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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

2012 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 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, 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 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) 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]

As shown in the table below, in 2011, the timeshare industry accounted for an estimated 493,000 jobs, $70 billion of output, and $23 billion in income.

Table 1 **Summary of Total Economic Impacts of the U.S. Timeshare Industry, 2011**

Impact	Direct	Indirect	Total
Output ($ billions)	$28.5	$41.0	$69.5
Employment	215,921	277,094	493,015
Income ($ billions)	$9.9	$13.5	$23.4

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 $28.5 billion in 2011, while indirect output reached $41.0 billion, resulting in a total economic output impact of $69.5 billion. The total impact on U.S. economic output is $2.44 for each dollar of direct output.

Employment: The timeshare industry's direct employment impact in 2011 was estimated at 215,921 people. This direct employment created additional indirect employment by suppliers and other businesses of 277,094 jobs. Combining the direct and indirect employment effects, the total employment impact is estimated to be 493,015 jobs. For each direct job, the total impact is 2.28 jobs.

Personal Income: The total direct and indirect income impact totaled $23.4 billion in 2011, including an estimated direct personal income impact of $9.9 billion and an indirect personal income impact of $13.5 billion. The total impact on U.S. personal income was $2.37 for each dollar of direct 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 2, by level of government. As summarized in Table 2, the timeshare industry generated nearly $7.7 billion in total taxes.

Table 2 **Summary of Total Fiscal Impacts of the U.S. Timeshare Industry, 2011 ($ millions)**

Industry Component	Federal Taxes	State Taxes	Local Taxes	Total Taxes
Resorts	$1,382	$548	$982	$2,912
Corporate	$850	$256	$209	$1,315
Sales and Marketing	$1,020	$307	$251	$1,578
Vacation Expenditures	$981	$440	$273	$1,694
Capital Expenditures	$141	$55	$37	$234
Total	**$4,374**	**$1,606**	**$1,752**	**$7,733**

- The timeshare industry generated an estimated total of $7.7 billion in federal, state and local taxes: $4.4 billion in taxes at the federal level, $1.6 billion at the state level, and $1.8 billion at the local level.
- Resort operations produced an estimated $2.9 billion in federal, state and local taxes. Property taxes accounted for nearly 55% ($845 million) of the state and local tax impact from operations (see appendix Table A1).
- Off-site vacation expenditures generated an estimated $1.7 billion in total tax revenue, of which an estimated $231 million was direct state and local sales taxes paid on off-site purchases of taxable items during vacation (see appendix Table A4).
- Capital spending related to new construction and renovation resulted in a total of $234 million in taxes.

The timeshare industry contributes significantly more federal, state and local tax revenue per employee than the average industry. In 2011, the timeshare industry generated more than $17,800 of direct tax per direct employee.[2] This level of tax contribution is higher than the U.S. average, which is less than approximately $15,000 of taxes per employee.[3]

2 This includes total federal, state, and local taxes generated by resort operations, corporate offices and sales offices, vacation expenditures, and capital expenditures relative to the 215,921 persons directly employed in timeshare industry operations, capital expenditures, or businesses serving vacationers.

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 that combine the benefits of a vacation in a full-service hotel with the security and consistency of home-ownership. And with approximately 194,200 units in 1,548 timeshare resorts in the United States, the timeshare industry encompasses a significant portion of the U.S. hospitality industry. Year 2011 sales volume totaled $6.5 billion, increasing by 3.2% from 2009. In 2011, timeshare occupancy rates remained steady at just under 80%. This occupancy rate is significantly higher than the hotel industry in 2011 which was close to 60%.[4] Industry operations directly employ more than 140,000 people in 48 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 resort operations, sales and marketing offices; corporate, regional, and call center operations; the construction of new resorts and the renovation of existing resorts; and the expenditures of timeshare vacationers in local communities. 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 2011.

4 *STR Monthly Hotel Review: December 2011*, Smith Travel Research.

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's economic contribution in the United States in 2011.

In 2011, the timeshare sales volume totaled $6.5 billion, increasing by 2.4% from 2010. Approximately 353,800 timeshare intervals were sold at an average price of $18,400. The number of intervals sold increased by 7.5% in 2011, while the average price decreased by 4.7%.

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 2012. 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 2012 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 661 of the 1,548 timeshare resorts identified — a 43% response rate. Of these 661 responding resorts, 569 belong to a family of ten or more resorts, while 92 belong to a family of less than ten resorts. Of the 92 resorts belonging to a timeshare operator with less than 10 resorts, 43 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 3 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 3 **Industry Operations Survey Data**

Industry Operations	Direct Output ($ millions)	Direct Employee Compensation ($ millions)	Direct Jobs	Average Direct Annual Compensation
Resorts	$9,813	$2,426	70,469	$34,425
Corporate	$4,186	$2,258	30,581	$73,831
Sales and Marketing	$6,038	$2,406	39,390	$61,072
Total	**$20,037**	**$7,089**	**140,440**	**$50,479***

Source: 2012 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 (averaging $786 per interval) for the 8.4 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 2011, the direct economic output of timeshare resort operations was estimated to be $9.8 billion, which included maintenance fee revenue of $6.6 billion, rental income of $1.7 billion and revenue from on-site consumer spending of $1.5 billion.

Corporate Activities: In 2011, the corporate operations of timeshare developers, operators and exchange companies employed an estimated 30,581 employees, with average compensation of $73,831 annually per employee, resulting in $2.3 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 $1.4 billion.

Sales and Marketing Activities: In 2011, timeshare sales and marketing activities employed an estimated 39,390 employees, with average compensation of $61,072 annually per employee, yielding $2.4 billion of employee compensation. Purchases from other firms totaled $2.9 billion.

Capital Expenditures for New Construction and Renovation Activities: As shown in Table 4 below, new resort construction expenditures totaled nearly $576 million and resort renovations totaled $75 million in 2011. Expenditures related to the construction of corporate and sales operations totaled $73 million while renovations totaled $16 million in 2011, resulting in total sales and corporate center capital expenditures of $89 million. The construction and renovation expenditures include both structures and tangible personal property.

