

Southwest Florida Regional Economic Indicators

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Regional Economic Research Institute

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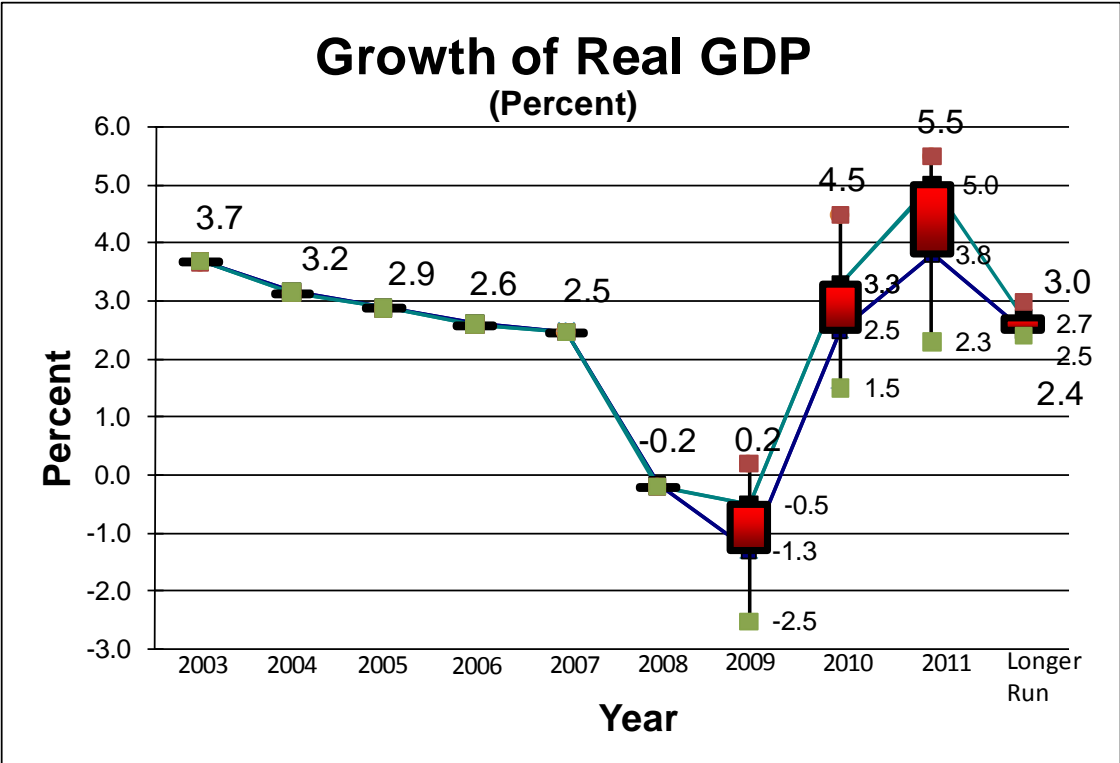
Introduction

The Treasury Department has just unveiled a new plan to purchase up to \$500 billion in troubled bank assets that might be expanded to \$1.0 trillion. It is a public-private investment plan in which the Treasury will initially put up \$75 to \$100 billion dollars to match with private dollars. The troubled bank loans and assets would be auctioned off to investors. This is in addition to the stimulus fiscal plan that includes \$287 billion in temporary tax cuts and \$500 billion in additional public spending.

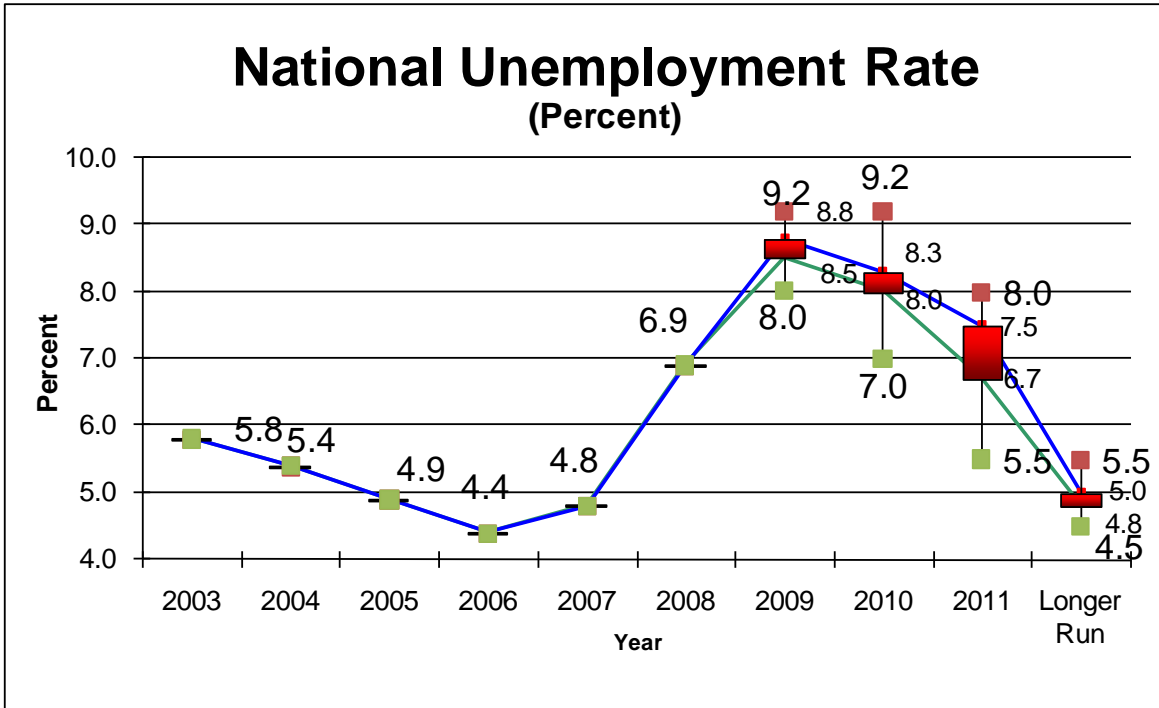
The Federal Reserve Open Market Committee met on March 18, 2009, and stated that the economy continues to decline with consumers worried about jobs and loss of wealth as stock market and housing prices decline. Consumer spending is down and businesses are having difficulty obtaining credit. The global economy has slowed, reducing U.S. exports. The next meeting of the Open Market Committee is planned for April 28 and 29, 2009.

The Federal Reserve released its latest outlook for the economy with the minutes of the Federal Open Market Committee meeting of January 27-28, 2009. The chart on the following page shows their forecast for gross domestic product (GDP), which measures the output of the national economy. There is considerable forecast uncertainty but 2009 is expected to be the low point for the recession. More moderate growth is expected in 2010 then faster growth in 2011 followed by somewhat slower growth in the long run. The chart is known as a "box" (red boxes) and "whiskers" (vertical lines) chart designed to show the uncertainty in the forecast. The red boxes represent the central tendency or most likely outcomes, while the whiskers provide the wider range of potential outcomes.

The forecast unemployment rates are provided in the next chart, also on the next page. Unemployment is expected to peak in 2009, at almost nine percent. Some improvement is expected in 2010 but the country will still face high unemployment levels of around eight percent. Unemployment tends to lag behind GDP, and so is not forecast to return to more normal levels until after 2011.



Source: Minutes of the Federal Open Market Committee, January 27-28, 2009.



Source: Minutes of the Federal Open Market Committee, January 27-28, 2009.

Our regional economic indicator charts show the impact of the slowdown in the local economy in the form of lower retail sales, high unemployment rates, low permitting levels, and lower inflation rates. Unemployment in Lee County reached 11.5 percent in January. Airport passenger traffic at Regional Southwest (RSW) is off by four percent from last January and the latest tourism numbers are down slightly from the previous year.

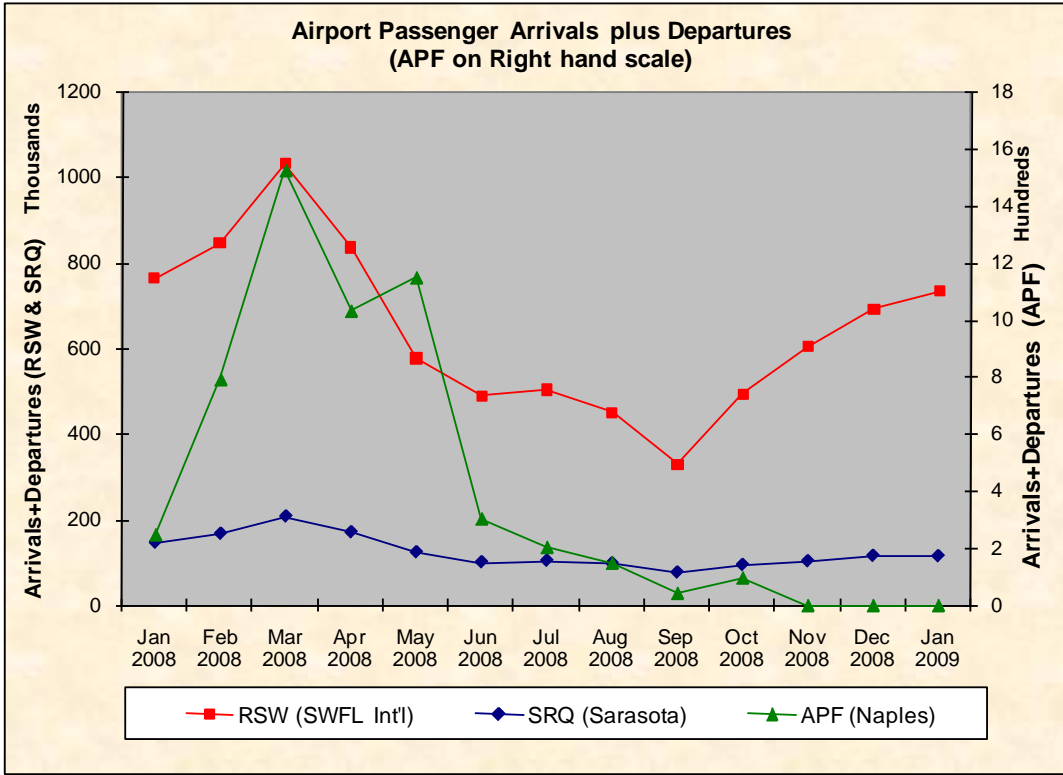
The Regional Economic Research Institute (RERI) is continuing to develop the regional economic database, and this report, as a way to support its mission and assist the region. The Institute thanks its many partners for assistance in obtaining the data, including the Southwest Florida Regional Planning 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 sum of arrivals and departures for Regional Southwest Florida, Sarasota and Naples airports. In Chart 1, passenger activity for Regional Southwest Florida (RSW) and Sarasota (SRQ) are shown on the left vertical axis and the numbers for Naples airport (APF) are shown on the right vertical axis. Peak seasonal activity occurs in February, March and April. Significantly lower activity takes place in the summer months, especially the period of June to September. Charts 2 and 3 illustrate the monthly seasonality of airport passenger traffic and the changes from year to year.

