

Southwest Florida Regional Economic Indicators

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Regional Economic Research Institute

Lutgert College Of Business
Phone 239-590-7319
Florida Gulf Coast University
10501 FGCU Blvd. South
Fort Myers, FL 33965

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Contact List:

Dr. Gary Jackson, Director, Regional Economic Research Institute
Phone: 239-590-7317 Email: gjackson@fgcu.edu

Mr. Steve Scheff, Business Analyst, Regional Economic Research Institute
Phone: 239-590-7315 Email: sscheff@fgcu.edu

Mr. Jim Breitbach, Technical Support

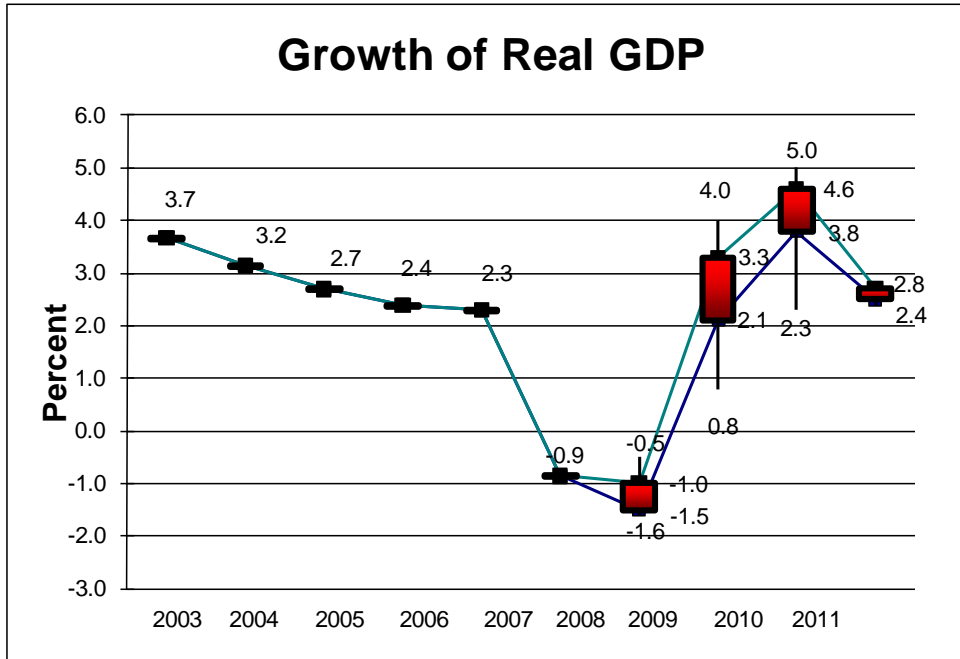
Introduction

The Federal Reserve Open Market Committee met on June 23 and 24, 2009, and provided an update on the national economy. The press release from the meeting stated that:

- The pace of economic contraction has slowed;
- Conditions in financial markets have improved;
- Household spending showed signs of stabilizing but was constrained by ongoing job losses, lower housing wealth, and tight credit; and
- Progress has been made in bringing inventory stocks into better alignment with sales.

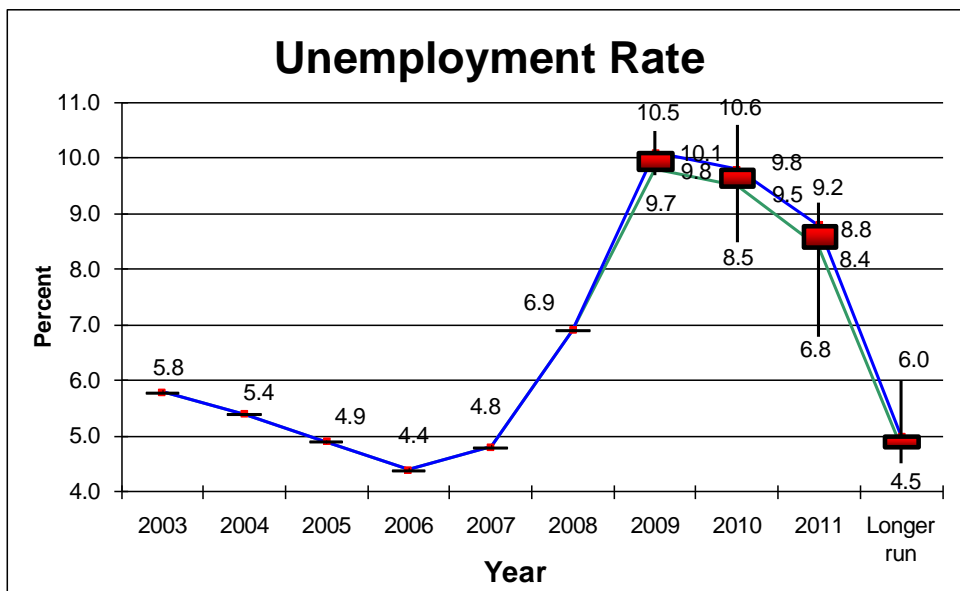
The Federal Reserve Open Market Committee updated their national forecast of the economy. The new GDP forecast reduces the fall in 2009 and has faster growth in 2010 and 2011. A sluggish recovery in sales and production is expected to begin during the second half of 2009. The expected unemployment levels have been revised upward for 2009 through 2011. The recovery is expected to be gradual and it is anticipated that unemployment will remain high through 2011. The forecasts are shown in the following "box and whiskers" charts. The red boxes are the central tendency forecast and the full range of uncertainty is reflected in the whiskers or vertical lines. The next meeting of the Open Market Committee is planned for August 11 and 12, 2009 and given that inflation is expected to remain subdued, the federal funds interest rate is expected to remain in the range of 0 to 1/4 percent for an extended period of time.

