

Southwest Florida Regional Economic Indicators

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Regional Economic
Research Institute

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Introduction

The Federal Reserve System (FED) reduced the Federal Funds interest rate target by 75 basis points on March 18th to 2.25 percent stating that recent information has weakened the overall economic outlook. In addition, the discount rate, which is the interest rate for loans from the Fed to banks, was lowered 75 basis points to 2.5 percent. This is the sixth reduction in the interest rate target since September 18th of last year and additional interest rate cuts are expected. In addition, the President and Congress agreed on a tax rebate plan to “pump” \$170 billion into the economy. The rebates are \$600 to \$1,200 per family and should arrive in May. The latest FED Central Tendency Forecasts show real GDP (output) growth of 1.3 to 2.0 percent for 2008. This rises slightly in 2009 to 2.1 to 2.7 percent real GDP growth. Unemployment is expected to increase to 5.2 to 5.3 percent for the nation in 2008. It will potentially fall slightly in 2009 to a range of 5.0 to 5.3 percent. Inflation (PCE) is expected to rise to a range of 2.1 to 2.4 percent in 2008 and moderate in 2009 to a range of 1.7 to 2.0 percent.

Our regional economic indicator charts are showing the impact of the slow down in the local economy in the form of lower retail sales, higher unemployment, lower levels of airport passenger traffic, and low permitting levels. Unemployment rates have increased substantially in Charlotte County to 6.8 percent and in Lee County to 6.3 percent compared the national unemployment rate for January of 4.8 percent. This slow down in the regional economy reflects lower housing and construction, lower

durable goods sales, reduced investment levels, tighter credit requirements, sub-prime loan issues, lower consumer confidence, and higher oil prices.

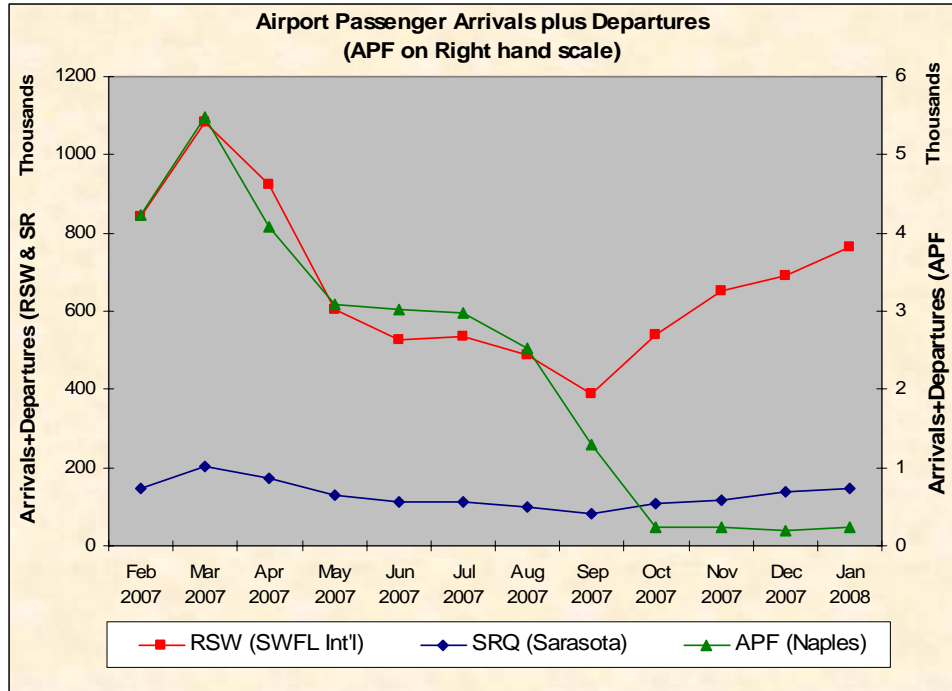
The Regional Economic Research Institute (RERI) is continuing to develop the regional economic database and this report as a way to support its mission and assist the region. We have added several new charts that should be of interest. These include Collier County's monthly sales and median price of existing single-family homes, a new EDR chart for Florida's population growth projections, and a new chart for passenger traffic at Charlotte County's airport. We are currently working on the definitions and chart designs for tracking commercial permit activity and hope to add these to our report in the near future. The Institute thanks its many partners for assistance in obtaining the data, including the Southwest Florida Regional Planning Council, the Economic Development Organizations of Charlotte, Collier, and Lee counties, and the county and city permit offices.

Airport Activity

Airport passenger activity is defined as the number of arrivals and departures. Chart One illustrates the monthly seasonality of airport passenger traffic. Passenger numbers for Regional Southwest and Sarasota are shown on the left vertical axis and the numbers for Naples Airport are shown on the right vertical axis. Peak activity months are February, March and April during the winter season. Significantly lower activity takes place in the summer season, especially the period of June through September.

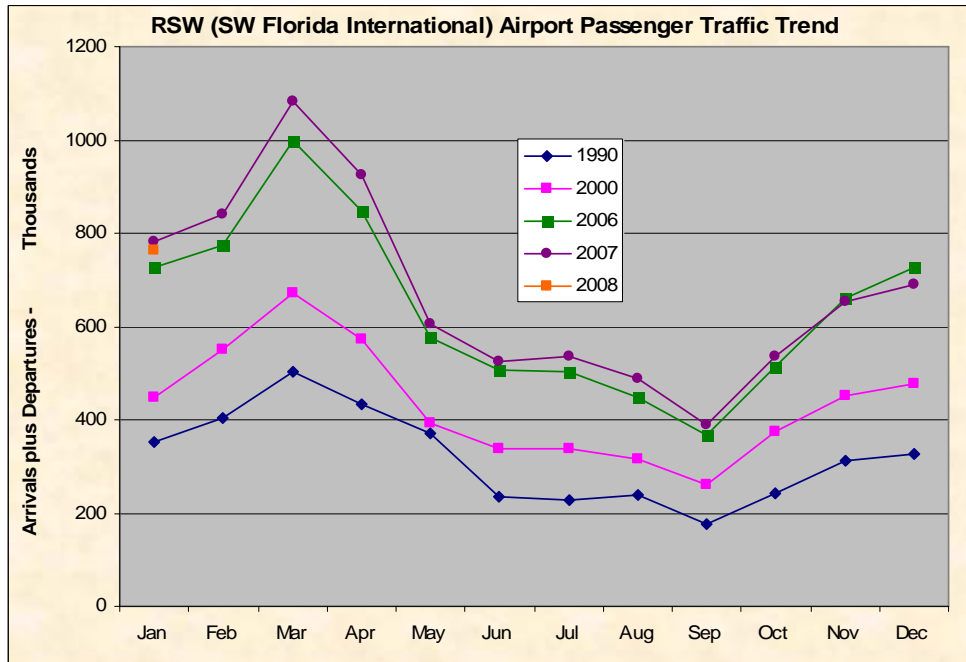
Regional Southwest Airport (RSW) located in Lee County is ranked as the 50th busiest airport in the nation. The January 2008 passenger activity rose relative to December 2007 levels as expected. Passenger activity for Regional Southwest was 762,316 in January 2008, which is three percent lower than the January 2007 activity level of 783,207, as shown in Chart Two. RSW passenger activity for November 2007 through January 2008 has been below the levels set for the same month a year earlier. Sarasota passenger activity was 145,894 in January 2008 or seven percent higher than January 2007 as shown in Chart Three. Naples activity remains low with passenger activity at 248 in January 2008. Charlotte County's airport (PGD) activity is shown in Chart Four and has increased to 31,788 in February 2008 as their new airline (Skybus) added additional flights.

