

2024

Economic and Fiscal Impacts *of the Tennessee Timeshare Industry*

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ARDA
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Executive Summary

The Tennessee timeshare industry 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, construction of new resorts and the renovation of existing resorts, and the significant impact of expenditures of vacationers during timeshare stays in the state. This document presents estimates of the economic and state and local tax benefits generated by the timeshare industry in the state of Tennessee.

As shown in Tables ES-1 and ES-2 below, the timeshare industry in Tennessee accounted for 6,273 jobs, \$1.4 billion of output, \$381 million in labor income, and \$65 million in state and local tax revenue. Between 1% to 2% of the US timeshare industry's economic contributions take place in Tennessee, depending on the metric.

Table ES-1. Economic Impacts of the Timeshare Industry in Tennessee, 2023

Millions of dollars; Number of part- and full-time jobs

Impact	Direct	Indirect & induced	2023 total	Share of national
Employment	3,277	2,996	6,273	1%
Labor income	\$191	\$190	\$381	1%
Output	\$866	\$574	\$1,439	2%
State & local taxes	\$51	\$14	\$65	1%

Note: Includes impacts related to resort operations, corporate office operations, sales office operations, consumer expenditures, and capital expenditures in 2023.

Source: 2024 US State of the Vacation Timeshare Industry and Economic Impact Survey and EY analysis using the IMPLAN input-output model.

Table ES-2. Summary of Fiscal Impacts of the Tennessee Timeshare Industry, 2023

Millions of dollars

	State taxes	Local taxes	Total taxes
Resorts	\$23	\$20	\$44
Corporate	\$1	\$1	\$2
Sales and marketing	\$3	\$1	\$4
Vacation expenditures	\$10	\$3	\$13
Capital expenditures	\$2	\$1	\$3
Total	\$40	\$26	\$65

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

Source: 2024 US State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis using the IMPLAN input-output model.

Survey Results

The primary data source for the economic and fiscal impacts is a survey of timeshare resorts, developers, and management companies. This survey was conducted by EY for ARDA Research & Insights in early 2024. The survey combined both State of the Industry questions and Economic Impact questions in one master survey. The survey data was extrapolated to reflect the timeshare industry in Tennessee.¹ The identified timeshare resorts in Tennessee were sent a survey questionnaire. It is estimated that there are 6,988 timeshare units at 31 resorts in Tennessee.²

Table 1. Direct Industry Operations Survey Data for Tennessee, 2023

Millions of dollars; Number of part- and full-time jobs

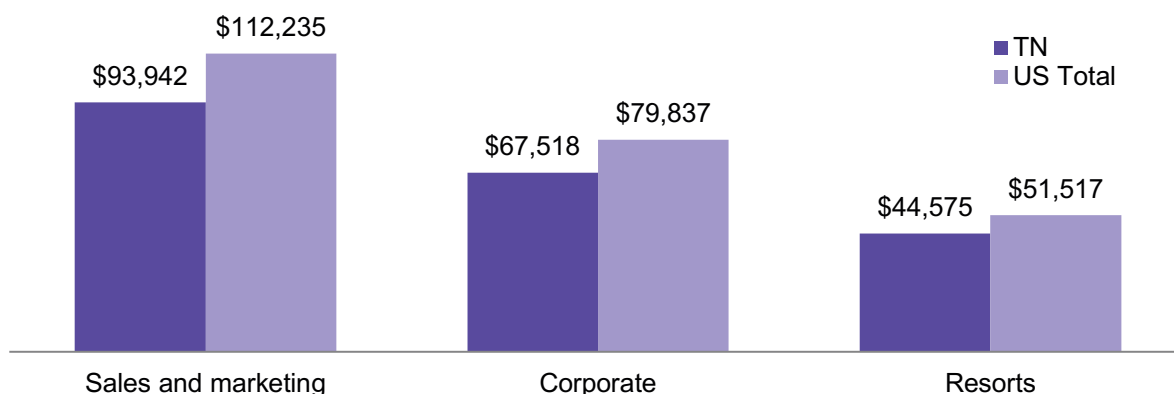
	Employment	Employee compensation	Economic output
Resort operations	1,619	\$72	\$616
Corporate headquarters	152	\$10	\$25
Sales and marketing	354	\$33	\$53
Total	2,124	\$116	\$694

Note: Does not include off-site vacation expenditures and capital expenditure data.