Real GDP has declined in 2009 and the chart shows a recovery in 2010, but it will be several years before the economy returns to a more normal long-run trend. In 2010 and 2011, real GDP is forecast to have a fairly rapid recovery followed by more normal long-term economic growth of around two and one-half to three percent.



Source: Minutes of the Federal Open Market Committee, June 23-24, 2009.

The national unemployment rate is expected to rise in 2009 to between 9.7 and 10.5 percent. The June 2009 national unemployment rate was 9.5 percent so unemployment during the second half of 2009 is expected to rise. Unemployment in 2010 is expected to continue at a slightly lower but historically high rate of more than 9.5 percent. For 2011, the unemployment rate is expected to be approximately 8.5 percent before finally declining to a long-run rate of around five percent. The projections for unemployment are for the fourth quarter of each year.



Source: Minutes of the Federal Open Market Committee, June 23-24, 2009.

Our regional economic indicator charts continue to show the impact of the slowdown in the local economy in the form of low retail sales, high unemployment rates, low permitting levels, and low inflation rates. Unemployment in the five county region reached 12.4 percent in June, up from 11.6 percent in May. Passenger traffic at Regional Southwest Airport (RSW) saw a seasonal month-to-month decrease from April to May 2009, and a 9 percent decrease from May 2008. Tourism revenues were down throughout the region.

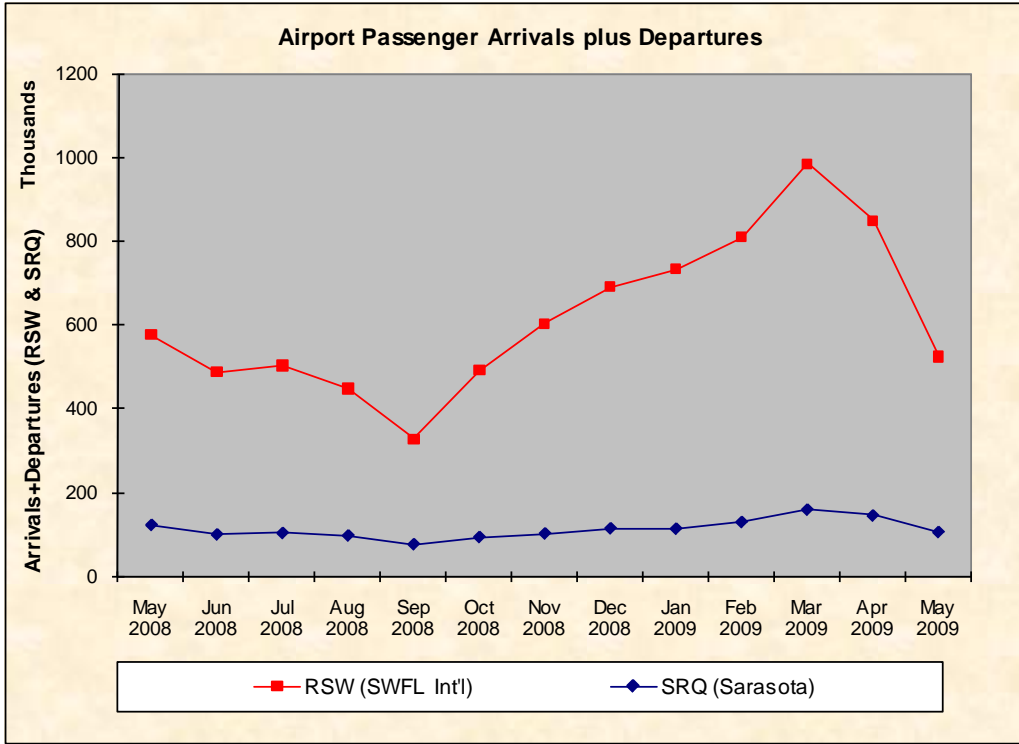
The Regional Economic Research Institute (RERI) is continuing to develop the regional economic database, and this report as a way to support its mission and assist the region. The Institute thanks its many partners for assistance in obtaining the data, including the Southwest Florida Regional Planning 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 and Sarasota airports and is shown in Charts 1 and 2. Peak seasonal activity occurs in February, March and April, with significantly lower activity 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.