Chart One



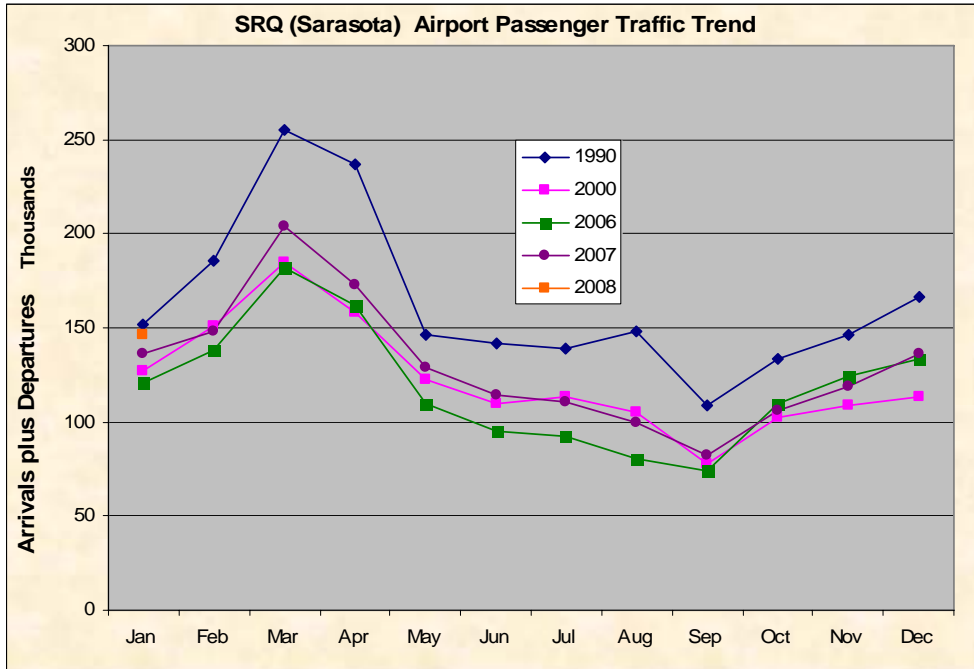
Source: Local Airport Authorities

Chart Two



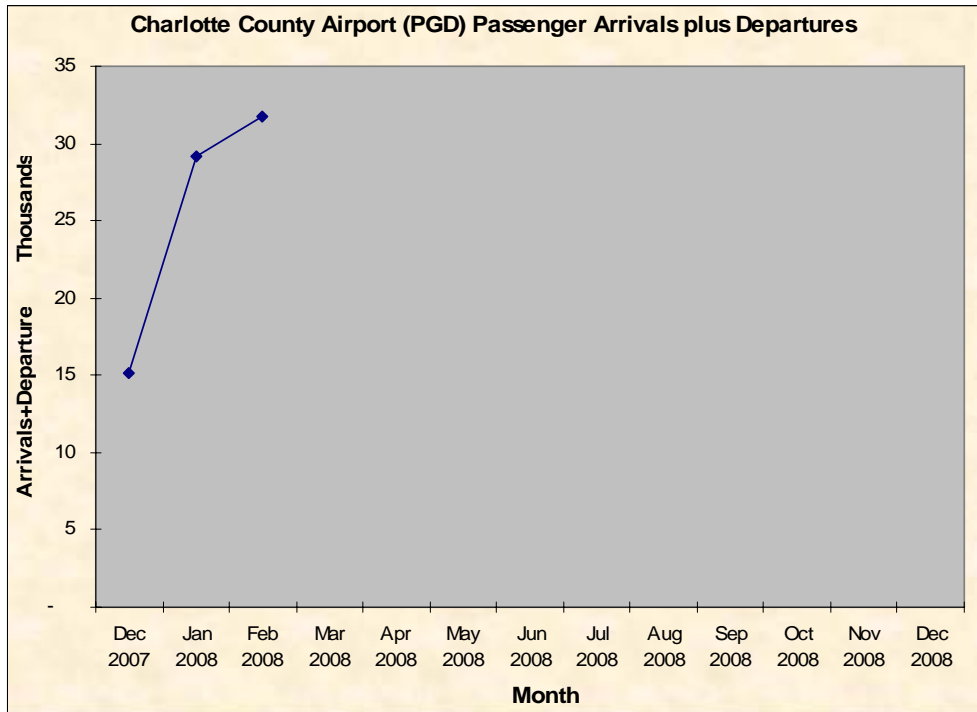
Source: Local Airport Authorities

Chart Three



Source: Local Airport Authorities

Chart Four

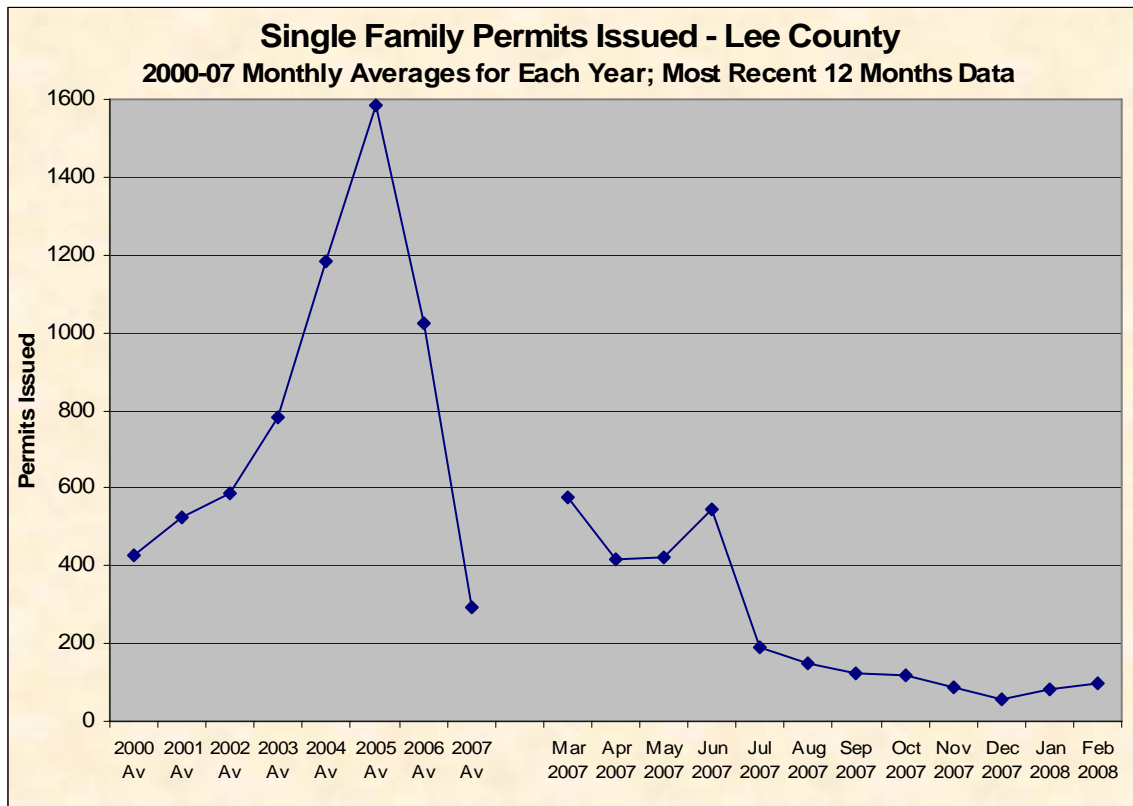


Source: Local Airport Authorities

Single-Family Building Permits

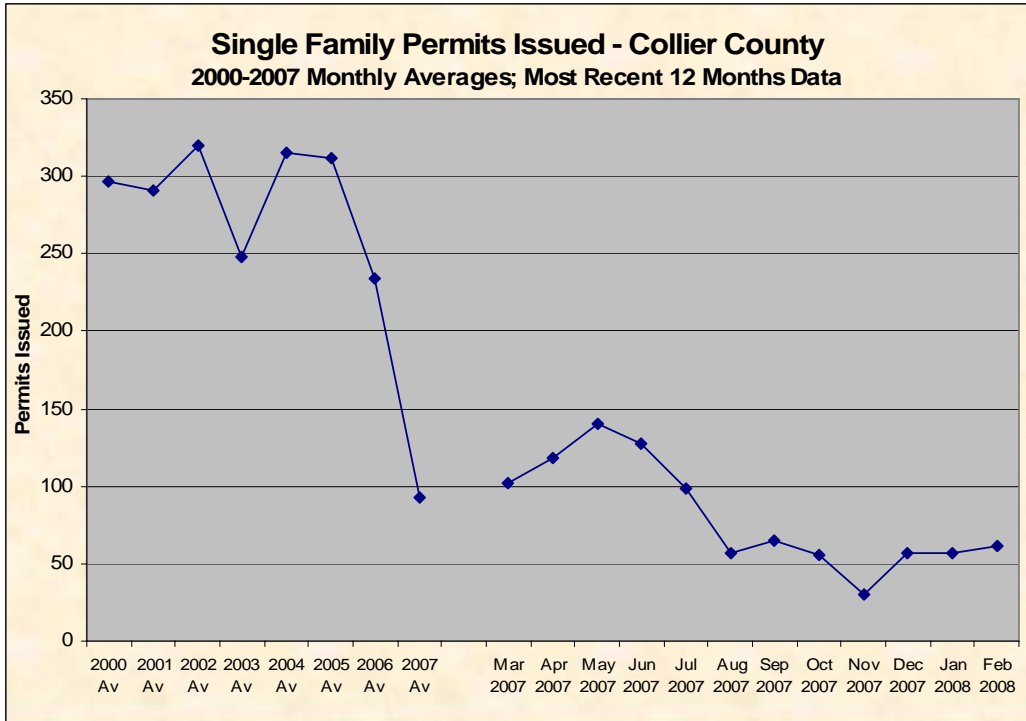
As expected, single-family building permits issued in January remained low. The number of single-family building permits in unincorporated Lee County, as illustrated in Chart Five, rose to 98 for the month of February 2008 from 81 a month earlier. Single-family permits in Collier County, which are