

Economic Impacts of the Timeshare Industry in Aruba
Foreword

Timesharing in Aruba plays an important role with nearly 40 percent of our total hotel unit's inventory consisting of timeshare units. Thanks to this inventory and the high occupancies of the 16 timeshare resorts on the island we can boost a consistent occupancy all year which is the envy of many of our Caribbean competitors.

The Aruba Time Share Association (ATSA) is very much aware of the importance of this sector of our industry but just how important is timeshare for Aruba and what is the impact on our economy?

The University of Aruba, under the guidance of Dr. Ryan Peterson, conducted a survey and study on this very same subject in 2008. ATSA is conscious that a similar study should be conducted every 5 years because of changing patterns and the dynamics of our industry.

The report you are about to read are the results of a study made by a recent graduate of the University of Aruba, Ziphora Baarh, under the guidance of her mentor, Mrs. Thais Nierop-Kappel.

We thank Ziphora for the results of this new study which we value very much. As a student of the University of Aruba, in the Faculty of Hospitality and Tourism Management Studies, she has worked diligently in researching and interviewing numerous timeshare owners and guests in relation to their spending patterns and reasons for repeatedly coming to Aruba. The results do indicate that timeshare has a very significant impact on our local economy.

On behalf of ATSA we also thank the General Managers for their cooperation of "subjecting" their members and guests to the survey but also in collaborating with Ziphora in providing information that generated this report.

We wish Ziphora Baarh success in her future career in the tourism industry.

Sincerely,

Jan van Nes
General Manager

Introduction

This study is about the timeshare industry in Aruba, and the impacts of timeshare resorts and timeshare tourists on Aruba's economy. The industry is very broad and has many factors. For the purposes of this research, two main categories will be studied. One is timeshare tourists' expenditures and the other is revenue gained by the taxes and maintenance fees that timeshare owners pay, which is returned to the community through maintenance costs, utilities, and employees' payroll.

It is important to know how the timeshare industry affects spending patterns of tourists in Aruba. The ancillary revenue generated by the timeshare industry in Aruba includes the products and services that timeshare owners spend their money on. Tourists coming to Aruba usually spend money on restaurants, shopping, touring, recreational activities, etc. This study will analyze timeshare owners' spending in these categories, and seek to find patterns among them, in terms of what motivates them to spend money in Aruba, what factors affect their spending patterns, and how much money is being spent in each category, which in turn will give an implication as to how much the timeshare owners in Aruba affect the economy. In the retailers' perspective, it is important to know how much money the timeshare tourists are spending, and what the demands are from these types of tourists. The study is based on primary data gathered concerning the economic effects in Aruba, in terms of tourist expenditures. The data has been gathered by surveying timeshare owners from different resorts. This study seeks to find not only the timeshare industry's expenditures in Aruba, but how big of an impact these expenditures have on the tourism industry, and ultimately, the economy of Aruba, and why it is important to know the demands of timeshare owners in Aruba. In addition, the economic impact analysis has been done by gathering information from the timeshare resorts regarding their maintenance fees, taxes, and expenses. Since Aruba's economy is dependent on tourism, it is important to know how much of the money from the tourists coming in are coming from those owning, or staying in a timeshare in Aruba. Because the timeshare industry in Aruba has grown so much over past decades, it is extremely important to study its economic impacts on the island, and how it has changed.

The multiplier effect that the timeshare industry produces in Aruba is from the expenses of the timeshare resorts. Studies show that in Aruba, room taxes in timeshare resorts generate approximately \$11,379,799 per year (ATSA, 2011). This tax contribution is an important revenue source for the government. Maintenance fees cover a multitude of costs, which are divided differently amongst all timeshare resorts. Some of the costs that will be analyzed in this study include utilities costs such as electricity, water, gas, AZV, AOV, and ground (property) tax. The amount of money that the timeshare resorts invest on refurbishing also impacts the economy, especially through import duties they pay. In addition, one extremely significant way the timeshare industry affects the economy of Aruba is through employee's payroll expenses. Over 2,000 people living in Aruba work in a timeshare resort and payroll expenses are over \$30 million (ATSA, 2011).

Business Situation

The timeshare industry is known as one of the fastest growing segments of the tourism industry. According to American Resort Development Association (ARDA), the U.S. timeshare industry generated \$70 billion of economic output, including \$23 billion in income in 2011 (ARDA, 2012). Even through the financial crisis, the timeshare industry has shown impressive stability; in which the average shared vacation ownership sales price has been more stable, declining only around 9%, and had occupancy rate of 76% in 2010 (ARDA, 2012). Their research has also shown that the worldwide hotel industry rates are substantially lower than shared vacation ownership properties. Even in Aruba, since the year 2006 up to year 2010, timeshares had a higher occupancy than hotels. Timeshare in Aruba ended the year 2010 with an average occupancy of 80.6% while hotels had occupancy of 73.5%. (CBS, 2010). And in the US, the sales volume in 2011 totaled to \$6.5 billion, which was a 2.4% increase from 2010 (ARDA, 2012). As the president and CEO of ARDA states it, “The contribution of the timeshare industry on local economies goes beyond the resort footprint... In addition to sales and corporate operations, development of new resorts and renovation projects, it also includes the impact of expenditures from vacationers during timeshare stays” (Burney, 2010).

Tourism is one of the main economic activities on the island, according to the Central Bureau of Statistics (CBS). This means that Aruba’s economy is dependent on the tourism industry. The majority of tourists coming to Aruba are from the U.S., followed by Venezuela and the Netherlands, according to research done by Aruba Tourism Authority (ATA) (CBS, 2010). As a result, economic conditions worldwide, and especially in the U.S., have an impact on Aruba. In 2008, the uncertainties surrounding the international economy and the deteriorating employment conditions in the U.S. had a negative impact on Aruba’s tourism sector; with stay over visitors coming to Aruba dropping 4% in 2008 (CBS, 2010). Consequently, the occupancy rate of the hotels dropped with 2.5% to a level of 73.2% and decreased even more to 72% in 2009, according to CBS. This drop in visitors coming to Aruba resulted in lowering tourism expenditures, from a growth rate of 7.1% in 2008 to a level of -5.2% in 2009 (CBS, 2009). The same decrease counts for timeshare occupancy, which decreased 2% in 2008 (from 82.3% to 80.3%) and decreased another 3% in 2009, reaching 77.3%. However, both timeshare and hotel occupancy had an increase in 2010, with hotels increasing 1.5% to 73.5% occupancy, and timeshares increasing 3.3% to 80.6% (CBS, 2010). These figures show how quickly tourism in Aruba is impacted, but most importantly, how worldwide economic conditions greatly affect the island.

Figure 1

Occupancy Rates			
	2008	2009	2010
Hotels	73.2%	72%	73.5%
Timeshares	80.3%	77.3%	80.6%

Source: CBS Aruba

Challenge

Because of the size and impact of tourism in Aruba, it is important to know the segments of the tourism market. A fair amount of research has been conducted on tourism in Aruba, especially with hotel tourists. However, there has been very little academic research on the timeshare industry in the island of Aruba, despite the fact that it has grown so rapidly over the past years. In addition, as was stated before, the average occupancy for timeshare or vacation ownership properties has been higher than those of the hotel industry, worldwide and in Aruba, which is why these types of tourists and their financial input in the economy are extremely important to Aruba. It is important to know not only how much money timeshare tourists in Aruba spend, but where and why they spend. By gaining this information, much more can be done to promote and develop strategies to increase the economic returns of the timeshare industry on the island. In addition, the expenditures timeshare owners make on maintenance fees and other taxes is also important to know. ARDA states that “The timeshare industry produces significant amounts of individual income tax and employment tax at the federal level and contributes to property tax, sales tax, and occupancy tax revenue for state and local governments” (Burney, 2010).

Research Objective

The objective of this study is to analyze the economic contribution of the timeshare industry in Aruba. Economic impact is represented by measures of spending, employment, payroll, and tax revenues generated by traveler spending (U.S. Travel Association, 2010). These include the retail expenditures, the maintenance fees, and the taxes they pay. When studying retail expenditures, this study is not only analyzing how much money timeshare tourists spend while in Aruba, but also why they spend and what factors play a role in their spending patterns. The reason for this is that if these crucial factors remain unknown, there is nothing that can be done with the expenditure information to improve it. It is important to know the consumers, their behaviors, their motives, even their demographics, in finding what influences their buying behavior. Understanding spending behavior of tourists can help to create policies in order to increase per person tourist expenditure (Bingöl & Bahar, 2012). Tourist destinations that can identify the activities that relate to the tourist’s style can in turn provide souvenir merchandise in retail environments that will enhance the experience of tourists (Fairhurst, Costello, & Holmes, 2007). The initial direct expenditures of tourists generally stimulate economic activity and create additional business turnover, personal income, employment, and government revenue in the destination (Crompton, Lee, & Shuster, 2001). Increasing tourist expenditure is a means to increase tourist income, which is extremely important for local economies; and in order to propose plans to increase tourism expenditure, the expenditure pattern of travelers should be understood (Bingöl & Bahar, 2012). This study will benefit the timeshare resorts and the different types of retailers in the tourism industry on Aruba, in understanding what the spending patterns, demands, and needs are of the timeshare owners in Aruba. In addition, this study will benefit the community of Aruba, in knowing how the timeshare industry is affecting the economy. A study done by the U.S. Travel Association stated that travelers produce “multiplier”

impacts on the economy; in addition to the goods and services that are purchased directly by travelers, the inputs used to produce these goods and services are also purchased through travel industry business operators – indirect travel spending (U.S. Travel Association, 2011). In the timeshare industry of Aruba, the direct travel expenditures include transportation, lodging, meals, entertainment & recreation, etc, and the indirect travel spending includes timeshare owner – generated payroll, employment, tax revenue, and trade surplus. Each of these factors contributes greatly to the economy.

Research Questions

What is the economic contribution of the timeshare industry on Aruba?

Direct

- What is the average expenditure of timeshare owners in Aruba?
- Where do timeshare owners spend their money?
- What factors influence where timeshare owners spend their money on?

Indirect

- How much money goes into the economy of Aruba by maintenance fees and room taxes timeshare tourists pay?
- How much money goes into the economy of Aruba by the utility, refurbishing, and payroll expenses the timeshare resorts pay?

Review of Literature

History of Timeshare

Timeshare, or vacation ownership, is a purchase of the right to occupy an accommodation or facility for a specified period of time every year over a certain number of years (Powanga & Powanga, 2008). The timeshare industry first emerged in Europe in the 1960s, in a skiing resort in France (Kaufman, Lashley, & Schreier, 2009). The skiers wanted to ensure guaranteed accommodation for skiing. The property owners found that they could sell their rights to have access to the same accommodation across the whole year (Kaufman, Lashley, & Schreier, 2009). Soon after, various US resorts began selling timeshare weeks in their resorts (Kaufman, Lashley, & Schreier, 2009). The affluent years at that time after World War II gave millions of people in the United States and other nations that were industrialized, the time and money to spend traveling and on recreational activities, which resulted in an expanding economy and desire to travel within the states (ARDA, 2002). This led to the rapid development of vacation homes and condominiums in popular tourist destinations.

During the 1970s, the vacation ownership industry established itself as a permanent part of the hospitality and leisure industry. Since the 1970s, timeshare has evolved through different international resort locations and resort types, number of resorts, number of owners, and variations in the nature of the timeshare offer (Kaufman, Lashley, & Schreier, 2009). The timeshare owners, in the early stages of timeshare, bought a fixed week in a fixed property. This could be a fully equipped luxury apartment, villa, cottage, or suite (Kaufman, Lashley, & Schreier, 2009).

However, over the years, more flexibility has been built into the offer to consumers. These include different combinations of fixed or float seasons, and fixed or float units. These vary among the options of purchasing a timeshare in a fixed time period every year, or a float time within a season of the year, and a fixed unit which is the same exact unit each time, or a float unit which means they are not tied to the same resort. There is also the point system, which provides the ultimate flexibility, allowing the consumer to buy enough 'points' based on their estimated vacation needs (unit size, length of stay, location, seasonality) (Kaufman, Lashley, & Schreier, 2009).

Legally, there are several models of approaches taken for handling the sale of timeshare. The three most common types are deeded interests, right to use, and leasehold agreement. The deeded interest method is similar to a real estate purchase, where the purchaser receives a title for the real property being purchased from the timeshare developer, and the unit owner buys the right to use that unit in perpetuity, and the right to sell it, rent it, or convey it in a will (Kaufman, Lashley, & Schreier, 2009).

