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Are Boxing Gyms Profitable?

Unit Economics, FDD Filings & The 2026 Reality Check

> **Short answer:** Yes—but profitability splits by business model, not by brand name. Traditional fight gyms often run at break-even once unpaid owner labor is counted, while lean independent and hybrid combat studios capture the margin: the fitness-club median EBITDA is **22.1%**, and the median Seller's Discretionary Earnings for martial arts and boxing gyms for sale is about **$86,000**. The 2026 FDDs show pure boxing franchises contracting—9Round lost **61.4%** of its franchised units—so capital efficiency and member retention matter far more than brand prestige.

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02 How much owners actually make
03 Franchise financial case studies
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22.1%
Global fitness club median EBITDA margin in 2025 (HFA 2026 Report) [Documented]

-61.4%
9Round franchised unit contraction from 2023 to YE 2025 (9Round 2026 FDD) [Documented]

$86,000
Median Seller's Discretionary Earnings (SDE) for martial arts & boxing gyms for sale (BigIdeasDB Oct 2026) [Documented]

01 The Boxing Demand Paradox: Fans Are Growing, Generic Bag Classes Are Shrinking

[Documented]

Boxing gyms can be profitable, but profitability is bifurcated by capital efficiency and retention—not by brand prestige or class volume alone. Across the U.S. gym and health club sector ($47.1 billion in 2026 revenue, up 1.8% year-over-year per IBISWorld), consumer interest in combat sports sits near multi-year highs. USA Boxing membership reached an all-time record of 65,712 members in 2024 (up 82% from 2020), while 32% of Gen Z sports fans identify as avid boxing fans compared to 6% of Baby Boomers.

Yet studio booking data exposes a sharp divergence inside the four walls. In the 2025 ClassPass Look Back Report, global fitness reservations rose 36% year-over-year, led by HYROX (+432%), Sports Recovery (+155%), and Pilates (+66%). Boxing remained a global Top 10 modality, but it was the **only Top 10 workout to decline in 2025, with bookings down 7% year-over-year**. Paired with ClassPass's 2024 finding that boxing bookers routinely cross-train in strength (2024 ClassPass Report), the signal is clear: consumers are leaving one-size-fits-all cardio bag classes that lack measurable progression, and migrating toward hybrid strength, recovery, and skill-based formats.

FitnessNav Evidence Standard: In line with FitnessNav Intelligence's "Transcription, Not Assertion" methodology, FitnessNav operates no gyms and holds no first-party member telemetry. Every figure below is tagged as **[Documented]** (SEC filings, FDDs, audited benchmarks), **[Scenario estimate]** (modeled math from documented inputs), or **[Editorial assessment]**.

02 How Much Do Boxing Gym Owners Actually Make? [Documented + Scenario estimate]

No U.S. government agency tracks gym owner take-home pay directly; the Bureau of Labor Statistics' $47,160 median annual wage (May 2025) measures *employed* trainers, not owners (Gymdesk Owner Pay 2026).

For independent boxing gyms, the widely cited $152,544 average annual revenue (2022 baseline) yields a modeled pre-debt operating pool of roughly $36,044/yr at the 23.6% HFA industry median EBITDA margin.