Table 4 **Capital Expenditures**

Capital Expenditures	Direct Spending ($ millions)
Resort Capital Expenditures	$651
New Construction	$576
Renovations	$75
Sales and Corporate Capital Expenditures	$89
New Construction	$73
Renovations	$16
Total Capital Expenditures	**$740**

Source: AIF 2012 & 2010 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey

Consumer Survey

AIF commissioned TRiG, 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 5, 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 was estimated at $9.3 billion in 2011. About $1.5 billion was spent on-site at resorts, while $7.8 billion was spent off-site in the communities where the timeshare resorts are located. The total vacationer expenditure was estimated based on average per-party expenditures from the *2012 Shared Vacation Ownership Owners Survey*. The average per-party expenditure is then multiplied by the estimated 6.1 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/EI 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 $1,509 per vacation. Table 5 shows the distribution of total spending by timeshare vacationers across major categories of expenditures. Based on an average travel party size of 3.45 people, the average total spending per person is $437. 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 3.

Table 5 **Detailed Vacation Expenditure Spending Data**

Vacation Spending Data	Average per Party On-site Spending	Average per Party Off-site Spending	Average per Party Total Spending	Total Off-site Spending ($ billions)
Air transportation services	$0	$384	$384	$2.36
Other amusements and recreation	$31	$53	$85	$0.33
Hotels and motel services, incl. casino hotels	$43	$52	$95	$0.32
Restaurant, bar, and drinking place services	$60	$205	$265	$1.26
Clothing and clothing accessories	$37	$105	$142	$0.64
Groceries	$31	$116	$147	$0.71
Amusement parks, arcades, & gambling rec.	$37	$110	$147	$0.68
Ground transit	$0	$105	$105	$0.64
Gasoline stations	$0	$113	$113	$0.69
Miscellaneous	$8	$18	$26	$0.11
Average total spending per party	**$247**	**$1,262**	**$1,509**	**$7.75**
Average spending per person*	**$72**	**$366**	**$437**	

**Average travel party size is 3.45 people.*
Source: 2012 Shared Vacation Ownership Owners Survey, prepared by TRiG for AIF.

IV. ECONOMIC AND FISCAL IMPACT ESTIMATION METHODOLOGY

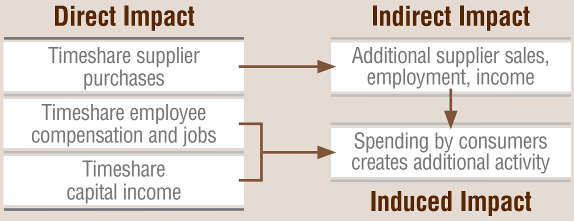
The annual operations of timeshare resorts, corporate operations, sales and marketing, vacation expenditures, and construction or renovations of both timeshare and operations result in significant output (sales), employment, income, and taxes in the U.S. economy. This section describes the estimation of the economic and fiscal impact of the U.S. timeshare industry based on the survey data presented above and summarized in Tables 3 through 5 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 AIF 2012 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 2011, the direct economic output of timeshare resort operations was estimated to be $9.8 billion which included maintenance fee revenue of $6.6 billion, rental income of $1.7 billion and revenue from on-site consumer spending of $1.5 billion. Maintenance fee revenue was estimated assuming average maintenance fees of $786 per interval and 8.4 million intervals owned. Rental income and other income were obtained from the survey responses, extrapolated to reflect the total population of resorts.

Direct output from the corporate operations of timeshare developers, operators and exchange companies, totaled nearly $4.2 billion in 2011, which was estimated as the sum of employee compensation of $2.3 billion and other expenses of $1.4 billion as reported on the survey, plus an estimated profit margin of $498 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 $6.0 billion in 2011.

The direct economic output impact of capital expenditures ($740 million) is based on the amount of resort and non-resort construction and renovations, as reported in the survey. The output impact of new resort construction in 2011 is estimated using the number of new units constructed as reported in the 2012 SOI/EI Survey. The analysis assumes that the approximate average capital outlay to construct a new timeshare unit is $265,000.[5]

The output impact of off-site vacation expenditures is $7.8 billion, based on reported average off-site vacation expenditures of $1,509 per party and nearly 6.1 million vacation travel parties.[6]

Direct Employment

Direct employment of the timeshare industry is equal to the sum of the reported full- and part-time employment for timeshare resorts (70,469 jobs), corporate (30,581 jobs), and sales and marketing (39,390 jobs), as reported in the survey.

The employment impact of other industry activities, such as capital expenditures and vacation expenditures, are estimated using the IMPLAN model of the U.S. economy, which contains information on the typical direct employment associated with spending in each industry.[7]

5 This estimate is derived from data during the 2010 economic impact survey factoring in an increase for inflation.

6 An estimated 6.1 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/EI and TRiG surveys.

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.

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 proprietors. 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 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.

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 property tax, occupancy tax, and corporate income tax from resort operations were provided from the AIF 2012 SOI/EI Survey. Direct property taxes paid by timeshare owners totaled $677 million while direct occupancy taxes for resort operations totaled $198 million in 2011. Direct corporate income taxes paid by the timeshare resort operations totaled $84 million.

Sales tax attributable to capital investment and timeshare vacationer expenditures was estimated using national weighted average rates: 6.10% state sales tax rate and 1.44% 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 6 **Total Estimated Economic Impacts of the U.S. Timeshare Industry, 2011**

Output ($ billions)	Direct	Indirect	Total
Industry Operations	$20.0	$30.1	$50.2
Resorts	$9.8	$14.1	$23.9
Corporate	$4.2	$7.2	$11.3
Sales and Marketing	$6.0	$8.8	$14.9
Vacation Expenditures	$7.8	$9.4	$17.2
Capital Expenditures	$0.7	$1.4	$2.2
Total	**$28.5**	**$41.0**	**$69.5**

Employment	Direct	Indirect	Total
Industry Operations	140,440	206,743	347,182
Resorts	70,469	97,103	167,572
Corporate	30,581	48,700	79,280
Sales and Marketing	39,390	60,940	100,330
Vacation Expenditures	70,114	60,961	131,075
Capital Expenditures	5,368	9,390	14,758
Total	**215,921**	**277,094**	**493,015**

Income ($ billions)*	Direct	Indirect	Total
Industry Operations	$7.3	$10.1	$17.4
Resorts	$2.6	$4.7	$7.3
Corporate	$2.1	$2.4	$4.6
Sales and Marketing	$2.6	$2.9	$5.5
Vacation Expenditures	$2.3	$3.0	$5.3
Capital Expenditures	$0.3	$0.5	$0.8
Total	**$9.9**	**$13.5**	**$23.4**

