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AIF

ECONOMIC IMPACT
of the Timeshare Industry on the U.S. Economy

Prepared by: Ernst & Young
Quality In Everything We Do

2010 EDITION

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I. EXECUTIVE SUMMARY

ECONOMIC IMPACT

of the Timeshare Industry on the U.S. Economy

The impact of the timeshare industry on the U.S. economy expands 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 the 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 an important source of revenue for the federal, state and local governments. 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 the timeshare resorts are located.

The following results highlight the key economic and fiscal (tax) impacts 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.[1]

This study is an estimate of key metrics that provide an overview of the vacation timeshare industry in the United States. It is not a comment on any individual company, whose performance may vary from the information included in this study.

As shown in the table below, in 2009, the timeshare industry accounted for 465,803 jobs, $69 billion of output, and over $22 billion in income.

Table ES-1 **Summary of Total Economic Impacts of the U.S. Timeshare Industry, 2009**

Impact	Direct	Indirect	Total
Output ($billions)	$25.4	$43.2	$68.7
Employment	196,299	269,504	465,803
Income ($billions)	$9.0	$13.2	$22.1

1 Please note that the numbers in the tables and text of this report are rounded and may not appear to sum. Calculations referenced in the text were performed on precise numbers and will yield a slightly different result.

Economic Output: The timeshare industry's direct impact on economic output (measured by revenues) totaled $25.4 billion in 2009, while indirect output reached $43.2 billion, resulting in a total economic output impact of nearly $69 billion. The total impact on U.S. economic output is $2.70 for each dollar of direct output.

Employment: The timeshare industry's direct employment impact in 2009 was estimated at nearly 196,299 people. This direct employment created additional indirect employment by suppliers and other businesses of 269,504 jobs. Combining the direct and indirect employment effects, the total employment impact of 465,803 jobs. For each direct job, the total impact is 2.37 jobs.

Personal Income: The total direct and indirect income impact totaled $22.1 billion in 2009, including an estimated direct personal income impact of $9.0 billion and an indirect personal income impact of $13.2 billion. The total impact on U.S. personal income was $2.46 for each dollar of income.

Taxes: The fiscal impact of the timeshare industry's operations, owner and visitor vacation spending, and construction and renovation of resorts and commercial spaces are shown in Table ES-2, by level of government. As summarized in Table ES-2, the timeshare industry generated nearly $8.4 billion in total taxes.

Table ES-2 **Summary of Total Fiscal Impacts of the U.S. Timeshare Industry, 2009 ($millions)**

Industry Component	Federal Taxes	State Taxes	Local Taxes	Total Taxes
Resorts	$1,435	$555	$927	$2,917
Corporate	$932	$270	$184	$1,386
Sales and Marketing	$1,206	$349	$238	$1,793
Vacation Expenditures	$1,186	$544	$277	$2,008
Capital Expenditures	$168	$65	$37	$269
Total	**$4,928**	**$1,783**	**$1,663**	**$8,374**

- The timeshare industry generated a total of $8.4 billion in federal, state and local taxes: $4.9 billion in taxes at the federal level, $1.8 billion at the state level, and $1.7 billion at the local level.
- Resort operations produced an estimated $2.9 billion in federal, state and local taxes. Nearly 28% of this total was property taxes, which accounted for $803 million in state and local taxes (see Table 9 for details).
- Vacation expenditures off-site generated an estimated $2.0 billion in total tax revenue, of which an estimated $295 million was direct state and local sales taxes paid on purchases of taxable items during vacation off-site (see appendix Table A4).
- Capital spending related to new construction and renovation resulted in a total of $269 million in taxes.

The timeshare industry contributes significantly more federal, state and local tax revenue per employee than other industries. In 2009, timeshare resort operations generated over $46,000 of taxes for each timeshare resort employee.[2] This level of tax contribution is significantly higher than the U.S. average, which is less than $17,000 of taxes per employee.[3]

2 This includes total federal, state, and local taxes generated by resort operations, corporate offices and sales offices relative to the 132,227 persons directly employed in timeshare operations.

3 This is calculated by dividing total federal, state, and local tax collections reported in the Bureau of Economic Analysis (BEA)'s National Income and Product Accounts by total private sector employment reported by the BEA.

II. INTRODUCTION

The timeshare industry provides joint ownership or leases of vacation property, where owners and renters take turns occupying the locations. With over 170,000 units in 1,548 timeshare resorts in the United States, the timeshare industry encompasses a significant portion of the U.S. hospitality industry. Over the past decade, the industry has grown rapidly and now stands as a significant contributor to the U.S. economy. Industry operations directly employ more than 130,000 people in 47 states.

As described in the report, the economic impact of the timeshare industry extends beyond the timeshare resorts with which customers are most familiar. The total economic contribution of the modern U.S. timeshare industry includes the economic impacts of sales and marketing offices; corporate, regional, and call center operations; the construction of new resorts and the renovation of existing resorts; and the significant impact of expenditures of vacationers.

In addition, the significant tax contributions of the industry are an important source of revenue for federal, state and local governments, generating significant property tax, sales tax, and occupancy tax revenue for the states in which the timeshare resorts are located.

This report, prepared by Ernst & Young LLP (EY) and commissioned by ARDA International Foundation (AIF), documents these significant economic and fiscal contributions made by the timeshare industry in 2009.

III. SURVEY RESULTS

The economic and fiscal impact analysis presented in this study relies on primary data collected through two national surveys, described below. Data collected through the surveys were supplemented with other public and proprietary information to present an estimate of the overall size of the timeshare industry in the United States in 2009.

Putting the results of the survey in context, the timeshare sales decline that began in 2008 deepened in 2009, reflecting the impact of the steep recession that began in December 2007. Several of the larger timeshare developers intentionally slowed their sales efforts through increased credit score requirements and larger down payment requirements in the face of an overall tighter credit environment. Many reduced the scope of their sales operations and focused their sales efforts toward existing owners. In 2009, sales volume totaled $6.3 billion, a 35% decrease from 2008. Approximately 306,200 timeshare intervals were sold at an average price of $20,468, increasing slightly from 2008 due to a greater concentration of sales in the high end market. Several respondents did report year-over-year price decreases.

State of the Vacation Timeshare Industry and Economic Impact Survey

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 the ARDA International Foundation (AIF) in early 2010. For the first time, the survey combined both State of the Industry questions and Economic Impact questions in one master survey. The State of the Industry data collected in this survey is summarized in the 2010 edition of AIF's report *State of the Vacation Timeshare Industry: United States* study, which provides an overview of key metrics of the U.S. timeshare industry such as total sales volume, average maintenance fees, and average sales price, etc. EY also reviews resort, development organization and management company web sites, previous AIF research, and other industry sources to conduct this data analysis. The survey data is extrapolated to reflect the entire timeshare industry in the United States, excluding fractional resorts, private residence clubs, and destination clubs.

The entire universe of timeshare resorts was sent a survey questionnaire. EY received responses from 646 of the 1,548 timeshare resorts identified — a 42% response rate. Of these 646 responding resorts, 529 belong to a family of ten or more resorts, while 117 belong to a family of less than ten resorts. Of the 117 resorts belonging to a timeshare operator with less than 10 resorts, 79 were single site developers.

EY uses these responses as the basis for most of the detailed estimates presented in this study. In some cases, the survey results are supplemented with public information, such as corporate income tax information from the IRS *Statistics of Income* and economic data from the Bureau of Economic Analysis.