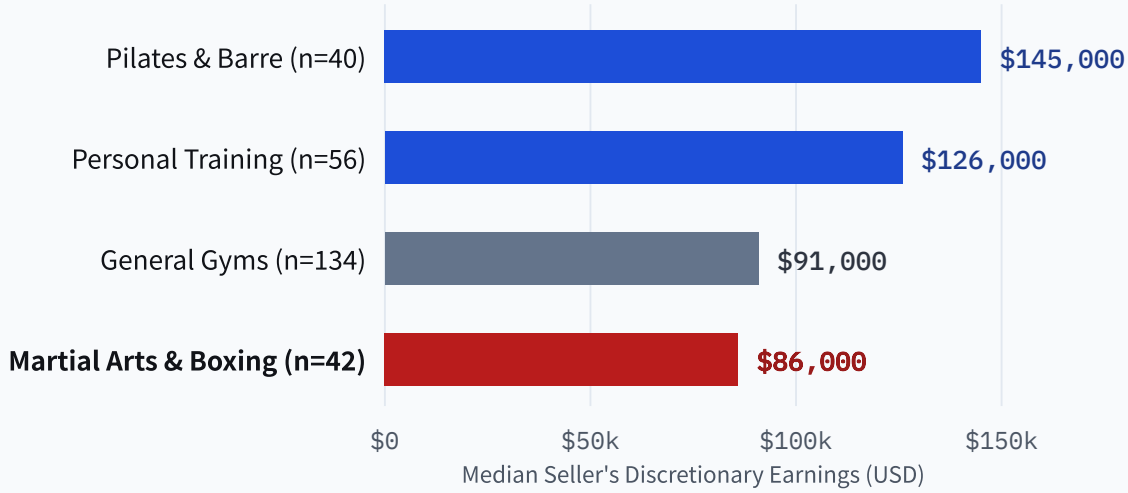
The Unpaid Owner-Coach Illusion

In independent fight gyms with fewer than 150 members, headline operating margins hide the owner's own uncompensated labor. Modeling Gymdesk's 2026 combat-gym cost curves, a gym with 112 active members generates ~$36,240 in annual operating cash flow; after $15,000 in annual debt service, just $21,240 remains. Dividing that residual by 30 hours per week of unpaid owner coaching and admin equals **$13.62 per hour**. Crossing **200+ active members** ($26,821/mo average gym revenue across 786 combat gyms in Gymdesk's June 2026 benchmark) is the operational inflection point where an owner can step off the mat and pay a head coach.

What Type of Gym Is Most Profitable?

Resale market data settles the cross-category question. Across 610+ U.S. gyms listed for sale in BigIdeasDB's October 2026 Main Street Index, martial arts and boxing gyms posted a median Seller's Discretionary Earnings (SDE) of **$86,000** (n=42; 2.37x asking multiple)—trailing Pilates & Barre (**$145,000**, n=40) and Personal Training studios (**$126,000**, n=56; 30%–50% net margins per StudioStackPro 2026). Worse, gyms ranked #1 in price cuts across 59 industries (33.9% cut asking price), rent consumed a median **77.1% of SDE**, and only **31.6%** cleared a 1.25x debt-service coverage ratio after an $80,000 manager salary.

FIGURE **Pilates and personal training studios out-earn martial arts and boxing gyms by 46% to 69% on resale SDE**



Median annual Seller's Discretionary Earnings (SDE, pre-debt profit plus owner compensation) across U.S. gym resale listings. Source: BigIdeasDB Main Street Index (October 5, 2026).

03 Franchise Financial Case Studies: 2024–2026 SEC Filings & FDD Evidence [Documented]

Public SEC filings and state-registered FDDs provide the clearest audit of scaled boxing gym unit economics. Across all five major North American boxing franchises, high initial build-out costs (Item 7) collided with fixed royalties (6%–7.5%) and flat or declining unit revenues (Item 19), triggering widespread store closures (Item 20), brand divestitures, and elevated Small Business Administration (SBA) loan defaults.