**includes employee compensation reported in Table 3 and proprietor's income*

Estimated Economic Output Impacts

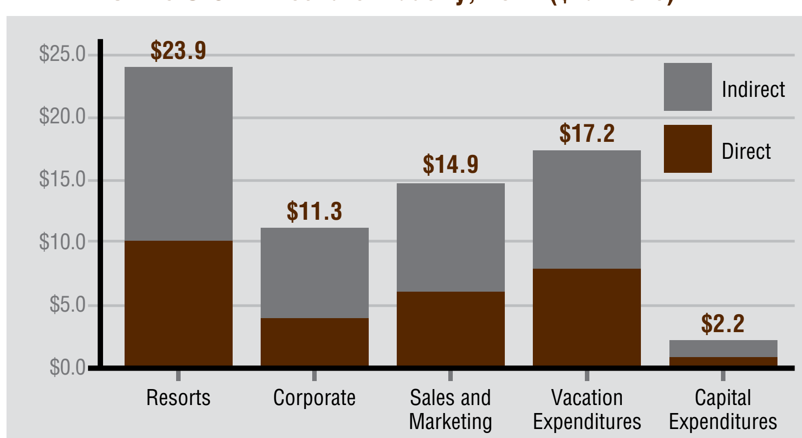
Economic output is the broadest measure of economic activity and is generally equivalent to revenue or total expenses. Specifically, for the timeshare industry, economic output is equal to the total revenue (total expenditures plus profit) from industry operations, spending by vacationers, and investment 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 2011, resort operations' direct output totaled $9.8 billion and indirect output was $14.1 billion, resulting in a total contribution to U.S. economic output of $23.9 billion. The output multiplier, a measure of the relative size of total impact to the direct impact, is 2.44. In other words, each dollar of direct timeshare economic activity spurs $2.44 dollars of total U.S. economic output.
- **Corporate Operations:** Direct output totaled nearly $4.2 billion while indirect output was nearly $7.2 billion, resulting in a total impact on economic output of $11.3 billion. The output multiplier estimates that each dollar of direct timeshare economic activity results in $2.71 dollars of total U.S. economic output.
- **Sales and Marketing Operations:** Direct output totaled nearly $6.0 billion while indirect output added nearly $8.8 billion, resulting in a total impact on U.S. economic output of $14.9 billion. Each dollar of direct timeshare economic activity results in $2.46 dollars of total U.S. economic output.
- **Vacation Expenditures:** Direct spending off-site by timeshare owners and visitors totaled $7.8 billion. This direct spending created additional economic activity by firms that supply goods and services consumed by vacationers, which totaled $9.4 billion. Combining the direct and indirect impacts on economic output, the total impact on U.S. economic output from timeshare vacation expenditures is $17.2 billion. These results imply that each dollar of direct spending results in $2.22 dollars of total U.S. economic output.
- **Capital Expenditures:** Spending by the timeshare industry on resort and non-resort construction and renovations totaled $0.7 billion in 2011. These direct expenditures produced an additional estimated $1.4 billion in indirect output, resulting in a total impact on economic output of $2.2 billion. The output multiplier implies that each dollar of direct spending results in $2.95 dollars of total U.S. economic output. The 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 7 **Estimated Output Impacts of the U.S. Timeshare Industry, 2011 ($ billions)**

Output ($ billions)	Direct	Indirect	Total
Industry Operations	$20.0	$30.1	$50.2
Resorts	$9.8	$14.1	$23.9
Corporate	$4.2	$7.2	$11.3
Sales and Marketing	$6.0	$8.8	$14.9
Vacation Expenditures	$7.8	$9.4	$17.2
Capital Expenditures	$0.7	$1.4	$2.2
Total	**$28.5**	**$41.0**	**$69.5**

Figure 2 **Direct and Indirect Output Economic Impacts of the U.S. Timeshare Industry, 2011 ($ billions)**



Estimated Employment Impacts

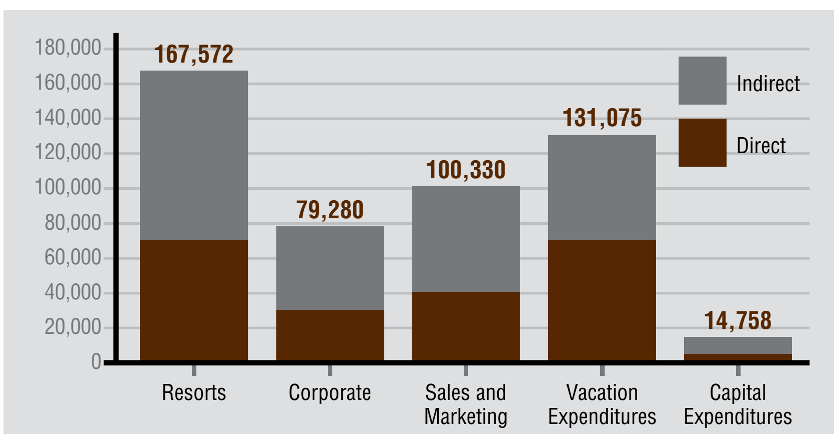
Direct employment associated with the timeshare industry was estimated to be 215,921 jobs (see Table 8). The re-spending of income earned by these employees combined with the indirect impacts from increased supplier activity is estimated to have generated an additional 277,094 jobs, resulting in an estimated 493,015 jobs attributable to the timeshare industry in 2011.

- 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 2.28 total jobs created in the U.S. economy for each direct employee associated with the timeshare industry. Capital expenditures provide the highest multiplier effect, with a total of 2.75 jobs per direct job.