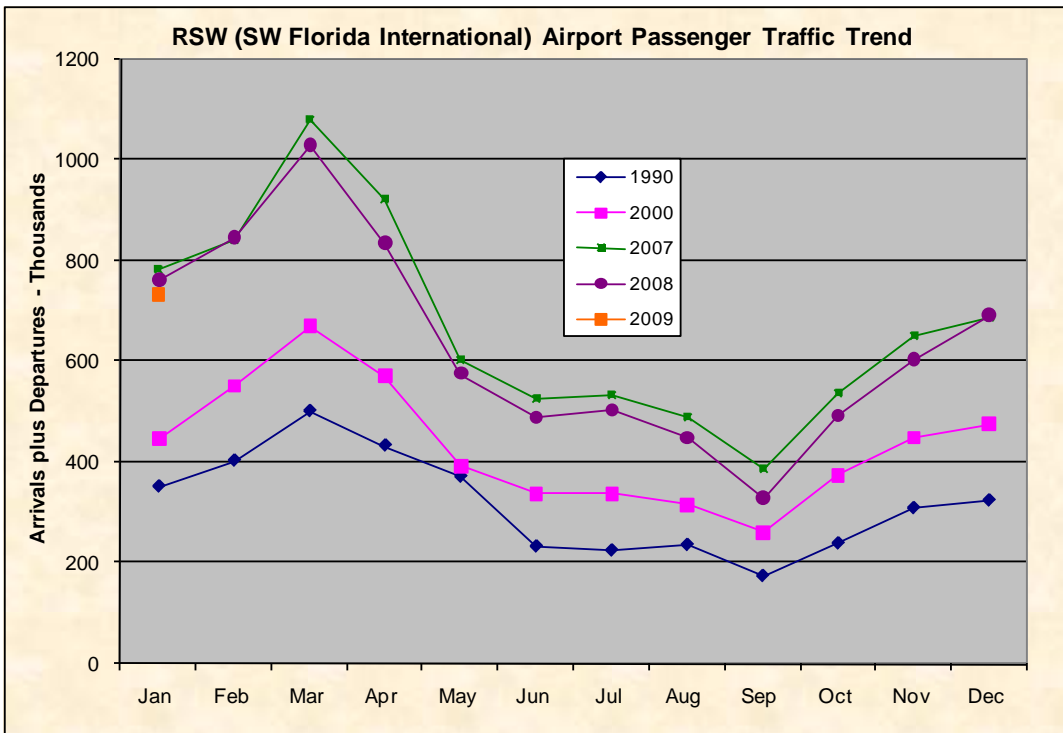
Regional Southwest Florida (RSW) airport located in Lee County is ranked as one of the fifty busiest airports in the nation. The 2008 passenger activity peaked in March at 1,030,151 and as expected, activity levels fell over the slower summer months, as shown in Chart 1. The January 2009 passenger level was 732,851 which is four percent lower than the January 2008 level of 762,316, and below the all-time January 2007 peak of 783,207. Sarasota (SRQ) passenger activity was 114,343 in January 2009 or approximately 22 percent lower than January 2008. Charlotte County has added commercial passenger service and we plan to track activity levels there as information becomes available.