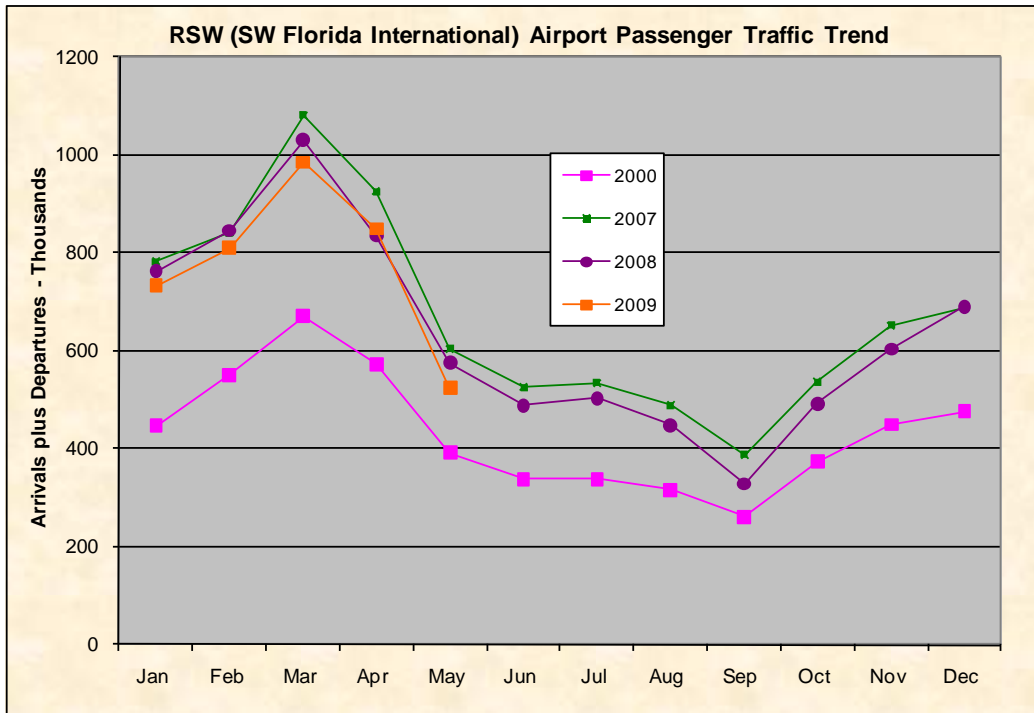
Regional Southwest Florida (RSW) airport located in Lee County is ranked as one of the fifty busiest airports in the nation. Passenger activity typically peaks in March, then falls off over the summer months, as shown in Chart 1. The May 2009 passenger level was 524,520 which is 9 percent lower than the May 2008 level, and 38 percent below April 2009 following the seasonal pattern. Sarasota (SRQ) passenger activity was 106,104 in May 2009, which was 14 percent below the May 2008 prior year figure, and 28 percent lower than April 2009 and is shown in Chart 3.. Charlotte County has added commercial passenger service and recorded May and June passenger activity of 7,759 and 9,521, respectively.

