

Southwest Florida Regional Economic Indicators

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Regional Economic
Research Institute

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Introduction

The next Federal Reserve System Open Market Committee meeting is planned for April 29 and 30. It is expected that the interest rates will be cut once more but most likely by 25 basis points or one-quarter percent. In its press release on March 18 the Federal Reserve Committee noted that the outlook for the economic activity had weakened further and there was concern for elevated levels of inflation. The higher levels of inflation being observed will limit the ability of the Federal Reserve System to lower interest rates much further without creating higher inflationary expectations.

Our regional economic indicator charts are showing the impact of the slowdown 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 continue to increase in the region, reaching highs in Charlotte County of 6.9 percent and in Lee County to 6.5 percent, compared the national unemployment rate for March of 5.1 percent. This slowdown 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.

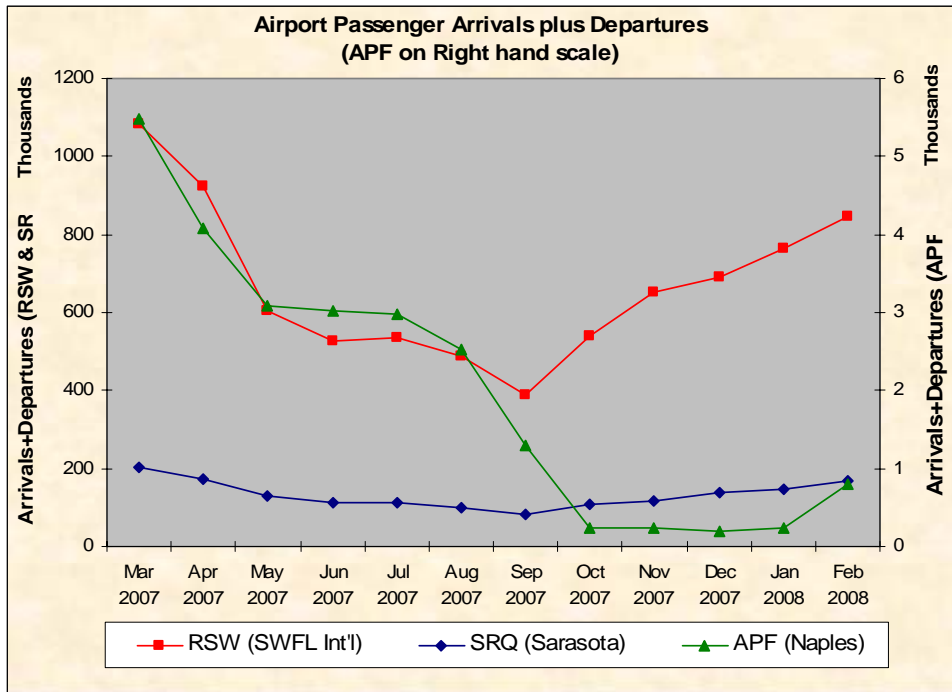
The Regional Economic Research Institute (RERI) is continuing to develop the regional economic database and this report as a way to support its mission and assist the region. We are currently working on the definitions and chart designs for tracking commercial permit activity and hope to add these to 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.

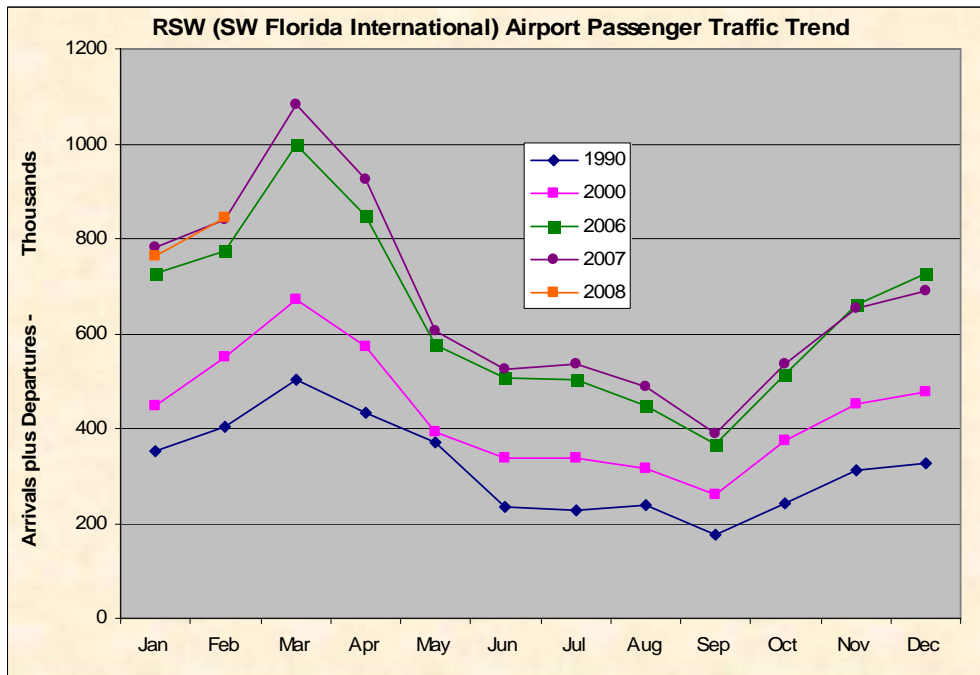
Regional Southwest Airport (RSW) located in Lee County is ranked as the 50th busiest airport in the nation. The January 2008 passenger activity rose relative to December 2007 levels as expected. Passenger activity for Regional Southwest was 845,741 in February 2008, which is relatively unchanged from the February 2007 activity level of 841,727 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 (SRQ) passenger activity was 166,624 in February 2008 or twelve percent higher than February 2007 as shown in Chart Three. Naples activity remains well below February 2007 levels but saw an increase to 792 passengers for February 2008. Charlotte County's airport (PGD) activity is not shown due to cessation of operations by Sky Bus flights when the company declared bankruptcy in early April.