The right-to-use type of conveyance is different; the individual is given contractual rights to use the timeshare facilities for a specified period of time, usually one week, but for time periods limited in the agreements, for example 25 years. And a leasehold agreement method is similar to a right-to-use contract in the way that the purchaser holds a leasehold interest less than a full

ownership interest; the difference is that the time period concerned is shorter than with a right-to-use agreement (Kaufman, Lashley, & Schreier, 2009).

There are also exchange programs that are known to be crucial to the industry. Exchanging is when the owner of a timeshare trades the stay at a particular location for a stay at another equivalent resort in a different location or time or both, usually at some exotic place for a similar vacation period. This arrangement is facilitated by an exchange company functioning as a broker between the timeshare owners that charge membership fees for the service. The major exchange companies timeshare developers tend to affiliate with are Resort Condominiums International (RCI) and Interval International (II), which allows timeshare owners to instantly become club members once the contracts become effective (Powanga & Powanga, 2008).

Irrespective of the legal nature of the different agreements, the timeshare consumer is generally known as the owner. Timeshare developers can build and sell an individual unit for 51 or 52 weeks out of a year, depending on whether a week is excluded for maintenance purposes (Kaufman, Lashley, & Schreier, 2009). The many different variations in timesharing are specifically designed to meet the many needs of consumers, so that each timeshare owner has a product that works for him or her. For that reason, it is extremely important to know and understand timeshare consumers. This starts with consumer behavior research.

Consumer Behavior and Drivers

Consumer behavior research is important in finding out what drives people to spend on travel, tourism, retailers, etc. Consumer behavior research can be characterized as the study of people operating in a consumer role involving acquisition, consumption, and disposition of marketplace products, services, and experiences (Macinnis & Folkes, 2010). Consumer behavior studies are done to understand how and why consumers behave as they do (Wilkie & Moore, 2003). This means that motivation is the starting point for any effort to understand consumer behavior, which is a dynamic and continuous process (Hsu, Cai, & Li, 2010). In tourism, consumer behavior research is extremely important. Tourism and hospitality marketers need to tailor their offerings to each market segment because of different psychological needs, values, and concerns that drive consumer behavior in the tourism marketplace (Clever, Green, & Muller, 2000). Once these drivers are determined, then the ability to understand how to influence the consumer decision making process becomes more of an art than an assumption process (Kaufman & Upchurch, 2007). Research has been done evaluating demographics of tourists and its effect on their behavior. It is evident that studying consumer behavior has a major role in finding out why and where consumers spend their money. Since this study is on how the timeshare owners spend their money, it is crucial to understand their motivations and behavior in order to optimize resources and increase their expenditures.

Previous Studies

Timeshare in the Tourism Industry in the US

Tourism in any community has a great economic impact in it. Tourism expenditure can be defined as the total consumption expenditure made by a visitor or on behalf of a visitor, for and during his/her trip and stay at the destination (WTO, 1995). According to previous studies, tourists spend around one-third of their total tourism expenditures on retail purchases (Gratton & Taylor, 1987) (Littrel, et al., 1994). According to the Tourism Satellite Account (TSA), the starting point of any analysis of the economic impact of tourism is represented by tourist expenditure. The TSA is a conceptual framework proposed by international organizations such as United Nations World Tourism Organization, that measures the size and economic importance of the tourism industry, including the timeshare sector. The tourists that own timeshares incur no accommodation expenditure, instead, there are “maintenance costs” paid by the owners. All these costs/expenditures are very important when analyzing the impact of timeshares from an economic point of view. The TSA proposed two categories of tourism expenditure related to vacation homes. The first is the usual expenditures made by tourists during their stay in a vacation home (timeshare) such as expenditure for transportation, outside meals (e.g. restaurants), cultural and sporting activities, car rental, etc. The second category includes the current expenditures related to a vacation home by its owner (developer) as a producer of accommodation services. This category represents maintenance costs of the timeshare; these involve fees for use of timeshare facilities (for linen service, cleaning, etc.) which are included in tourism expenditure. These also account for day-to-day running expenses like property management services, and also expenditure on major improvements that extend the life of the physical property (Frent, 2009).

Expenditures

Worldwide, the timeshare, or shared vacation ownership industry supported nearly 1.1 million jobs in 2010, of which industry operations, off resort vacation expenditures, and capital expenditures generated over 498,000 direct jobs (ARDA, 2012). This shows the crucial economic impacts that the timeshare industry has on economies worldwide. In the U.S., spending by timeshare owners and guests during stays was estimated at \$9.2 billion in 2011; of which \$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, based on ARDA’s study of the economic impact of the timeshare industry on the U.S. economy. An average of \$1,509 each traveling party spends per vacation. This was based on an average travel party size of 3.45 people, with the average total spending per person being \$437. The category that most money is spent on is restaurant, bar, and drinking place activities, with an average total spending per party of \$265. For the categories clothing and accessories, groceries, amusement parks, arcades, and gambling, ground transit, and gasoline stations, total spending average per party is usually between \$100- \$150 (ARDA, 2012).

Timeshare owners are repeat visitors, and repeat visitors are arguably the backbone of a local tourist economy (Ragatz & Crotts, February 2000). Timeshare owners inject new spending into local economies, which in turn ripples through the economy, creating additional income and jobs. In addition, even though timeshare owners have paid the majority of their lodging costs

“up-front,” their trip expenditures on average are more often greater than tourists’ in general (Ragatz & Crotts, February 2000).

Maintenance Costs

While hotel operations earn revenues largely from hotel room charges, timeshare resorts have multiple sources, which include timeshare contract sales, interest payments on mortgaged suites, maintenance fees and club membership fees. Moreover, timeshares tend to be immune to variations in economic performance because the timeshare owners are contractually bound to occupy their units (Powanga & Powanga, 2008). In addition to the purchase price of their timeshare, which creates local jobs in construction, marketing, and other industries, timeshare owners are assessed an annual fee, to pay for on-going maintenance and operations at their resort, property management, plus local property tax assessments (Ragatz Associates, RCI, 2003). There is always a risk that maintenance, operational or other levies of the timeshare scheme may increase. However, these levies are normally contractually payable annually by the timeshare members. Increases in costs associated with operations or maintenance will of course be passed on to members, though some constitutions limit these increases (Hovey, 2002). The annual maintenance fee is generally quite high. Maintenance fees are made up of both building maintenance and service to members (Hovey, 2002). The typical expenses included in the maintenance fee are shown in the table below. (Ziobrowski & Ziobrowski, 1997) (Hovey, 2002).

Maintenance Expenses	
Accounting and auditing fees	Local authority charges, levies and rates
Activities provision	Loss prevention
Administration	Management fees
Building Maintenance	Other contingencies
Cable television	Pest control
Cleaning: general	Pool and spa heating
Cleaning fees	Pool and spa maintenance
Directors and other management expenses	Postage, printing and handling
Electricity	Professional fees
Elevator expense	Reservations and front desk
Entertainment facilities	Reserve for replacement fund
Furniture and chattels replacement/maintenance	Resort fees
Grounds and landscaping maintenance	Taxes: state and federal
Housekeeping services	Telephone
Insurances	Tennis court maintenance
Internet fees	Waste collection
Inventory replacement	Water and sewage

It should be noted that resort maintenance fees or exchange fees are usually not calculated into the average expenditures of timeshare owners, indicating that most of these expenditures are to other businesses. These unreported maintenance fees that support the timeshare resorts create local jobs and additional income as these employees and the resorts themselves purchase a

variety of goods and services locally (Ragatz & Crotts, February 2000). During 2002, owners of U.S. timeshares spent about \$1.55 billion in communities to maintain their resorts, plus \$319 million in local property taxes that helped support local schools and other community services. These figures are from more than a decade ago, which means that today these are much higher (Ragatz Associates, RCI, 2003).

Tourism in Aruba

Economic impact is defined as the net economic change in the incomes of host residents that results from spending attributed to tourists (Crompton J. , 2006). In Aruba, the Central Bureau of Statistics has done much research on tourists, their demographics, how much they spend, where they spend, etc. This information is important in finding information on the types of tourist coming to Aruba. In the year 2011, 871,316 tourists visited Aruba, and the average length of stay was 7.5 days (CBS, 2011). The household income of the visitors coming to Aruba is on average more than \$50,000. The estimated total tourism expenditure in Aruba for the year 2011 was \$822,457,142 according to Central Bank of Aruba, (CBA, 2012). According to CBA, tourism receipts totaled to \$1,431,428,571 in 2012. The average daily expenditure for tourists in Aruba is the highest among tourists from Venezuela, with a figure of \$144.49 per day, and the second highest is from US tourists, which was \$88.24, in 2011. The household income level of tourists has a major effect on average daily expenditure while on Aruba. Naturally, the higher the income is, the higher the expenditures will be. Research shows that the average daily expenditure are the highest among the tourists who have a household income of \$100,001 and over, with an average of \$118.41 per person, and the second largest income group, which have a household income of \$75,001 to \$100,00, spend an average of \$103.49 per person (CBS, 2010). When it comes to what the tourists spend their money on, the category with the highest figures is food and beverage, with an average daily expenditure of \$21.60 per person. The second category that most money is spent on is shopping, with an average daily expenditure of \$20.86 per person. The rest of the categories, with the exception of casino that accounts for an average of \$13.80 per day, have average daily expenditures between \$1 to \$10 (CBS, 2011). The total average expenditure per person per trip totaled to \$661.80 in 2011 (CBS, 2011). These figures account for all types of tourists that stayed in Aruba.

Timeshare Industry in Aruba

Timeshare has been around in Aruba for more than 30 years, ever since Aruban developer Raymond Maduro opened Aruba Beach Club in 1977 (van Nes & Heijdemans, 2006). The timeshare industry not only attracts tourists to Aruba, but it also produces a constant flow, because most people return to Aruba for years. Besides the revenue that the timeshare owners bring to Aruba, they also help generate jobs on the island. In 2006, nearly 15% of the jobs in Aruba were in the hotel and restaurant sector, according to a study done by student Marieke Heijdemans and Jan van Nes, General Manager at the Playa Linda Beach Resort Aruba. Now this percentage has grown to 24.8% (CBS, 2011). Aruba's timeshare members are known to be very

loyal and generally return to Aruba, giving the island a steady base of income, even during low season (van Nes & Heijdemans, 2006). Another study was done on the timeshare industry in Aruba by Dr. Ryan R. Peterson in 2008. Over 1500 surveys from all timeshare properties on the island were collected and analyzed. The findings were benchmarked and Dr. Peterson produced significant results and conclusions. Over 90% of the respondents were US residents, of which 80% are considered baby boomers. Approximately 50% of the respondents earn more than \$90,000. The study also found that in Aruba, 70.2% of timeshare tourists purchased their first timeshare before the year 2000; and 29.8% purchased their first timeshare after 2001. This shows that a large percentage of timeshare owners in Aruba have bought their timeshare more than ten years ago, and most of them are between 50 to 69 years of age. From these, 57% of the respondents acquired timeshare through new purchase, yet 37% buy on resale. More than 50% of the respondents have bought more timeshare at the same property, and approximately 40% have bought timeshare at a different property. Furthermore, 70% of respondents have never exchanged their timeshare in Aruba, which shows that they are loyal to the destination. Out of all the respondents, almost 60% are considered heavy repeaters, having visited more than 10 times. The average length of stay is 12.5 days (Peterson R. R., 2008).

From the total tourists coming into Aruba, 28.8% were timeshare tourists in 2011 (CBS, 2011). This figure has varied a lot over the years. In the year 2000, timeshare owners accounted for 29.5% of all tourist visitors in Aruba. By 2005, they accounted for 32.9%, and had grown to 40.1% by 2007 (CBS, 2010). However, recession hit the US in 2008 and since most tourists are from the US, Aruba's timeshare industry was greatly affected by it. The percentage of timeshare visitors in Aruba dropped in the years following 2007 until it reached 28.8% in 2011 (CBS, 2011). From the tourists staying in a timeshare, 62.1% are owners, 3.3% are transient, and 34.6% are exchange and other non owners (CBS, 2010). During the past decades, there has been substantial growth in timeshare tourism in Aruba; however, the recession has inevitably affected all tourism sectors.

The timeshare resorts in Aruba have also grown in room numbers. In 2000, the total rooms in Aruba, including both hotels and timeshare was 6,730, and timeshare rooms accounted for 37% of these. By 2005, timeshare had 41.2% of rooms on Aruba (CBS, 2009). In 2009, timeshare had a high of 49.2% of all 7,500 rooms. This number decreased and by 2010, the total amount of rooms on Aruba was 7,314, and timeshare had 46% of these rooms (CBS, 2010). According to the Aruba Timeshare Association, Aruba has approximately 3,100 timeshare units in total, which has the potential of generating 1,376,796 room nights (ATSA, 2011). The average yearly occupancy is 80.6%, which generates 911,989 room nights. The taxes per night paid by the timeshare owners, based on the average occupancy, generates approximately \$11,379,799 for the community (ATSA, 2011). From the year 2007-2011, utilities expenses have increased significantly. These are displayed in the table below.