Chart 1: Regional Airport Arrivals and Departures



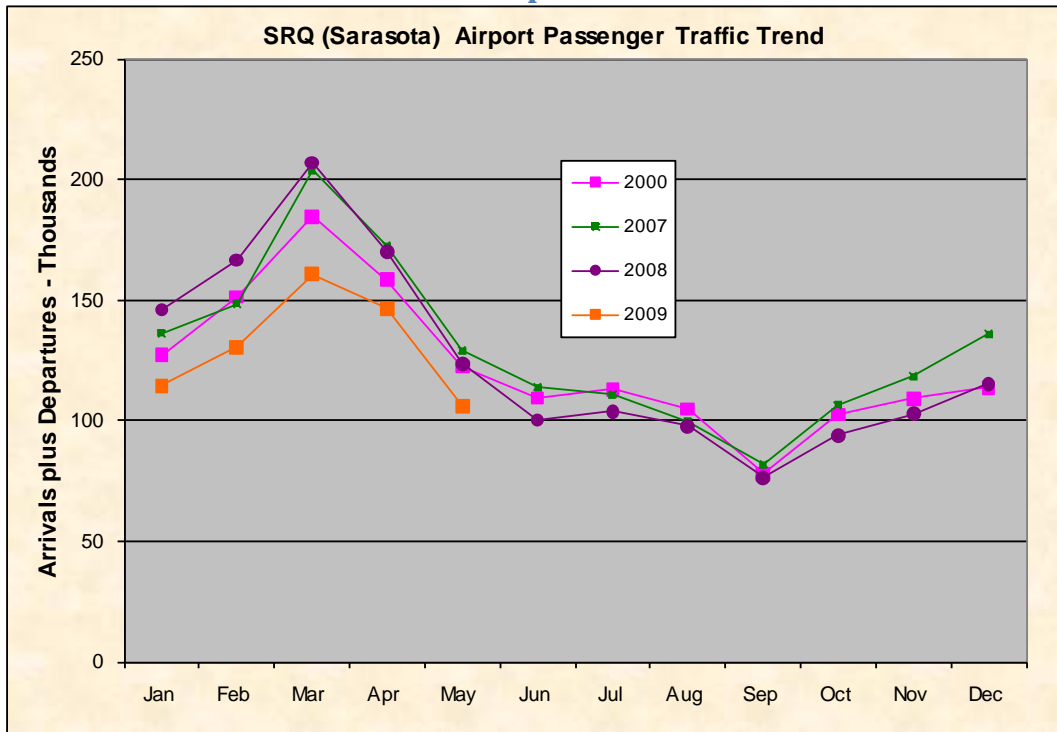
Source: Local Airport Authorities

Chart 2: RSW Traffic Trend



Source: Local Airport Authorities

Chart 3: Sarasota Airport Traffic Trend

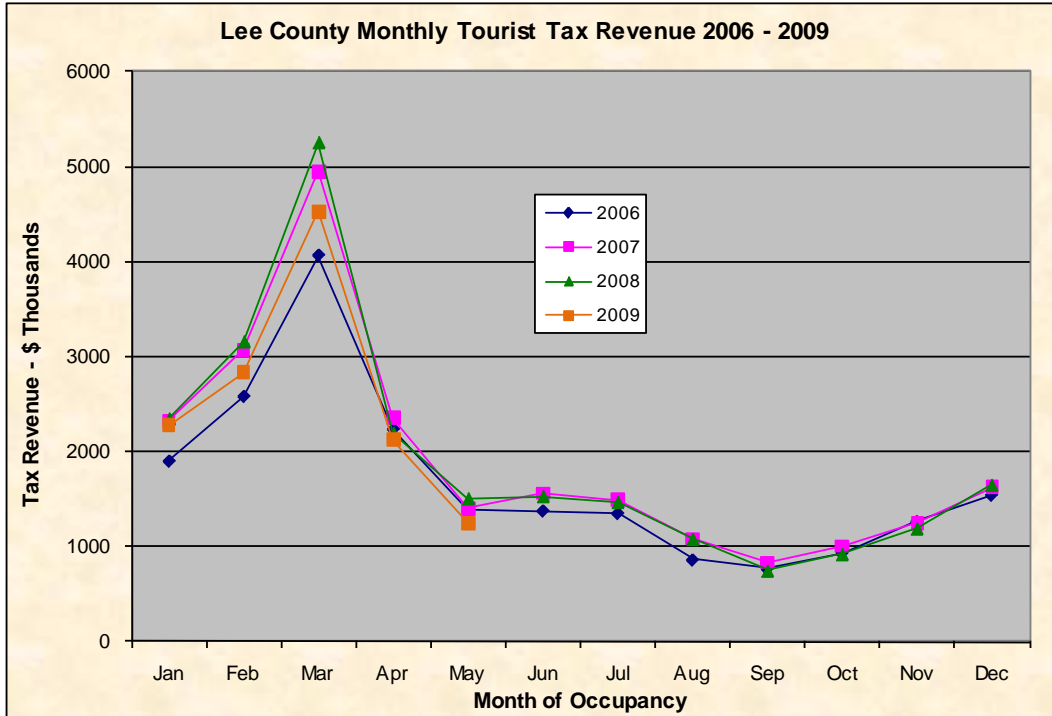


Source: Local Airport Authorities

Tourism Tax Revenues

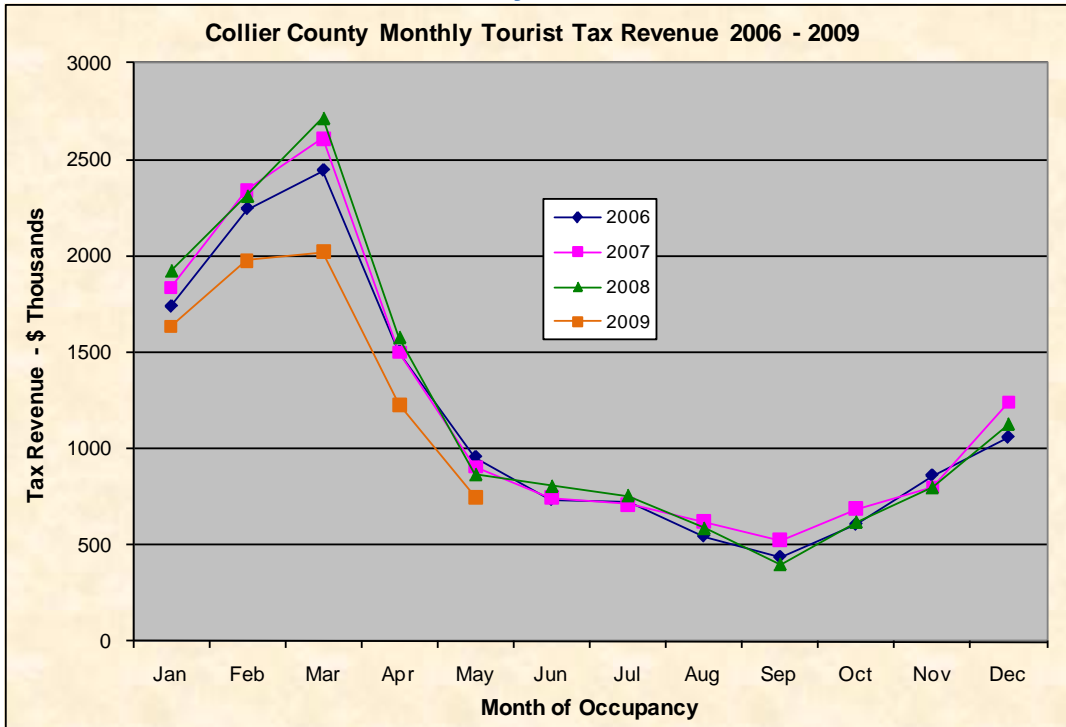
Tourism tax revenues for the region are shown in Charts 4, 5, and 6, and are