illustrated in Chart Six, increased slightly to 61 for the month of February 2008. Charlotte County figures show a decrease in permitting from 65 in January 2008 to 42 in February 2008, as shown in Chart Seven.

Chart Five



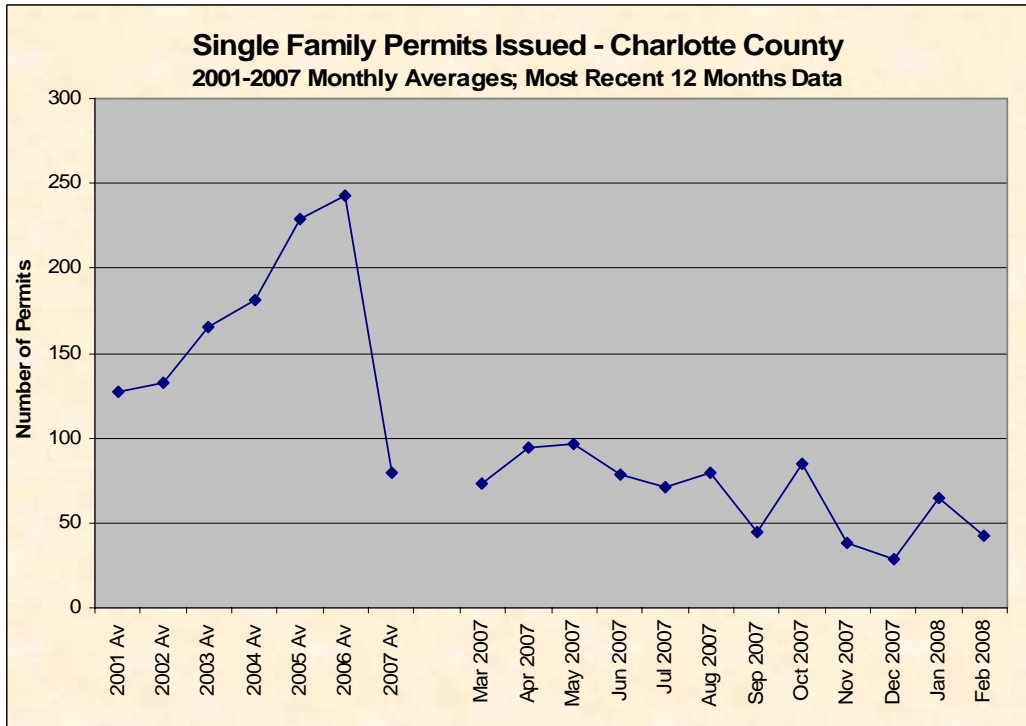
Source: Local Building and Zoning Departments, including Fort Myers, Cape Coral, and unincorporated Lee County Bonita Springs and Fort Myers Beach permits

Chart Six



Source: Local Building and Zoning Departments; includes unincorporated Collier County permits only.

Chart Seven

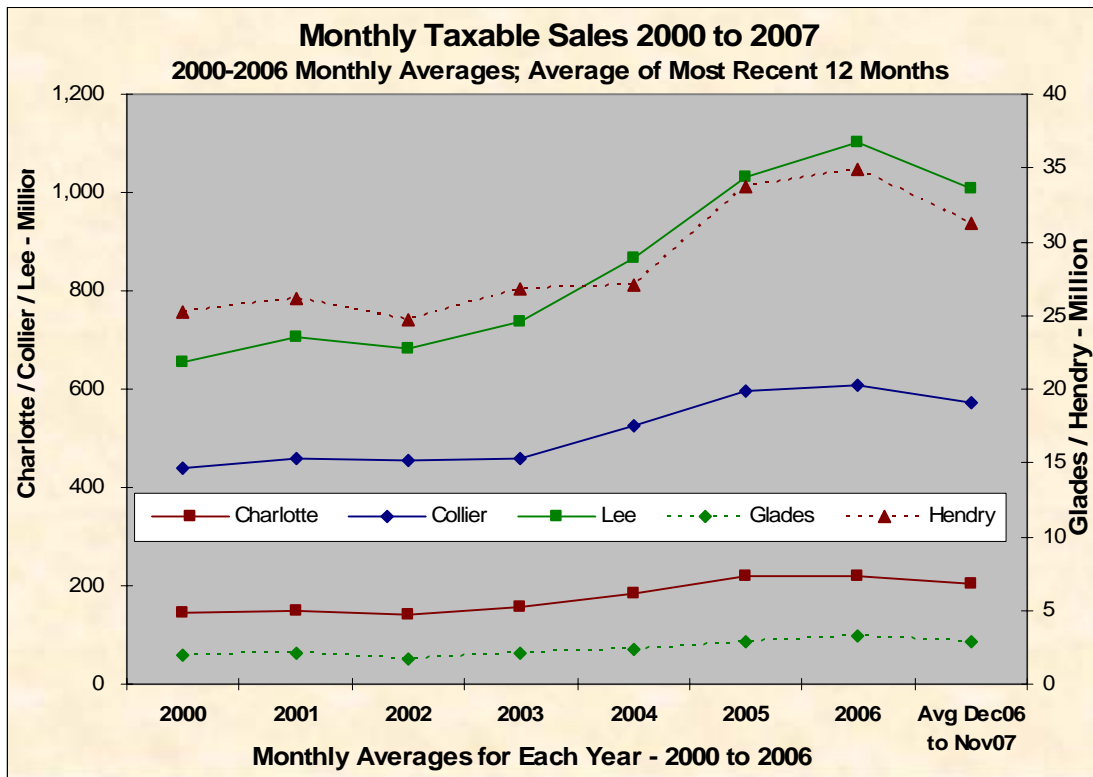


Source: Local Building and Zoning Departments; includes unincorporated Charlotte County permits only.