BRAND & FILING	ITEM 7 INITIAL CAPEX	ONGOING ROYALTY & FEE LOAD	ITEM 19 GROSS REVENUE	2023–2025 UNIT TREND & DISTRESS SIGNALS
Rumble Boxing 2025–2026 FDD / XPOF SEC	$509.6K–$1.14M (2025) $395.6K–$856.1K (2026)	7% royalty (+2% brand fund in 2025); $49K–$60K initial fee	$489.1K avg / $397.2K med (57 units)* *Omitted in 2026 FDD*	103 studios open at YE 2024; divested by XPOF to Extraordinary Brands (July 2025 8-K); 8.4% avg monthly churn (WellnessFranchiseHQ).
TITLE Boxing Club 2026 FDD (Apr 2, 2026)	$548,637–$947,729	7.5% royalty ($29.5K/mo min Yr 3+); 1%–2% brand; $2K–$2.5K/mo local ad; $549/mo tech	$407,423 avg / $388,373 med (76/78 franchised, CY25)	Franchised units fell **-38.6%** (127 → 78); Top 20% hit $648.1K vs. $45.2K low (OwnerRoad 2026); **18.8% SBA 7(a) default rate** (Franchise Failure Rates).
9Round 2026 FDD (Apr 16, 2026)	$160,449–$390,300	6% royalty ($600/mo min); 2% brand; 8% local ad; $499/mo tech	*None disclosed*	Franchised units fell **-61.4%** (365 → 141 in Table 1 / 143 in Table 3; 228 closures, OwnerRoad 2026); 14 SBA defaults (Lopes Law).
Mayweather Boxing 2025–2026 FDD / IFPG	$347,000–$659,800 (FDD) $299.7K–$595.5K (IFPG)	7% royalty + 1% ad fund; $49.5K initial fee	*None disclosed*	70 peak units (2023) → 26 confirmed open in U.S. (June 2025, Business Insider); >$8M franchisee lawsuits; acquired by Giant Ideas Aug 2025 (Athletech News).

BRAND & FILING	ITEM 7 INITIAL CAPEX	ONGOING ROYALTY & FEE LOAD	ITEM 19 GROSS REVENUE	2023–2025 UNIT TREND & DISTRESS SIGNALS
UFC Gym 2026 FDD	$155.4K (BJJ) / $601.9K (Core) $2.17M Signature ($1.31M–$5.45M site)	6% of gross revenues	$3.97M avg / $2.35M med (dues; Signature >18K sqft $4.05M avg)	U.S. outlets fell **-20.3%** (74 → 59, Franopolis 2026); 2 CA Ch. 11 bankruptcies (2024–2025); **44.4% SBA default rate** (8/18 loans).

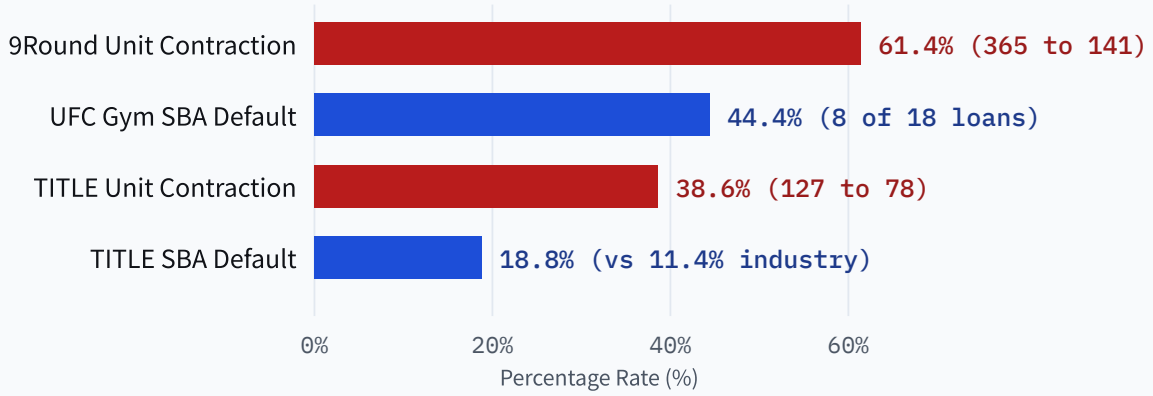
*Note on Rumble Boxing Item 19 conflict: 2025 secondary FDD summaries conflict between $489,123 avg / $397,230 median across 57 units (1851 Franchise) and ~$522,000 across 43 studios (WellnessFranchiseHQ); Extraordinary Brands' 2026 investment showcase omits Rumble's Item 19 entirely.