based on month of occupancy. The charts show that May tourism tax revenues declined 17 percent for Lee, 14 percent for Collier, and 1 percent for Charlotte County, compared to May 2008. Due to seasonal factors, all three counties experienced significant declines (averaging 40 percent) from April 2009.

Chart 4: Lee County Tourism Tax Revenues



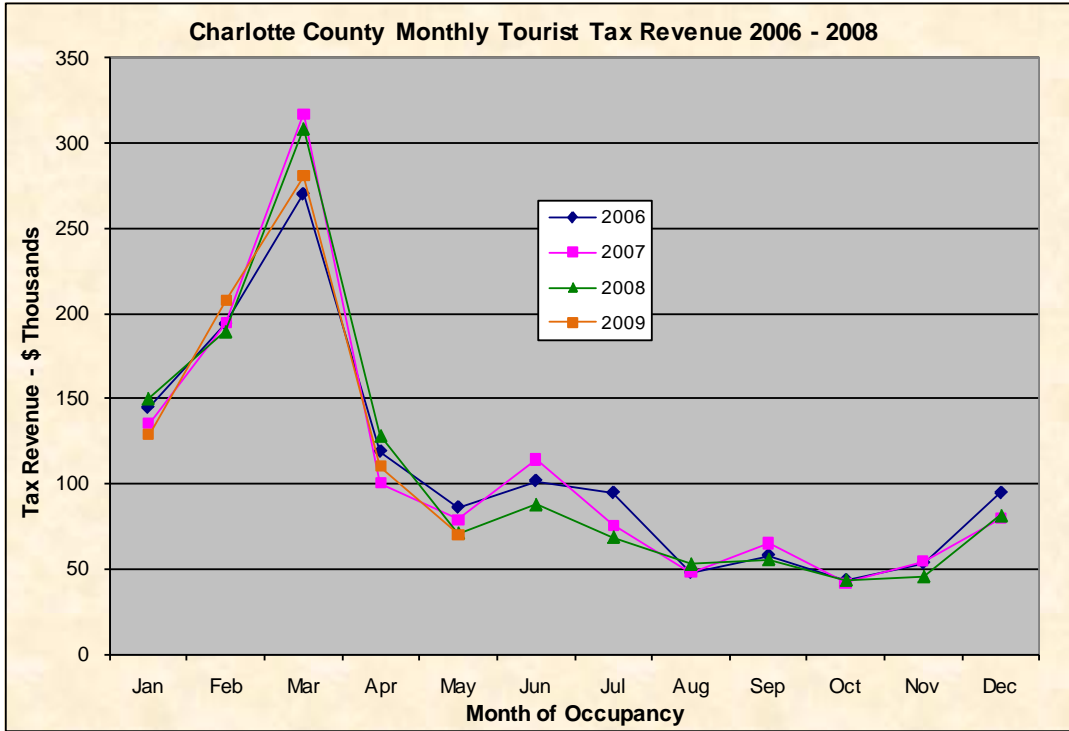
Source: Local County Tourism, Tax, and Economic Development Reports

