business shutdowns, and stay-at-home orders. Spa revenues fell by 38.6% in 2020, to \$68.0 billion, and the estimated number of establishments dropped to 160,100. Note that the decline in the number of spas is a preliminary estimate by GWI, based on currently available data. It is difficult to assess the number of permanent business closures in 2020, since most spa businesses were affected by short- and long-term shutdowns during the pandemic.

### Spa Revenues by Region, 2017, 2019, 2020

	Spa Revenues				Average Annual Growth Rate	
	(US\$ billions)			Per Capita 2020	2017-2019	2019-2020
	2017	2019*	2020*			
Europe	\$33.3	\$39.8	\$25.2	\$27.24	9.3%	-36.7%
Asia-Pacific	\$26.5	\$31.4	\$19.1	\$4.58	8.9%	-39.2%
North America	\$22.9	\$26.1	\$16.5	\$44.85	6.8%	-36.9%
Latin America-Caribbean	\$6.6	\$7.4	\$4.2	\$6.37	6.1%	-43.8%
Middle East-North Africa	\$2.8	\$3.9	\$2.0	\$3.95	18.4%	-49.7%
Sub-Saharan Africa	\$1.6	\$2.1	\$1.1	\$0.95	13.8%	-47.4%
<b>WORLD</b>	<b>\$93.6</b>	<b>\$110.7</b>	<b>\$68.0</b>	<b>\$8.77</b>	<b>8.7%</b>	<b>-38.6%</b>

\* The large increase in spa revenues in 2019 is not entirely due to new builds, but also due to a dramatic increase in the number of hotel/resorts listing themselves and their spa facilities/services on global online booking sites, especially in emerging market countries. The 2020 revenue figures are preliminary estimates, based upon currently available data.

Note: Figures may not sum to total due to rounding.

Source: Global Wellness Institute.

Asia-Pacific continues to host the largest number of spas, while Europe has the highest spa revenues. Overall spa revenues in Latin America, Middle East, and Africa saw the greatest level of decline in 2020 (-44%, -50%, and -47%, respectively), because the spa sector in these regions is more heavily weighted toward hotel/resort spas, which were more negatively impacted by the pandemic restrictions. Spa revenues in Europe, Asia, and North America were also hit hard (-36% to -40%), but some countries in these regions have a large number of day spas serving local customers, and/or a large domestic tourism market, which helped to provide some buffer against the pandemic-related decline.

The global spa industry is heavily concentrated in Europe, Asia, and North America, with the top five countries (United States, China, Germany, Japan, and France) accounting for 50% of global revenues in 2020, while the top twenty countries represent 78% of the global market. Since 2017, Brazil has fallen out of the top twenty countries, replaced by Poland in 2020 (this is due not only to the pandemic, but also ongoing economic volatility in Brazil prior to 2020).

## Spa Establishments by Region, 2017, 2019, 2020

	Number of Spa Establishments		
	2017	2019*	2020*
Europe	46,282	53,854	52,973
Asia-Pacific	48,679	51,752	49,873
North America	30,394	31,932	30,824
Latin America-Caribbean	13,856	15,759	14,517
Middle East-North Africa	6,057	7,478	7,142
Sub-Saharan Africa	3,984	4,939	4,771
<b>WORLD</b>	<b>149,252</b>	<b>165,714</b>	<b>160,100</b>

\* The large increase in number of spas in 2019 is not entirely due to new builds, but also due to a dramatic increase in the number of hotel/resorts listing themselves and their spa facilities/services on global online booking sites, especially in emerging market countries. The decrease in the number of spas in 2020 is a preliminary estimate by GWI, based upon currently available data.

Source: Global Wellness Institute.

## Spas: Top Twenty Markets in 2020

	Spa Revenues			Rank in 2020	Average Annual Growth Rate		Number of Spas	
	(US\$ billions)				2017-2019	2019-2020		2020
	2017	2019*	2020*					
United States	\$20.83	\$23.87	\$15.12	1	7.1%	-36.7%	26,730	
China	\$8.24	\$10.41	\$6.32	2	12.4%	-39.3%	15,808	
Germany	\$6.66	\$7.60	\$5.65	3	6.9%	-25.6%	7,370	
Japan	\$5.72	\$6.14	\$4.24	4	3.6%	-30.9%	7,339	
France	\$3.59	\$4.17	\$2.73	5	7.8%	-34.5%	5,051	
United Kingdom	\$2.70	\$3.30	\$2.10	6	10.6%	-36.3%	3,671	
Italy	\$3.24	\$3.77	\$1.95	7	7.9%	-48.2%	4,415	
Russia	\$2.29	\$2.72	\$1.78	8	9.0%	-34.6%	3,718	
Spain	\$2.46	\$2.88	\$1.51	9	8.2%	-47.6%	3,548	
Canada	\$2.05	\$2.25	\$1.36	10	4.7%	-39.5%	4,094	
Austria	\$2.05	\$2.32	\$1.29	11	6.2%	-44.2%	2,512	
Mexico	\$1.77	\$2.16	\$1.28	12	10.5%	-40.6%	4,025	
Switzerland	\$1.41	\$1.75	\$1.14	13	11.5%	-34.8%	1,207	
South Korea	\$1.62	\$1.69	\$1.12	14	2.3%	-33.8%	3,187	
Thailand	\$1.32	\$1.63	\$1.05	15	11.3%	-35.4%	2,659	
Australia	\$1.09	\$1.38	\$1.01	16	12.3%	-26.9%	1,979	
Indonesia	\$1.30	\$1.76	\$1.00	17	16.6%	-43.1%	2,934	
India	\$2.13	\$2.48	\$0.99	18	8.0%	-60.2%	5,822	
Poland	\$0.75	\$0.87	\$0.66	19	7.8%	-24.2%	1,852	
United Arab Emirates	\$0.87	\$1.20	\$0.65	20	17.2%	-45.5%	1,067	

\* The large increase in spa revenues in 2019 is not entirely due to new builds, but also due to a dramatic increase in the number of hotel/resorts listing themselves and their spa facilities/services on global online booking sites, especially in emerging market countries. The 2020 figures are preliminary estimates, based upon currently available data.  
Source: Global Wellness Institute.