Chart 1: Regional Airport Arrivals and Departures



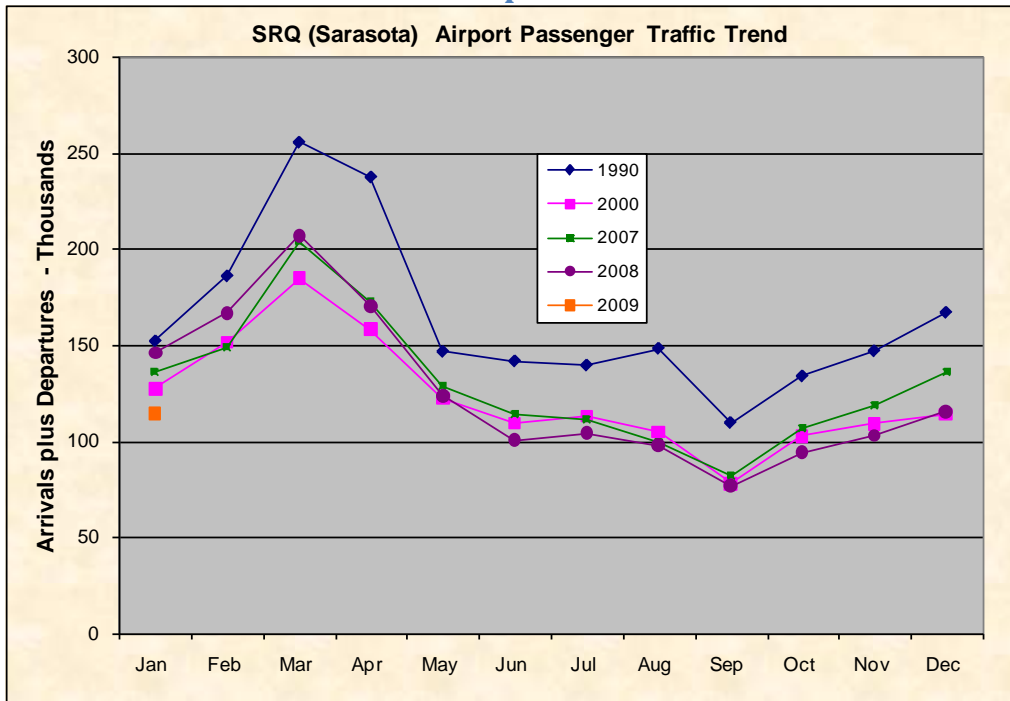
Source: Local Airport Authorities

Chart 2: RSW Traffic Trend



Source: Local Airport Authorities

Chart 3: Sarasota Airport Traffic Trend

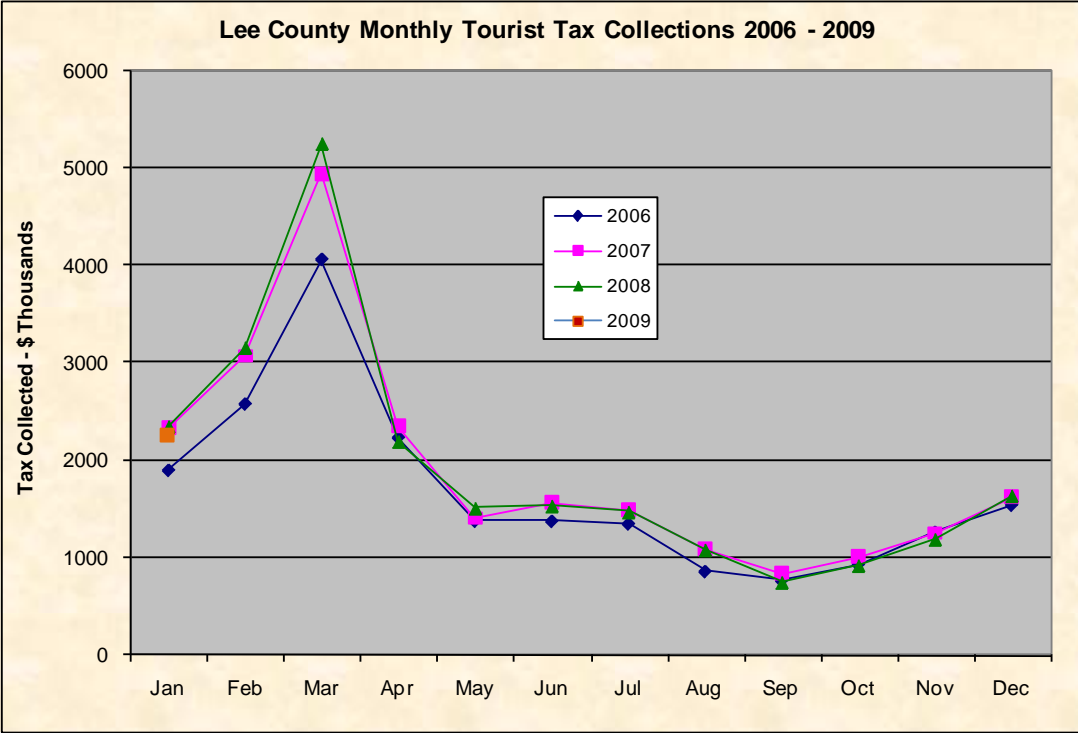


Source: Local Airport Authorities

Tourism Tax Collections

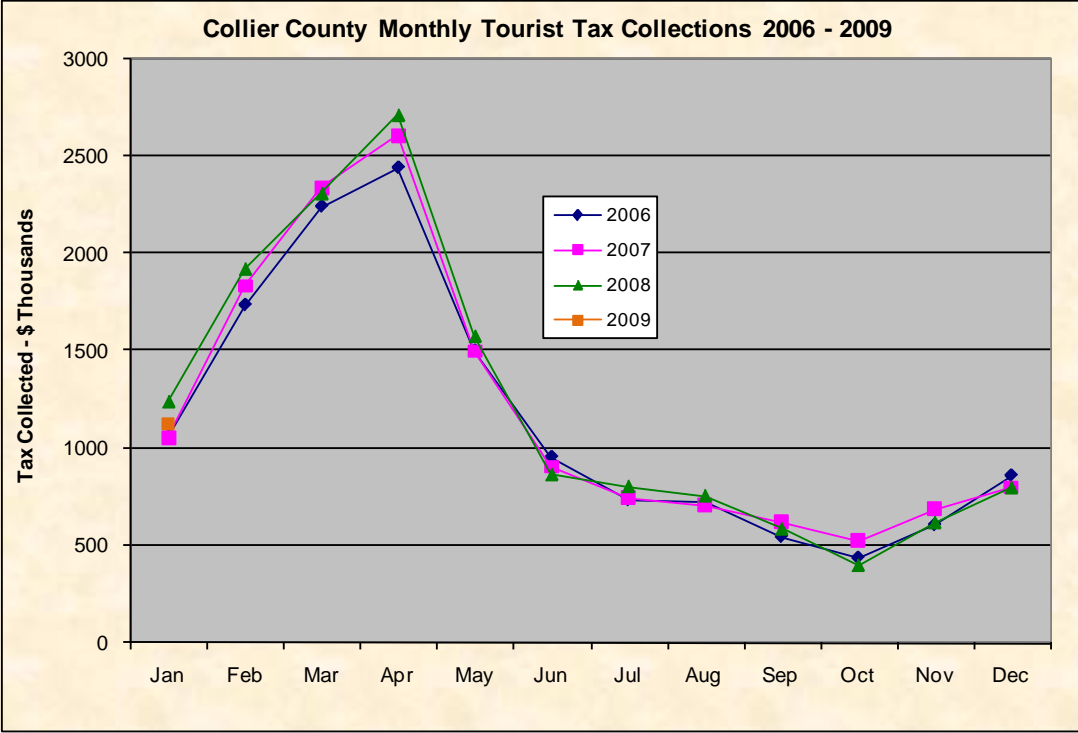
Tourism tax collections for the region are shown in Charts 4, 5, and 6. There was considerable growth in tourism activity from 2006 to 2008 during the peak months of February and March. The charts show that tourism tax collections were down in January for Lee and Collier Counties compared to January 2008.

Chart 4: Lee County Tourism Tax Collections



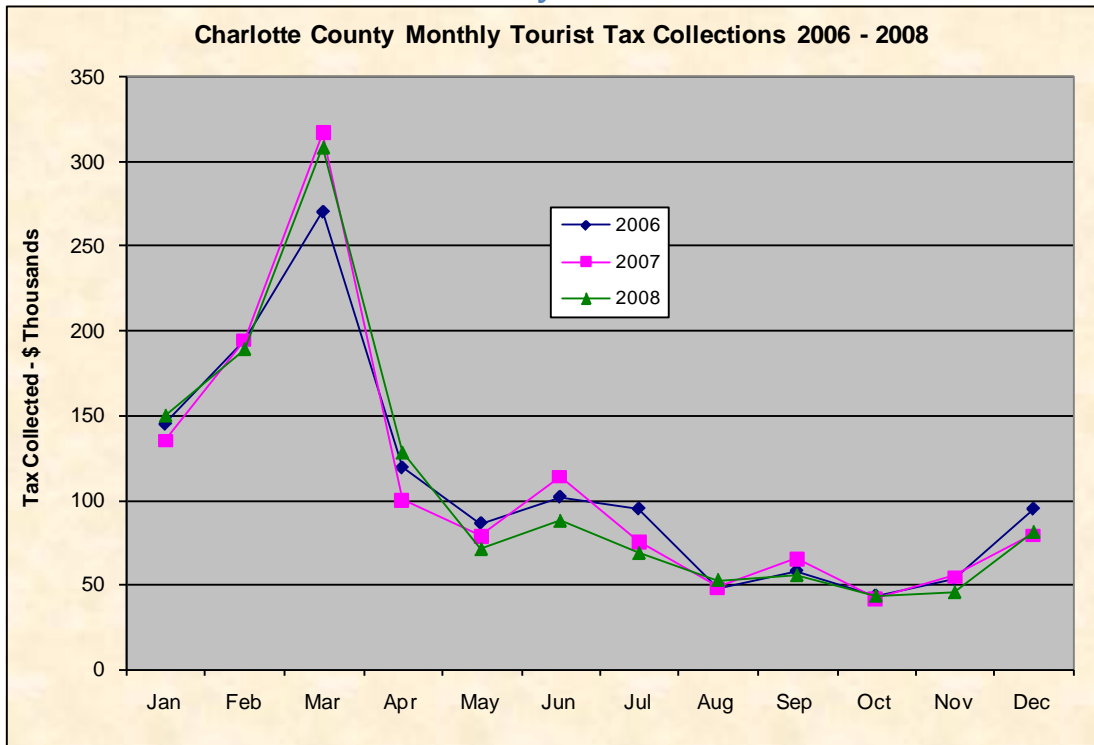
Source: Local County Tourism, Tax, and Economic Development Reports

Chart 5: Collier County Tourism Tax Collections



Source: Local County Tourism, Tax, and Economic Development Reports

Chart 6: Charlotte County Tourism Tax Collections

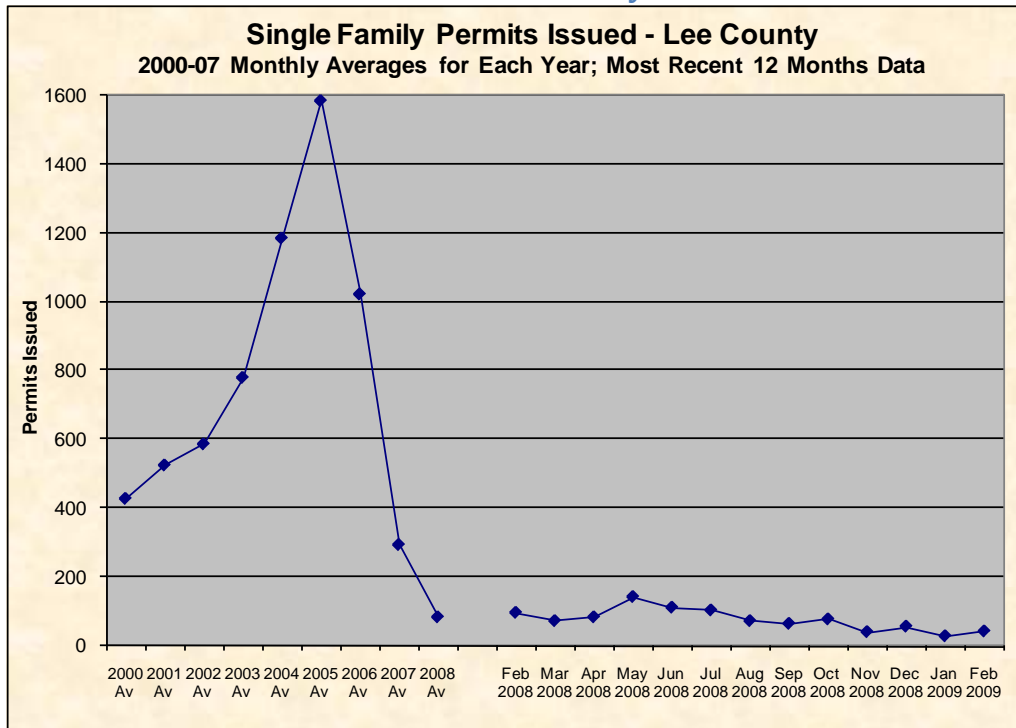


Source: Local County Tourism, Tax, and Economic Development Reports

Single-Family Building Permits

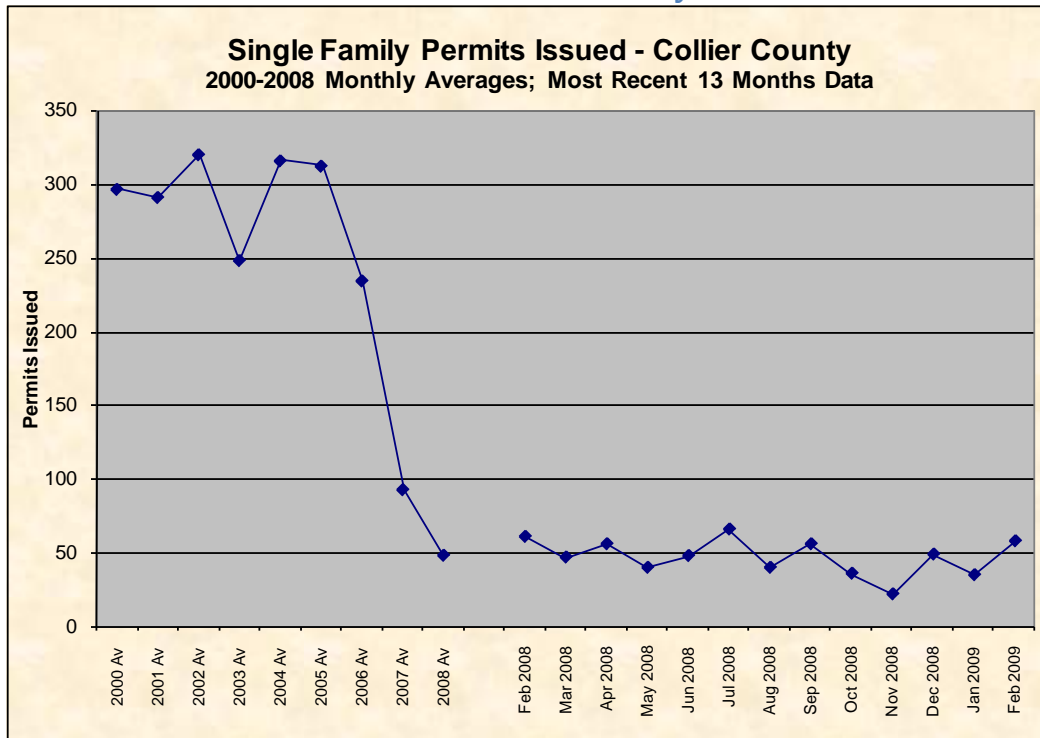
Single-family home permits issued remained low for the region as the economy's recession and a large inventory of homes continued to put downward pressure on housing prices. The February single-family permitting in Lee County increased to 44 in February from 30 in January as shown in Chart 7; one year ago, the figure was 98. Single-family permits for Collier County increased from 35 in January to 58 in February 2009, as shown in Chart 8. This fell short of the Collier County total of 61 in February 2008. In Charlotte County, 40 permits were issued in February 2009 compared to 38 in January 2009, as illustrated in Chart 9. In February 2008, Charlotte County issued 42 permits.