Chart 5: Collier County Tourism Tax Revenues



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

Chart 6: Charlotte County Tourism Tax Revenues

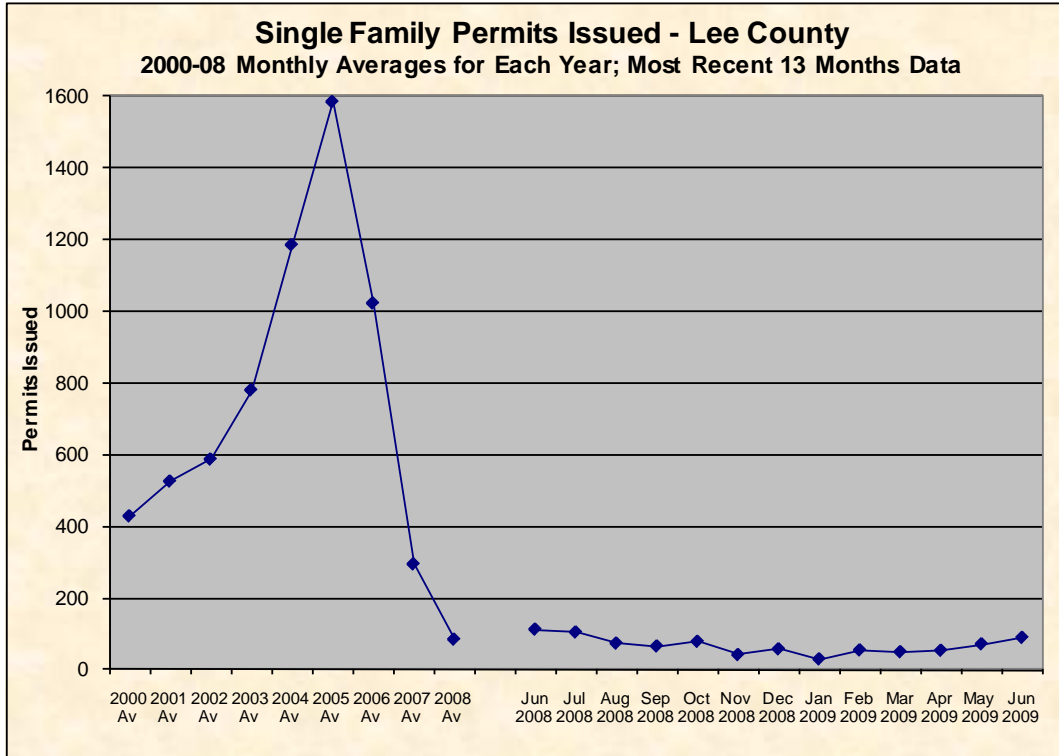


Source: Local County Tourism, Tax, and Economic Development Reports

Single-Family Building Permits

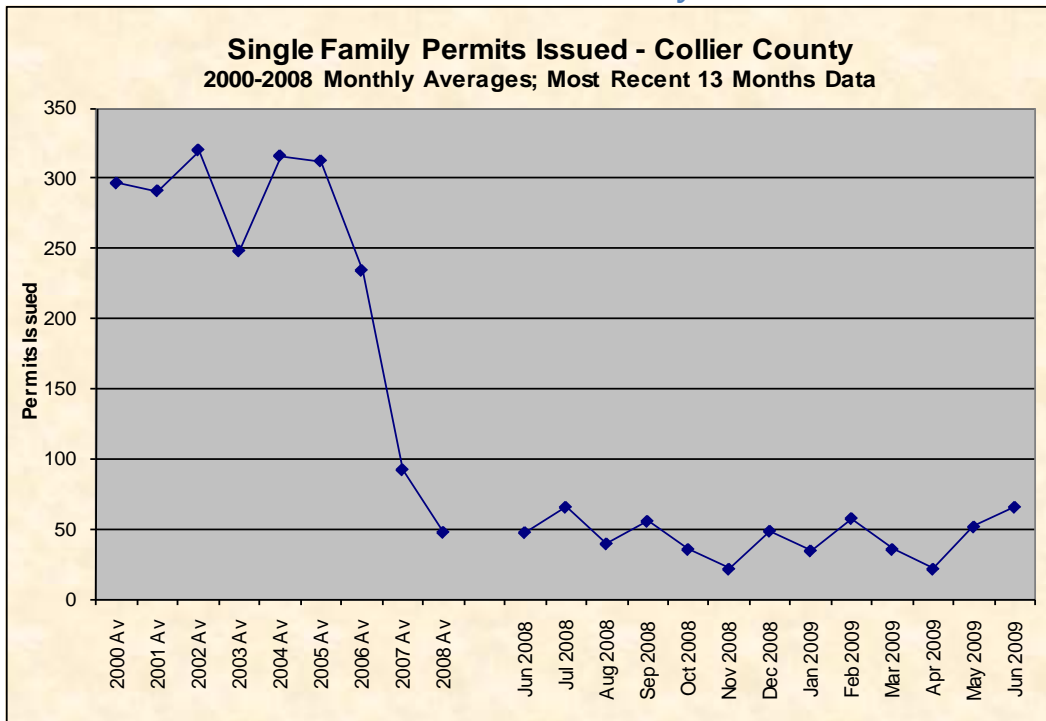
Single-family home permits issued increased again in June, but remained historically low for the region as the economy's recession and a large inventory of lower-priced existing homes are selling below replacement costs. The June single-family permitting in Lee County increased to 90 from 72 in May, as shown in Chart 7; one year ago, the figure was 113 and the monthly average for all of 2008 was 85. Single-family permits for Collier County also increased from 52 in May to 66 in June, as shown in Chart 8. This exceeded the June 2008 permit level of 48, as well as the monthly average of 48 for all of 2008. Single-family permits for Charlotte County increased from 16 in May to 33 in June, as shown in Chart 9; the prior year figure was 43, and the monthly average for all of 2008 was 41.