GWl defines and measures six categories of spas. From 2017-2019, the hotel/resort spas category added the largest number of spas and gained the most revenue growth. Hotel/resort spas have the highest revenues across all types of spas, and they are quickly approaching day/club/salon spas in terms of the total number of spa establishments. The rapid growth of the hotel/resort spas category is underpinned by the strong growth in wellness tourism (see previous section), as more consumers seek to bring their wellness lifestyle with them when they travel. In response, more hotels and resorts are adding and marketing spa services and facilities to stay competitive in the market. However, *note that not all of the dramatic increase in hotel/resort spas and revenues is due to new builds.* Our methodology includes gathering data from global online booking sites,

and recent years have brought massive growth in hotel/resort listings, as well as properties listing themselves as providing spa facilities and services, particularly in the emerging market and middle-income countries across Europe, Latin America, the Middle East, and Africa.<sup>41</sup>

The spa categories that are primarily dependent upon tourism saw the greatest revenue declines in 2020, including hotel/resort spas (-42%), thermal/mineral springs spas (-40%), destination spas (-37%), and “other spas” which includes cruise ships (-51% for the whole category, and -78% for cruise ship spas on their own). The day/club/salon spas segment was hit hardest by the pandemic in terms of spa closures, with a net loss of over 4,000 spas in this category (based on currently available information). The number of destination spas actually increased during the pandemic, with an estimated 22 new openings across the world in 2020, although revenues in this category were negatively affected by pandemic travel restrictions. The number of hotel/resort spas stays the same from 2019-2020 because we currently have no basis for determining whether there were any permanent closures in 2020.

## Spa Establishments and Revenues by Type, 2017, 2019, 2020

	Spa Revenues (US\$ billions)			Number of Spas		
	2017	2019*	2020*	2017	2019*	2020*
Hotel/Resort Spas	\$36.4	\$47.6	\$27.8	48,248	60,873	**60,873
Day/Club/Salon Spas	\$33.4	\$36.0	\$23.7	68,917	71,202	66,949
Destination Spas & Health Resorts	\$8.3	\$9.2	\$5.8	2,633	2,730	2,752
Medical Spas	\$6.6	\$7.5	\$5.0	6,827	7,257	6,939
Thermal/Mineral Springs Spas	\$5.3	\$6.0	\$3.6	8,816	9,160	9,149
Other Spas	\$3.7	\$4.4	\$2.2	13,811	14,492	13,438
<b>TOTAL</b>	<b>\$93.6</b>	<b>\$110.7</b>	<b>\$68.0</b>	<b>149,252</b>	<b>165,714</b>	<b>160,100</b>

\* The large increase in number of spas and spa revenues in 2019 is not entirely due to new builds, but also due to a dramatic increase in the number of hotel/resorts listing themselves and their spa facilities/services on global online booking sites, especially in emerging market countries. The 2020 figures are preliminary estimates by GWI, based upon currently available data.

\*\*The number of hotel/resort spas stays the same from 2019-2020 because we currently have no basis for determining whether there were any permanent closures in 2020.

Note: Figures may not sum to total due to rounding. See Appendix A for descriptions of the spa categories.

Source: Global Wellness Institute.

<sup>41</sup> For example, the number of lodging properties listed in Bookings.com (the largest worldwide accommodations search platform) increased by over 20% globally from 2017-2019, with the listings growing by 33% in Europe and 41% in the Middle East. Global listings of lodging properties with spas increased by over 34% during this period.

## Thermal/Mineral Springs: Definition, market size, and growth.

The Global Wellness Institute (GWI) defines the thermal/mineral springs industry as encompassing **revenue-earning business establishments associated with the wellness, recreational, and therapeutic uses of waters with special properties**. We estimate that there are currently 34,099 thermal/mineral springs establishments operating in 130 countries. These businesses earned \$64.0 billion in revenues in 2019 and \$39.1 billion in 2017.

Thermal/mineral springs was among the fastest-growing wellness sectors from 2017-2019, with revenues growing by 6.8% annually during this time period. Revenues then fell by 38.9% from 2019-2020, due to the myriad impacts of COVID-19 (e.g., closed borders, business shutdowns, stay-at-home orders, etc.). This downturn is temporary, and GWI predicts ongoing steady and strong growth in this sector post-pandemic. Prior to 2020, thermal/mineral springs were experiencing very strong growth in countries around the world, building on the rapidly growing consumer, business, and government interest in this sector. Thermal/mineral springs bathing experiences appeal to an expanding segment of consumers who are seeking to connect with nature; experience cultural traditions; and pursue alternative modalities for healing, rehabilitation, and prevention. We estimate that at least 115 new thermal/mineral springs establishments opened from 2018-2020, across every region of the world (and while a number of projects were delayed by the pandemic, 17 of these new openings actually took place in 2020). At least 25 new projects are opening in 2021, and over 140 projects are in the pipeline for future openings/development.

## Thermal/Mineral Springs Market by Region, 2017, 2019, 2020

	Thermal/Mineral Springs Market				Average Annual Growth Rate	
	(US\$ billions)			Per Capita 2020	2017-2019	2019-2020
	2017*	2019	2020*			
Asia-Pacific	\$31.60	\$36.76	\$22.70	\$5.44	7.9%	-38.2%
Europe	\$21.76	\$24.19	\$14.66	\$15.87	5.4%	-39.4%
Latin America-Caribbean	\$1.52	\$1.60	\$0.82	\$1.25	2.7%	-49.0%
North America	\$0.73	\$0.91	\$0.67	\$1.84	11.6%	-25.6%
Middle East-North Africa	\$0.41	\$0.41	\$0.17	\$0.33	0.6%	-59.5%
Sub-Saharan Africa	\$0.08	\$0.09	\$0.04	\$0.04	1.9%	-49.1%
<b>WORLD</b>	<b>\$56.10</b>	<b>\$63.96</b>	<b>\$39.07</b>	<b>\$5.04</b>	<b>6.8%</b>	<b>-38.9%</b>

\* 2017 figures for this sector have been revised since GWI released the previous version of the Wellness Economy Monitor, due to improved data availability in a few countries. 2020 figures are preliminary estimates based upon currently available data, and are subject to revision, as 2020 data are not yet available in some countries that publish data on this sector.