Deep Dive: Why Public & Franchise Boxing Models Struggled (2024–2026)

1. Xponential Fitness (NYSE: XPOF) & Rumble Boxing: XPOF posted GAAP net losses of $98.7 million in FY 2024 (including $62.6 million in goodwill and asset impairments and contingent consideration tied primarily to Rumble, per XPOF FY2024 EX-99.1) and $53.7 million in FY 2025 (XPOF FY2025 EX-99.1). On July 24, 2025, XPOF divested Rumble Boxing and CycleBar to Extraordinary Brands while retaining $6.3 million in lease liabilities across nine divested-brand leases (XPOF FY2025 10-K). Even post-divestiture, XPOF's North America same-store sales declined 6.8% in Q2 2026 (Q2 2026 EX-99.1) and 7.5% in Q3 2026 (TradingView Q3 2026). In January 2026, Extraordinary Brands confirmed that oversized footprints and excessive build-out costs crippled acquired units—prompting plans to cut new Rumble studio footprints by **30% to 50%** (Ride High Magazine).

2. Empty Item 19s & Minimum Royalty Traps: Under FTC Franchise Rules, brands experiencing deteriorating unit-level cash flow frequently drop Item 19 earnings claims rather than publish weak averages—an omission now shared by 9Round, Mayweather Boxing + Fitness, and Rumble's 2026 showcase. Meanwhile, TITLE Boxing Club's 2026 FDD reveals a 3.6x performance gap between top-quintile studios ($648,100) and struggling operators ($45,162 low), yet enforces a 7.5% royalty against minimum monthly gross revenue thresholds ($23,600 in Year 2; $29,500 in Year 3+), putting underperforming owners in contractual default.

FIGURE **Major boxing franchises lost 20% to 61% of franchised units from 2023 to 2025 alongside elevated SBA defaults**



Red bars show 2023–2025 franchised unit contraction (2026 FDD Item 20); blue bars show FY2010–FY2019 SBA 7(a) loan charge-off rates as of June 30, 2026. Sources: OwnerRoad 9Round FDD, OwnerRoad TITLE FDD, and Franchise Failure Rates.

04 The 4-Pillar Unit Economics Methodology for Boxing Operators [Documented + Scenario estimate]

To evaluate whether a specific boxing gym location will generate free cash flow, operators should audit four structural levers rather than relying on top-line revenue projections.

1. CapEx & Capital Efficiency

Basic independent boxing renovations run **$10–$30/sq ft** plus $10,000–$30,000+ for ring installation and reinforced bag rigging, putting a 3,000–4,000 sq ft build-out at **$125,000–$200,000** ($170,600–$560,850 all-in with 6 months of working capital per Member Solutions 2025). In 2026, operators are offsetting build-out costs by negotiating **$25–$45/sq ft** tenant improvement (TI) allowances and 90–180 days of free rent (FITT Finder 2026).

2. Churn Cliff & Billing Leakage

Using PushPress's LTV formula (ARM ÷ Monthly Churn), a $150/mo membership yields $2,500 LTV at 6% churn vs. $7,500 at 2% churn. Across 801,000 combat memberships, **~20% quit in the first 90 days** before settling to 2.0%–3.5%/mo (Gymdesk Retention 2026). Reaching a member's **5th visit** locks boutique retention above 90%, while fixing billing leakage (**8% of owed revenue goes uncollected**) immediately lifts net margin.

3. Rent, Payroll & Sparring Insurance

Rent must stay below **25% of gross revenue** (15%–25% target per ABC Fitness 2026), and payroll near **32.4%** (high-profit HFA benchmark vs. 42.5% for laggards). Crucially, standard fitness GL excludes sparring: cardio-boxing insurance runs $400–$1,200/yr, but light sparring jumps to $1,500–$3,500/yr and full-contact multi-program stacks hit **$5,000–$10,800/yr** (+20%–30% in CA/NY), plus mandatory **OSHA Bloodborne Pathogen** compliance (Vibefam 2026).