Chart One



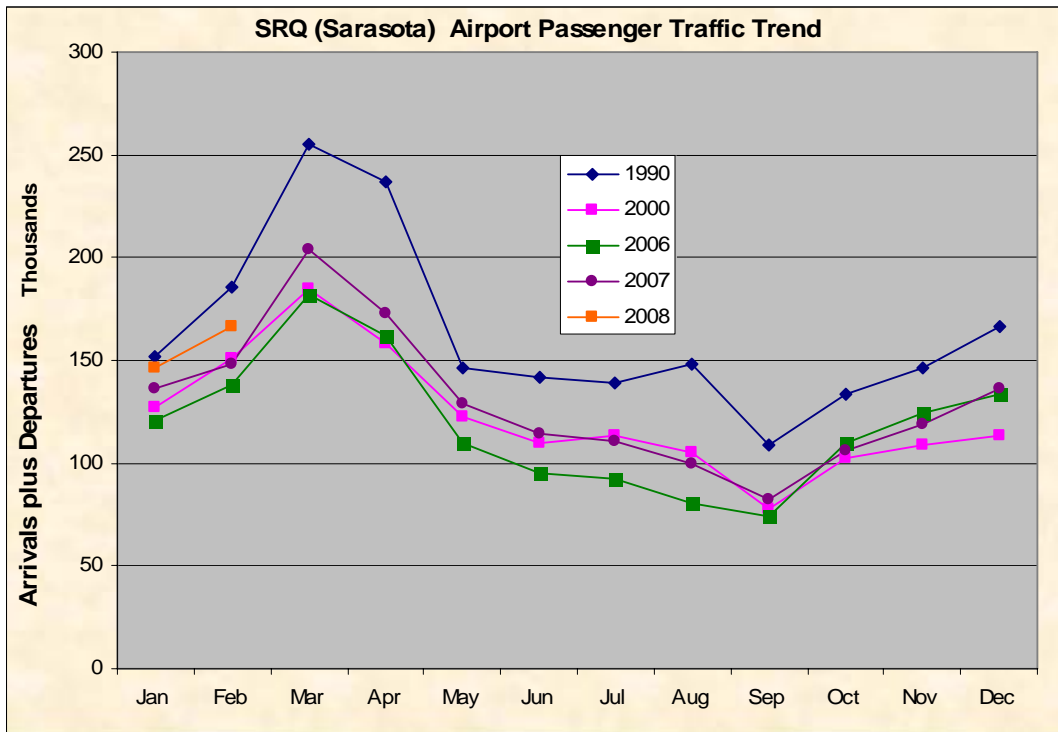
Source: Local Airport Authorities

Chart Two



Source: Local Airport Authorities

Chart Three

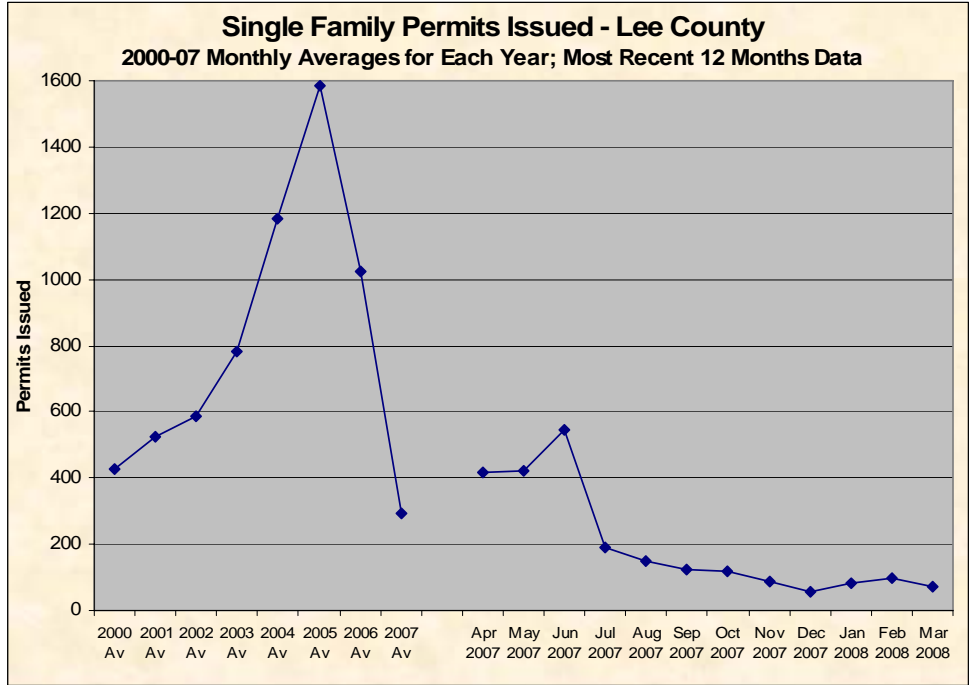


Source: Local Airport Authorities

Single-Family Building Permits

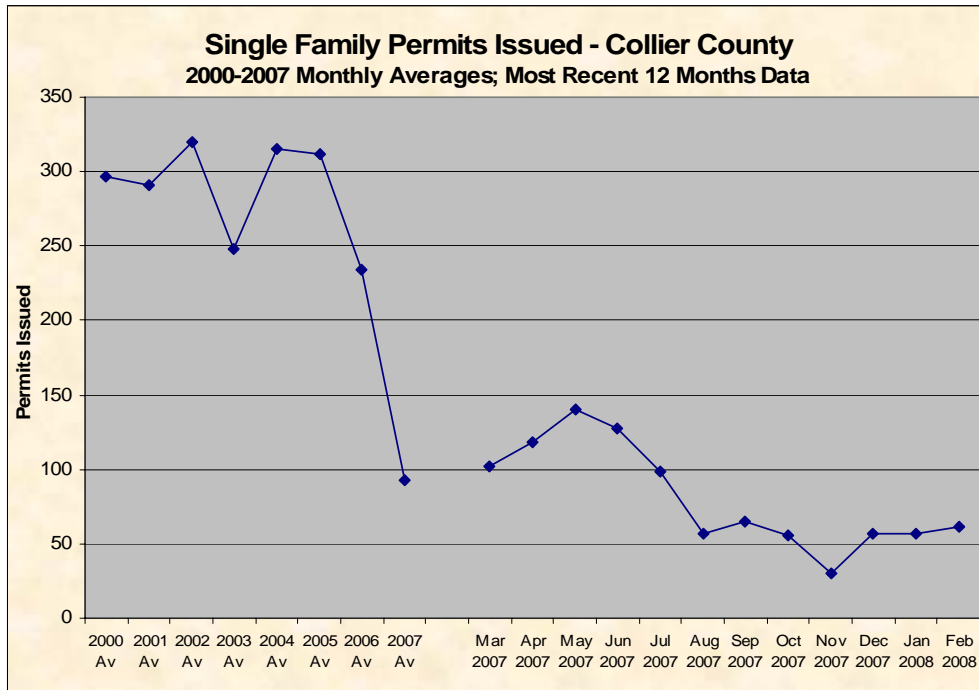
As expected, single-family building permits issued in March remained low. The number of single-family building permits in unincorporated Lee County, as illustrated in Chart Four, declined to 74 for the month of March 2008 from 98 in the prior month. Single-family permits in Collier County, which are illustrated in Chart Five, have not been updated for March. Charlotte County figures show continued low levels in permitting from 42 in February 2008 to 40 in March 2008, as shown in Chart Six.