Note: The thermal/mineral springs revenue estimates include all revenues earned by these establishments, from bathing/swimming offerings, spa/wellness services and other treatments, other recreational activities, food & beverage, lodging, and other services. See Appendix A for more details. Figures may not sum to total due to rounding.

Source: Global Wellness Institute.

## Thermal/Mineral Springs Establishments by Region, 2017, 2019, 2020

	Number of Thermal/Mineral Springs Establishments		
	2017*	2019	2020*
Asia-Pacific	25,916	25,950	25,952
Europe	5,967	6,198	6,188
Latin America-Caribbean	1,096	1,127	1,128
North America	302	336	337
Middle East-North Africa	416	432	432
Sub-Saharan Africa	50	62	62
<b>WORLD</b>	<b>33,747</b>	<b>34,105</b>	<b>34,099</b>

*\* 2017 figures for this sector have been revised since GWI released the previous version of the Wellness Economy Monitor, due to improved data availability in a few countries. 2020 figures are preliminary estimates based upon currently available data, and are subject to revision, as 2020 data are not yet available in some countries that publish data on this sector. Source: Global Wellness Institute.*

The thermal/mineral springs sector is heavily concentrated in Asia-Pacific and Europe, reflecting the centuries-old history of water-based healing and relaxation in these two regions. Together, Asia-Pacific and Europe account for 96% of revenues and 94% of establishments in this sector. The top twenty countries (which are primarily concentrated in these two regions) account for 93% of the global market in 2020. China and Japan together account for 55% of global revenues and 73% of all establishments. Japan alone, with its estimated 20,879 onsen, is home to nearly two-thirds of all thermal/mineral springs establishments in the world. The remainder of the top markets include a large number of European countries with a long history of using thermal/mineral waters for curative and therapeutic purposes (often subsidized by government insurance systems), along with the United States, Taiwan, and Brazil.

In spite of the overall downturn in this sector, not all thermal/mineral springs establishments had a bad year in 2020. In some markets where the COVID-19 outbreak was less severe (e.g., Taiwan), and in regions where lockdown measures were less strict, some establishments saw only minor/temporary downturns in customer visits, and some even had a record-setting year. For example, in parts of the western United States, China, Australia, and New Zealand, some establishments reported growth of 10-20% or more in 2020, as customers flocked to bathing as a “COVID-safe” outdoor activity and domestic tourists and local residents filled the slots left by international visitors.

But these cases are the exception, not the norm, and most springs-based establishments – especially those that are indoors, and those that depend upon international tourists, government-subsidized patients, or the groups/meetings market – saw their business decimated in 2020 by temporary or prolonged business shutdowns, stay-at-home orders, and travel restrictions. In Europe, in particular, industry associations reported a “catastrophic year” (in France<sup>42</sup>) and possible “industry bankruptcy” (in Romania<sup>43</sup>) due to prolonged closures and insufficient government aid for the

<sup>42</sup> Black year for French hydrotherapy, *Aquae*, December 4, 2020, <https://www.aquae-officiel.fr/en/2020/12/04/black-year-for-French-hydrotherapy/>.

<sup>43</sup> Tourism: The spa and balneary industry in Romania risks bankruptcy, *Actmedia*, September 1, 2020, <https://actmedia.eu/economic/tourism-the-spa-and-balneary-industry-in-romania-risks-bankruptcy/88413>.



sector. In some countries, therapeutic/rehabilitation-focused bathing facilities started developing treatments for long COVID patients, in order to bring in revenues while normal visitation was restricted. And, in some countries (e.g., Czech Republic, Slovenia, Italy), the government is offering vouchers for citizens to visit thermal spas and other tourism centers, in order to give a boost to the sector.

## Thermal/Mineral Springs: Top Twenty Markets in 2020

	Thermal/Mineral Springs Market				Average Annual Growth Rate	
	(US\$ billions)			Rank in 2020	2017-2019	2019-2020
	2017*	2019	2020*			
China	\$17.50	\$21.03	\$12.32	<b>1</b>	9.6%	-41.4%
Japan	\$12.80	\$14.21	\$9.22	<b>2</b>	5.4%	-35.1%
Germany	\$7.15	\$7.78	\$5.19	<b>3</b>	4.3%	-33.3%
Russia	\$3.67	\$4.14	\$2.41	<b>4</b>	6.2%	-41.8%
Italy	\$1.72	\$1.79	\$1.01	<b>5</b>	2.2%	-44.0%
Austria	\$0.96	\$0.99	\$0.66	<b>6</b>	1.5%	-33.3%
United States	\$0.63	\$0.80	\$0.62	<b>7</b>	12.8%	-23.0%
Taiwan	\$0.43	\$0.53	\$0.49	<b>8</b>	10.8%	-7.9%
Poland	\$0.67	\$0.71	\$0.47	<b>9</b>	2.5%	-33.3%
Brazil	\$0.72	\$0.80	\$0.41	<b>10</b>	5.6%	-48.5%
Czech Republic	\$0.63	\$0.67	\$0.41	<b>11</b>	3.1%	-38.2%
Spain	\$0.68	\$0.80	\$0.41	<b>12</b>	8.3%	-49.0%
Hungary	\$0.79	\$0.91	\$0.36	<b>13</b>	7.3%	-60.3%
Switzerland	\$0.48	\$0.54	\$0.35	<b>14</b>	6.1%	-34.8%
Iceland	\$0.43	\$0.53	\$0.35	<b>15</b>	11.1%	-34.4%
Slovakia	\$0.44	\$0.50	\$0.34	<b>16</b>	6.8%	-33.0%
Turkey	\$0.67	\$0.65	\$0.31	<b>17</b>	-1.5%	-52.0%
France	\$0.65	\$0.63	\$0.29	<b>18</b>	-2.3%	-53.8%
Slovenia	\$0.45	\$0.48	\$0.28	<b>19</b>	3.5%	-41.9%
Romania	\$0.33	\$0.50	\$0.26	<b>20</b>	23.6%	-49.0%

\* 2017 figures for this sector have been revised since GWI released the previous version of the Wellness Economy Monitor, due to improved data availability in a few countries. 2020 figures are preliminary estimates based upon currently available data, and are subject to revision, as 2020 data are not yet available in some countries that publish data on this sector.