Figure 2

Utilities Increase from 2007-2011	
Electricity	43.5
Water	35.7
Gas	70.6
AZV	32.9
AOV	22.3
Ground Tax	15.4

Source: ATSA Report 2011

Aruba plays a pivotal role in the timeshare industry in the Caribbean, boasting continued sales growth and a high (+80%) satisfaction rates (Peterson R. R., 2008). What started out as a 'strategic experiment' in the mid 1970s has now turned into a formidable local sector, accounting for almost half of all visitors, especially loyal repeat visitors, and contributing well over half a billion dollars to local commerce, according to Peterson (2008). Clearly, the timeshare tourists make a significant contribution to the economy of Aruba. In the study done by Dr. Peterson (2008), expenditures of timeshare tourists on Aruba were also analyzed. The study found that an average total of \$710 was spent on accommodation, \$900 on food and beverage, \$270 on groceries/sundries, \$330 on car rental, \$111 on other transportation (busses, taxis), \$ 784 on gambling, \$607 on shopping, and \$707 on recreation, tours, and activities per travel party. Together, these total up to \$4,419 in expenditures, per party, on the island (Peterson R. R., 2008).

Research Methodology

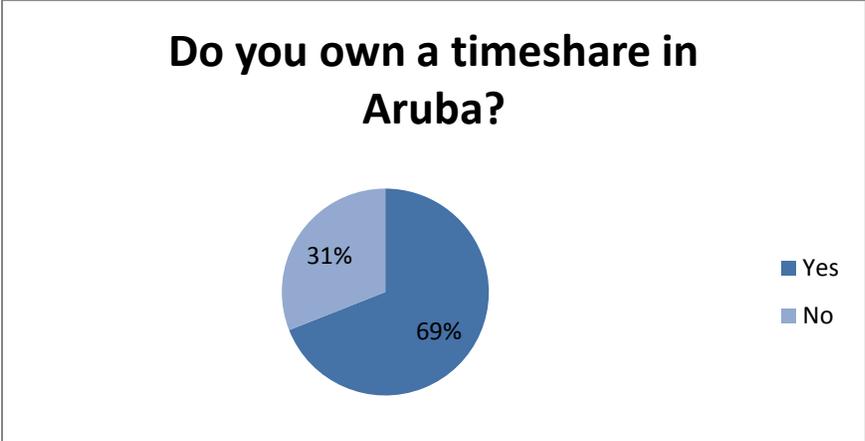
This economic impact analysis includes the indirect and direct economic contribution of timeshare tourists on Aruba's economy. The indirect contribution analysis has been done by finding industry averages of maintenance fees, room tax, utility costs, refurbishing investments, and payroll expenses. This information was acquired from different timeshare resorts in Aruba and analyzing the averages. The direct contribution analysis was done by finding average daily expenditures of the timeshare tourists and calculating approximately how much timeshare tourists are spending in Aruba annually. This information was acquired by conducting surveys on the timeshare tourists in Aruba.

The data was collected during the course of approximately one month starting March 15 through April 12 of 2013. The sample size was 400 surveys filled out by timeshare tourists that were asked at random. The intention was to conduct surveys on as many timeshare resorts on Aruba as possible. The timeshare resorts that were included in the data collection were Playa Linda Beach Resort, La Cabana Beach and Racquet Club, Marriott Aruba Ocean Club, Paradise Beach Villas, Costa Linda Beach Resort, Casa del Mar Beach Resort, and Aruba Beach Club. Approximately 60 surveys were conducted at each resort.

The survey firstly measures the type of timeshare tourist visiting Aruba, starting with whether the respondent is a timeshare owner in Aruba or not. If they are a timeshare owner, it asks what kind of timeshare ownership they have (right of use, deeded interests, etc.). And if they are not a timeshare owner, it asks the way they are affiliated with timesharing (renting, exchange, etc).The survey also measures length of stay and weeks owned. Secondly, the survey measures the interests of the timeshare tourists while on Aruba, to find what motivates them to spend. These include questions on importance of activities and primary interests while on Aruba. The third part of the survey measure expenditures. These include traveling expenditures and expenditures made while on Aruba, in the different categories of expenditures, and total. Lastly, the survey measures the demographics of the timeshare tourists, such as age, income, and education.

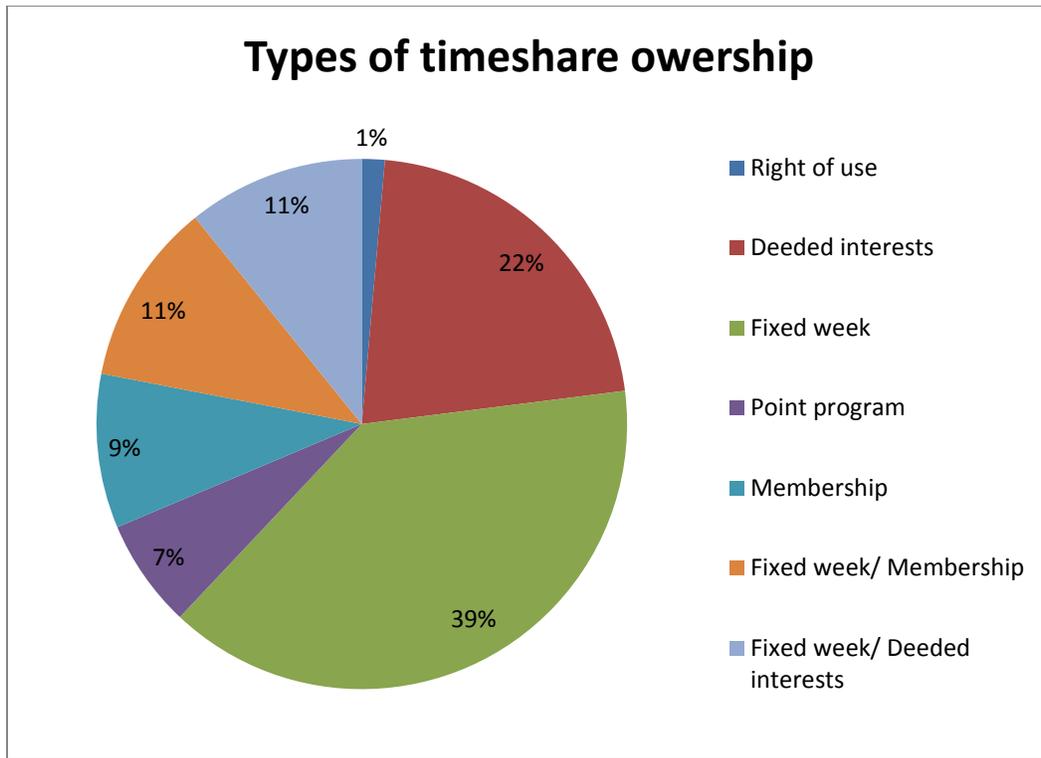
Results

Figure 3



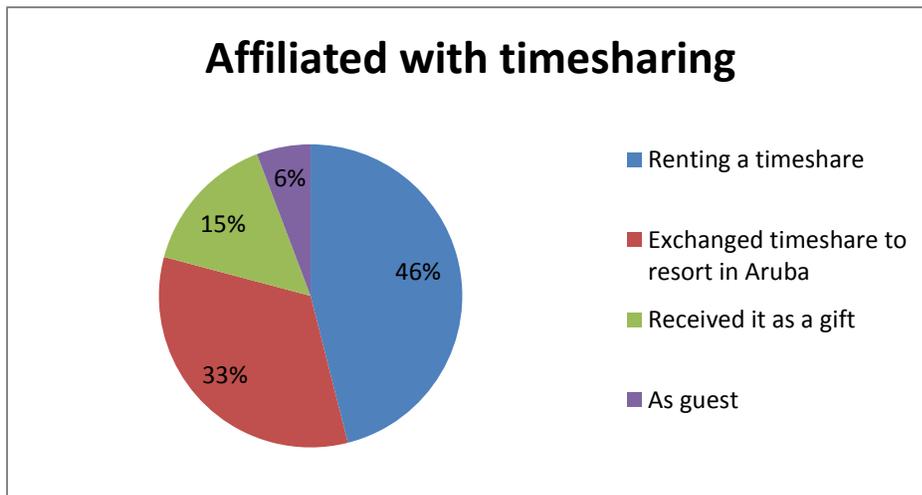
Nearly 70% of the survey respondents that are staying in a timeshare are an owner. This means that a large majority of Aruba’s timeshare tourist are owners in Aruba’s timeshare resorts. Those that don’t own a timeshare in Aruba, are either renting one, exchanged their timeshare to one in Aruba, received it as a gift, or are a guest of a timeshare owner.

Figure 4



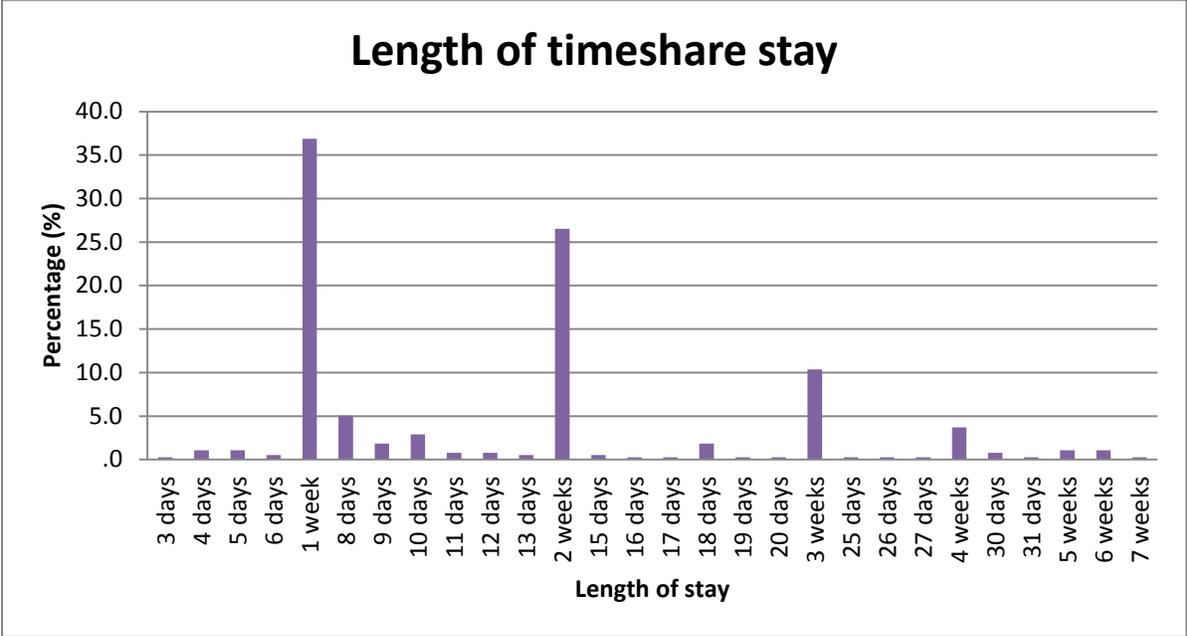
From the 69% of timeshare tourists that are owners, a majority of owners are fixed week. These include the 39% that have simply a fixed week, the 11% that have fixed week/membership, and another 11% that have fixed week/deeded interests. Together, the owners with fixed week part of their timeshare ownership make up for 61% of timeshare owners in Aruba.