Chart Four



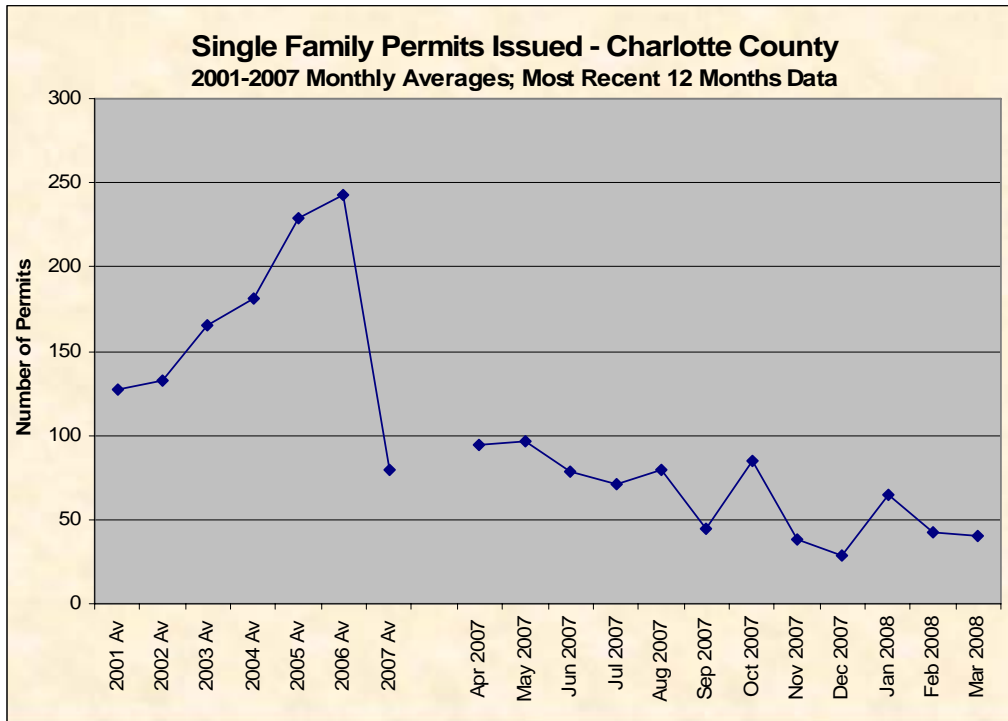
Source: Local Building and Zoning Departments, including Fort Myers, Cape Coral, and unincorporated Lee County Bonita Springs and Fort Myers Beach permits

Chart Five



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

Chart Six

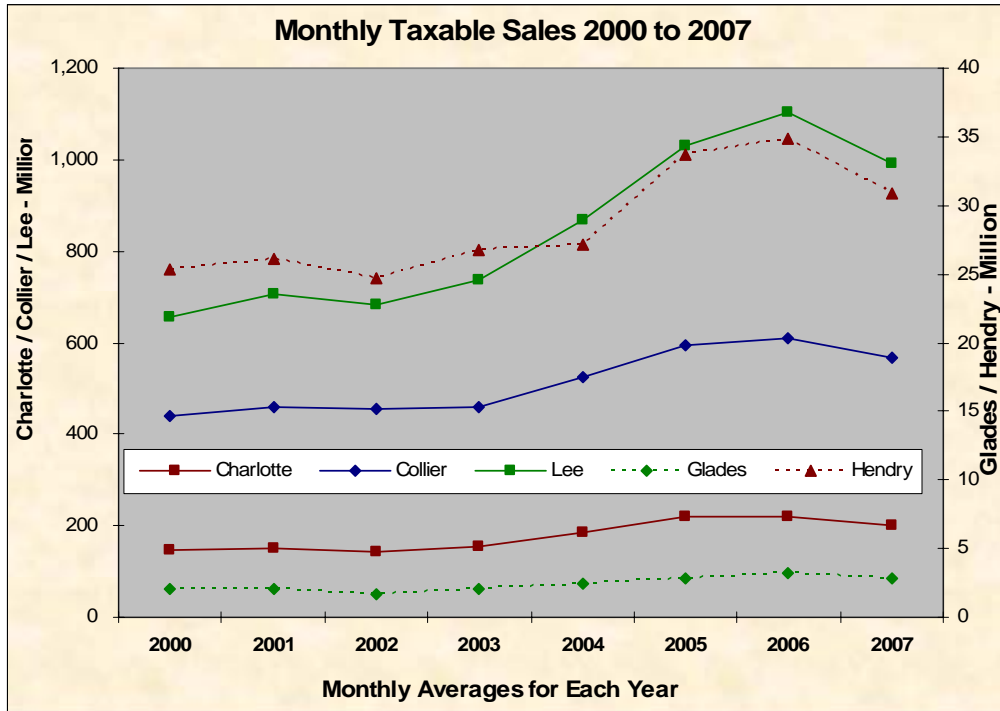


Source: Local Building and Zoning Departments; includes unincorporated Charlotte County permits only.

Taxable Sales

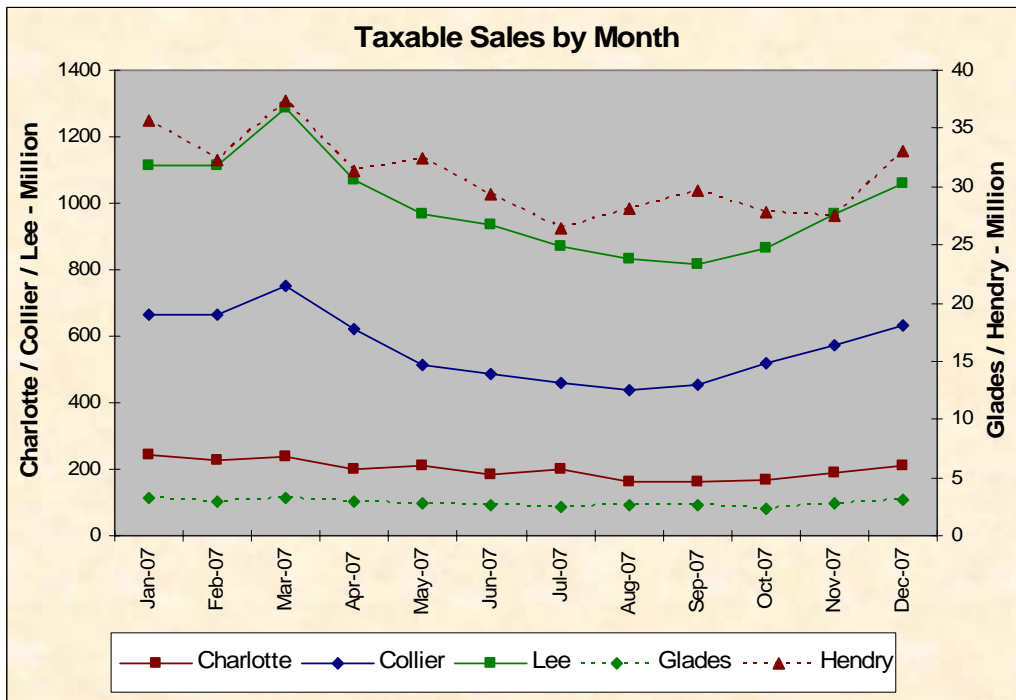
Taxable sales are reported by the Florida Department of Revenue. We have adjusted the taxable sales charts to show the month of collection instead of the reporting month that is issued by the Florida Department of Revenue. This makes December 2007 the latest collection month plotted on Charts Seven and Eight. These figures are used to track consumer spending, and therefore are an important contributor to economic growth in the region. Taxable sales from December 2006 to December 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 Seven provides a comparison of taxable sales for the years 2000 to 2007.