Note: The thermal/mineral springs revenue estimates include all revenues earned by these establishments, from bathing/swimming offerings, spa/wellness services and other treatments, other recreational activities, food & beverage, lodging, and other services. See Appendix A for more details.

Source: Global Wellness Institute.

## Looking beyond COVID-19: Major shifts for wellness tourism, spas, and springs.

### Self-care for prevention and mental wellness.

As discussed in *Chapter 1*, the pandemic experience has reframed self-care as being essential for our physical and mental health. Consumer studies around the world concur that wellness matters to us more than ever, and that taking time to care for ourselves is no longer seen as a selfish or frivolous act. Our ability to function and to take care of our responsibilities is predicated on our own resilience and well-being. The pandemic has also expanded our understanding of self-care toward a more holistic concept encompassing healthy eating, exercise, social connections, sleep, creativity, nature, and much more. Even the activities typically associated with pampering – such as taking a bath, defusing essential oils, or getting a facial or a manicure – have been reframed in consumers’ minds as a much-needed respite from daily stress and a healthy expression of self-love.

Reframing self-care through a mental wellness lens will create many new opportunities for the wellness tourism, spa, and thermal/mineral springs sectors. The hunger for touch, for human connections, for travel, for nature, and for wellness experiences is intense after more than a year of “social distancing,” quarantining, and staying at home. In the regions where travel and COVID restrictions have already been relaxed, there is a strong resurgence in demand across all of these sectors, as well as indications that guests are willing to stay longer, spend more than before, and try out new wellness modalities. And, while everyone was locked down at home, there was ongoing research progress and rising consumer interest in brain health, gut microbiome, sleep hygiene, breathwork, sound healing, the power of nature, psychedelics, and other newer modalities. Opportunities abound to introduce consumers to new wellness services and solutions, not only at travel destinations but also in everyday life – such as at day spas, urban retreats, and wellness centers where consumers can embed new practices and solutions into their post-COVID routine self-care, to help manage stress and enhance well-being.

### Wellness meets medicine.

If self-care sits on the more casual, relaxed, and playful side of wellness, other more serious and rigorous approaches have been quickly emerging that involve medical technologies, testing, and diagnostics. The pandemic has highlighted the importance of lifestyle and chronic disease prevention, increasing demand for “immune boosting,” lifestyle medicine, and integrative approaches. In the past, “medical wellness” was mostly the domain of certain types of health resorts, sanatoriums, and destination spas (primarily in Europe), but the pandemic has accelerated the incorporation of medical-type offerings by more spas and wellness businesses that hope to capture new markets. Target markets include consumers who have a newfound urgency to address chronic disease, boost immunity, and adopt strategies for a drastic lifestyle change; patients recovering from COVID or who are afflicted with long COVID; and people seeking healing from the emotional and mental trauma of COVID. Immunotherapy, IV drips, gut microbiome, sleep analysis, oxygen therapy, and the like are increasingly showing up on the menus of all types of spas. At the same time, some medical centers and hospitals are beginning to incorporate wellness as part of post-surgery recovery and rehabilitation, providing medical patients with offerings like

meditation, yoga, exercise, nutrition, energy healing, body work, etc. Some medical facilities – especially those serving high-end markets or in the medical tourism space – are beginning to transform their physical spaces to be less sterile and less institutional, becoming more hospitality-based and spa-like.

In GWI's definition and analysis of wellness tourism<sup>44</sup>, we have distinguished wellness tourism from medical tourism and argued for clear terminologies and understanding of their differences. At the same time, we acknowledge that certain offerings and treatments sit in the gray area between the two, including DNA testing, executive checkups, acupuncture, detoxes and cleanses, hydrotherapy/balneotherapy, and aesthetic treatments that require trained medical professionals. This gray area is quickly expanding, and the blending of wellness and medicine is fomenting an interesting space for exploration and business innovations.

## The evolution of wellness travelers.

In GWI's definition and measurement of wellness tourism, we include two types of wellness trips. **Primary wellness travel** refers to trips in which the trip itself, the destination, and the activities are primarily motivated by wellness. **Secondary wellness travel** refers to trips where wellness is not the primary motivation for the trip, but where wellness affects some choices and activities because the traveler would like to maintain good health and/or their wellness lifestyle during the trip. As people began to travel again after the pandemic, minimizing COVID-19 risks is top-of-mind for most people, prompting some to declare that all post-COVID travel is now “wellness travel.” However, in our definition and analysis, we do not count as wellness travel those trips in which the sole wellness-related concern revolves around COVID-19 risks (e.g., sanitizing, air filtration, touchless service/access, distancing, etc.). These concerns are similar to other actions travelers may take to reduce risk of infection or disease during travel (e.g., yellow fever vaccinations, malaria pills), whereas wellness travel focuses more broadly on healthy behaviors and lifestyle (e.g., eating, exercise, sleep, etc.). Even so, the pandemic experience is likely to accelerate the evolution of primary and secondary wellness tourism.

As discussed above, chronic disease prevention, self-care, mental wellness, and environmental and social awareness have all been elevated in the minds of consumers in a year when most people were unable to do much travel, building up the pent-up demand for new experiences. After the pandemic, we expect more consumers to be health-conscious and to bring wellness priorities into travel, thereby increasing the portion of secondary wellness trips as a share of all tourism. A rising trend of people taking wellness sabbaticals or workcations is also likely to boost the portion of wellness travelers. In the future, we expect wellness travelers to focus even more on wellness-driven choices, activities, and exploration, such as hotels and accommodations that offer the promise of good sleep, soundproofing, circadian lighting, and air filtration; fitness and physical activities; healthy foods; mind-body and mental wellness modalities; less mainstream experiences like salt caves, cryotherapy, sound healing, or IV drips; connection with nature and green space; and making social connections or immersing in an authentic community experience.

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<sup>44</sup> Yeung, O. and Johnston, K. (2018). *Global Wellness Tourism Economy*. Miami, FL.: Global Wellness Institute. <https://globalwellnessinstitute.org/industry-research/global-wellness-tourism-economy/>.