Taxable Sales

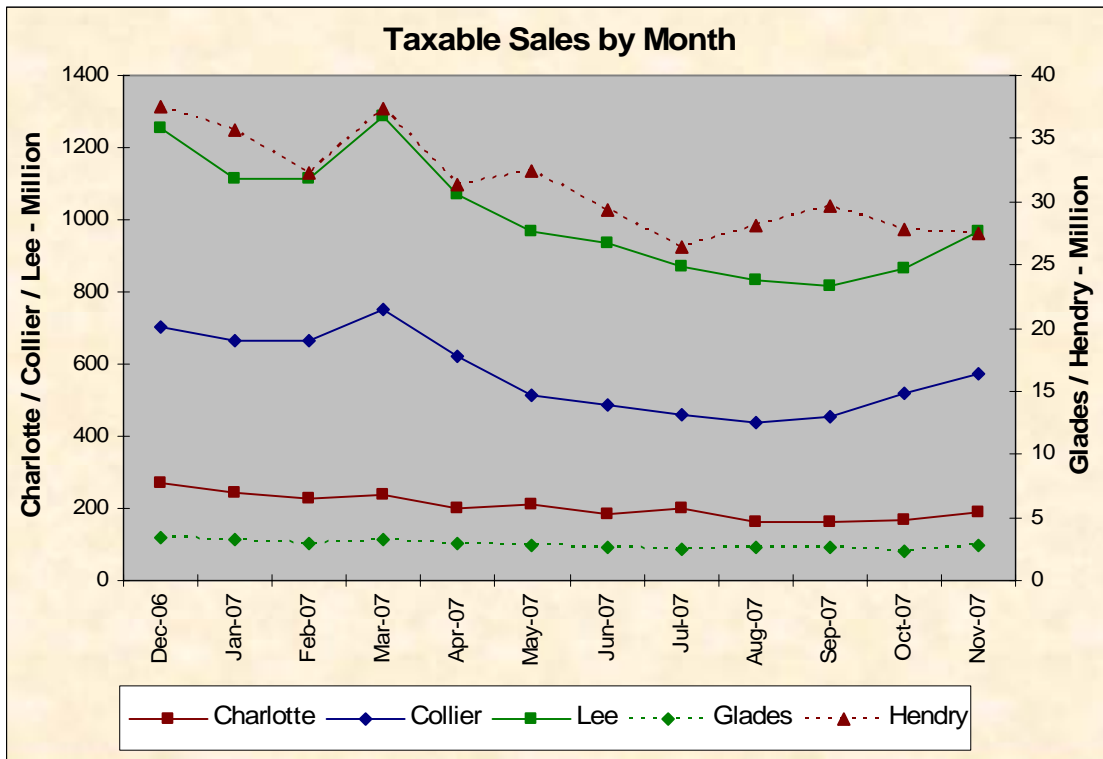
Taxable sales are reported by the Florida Department of Revenue. We have adjusted the taxable sales charts to show the month of collection instead of the reporting month that is issued by the Florida Department of Revenue. This makes November 2007 the latest collection month plotted on Charts Eight and Nine. These figures are used to track consumer spending, and therefore are an important contributor to economic growth in the region. Taxable sales from November 2006 to November 2007 have declined 19.0 percent in Charlotte, 8 percent in Collier, 15 percent in Lee, 5 percent in Glades, and 14 percent in Hendry County. This indicates a significant reduction in consumption spending in our local economy. Chart Eight provides a comparison of average annual historical years to the average monthly sales for the most recent 12 months.

Chart Eight



Source: Florida Department of Tax Research

Chart Nine

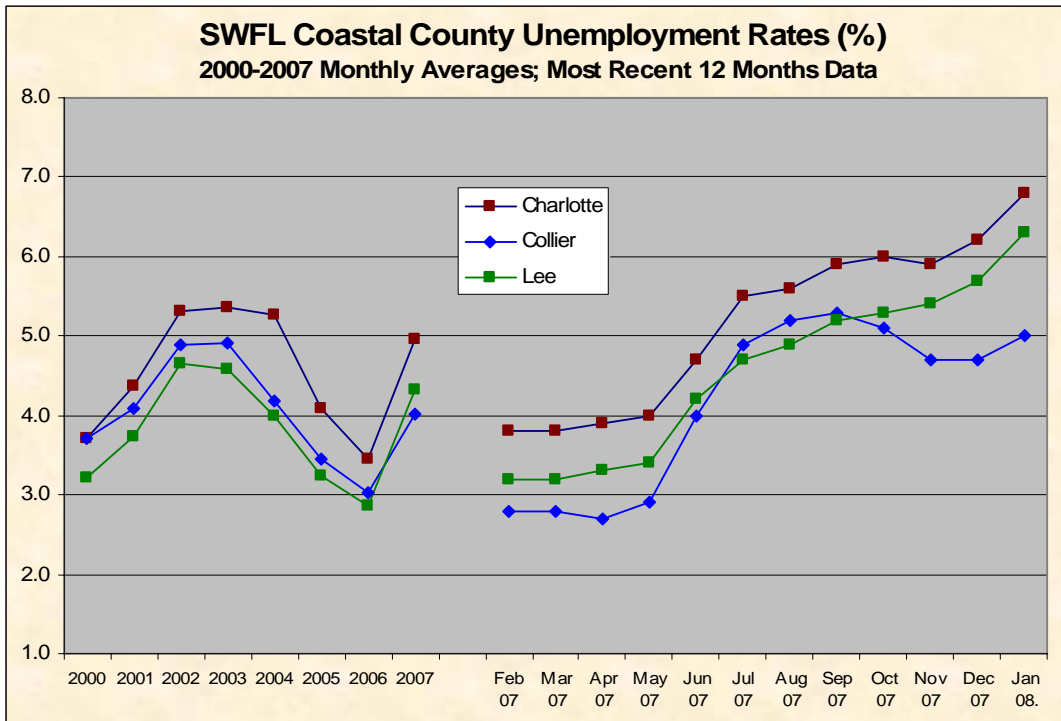


Source: Florida Department of Tax Research

Workforce - Unemployment

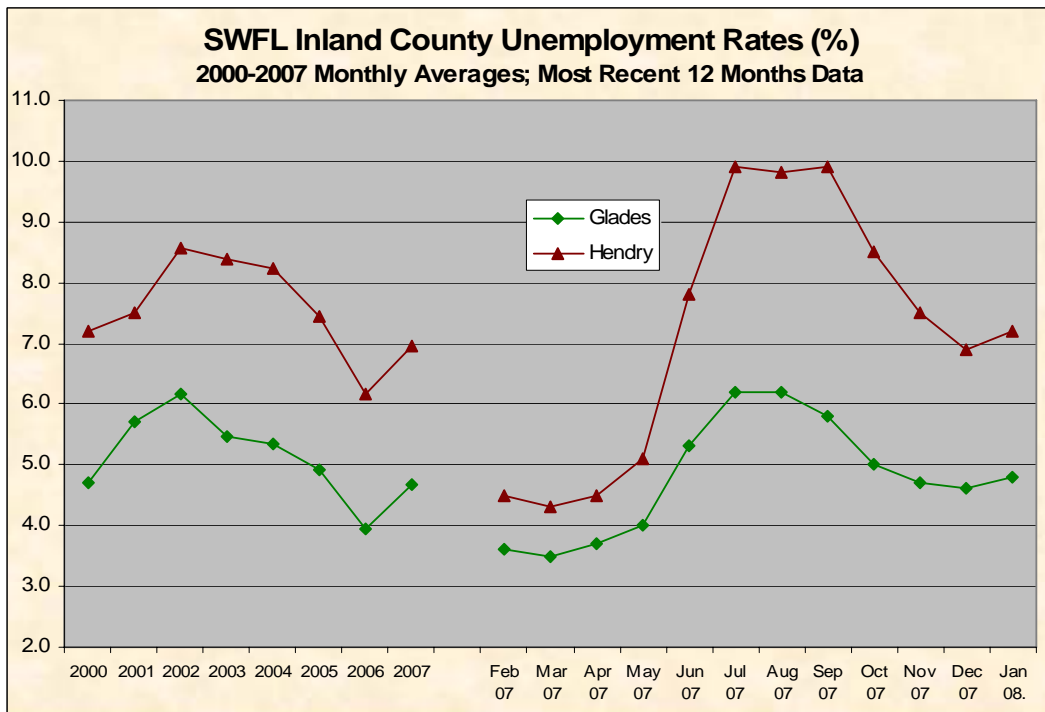
Unemployment continues to rise in our region and each county except Glades is above the national unemployment rate of 4.8 percent. This is largely due to the region's dependence on construction-related employment. Charlotte County unemployment rose to 6.8 percent in January 2008 up from 6.2 percent in December 2007. Collier County unemployment rose slightly to 5.0 percent from 4.7 percent in December 2007. Lee County saw the unemployment rate increase from 5.7 percent in December to 6.3 percent in January 2008. Hendry County unemployment rose to 7.2 percent in January 2008 compared to 6.9 percent in December 2007. Glades County unemployment remained the lowest in the region with 4.8 percent in January 2008 up from 4.6 percent in December 2007. Charts Ten and Eleven chart the unemployment rates for the coastal and inland counties for our region. Generally, unemployment rates above 4.5 to 5.0 percent reflect cyclical unemployment and a slowdown of the economy from long-run trends.