As described above, the estimated economic impact of the timeshare industry is primarily based on the industry data collected in two surveys. The data from these surveys used in the estimation of the economic and fiscal impacts is summarized below. Table 1 presents an overall summary of the industry's expenditures and operations. The data presented in this section are translated into direct economic impacts, as described in the following section on economic and fiscal impact estimation methodology.

Table 1 **Industry Operations Survey Data**

Industry Operations	Direct Output ($millions)	Direct Employee Compensation ($millions)	Direct Jobs	Average Direct Annual Compensation
Resorts	$8,631	$1,963	68,542	$28,642
Corporate	$3,967	$1,765	27,466	$64,264
Sales and Marketing	$5,453	$2,087	36,219	$57,633
Total	**$18,051**	**$5,816**	**132,227**	**$43,982***

Source: 2010 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey
**Average rather than total*

Resort Operations Activities: Data describing the annual operations of timeshares include employment, wages, detailed operating expenditures, and revenue information including maintenance fees (averaged $674 per interval) for the 7.2 million intervals owned and rental income. Economic output is the broadest measure of economic activity and includes all expenditures and payments to factors of production (labor and capital). In 2009, the direct economic output of timeshare resort operations totaled $8.6 billion, which included maintenance fee revenue of $4.9 billion, rental income of $1.3 billion and revenue from on-site consumer spending of $2.4 billion.

Corporate Activities: In 2009, the corporate operations of timeshare developers, operators and exchange companies employed an estimated 27,466, with average compensation of $64,000 annually per employee, resulting in nearly $1.8 billion of employee compensation. Purchases from other firms, which are part of direct output, such as, financial services, utilities, office supplies, and other operating expenditures, totaled $1.3 billion.

Sales and Marketing Activities: In 2009, timeshare sales and marketing activities employed an estimated 36,219 employees, with average compensation of $57,633 annually per employee, yielding nearly $2.1 billion of employee compensation. Purchases from other firms totaled $2.2 billion.

Capital Expenditures for New Construction and Renovation Activities: As shown in Table 2 below, new resort construction expenditures totaled nearly $647 million and resort renovations totaled $84 million in 2009. Expenditures related to the construction of corporate and sales operations totaled $73 million while renovations totaled $16 million in 2009, resulting in total sales and corporate center capital expenditures of $90 million. The construction and renovation expenditures include both structures and tangible personal property.

Table 2 **Capital Expenditures**

Capital Expenditure	Direct Output ($millions)
Resort Capital Expenditures	$730
New construction	$647
Renovations	$84
Sales and Corporate Capital Expenditures	$90
New construction	$73
Renovations	$16
Total Capital Expenditures	**$820**

Source: AIF 2010 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey

Consumer Survey

AIF commissioned TRiG (The Research Intelligence Group), a market research company, to collect data via a survey on vacation expenditures by timeshare owners and visitors during their U.S. timeshare vacations. This analysis uses the data from that survey, summarized in Table 3, to estimate the impact of timeshare vacationer spending on the U.S. economy.

Consumer Spending by Timeshare Vacationers: Spending by timeshare owners and guests during timeshare stays totaled $9.0 billion in 2009. $2.4 billion was spent on-site, while $6.6 billion was spent off-site. The total vacationer expenditure was estimated based on average per-party expenditures from the *2010 Vacation Timeshare Owners Survey*. The average per-party expenditure is then multiplied by the estimated 5.7 million vacation travel parties, which is calculated by the number of intervals available (number of units multiplied by fifty-one weeks) multiplied by the occupancy rate, and adjusted for the number of units occupied per party, as reported in the SOI and TRiG surveys. Note that this approach assumes that timeshare owners and other visitors to timeshare resorts have the same spending characteristics.

On average, each traveling party spent nearly $1,600 per vacation. Table 3 shows the distribution of total spending by timeshare vacationers across major categories of expenditures. Note that 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, shown in Table 1.

Table 3 **Detailed Vacation Expenditure Spending Data**

	Average per Party			Total Off-site
Vacation Spending Data	On-site Spending	Off-site Spending	Total Spending	Spending ($bil)
Air transportation services	$0	$250	$250	$1.4
Other amusements and recreation	108	117	225	0.7
Hotels and motel services, incl. casino hotels	109	95	204	0.5
Restaurant, bar, and drinking place services	65	138	203	0.8
Clothing and clothing accessories	43	141	184	0.8
Groceries	41	97	138	0.6
Amusement parks, arcades, & gambling rec.	39	94	133	0.5
Ground transit	0	108	108	0.6
Gasoline stations	0	88	88	0.5
Miscellaneous	20	19	40	0.1
Total	**$426**	**$1,148**	**$1,574**	**$6.6**

Source: 2010 Vacation Timeshare Owners Survey, prepared by TRiG for AIF.

IV. ECONOMIC AND FISCAL IMPACT ESTIMATION METHODOLOGY

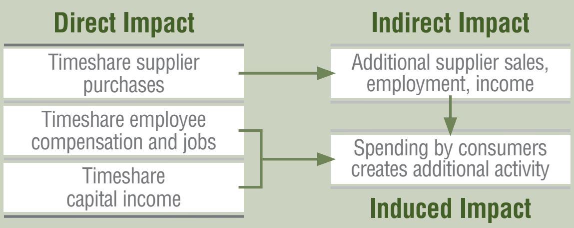
The annual operations of timeshare resorts, corporate operations, sales and marketing, vacation expenditures, and construction or renovations of both timeshare and operations result in significant output (sales), employment, income, and taxes in the U.S. economy. This section describes the estimation of the economic and fiscal impact of the U.S. timeshare industry based on the survey data presented above and summarized in Tables 1 through 3 above.

Economic Impact Methodology

Using a customized economic model of the U.S. economy, developed by the Minnesota IMPLAN Group, Inc., 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. This model calculates the indirect and induced impacts, as described below.

Figure 1 presents a high level illustration of the channels through which the timeshare industry's operations translate into total economic impacts. As shown in the figure, 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. As shown below, 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. Also shown below is the re-spending of employee compensation and other types of income by employees and owners of the timeshare industry, which creates additional spending by consumers at restaurants, retailers, and other businesses that sell to consumers. The impact from additional consumer spending is often referred to as the "induced" economic impact, and is included as part of the indirect impact in the analysis.

Figure 1 **Overview of the Timeshare Industry Operations' Economic Impact**



Direct Impacts

The estimated direct impact of each timeshare industry activity is measured as the additional output, personal income, or employment connected directly to the industry's operation. The direct public-sector benefits include increased federal, state and local taxes, such as sales and use taxes, property taxes, occupancy taxes, individual and corporate income taxes paid directly by the timeshare industry, owners of timeshares, and timeshare industry employees. All data were collected through the SOI/EI survey. Specific estimates of the direct impacts are calculated as described below.

Direct Economic Output

Direct economic output of the timeshare resort operators is assumed to equal total operator revenues from maintenance fees, rental income, and other income. In 2009, the direct economic output of timeshare resort operations totaled $8.6 billion which included maintenance fee revenue of $4.9 billion, rental income of $1.3 billion and revenue from on-site consumer spending of $2.4 billion. Maintenance fee revenue was estimated assuming average maintenance fees of $674 per interval and 7.2 million intervals owned. Rental income and other income were obtained from the survey responses, extrapolated to reflect the total population of resorts.

Direct output of corporate operations totaled nearly $4.0 billion in 2009, which was estimated as the sum of employee compensation of nearly $1.8 billion and other expenses of $1.3 billion as reported on the survey, plus an estimated profit margin of $855 million, based on standard profitability for the accommodations industry, as reported in the U.S. Internal Revenue Service's *Statistics of Income*. Direct output of sales and marketing operations totaled nearly $5.5 billion in 2009.