Source: 2024 US State of the Vacation Timeshare Industry and Economic Impact Survey and EY analysis.

Figure 1. Average Annual Compensation by Industry Function in Tennessee, 2023

Including payroll taxes and other benefits



Source: 2024 US State of the Vacation Timeshare Industry and Economic Impact Survey and wage trends from the Bureau of Labor Statistics.

¹ This study excludes fractional resorts, Private Residence Clubs, and Destination Clubs.

² The total number of timeshare units in Tennessee is estimated as the number of Tennessee resorts (48) multiplied by the average number of units per resort (101). Total may not match due to rounding.

Table 2. Capital Expenditures in the Tennessee Timeshare Industry, 2023
Millions of dollars

Capital expenditures	Direct spending
Capital expenditures	\$28
New construction	\$15
Renovation	\$13
Sales and corporate capital expenditures	\$0
New construction	\$0
Renovation	\$0
Total capital expenditures	\$30
Total capital expenditures	\$30

Note: Renovation costs include costs related to renovation, furniture, fixtures, equipment (FF&E), and other capital expenditures. New construction costs include expenses related to the purchase of land, construction, FF&E, and other capital expenditures.

Source: 2024 US State of the Vacation Timeshare Industry and Economic Impact Survey and EY analysis.

ARDA Research & Insights commissioned Sports & Leisure Research Group, a market research company, to collect data via a survey on vacation expenditures by timeshare owners and visitors during their Tennessee timeshare vacations in the last year, which is summarized in Table 3. This data is used to estimate the impact of timeshare vacationer spending on the Tennessee economy.

Table 3. Detailed Vacation Expenditure Spending Data¹

Vacation spending data	Average per party			Total off-site spending (\$mil)
	On-site spending	Off-site spending	Total spending	
Air transportation services	\$177	\$500	\$677	\$49
Entertainment and recreation	\$537	\$442	\$979	\$35
Hotels and motel services ²	\$539	\$482	\$1,021	\$35
Clothing and clothing accessories	\$108	\$165	\$273	\$13
Groceries	\$169	\$169	\$338	\$13
Ground transit	\$123	\$168	\$291	\$4
Gasoline stations	=	\$116	\$116	\$2
Miscellaneous	\$72	\$156	\$228	\$9
Rental cars	\$72	\$125	\$197	\$14
Theme parks & museums	\$78	\$129	\$207	\$10
Fitness & sports	\$138	\$120	\$258	\$10
Total	\$1,330	\$2,408	\$3,738	\$170
Average spending per person³	\$314	\$574	\$888	\$177
Average spending per person³	\$274	\$440	\$715	

¹ Does not include gambling wins and losses.

² Hotel and motel on-site expenditures are captured by the 2024 US 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 4.2 people in Tennessee.

Source: 2024 Shared Vacation Ownership Owners Survey, prepared by Sports and Leisure for ARDA Research & Insights.

Economic and Fiscal Impact Results

Using an economic model of the Tennessee economy developed by IMPLAN Group LLC and customized by EY, this analysis estimated the direct and indirect economic impacts of the timeshare industry. The survey data discussed above was used to generate the direct impacts that served as inputs into the IMPLAN model. The timeshare industry's direct operations create purchases from suppliers, employee compensation, and other forms of capital income. These various payments to factors of production (labor and capital) and suppliers create additional indirect economic impacts. The industry's supplier purchases result in higher levels of additional sales, employment, and income by suppliers. This impact on suppliers is known as the "indirect" economic impact. The re-spending of employee compensation and other types of income by employees and owners of the timeshare industry creates additional spending by consumers at restaurants, retailers, and other businesses that sell to consumers. The impact from additional consumer spending is referred to as the "induced" economic impact.