Chart Ten



Source: AWI

Chart Eleven

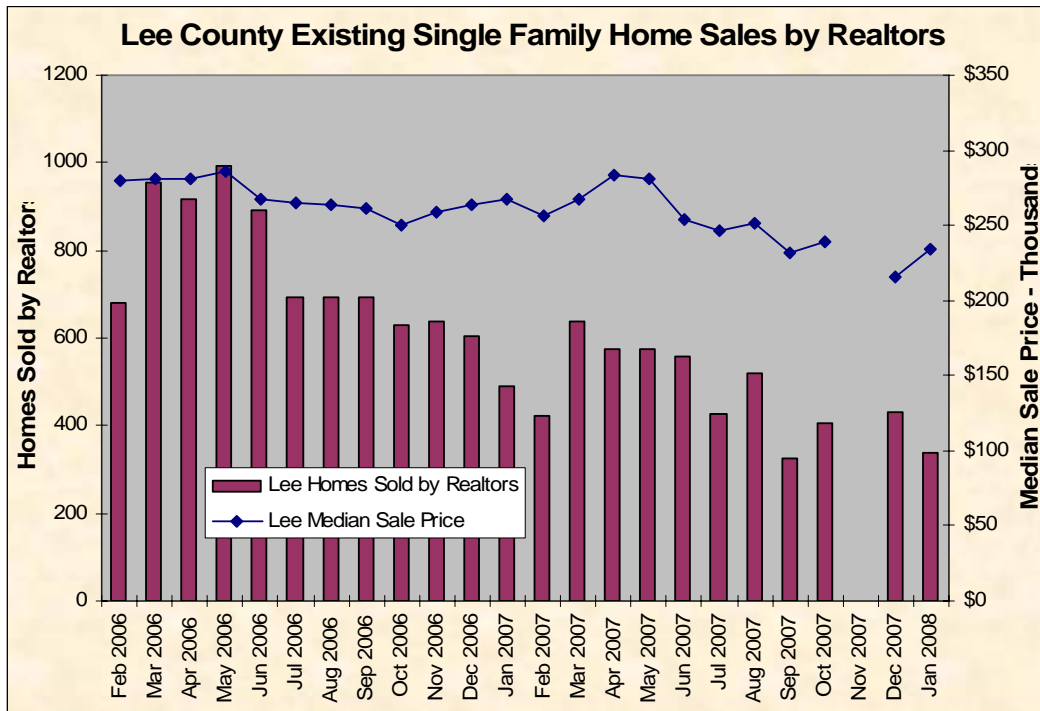


Source: AWI

Sales of Single-Family Existing Homes and Median Sales Price

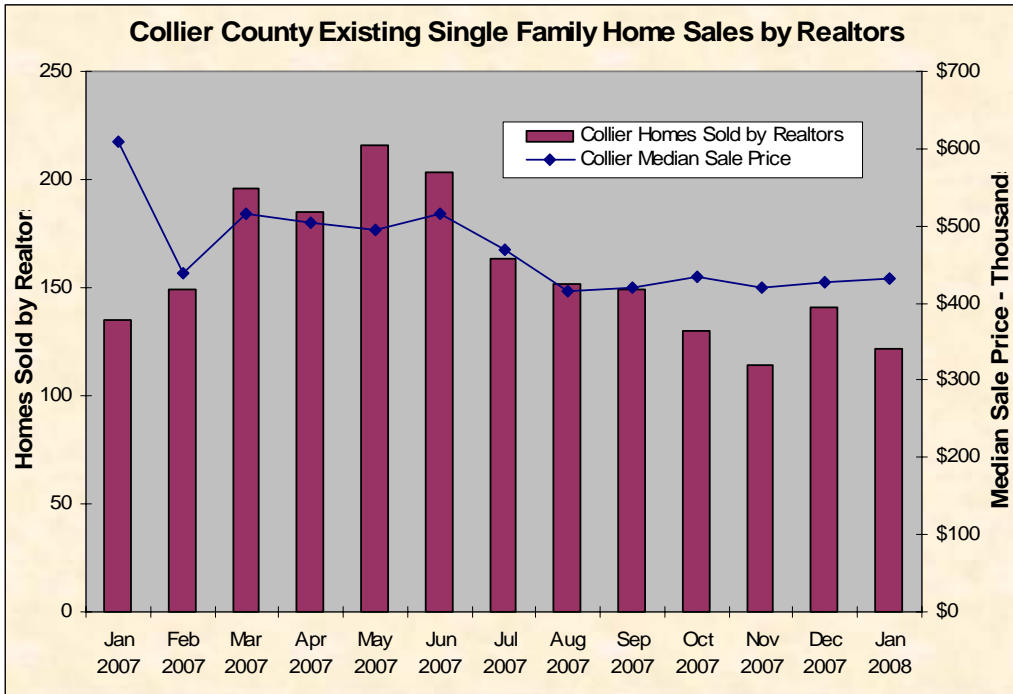
The Naples Area Board of Realtors® (NABOR) has assisted FGCU's Regional Economic Research Institute (RERI) effort by providing Collier County's existing single-family housing sales and the median monthly price for the last 12 months. Charts Twelve through Fourteen provide the latest trends for Lee, Collier, and Charlotte Counties. In January 2008, Lee County (Chart Twelve) saw a decrease in existing home sales, down to 338 single-family home sales, while the median sales price increased to \$234,000, compared to 432 sales and \$215,200 in December 2007. Collier County (Chart Thirteen) saw existing single-family home sales fall slightly to 122 while the median home sale price increased to \$432,000, up slightly from the December median price of \$427,250. The January 2008 data for Charlotte County (Chart Fourteen) showed a decrease in existing sales to 175 and a decrease in the median sale price to \$156,800.

Chart Twelve



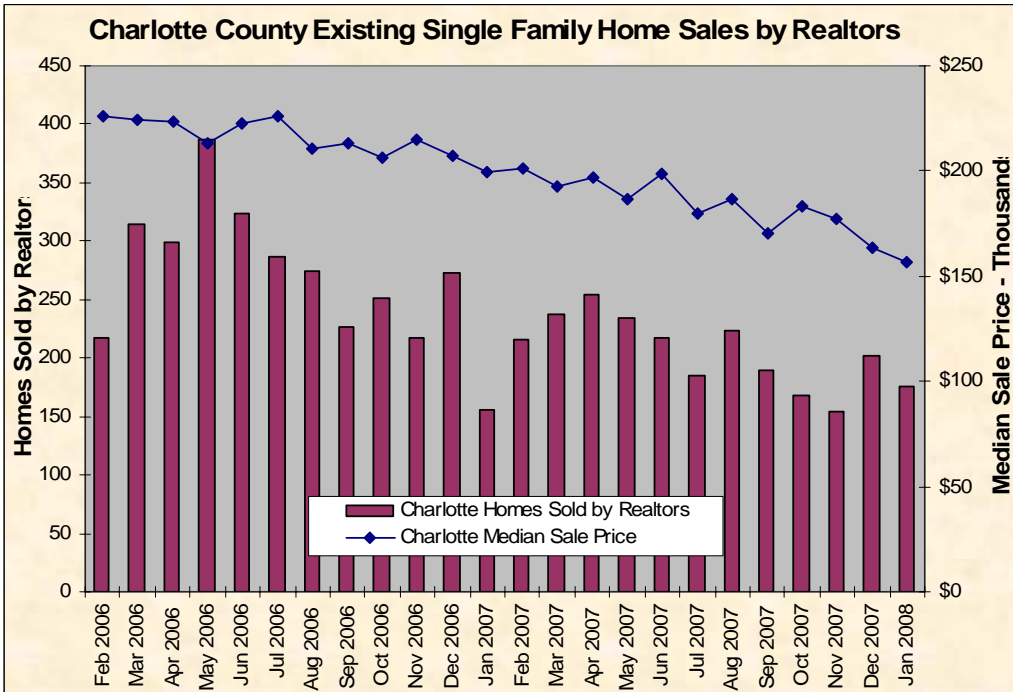
Source: Florida Association of Realtors®, Fort Myers-Cape Coral MSA, <http://media.living.net/statistics/statisticsfull.htm>