The \$435.7 billion spent in 2020 by wellness travelers is distributed among many segments of the tourism industry, from food and lodging, to activities, excursions, shopping, and other services. Within each segment, some expenditures may include wellness-focused activities (such as visiting a hot spring, getting a massage, or taking a meditation or fitness class), while other expenditures may be “generic” (such as transportation, general food and lodging, or buying souvenirs). As secondary wellness travel gains strength, and as more consumers incorporate wellness into their lifestyles, we expect more traveler spending to shift toward wellness-specific options in all categories (lodging, food & beverage, shopping, and activities & excursions). Even seemingly “generic” categories like transportation (e.g., air travel, local travel, rental cars, etc.) will increasingly add wellness components, as they already have been doing over the last several years.

## Walk the talk on ESG and UNSDG.

In *Chapter 1* we mentioned a global value reset that has resulted from the pandemic. For the traveling public, a year of staying at home and traveling vicariously through the Internet has forced us to reflect on why we travel and what travel means. One reason that we yearn to travel is to experience wonder and awe (whether natural or human-made), and to satisfy our need for connection, inspiration, and transcendence. There are indications that the pandemic experience has accelerated demand for slow travel, transformative travel, regenerative travel, and the like (i.e., goal-based and values-driven travel that involves personal growth, transcendence, and an awareness of the social and environmental impacts on the destination). Wellness tourism – especially primary wellness travel – is well-positioned within this trend; however, this may also mean that people are no longer satisfied with traditional spa retreats that offer great yoga classes, green juices, and a good massage. Travelers may also start noticing and questioning their own environmental and social footprints, as well as whether places and people are being exploited, and they will increasingly make choices based on these concerns. In destinations that were suffering from over-tourism, COVID-19 has also provided a pause in which local residents and stakeholders are able to weigh in on what type of tourism they want in the future.

The hospitality industry – including wellness tourism, spas, and springs – is living in an interesting moment. The heightened interest in nature, health, and personal growth is a boon for all of these businesses. But increasingly, they are also being held accountable by their customers and investors to uphold environmental, social, and corporate governance (ESG) objectives. Some businesses are pledging to support the United Nations’ 17 Sustainable Development Goals (UNSDGs). Certainly, all of the wellness sectors should support *SDG #3: Good health & well-being*. In addition, sustainability practices (including buildings, operations, energy, and waste management) are receiving greater attention from customers, operators, and investors. Human resource practices (involving pay, worker protection, diversity and inclusion, and workforce well-being) and stakeholder relations (including suppliers and the local community) are also receiving greater scrutiny. The bar for any of these practices can be set sky-high and will keep rising, and we can predict that accusations of “SDG-washing” and “ESG-washing” (much like “green-washing” and “wellness-washing”) will arise, as the focus on these issues becomes more widespread. But the direction of the future is clear. Consumers, investors, workers, and other stakeholders will continue to ask uncomfortable questions, and wellness businesses will have to rise to the challenge.

# APPENDIX A: WELLNESS ECONOMY DEFINITIONS

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## 1. The Wellness Economy and Its Eleven Sectors

**Wellness** is the active pursuit of activities, choices, and lifestyles that lead to a state of holistic health.

**The wellness economy** encompasses industries that enable consumers to incorporate wellness activities and lifestyles into their daily lives. There are eleven sectors in the wellness economy, as defined below.

**Wellness real estate:** Expenditures on the construction of residential and commercial/institutional (office, hospitality, mixed-use/multi-family, medical, leisure, etc.) properties that incorporate intentional wellness elements in their design, materials, and building as well as their amenities, services, and/or programming.

**Physical activity:** Consumer spending associated with intentional physical activities performed during leisure and recreation, including three recreational activity subsectors (sports and active recreation, fitness, mindful movement) and three enabling subsectors (technology, equipment and supplies, apparel and footwear). See more details about definitions below.

**Healthy eating, nutrition, & weight loss:** Includes consumer expenditures on:

1. Vitamins and dietary supplements (including herbal/traditional products) and sports nutrition products.
2. Weight loss/management products and services, including: packaged foods/beverages specifically positioned to target weight management; over-the-counter supplements and remedies targeting weight management (e.g., meal replacement or nutritional supplement drinks, non-prescription weight-loss drugs and supplements); and weight loss services and programs (e.g., physical or online dieting centers, workshops, counseling; nutritionists and dieticians).
3. Healthy-labeled foods and beverages, which encompasses a wide variety of processed and packaged foods and beverages that are specifically positioned, marketed or labeled with health and wellness claims, including low-sugar/low-fat/low-carb products; fortified/functional products with added nutrients (e.g., calcium, omega-3); products that are “free from” gluten/lactose/dairy/meat (e.g., plant-based alternatives, meat substitutes); products marketed as “naturally healthy” (e.g., high fiber, fermented, nuts/seeds); and organic products.

**Mental wellness:** Encompasses consumer expenditures on four categories of mental wellness-related products, services, and experiences: 1) self-improvement; 2) meditation and mindfulness; 3) brain-boosting nutraceuticals and botanicals; and 4) senses, spaces, and sleep. See more details about definitions below.

**Workplace wellness:** Includes expenditures on programs, services, activities, and equipment by employers aimed at improving their employees' health and wellness. These expenditures aim to raise awareness, provide education, and offer incentives that address specific health risk factors and behaviors (e.g., lack of exercise, poor eating habits, stress, obesity, smoking) and encourage employees to adopt healthier lifestyles.

**Public health, prevention, & personalized medicine:** Includes expenditures on medical services that focus on treating “well” people, preventing disease, or detecting risk factors – for example, routine physical exams, diagnostic and screening tests, genetic testing, etc. Personalized health uses advanced diagnostic tools for individual patients (including genetic, molecular, and environmental screening and analysis) to provide tailored approaches for preventing disease, diagnosing and managing risk factors, or managing and treating conditions.