Table 8 **Estimated Employment Impacts of the U.S. Timeshare Industry, 2011**

Employment	Direct	Indirect	Total
Industry Operations	140,440	206,743	347,182
Resorts	70,469	97,103	167,572
Corporate	30,581	48,700	79,280
Sales and Marketing	39,390	60,940	100,330
Vacation Expenditures	70,114	60,961	131,075
Capital Expenditures	5,368	9,390	14,758
Total	**215,921**	**277,094**	**493,015**

Figure 3 **Direct and Indirect Employment Economic Impacts of the U.S. Timeshare Industry, 2011**



Estimated Personal Income Impacts

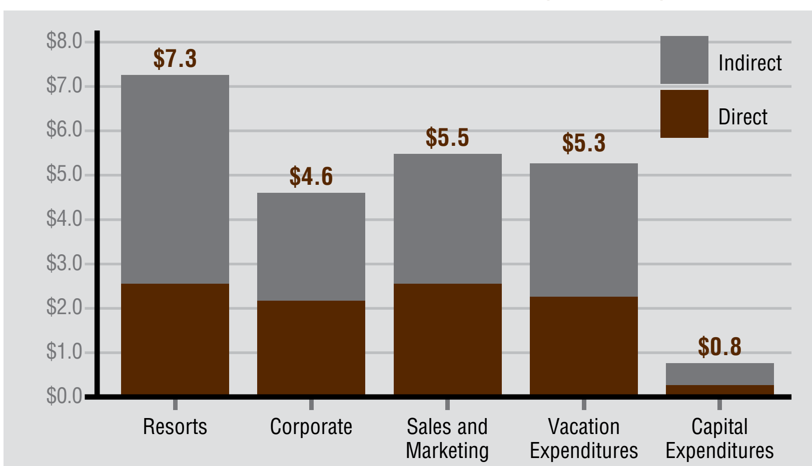
In 2011, the timeshare industry generated an estimated $9.9 billion of direct personal income. When combined with the indirect personal income contribution of $13.5 billion, the total annual contribution to U.S. personal income equals an estimated $23.4 billion.

- Vacation expenditures accounted for 23% of total income attributable to the timeshare industry. Industry operations (resorts, corporate, and sales operations) accounted for a total of 74%, while capital expenditures represent the remaining 3%.
- On average, each dollar of direct timeshare income results in $2.36 of total income earned by employees in the U.S. economy. Resort operations provide the highest multiplier effect: direct compensation and proprietor income was $2.6 billion, which generated a total income impact of $7.3 billion, equivalent to $2.82 in total income for each dollar of direct compensation paid to employees.

Table 9 **Estimated Income Impacts of the U.S. Timeshare Industry, 2011 ($ billions)**

Income	Direct	Indirect	Total
Industry Operations	$7.3	$10.1	$17.4
Resorts	$2.6	$4.7	$7.3
Corporate	$2.1	$2.4	$4.6
Sales and Marketing	$2.6	$2.9	$5.5
Vacation Expenditures	$2.3	$3.0	$5.3
Capital Expenditures	$0.3	$0.5	$0.8
Total	**$9.9**	**$13.5**	**$23.4**

Figure 4 **Direct and Indirect Income Economic Impacts of the U.S. Timeshare Industry, 2011 ($ 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 10 below, the timeshare industry generated nearly $7.7 billion in total taxes.

Table 10 **Summary of Total (Direct and Indirect) Fiscal Impacts of the U.S. Timeshare Industry by Level of Government, 2011 ($ millions)**

	Federal Taxes	State Taxes	Local Taxes	Total Taxes
Resorts	$1,382	$548	$982	$2,912
Corporate	$850	$256	$209	$1,315
Sales and Marketing	$1,020	$307	$251	$1,578
Vacation Expenditures	$981	$440	$273	$1,694
Capital Expenditures	$141	$55	$37	$234
Total	**$4,374**	**$1,606**	**$1,752**	**$7,733**

- The timeshare industry's operations generated a total of $7.7 billion in federal, state and local taxes. Federal taxes accounted for $4.4 billion (57%), state taxes were $1.6 billion (21%) and local taxes were $1.8 billion (23%).
- Resorts generated $2.9 billion in total taxes, corporate operations generated $1.3 billion, sales and marketing $1.6 billion, vacation expenditures nearly $1.7 billion and capital spending related to new construction and renovation resulted in a total of $234 million in taxes.

Table 11 **Summary of Total (Direct and Indirect) Fiscal Impacts of the U.S. Timeshare Industry by Tax Type, 2011 ($ millions)**

	Federal Taxes	State Taxes	Local Taxes	Total Taxes
Property Tax				
Resorts	$0	$26	$820	$845
Corporate	$0	$5	$158	$163
Sales and Marketing	$0	$6	$189	$195
Vacation Expenditures	$0	$6	$182	$187
Capital Expenditures	$0	$1	$26	$27
Subtotal: Property Tax	**$0**	**$43**	**$1,375**	**$1,417**
General Sales Tax				
Resorts	$0	$132	$38	$170
Corporate	$0	$83	$24	$106
Sales and Marketing	$0	$99	$29	$128
Vacation Expenditures	$0	$241	$60	$300
Capital Expenditures	$0	$26	$7	$33
Subtotal: Sales Tax	**$0**	**$581**	**$157**	**$738**
Occupancy Tax	$0	$119	$79	$198
Excise Taxes	$89	$181	$31	$301
License Taxes	$0	$92	$3	$95
Corporate Income Tax	$459	$76	$14	$549
Individual Income Tax	$2,399	$467	$48	$2,915
Medicare and SSI Tax	$1,383	$0	$0	$1,383
Other Taxes	$43	$47	$45	$136
Total for All Taxes	**$4,374**	**$1,606**	**$1,752**	**$7,733**

- **Property Taxes:** The timeshare industry generated $1.4 billion in property taxes in 2011, or 18% of the total $7.7 billion tax impact. Direct property taxes paid by timeshare owners, visitors, and timeshare rentals, as reported in the survey, totaled $677 million and indirect taxes totaled $168 million, totaling $845 million in total resort operations property taxes, or 60% of total property taxes (see appendix Table A1). Of this amount, most was local property tax ($820 million).
- **General Sales Taxes:** The timeshare industry generated $738 million in sales taxes in 2011, equal to 10% 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 41% of total sales taxes, at $300 million (see appendix Table A4).
- **Occupancy Taxes:** The timeshare industry generated an estimated $119 million in state occupancy taxes and $79 million in local occupancy taxes, totaling $198 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 $2.9 billion, representing nearly 38% 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 2% 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 $1.4 billion in payroll taxes or nearly 18% of total timeshare taxes in 2011. 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	$28
Occupancy Tax	$0	$0	$0
License Taxes	$0	$0	$0
Corporate Income Tax	$70	$88	$158
Individual Income Tax	$266	$484	$750
Employment Tax	$153	$279	$432
Other Taxes	$5	$9	$14
Total	**$503**	**$879**	**$1,382**