Chart Thirteen



Source: Naples Area Board of Realtors® (NABOR), www.NaplesArea.com

Chart Fourteen

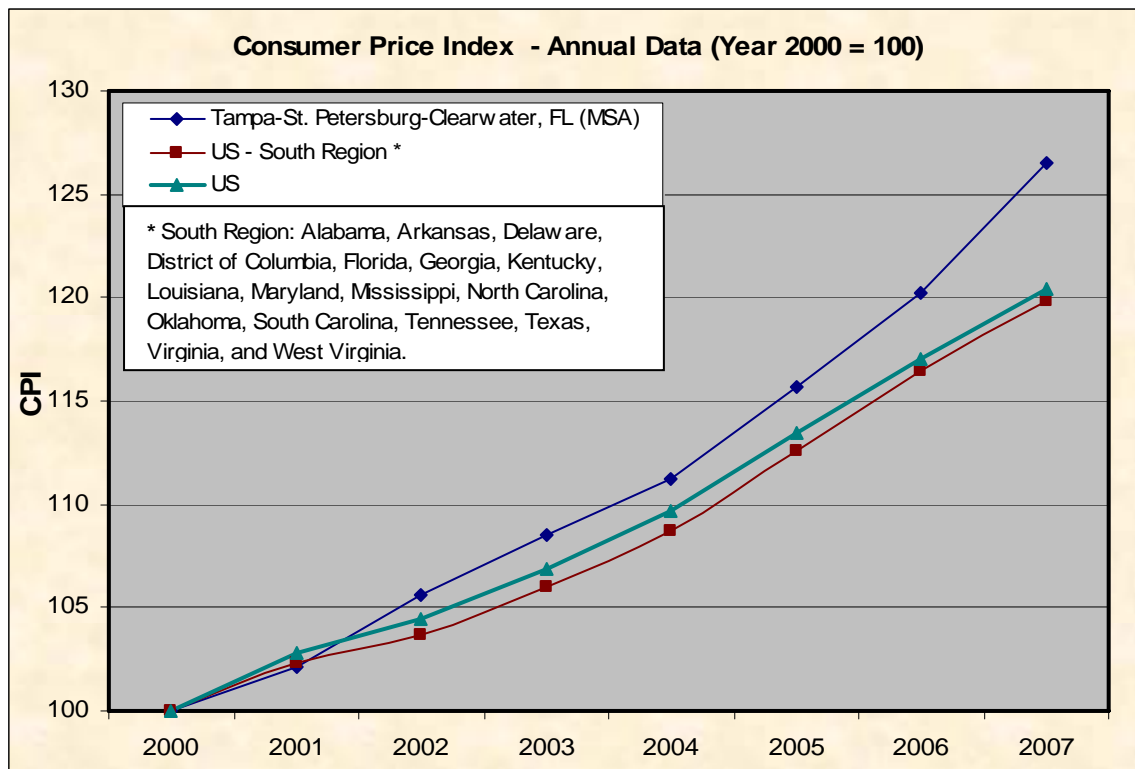


Source: Florida Association of Realtors®, Punta Gorda, Florida MSA, <http://media.living.net/statistics/statisticsfull.htm>

Consumer Price Index

The Bureau of Labor Statistics (BLS) collects data monthly on the cost of a fixed basket of consumer goods at the national and regional levels, but only every six months at many local locations. The closest local location for the CPI data is for the Tampa/St. Petersburg area. Chart Fifteen provides a summary of the changes observed since 2000. Several trends are of interest. First, consumer prices in the Southern region of the United States are less than the national price level for the period from 2000 to 2007. Secondly, the Tampa/St. Petersburg consumer prices have increased at a faster rate than the nation.

Chart Fifteen



Source: BLS

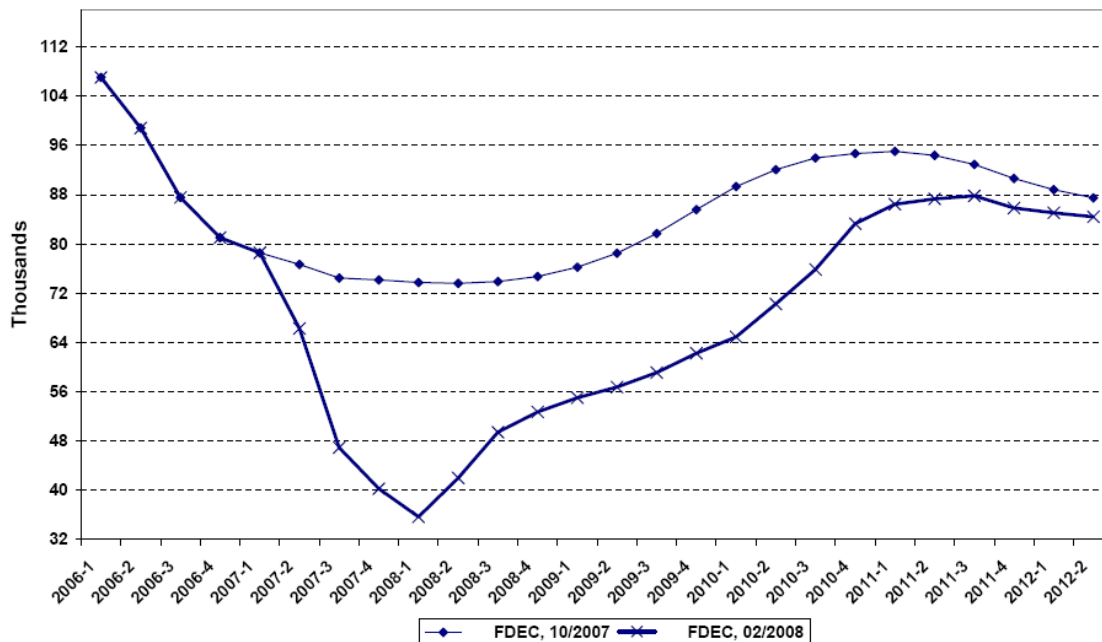
Population

A Florida Demographic Estimating Conference was held on February 18, 2008 by Florida's Office of Economic & Demographic Research to revise the Florida Population Forecast in light of the current economic slowdown. Lower county level population forecasts are expected to be available in July 2008. Chart Sixteen shows the revised net change in residential population for Florida.

Charts Seventeen and Eighteen show the historic population growth from 1990 to 2006. Charlotte County has seen significant population growth between 1990 and 2006. Collier County has grown at an even faster rate from 1990 to 2006 and Lee County doubled its population from 1990 to 2006. As indicated in Chart Eighteen, Glades and Hendry Counties have had lower rates of population growth. Table One and Chart Nineteen show the new projected population increases for 2007 to 2030. Charts Twenty through Twenty-Two provide the regional percentages of population by County for the years 1990, 2006, and 2030.