The direct economic output impact of capital expenditures ($820 million) is equal to the amount of resort and non-resort construction and renovations, as reported in the survey. The output impact of new resort construction in 2009 is estimated using the predicted amount of new units to be built in 2009 — 2,600 units, as reported in the *2008 State of the Industry Survey*.[4] The analysis assumes that the average capital outlay to construct a new timeshare unit is $250,000.[5]

The output impact of off-site vacation expenditures is $6.6 billion, based on reported average off-site vacation expenditures of $1,148 per party and nearly 5.7 million vacation travel parties.[6]

4 The analysis uses 2009 projected data rather than 2009 actual data due to a very low response rate in the 2010 survey for this question. The 2010 survey response rate for the question "How many timeshare units are recently built and planned at this resort" under the section "Resort Improvement and Construction," was too low to provide meaningful data. Instead, the response to the 2009 survey question "How many new resorts does your company plan to build, and what is the associated number of units" under the section "New Resorts," was used because the response rate was sufficient to provide meaningful data.

5 This estimate is derived from data collected during the 2008 economic impact survey because there were no responses received during the 2010 survey that indicated both the number of units and the associated capital expenditure, which are required to calculate the per-unit average capital expenditure. Based on the 2008 economic impact survey data, the approximate average cost to construct a timeshare interval is $250,000, excluding outliers.

6 An estimated 5.7 million vacation travel parties is calculated by the number of intervals available (number of units multiplied by fifty-one weeks) multiplied by the occupancy rate, and adjusted for the number of units per party, as reported in the SOI and TRiG surveys.

Direct employment

Direct employment of the timeshare industry is equal to the sum of the reported full and part time employment for timeshare resorts (68,542 jobs), corporate (27,466 jobs), and sales and marketing (36,219 jobs), as reported in the survey.

The employment impact of other industry activities, such as capital expenditures and vacation expenditures, are estimated by dividing the reported expenditures by the average output per employee for each related industry. For example, off-site vacation expenditures reported in the survey totaled more than $6.6 billion in 2009. Based on weighted average output of $91,900 per employee in restaurants, retailers, and other industries providing goods and services to vacationers, the estimated direct employment impact from timeshare vacation expenditures is approximately 58,077 jobs.[7]

Direct income

Direct income earned by employees of the timeshare industry is equal to the sum of wages and benefits received by employees and proprietor's income earned by owners of resorts. Benefits include employer contributions for social insurance, health insurance, retirement, and other types of non-cash compensation. For resort, corporate, and call center operations, the direct income impact was reported in the survey responses. For other industry activities, such as capital and vacation expenditures, the direct income impact was estimated using the U.S. IMPLAN economic model based on the level of expenditures and estimated employment.

Indirect Impacts

The operating expenses incurred by the timeshare industry result in purchases of goods and services from other U.S. businesses, which create ripple or multiplier effects throughout the entire national economy. Businesses continue to interact with other businesses to supply the demand for additional goods and services by the timeshare industry. For example, a timeshare resort purchases linen services, food and beverages, cleaning supplies, landscaping services, and other goods and services supplied by other businesses. Likewise, the indirect impact of construction and renovation activities results from purchases of building materials from supplier companies.

The indirect impact of the timeshare industry is estimated by using the IMPLAN model of the U.S. economy based on the direct impacts described above. To produce more accurate estimates of the industry's indirect economic impact, the model is calibrated to reflect the operating profile of the timeshare industry. For each commodity demanded by the timeshare industry, the model estimates the portion that would be supplied by domestic businesses based on trade flow data from the U.S. Department of Commerce and the U.S. Department of Transportation.

Induced Impacts

The employment and wages of timeshare employees and employees of indirectly impacted firms (suppliers) stimulate additional consumer spending as the employees spend their earnings on restaurants, retail items, housing, and other goods and services produced in the national economy.[8] The estimated induced impacts of the U.S. timeshare industry presented in Table 6, were estimated using the IMPLAN U.S. economic model. The model estimates the re-spending of direct and indirect employees, reflecting typical personal consumption expenditure profiles and the typical proportion of consumption goods that are imported from outside the U.S. economy.

7 The output per worker levels are indicated in the IMPLAN economic model. The direct employment impacts for expenditure-based impacts are calculated by the IMPLAN model based on national industry average relationships of output to employment.

8 To simplify the presentation of results, the indirect and induced impacts will be combined and described as indirect effects.

Fiscal Impact Methodology

The timeshare industry's economic contributions generate substantial tax revenues for federal, state, and local governments. These taxes are paid either directly by timeshare owners, visitors and employees, or indirectly by suppliers and their employees because of higher levels of economic activity. Direct taxes paid by the timeshare industry, its visitors, and its employees include property taxes, sales taxes, personal and corporate income taxes, occupancy taxes, and other taxes. Indirect taxes occur as timeshare suppliers, retailers, service firms, and other businesses increase sales and economic activity in response to additional sales related to timeshare operations and consumer expenditures. These additional indirect taxes are generated through the economic multiplier effect.

Direct fiscal contributions for the property tax, occupancy tax, and corporate income tax of the resort operations were provided from the AIF *2010 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey*. The direct property tax impact of resort operations is based on tax collection data provided in the AIF *2010 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey*, which indicated $665 million in property taxes in 2009. This estimate does not include the portion of household property taxes paid by employees of the resorts. Direct property taxes paid by timeshare owners totaled $665 million while direct occupancy taxes for resort operations totaled $183 million in 2009. Direct corporate income taxes paid by the timeshare resort operations totaled $89 million.

Sales tax attributable to capital investment and timeshare vacationer expenditures was estimated using national weighted average rates: 6.1% state sales tax rate and 1.4% local sales tax rate.[9]

All other direct tax and all indirect tax contributions were estimated using ratios of the most recent U.S.-wide tax collections to federal personal income for each type of tax.

Estimates of the higher federal, state and local taxes resulting indirectly from increased economic activity are based on EY's fiscal models for the timeshare industry. Using data from the U.S. Census Bureau's Governmental Finances, and the U.S. Bureau of Economic Analysis (BEA), the model calculates the ratio of federal, state and local taxes to personal income for all major taxes in the U.S.. The tax ratios were then applied to the estimated direct and indirect change in personal income due to the industry's operations, as estimated by the IMPLAN model. The resulting increase in tax collections is reported by tax type.

9 Sales and use tax for timeshare visitor expenditures and capital expenditures are estimated based on equipment and building material costs, which are assumed to be subject to the sales tax. Estimated construction labor, installation and maintenance charges are excluded.

V. DETAILED ECONOMIC IMPACT RESULTS

The tables below show the direct, indirect, and total economic impact of the U.S. timeshare industry on the national economy. Direct impacts measure the economic output and income of the timeshare industry and its employees, while the indirect impacts reflect the economic contribution of suppliers to the timeshare industry and induced consumer spending by employees directly and indirectly connected to the industry.