State	Direct	Indirect	Total
Property Tax	$20	$5	$26
General Sales Tax	$47	$85	$132
Excise Taxes	$20	$37	$57
Occupancy Tax	$119	$0	$119
License Taxes	$9	$19	$28
Corporate Income Tax	$12	$15	$26
Individual Income Tax	$52	$94	$146
Employment Tax	$0	$0	$0
Other Taxes	$5	$10	$15
Total	**$284**	**$264**	**$548**

Local	Direct	Indirect	Total
Property Tax	$657	$163	$820
General Sales Tax	$14	$25	$38
Excise Taxes	$3	$6	$10
Occupancy Tax	$79	$0	$79
License Taxes	$0	$1	$1
Corporate Income Tax	$2	$3	$5
Individual Income Tax	$5	$10	$15
Employment Tax	$0	$0	$0
Other Taxes	$5	$9	$14
Total	**$766**	**$216**	**$982**

Total	Direct	Indirect	Total
Property Tax	$677	$168	$845
General Sales Tax	$60	$110	$170
Excise Taxes	$33	$61	$94
Occupancy Tax	$198	$0	$198
License Taxes	$9	$20	$29
Corporate Income Tax	$84	$106	$189
Individual Income Tax	$323	$588	$911
Employment Tax	$153	$279	$432
Other Taxes	$15	$27	$42
Total	**$1,553**	**$1,359**	**$2,912**

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	$8	$9	$17
Occupancy Tax	$0	$0	$0
License Taxes	$0	$0	$0
Corporate Income Tax	$40	$46	$86
Individual Income Tax	$219	$250	$469
Employment Tax	$126	$144	$270
Other Taxes	$4	$5	$8
Total	**$397**	**$453**	**$850**

State	Direct	Indirect	Total
Property Tax	$2	$3	$5
General Sales Tax	$39	$44	$83
Excise Taxes	$17	$19	$35
Occupancy Tax	$0	$0	$0
License Taxes	$9	$10	$18
Corporate Income Tax	$7	$8	$14
Individual Income Tax	$43	$49	$91
Employment Tax	$0	$0	$0
Other Taxes	$4	$5	$9
Total	**$120**	**$136**	**$256**

Local	Direct	Indirect	Total
Property Tax	$74	$84	$158
General Sales Tax	$11	$13	$24
Excise Taxes	$3	$3	$6
Occupancy Tax	$0	$0	$0
License Taxes	$0	$0	$1
Corporate Income Tax	$1	$1	$3
Individual Income Tax	$4	$5	$9
Employment Tax	$0	$0	$0
Other Taxes	$4	$5	$9
Total	**$98**	**$111**	**$209**

Total	Direct	Indirect	Total
Property Tax	$76	$87	$163
General Sales Tax	$50	$57	$106
Excise Taxes	$28	$31	$59
Occupancy Tax	$0	$0	$0
License Taxes	$9	$10	$19
Corporate Income Tax	$48	$54	$102
Individual Income Tax	$266	$303	$569
Employment Tax	$126	$144	$270
Other Taxes	$12	$14	$26
Total	**$615**	**$701**	**$1,315**

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	$11	$21
Occupancy Tax	$0	$0	$0
License Taxes	$0	$0	$0
Corporate Income Tax	$48	$54	$103
Individual Income Tax	$265	$297	$562
Employment Tax	$153	$171	$324
Other Taxes	$5	$5	$10
Total	**$481**	**$540**	**$1,020**

State	Direct	Indirect	Total
Property Tax	$3	$3	$6
General Sales Tax	$47	$52	$99
Excise Taxes	$20	$22	$42
Occupancy Tax	$0	$0	$0
License Taxes	$10	$12	$22
Corporate Income Tax	$8	$9	$17
Individual Income Tax	$52	$58	$109
Employment Tax	$0	$0	$0
Other Taxes	$5	$6	$11
Total	**$145**	**$162**	**$307**

Local	Direct	Indirect	Total
Property Tax	$89	$100	$189
General Sales Tax	$14	$15	$29
Excise Taxes	$3	$4	$7
Occupancy Tax	$0	$0	$0
License Taxes	$0	$0	$1
Corporate Income Tax	$1	$2	$3
Individual Income Tax	$5	$6	$11
Employment Tax	$0	$0	$0
Other Taxes	$5	$6	$10
Total	**$118**	**$133**	**$251**

Total	Direct	Indirect	Total
Property Tax	$92	$103	$195
General Sales Tax	$60	$68	$128
Excise Taxes	$33	$37	$71
Occupancy Tax	$0	$0	$0
License Taxes	$11	$12	$23
Corporate Income Tax	$58	$65	$123
Individual Income Tax	$322	$361	$683
Employment Tax	$153	$171	$324
Other Taxes	$15	$17	$32
Total	**$743**	**$834**	**$1,578**

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	$11	$20
Occupancy Tax	$0	$0	$0
License Taxes	$0	$0	$0
Corporate Income Tax	$43	$56	$99
Individual Income Tax	$234	$307	$540
Employment Tax	$135	$177	$312
Other Taxes	$4	$6	$10
Total	**$424**	**$556**	**$981**

State	Direct	Indirect	Total
Property Tax	$2	$3	$6
General Sales Tax	$187	$54	$241
Excise Taxes	$18	$23	$41
Occupancy Tax	$0	$0	$0
License Taxes	$9	$12	$21
Corporate Income Tax	$7	$9	$16
Individual Income Tax	$46	$60	$105
Employment Tax	$0	$0	$0
Other Taxes	$5	$6	$11
Total	**$273**	**$167**	**$440**

Local	Direct	Indirect	Total
Property Tax	$79	$103	$182
General Sales Tax	$44	$16	$60
Excise Taxes	$3	$4	$7
Occupancy Tax	$0	$0	$0
License Taxes	$0	$0	$1
Corporate Income Tax	$1	$2	$3
Individual Income Tax	$5	$6	$11
Employment Tax	$0	$0	$0
Other Taxes	$4	$6	$10
Total	**$136**	**$137**	**$273**

Total	Direct	Indirect	Total
Property Tax	$81	$106	$187
General Sales Tax	$231	$70	$300
Excise Taxes	$29	$38	$68
Occupancy Tax	$0	$0	$0
License Taxes	$9	$12	$22
Corporate Income Tax	$51	$67	$118
Individual Income Tax	$284	$373	$657
Employment Tax	$135	$177	$312
Other Taxes	$13	$17	$31
Total	**$833**	**$861**	**$1,694**