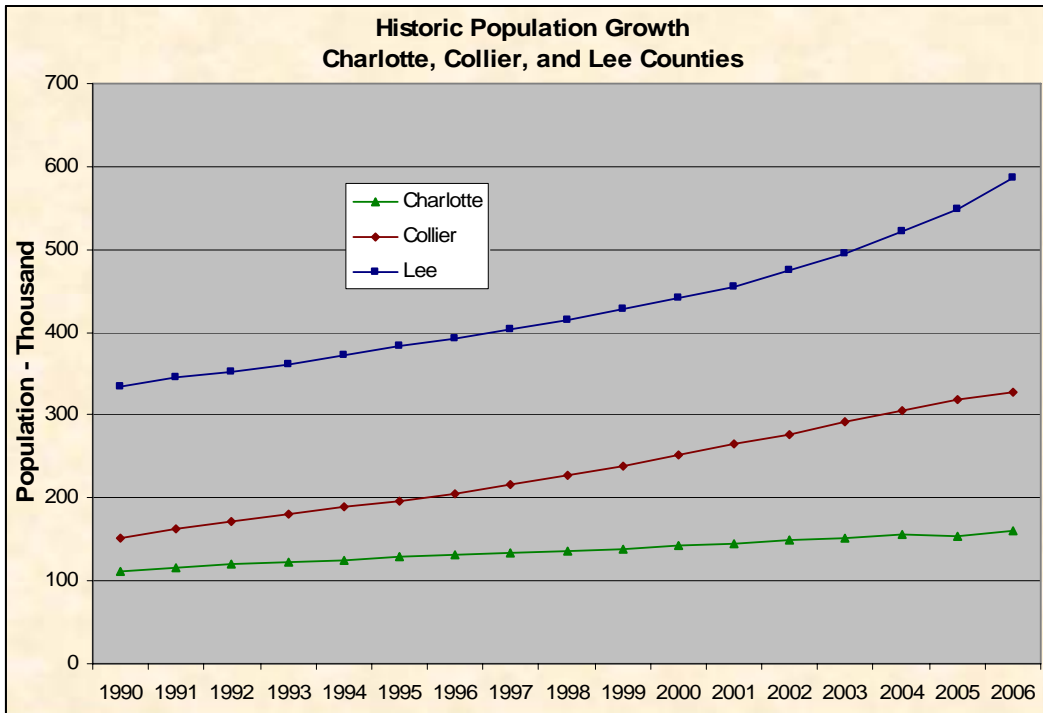
Chart Sixteen

Net Change In Florida Resident Population



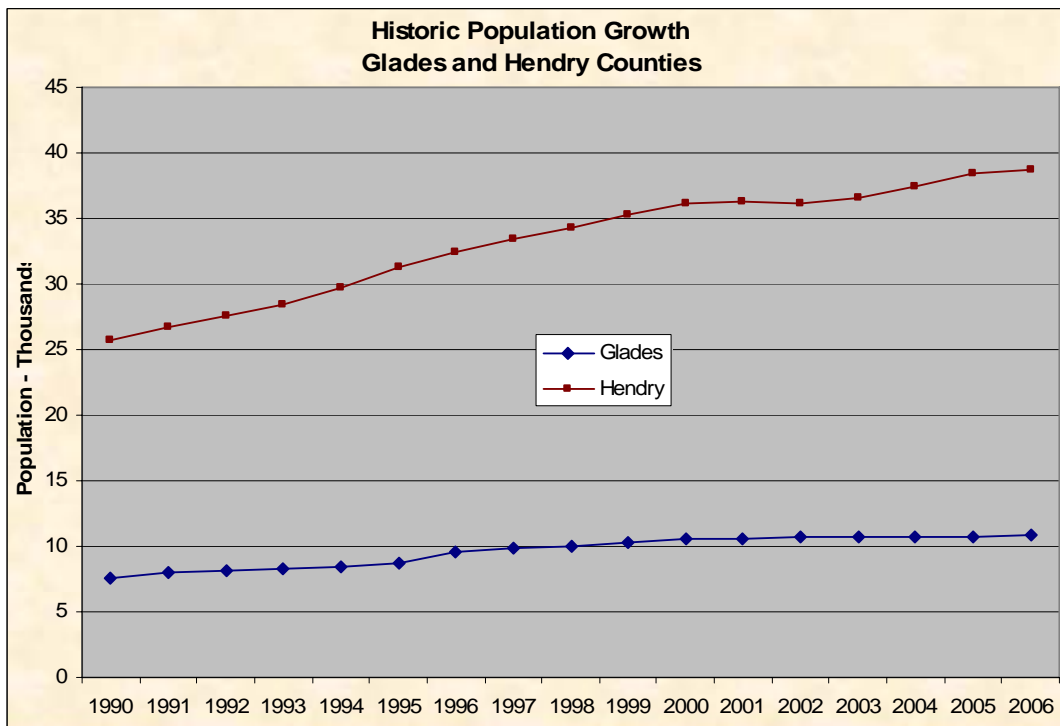
Source: Office of Economic & Demographic Research, Florida Demographics Estimating Conference, February 18, 2008, http://edr.state.fl.us/conferences/population/FDEC0802_Charts.pdf

Chart Seventeen



Source: Florida EDR: Demographic Estimating Conference Database, Updated August 2007.

Chart Eighteen



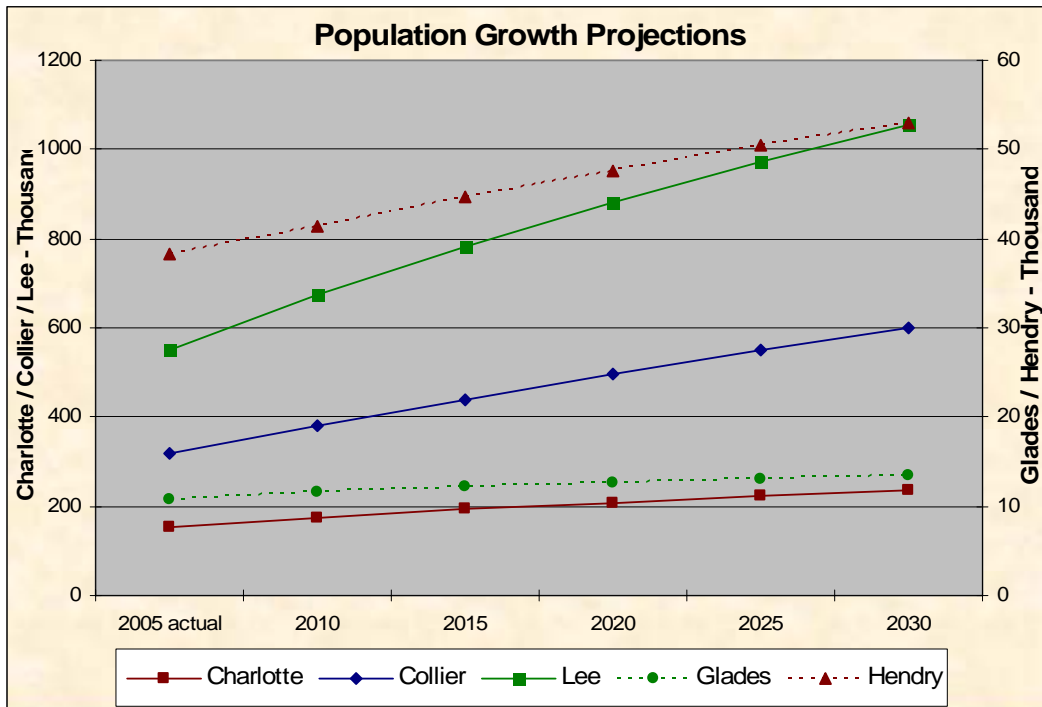
Source: Florida EDR: Demographic Estimating Conference Database, Updated August 2007.