Chart 7: Lee County



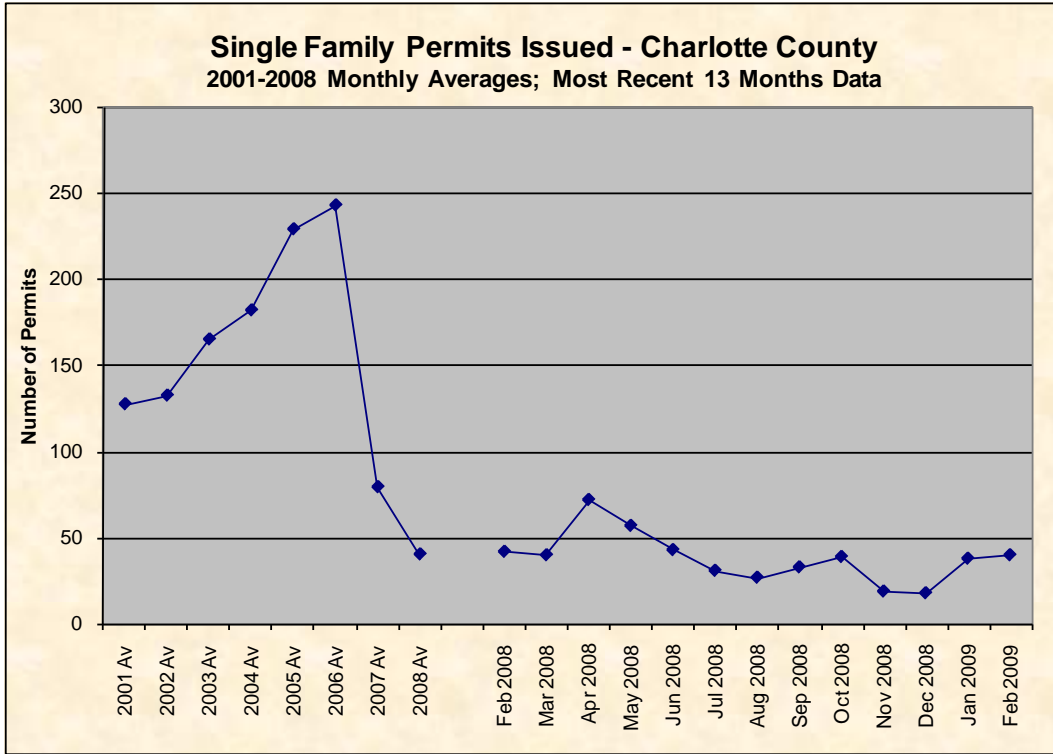
Source: Local Building and Zoning Departments, including Fort Myers, Cape Coral, and Unincorporated Lee County, Bonita Springs and Fort Myers Beach permits.

Chart 8: Collier County



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

Chart 9: Charlotte County



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

Taxable Sales

The December reporting of the taxable sales by the Florida Department of Revenue has been delayed so the taxable sales charts could not be updated this month. We have adjusted the taxable sales charts to show month of collection rather than the reporting month issued by the Florida Department of Revenue. This makes November the latest collection month plotted on the following charts. The taxable sales figures are used to track consumer spending, an important component of the regional economy. Chart 10 provides a historical range of average monthly taxable sales from 2000 to 2007, plus the latest 12 months of taxable sales by county.

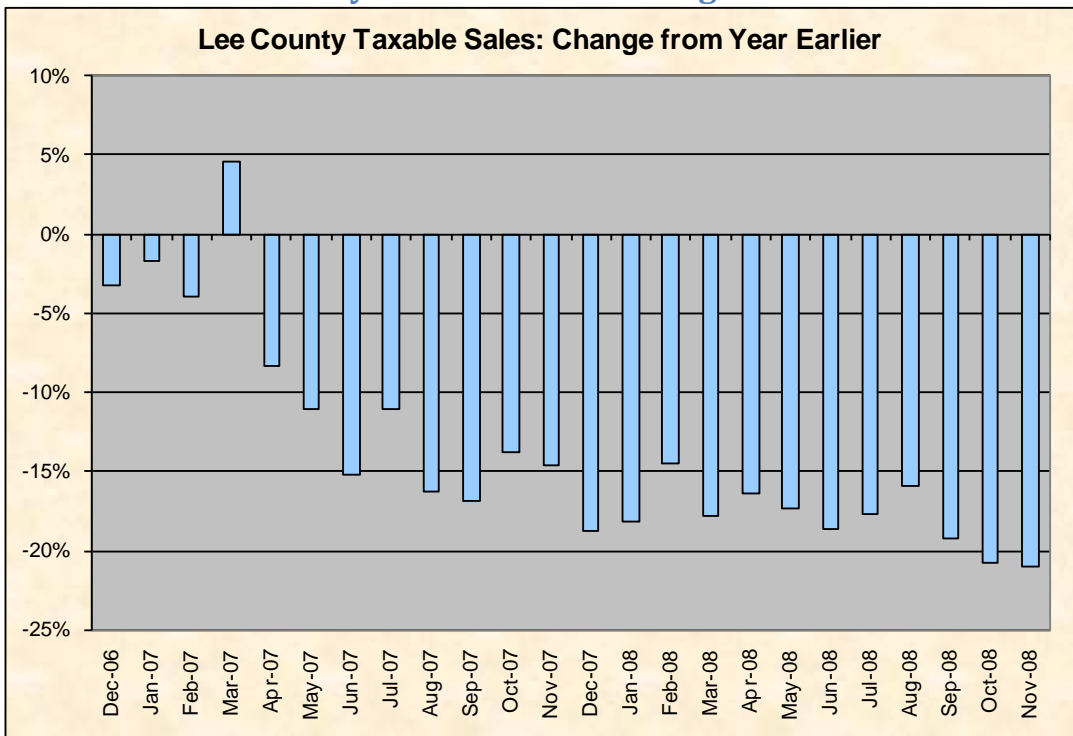
Each of the counties had a month-to-month increase in taxable sales in November 2008, as expected during the busier winter season. The local impact of the current recession is clearly visible in the year-to-year percentage drops in taxable sales. Lee County saw November 2008 taxable sales 21 percent below November 2007 levels as shown in Chart 11. Collier and Charlotte Counties experienced year-to-year reductions of 16 and 20 percent, respectively, as shown in Charts 12 and 13. Hendry County's taxable sales (not charted) were off by 24 percent from a year earlier, while Glades (not charted) was down by 34 percent.

Chart 10: Taxable Sales by County



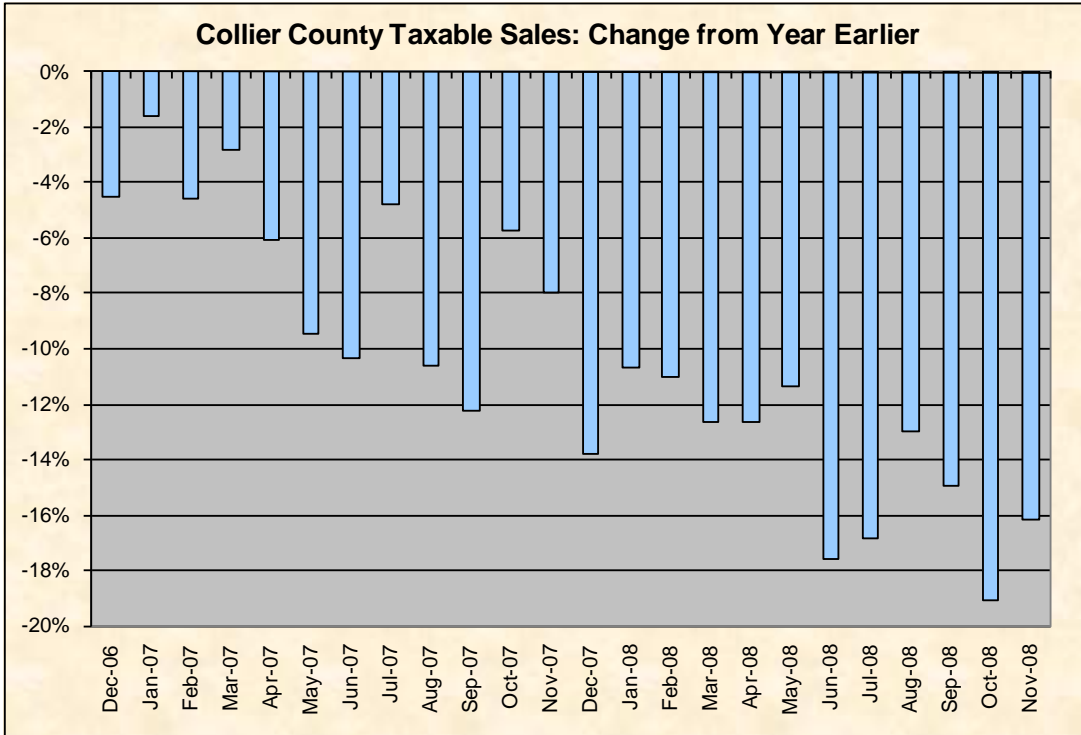
Source: Florida Department of Tax Research