Figure 5



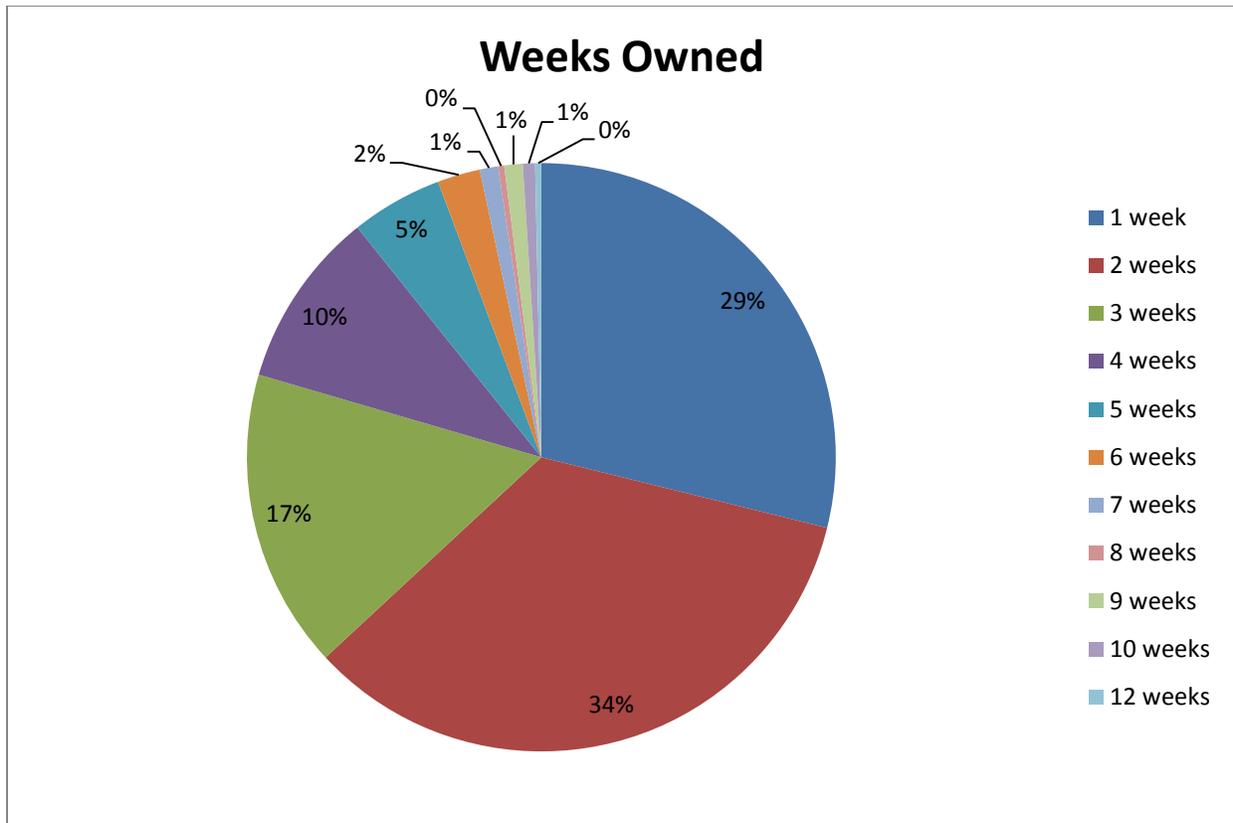
From the 31% of respondents who do not own a timeshare in Aruba the majority (46%) are renting a timeshare, followed by 33% that are exchangers. A small percentage received it as a gift or are guests of timeshare owners.

Figure 6



The results of this survey shows that 37% of respondents are staying in a timeshare for a week and 26% are staying for two weeks. Around 10% of respondents are staying for three weeks. These are undoubtedly the highest percentages because timeshare stays are in weekly intervals. However, the other days include usually the timeshare tourists that are either renting a timeshare for just a few days, or those that own a timeshare and stay for their interval and then rent a few extra days. During the data collection, many timeshare tourists expressed their desire for a longer stay and therefore rent a few more nights. Out of all the responses, the shortest stay was three days, and the longest stay was seven weeks, which shows a significant difference in the timeshare tourist market. The average length of stay is 12.8 days

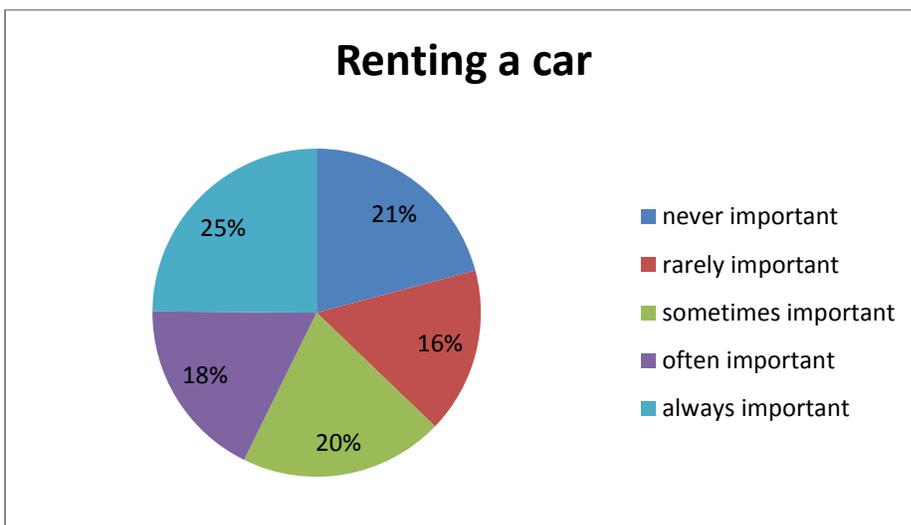
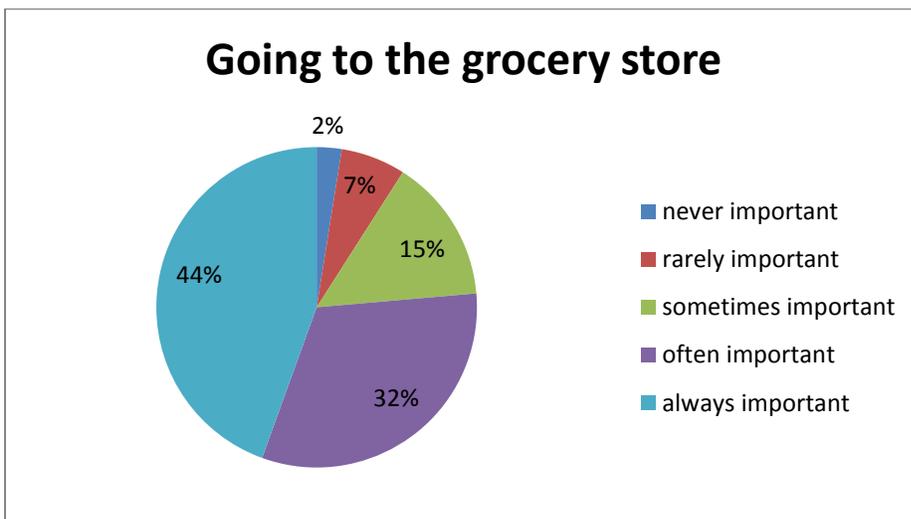
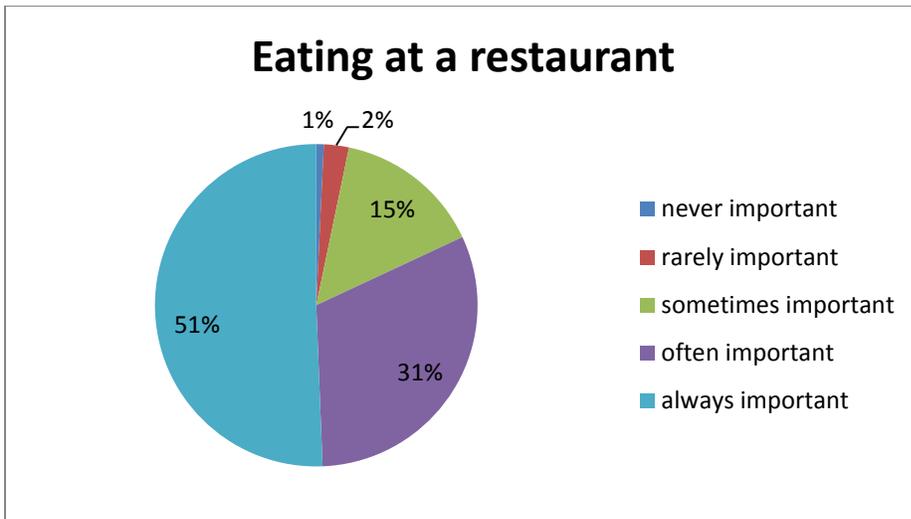
Figure 7



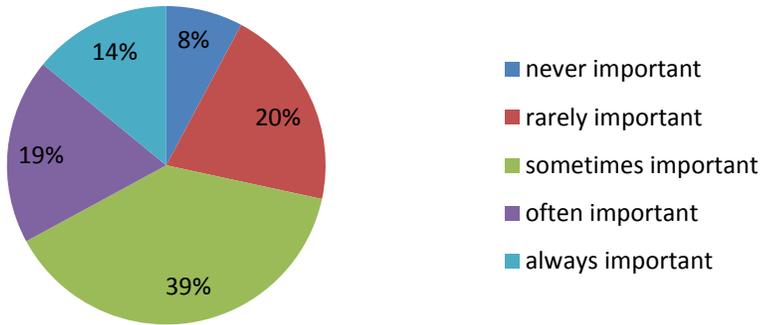
The highest percentage of respondents own two weeks being 34% and the second highest is one week, which is 29%. This is because timeshares are generally sold in weekly intervals, and the most common purchases are for one or two weeks. Evidently, the more weeks owned, the less the percentages of timeshare owners there are, simply because the cost for each extra week is very high. The average amount of weeks owned is 2.5 weeks.