Chart 7: Lee County



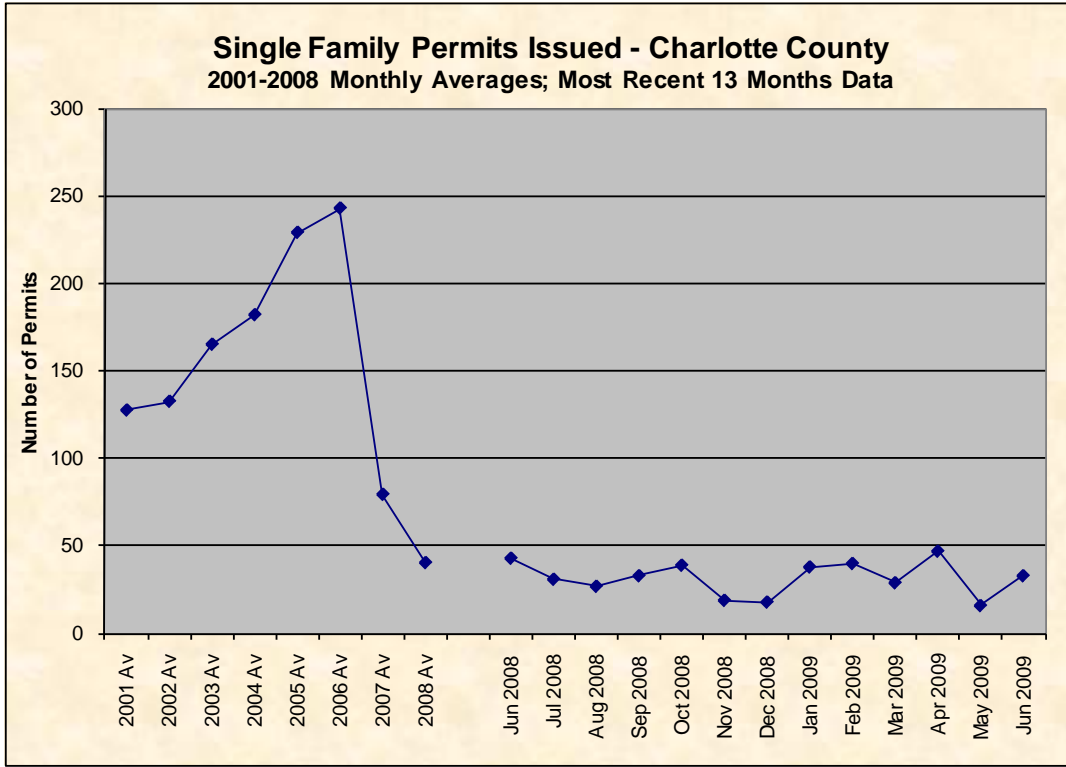
Source: Local Building and Zoning Departments, including Fort Myers, Cape Coral, and Unincorporated Lee County, Bonita Springs and Fort Myers Beach permits.