Chart Seven



Source: Florida Department of Tax Research

Chart Eight

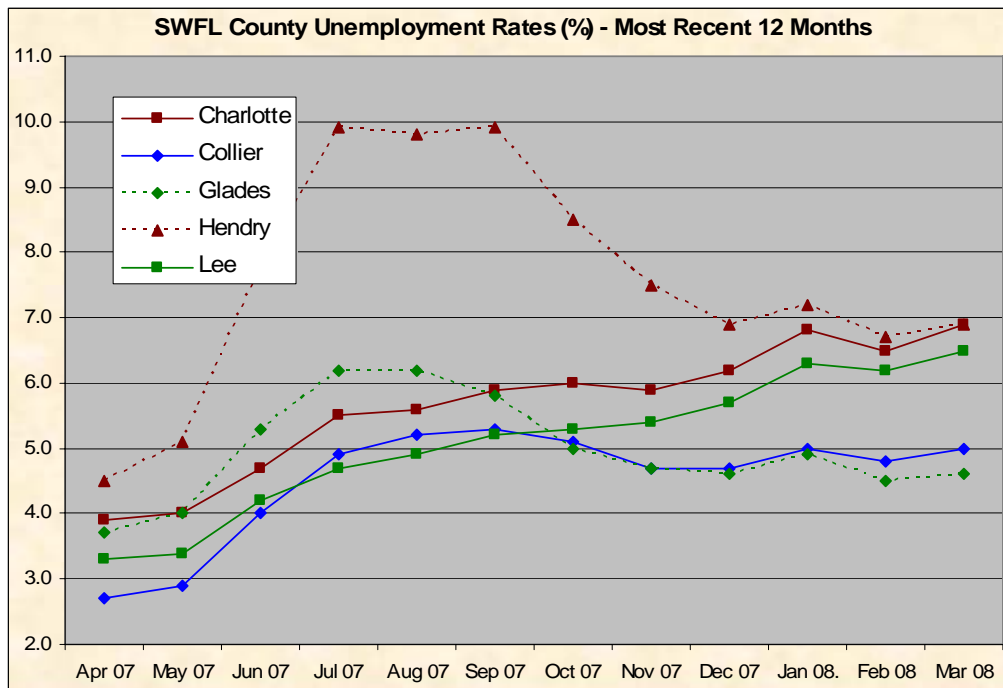


Source: Florida Department of Tax Research

Workforce - Unemployment

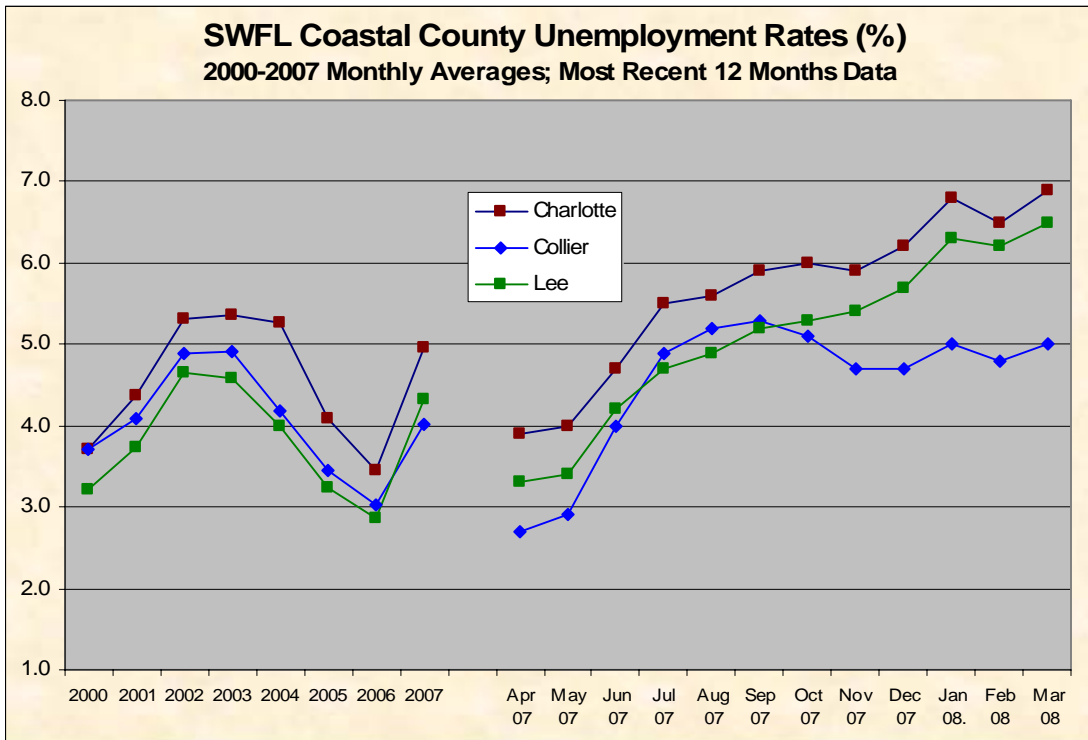
Unemployment continues to rise in our region with each county seeing an increase in unemployment from February to March 2008 as shown in Chart Nine. Only Collier and Glades remain below the national unemployment rate of 5.1 percent. This is largely due to the region's dependence on construction-related employment. Charlotte County unemployment rose to 6.9 percent in March 2008 from 6.5 percent in February 2008. Collier County unemployment rose slightly to 5.0 percent from 4.8 percent in February 2008. Lee County saw the unemployment rate increase from 6.2 percent in February to 6.5 percent in March 2008. Hendry County unemployment rose to 6.9 percent in March 2008 compared to 6.7 percent in February 2008. Glades County unemployment remained the lowest in the region with 4.6 percent in March 2008, up from 4.5 percent in February 2008. Charts Ten and Eleven show the unemployment rates for the coastal and inland counties for our region and provide an historical perspective of unemployment rates from 2000 to 2007. Generally, unemployment rates above 4.5 to 5.0 percent reflect cyclical unemployment and a slowdown of the economy from long-run trends.