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	$5	$9	$14
Individual Income Tax	$30	$48	$78
Employment Tax	$17	$27	$45
Other Taxes	$1	$1	$1
Total	**$55**	**$86**	**$141**

State	Direct	Indirect	Total
Property Tax	$0	$0	$1
General Sales Tax	$18	$8	$26
Excise Taxes	$2	$4	$6
Occupancy Tax	$0	$0	$0
License Taxes	$1	$2	$3
Corporate Income Tax	$1	$1	$2
Individual Income Tax	$6	$9	$15
Employment Tax	$0	$0	$0
Other Taxes	$1	$1	$2
Total	**$29**	**$26**	**$55**

Local	Direct	Indirect	Total
Property Tax	$10	$16	$26
General Sales Tax	$4	$2	$7
Excise Taxes	$0	$1	$1
Occupancy Tax	$0	$0	$0
License Taxes	$0	$0	$0
Corporate Income Tax	$0	$0	$0
Individual Income Tax	$1	$1	$2
Employment Tax	$0	$0	$0
Other Taxes	$1	$1	$1
Total	**$16**	**$21**	**$37**

Total	Direct	Indirect	Total
Property Tax	$10	$17	$27
General Sales Tax	$22	$11	$33
Excise Taxes	$4	$6	$10
Occupancy Tax	$0	$0	$0
License Taxes	$1	$2	$3
Corporate Income Tax	$7	$10	$17
Individual Income Tax	$37	$58	$94
Employment Tax	$17	$27	$45
Other Taxes	$2	$3	$4
Total	**$100**	**$134**	**$234**

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 2012.[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 2012 Edition*, which is available from the AIF.

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2012 STATE AND ECONOMIC IMPACT OF THE VACATION TIMESHARE INDUSTRY SURVEY

Thank you for participating in the 2012 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 15, 2012. Return via email to Joe.Callender@ey.com

If you submitted a response to us last year, we have used that data to pre-populate fields that are unlikely to change. We hope this makes this questionnaire easier to complete. Please review the answers in case anything has changed since last year.

I. Resort Identification

1. Is this resort part of a multiple resort family?

- ☐ Yes – *Please contact Joe Callender at 202-327-5692 or Joe.Callender@ey.com if interested in providing the information below via an Excel spreadsheet for all your resorts.*
- ☐ No

2. Resort identifying information

Resort Name ____________________

Address ____________________

City____________________ State ________ Zip Code ______________

Website ____________________

3. Contact person *(General information for individual completing survey)*

First Name ____________________

Last Name ____________________

Title ____________________

Company Name ____________________

Telephone Number ____________________

4. Resort management information *(Complete only if applicable)*

Name of Development Company ____________________

Name of Management Company ____________________

Home Owners Association(s) *If multiple HOAs please use a comma to separate*

____

Name of Marketing Company ____________________

II. Resort Characteristics

1. At which development stage is this resort currently? *(Select one)*

Note: Active sales resorts are defined as resorts that sold 100 or more new weekly intervals or points equivalent sales during 2011, excluding re-sales. All other resorts are considered not in active sales.

- ☐ Planned
- ☐ Under Construction - not in Active Sales
- ☐ Under Construction - in Active Sales
- ☐ Open - Still in Active Sales
- ☐ Sold Out
- ☐ Closed
- ☐ Other, specify__________________

Please select the year this resort opened for sales.
(Only answer if stage above equals Open or Sold Out)

Please select the year this resort closed.
(Only answer if stage above equals Closed)

Please specify a reason why this resort closed
(Open-ended; only answer if stage above equals Closed)

1

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2012 STATE AND ECONOMIC IMPACT OF THE VACATION TIMESHARE INDUSTRY SURVEY

II. Resort Characteristics — continued

2. How many timeshare units does this resort have by size as of December 31, 2011?

If you don't have a given type of unit, please fill in '0'. NOTE: Please do not include commas when reporting numeric values. (i.e., the amount 1,000 should be reported as 1000.)

_____ Studio - count lockoffs as one unit
_____ 1BR - count lockoffs as one unit
_____ 2BR - count lockoffs as one unit
_____ 3BR+ - count lockoffs as one unit
_____ **Total count lockoffs as one unit**

_____ Studio - count lockoffs as separate units
_____ 1BR - count lockoffs as separate units
_____ 2BR - count lockoffs as separate units
_____ 3BR+ - count lockoffs as separate units
_____ **Total count lockoffs as separate units**

3. What is the average size of a unit at this resort in square feet?

If you don't have a given type of unit, please fill in "0." NOTE: Please do not include commas when reporting numeric values. (i.e., the amount 1,000 should be reported as 1000.)

Studio ____________________________
1BR ____________________________
2BR ____________________________
3BR+ ____________________________

4. Which of the following types of intervals does this resort currently have? *(Check all that apply)*

☐ Timeshare points

One or both of the following types of weekly intervals:

☐ Traditional interval weeks
☐ Interval weeks with the ability to use through a timeshare points system

5. Which of the following special types of intervals does this resort currently have?

(Check all that apply)

☐ Biennials ☐ Triennials ☐ Other, specify_________

6. Please provide the following information on weekly intervals* at your resorts:

	As of December 31, 2011
What is the total number of weekly equivalent intervals owned at your resort as of December 31, 2011 by owners other than the developer or HOA? Please include any intervals sold since the resort's inception, unless they have been reacquired by the developer or are owned by the HOA.	________________
What is the total number of weekly equivalent intervals at your resort that are owned by the HOA as of December 31, 2011?	________________
What is the total number of weekly equivalent intervals at your resort that are owned by the developer as of December 31, 2011? Please include any intervals that have never been sold and intervals that have been reacquired by the developer.	________________
Total	________________

** Points-based developers may calculate weeks owned on an implied interval week conversion factor based on internal measures. For example, one approach may be to divide the number of points redeemed during the year by the number of unit weeks occupied; or, developers that assign values to unit inventory may calculate the implied interval week conversion factor for the system overall.*

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II. Resort Characteristics — continued

7. Excluding intervals owned by the HOA or developer, how many intervals are owned by each of the following entities? *Note: The total in this table should equal the amount provided in the first line of the table from the previous question.*

	Number of Intervals Owned
Individuals who own less than seven weekly intervals	________
Individuals who own seven or more weekly intervals	________
Timeshare clubs	________
Travel clubs (provide members with services, discounts or other benefits on services related to travel).	________
Rescue, relief, postcard type companies (offer to transfer ownership of timeshare interests to the company or another person)	________
Other, please specify ____________________	________
Total	________