Importance of Activities

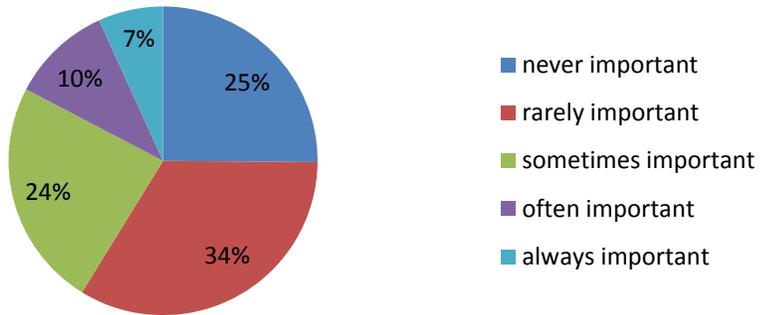
Figure 8



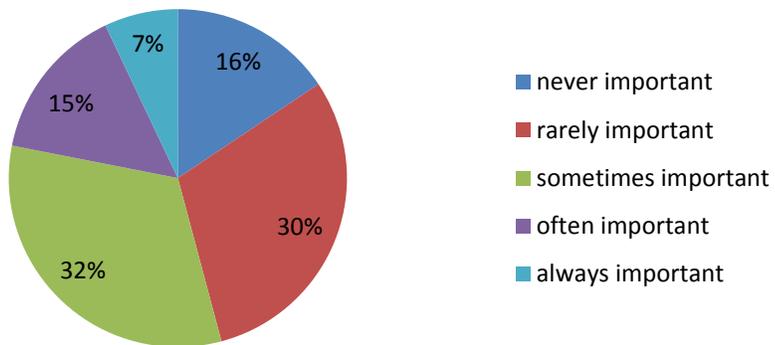
Shopping



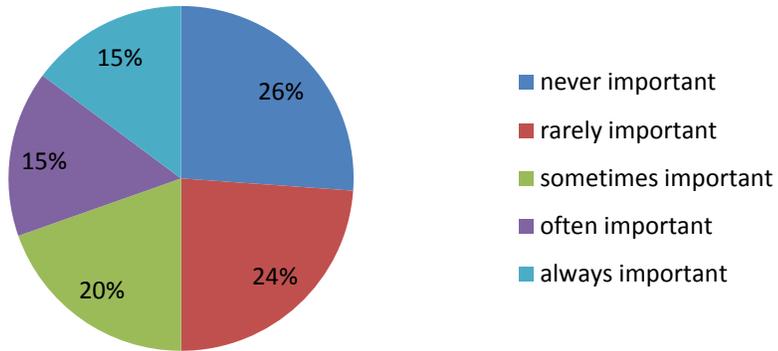
Buying jewelry



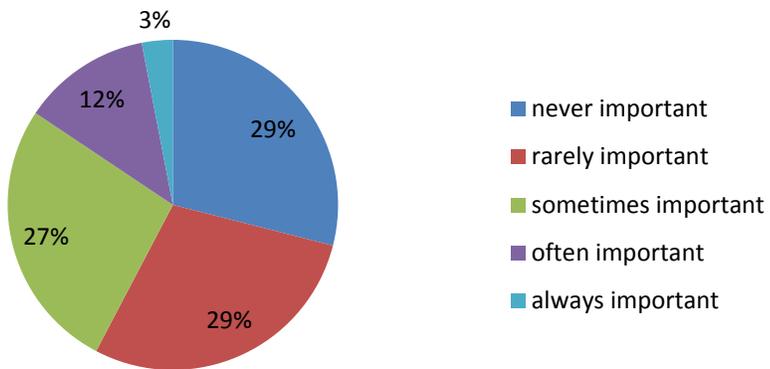
Buying local crafts and souvenirs



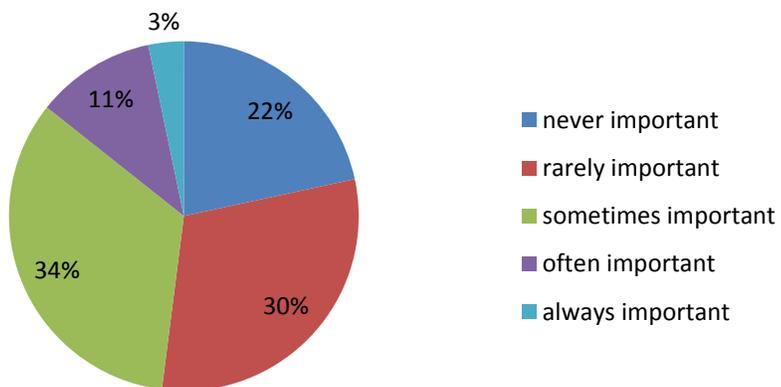
Going to a casino



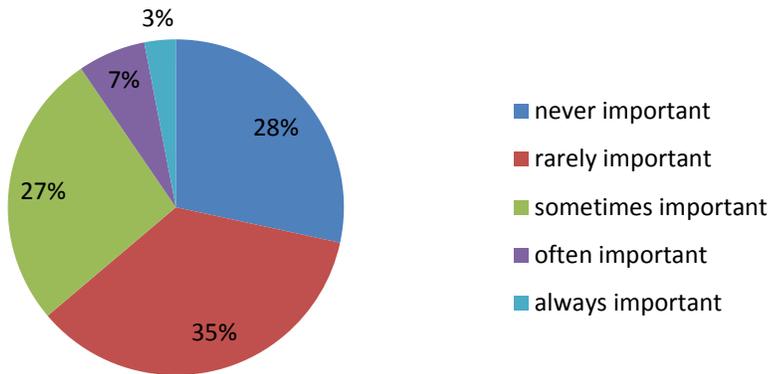
Participating in sport activities



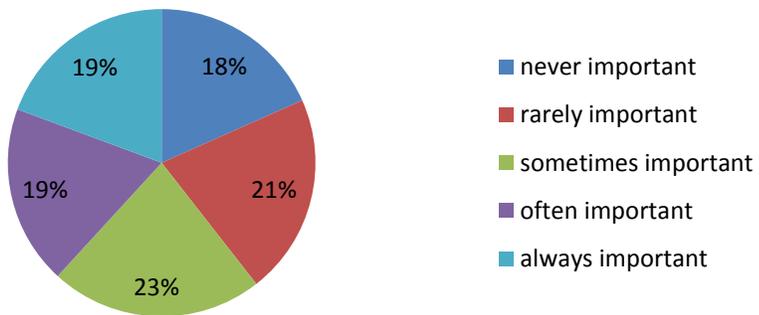
Going to entertainment events



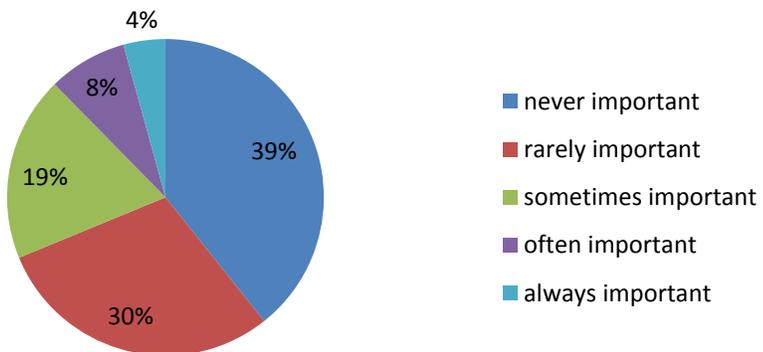
Going on tours



Buying liquor



Buying luxury brands



These charts show the percentages of the responses for each category of activities. Eating at a restaurant for most timeshare tourists is important; for 51% it is always important, and for 31% it is often important. Going to the grocery store is also of great importance to timeshare tourists, with 44% saying it's always important, and 32% saying it's often important. Eating at a restaurant and going to the grocery store are naturally the two most important activities for timeshare tourists.

Renting a car is the variable with the most differentiating opinions. 25% stated that renting a car is always important and 21% stated it was never important. These are the opposite categories and also the ones with the highest percentage. However, all the options from never important all the way to always important are almost equal in percentage. Adding up the never important and rarely important categories would equal up to 37% of the respondents, and often important and always important make up for 43% of the total. In addition, those who filled in sometimes important make up for 20% of the total. These results show that only a small percentage of timeshare tourists prefer renting a car over other taking other forms of transportation, but generally half of timeshare tourists find renting a car important and half do not.

With shopping, the results show that nearly 40% found shopping sometimes important, 19% often important, and 20% rarely important. This shows that a majority of timeshare tourists find shopping sometimes important, and the rest are divided at around half, between finding shopping important or not.

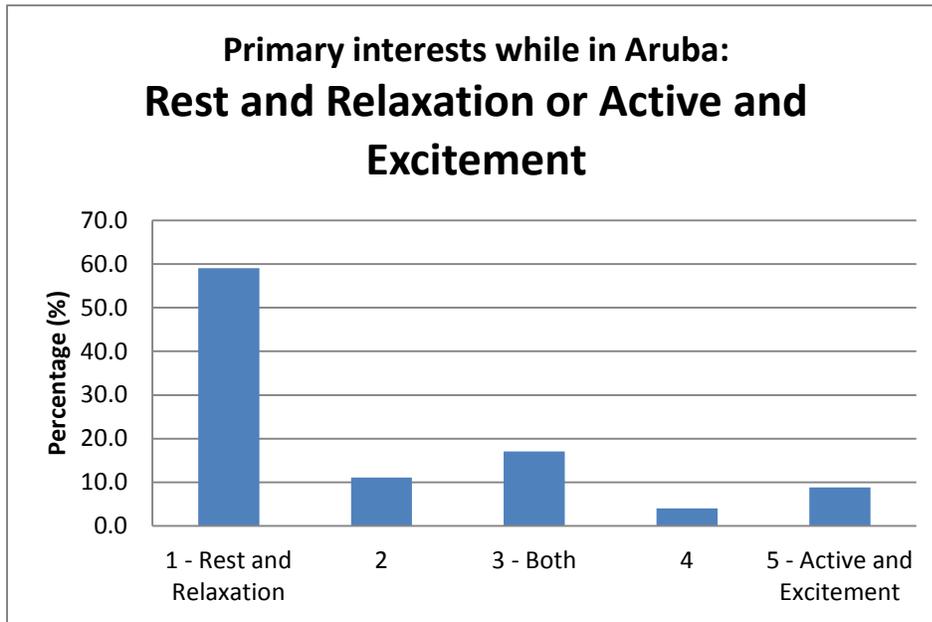
The chart for buying jewelry shows that a majority of respondents don't find buying jewelry important, with 25% saying it's never important, and 34% saying it's rarely important. The results for buying local crafts and souvenirs is shows that 32% find it sometimes important, yet 16% find it never important, and 30% find it rarely important, which if added together, shows that 36% find that buying local crafts and souvenirs are rarely, if ever, important to them.

Going to a casino presents a different case, where the responses are very spread apart. 26% stated it is never important, and 24% stated it is rarely important. From this chart can be concluded that 50% of respondents find casino never or rarely important, 30% finds it often or always important, and 20% finds it sometimes important.

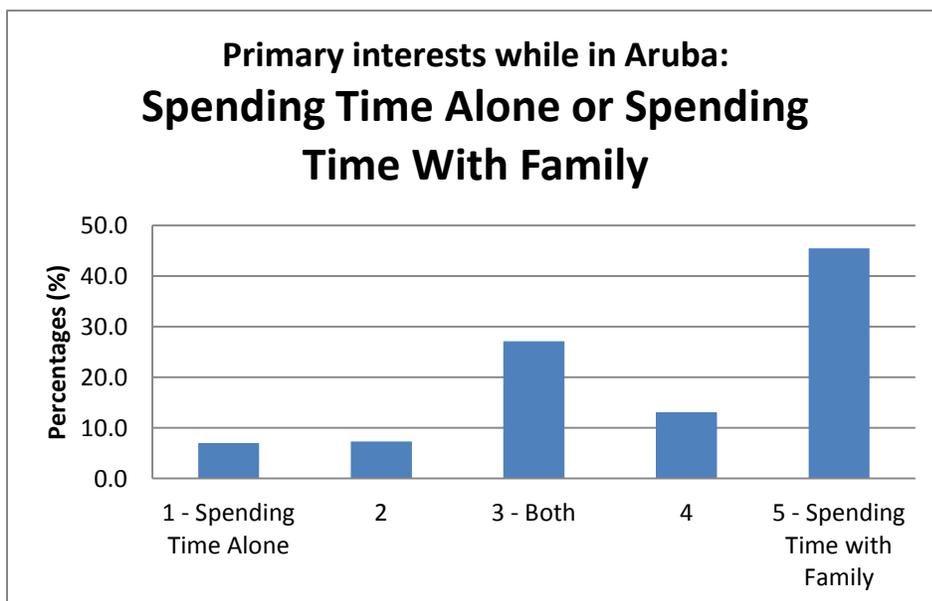
The results for the variables participating in sport activities and going to entertainment events are very similar. For a majority of respondents, these activities are rarely or never important, and around 30% find them sometimes important.

For the activity, going on tours, a 28% said it's never important, and 35% said it's rarely important. This shows that a majority of respondents do not care for going on tours. From conversations with the tourist completing the survey, it was clear to see that because a majority of timeshare tourists have been returning for many years, they have seen all of Aruba, and are not interested in going on tours and seeing the same places. In their words, touring is a "been there, done that" activity.

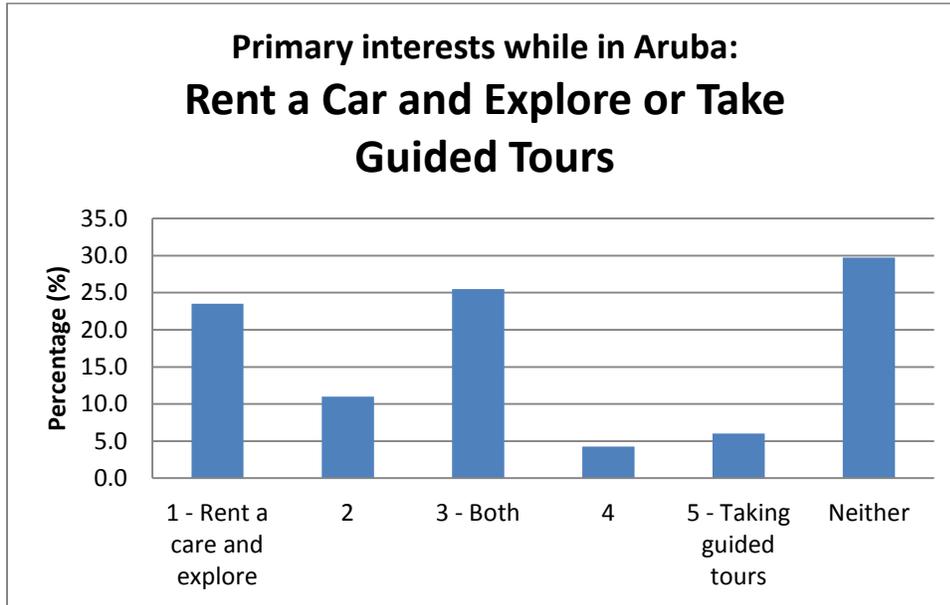
For the activity buying liquor, the percentages for each response are almost equal to each other. This means that around 40% of timeshare tourists find buying liquor important, 40% do not, and around 20% find it sometimes important. Lastly, a majority of timeshare tourists find buying luxury brands rarely or never important.