**Traditional & complementary medicine:** Encompasses expenditures on diverse holistic, traditional, indigenous, and mentally- or spiritually-based healthcare and lifestyle practices, systems, services, and products that are not generally considered to be part of conventional medicine or the dominant health care system – including homeopathy, naturopathy, osteopathy, chiropractic, acupuncture, Traditional Chinese Medicine, Ayurveda, Unani medicine, energy healing, traditional/herbal remedies and supplements, etc. The nomenclature for this sector is evolving alongside growing consumer adoption of traditional/indigenous, complementary, alternative, and integrative medical practices outside of the conventional/Western medical system.

**Personal care & beauty:** Includes consumer expenditures on beauty and salon services (excluding spas); skin, hair, and nail care services and products; cosmetics, toiletries, and other personal care products; dermatology; prescription pharmaceuticals for skin care; as well as products and services that specifically address age-related health and appearance issues, such as cosmetics/cosmeceuticals for skin/face/body care, hair care/growth, and pharmaceuticals/supplements that treat age-related health conditions.

**Wellness tourism:** The aggregation of all expenditures made by wellness tourists – primary and secondary, international and domestic – including spending on lodging, food and beverage, activities and excursions, shopping, and in-country transportation. See more details about definitions below.

**Spas:** Aggregates the revenues of different types of spa facilities, including day/club/salon spas, hotel/resort spas, destination spas and health/wellness resorts, medical spas, thermal/mineral springs spas, cruise ship spas, and other types. See more details about definitions below.

**Thermal/mineral springs:** Encompasses the revenues of business establishments associated with the wellness, recreational, and therapeutic uses of water with special properties, including thermal water, mineral water, and seawater. See more details about definitions below.

## 2. Physical Activity

### Recreational Physical Activities

Recreational physical activities are segmented into three categories (as described below). Many individuals will participate in multiple activities across these three segments, and so each category is measured separately; we account for overlap when we roll together the three categories to measure the total physical activity market.

We use a consumption-based approach for measuring the physical activity market, and for each segment we estimate two key indicators:

- **Participation in recreational physical activities:** The estimated percent of the population that participates in each category of recreational physical activity. In our dataset, “participation” is generally defined as doing the activity at least once a month or with some regularity. The participation estimates are agnostic of *where* or *how* people perform the activity. For example, people who do yoga may take a class at a specialized yoga studio, may take a class at a gym or YMCA, may use a streaming or on-demand class, or may simply practice yoga alone at home. For our estimates, all of these methods would count as “participation in yoga” if they are done with regularity.
- **Consumer spending on recreational physical activities:** The estimated direct, out-of-pocket expenditures by consumers each year in order to participate in each category of recreational physical activity. This figure is limited to expenditures on services for actually doing an activity – i.e., gym or studio memberships, fees for classes and training, sports team or club dues, entry fees for events/competitions/tournaments, and other associated services. Non-service expenditures are measured in separate, supporting categories (as described below). In some instances, fees may be subsidized (such as in facilities/programs run by nonprofits or local governments), and in these instances the study still counts consumer *participation* in the activity although out-of-pocket expenditures would be reduced or possibly zero. Likewise, for some activities there is no service provider or participation fee (for example, running in the park or playing a pickup basketball game with friends), and in these instances the study counts consumer *participation* in the activity although the expenditures are zero.

**Sports and active recreation:** This category encompasses a wide range of sports and recreation activities, including team sports (e.g., soccer, basketball, volleyball); individual sports (e.g., tennis, swimming, gymnastics); indoor sports (e.g., squash, wrestling, martial arts); outdoor sports (e.g., skiing, rowing, bicycling); as well as a variety of recreational pursuits (e.g., hiking, trail running, kayaking, parasailing, rock climbing, dancing). The common denominator among these is that they all involve movement and physical activity that contributes to good health. *Sports* are typically more structured, are governed by specific rules or forms, and often involve an element of competition; participants are usually motivated by mere enjoyment of the activity (fun and games), athletic achievement, competition, and/or camaraderie and team spirit. *Active recreation* activities are often less structured and formalized, although many do require instruction, mastering special skills, or adhering to specific systems or forms (e.g., different schools of martial arts and dance forms). Consumers may pursue active recreation because they enjoy the activity, working toward specific skills goals, being part of a community, and/or being outdoors. Sports and active recreation attract people of all ages and abilities – children, youth, adults, and seniors.

**Fitness:** Consumers engage in structured fitness activities with the intention of becoming physically fit or maintaining desired physical conditions, which may encompass cardiovascular health, functional fitness, flexibility and strength, and weight loss or weight management. Fitness activities most often take place at gyms, health clubs, and fitness studios, but can also happen in home-based gyms, outdoor gyms, community centers, schools, hotels, or other venues. These activities are often conducted under the supervision of trainers or are led by teachers in small or group class settings. Fitness activities usually rely on equipment or machines, or they follow a protocol of exercises for conditioning and training. As such, this category includes diverse activities, from indoor cycling/spinning, treadmill running, and weight training, to aerobic dance, Zumba, cardio kickboxing, HIIT, CrossFit, aqua aerobics, and much more. The participants in this market are primarily (but not exclusively) adults. Note that walking, running, jogging, and cycling in a gym, in a class, or using a piece of fitness equipment (treadmill or stationary bike) is included in the fitness category, while doing these activities outside of a gym-, class-, or equipment-based setting is generally counted as part of sports and active recreation.

**Mindful movement:** This category captures the exercise modalities that combine movement with mental/internal focus, body awareness, and controlled breathing, with the intention to improve strength, balance, flexibility, posture and body alignment, and overall health. Mindful movement includes activities such as yoga, tai chi, qigong, Pilates, stretch, and barre, as well as other less mainstream somatic, bodywork, and energy-based methods such as Gyrotonic and Gyrokinesis, Nia Technique, Feldenkrais Method, and 5Rhythms. While these classes are increasingly offered at gyms and fitness studios as part of a comprehensive fitness class offering, consumers usually turn to them with the intentions of improving mind-body health and mental focus, and for stress-relief and mindfulness, in addition to physical exercise. The participants in this market are primarily (but not exclusively) adults.