Table 4 **Total Estimated Economic Impacts of the U.S. Timeshare Industry, 2009**

Output ($billions)	Direct	Indirect	Total
Industry Operations	$18.1	$30.2	$48.3
Resorts	$8.6	$13.6	$22.2
Corporate	$4.0	$7.0	$10.9
Sales and Marketing	$5.5	$9.7	$15.1
Vacation Expenditures	$6.6	$11.4	$17.9
Capital Expenditures	$0.8	$1.6	$2.5
Total	**$25.4**	**$43.2**	**$68.7**

Employment	Direct	Indirect	Total
Industry Operations	132,227	192,970	325,197
Resorts	68,542	86,153	154,695
Corporate	27,466	44,171	71,636
Sales and Marketing	36,219	62,647	98,866
Vacation Expenditures	58,077	66,546	124,623
Capital Expenditures	5,995	9,988	15,984
Total	**196,299**	**269,504**	**465,803**

Income ($billions)	Direct	Indirect	Total
Industry Operations	$6.7	$9.4	$16.1
Resorts	$2.2	$4.2	$6.4
Corporate	$2.0	$2.2	$4.2
Sales and Marketing	$2.4	$3.0	$5.4
Vacation Expenditures	$2.1	$3.3	$5.3
Capital Expenditures	$0.3	$0.5	$0.8
Total	**$9.0**	**$13.2**	**$22.1**

Estimated Economic Output Impacts

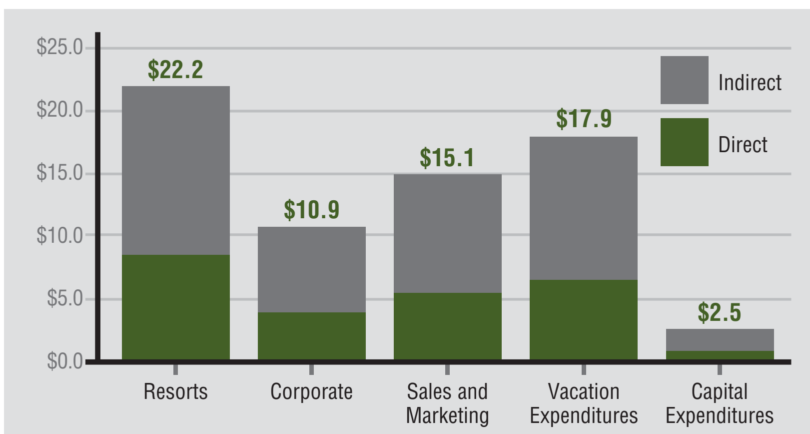
Economic output is the broadest measure of economic activity and is generally equivalent to revenue or total expenses. Specifically, for the timeshare industry, economic output is equal to the total revenue (total expenditures plus profit) from industry operations, spending by vacationers, and investment in construction and renovations. The estimated economic output impacts include the direct output impacts based on the calculations described above and the indirect and induced economic impacts estimated by the IMPLAN economic model of the United States.

- **Resort Operations:** In 2009, resort operations' direct output totaled $8.6 billion and indirect output was $13.6 billion, resulting in a total contribution to U.S. economic output of $22.2 billion. The output multiplier, a measure of the relative size of total impact to the direct impact, is 2.57. In other words, each dollar of direct timeshare economic activity spurs $2.57 dollars of total U.S. economic output.
- **Corporate Operations:** Direct output totaled nearly $4.0 billion while indirect output was nearly $7.0 billion, resulting in a total impact on economic output of $10.9 billion. The output multiplier estimates that each dollar of direct timeshare economic activity spurs $2.75 dollars of total U.S. economic output.
- **Sales and Marketing Operations:** Direct output totaled nearly $5.5 billion while indirect output added nearly $9.7 billion, resulting in a total impact on U.S. economic output of $15.1 billion. The output multiplier estimates that each dollar of direct timeshare economic activity spurs in $2.77 dollars of total U.S. economic output.
- **Vacation Expenditures:** Direct spending off-site by timeshare owners and visitors totaled $6.6 billion. This direct spending created additional economic activity by firms that supply goods and services consumed by vacationers, which totaled $11.4 billion. Combining the direct and indirect impacts on economic output, the total impact on U.S. economic output from timeshare vacation expenditures is $17.9 billion. These results imply that each dollar of direct spending results in $2.74 dollars of total U.S. economic output.
- **Capital Expenditures:** Spending by the timeshare industry on resort and non-resort construction and renovations totaled $0.8 billion in 2009. These direct expenditures produced an additional estimated $1.6 billion in indirect output, resulting in a total impact on economic output of $2.5 billion. The output multiplier implies that each dollar of direct spending results in $3.01 dollars of total U.S. economic output. The significant decline from 2007, when it was estimated that the industry invested $2.4 billion in construction, is attributable to the economic recession and the resulting decline in the number of new timeshare units constructed.

Table 5 **Estimated Output Impacts of the U.S. Timeshare Industry, 2009 ($billions)**

Industry Component	Direct	Indirect	Total
Industry Operations	$18.1	$30.2	$48.3
Resorts	$8.6	$13.6	$22.2
Corporate	$4.0	$7.0	$10.9
Sales and Marketing	$5.5	$9.7	$15.1
Vacation Expenditures	$6.6	$11.4	$17.9
Capital Expenditures	$0.8	$1.6	$2.5
Total	**$25.4**	**$43.2**	**$68.7**

Figure 2 **Direct and Indirect Output Economic Impacts of the U.S. Timeshare Industry, 2009 ($billions)**



Estimated Employment Impacts

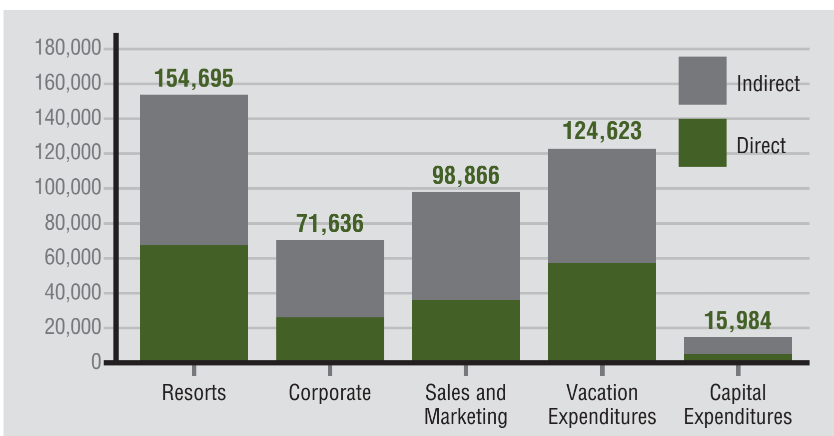
Direct employment associated with the timeshare industry was estimated to be 196,299 jobs, as indicated in the survey (see Table 6). The re-spending of income earned by these employees combined with the indirect impacts from increased supplier activity is estimated to have generated an additional 269,504 jobs, resulting in an estimated 465,803 jobs attributable to the timeshare industry in 2009.

- Off-site vacation expenditures generated 27% of the total direct and indirect employment attributable to the timeshare industry. Industry operations (resorts, corporate, and sales operations) accounted for a total of 70%, while capital expenditures represent the remaining 3%.
- On average, there are 2.37 total jobs created in the U.S. economy for each direct employee associated with the timeshare industry. Sales and marketing activities provide the highest multiplier effect, with a total of 2.73 jobs per direct job.