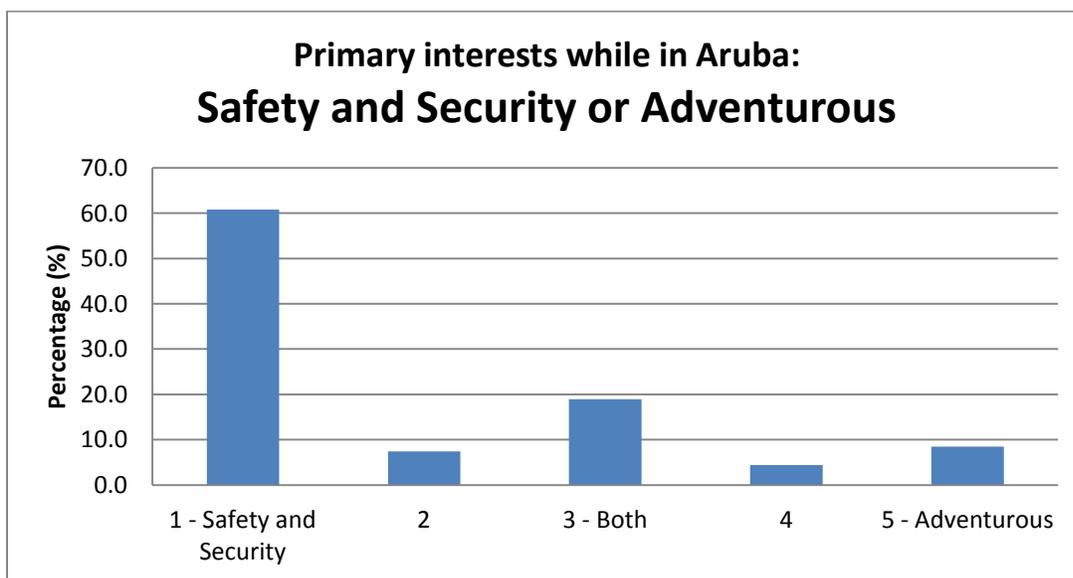
A majority of respondents come to Aruba for rest and relaxation (59%), as opposed to being active and having excitement. This may be because most timeshare tourists are repeating tourists, and after the first few trips to Aruba, many have experienced all the activities that Aruba had to offer, and look for relaxation.



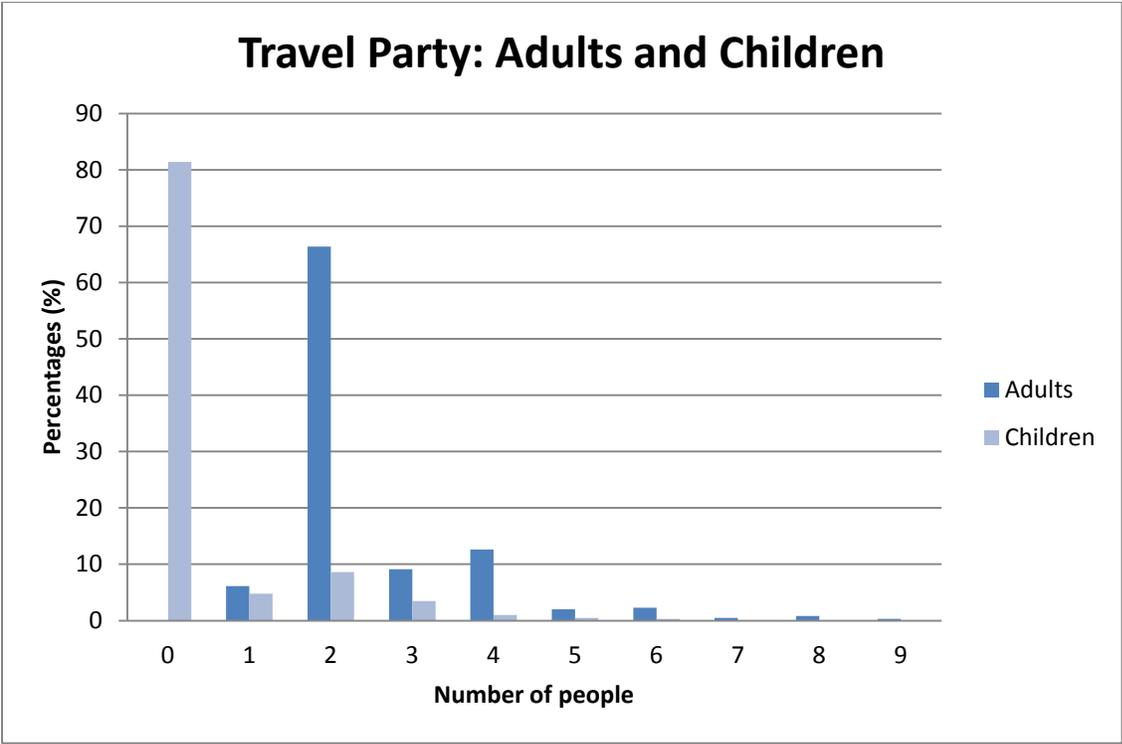
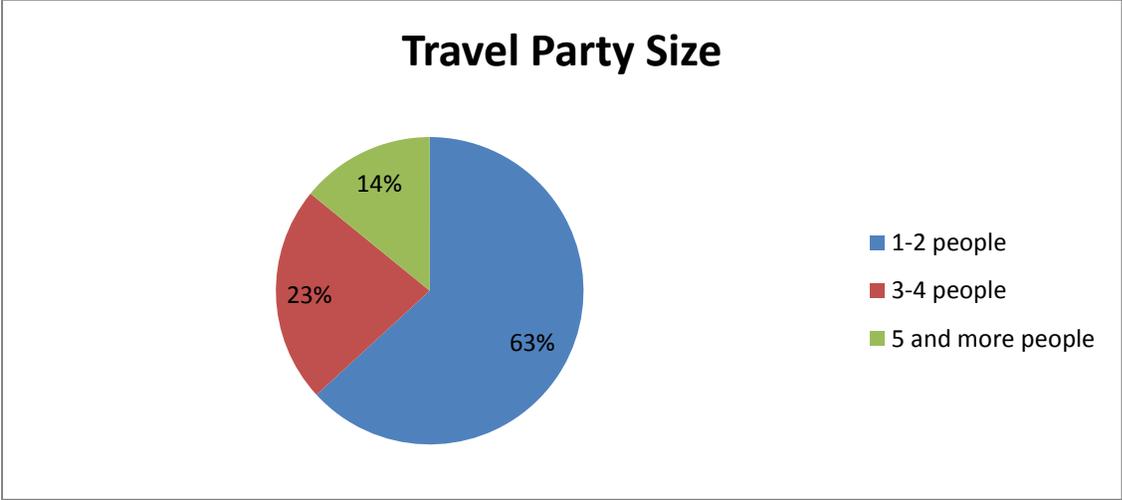
It is also apparent that spending time with family is what is important to most respondents (45%); however, there is a significant amount (27%) that checked in the middle, meaning they would like both spending time alone and spending time with family.



Around 30% of respondents did not fill in this question. This is a significant amount and it shows that they are not interested in renting a car and exploring, nor taking guided tours. This is why the factor is also included in the chart. A majority of respondents were not interested in either activity, but 25% were in the middle of the two, showing that they were interested in both and 23% preferred renting a car and exploring.

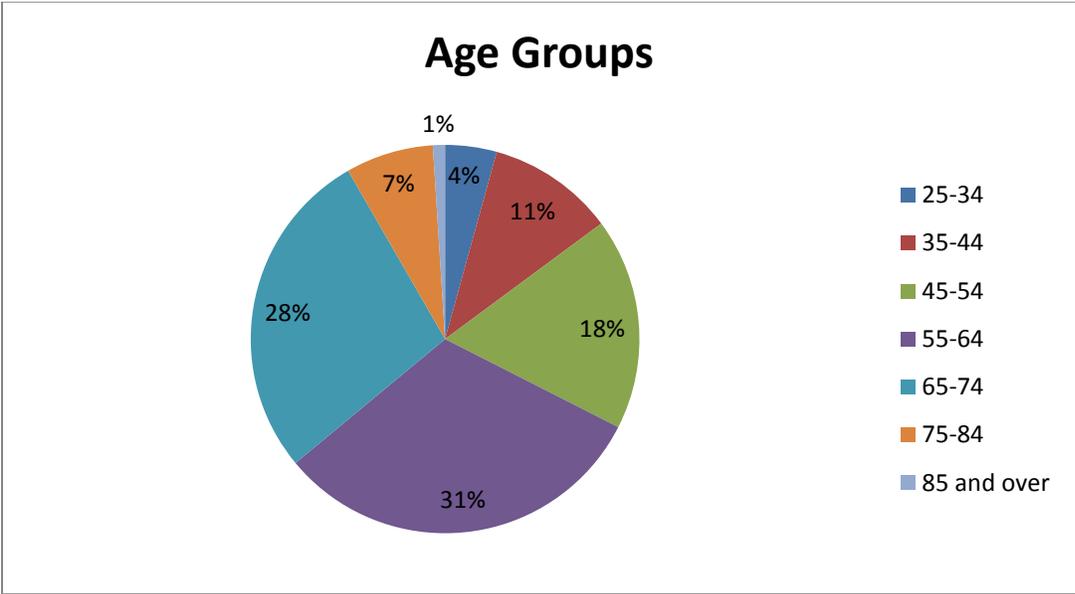


60% of respondents find safety and security a primary interest while on Aruba, as opposed to being adventurous. Around 18% of respondents prefer both safety and security, and feeling adventurous. This shows that a majority of timeshare tourists find it more important to feel safe and secure than to feel adventurous while they are on Aruba.

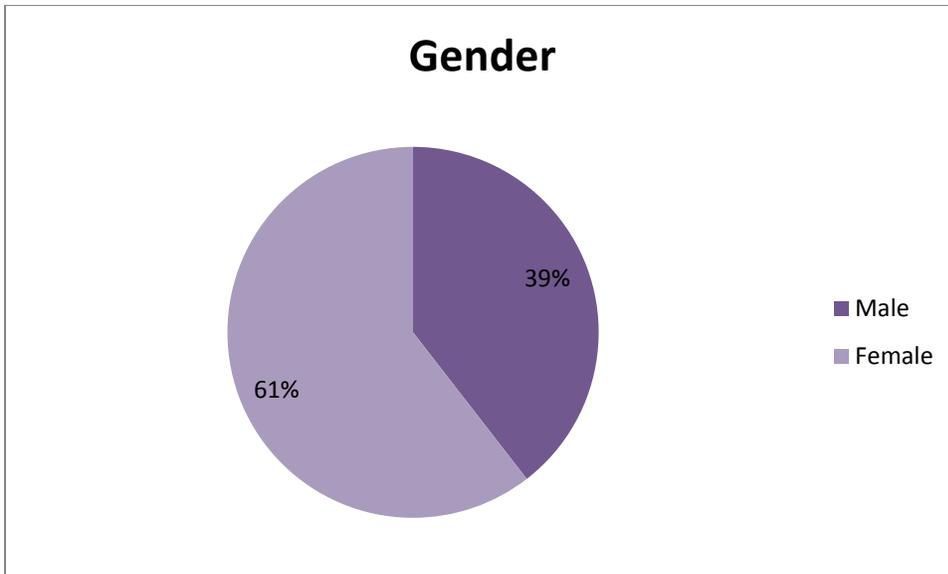


In terms of travel party size, 63% of timeshare tourists had a travel party of 1-2 people, 23% with a travel party of 3-4 people, and 14% with 5 or more people. The average timeshare tourist travel party consists of 2.9 people.

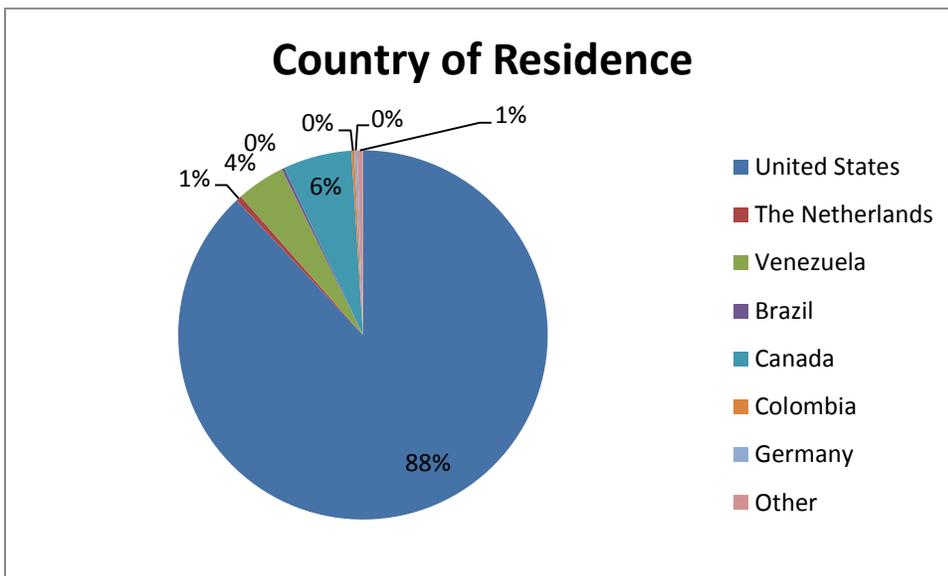
The chart displaying adults and children in the travel party shows that a majority of respondents, 81%, did not bring any children with them while staying in their timeshare, meaning that only around 19% of timeshare tourists had children in their travel party. 66% of respondents had 2 adults in their travel party. During the data collection, it was surprising to see that there were not as many timeshare tourists traveling with children as was expected. As was evident in both the the data collection period and the results, most travel parties consisted of 2 people, a man and a woman.