## Physical Activity Enabling Sectors

In addition to direct expenditures on services, consumers also make related purchases that enable and support their participation in recreational physical activities. We measure three categories of enabling sectors:

**Technology:** In recent years, technology has greatly transformed the fitness and physical activity markets, enabling consumers to track their own metrics, monitor performance and progress, access programs and services on demand, and connect with communities. This category includes technology-enabled hardware/devices and software/services that support fitness, sports, and active recreation. Hardware, equipment, and devices include: wearable fitness trackers (e.g., fitness bands such as Fitbit, Garmin, Polar, Huawei Band, Xiaomi Mi Band, and other types of step/movement/cardio trackers, but excluding the broader category of smartwatches, like Apple Watch, which are not exclusively for fitness); smart/sensor-embedded fitness and sports clothing, shoes, and eyewear; and smart/sensor-embedded/networked fitness equipment and sporting goods. Software, apps, and services include: fitness, exercise, and nutrition apps and online services that are used for tracking, analyzing, learning, and sharing activities and achievements (e.g., My Fitness Pal, Samsung Health, Google Fit, Runtastic, Pacer, Yodo Run); streaming and on-demand fitness workout/class services (e.g., Peloton, Mirror, Keep, Beachbody On Demand, Daily Burn, Daily Yoga); and fitness, sports, and recreation intermediary, booking, management, and marketing software, apps, and platforms (e.g., ClassPass, Mindbody, Active Network, Daxko, My PT Hub).



**Equipment and supplies:** This category includes a wide variety of equipment and supplies used to engage in fitness, sports, and active recreation, including sporting goods (e.g., balls, rackets, bats, and clubs; bicycles; climbing equipment; ice skates; etc.); protective gear (e.g., helmets, padding, gloves, etc.); as well as fitness/exercise/training equipment and supplies (e.g., treadmills, stationary bikes, other gym equipment, free weights, resistance bands, blocks, mats, etc.). This measurement captures the entire market size for these kinds of equipment and supplies, whether they are sold directly to consumers or to gyms, health clubs, sporting clubs, etc.

**Apparel and footwear:** This category captures the clothing and footwear used for fitness, sports, and active recreation, from ski pants to yoga leggings, and from running shoes to hiking boots. Since dressing has become more casual over the past few decades, and fitness has become both a daily activity and an aspirational lifestyle in many places, it is increasingly common for people to wear athletic/sports-inspired clothing and athletic shoes as everyday casualwear (i.e., “athleisure”). Therefore, it would be impossible to separate what consumers purchase and wear specifically and exclusively for physical activity, when those same pieces of clothing and shoes are also worn outside of the gym or when people are not exercising.

### 3. Mental Wellness

**Mental wellness** is an internal resource that helps us think, feel, connect, and function; it is an active process that helps us to build resilience, grow, and flourish. The mental wellness sector encompasses consumer spending across four subsectors, as described below.

**Self-improvement:** Includes a wide range of activities typically associated with self-help and personal development, which can be done individually, in groups, and with professional guidance and support. The sector includes: self-help books; self-help gurus, organizations, and institutes that deliver a variety of classes, workshops, seminars, and retreats; self-help organizations and mutual support groups; personal and life coaches; cognitive enhancement and brain training products and services; a wide array of self-help apps and online platforms; and anti-loneliness efforts. This sector is especially hard to quantify because the activities overlap with so many other sectors. Self-help gurus, groups, and organizations now deliver content through a variety of media channels (e.g., Instagram, Facebook, Reddit, YouTube, websites, magazines, TED talks, podcasts, etc.), which cannot be easily separated as a consumer spending category.

**Meditation & mindfulness:** Includes all forms of meditation practice, related/spin-off mindfulness practices (e.g., breathwork and breathing methods, guided imagery, body scan, relaxation exercises), and products and services that support these practices. Key spending categories include classes, teachers, retreats, online platforms, apps, books, and videos. There is a growing market for meditation accessories (e.g., cushions, beads, chimes) and mindfulness products (e.g., journals, coloring books), as well as a fast-growing range of connected gadgets, trackers, monitors, and aids to support meditation (e.g., headbands, headsets, glasses, wearable sensors, lamps) – many of which build upon biofeedback, neurofeedback, and virtual reality technologies.

**Brain-boosting nutraceuticals & botanicals:** Includes products that we ingest or put into our bodies with the specific aim of improving our mental health and well-being. Many over-the-counter natural supplements, herbals and botanicals, and traditional remedies specifically claim to support better sleep, brain health, memory, energy, and overall mental wellness. A wide range of functional foods and beverages claim to have brain health benefits, across nearly every

packaged food and beverage category. There is growing interest in the potential of cannabis and its derivatives, psilocybin, and other plant-based and synthetic psychedelic drugs for both mental wellness and treatment purposes. A growing number of supplements and functional foods and beverages incorporate cannabis, hemp, CBD, THC, and medicinal mushrooms. (Note that our figures include only the legal, over-the-counter cannabis and cannabis derivatives market.) Most of the expenditures in this category overlap with the *healthy eating, nutrition, & weight loss* and *traditional & complementary medicine* sectors, and we account for this overlap when aggregating the figures for the overall wellness economy.

**Senses, spaces, & sleep:** Includes products, services, and design that target our senses and the mind-body connection, based upon the growing understanding that environmental stimuli have a major impact on our mood, stress levels, sleep, and mental health and well-being. This broad sector encompasses sound (sound healing, white noise, noise cancellation, wellness music); scent (aromatherapy, home fragrances); light (circadian lighting, light therapy consumer products); and touch (stress toys and gadgets, weighted blankets). Sleep is a major focus of this sector, with an exploding array of sensory products and services that promote relaxation and improve our sleep environments (e.g., sleep accessories, smart bedding, nap cafés, sleep retreats, etc.). Many new tech gadgets, wearables, and apps target sleep hygiene, ambience, and tracking. Multi-sensory experiences are appearing in wellness travel, spas, fitness, and entertainment venues (e.g., forest bathing, hugging therapy, scream therapy, laughter yoga, cuddle parties, flotation tanks), while sensory-based design and architecture are a rapidly growing part of wellness real estate (biophilic design, human-centric lighting). Some of the expenditures in this category overlap with the *wellness real estate* and *traditional & complementary medicine* sectors, and we account for this overlap when aggregating the figures for the overall wellness economy.