8. Please list the number of different companies of each of the following types that own intervals at this resort.

	Number of Different Companies
Travel clubs	________
Rescue, relief, postcard type companies	________

9. Do your resort's owners own interests in real estate at your resort?

- ☐ Yes (Answer Q9a)
- ☐ No (Answer Q9b)

9a. Please select any applicable legal structures of your owners' timeshare interests

- ☐ Undivided interest (UDI)
- ☐ Deeded weeks
- ☐ Points
- ☐ Deeds held in trust
- ☐ Condominium
- ☐ Interest in a cooperative corporation (an association or corporation owned by individual consumers whose interest (often shares of stock) in the cooperative entitles them to use the timeshare accommodations that the coop owns)
- ☐ Both deeded and right-to-use owners
- ☐ Other, please specify ____________________

9b. Please select any applicable legal structures of your owners' timeshare interests:

- ☐ Points
- ☐ Right to use
- ☐ Membership
- ☐ License
- ☐ Lease
- ☐ Both deeded and right-to-use owners
- ☐ Other, please specify ____________________

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II. Resort Characteristics — continued

10. What vacation experience does this resort offer? *(Choose all that apply)*

- ☐ Beach
- ☐ Country/Lakes
- ☐ Desert
- ☐ Gaming
- ☐ Golf
- ☐ Island
- ☐ Rural/Coastal
- ☐ Ski
- ☐ Theme Park
- ☐ Urban
- ☐ Note any other vacation experience not listed ______________________________

11. Which ONE characteristic best describes this resort? *(Please select only one)*

- ☐ Beach
- ☐ Country/Lakes
- ☐ Desert
- ☐ Gaming
- ☐ Golf
- ☐ Island
- ☐ Rural/Coastal
- ☐ Ski
- ☐ Theme Park
- ☐ Urban
- ☐ Note any other vacation experience not listed ______________________________

III. Occupancy and Fees

Please answer the following questions for your timeshare units only.

1. What was your timeshare occupancy mix by type? *Report based on physical occupancy, meaning actual guest check-in occurred. Calculate percentages using weekly equivalent timeshare intervals available as the denominator. This corresponds to all units with certificates of occupancy, whether intervals are sold or unsold.*

	2011
Owner or owner's guest	__________
Exchange guest	__________
Renter	__________
Marketing guest	__________
Vacant	__________
Total (should be 100%)	__________

2. What were your maintenance fees billed per unit per interval in 2011, including contributions to reserves but excluding special assessments and property taxes? *NOTE: Please do not include commas when reporting numeric values. (i.e., the amount 1,000 should be reported as 1000.)*

Maintenance fees billed per unit per interval

Studio __________ 1BR __________ 2BR __________ 3+BR __________

** Points-based developers may calculate weeks on an implied interval week conversion factor based on internal measures. For example, one approach may be to divide the number of points redeemed during the year by the number of unit weeks occupied; or, developers that assign values to unit inventory may calculate the implied interval week conversion factor for the system overall.*

3. What is the total amount of revenue you collected in 2011 over all intervals at this resort for each of the following categories? *Please include amounts paid by the developer, for example, on unsold intervals held in inventory, and/or subsidies and guarantees.*

	In 2011
Maintenance fees	__________
Contributions to reserves	__________
Special assessments and other revenue sources	__________
Rentals	__________
Re-sales	__________
Recreational use fees (bike rentals, videos, etc.)	__________
Food & beverage	__________
Housekeeping	__________
Telecommunication (telephone, Internet etc.)	__________
Developer subsidy	__________
Laundry	__________
Other, please specify ______________________	__________
Total	__________

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III. Occupancy and Fees — continued

4. **As of Dec 31, 2011, what percent of your total billed maintenance fees were in each of the following categories?** *Please do not include maintenance fees billed for 2012.*

Current (Fewer than 30 days delinquent)	__________
31–60 days delinquent	__________
61–90 days delinquent	__________
91–120 days delinquent	__________
121+ days delinquent	__________
Total (should be 100%)	__________

5. **What percentage of owners lost their ownership due to non-payment of fees and/or mortgages?** __________%

IV. 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 Operations

1. **Please 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 Question 2 below).*

	In 2011
Annual average number of employees for 2011. Calculate using the average between the number of employees on January 1, 2011 and the number of employees on December 31, 2011.	__________
Total employee compensation in dollars. Include wages and salaries; commissions; the cost of benefits such as health and life insurance; retirement payments; employer and employee shares of FICA taxes (social security and Medicare); federal, state and local income tax withholding; and non-cash compensation. Figures reported should be the annual total, and should correspond to the employees reported above. Cash and stock bonuses should be reported in the year in which they are paid to employees.	__________

2. **Please provide your non-labor operating expenses at your resort in dollars.** $ __________

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

3. **Please provide the following information for your sales operations only. Include full-time, part-time, temporary and contract employees.**

	In 2011
Annual average number of employees for 2011. Calculate using the average of the number of employees on January 1 and the number on December 31	__________
Total employee compensation in dollars. Include wages and salaries; commissions; the cost of benefits such as health and life insurance; retirement payments; employer and employee shares of FICA taxes (social security and Medicare); federal, state and local income tax withholding; and non-cash compensation. Figures reported should be the annual total, and should correspond to the employees reported above. Cash and stock bonuses should be reported in the year in which they are paid to employees.	__________

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IV. Timeshare Operating Expenses — continued

4. **Please provide your non-labor operating expenses at your resort in dollars.** $ __________

Corporate, Regional or Call Center Operations Expenses

5. **Please provide the following information for your corporate, regional and call center operations only. Include full-time, part-time, temporary and contract employees.**

	In 2011
Annual average number of employees for 2011. Calculate using the average of the number of employees on January 1 and the number on December 31	__________
Total employee compensation in dollars. Include wages and salaries; commissions; the cost of benefits such as health and life insurance; retirement payments; employer and employee shares of FICA taxes (social security and Medicare); federal, state and local income tax withholding; and non-cash compensation. Figures reported should be the annual total, and should correspond to the employees reported above. Cash and stock bonuses should be reported in the year in which they are paid to employees.	__________

6. **Please provide your non-labor operating expenses at your corporate, regional and call center operations in dollars.** $ __________

V. 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.*

1. **Please provide the total amount of property taxes paid during 2011, in dollars.** *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.*

	In 2011
On resort property	__________
At sales centers, both on-site and off-site	__________
For regional office, corporate office and/or call center operations	__________

2. **Please provide the total amount of occupancy taxes paid during 2011, in dollars.** *Include any accommodation taxes paid by occupants of timeshare units, such as sales tax on room charges, 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.*

	In 2011
State Occupancy Taxes	__________
Local Occupancy Taxes	__________

3. **Please provide the total amount of corporate income taxes paid by your organization for 2011, in dollars.**

	In 2011
State and Local Income Tax Paid	__________
Federal Income Tax Paid	__________
Total	__________

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VI. Resort Timeshare Sales

Please answer the following questions in the context of new sales for your timeshare units only.

