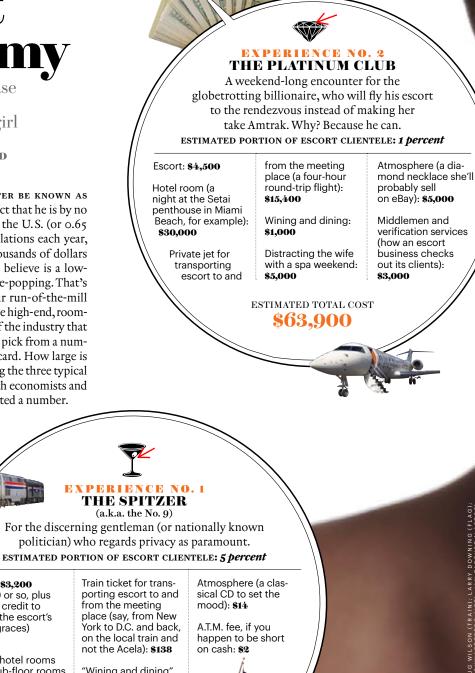
## *How to* Value It

## The Escort Economy

A back-of-the-pillowcase analysis of just how big the high-end call-girl business really is BY DUFF MCDONALD AND MIRIAM DATSKOVSKY

WHILE ELIOT SPITZER WILL HEREAFTER BE KNOWN AS Client 9, he can take comfort in the fact that he is by no means alone. About 700,000 men in the U.S. (or 0.65 percent) pay prostitutes for carnal relations each year, according to one survey. Still, the thousands of dollars Spitzer spent for what many people believe is a lowtriple-digit transaction at most was eye-popping. That's because he wasn't tangling with your run-of-the-mill streetwalker; he was participating in the high-end, roomservice-style escort economy, a slice of the industry that allows customers to order in advance, pick from a number of menus, even pay with a credit card. How large is this part of the business? After isolating the three typical escort experiences and consulting with economists and academics, Condé Nast Portfolio calculated a number.



lower

Two hotel rooms (Club-floor rooms at the Mayflower hotel in Washington): \$938

Escort: \$3,200

(\$2,700 or so, plus

stay in the escort's

a \$500 credit to

good graces)

from the meeting place (say, from New York to D.C. and back, on the local train and not the Acela): \$138

"Wining and dining" (at the minibar): \$50

Taxi to and from the hotel: \$18

ESTIMATED TOTAL COST \$4,360

VEKIN (SPITZER); DOUG WILSON (TRAIN); LARRY DOWNING (FLAG) ER (MONEY): LOUIS SCHWARTZBERG (JET); JAN TADEUSZ (LAPTOP LILLAMS (WOMAN)



## THE REGULAR V.I.P.

For your average successful guy—say, the tech executive or the Wall Streeter on a business trip. You know someone who has done this. Seriously. ESTIMATED PORTION OF ESCORT

CLIENTELE: 94 percent

Escort: \$500

Internet connection and telephone service for finding and booking escorts: \$40 per month

ESTIMATED TOTAL COST

**THE BOTTOM LINE** The sum of the cost of each experience times its portion of escort clientele gives us the cost of the **average escort experience**.

**A.E.E. =**  $(\text{cost} \times \text{portion})_{\text{Spitzer}} + (\text{cost} \times \text{portion})_{\text{Platinum}} + (\text{cost} \times \text{portion})_{\text{V.I.P.}}$ 

**A.E.E.** = (\$4,360 × .05) + (\$63,900 × .01) + (\$540 × .94)

cost of average escort experience: \$1,364.60

Multiply A.E.E. by the annual number of trysts<sup>1</sup>:

Total escort economy = A.E.E. × annual trysts = \$1,364.60 × 80,367

value of total u.s. escort economy: \$109,668,808

NOTE: 'The National Health and Social Life Survey found that men who frequent prostitutes average 2.3 visits each. Combining 2007 census data with these findings yields a total of 1.61 million tricks. Based on academics' assumptions, 5 percent of these are with escorts and not streetwalkers or brothel sex workers, resulting in 80,367 escort trysts. SOURCES: Taggert Brooks, economist, University of Wisconsin–La Crosse; Kristen Monaco, economist, California State University–Long Beach; Russ Alan Prince, president of Prince & Associates; Sudhir Venkatesh, sociology professor, Columbia University.