Economic Impact

2022

OF THE TIMESHARE INDUSTRY ON THE U.S. ECONOMY

EXECUTIVE SUMMARY

2022 EDITION
PREPARED BY EY

AIF
Market Intelligence | Career Advancement

Economic Impact of the Timeshare Industry

ON THE U.S. ECONOMY **2022 EDITION**

EXECUTIVE SUMMARY

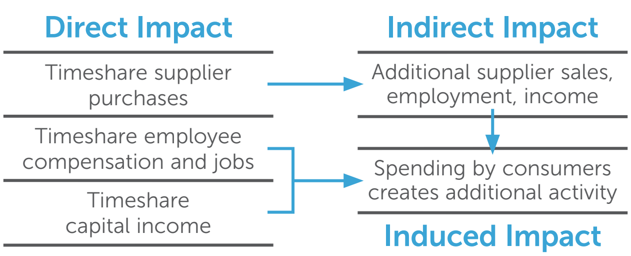
Introduction

The impact of the timeshare industry on the U.S. economy extends beyond the timeshare resorts with which customers are most familiar. The total economic contribution of the industry also includes the economic impacts of sales and marketing offices, corporate operations, the construction of new resorts and the renovation of existing resorts, and the significant impact of expenditures of vacationers during timeshare stays. This study estimates the comprehensive private- and public-sector benefits generated by the timeshare industry.

In addition to private-sector benefits, including jobs and income, the significant tax contributions of the industry are a source of revenue for federal, state, and local governments. The estimates described below show that the timeshare industry produces significant amounts of individual income tax and employment tax at the federal level, and contributes significantly to property tax, sales tax, and occupancy tax revenue for state and local governments in the states in which timeshare resorts are located.

The following results highlight the key economic and fiscal (tax) contributions of the timeshare industry. The results are summarized in terms of direct and indirect economic and fiscal impacts and presented for resort operations, sales and marketing, corporate operations, consumer spending, and construction. The direct impacts are generated through spending by the timeshare industry and its employees. The indirect impacts are from increased activity among suppliers and higher spending by employees due to increased incomes.

OVERVIEW OF THE TIMESHARE INDUSTRY OPERATIONS' ECONOMIC IMPACT



Total Impact

In total, the U.S. timeshare industry generated approximately $73.1 billion of economic output, 441,215 full- and part-time jobs, $29.3 billion in labor income and $10.7 billion in total taxes in 2021.

ECONOMIC CONTRIBUTIONS OF THE U.S. TIMESHARE INDUSTRY, 2021

Billions of dollars; number of part- and full-time jobs

Impact	Direct	Indirect & Induced	2021 Total
Employment	187,993	253,222	441,215
Labor Income	$12.0	$17.3	$29.3
Output	$27.3	$45.7	$73.1
Taxes	$5.3	$5.4	$10.7

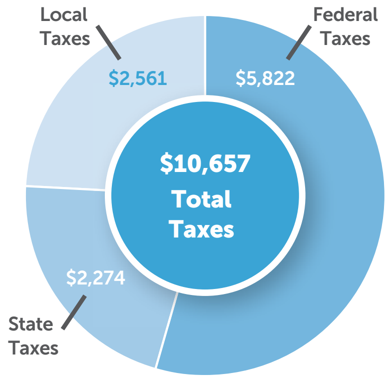
Note: Includes economic contributions related to resort operations, corporate office operations, sales office operations, consumer expenditures, and capital expenditures in 2021.

Source: *2022 U.S. State of the Vacation Timeshare Industry* and *Economic Impact Survey* and EY analysis using the IMPLAN input-output model.

- **Employment:** The timeshare industry directly supported employment of 187,993 people in 2021. This direct employment supported indirect and induced employment at suppliers and other businesses totaling 253,222 jobs. Combining direct and indirect and induced employment, the total employment contribution of the timeshare industry nationwide is estimated to be 441,215 jobs. For each direct job, an additional 1.35 jobs are supported in other industries due to the U.S. timeshare industry.
- **Labor Income:** The total income contribution of the timeshare industry is estimated to be $29.3 billion in 2021, including an estimated direct income impact of $12.0 billion and an indirect and induced impact of $17.3 billion. Labor income includes employee compensation (wages plus benefits) and income to proprietors. The total impact of the U.S. timeshare industry on labor income was $2.44 for each dollar of direct income.
- **Economic Output:** The timeshare industry's direct impact on U.S. economic output (measured by revenues) was $27.3 billion in 2021. The indirect and induced output supported by the timeshare industry was $45.7 billion, resulting in a total economic output contribution of $73.1 billion. The total impact on U.S. economic output is $2.67 for each dollar of direct output.

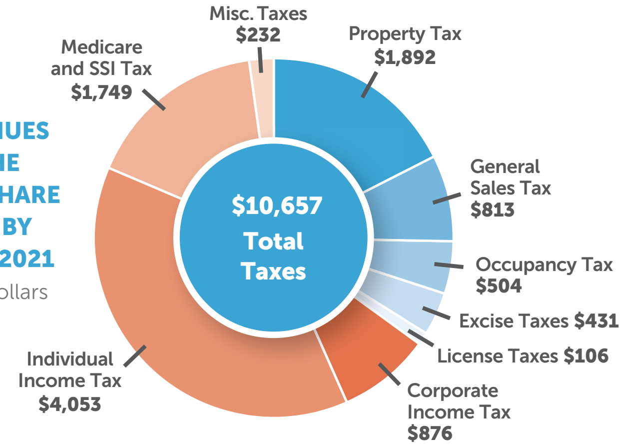
TOTAL TAX CONTRIBUTIONS OF THE U.S. TIMESHARE INDUSTRY, 2021

Millions of dollars



TAX REVENUES PAID BY THE U.S. TIMESHARE INDUSTRY BY TAX TYPE, 2021

Millions of dollars



Note: Numbers may not appear to sum due to rounding.