Chart Nine



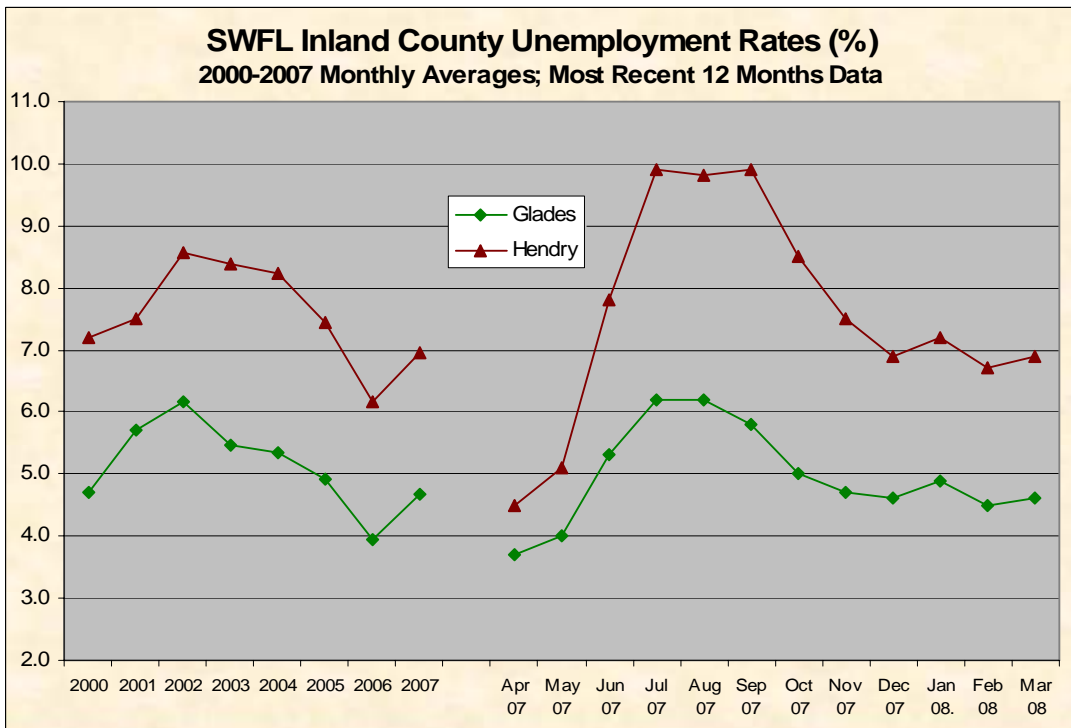
Source: AWI

Chart Ten



Source: AWI

Chart Eleven

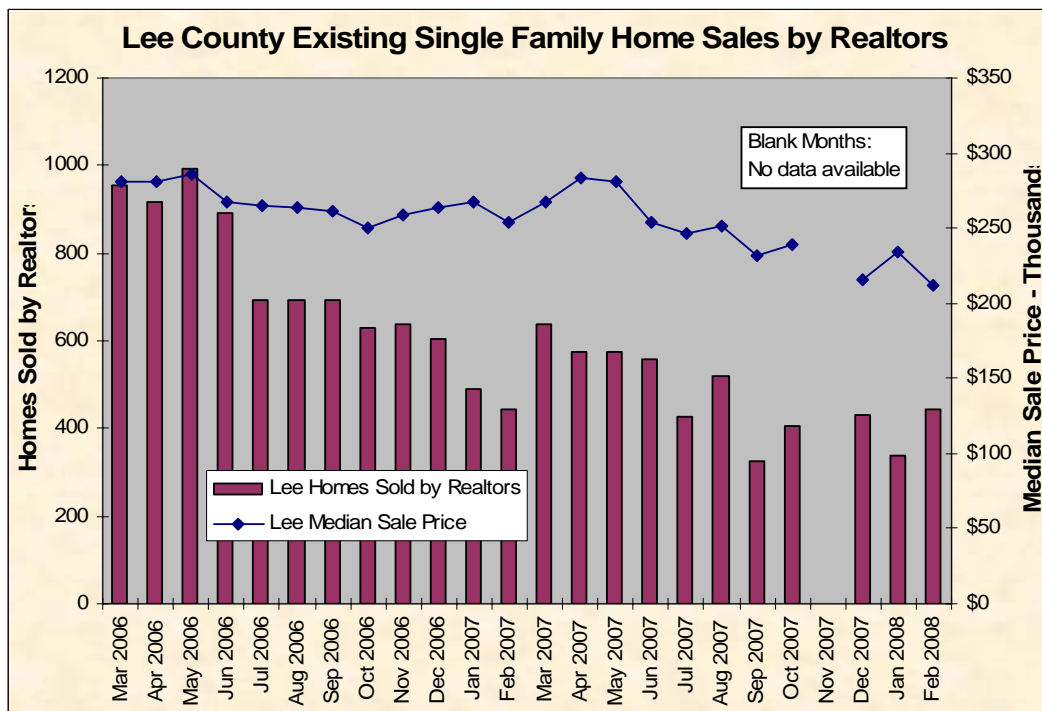


Source: AWI

Sales of Single-Family Existing Homes and Median Sales Price

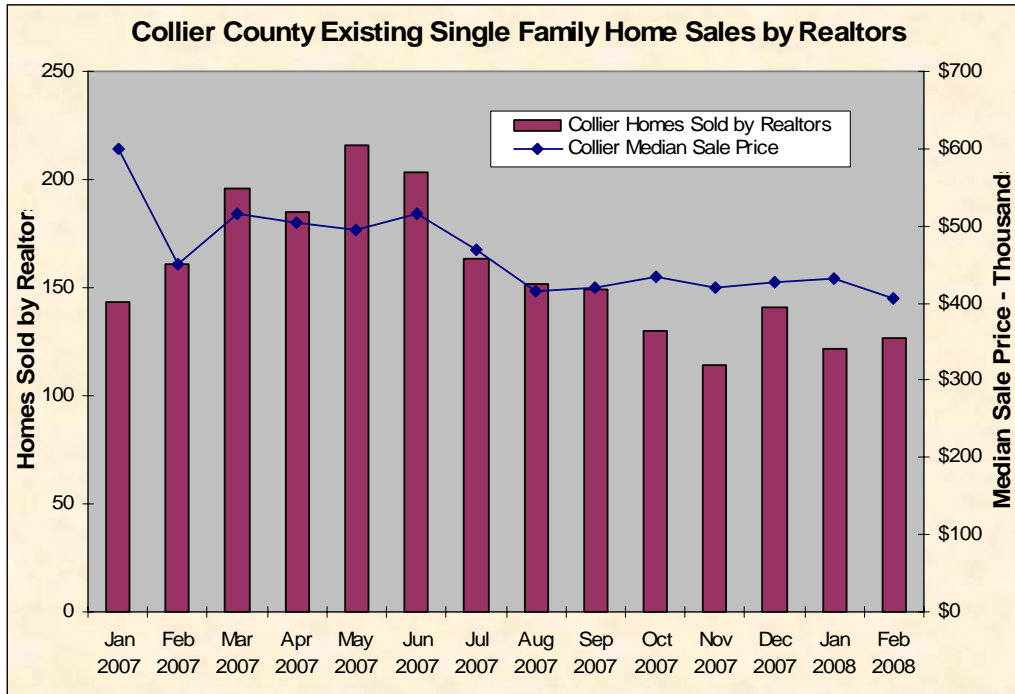
The Naples Area Board of Realtors® (NABOR) has assisted FGCU's Regional Economic Research Institute (RERI) effort by providing Collier County's existing single-family housing sales and the median monthly price for the last 12 months. Charts Twelve through Fourteen provide the latest trends for Lee, Collier, and Charlotte Counties. In February 2008, Lee County (Chart Twelve) saw an increase in existing home sales, up to 445 single-family home sales, while the median sales price decreased to \$211,900, compared to 338 sales and \$234,000 in January 2008. Collier County (Chart Thirteen) saw existing single-family home sales increase slightly to 127, although the median home sale price decreased to \$406,000 from \$432,000 figure in January 2008. The February 2008 data for Charlotte County (Chart Fourteen) showed an increase in existing sales to 201 but a decrease in the median sale price to \$151,300.