Chart 11: Lee County Taxable Sales - Change from a Year Earlier



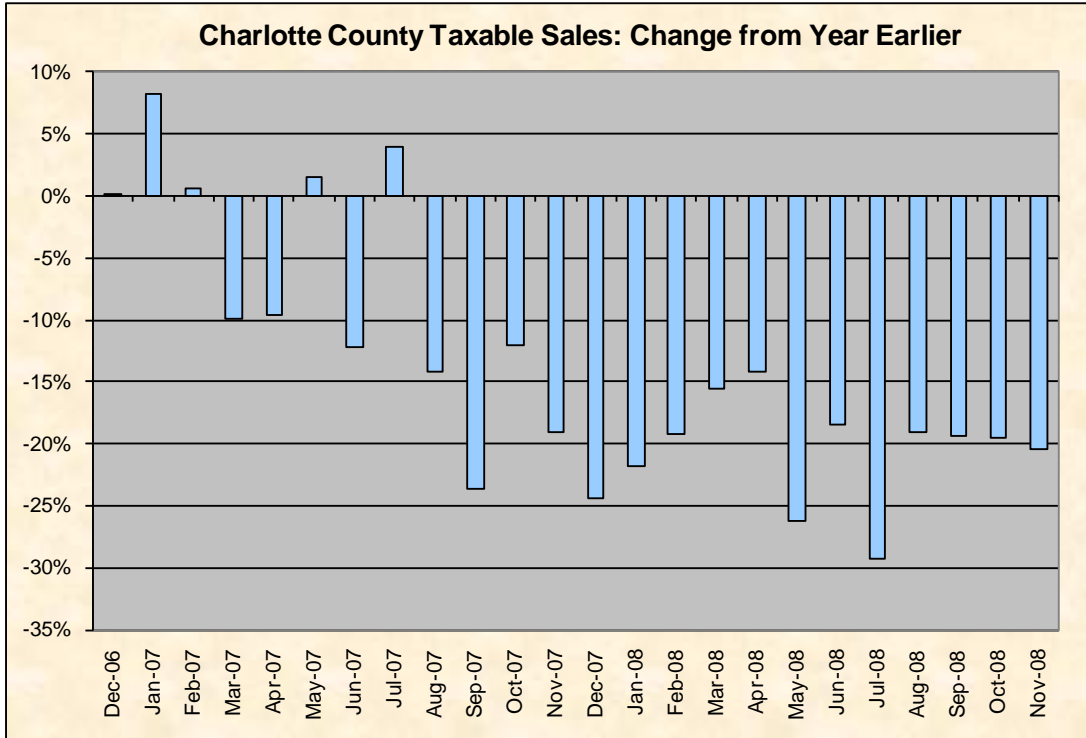
Source: Florida Department of Tax Research

Chart 12: Collier County Taxable Sales - Change from a Year Earlier



Source: Florida Department of Tax Research

Chart 13: Charlotte County Taxable Sales - Change from a Year Earlier



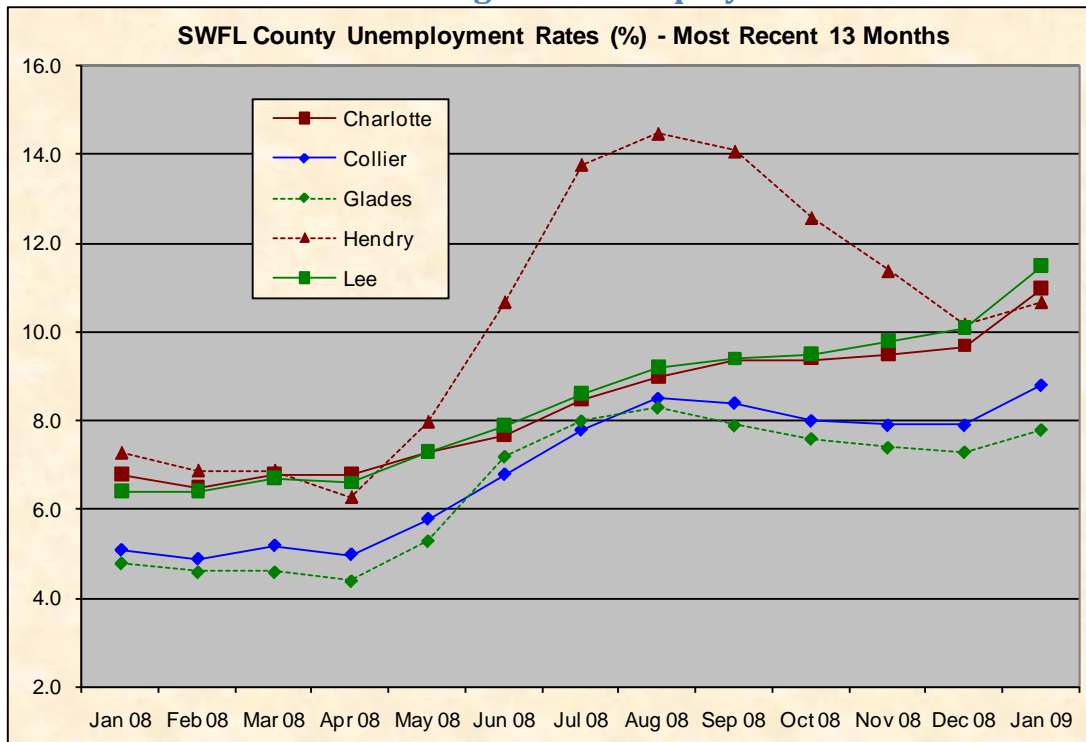
Source: Florida Department of Tax Research

Workforce – Unemployment

Unemployment levels in Southwest Florida remain high, as shown in Chart 14. Lee County's unemployment rate rose from 10.1 percent in December 2008 to 11.5 percent in January 2009. Collier County's unemployment rate rose to 8.8 percent in January 2009 from 7.9 percent in December 2008. Charlotte County's unemployment rate rose to 11.0 percent in January 2009 from 9.7 percent in December 2008. Hendry County unemployment increased from 10.2 percent in December to 10.7 percent in January 2009. Glades County's unemployment increased from 7.3 percent in December 2008 to 7.8 percent in January 2009. The Florida unemployment rate rose to 8.6 percent in January 2009 and the national unemployment rate rose from 7.6 percent in January 2009 to 8.1 percent for February 2009. The February national unemployment level for teenagers was estimated at 21.6 percent, adult men at 8.1 percent, and adult women at 6.7 percent. African-Americans had the highest national unemployment rate of 13.4 percent, Hispanics at 10.9 percent, and Whites at 7.3 percent. The Florida unemployment rate of 8.6 percent in January is the highest level since September 1992. Florida unemployment reached 9.7 percent in January 1976 and 11.9 percent in May 1975.

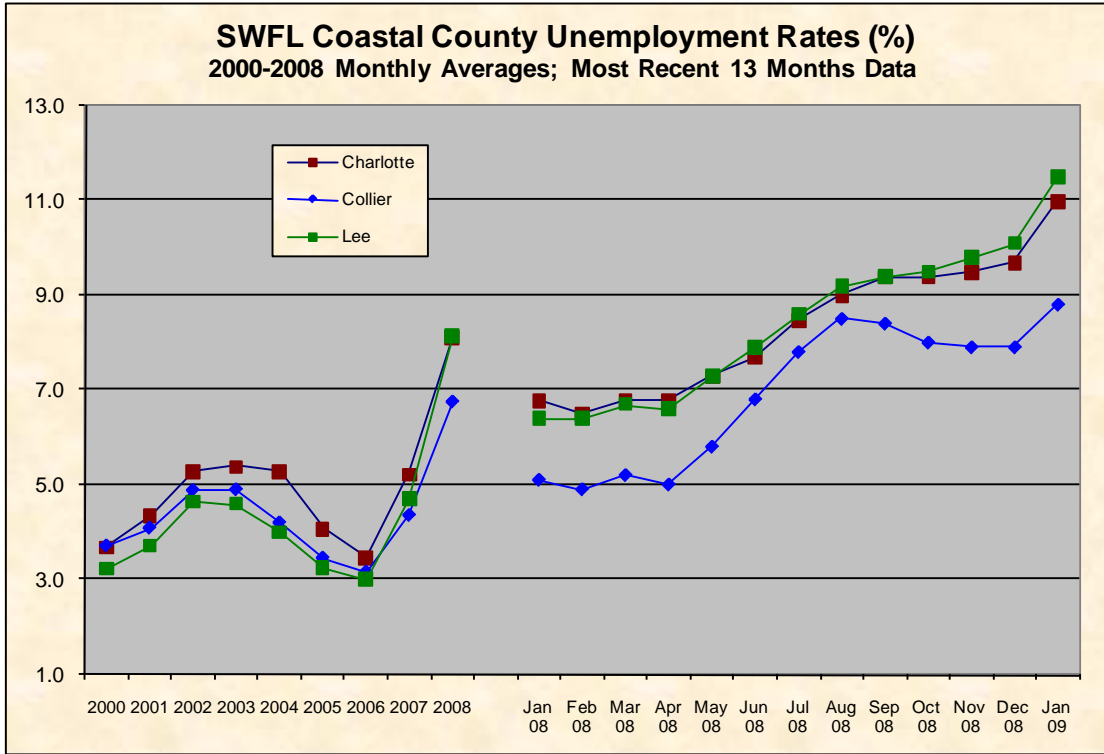
Charts 15 and 16 show the unemployment rates for our region and provide a longer term historical perspective from 2000 to 2008 and the latest 12 months. Unemployment rates above 5.0 percent reflect cyclical unemployment and a slowdown of the economy from long-run trends. Our region has been hit particularly hard due to its dependence on housing and construction in general.