**Table One
New EDR Demographic Estimating Conference
Population Estimates and Projections by County**

Year	Charlotte	Collier	Lee	Hendry	Glades
2007	164,653	331,948	615,999	39,668	11,060
2010	175,389	379,226	676,531	41,410	11,613
2020	208,615	497,512	881,734	47,635	12,598
2030	235,855	598,519	1,053,932	52,885	13,368

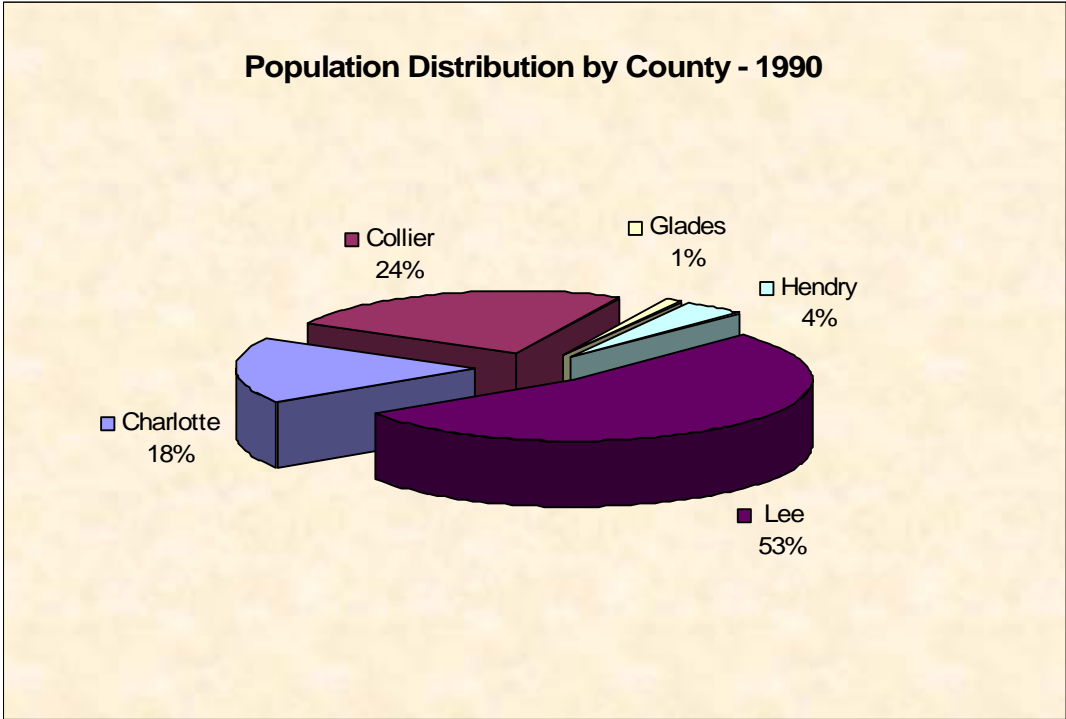
Source: Florida EDR: Demographic Estimating conference Database, Updated August 2007.

Chart Nineteen



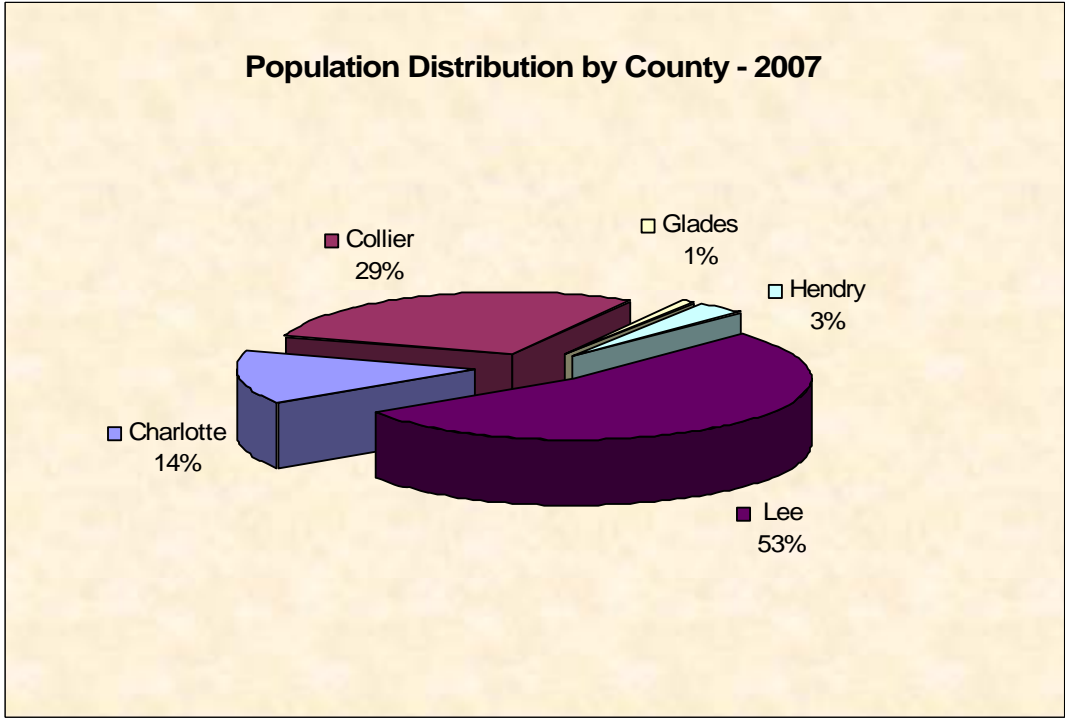
Source: Florida EDR: Demographic Estimating Conference Database, Updated August 2007.

Chart Twenty



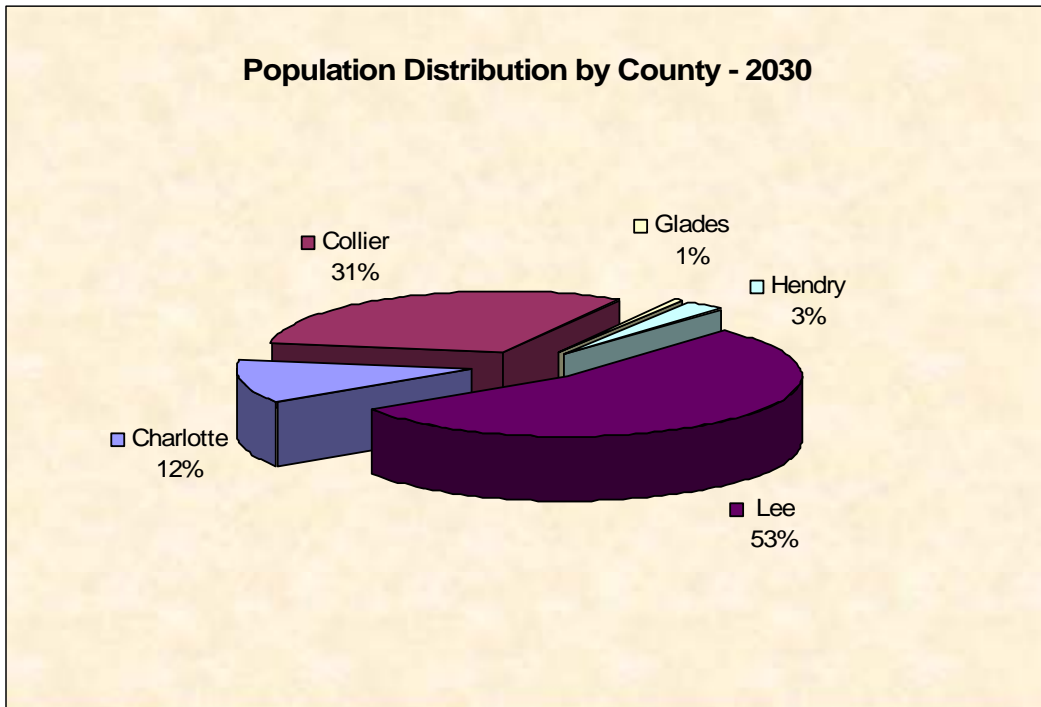
Source: Florida EDR: Demographic Estimating Conference Database, Updated August 2007.

Chart Twenty-One



Source: Florida EDR: Demographic Estimating conference Database, Updated August 2007.

Chart Twenty-Two



Source: Florida EDR: Demographic Estimating conference Database, Updated August 2007.