OPERATIONAL METRIC	TRADITIONAL FIGHT GYM	BOUTIQUE FITNESS-BOXING	HYBRID STRENGTH + COMBAT MODEL
Monthly ARM	$30–$92/mo (100–199 mbrs)	$110–$180/mo	$150–$187+/mo (w/ PT & recovery)
Startup CapEx	$20K–$125K (lean independent)	$135K–$310K (indep.) / $510K–$1.14M (fran.)	$125K–$300K (TI-offset build-out)
Break-Even Members	70–112 (200+ for owner exit)	80–150 active members	150–300 active members
Annual Rev / Sq Ft	$35–$55/sq ft (typical)	$80–$140/sq ft (49% class fill avg)	$100–$175+/sq ft (daytime open-gym yield)
Insurance & Risk	$3,000–$6,000+/yr (sparring + OSHA)	$400–$1,200/yr (no-contact cardio)	$1,500–$3,500+/yr (light sparring endorsement)
Stabilized Net Margin	10%–15% (often <$15/hr owner pay)	15%–25% (91% hit growth plateau)	20%–30%+ (multi-layer retention)

Pillar 4: Solving the Daytime Dead-Zone with Hybrid Floor Architecture

Pure group-boxing studios lose money between 9:00 a.m. and 4:00 p.m., contributing to an industry-wide **49% average class utilization** (Mariana Tek / Forbes Oct 2026) and **37% overall facility capacity utilization** (ClassPass 2026). As Athletech News reported in February 2026, high-performing hybrid operators de-risk the floor by placing approachable dumbbells, turf, and cardio up front, locating heavy bags deeper inside, and adding high-margin recovery pods (cold plunge, red light, compression) in the rear to monetize off-peak hours and extend member tenure.

FIGURE **Hybrid studio zoning places open strength up front, heavy bags mid-floor, and recovery suites in the rear**



Conceptual hybrid combat-fitness floor plan designed to lower beginner intimidation and lift off-peak revenue per square foot. Source: Athletech News (Feb 27, 2026) & FitnessNav Editorial Assessment.

> *"Boxing is not losing its audience—it is losing the generic, one-size-fits-all bag class that offers no measurable skill progression or strength pairing."*

05 Why Boxing Is Called the "Poor Man's Sport"—and How to Open Lean

[Editorial assessment + Documented]

Historically, boxing earned its "poor man's sport" reputation because entry required minimal gear and neighborhood PAL or municipal gyms charged nominal dues to keep working-class youth active. In commercial fitness, however, that cultural legacy creates a pricing trap: traditional fight-gym owners anchor dues at **$30–$50/month** (Gymdesk Startup Guide) even when commercial rents run $24–$120/sq ft/year.

For founders searching *"how to open a boxing gym with no money,"* signing a commercial triple-net (NNN) lease with zero capital is a fast path to insolvency. The viable 2026 playbook follows a **coaching-first, capital-second, lease-third** sequence over 6 to 18 months (Exercise.com Sept 2026):

LOW-CAPITAL ENTRY MODEL	STARTUP OUTLAY	OPERATING MECHANISM	MODELED GROSS POTENTIAL
Gym Sublease / Partnership	$0–$3,000	Rent off-peak bag or turf space inside an existing big-box or MMA gym per session or monthly flat fee; zero build-out risk.	Immediate positive cash flow (20%–40% rev-share or flat fee)
Park & Outdoor Bootcamps	$1,000–$5,000	Focus mitts, jump ropes, and city park permits ($25–$100/day or $200–$500/yr) running 2 small-group sessions/day.	$800–$3,200/wk (4–8 clients at $20–$40/session)
Community / Church Hall Rental	$500–$2,000	Hourly facility rentals at $15–$75/hr; 10 sessions/week at $25/hr keeps fixed facility cost near $1,000/mo.	~$13,000/mo (8 clients/session at $30)
Waitlist & Founding Pre-Sales	$500–$2,000	Build a 200-person local waitlist and pre-sell 100 founding memberships before signing a lease to self-fund bags and deposits.	~$50,000 upfront cash (Exercise.com)

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