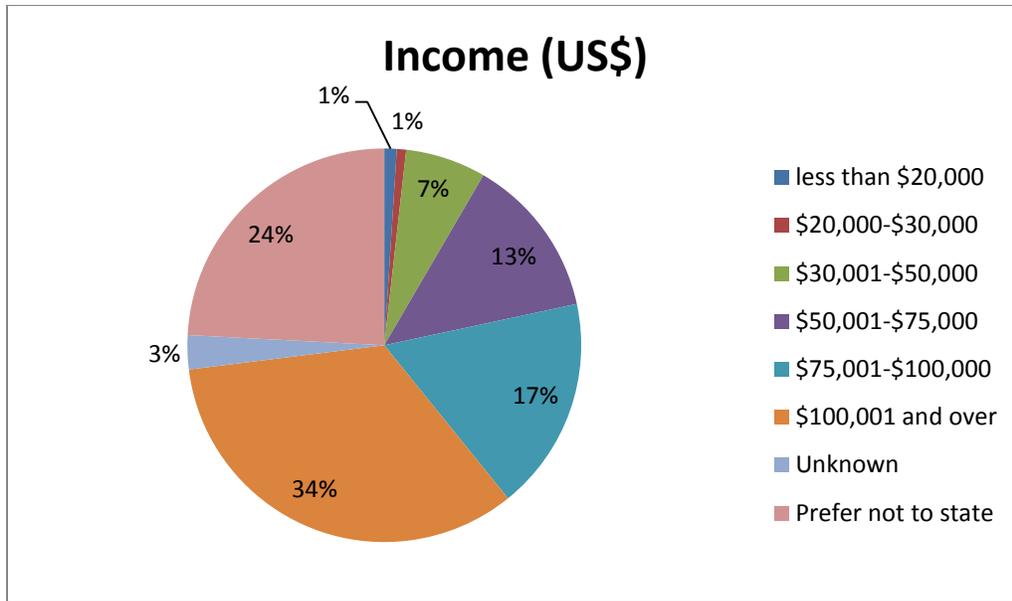
The ages of respondents were at a wide range. 31% of the respondents were 55-64 years old, and 28% were 65-74 years old. These are the largest categories of timeshare visitors. In the figure, it is apparent that around 67% of timeshare tourists are over 55 years old, and only 33% are less than 55 years old. The average age is 58 years old. Out of all the respondents, the youngest was 25 years old and the oldest was 89 years old.



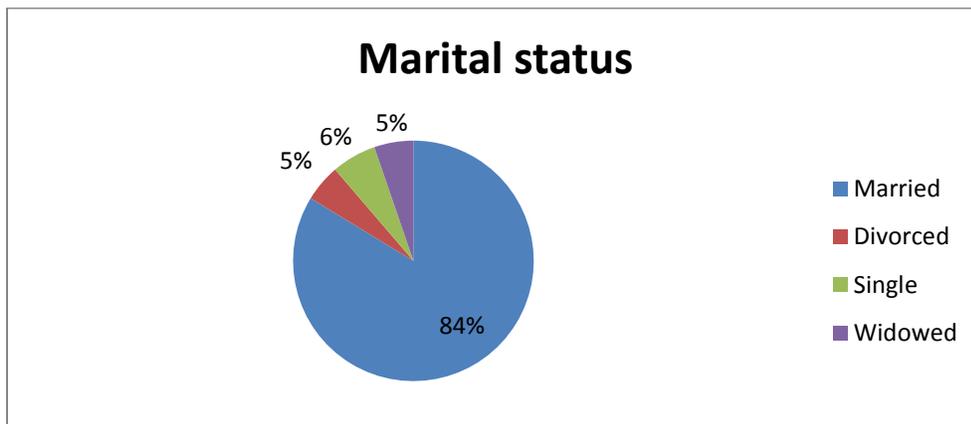
During the data collection period, it was apparent that most timeshare tourists are with their spouse. This means that a majority of survey takers were with their husband or wife, however, the women usually filled out the survey.



The timeshare tourists were chosen at random, yet 88% of respondents live in the United States, showing that a significant majority of Aruba's timeshare tourists are U.S. residents. Another 6% is from Canada, and 4% from Venezuela. Just a few people from the rest of the countries shown had filled in a survey, and account for less than 1% each.

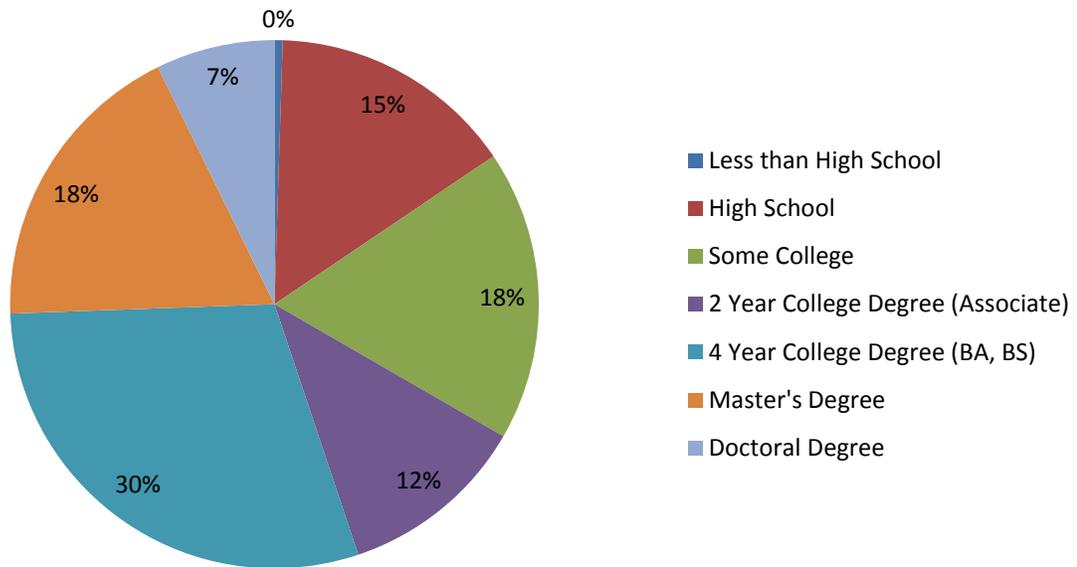


34% of respondents are timeshare tourists who have an annual household income of \$100,001 and over, and 17% earn \$75,001-\$100,000. There are 24% of survey respondents that said they prefer not to state, which means that the household income for about a quarter of the survey respondents remain unknown. This is because many people do not like sharing this information because it is personal.



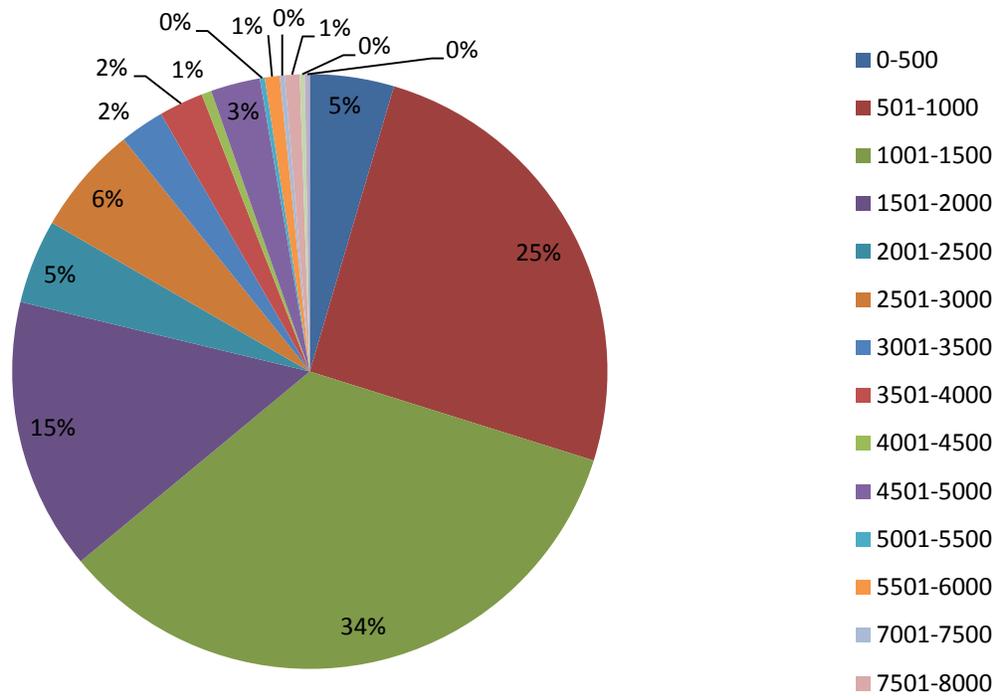
As can be seen, a significant majority of timeshare tourists are married. During the data collection, a majority of the widowed timeshare tourists expressed that they used to come with their spouse and are now coming either alone or with friends or family members.

Education



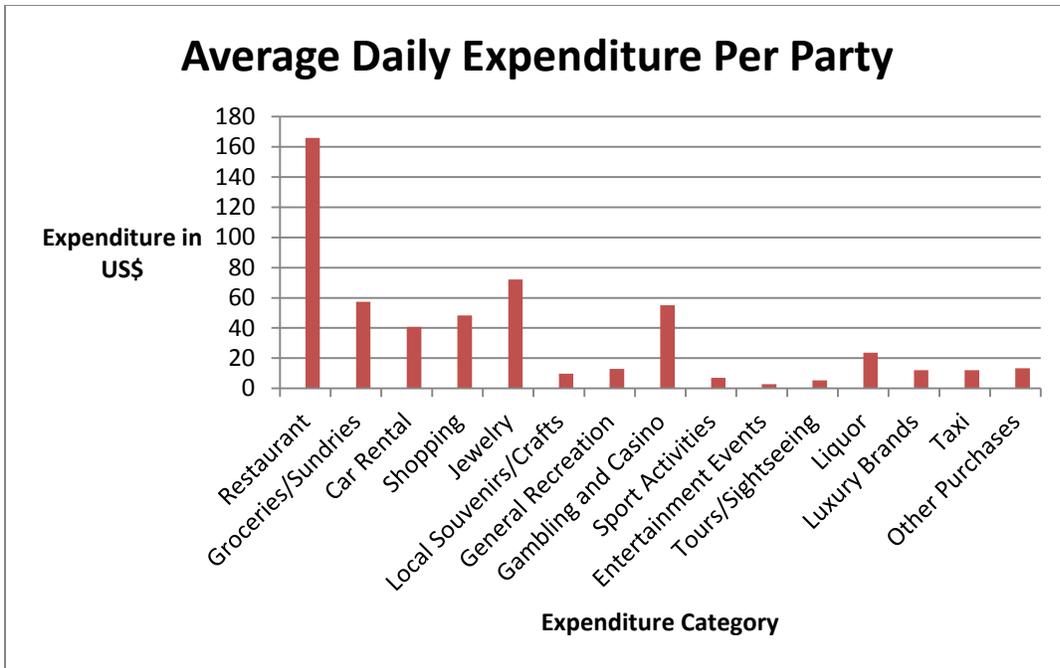
30% of the survey respondents have a four year college degree (BA or BS), 18% have a Master's degree, and another 18% have some college education. Respondents who have a four year college degree, master's degree, or doctoral degree, make up for 55% of the respondents.

Traveling expenditures before coming to Aruba (airfare)



The majority of respondents (34%) spent \$1001-\$1500 on airfare, and 25% of respondents spent \$501-\$1000 on airfare.

Average Total Daily Expenditure	
Per Party	Per Person
\$506	\$199



The categories with the highest expenditure per day are restaurants (\$165), jewelry (\$72), groceries (\$57), and gambling and casino (\$55). The average total daily expenditures per party is \$506. The average total daily expenditures per person is \$199.

Timeshare Industry in Aruba – Then and Now

Although there have been various studies on consumer behavior, on tourists, and on expenditures, there are very few that concerns the timeshare industry. The Timeshare Value Study done by Dr. Ryan Peterson in 2008 is a very good reference for comparison, especially because it was conducted in Aruba. One factor to take note of is that the sample size in the 2008 study was over 1500 surveys, and the sample size for this study was 400 surveys. There are several similarities and differences between this current study and the study by Ryan Peterson. In 2008, the average length of stay was 12.5 days, and in this current study, the average length of stay 12.8 days. This means that during the past 5 years, the average length of stay remained almost the same. In both studies, the average travel party size was 2.9 people. In the 2008 study, the total expenditure per party was estimated to be around \$4,419. In this study, the average total purchases per day (\$506) multiplied by the average number of days (12.8) is estimated at \$6,476 total in expenditures per party. This shows a big increase in average total expenditures. This can also be seen in the average daily expenditures per person, which used to be \$126 in 2008, and is now \$199. In the 2008 study by Peterson, the average expenditures were said to be down by 20% since the years 2000-2006. This study shows the significant increase in average expenditures.