Chart Twelve



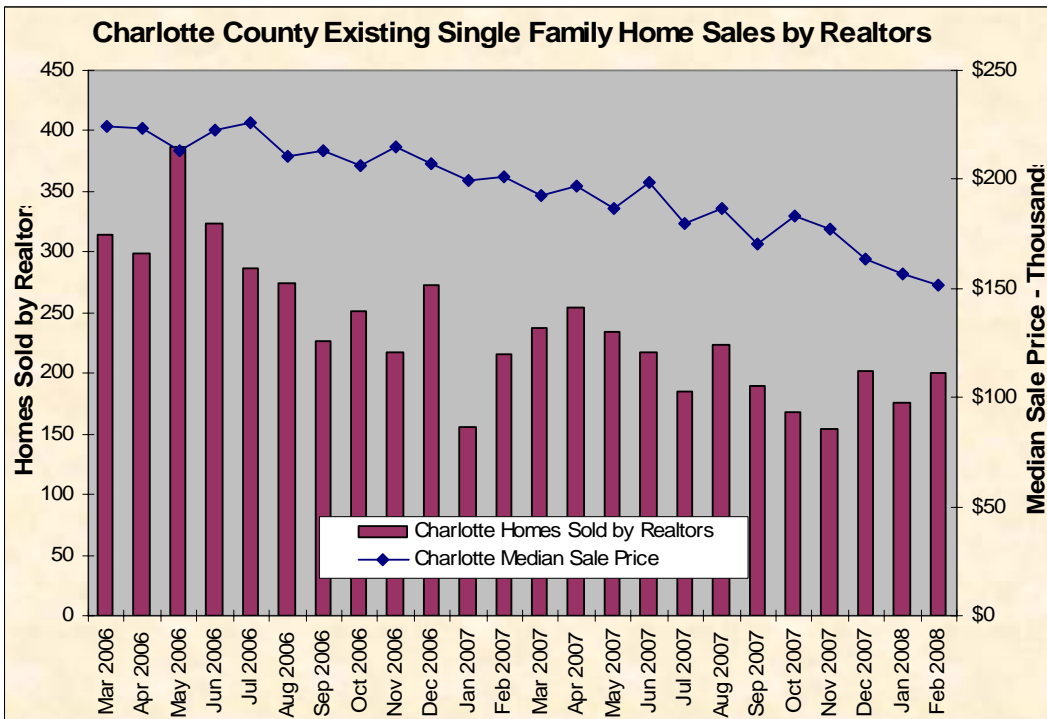
Source: Florida Association of Realtors®, Fort Myers-Cape Coral MSA, <http://media.living.net/statistics/statisticsfull.htm>

Chart Thirteen



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

Chart Fourteen

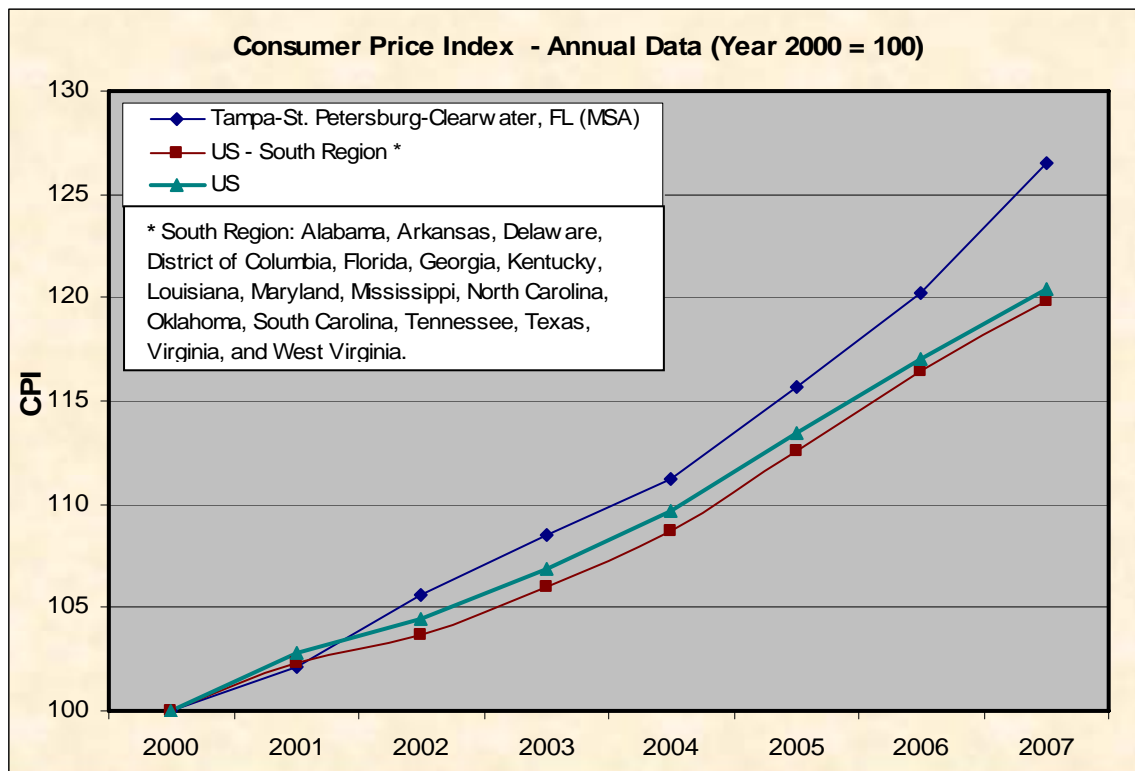


Source: Florida Association of Realtors®, Punta Gorda, Florida MSA, <http://media.living.net/statistics/statisticsfull.htm>

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

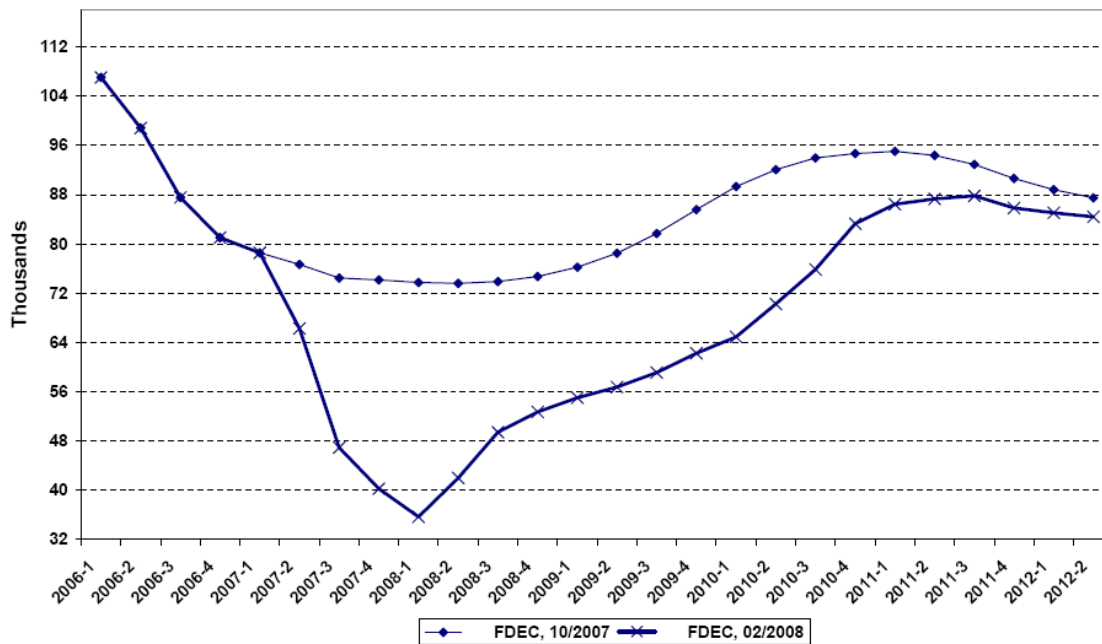
Population

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.