Table 6 **Estimated Employment Impacts of the U.S. Timeshare Industry, 2009**

Employment	Direct	Indirect	Total
Industry Operations	132,227	192,970	325,197
Resorts	68,542	86,153	154,695
Corporate	27,466	44,171	71,636
Sales and Marketing	36,219	62,647	98,866
Vacation Expenditures	58,077	66,546	124,623
Capital Expenditures	5,995	9,988	15,984
Total	**196,299**	**269,504**	**465,803**

Figure 3 **Direct and Indirect Employment Economic Impacts of the U.S. Timeshare Industry, 2009**



Estimated Personal Income Impacts

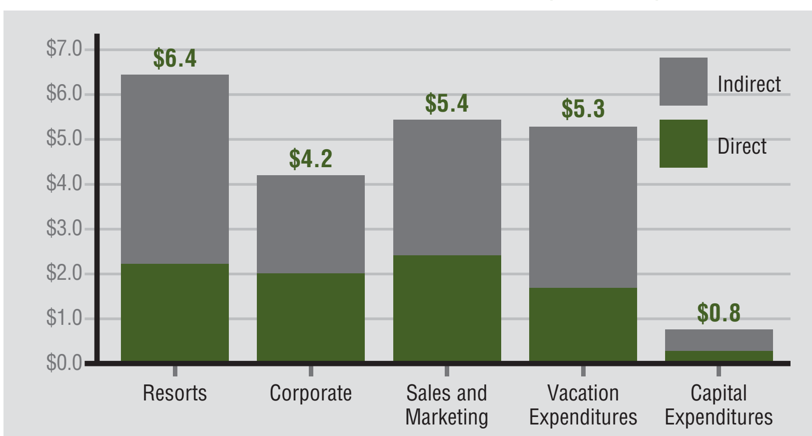
In 2009, the timeshare industry generated an estimated $9.0 billion of direct personal income. When combined with the indirect personal income contribution of $13.2 billion, the total annual contribution to national personal income equals an estimated $22.1 billion.

- Vacation expenditures accounted for 24% of total income attributable to the timeshare industry. Industry operations (resorts, corporate, and sales operations) accounted for a total of 72%, while capital expenditures represent the remaining 3%.
- On average, each dollar of direct timeshare income results in $2.47 of total income earned by employees in the U.S. economy. Capital expenditures provide the highest multiplier effect: direct compensation paid to employees of construction and renovation firms was $266 million, which generated a total income impact of $757 million, equivalent to $2.85 in total income for each dollar of direct compensation paid to employees.

Table 7 **Estimated Income Impacts of the U.S. Timeshare Industry, 2009 ($billions)**

Income	Direct	Indirect	Total
Industry Operations	$6.7	$9.4	$16.1
Resorts	$2.2	$4.2	$6.4
Corporate	$2.0	$2.2	$4.2
Sales and Marketing	$2.4	$3.0	$5.4
Vacation Expenditures	$2.1	$3.3	$5.3
Capital Expenditures	$0.3	$0.5	$0.8
Total	**$9.0**	**$13.2**	**$22.1**

Figure 4 **Direct and Indirect Income Economic Impacts of the U.S. Timeshare Industry, 2009 ($billions)**



VI. DETAILED FISCAL IMPACTS

The fiscal impact of the timeshare industry's operations, owner and visitor vacation spending, and construction and renovation of resorts and commercial spaces are shown below, by level of government. As summarized in Table 8 below, the timeshare industry generated nearly $8.4 billion in total taxes.

Table 8 **Summary of Total Direct and Indirect Fiscal Impacts of the U.S. Timeshare Industry, 2009 ($millions)**

	Federal Taxes	State Taxes	Local Taxes	Total Taxes
Resorts	$1,435	$555	$927	$2,917
Corporate	$932	$270	$184	$1,386
Sales and Marketing	$1,206	$349	$238	$1,793
Vacation Expenditures	$1,186	$544	$277	$2,008
Capital Expenditures	$168	$65	$37	$269
Total	**$4,928**	**$1,783**	**$1,663**	**$8,374**

- The timeshare industry's operations generated a total of nearly $8.4 billion in federal, state and local taxes. Federal taxes accounted for $4.9 billion (59%), state taxes were $1.8 billion (21%) and local taxes were $1.7 billion (20%).
- Resorts generated $2.9 billion in total taxes, corporate operations generated nearly $1.4 billion, sales and marketing nearly $1.8 billion, vacation expenditures $2.0 billion and capital spending related to new construction and renovation resulted in a total of $269 million in taxes.

Table 9 **Summary of Total (Direct and Indirect) Fiscal Impacts of the U.S. Timeshare Industry by Tax Type, 2009 ($millions)**

	Federal Taxes	State Taxes	Local Taxes	Total Taxes
Property Tax				
Resorts	$0	$29	$774	$803
Corporate	$0	$5	$133	$138
Sales and Marketing	$0	$6	$172	$178
Vacation Expenditures	$0	$6	$169	$175
Capital Expenditures	$0	$1	$24	$25
Total	**$0**	**$48**	**$1,272**	**$1,319**
General Sales Tax				
Resorts	$0	$127	$32	$159
Corporate	$0	$83	$21	$104
Sales and Marketing	$0	$107	$27	$134
Vacation Expenditures	$0	$306	$70	$376
Capital Expenditures	$0	$31	$7	$38
Total	**$0**	**$654**	**$157**	**$811**
Occupancy Tax	$0	$120	$74	$194
Excise Taxes	$95	$172	$31	$297
License Taxes	$0	$90	$32	$122
Corporate Income Tax	$688	$94	$12	$793
Individual Income Tax	$2,527	$508	$43	$3,078
Medicare and SSI Tax	$1,568	$0	$0	$1,568
Other Taxes	$51	$98	$42	$191
Total for All Taxes	**$4,928**	**$1,783**	**$1,663**	**$8,374**

- **Property Taxes:** The timeshare industry generated $1.3 billion in property taxes in 2009, or 15.8% of the total $8.4 billion tax impact. Direct property taxes paid by timeshare owners, visitors, and timeshare rentals, as reported in the survey, totaled $665 million and indirect taxes totaled $138 million, totaling $803 in total resort operations property taxes, or 61% of total property taxes. Of this amount, most was local property tax ($774 million).
- **General Sales Taxes:** The timeshare industry generated $811 million in sales taxes in 2009, equal to 9.7% of the industry's total federal, state, and local tax impact. Total direct and indirect sales taxes generated from off-site vacation expenditures account for 46% of total sales taxes, at $376 million.
- **Occupancy Taxes:** The timeshare industry generated an estimated $120 million in state occupancy taxes and $74 million in local occupancy taxes, totaling $194 million.
- **Individual Income Taxes:** The individual income tax impact is greater than any other tax impact generated by the timeshare industry. The individual income tax impact totals $3.1 billion, representing nearly 37% of all taxes generated by the timeshare industry. Eighty-two percent of individual income taxes are collected at the federal level, with 16% at the state level and 1% locally.
- **Employment Taxes (Medicare and SSI Tax):** In addition to individual income taxes, Social Security, Medicaid, and other payroll taxes generate significant revenue for the federal government. The timeshare industry produced $1.57 billion in payroll taxes or nearly 19% of total timeshare taxes in 2009. These taxes are only collected at the federal level of government.