## 4. Wellness Tourism

**Wellness tourism:** Travel associated with the pursuit of maintaining or enhancing one's personal well-being.

**Primary wellness tourist:** A tourist whose trip or destination is primarily motivated by wellness.

**Secondary wellness tourist:** A tourist who seeks to maintain wellness while traveling, or who participates in wellness experiences while taking any type of trip for leisure or business.

**International wellness tourism receipts:** All receipts earned by a country from inbound wellness tourists visiting from abroad with an overnight stay.

**Domestic wellness tourism expenditures:** All expenditures in a country made by wellness tourists who are traveling within their own country with an overnight stay.

## 5. Spas

**Spa establishments:** Spas are defined as establishments that promote wellness through the provision of therapeutic and other professional services aimed at renewing the body, mind, and spirit. Spa facilities offer a wide variety of services (e.g., massages, facials, body treatments, salon services, water-based treatments, health assessments, and more) as well as sales of related products. Specific types of spas are defined below.

**Day/club/salon spas:** Offer a variety of spa services (e.g., massages, facials, body treatments, etc.) by trained professionals on a day-use basis. Club spas are similar to day spas but operate out of facilities whose primary purpose is often fitness. Salon spas operate out of facilities that provide beauty services (such as hair, cosmetics, nails, etc.).

**Destination spas and health resorts:** Offer a full-immersion spa experience in which all guests participate. In addition to spa and body treatments, all-inclusive programs typically include a myriad of other offerings such as: fitness, mind/body, special diets and cleanses, energy work, personal coaching, nutritional counseling, weight loss, sports medicine, preventive or curative medical services, etc. This category also includes the traditional sanatoria and health resorts in Europe that offer spa-like services (e.g., massage, hydrotherapy, thermal water bathing, etc.) for wellness and therapeutic purposes.

**Hotel/resort spas:** Located within a resort or hotel property, providing spa services on an à la carte basis to hotel guests and outside/local guests. Spa treatments and services generally complement a hotel stay or a wide range of other activities at a resort.

**Thermal/mineral springs spas:** Include the revenues generated by spa- and wellness-related treatments (such as massage, facials, hydrotherapy, etc.) at the following types of establishments: day-use spa facilities and destination/health resorts that incorporate an on-site source of natural mineral, thermal, or seawater into their spa treatments, as well as other bathing/recreational springs establishments that offer complementary spa services.

**Medical spas:** Operate under the full-time, on-site supervision of a licensed healthcare professional, providing comprehensive medical and/or wellness care in an environment that integrates spa services with traditional, alternative, or cosmetic medical therapies and treatments.

**Other spas:** Includes all other facilities that are not captured by the categories described above, such as cruise ship spas, airport spas, mobile spas, as well as historically-/culturally-based facilities (e.g., Turkish hammams, Indian Ayurveda centers, etc.) that have incorporated spa-like services into their offerings.

## 6. Thermal/Mineral Springs

**Thermal/mineral springs establishments:** Revenue-earning business establishments associated with the wellness, recreational, and therapeutic uses of waters with special properties. Our figures count thermal/mineral springs establishments that operate as a business, and as such, do not include springs that do not have any built facilities and/or do not charge any kind of fee for access. Establishments that use heated water – not naturally-sourced thermal/mineral water – are also excluded from this category. There are many categories and types of thermal/mineral springs establishments, as illustrated below:

### Types of Thermal/Mineral Springs Establishments

Primarily Recreational	Primarily Wellness	Primarily Therapeutic or Curative
Thermal/mineral water swimming pool facilities	Thermal/mineral water bathing facilities	Health resorts and sanatoria that use thermal/mineral waters for treatments
Thermal/mineral water-based waterparks	Thermal/mineral water-based spas	
Hotels/resorts with thermal/mineral water swimming pools	Thalassotherapy spas and resorts	
Thermal or hot springs resorts		

Our revenue estimates include *all* revenues earned by the establishments in the above categories (not just revenues from thermal/mineral-water bathing and treatments). Therefore, our estimates include revenues earned from: bathing/swimming offerings, spa/wellness services and other treatments, other recreational activities, food and beverage, lodging, and other services offered by the establishment.

Our figures are further broken down into two categories, in order to delineate the overlap between the thermal/mineral springs sector and the spa sector:

**Thermal/mineral springs establishments that offer spa services:** These facilities offer complementary, spa-like services (e.g., massage, facials, hydrotherapy, other treatments) alongside their bathing offerings, and often incorporate the thermal/mineral water into treatments. They include the health resorts and sanatoria across Europe that use thermal/mineral waters for therapies and the hot springs resorts common in China and Taiwan, as well as the growing number of bathing establishments that are offering add-on spa services alongside thermal/mineral water bathing and relaxation. These establishments and their revenues are also counted as part of the spa sector figures, and we account for this overlap when aggregating the figures for the overall wellness economy.

**Thermal/mineral springs establishments with no spa services:** These are typically recreational and bathing-only facilities, such as most of the onsen in Japan, the thermal pools and waterparks that are common in Latin America, and the thermal water swimming pool facilities prevalent in Iceland.

## APPENDIX B: ACKNOWLEDGEMENTS

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Measuring the size of the global wellness economy is a massive endeavor that requires research, data, expertise, and insights in eleven sectors across all regions/countries of the world. This update was made more complicated by COVID-19, which upended markets and businesses models in all sectors, shifting consumer behavior and challenging many assumptions we held before the pandemic. The authors want to give special thanks to **Victor Koo** and **Teresa Dai** of Tianren Culture for providing research assistance in multiple sectors for the vast Chinese wellness market. We appreciate **Tomonori Maruyama** of Mitsui Knowledge Industry Co. for his help in accessing and analyzing data in the Japanese spa, hot springs, and hospitality sectors. We thank **Mary Imboden** for computing special workplace wellness data for us using the HERO Scorecard, and **Sara Karerat** of the Center for Active Design for sharing global data on healthy buildings. **Vicky Nash** conducted an informal survey of U.S. hot springs to inform our research, and **Melissa Rodriguez** kindly shared IHSA research reports that contain invaluable information on the global fitness market. We also thank **Lynne McNees** and **Crystal Ducker** of ISPA for sharing their data on the U.S. spa industry with us.

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