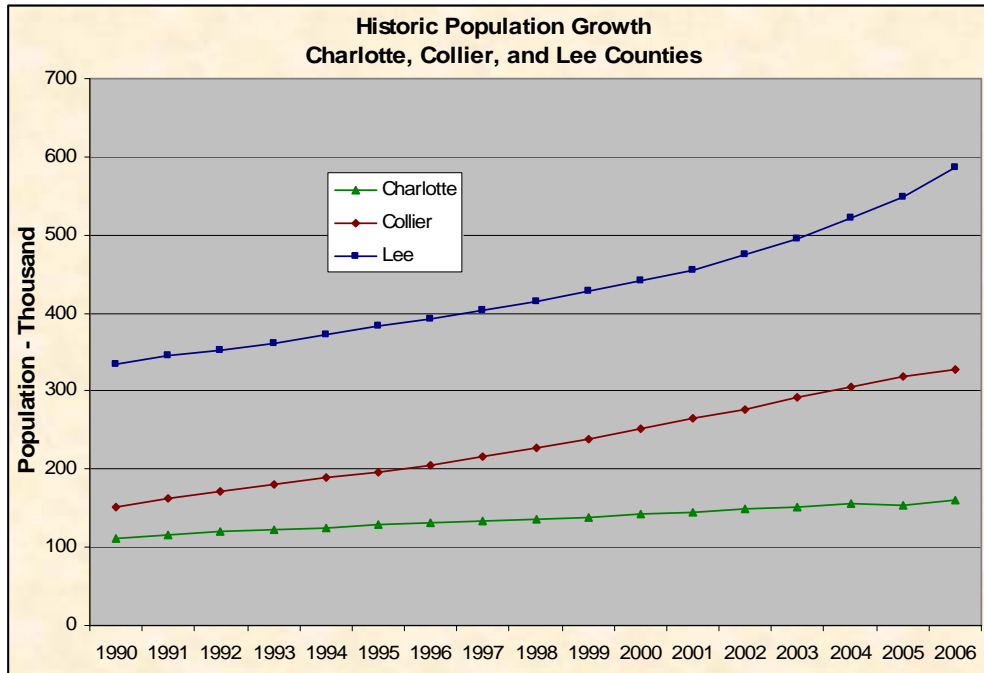
Chart Sixteen

Net Change In Florida Resident Population



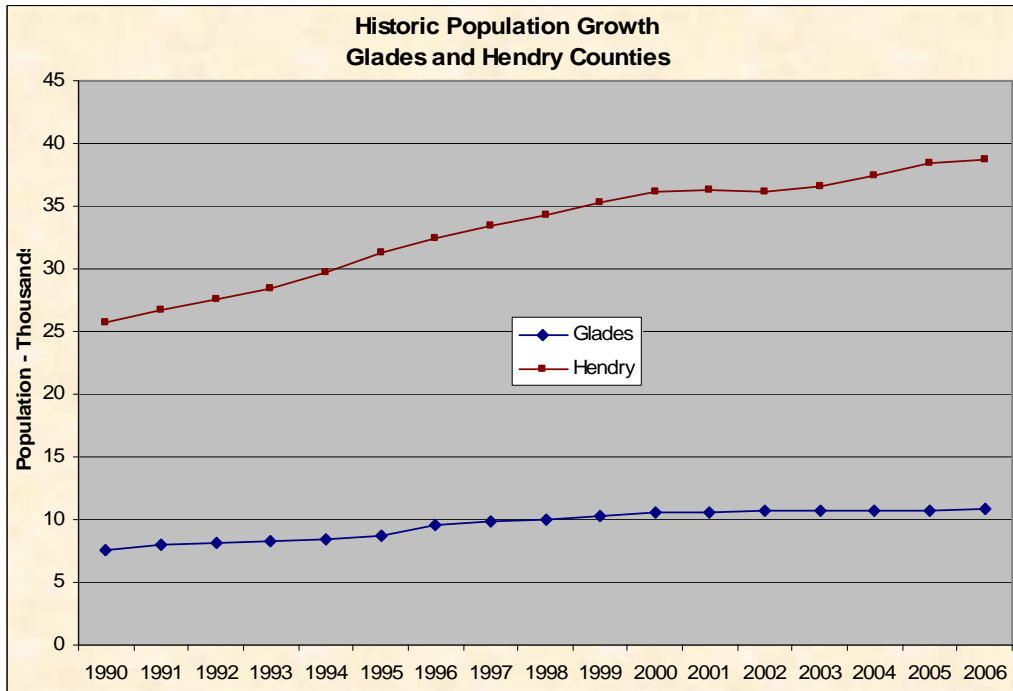
Source: Office of Economic & Demographic Research, Florida Demographics Estimating Conference, February 18, 2008, http://edr.state.fl.us/conferences/population/FDEC0802_Charts.pdf

Chart Seventeen



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

Chart Eighteen



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

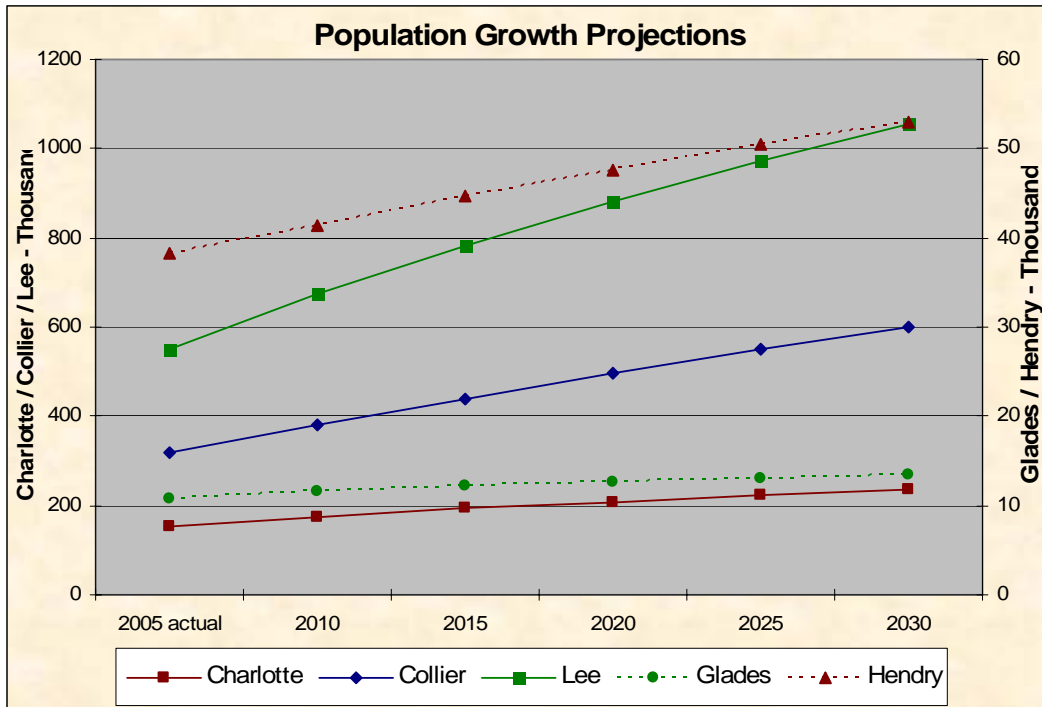
**Table One
New EDR Demographic Estimating Conference**