Comparison between 2008 and 2013	Peterson (2008)	Baah (2013)
Average Length of Stay	12.5 days	12.8 days
Average Travel Party Size	2.9 people	2.9 people
Average Expenditures Per Day Per Person	\$ 126.00	\$ 199.00
Average Total Expenditures Per Party	\$ 4,419.00	\$ 6,476.00

In terms of demographics, 93% of respondents were U.S. residents, 6% from Canada, and 1% other, in the 2008 study. In this study, 88% are U.S. residents, 6% Canada, 4% from Venezuela, and 2% are from other countries. Unfortunately, the annual household income data of the two studies cannot be compared because the income categories are very different.

In age, there are several significant differences between 2008 and 2013. The table below displays the percentages of respondents in the different age groups.

Peterson (2008)		Baarh (2013)	
-39	2%	-39	10%
40-49	15%	40-49	11%
50-59	32%	50-59	26%
60-69	40%	60-69	36.5%
70+	11%	70+	16.5%

The average total amount of money spent in each category per travel party also shows several changes. The expenditure categories are different in each study; therefore not all the averages can be compared. As can be seen, the majority of expenditures increased, with food and beverage category and grocery and sundries category having the highest increase. There is a slight decrease in gambling, and a significant decrease in recreation/tours/activities categories. Shopping has stayed almost the same over the past 5 years.

Expenditure Categories	Peterson (2008)	Baarh (2013)
Accommodation	\$ 710.00	
Food and Beverage	\$ 900.00	\$ 2,424.00
Groceries and Sundries	\$ 270.00	\$ 735.00
Car Rental	\$ 330.00	\$ 521.00
Other Transportation	\$ 111.00	\$ 154.00
Gambling	\$ 784.00	\$ 705.00
Shopping	\$ 607.00	\$ 617.00
Recreation/Tours/Activities	\$ 707.00	\$ 358.00
Local Souvenirs and Crafts		\$ 124.00
Jewelry and Luxury Brands		\$ 1,077.00
Other Purchases		\$ 171.00

What factors are affecting where they spend money?

Several analyses were done to find relationships between the variables concerning types of timeshare tourists, preferred activities, interests, and demographics, with the different categories of expenditures. This was done to find out what factors are affecting the spending patterns of timeshare tourists.

Timeshare owners in Aruba spend more money on restaurants, jewelry, groceries, and gambling and casino. Those that do not own a timeshare in Aruba spend more on shopping, local souvenirs and crafts, general recreation, tours and sightseeing, and liquor. This is evidently because most owners in Aruba come yearly and are not as interested in different activities like recreation or buy souvenirs anymore because they have been coming to Aruba for many years. Those that do not own in Aruba do not know the island as well and are more interested in doing different activities. In terms of the different types of timeshare owners, they do not vary significantly in where they spend money. From the non-owners in Aruba, the timeshare tourists renting a timeshare have the highest expenditures in most categories.

The analysis on the different categories of activities has shown that the more important the activity is, the higher the spending will be. The analysis on the interests has shown that the timeshare tourists that are interested in rest and relaxation tourist spend more money on luxury brands and tours, and active and excitement tourists spend more money on gambling/casino and entertainment events. In addition, the timeshare tourists that prefer spending time alone are found to spend more than those that prefer spend time with family. Those that are interested in renting a car naturally have the highest expenditures in car rental, and those that prefer taking tours have the highest expenditures in shopping and luxury brands. In terms of the timeshare tourists interested in feeling safe and secure and those interested in feeling adventurous, there are no significant differences in their spending patterns.

In terms of gender, men are spending more than women in most categories. This may be because men are usually the one that covers the expenditures. The expenditure patters among age groups vary. The youngest timeshare tourists (25-34) are spending the most on local souvenirs and crafts, the timeshare tourists of 35-44 years old are spending the most on general recreation, entertainment events, and luxury brand. The timeshare tourists of 45-54 years old are spending the most on shopping and tours, and those that are 55-64 years old are spending the most on jewelry. The timeshare tourists that are 65-74 are spending the most on car rental compared to the rest. In terms of restaurant, groceries, and taxi, the spending is similar amongst all ages.

In terms of household income, the timeshare tourists that have an income of \$75,001-\$100,000 are spending the most on restaurants and those with an income over \$100,000 are spending the most on jewelry. In marital status, the married timeshare tourists naturally spend the most on restaurants, groceries, and recreation. This is evident because in for married tourists, the expenditures such as restaurants and groceries are for two people. Divorced timeshare tourists

spend the most on gambling and casino while singles spend the most on jewelry and luxury brands. Widowed and divorced timeshare tourists have the highest expenditures on sport activities. Regarding the level of education, the timeshare tourists with the highest expenditures in most categories are those with a master's degree.

Economic Impact Analysis

An economic impact analysis includes both the direct and the indirect economic impacts. In order to carry out the indirect economic impact analysis, the averages of several factors were taken. These include maintenance fees per room, room tax per night, total utility costs per year, total investment in refurbishing per year, and total payroll expenses per year. The analysis for the direct economic impact was done using the data on expenditures.

Indirect Factors:

Impact of Maintenance Fees Calculation:

Timeshare Units in Aruba x Timeshare Weeks in a Year = Total Potential Units to Sell

Total Potential Units to Sell x Average Yearly Occupancy = Total Used Units per Year

Total Used Units per Year x Percentage Being Used by Timeshare Owners = Amount of Owned Weeks a Year

Amount of Owned Weeks a Year x Average Maintenance Fee per Room = Estimate Total Impact of Maintenance Fees on Aruba.

Aruba has approximately 3,100 timeshare units. Timeshare resorts usually sell 51 weeks out of a year. This means that Aruba has $(3,100 \times 51) = 158,100$ potential timeshare weeks in a year to sell. Based on the yearly occupancy of 80.6%, Aruba has approximately 127,428 used weeks per year. However, only timeshare owners pay maintenance fees. Based on the results of the survey, approximately 70% of timeshare tourists in Aruba are owners. This implies that approximately 70% of the timeshare visitors using the 127,428 weeks a year, are paying the yearly maintenance fees. The approximate amount of owned weeks a year is $(70\% \times 127,428) = 89,199$ weeks. Based on the average maintenance fee per room of \$1,097.33, the approximate total economic impact of maintenance fees on Aruba is $(\$1,097.33 \times 89,199) = \mathbf{\$97,880,738.67}$.

Impact of Room Tax Calculation:

Timeshare Units in Aruba x Nights in a Year = Potential Room Nights per Year

Potential Rooms Nights per Year x Average Yearly Occupancy = Total Used Rooms Nights per Year

Total Used Room Nights per Year x Average Room Tax = Estimated Total Impact of Room Taxes on Aruba

The total timeshare units in Aruba multiplied by the nights in a year is $(3100 \times 365) = 1,131,500$ Potential Room Nights per Year. This figure multiplied by the average yearly occupancy $(1,131,500 \times 80.6\%) = 911,989$ total used room nights per year. The total used room nights per

year multiplied by the average room tax is $(1,131,500 \times \$10.87) = \mathbf{\$9,913,320.43}$, which is the estimated total economic impact of room taxes on Aruba.

Impact of Utility Cost Calculation:

Average Utility Cost per Timeshare Resort x Number of Timeshare Resorts in Aruba =
Estimated Total Impact of Utility Expenses

The average yearly utility cost per timeshare resort is \$3,385,500 and there are 16 timeshare resorts in Aruba. These include Aruba Beach Club, Caribbean Pam Village, Casa del Mar Beach Resort, Costa Linda Beach Resort, Divi Aruba Phoenix Beach Resort, Divi Village Gold and Beach Resort, Divi Dutch Village Resort, La Cabana Beach and Racquet Club, La Quinta Beach Resort, Marriott's Aruba Ocean Club, Marriott's Aruba Surf Club, Occidental Grand Aruba, Paradise Beach Villas, Playa Linda Beach Resort, The Renaissance Ocean Suites, and Tropicana Aruba Resort and Casino. The average yearly utility cost per timeshare resort multiplied by the number of timeshare resorts is $(\$3,385,500.33 \times 16) = \mathbf{\$54,168,005.33}$. This is the estimated total economic impact of utility costs on Aruba.

Impact of Refurbishing Investments Calculation:

Average Yearly Investments in Refurbishing per Timeshare Resort x Number of Timeshare Resorts in Aruba = Estimated Total Impact of Refurbishing

The average yearly investments in refurbishing multiplied by the number of timeshare resorts is $(\$2,935,066.83 \times 16) = \$46,961,069.28$. This means that the estimated total economic impact of utility costs is **\$46,961,069.28**.

Impact of Payroll Expenses

Average Yearly Payroll Expenses per Timeshare Resort x Number of Timeshare Resorts in Aruba = Estimated Total Impact of Payroll Expenses

The average yearly payroll expenses per timeshare resort multiplied by the number of timeshare resorts is $(\$4,347,136.80 \times 16) = \mathbf{\$69,554,188.80}$

The average total amount of money gained from maintenance fees and room taxes and the expenses paid on utilities, refurbishing, and payroll averages to an estimate total economic indirect contribution of **\$278,477,322.46** that the timeshare industry has on Aruba. This number is excluding the revenues of sales and any other expenses.

Although it is common knowledge that revenue gained from maintenance fees and room taxes are used to cover a multitude of expenses, each timeshare resort divides them differently, and as a result, each of these factors are accounted for separately.

Direct Factor

For the direct economic impact analysis, the average expenditures of timeshare visitors were used for the calculation.

Timeshare Units in Aruba x Nights in a Year = Potential Room Nights per Year

Potential Rooms Nights per Year x Average Yearly Occupancy = Total Used Rooms Nights per Year

Total Used Room Nights per Year x Average Total Daily Expenditures per Travel Party = Estimated Total Direct Economic Impact

As was mentioned before, there are approximately 3100 timeshare units in Aruba. This has the potential of generating 1,131,500 room nights. Based on the average yearly occupancy of 80.6%, this generates 911,989 room nights. The average total daily expenditures per travel party of timeshare tourists is \$506. The total daily expenditures multiplied by the approximate room nights per year (\$506 x 911,989) would result in a total timeshare visitor expenditure estimate of **\$461,466,434**, which is the estimated direct economic impact of the timeshare industry in Aruba.

The direct and indirect impacts that were calculated equal to a total estimate of **\$739,943,756.46** in economic impact the timeshare industry in Aruba has on our economy.

Conclusions

The overall purpose of this research was to find the direct and indirect impacts of timeshare industry in Aruba. There are numerous factors in the timeshare industry that have an impact on Aruba's economy. Therefore, this study includes the direct spending of timeshare tourists on retailers and the indirect spending of timeshare tourists by analyzing several of the most significant revenues and expenses of timeshare resorts in Aruba.

The results of this study show that expenditures of timeshare tourists are growing, especially on restaurants and groceries. This means that in order to keep the spending growing, restaurants and grocery stores have to not only maintain, but also increase their quality, service, and accessibility. Timeshare tourists are known to be very loyal to their favorite restaurants. Many tourists say that they have to go to certain restaurants every time they visit Aruba. The quality of the restaurant industry in Aruba is high and should be maintained at these high standards. Between timeshare tourists, especially the older ones, word of mouth is the best marketing, and one tells the other about their favorite restaurants and it goes on. Activities such as tours, recreation, sport, and entertainment events are the categories with the lowest expenditures. This can be improved by marketing to the right types of timeshare tourists, mostly in the age group 35-44 because those are showing the most interest in these activities. In addition, since timeshare tourists are generally older in age, most are interested in rest and relaxation while on their vacation rather than being active and participating in tours and recreational activities. In increasing the economic input of timeshare tourists, it is important to know the market of timeshare tourists. This study gives an indication to who the timeshare tourists in Aruba are, what they like, and where they are spending. The results from this study shows that a majority of timeshare tourists in Aruba is a timeshare owner in Aruba, is interested in eating out, grocery shopping, and want to rest and relax, and spend time with family while on the island.

The analysis made on the indirect factors contributing to the economy shows that the factor with the highest input in the economy is maintenance fees. But overall, the revenues gained from the timeshare industry and the expenses made by the timeshare resorts show that the timeshare

industry in Aruba has a significant contribution to Aruba's economy, including salaries, utilities, and to different types of businesses catering to the tourism industry.

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