Table A1 **Detailed Fiscal Impact of Resort Operations ($ millions)**

Federal	Direct	Indirect	Total
Property Tax	$0	$0	$0
General Sales Tax	$0	$0	$0
Excise Taxes	$10	$18	$27
Occupancy Tax	$0	$0	$0
License Taxes	$0	$0	$0
Corporate Income Tax	$77	$129	$206
Individual Income Tax	$254	$479	$733
Employment Tax	$157	$297	$455
Other Taxes	$5	$10	$15
Total	**$503**	**$933**	**$1,435**

State	Direct	Indirect	Total
Property Tax	$24	$5	$29
General Sales Tax	$44	$83	$127
Excise Taxes	$17	$33	$50
Occupancy Tax	$112	$8	$120
License Taxes	$9	$17	$26
Corporate Income Tax	$10	$18	$28
Individual Income Tax	$51	$96	$147
Employment Tax	$0	$0	$0
Other Taxes	$10	$19	$29
Total	**$277**	**$278**	**$555**

Local	Direct	Indirect	Total
Property Tax	$641	$133	$774
General Sales Tax	$11	$21	$32
Excise Taxes	$3	$6	$9
Occupancy Tax	$71	$3	$74
License Taxes	$3	$6	$9
Corporate Income Tax	$1	$2	$4
Individual Income Tax	$4	$8	$13
Employment Tax	$0	$0	$0
Other Taxes	$4	$8	$12
Total	**$740**	**$187**	**$927**

Total	Direct	Indirect	Total
Property Tax	$665	$138	$803
General Sales Tax	$55	$104	$159
Excise Taxes	$30	$56	$86
Occupancy Tax	$183	$11	$194
License Taxes	$12	$23	$35
Corporate Income Tax	$89	$148	$237
Individual Income Tax	$309	$583	$892
Employment Tax	$157	$297	$455
Other Taxes	$19	$36	$55
Total	**$1,520**	**$1,397**	**$2,917**

Table A2 **Detailed Fiscal Impact of Corporate Operations ($ millions)**

Federal	Direct	Indirect	Total
Property Tax	$0	$0	$0
General Sales Tax	$0	$0	$0
Excise Taxes	$9	$9	$18
Occupancy Tax	$0	$0	$0
License Taxes	$0	$0	$0
Corporate Income Tax	$62	$67	$129
Individual Income Tax	$230	$249	$479
Employment Tax	$142	$155	$297
Other Taxes	$5	$5	$10
Total	**$447**	**$486**	**$932**

State	Direct	Indirect	Total
Property Tax	$2	$3	$5
General Sales Tax	$40	$43	$83
Excise Taxes	$16	$17	$33
Occupancy Tax	$4	$4	$8
License Taxes	$8	$9	$17
Corporate Income Tax	$8	$9	$18
Individual Income Tax	$46	$50	$96
Employment Tax	$0	$0	$0
Other Taxes	$5	$6	$11
Total	**$129**	**$141**	**$270**

Local	Direct	Indirect	Total
Property Tax	$64	$69	$133
General Sales Tax	$10	$11	$21
Excise Taxes	$3	$3	$6
Occupancy Tax	$2	$2	$3
License Taxes	$3	$3	$6
Corporate Income Tax	$1	$1	$2
Individual Income Tax	$4	$4	$8
Employment Tax	$0	$0	$0
Other Taxes	$2	$2	$5
Total	**$88**	**$96**	**$184**

Total	Direct	Indirect	Total
Property Tax	$66	$72	$138
General Sales Tax	$50	$54	$104
Excise Taxes	$27	$29	$56
Occupancy Tax	$5	$6	$11
License Taxes	$11	$12	$23
Corporate Income Tax	$71	$77	$148
Individual Income Tax	$280	$304	$583
Employment Tax	$142	$155	$297
Other Taxes	$12	$13	$25
Total	**$664**	**$722**	**$1,386**

Table A3 **Detailed Fiscal Impact of Sales and Marketing ($ millions)**

Federal	Direct	Indirect	Total
Property Tax	$0	$0	$0
General Sales Tax	$0	$0	$0
Excise Taxes	$10	$13	$23
Occupancy Tax	$0	$0	$0
License Taxes	$0	$0	$0
Corporate Income Tax	$74	$92	$166
Individual Income Tax	$277	$342	$620
Employment Tax	$172	$212	$385
Other Taxes	$6	$7	$13
Total	**$540**	**$666**	**$1,206**

State	Direct	Indirect	Total
Property Tax	$3	$4	$6
General Sales Tax	$48	$59	$107
Excise Taxes	$19	$23	$42
Occupancy Tax	$4	$5	$10
License Taxes	$10	$12	$22
Corporate Income Tax	$10	$13	$23
Individual Income Tax	$56	$69	$125
Employment Tax	$0	$0	$0
Other Taxes	$6	$8	$14
Total	**$156**	**$193**	**$349**

Local	Direct	Indirect	Total
Property Tax	$77	$95	$172
General Sales Tax	$12	$15	$27
Excise Taxes	$3	$4	$8
Occupancy Tax	$2	$2	$4
License Taxes	$4	$4	$8
Corporate Income Tax	$1	$2	$3
Individual Income Tax	$5	$6	$11
Employment Tax	$0	$0	$0
Other Taxes	$3	$3	$6
Total	**$107**	**$131**	**$238**

Total	Direct	Indirect	Total
Property Tax	$80	$98	$178
General Sales Tax	$60	$74	$134
Excise Taxes	$33	$40	$73
Occupancy Tax	$6	$8	$14
License Taxes	$13	$17	$30
Corporate Income Tax	$86	$106	$192
Individual Income Tax	$338	$417	$755
Employment Tax	$172	$212	$385
Other Taxes	$15	$18	$33
Total	**$803**	**$990**	**$1,793**

Table A4 **Detailed Fiscal Impact of Off-site Vacation Expenditures ($ millions)**

Federal	Direct	Indirect	Total
Property Tax	$0	$0	$0
General Sales Tax	$0	$0	$0
Excise Taxes	$9	$14	$23
Occupancy Tax	$0	$0	$0
License Taxes	$0	$0	$0
Corporate Income Tax	$63	$101	$164
Individual Income Tax	$234	$375	$609
Employment Tax	$145	$233	$378
Other Taxes	$5	$8	$12
Total	**$456**	**$731**	**$1,186**

State	Direct	Indirect	Total
Property Tax	$2	$4	$6
General Sales Tax	$241	$65	$306
Excise Taxes	$16	$26	$41
Occupancy Tax	$0	$0	$0
License Taxes	$8	$13	$22
Corporate Income Tax	$9	$14	$22
Individual Income Tax	$47	$75	$122
Employment Tax	$0	$0	$0
Other Taxes	$9	$15	$24
Total	**$333**	**$211**	**$544**

Local	Direct	Indirect	Total
Property Tax	$65	$104	$169
General Sales Tax	$54	$16	$70
Excise Taxes	$3	$5	$7
Occupancy Tax	$0	$0	$0
License Taxes	$3	$5	$8
Corporate Income Tax	$1	$2	$3
Individual Income Tax	$4	$6	$10
Employment Tax	$0	$0	$0
Other Taxes	$4	$6	$10
Total	**$133**	**$144**	**$277**

Total	Direct	Indirect	Total
Property Tax	$67	$108	$175
General Sales Tax	$295	$81	$376
Excise Taxes	$28	$44	$72
Occupancy Tax	$0	$0	$0
License Taxes	$11	$18	$30
Corporate Income Tax	$73	$116	$189
Individual Income Tax	$285	$457	$742
Employment Tax	$145	$233	$378
Other Taxes	$18	$28	$46
Total	**$922**	**$1,086**	**$2,008**

Table A5 **Detailed Fiscal Impact of Capital Expenditures ($ millions)**

Federal	Direct	Indirect	Total
Property Tax	$0	$0	$0
General Sales Tax	$0	$0	$0
Excise Taxes	$1	$2	$3
Occupancy Tax	$0	$0	$0
License Taxes	$0	$0	$0
Corporate Income Tax	$8	$15	$23
Individual Income Tax	$30	$56	$86
Employment Tax	$19	$35	$54
Other Taxes	$1	$1	$2
Total	**$59**	**$109**	**$168**