Chart 14: Regional Unemployment



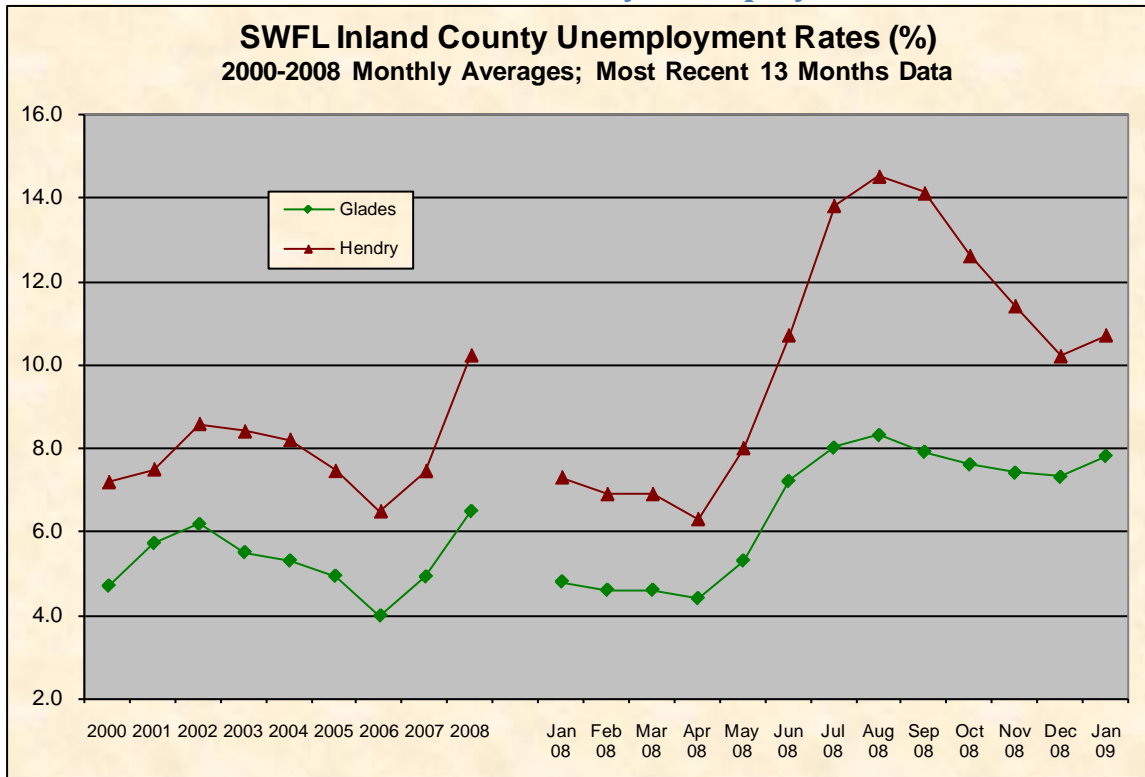
Source; AWI

Chart 15: Coastal County Unemployment



Source AWI

Chart 16: Inland County Unemployment

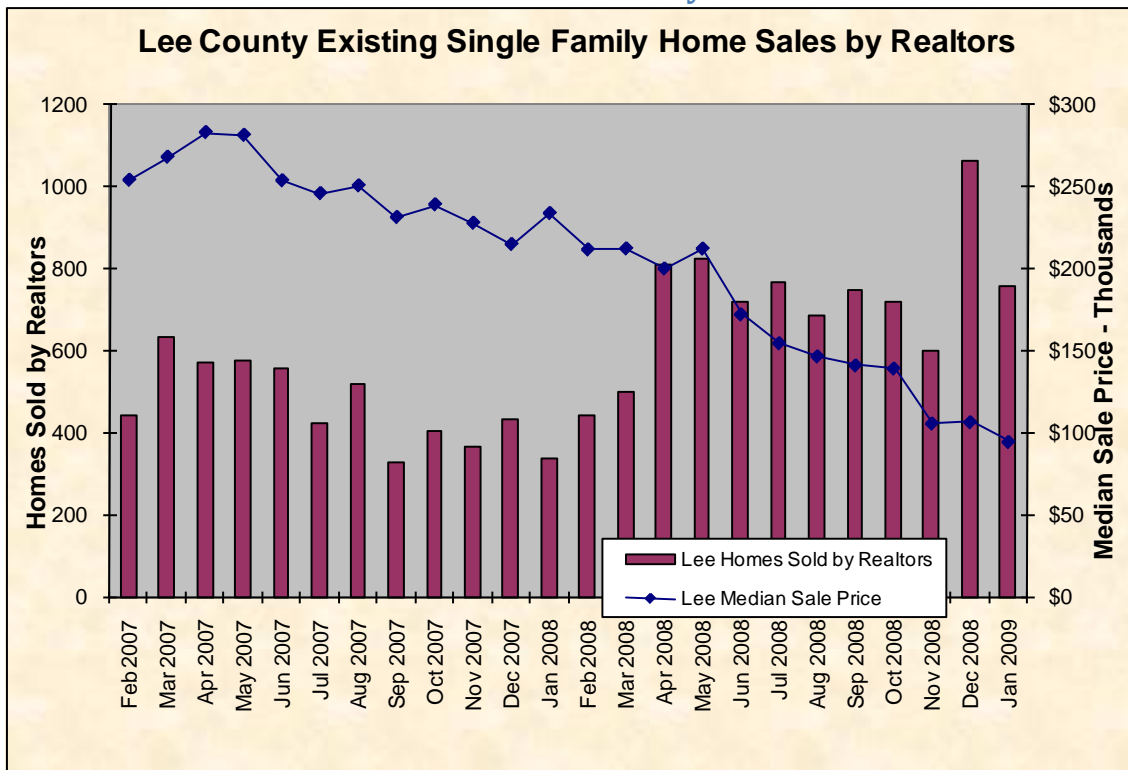


Source AWI

Sales of Single-Family Existing Homes and Median Sales Price

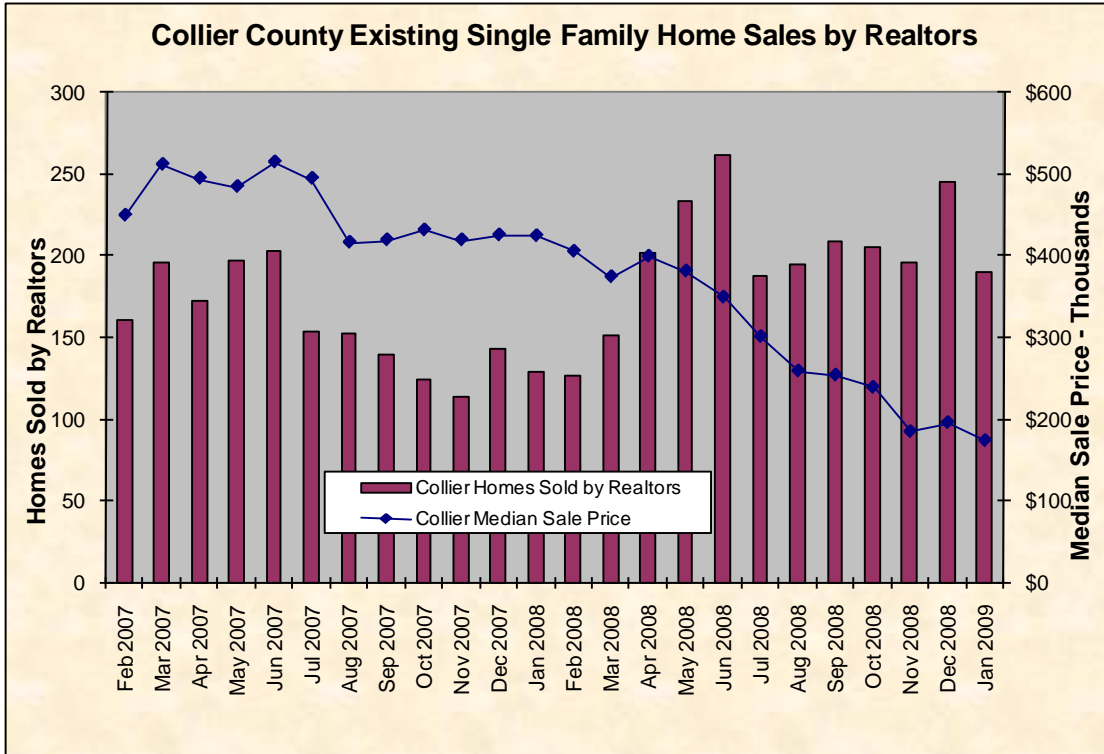
The number of existing single-family homes sold by Realtors in January 2009 decreased from the prior month in Lee, Collier, and Charlotte Counties. Lee County sales decreased from 1,064 in December 2008 to 758 in January 2009, as shown in Chart 17. The median sales price for Lee County decreased from \$106,900 to \$94,900. Collier County sales decreased from 245 to 190 with the median price falling to \$175,000 from \$197,000 in December as shown in Chart 18. Charlotte County sales decreased from 200 in December to 175 in January, with the median sales price decreasing from \$102,400 to \$99,500, as shown in Chart 19.

Chart 17: Lee County



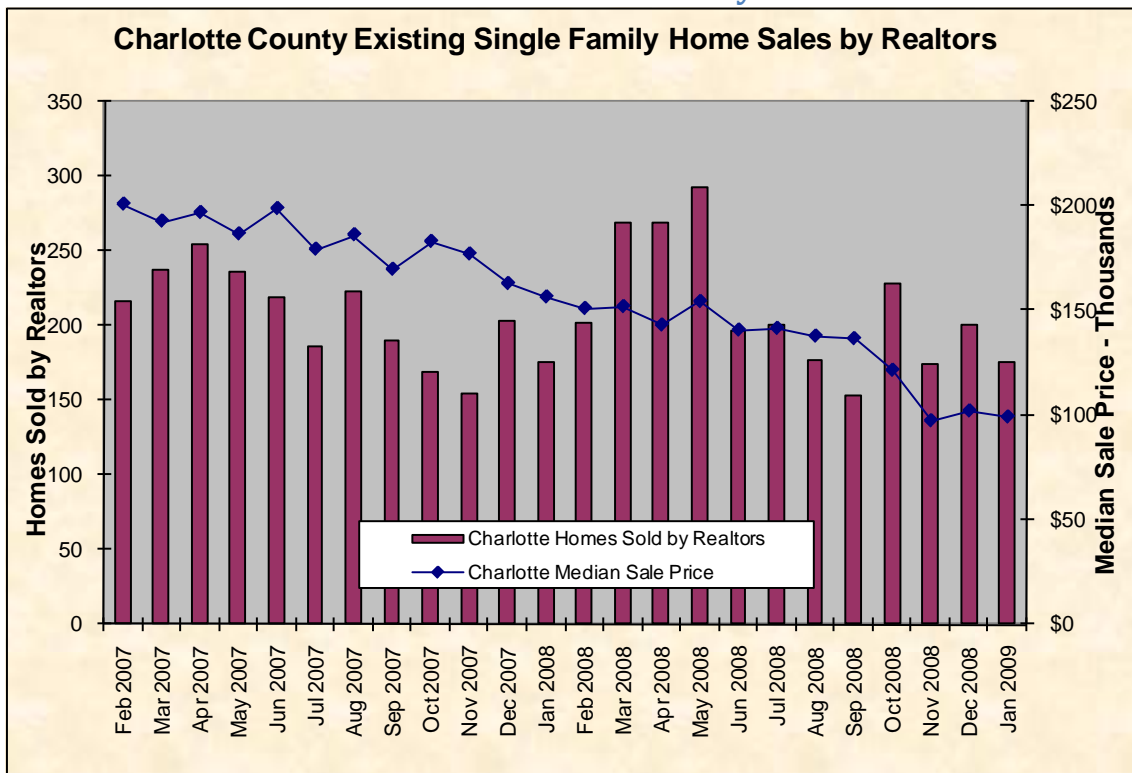
Source: Florida Association of Realtors® Fort Myers – Cape Coral MSA <http://media.living.net/statistics/statisticsfull.html>