1. **Did this resort offer new timeshare inventory for sale in 2011? New inventory is considered "first generation" or "developer sales".**
   - ☐ Yes
   - ☐ No (Skip to Section VII)

2. **What were your total new timeshare sales in 2011?** *NOTE: Please do not include commas when reporting numeric values. (i.e., the amount 1,000 should be reported as 1000.)*

   How many timeshare intervals were available for sale at this resort? Include all intervals available as of Dec 31, 2010 ***and*** any that were made available during calendar year 2011. ____________

   Of these how many were sold in 2011? Points-based developers may calculate weeks owned on an implied interval week conversion factor based on internal measures. For example, one approach may be to divide the number of points redeemed during the year by the number of unit weeks occupied. Or, developers that assign values to unit inventory may calculate the implied interval week conversion factor for the system overall. Count biennial sales as 1/2 of a week and triennial sales as 1/3 of a week. ____________

   What was the total sales volume associated with these sales net of rescissions, in dollars? Include interval weeks and/or points sales and upgrade/reload sales. Exclude sales for trial memberships and sampler programs. ____________

3. **For your new timeshare sales listed above, how much is allocated in the following categories.** *Exclude sales for trial memberships and sampler programs and sales of biennials and triennials*

		In 2011		
	Intervals available for sale	Number of intervals sold	Net sales volume ($)	Average Price ($)
Points based intervals (Excluding biennials and triennials)	_________	_________	_________	_________
Weeks based intervals* (Excluding biennials and triennials)	_________	_________	_________	_________
Total	_________	_________	_________	_________

**Includes traditional interval weeks and interval weeks with the ability to use through a timeshare points system*

4. **For your new timeshare sales listed above, how much is allocated in the following categories.** *Exclude sales for trial memberships and sampler programs*

	In 2011		
	Number sold (do not convert to weekly equivalent)	Net sales volume ($)	Average Price ($)
Biennials	_________	_________	_________
Other	_________	_________	_________

5. **What was your 2011 sales volume associated with sales upgrades programs net of rescission, in dollars?** *Include upgrade sales that do not result in incremental ownership of time, such as a change in unit type, resort, or season* $ __________

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VI. Resort Timeshare Sales — continued

6. **Of your total 2011 net sales volume as listed in question 2, indicate the approximate percentage sold to**

	Percent
New owners (including owners who purchased as a result of participation in a trial membership program)	________
Existing owners	________

7. **What was your 2011 net sales volume associated with trial membership/sampler programs net of rescissions, in dollars?**
This value should not have been included in your response to question two of this section. $ ________

8. **Please provide the following information on your 2011 re-sale programs.**

	2011
What was your 2011 re-sale inventory sales volume net of rescissions, in dollars?	________
What was the number of equivalent-weeks resold?	________

9. **Does this resort offer any of the following for sale?**
☐ Fractional sales ☐ Private Residence Clubs
☐ Whole ownership ☐ Membership programs ☐ Other, specify________________

10. **Of the timeshare interests sold in 2011 that are matched to units at this resort, what percentage was purchased at sales offices….**
…in the state ________% …outside of the state ________%

11. **What was your total 2011 sales volume related to "fee for service" arrangements?**
Fee for service refers to an arrangement by which your company receives a fee in exchange for providing sales and marketing support in the sale of timeshare inventory belonging to another company. These sales should be exclusive of sales of your own inventory noted in the previous questions of this section.
$ ________

VII. Resort Improvement and Construction

1. **How many timeshare units are recently built and planned at this resort. If you don't have a given type of units, please fill in '0'.**

	Number of Units
# Timeshare Units Built in 2011	________
# Timeshare Units Planned for 2012	________
# Timeshare Units Planned for 2013 or beyond (w/firm commitments)	________

2. **Please provide the dollar amounts spent for capital improvements in 2011. 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.**

	In Dollars
Renovation, refurbishment	________
Other capital expenditures	________

3. **How many new resorts does your company plan to build, and what is the associated number of units?**

	Number of Resorts
New Resorts Planned for Completion in 2012	________
Associated Number of Units in 2012	________
New Resorts Planned for Completion in 2013 and beyond	________
Associated Number of Units in 2013 and beyond	________

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VII. Resort Improvement and Construction — continued

4. **Please provide your total capital expenditures related to new resort construction in 2011.**
Other costs include soft costs such as planning, architectural, engineering, and product registration fees (exclude maintenance fees on unsold inventory).

	In Dollars
Land	__________
Construction (buildings and sitework)	__________
Furniture, fixtures, equipment	__________
Other costs (soft costs, permits, consultants' fees, etc.)	__________

5. **Please provide your 2011 non-resort capital expenditures in the following categories.**

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

VIII. Timeshare Rental Program

1. **Does your resort offer a rental program?**
   - ☐ Yes
   - ☐ No (Skip to end)

2. **What types of rental programs do you offer?** *(check all that apply)*
   - ☐ Daily rentals
   - ☐ Weekly rentals
   - ☐ Monthly rentals
   - ☐ Rental rates that vary based on season
   - ☐ Rental programs for marketing guests
   - ☐ Other, specify _________________

3. **What is the total number of nights rented and the associated rental income for 2011?**

Total number of nights rented	__________
Associated rental revenue	$ __________

4. **What is the commission rate you charge for rentals?** __________%

5. **Please list the total amount paid in 2011 related to lodging taxes or other taxes related to rental programs only.** *These taxes are separate from the occupancy taxes in the "Resort Timeshare Taxes" section* $ __________

From time to time, the American Resort Development Association 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, please add me to your list to receive newsletters on legislative efforts that affect my timeshare business.
EMAIL ADDRESS: ____

☐ No, thank you

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