State	Direct	Indirect	Total
Property Tax	$0	$1	$1
General Sales Tax	$21	$10	$31
Excise Taxes	$2	$4	$6
Occupancy Tax	$0	$0	$0
License Taxes	$1	$2	$3
Corporate Income Tax	$1	$2	$3
Individual Income Tax	$6	$11	$17
Employment Tax	$0	$0	$0
Other Taxes	$1	$2	$3
Total	**$33**	**$32**	**$65**

Local	Direct	Indirect	Total
Property Tax	$8	$16	$24
General Sales Tax	$5	$2	$7
Excise Taxes	$0	$1	$1
Occupancy Tax	$0	$0	$0
License Taxes	$0	$1	$1
Corporate Income Tax	$0	$0	$0
Individual Income Tax	$1	$1	$1
Employment Tax	$0	$0	$0
Other Taxes	$0	$1	$1
Total	**$15**	**$22**	**$37**

Total	Direct	Indirect	Total
Property Tax	$9	$16	$25
General Sales Tax	$26	$12	$38
Excise Taxes	$4	$7	$10
Occupancy Tax	$0	$0	$0
License Taxes	$1	$3	$4
Corporate Income Tax	$9	$17	$27
Individual Income Tax	$37	$68	$105
Employment Tax	$19	$35	$54
Other Taxes	$2	$4	$7
Total	**$107**	**$162**	**$269**

IMPLAN Impact Modeling Methodology

The economic and fiscal impact analysis of capital investments and the timeshare industry's operations were estimated using detailed input-output and tax revenue forecasting models. The economic input-output model identifies the complex flows from producers to intermediate and final consumers within a region. The model uses data describing purchases of commodities and services by industries, compensation paid to employees, and total value added.

The U.S. economic multipliers in this study were estimated using the IMPLAN input-output model. IMPLAN is used by more than 500 universities and government agencies to estimate the economic and fiscal impacts of new investments and changes in demand, employment, and industry output. IMPLAN is the ideal model to quantify the timeshare industry's economic impact. Unlike other economic models, IMPLAN includes the interaction of 440 industry sectors, thus identifying the interaction of specific industries that relate to the timeshare industry.

Total effects can be calculated either as direct and indirect effects, or as direct, indirect, and induced effects. This analysis includes direct, indirect, and induced economic effects. Direct effects are production changes associated with the immediate effects or final demand changes. Indirect effects are production changes in backward-linked industries caused by the changing input needs of directly affected industries (for example, additional purchases to produce additional output). Induced effects are the changes in regional household spending patterns caused by changes in household income generated from the direct and indirect effects and are included in the estimated impacts presented in this study.

Purchases for final use (final demand) drive the model. Industries producing goods and services for final demand purchase goods and services from other producers. These other producers, in turn, purchase goods and services. This buying of goods and services (indirect purchases) continues until leakage from the region (imports and value added) stops the cycle. These indirect and induced effects (the effects of household spending) can be mathematically derived. The resulting sets of multipliers describe the change of output for each and every regional industry caused by a one-dollar change in final demand for any given industry.

The consumer expenditure questions for the economic impact analysis were included in a larger survey form that was used for a major online survey of timeshare owners that the AIF sponsored in February 2010.[10]

Considering only the time you spent in your vacation destination on your most recent timeshare vacation, please estimate the total expenditures of your entire visitor party for each of the following items below.

METRIC A Please enter the expenditures you incurred **onsite** at the timeshare resort.
Enter a zero if nothing was spent in a category.

METRIC B Please enter the expenditures you incurred **offsite** at the timeshare resort.
Enter a zero if nothing was spent in a category.

	Expenditures incurred ONSITE	Expenditures incurred OFFSITE
Transportation		
Airfares between your home and main destination	n/a	________
Other airfares (excluding expenditures entered for the preceding item)	n/a	________
Rental car/moped	n/a	________
Gasoline and parking	n/a	________
Other transportation (taxis, buses, trolleys, etc.)	n/a	________
Lodging		
Lodging in the resort area before use of your timeshare	________	________
Lodging in the resort area after use of your timeshare	________	________
Lodging in the resort area during use of your timeshare	________	________
Shopping/Dining		
Groceries, sundries, liquor bought in stores	________	________
Shopping for items other than food, sundries, or liquor (clothes, leather goods, souvenirs, art, jewelry, cosmetics/perfumes, handicrafts, etc.)	________	________
Restaurant meals, take-out food, dinner shows, drinks in bars	________	________
Recreation		
Attractions, tours or other entertainment (theme parks, museums, etc.)	________	________
Downhill or cross-country skiing	________	________
Golf	________	________
Tennis	________	________
Exercise facilities	________	________
Health spa/or related	________	________
Boating/fishing	________	________
Water sports (snorkeling, scuba diving, windsurfing, etc.)	________	________
Net Gambling Winnings or Losses		
Enter net gambling winnings here	________	________
Enter net gambling losses here	________	________
Other		
Other expenses and services incurred in the resort area (not including occupancy or maintenance fees charged by the timeshare resort)	________	________

10 Other results of this broader survey will be published in the AIF's *Shared Vacation Ownership Owners Report 2010 Edition*, which is available from the AIF.

ERNST & YOUNG
Quality In Everything We Do

AIF
ARDA International Foundation

2010 ECONOMIC IMPACT OF THE TIMESHARE INDUSTRY ON THE U.S. ECONOMY

Thank you for participating in the 2010 ARDA International Foundation (AIF) Survey!
The following survey is about timeshare resorts. If you have any questions,
please contact Joe Callender at 202-327-5692 or via email at Joe.Callender@ey.com

PLEASE COMPLETE AND SUBMIT NO LATER THAN FEBRUARY 16, 2010. Return via email to Joe.Callender@ey.com

Please follow these instructions for providing information on your properties

A) Provide contact information

First Name	Enter Data
Last Name	
Title	
Company Name	
Telephone Number	

From time to time, the ARDA International Foundation wishes to inform the timeshare industry of important legislative actions at the federal, state, or local levels. If you wish to learn of legislative efforts that impact your jurisdiction, please select yes and provide your e-mail address below.

Yes or No:

Email Address:

B) Enter data into the five data entry worksheets as follows

I. Resort Identification
II. Timeshare Operating Expenses
III. Resort Timeshare Taxes
IV. Resort Timeshare Sales
V. Resort Improvement and Construction

C) Roll mouse over an underlined word or phrase to view the field definition and/or expected parameters.

D) Some cells have drop-down lists to select answers. Please check before you type your answer.

E) Review data for warnings.

a. Cells with acceptable answers will have black text,
b. Those outside expected parameters will have **red text**. Please re-check any red entries for accuracy. For further detail on expected parameters, please see tab "Checks"

F) Check the summary page to ensure the data being provided agrees with your own overall totals and averages.

Please contact Joe Callender with any questions at 202-327-5692 or via email at Joe.Callender@ey.com

To learn more about the sponsors of this survey, follow these links: www.arda.org www.ardafoundation.org

Resort Identification

Resort Identifiers

Resort Name (If this resort is part of multiple resort family, please list all resorts.)

____

____

Resort identifying information

Address ____

City______________________ State _______ Zip Code ______________

Website ____

Resort Management Information - complete only if applicable

Name of Development Company ______________________________

Name of Management Company ______________________________

Home Owner's Association 1 ______________________________

Home Owner's Association 2 ______________________________

Home Owner's Association 3 ______________________________

Name of Marketing Company ______________________________

1

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2010 ECONOMIC IMPACT OF THE TIMESHARE INDUSTRY ON THE U.S. ECONOMY

Timeshare Operating Expenses

Note: Ernst & Young is using an expenditure-based approach to quantify the economic impact of the timeshare industry. In this approach, Ernst & Young will estimate the typical level of expenditures generated by sales operations, resort management operations (including the operation of timeshare-related amenities), corporate offices and call centers. Therefore, in completing survey forms it is important that each employee or dollar of expenditures made by a particular company be reported in only one category. For mixed-use projects (e.g. timeshare resort and on-site hotel), allocate a portion of total resort employment and expenditures to the timeshare operation. This expense information will be used to derive economic multipliers that reflect the additional economic activity that will occur when timeshare properties purchase goods and services produced by suppliers located in the United States.