Chart 18: Collier County



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

Chart 19: Charlotte County



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

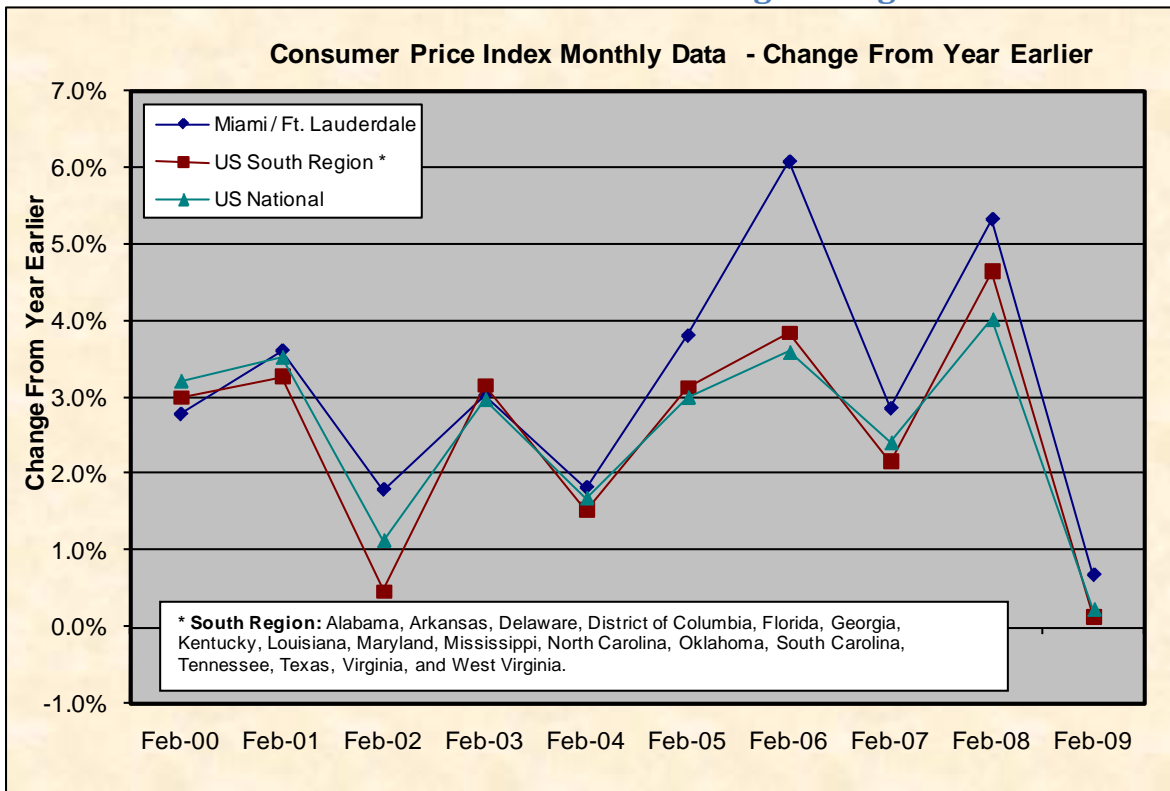
Consumer Price Index

The consumer price index (CPI) is reported for the nation, region, and the Miami-Fort Lauderdale area. The Miami-Fort Lauderdale area CPI is collected every two months. For the last 12 months ending in February 2009, it has increased by 0.7 percent, as shown in Chart 20. The overall Miami-Fort Lauderdale CPI index for the last 12 months ending February 2009 can be broken down into the following component parts:

- Food and beverages rose 3.7 percent; ↑
- Housing rose 2.9 percent; ↑
- Apparel fell 2.8 percent; ↓
- Transportation fell 9.2 percent; ↓
- Medical care rose 5.4 percent; ↑
- Recreation rose 3.1 percent; ↑
- Education and communication fell 0.2 percent; and ↓
- Other goods and services rose 3.9 percent. ↑

Food, medical care, and other goods and services costs have risen substantially over the last year.

Chart 20: CPI Annual Percentage Change

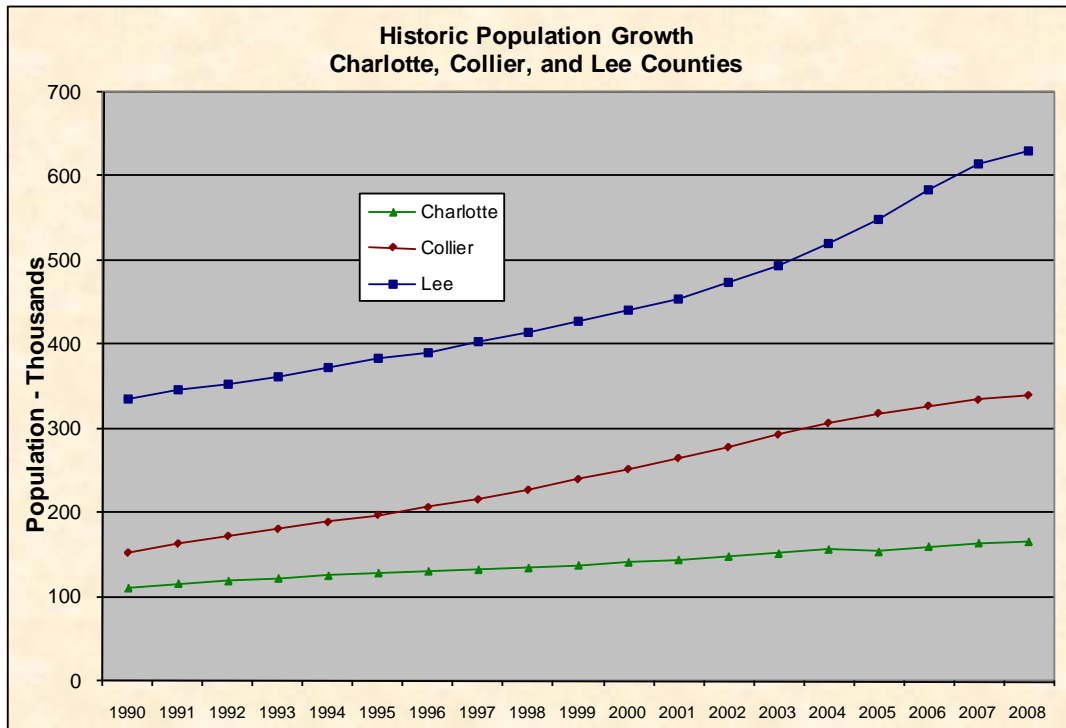


Source: BLS

Population

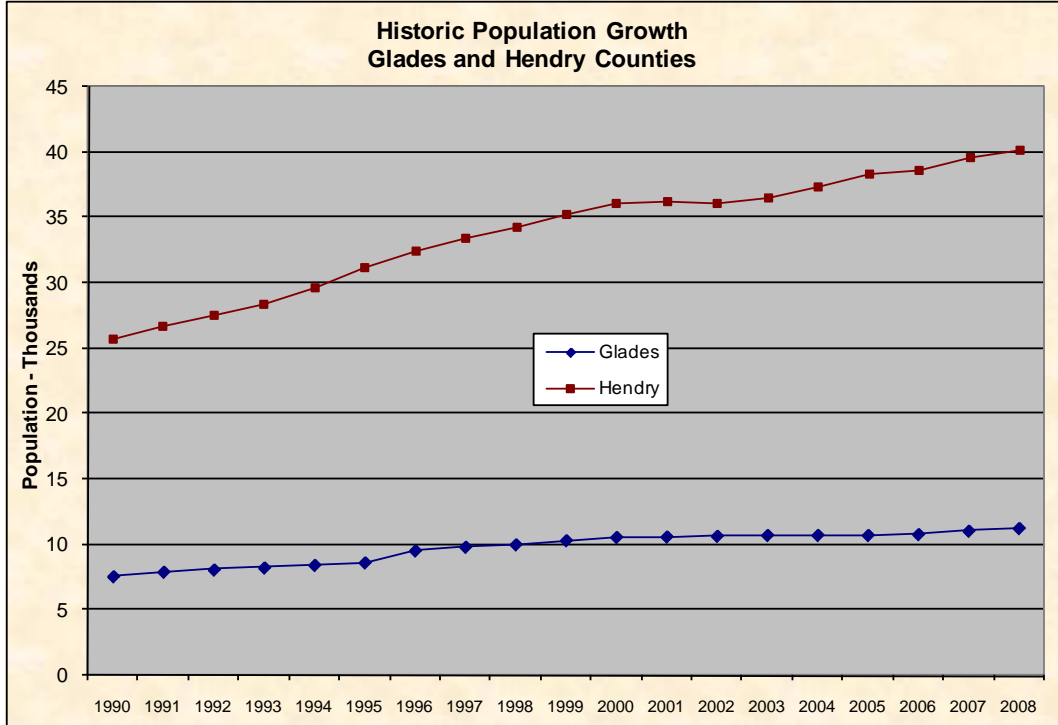
The length and severity of the current global recession is expected to slow regional and state population growth for the next couple of years. A Florida Demographic Estimating Conference was held in July 2008 and their forecasts are included in this report. Charts 21 and 22 show the historic population growth from 1990 to 2008. Collier County grew at an average annual growth rate of 4.6 percent from 1990 to 2008. Lee County almost doubled its population from 1990 to 2008 growing at an annual rate of 3.6 percent. As indicated in Chart 22, Charlotte, Glades, and Hendry Counties had average annual rates of population growth between 2.2 and 2.5 percent per year. Table 1 shows projected population increases for 2008 to 2030 and Chart 21 provides a chart of the population projections for 2008 through 2030. Charts 24 through 26 provide the percentages of regional population by County for the years 1990, 2008, and 2030.

Chart 21: Coastal Counties Growth 1990 to 2008



Source: Florida EDR: July 2008.