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 |

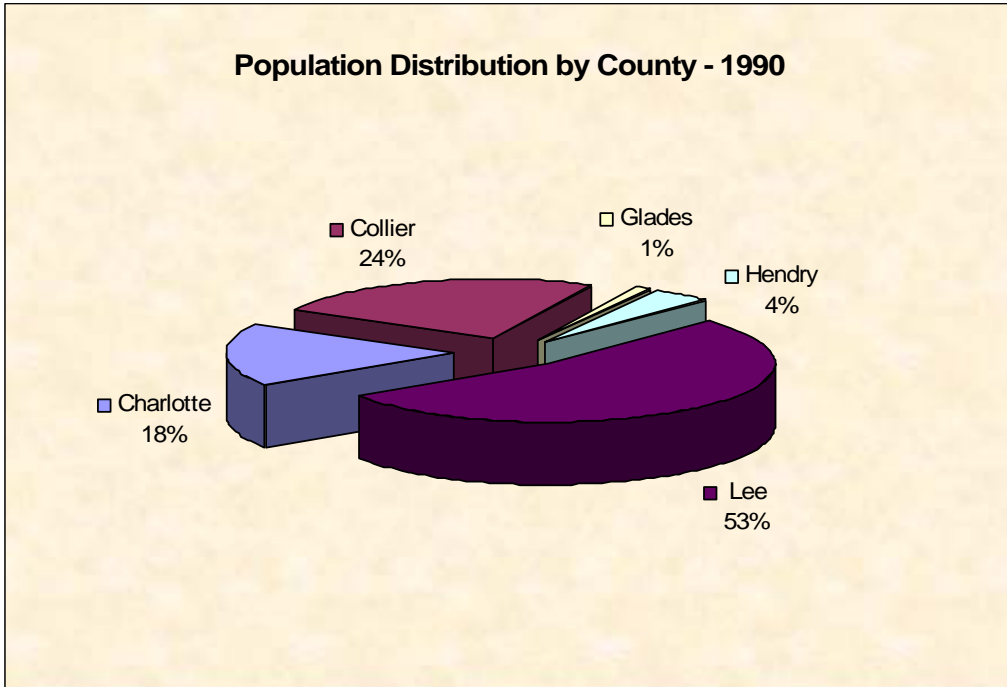
Source: Florida EDR: Demographic Estimating conference Database, Updated August 2007.

Chart Nineteen



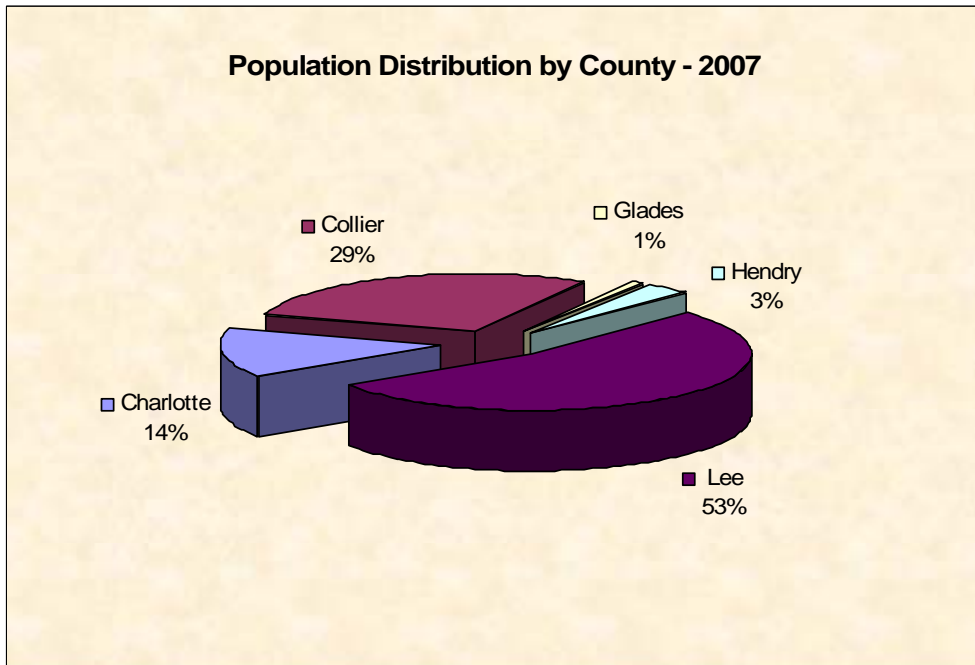
Source: Florida EDR: Demographic Estimating Conference Database, Updated August 2007.

Chart Twenty



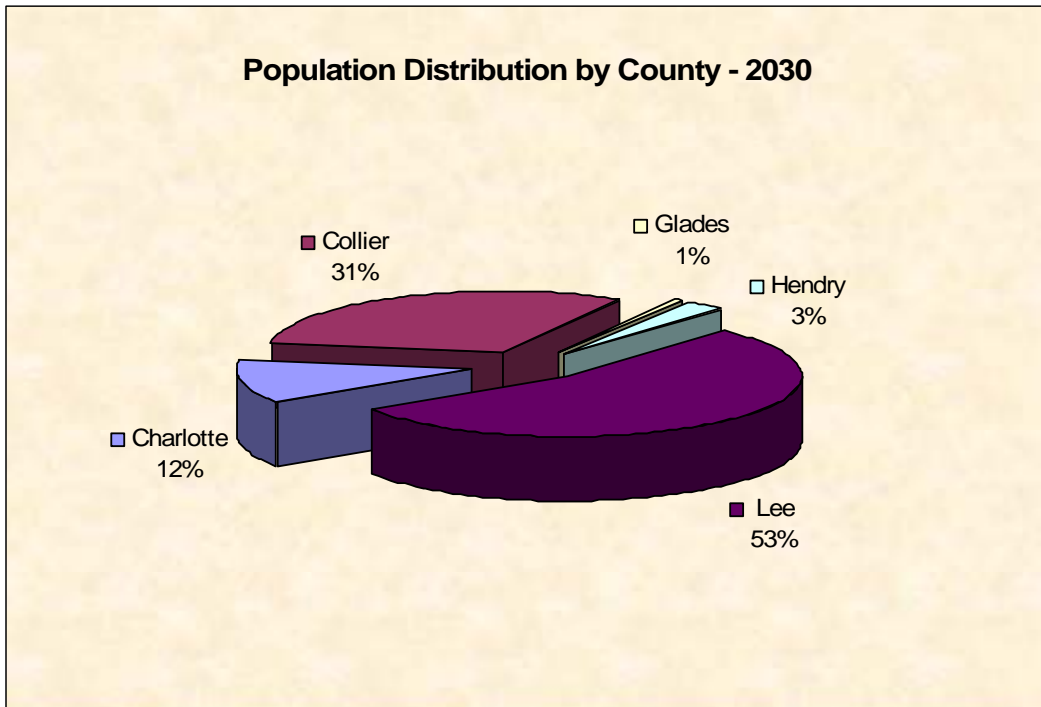
Source: Florida EDR: Demographic Estimating Conference Database, Updated August 2007.

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.