Source: *2022 U.S. State of the Vacation Timeshare Industry* and *Economic Impact Survey*, IRS Income Statistics, BEA, and EY analysis using the IMPLAN input-output model.

- **Taxes:** The U.S. timeshare industry generated $10.7 billion in total taxes in 2021 — $5.8 billion in federal taxes, $2.3 billion in state taxes, and $2.6 billion in local taxes. The timeshare industry contributed to the U.S. economy through property taxes, sales taxes, occupancy taxes, excise taxes, license taxes, income taxes, employment tax and other taxes.

The economic contribution of the timeshare industry for 2021 contracted as compared to 2019, the data year covered by the previous version of this report, due in large part to the COVID-19 pandemic and economic and market conditions that followed. In addition to employment, declines also occurred across the other economic and fiscal benefits presented in this report. Labor income fell 20.8%, consistent with the contraction in employment, whereas economic output and taxes fell by 25.0% and 16.1%, respectively. Even with the contraction in 2021, the timeshare industry continues to contribute to the U.S. economy with $73.1 billion in economic output and over $10.7 billion in total tax revenue across federal, state and local governments.

Timeshare Vacation Spending

Spending by timeshare owners and guests during timeshare stays was estimated at $6.14 billion in 2021. Approximately $1.57 billion was spent on-site at resorts, while $4.56 billion was spent off-site in the communities where the timeshare resorts are located. On average, each traveling party spent $2,256 per vacation. Based on an average travel party size of 3.9 people, the average total spending per person is $578. Only the off-site expenditures are included in the estimates of the economic impact of vacation expenditures because spending by timeshare owners and visitors at timeshare resorts on-site is captured separately in the impact of timeshare resort operations.

DETAILED VACATION EXPENDITURE SPENDING DATA[1]

	Average per Party			
Vacation Spending Data	On-site Spending	Off-site Spending	Total Spending	Total Off-site Spending ($ billion)
Air Transportation Services	—	$428	$428	$1.30
Entertainment and Recreation	$103	$100	$203	$0.30
Hotels and Motel Services, Inc. Casino Hotels[2]	$237	$207	$444	$0.63
Restaurant, Bar, and Drinking Place Services	$74	$95	$169	$0.29
Clothing And Clothing Accessories	$75	$99	$173	$0.30
Groceries	$83	$88	$171	$0.27
Ground Transit	—	$60	$60	$0.18
Gasoline Stations	—	$110	$110	$0.33
Miscellaneous	$38	$35	$73	$0.11
Rental Cars	—	$126	$126	$0.38
Theme Parks & Museums	$58	$81	$138	$0.25
Fitness & Sports	$87	$74	$161	$0.23
Total	**$754**	**$1,502**	**$2,256**	**$4.56**
Average Spending Per Person[3]	**$193**	**$385**	**$578**	

1 Does not include gambling wins and losses.

2 Hotel and motel on-site expenditures are captured by the *2022 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey* as rental revenue and are not included in "on-site spending" referenced throughout the text.

3 Average travel party size is 3.9 people.

Source: *2022 U.S. Shared Vacation Ownership Owners Survey*, prepared by Leger for AIF.

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DETAILED ECONOMIC IMPACTS OF THE TIMESHARE INDUSTRY, BY FUNCTION, 2021

Billions of dollars; number of part- and full-time jobs

Output	Direct	Indirect & Induced	Total
Industry Operations	$23.4	$39.7	$63.1
Resorts	$13.3	$22.3	$35.6
Corporate	$5.0	$8.6	$13.5
Sales and Marketing	$5.2	$8.8	$14.0
Vacation Expenditures	$3.4	$5.1	$8.6
Capital Expenditures	$0.5	$0.9	$1.4
Total	**$27.3**	**$45.7**	**$73.1**

Employment	Direct	Indirect & Induced	Total
Industry Operations	155,210	223,215	378,425
Resorts	87,220	130,042	217,262
Corporate	30,937	45,064	76,001
Sales and Marketing	37,053	48,109	85,162
Vacation Expenditures	30,365	25,846	56,212
Capital Expenditures	2,418	4,161	6,578
Total	**187,993**	**253,222**	**441,215**

Labor Income	Direct	Indirect & Induced	Total
Industry Operations	$10.6	$15.4	$26.0
Resorts	$4.6	$9.9	$14.5
Corporate	$2.6	$2.8	$5.4
Sales and Marketing	$3.4	$2.8	$6.2
Vacation Expenditures	$1.3	$1.6	$2.9
Capital Expenditures	$0.2	$0.3	$0.4
Total	**$12.0**	**$17.3**	**$29.3**

Note: Labor income includes employee compensation and proprietor income.

Source: *2022 U.S. State of the Vacation Timeshare Industry* and *Economic Impact Survey* and EY analysis using the IMPLAN input-output model.

Methodology

Ernst & Young's detailed analysis of economic impacts, and the success of the study overall, was made possible by the active cooperation of timeshare enterprises, resorts, exchange companies, and a sample of the timeshare travelers in the U.S. during 2021. The response base included 822 of the 1,549 timeshare resorts identified in the U.S. and survey responses from 1,600 U.S. households. Ernst & Young analyzed the detailed survey information in a customized economic impact model to quantify the industry's economic contributions.

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