Chart 22: Inland County Growth 1990 to 2008



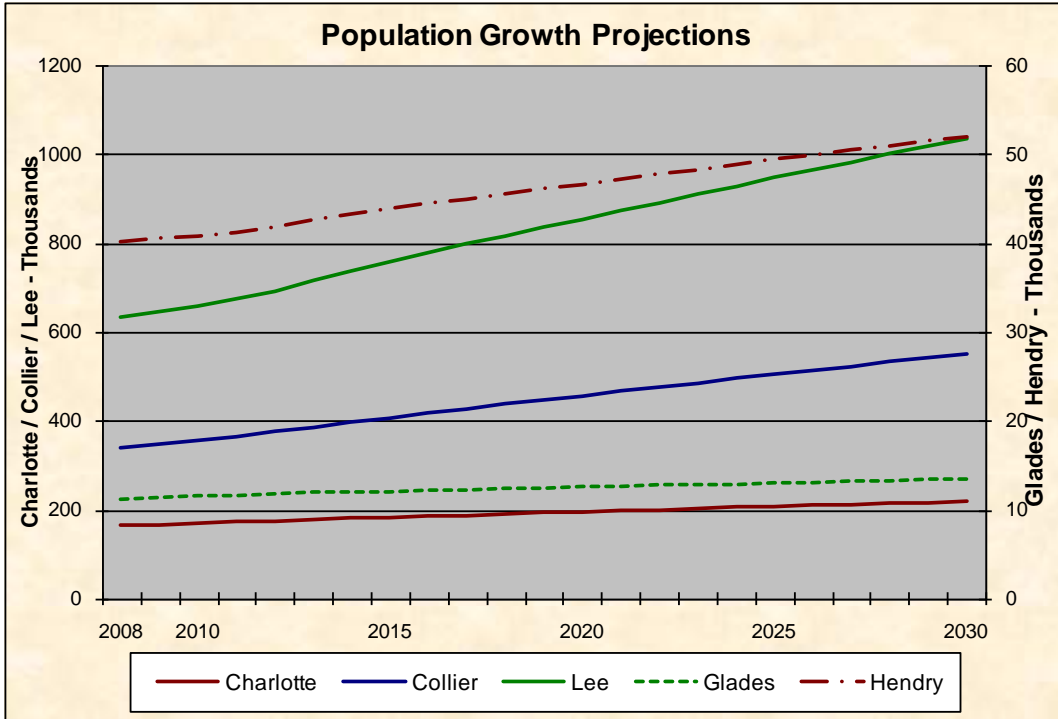
Source: Florida EDR: July 2008.

Table 1: Projections by County
EDR Demographic Estimating Conference
Population Estimates and Projections by County

| Year | Charlotte | Collier | Lee | Hendry | Glades |
|-------------|-----------|---------|-----------|--------|--------|
| 2008 | 166,112 | 339,128 | 631,733 | 40,208 | 11,256 |
| 2010 | 169,694 | 353,878 | 654,599 | 40,828 | 11,597 |
| 2020 | 195,899 | 455,288 | 852,005 | 46,678 | 12,556 |
| 2030 | 219,266 | 548,872 | 1,033,510 | 51,969 | 13,422 |

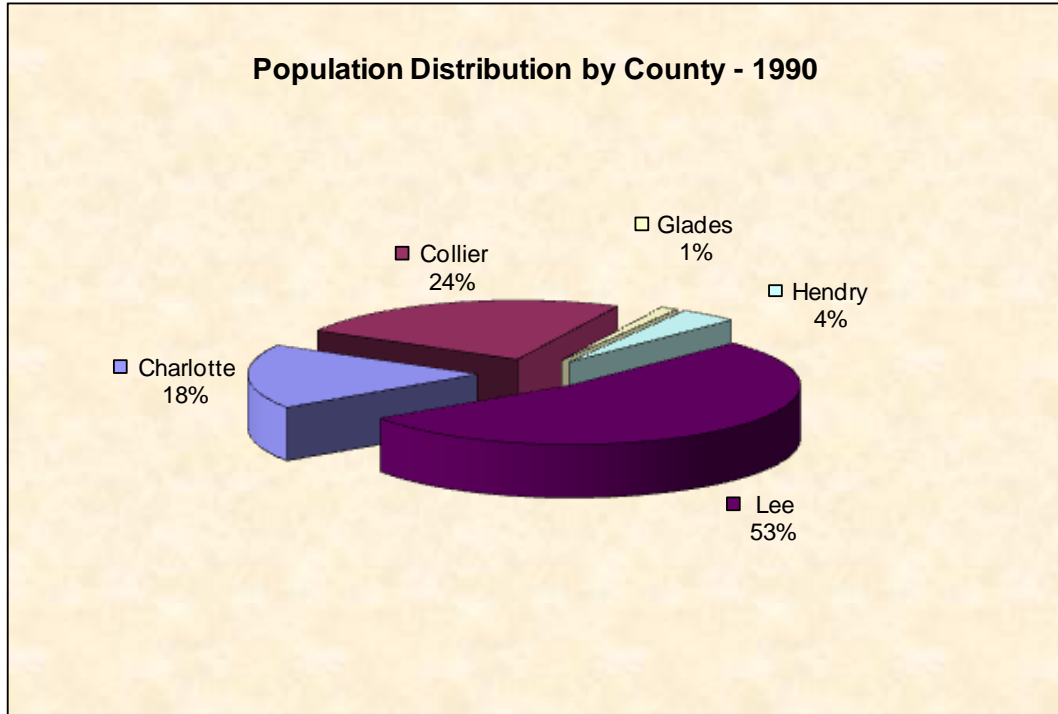
Source: Florida EDR: July 2008.

Chart 23: Projections by County



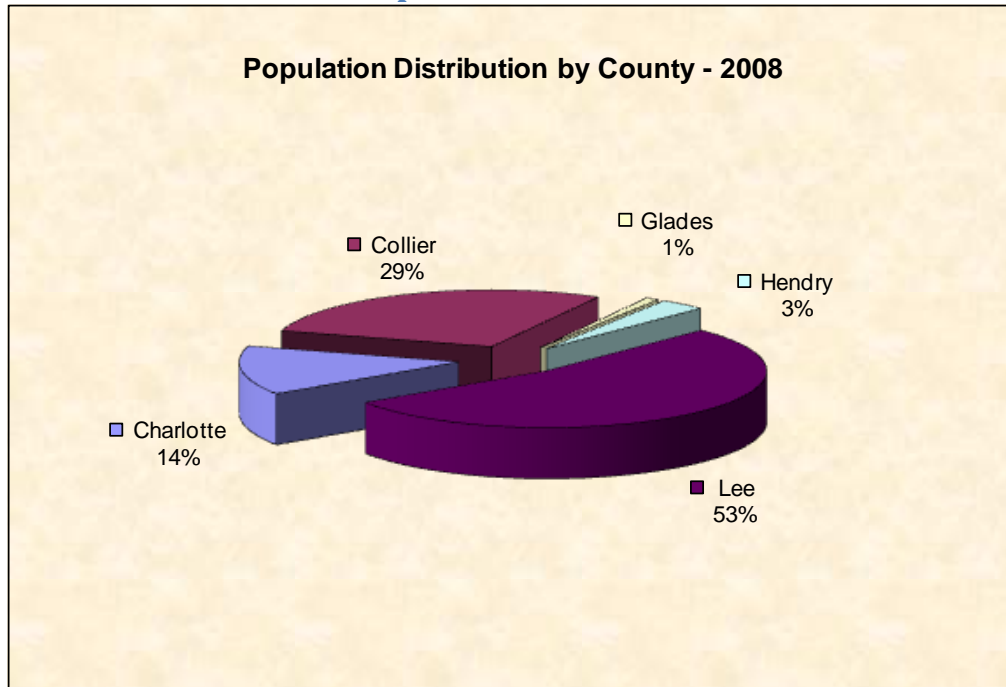
Source: Florida EDR: July 2008.

Chart 24: Population Distribution 1990



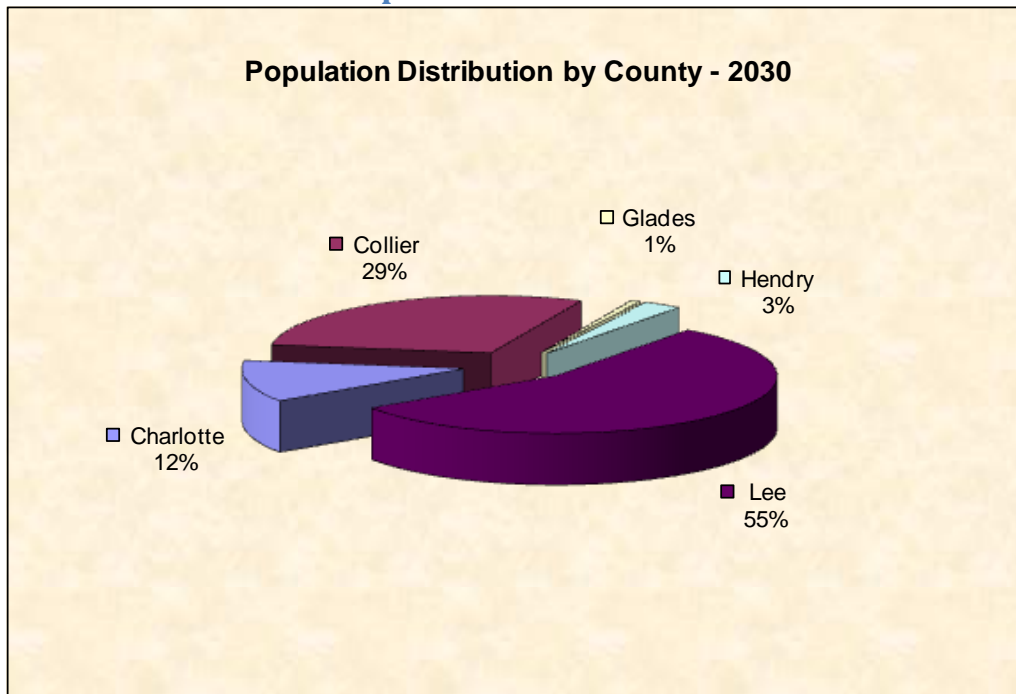
Source: Florida EDR: July 2008.

Chart 25: Population Distribution 2008



Source: Florida EDR: July 2008.

Chart 26: Population Distribution 2030



Source: Florida EDR: July 2008.