Resort Management Operation

Provide the following information for your resort employees only. Include full-time, part-time, temporary and contract employees *(Please do not include people in sales operations as these employees are reported in the next section below)*

Annual average number of employees for 2009. Calculate using the average of the number of employees on January 1 and the number on December 31 __________

Total employee compensation in dollars __________

Non-labor operating expenses in the following categories in dollars

Costs of goods sold at food and beverage and retail departments only __________

Departmental operating supplies (except F&B and retail cost of goods sold) __________

Administrative and general expenses excluding labor costs __________

Financial services (including fees related to borrowing, debt collection, underwriting and securitization, but excluding interest and principal repayment) __________

Telecommunications (telephone, internet access) __________

Utility and waste management (water, electric, gas, sewer, recycle, trash removal) __________

Repairs and maintenance (excluding contract services) __________

Repairs and maintenance contract services __________

Other taxes excluding corporate income and income withholding taxes (including fees, licenses, sales taxes) __________

Other expenses (Please exclude property and occupancy taxes) __________

Total Resort Operating Expenses __________

Note: The following questions are not resort specific. We have asked that you provide information on the full scope of your U.S. timeshare operations and for several key geographic regions. Please provide information for the US in total, and for each of the geographic areas in which the company you represent has resorts or offices. If the company does not have any timeshare-related operations in a specific geographic area, please leave that column blank.

Sales Operations (both on-site and off-site)

United States

Provide the following information for your sales operations only.
Include full-time, part-time, temporary and contract employees.

Annual average number of employees for 2009. Calculate using the average of the number of employees on January 1 and the number on December 31 __________

Total employee compensation in dollars __________

Non-labor operating expenses in the following categories in dollars

Sales and marketing expenses (excluding labor costs included above) __________

Administrative and general (excluding labor costs included above) __________

Sales office-related operations and maintenance __________

Other taxes excluding corporate income and income withholding taxes (including fees, licenses, sales taxes) __________

Other non-compensation expenditures (Please exclude property taxes) __________

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2010 ECONOMIC IMPACT OF THE TIMESHARE INDUSTRY ON THE U.S. ECONOMY

Timeshare Operating Expenses — continued

Corporate, Regional or Call Center Operations (For companies that have off-site corporate or regional office and call centers that are either on-site or off-site)

Provide the following information for your corporate, regional and call center operations. *Include full-time, part-time, temporary and contract employees. Exclude resort development costs such as payroll costs and non-compensation expenditures that are related to resort design and construction and will be reported under resort construction and improvement.*

Annual average number of employees for 2009. Calculate using the average of the number of employees on January 1 and the number on December 31 __________

Total employee compensation in dollars __________

Non-labor operating expenses in dollars *(Please exclude property taxes. Please also exclude resort development costs and capital improvement that will be reported in the Resort Construction and Improvement section)*

Sales and marketing expenses (excluding labor costs included above) __________

Administrative and general (excluding labor costs included above) __________

Financial services (including fees related to borrowing, debt collection, underwriting and securitization, but excluding interest and principal repayment) __________

Telecommunications (telephone, internet access) __________

Utility and waste management (water, electric, gas, sewer, recycle, trash removal)
Repairs and maintenance (excluding contract services) __________

Repairs and maintenance contract services __________

Property lease or rental expense __________

Other taxes excluding corporate income and income withholding taxes (including fees, licenses, sales taxes) __________

Other expenses (Please exclude property taxes) __________

Resort Timeshare Taxes

Note: The goal of this question is to collect information on the full level of property and occupancy taxes paid, regardless of the individual or entity that actually makes payment to the local government entity. For example, include taxes that are paid by the HOA or management entity. If owners are responsible for paying property taxes directly, please include an estimate of the taxes paid by owners. If it is not possible to include an estimate of such taxes, please notify us. Property taxes include taxes on real estate and personal property.

Property Taxes (in dollars)

Total amount of property taxes paid during 2009 on resort property — including on-site resort management offices.

Include information on the full level of property taxes paid, regardless of the individual or entity that actually makes payment to the local government entity. __________

Occupancy Taxes (in dollars)

Include any accommodation taxes paid by occupants of timeshare units, room tax, transient occupancy tax and nightly taxes on owners.

Include the full amount paid to state and local governments by occupants or resort. Enter a zero if no occupancy taxes were paid. Enter “N/A” if information on the amount of occupancy tax paid is not available.

State Occupancy Taxes __________

Local Occupancy Taxes __________

Total __________

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2010 ECONOMIC IMPACT OF THE TIMESHARE INDUSTRY ON THE U.S. ECONOMY

Resort Timeshare Taxes — continued

Note: The following questions are not resort specific. We have asked that you provide information on the full scope of your U.S. timeshare operations and for several key geographic regions

Property Taxes at Locations Other than Resorts (in dollars) — United States

Property taxes paid for sales centers, both on-site and off-site.

Include information on the full level of property taxes paid, regardless of the individual or entity that actually makes payment to the local government entity — if you don't have sales centers please indicate '0' __________

Property taxes paid for regional office, corporate office and/or call center operations.

Include information on the full level of property taxes paid, regardless of the individual or entity that actually makes payment to the local government entity if you don't have any such offices please indicate '0' __________

Corporate Income Tax — United States

Please provide the total amount of corporate income taxes paid by your organization for 2009, in dollars. __________

Resort Timeshare Sales

Share of Sales Occurring In-state and Out-of-state

Of the timeshare interests sold in 2009 that are matched to units at resorts in the geographic area (for example matched by deeded interest or assigned as a main resort for the buyer), what percentage were purchased at sales offices…

...in the same geographic area __________
...in another geographic area or internationally __________
Total (Should be 100%) __________

Resort Improvement and Construction

Resort Improvements

How many timeshare units were recently built and planned at this resort?

If you don't have a given type of unit, please fill in '0'.

Number of timeshare units built in 2009 __________
Number of timeshare units planned for 2010 __________
Number of timeshare units planned for 2011+ with firm commitments __________

Please provide the dollar amounts spent for capital improvements in 2009.

Only include capital improvements related to existing timeshare units and related amenities, exclude capital improvements related to the construction of new timeshare units. At mixed-use projects, allocate a portion of expenditures to the timeshare operation.

Renovation, refurbishment __________
Other capital expenditures __________

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2010 ECONOMIC IMPACT OF THE TIMESHARE INDUSTRY ON THE U.S. ECONOMY

Resort Improvement and Construction — continued

Resort Capital Expenditures

Total capital expenditures related to new construction	United States
Land	__________
Construction (buildings and sitework)	__________
Furniture, fixtures, equipment	__________
Other (soft costs, permits, consultants' fees, etc.)	__________
Total (Should be 100%)	__________

Capital Expenditures — Non Resort

Related to sales offices	United States
New construction	__________
Renovation, refurbishment	__________
Other capital expenditures	__________
Total	__________

Related to regional office, corporate office and/or call center facilities only	United States
New construction	__________
Renovation, refurbishment	__________
Other capital expenditures	__________
Total	__________

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