Table 4. Direct Economic Output Generated by Tennessee Resort Operations, 2023

Millions of dollars

	Amount
Rental revenue	\$98
Maintenance fees	\$481
On-site consumer spending	\$98
Maintenance fees	\$451
Rental revenue	\$67
On-site consumer spending	\$67
Direct economic output	\$616
Direct economic output	\$616
Direct economic output	\$616

Source: 2024 US State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis.

Table 5. Direct Economic Output Generated by Tennessee Corporate, Sales and Marketing Operations, 2023

Millions of dollars

	Corporate headquarters	Sales and marketing
Labor income	\$10	\$33
Non-labor operating expenses	\$14	\$19
Profits	\$10	\$19
Labor income	\$10	\$33
Non-labor operating expenses	\$14	\$19
Profits	\$10	\$19
Direct economic output	\$25	\$53
Direct economic output	\$25	\$53
Direct economic output	\$25	\$53

Source: 2024 US State of the Vacation Timeshare Industry and Economic Impact, IRS Income Statistics, BEA, and EY analysis.

**Table 6. Detailed Economic Impacts of the Tennessee Timeshare Industry,
by Function, 2023**

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

Output	Direct	Indirect & induced	Total
Industry operations	\$694	\$440	\$1,134
Resorts	\$616	\$362	\$977
Corporate	\$25	\$27	\$53
Sales and marketing	\$53	\$51	\$103
Vacation expenditures	\$145	\$107	\$252
Capital expenditures	\$26	\$27	\$53
Total	\$866	\$574	\$1,439

Employment	Direct	Indirect & induced	Total
Industry operations	2,124	2,304	4,428
Resorts	1,619	1,900	3,518
Corporate	152	137	289
Sales and marketing	354	267	621
Vacation expenditures	992	561	1,553
Capital expenditures	160	131	292
Total	3,277	2,996	6,273

Income	Direct	Indirect & induced	Total
Industry operations	\$139	\$146	\$284
Resorts	\$91	\$120	\$210
Corporate	\$14	\$9	\$23
Sales and marketing	\$34	\$17	\$51
Vacation expenditures	\$40	\$36	\$76
Capital expenditures	\$12	\$9	\$21
Total	\$191	\$190	\$381

Note: Labor income includes employee compensation shown in Table 1 and proprietor income.
Source: 2024 US State of the Vacation Timeshare Industry and Economic Impact Survey and EY analysis using the IMPLAN input-output model.

Table 7. Summary of Direct, Indirect, and Induced Fiscal Impacts of the Tennessee Timeshare Industry by Function, 2023
Millions of dollars

	State taxes	Local taxes	Total taxes
Property tax	--	\$19	\$19
Resorts	--	\$16	\$16
Corporate	--	\$0	\$0
Sales and marketing	--	\$1	\$1
Vacation expenditures	--	\$1	\$1
Capital expenditures	--	\$0	\$0
General sales tax	\$18	\$3	\$22
Resorts	\$6	\$1	\$7
Corporate	\$1	\$0	\$1
Sales and marketing	\$1	\$0	\$2
Vacation expenditures	\$9	\$2	\$10
Capital expenditures	\$2	\$0	\$2
Other taxes	\$21	\$4	\$25
Resorts	\$18	\$3	\$21
Corporate	\$1	\$0	\$1
Sales and marketing	\$1	\$0	\$1
Vacation expenditures	\$2	\$0	\$2
Capital expenditures	\$0	\$0	\$1
Total	\$40	\$26	\$65

Source: 2024 US State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis using the IMPLAN input-output model.

Table 8. Summary of Direct, Indirect, and Induced Fiscal Impacts of the Tennessee Timeshare Industry by Tax Type, 2023
Millions of dollars

	State taxes	Local taxes	Total taxes
Property taxes	--	\$19	\$19
General sales taxes	\$18	\$3	\$22
Occupancy taxes	\$10	\$3	\$13
Excise taxes	\$3	\$1	\$4
License taxes	\$0	\$0	\$1
Corporate income tax	\$5	--	\$5
Individual income tax	\$0	\$0	\$0
Medicare and SSI tax	--	--	--
Misc. taxes	\$2	\$0	\$3
Total taxes	\$40	\$26	\$65

Source: 2024 US State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis using the IMPLAN input-output model.