Chart 8: Collier County



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

Chart 9: Charlotte County



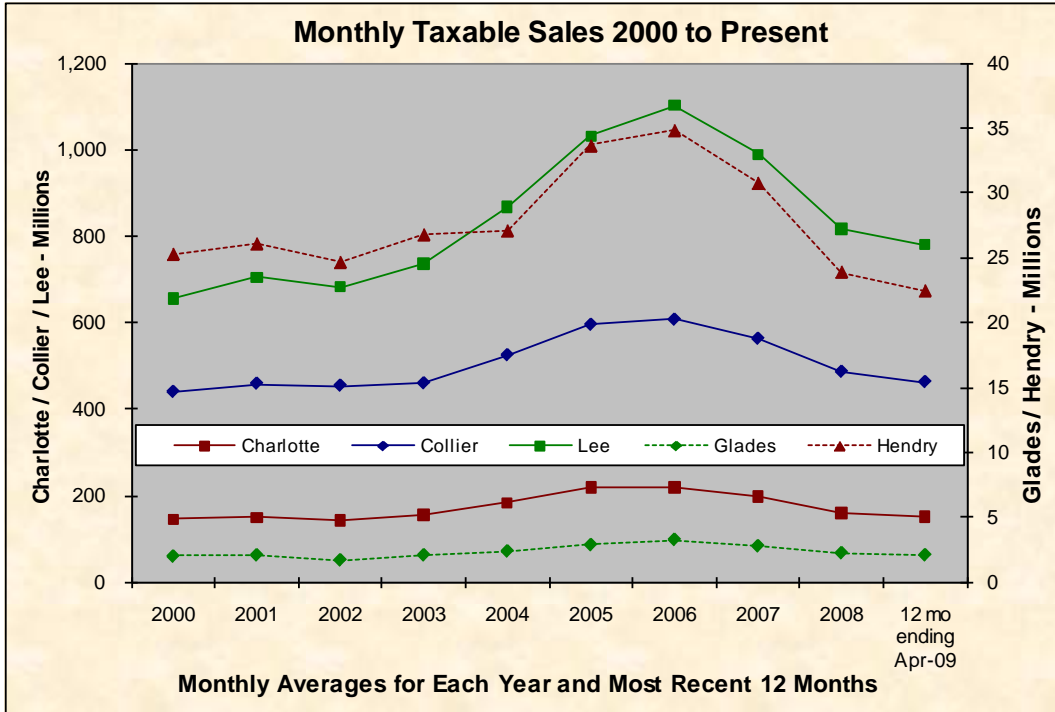
Source: Local Building and Zoning Departments, includes unincorporated Charlotte County permits only.

Taxable Sales

The taxable sales charts show month of collection by the merchant rather than the reporting month issued by the Florida Department of Revenue. This makes April 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 2008 and the latest 12-month average through April 2009.

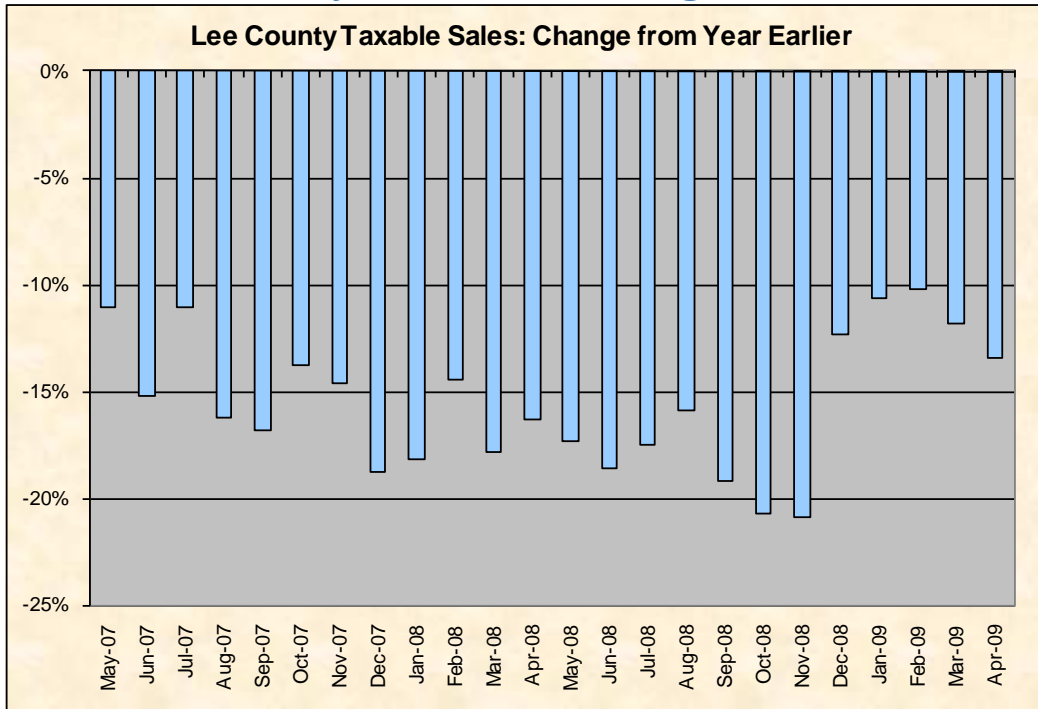
The local impact of the current recession continues to be visible in the year-to-year percentage decreases in taxable sales. Lee County saw April 2009 taxable sales collections 13 percent below year-earlier levels, as shown in Chart 11. Collier and Charlotte Counties experienced year-to-year reductions of 11 percent, as shown in Charts 12 and 13. Hendry County’s taxable sales (not charted) were off by 21 percent from a year earlier, while Glades (not charted) were down by 25 percent. Taxable sales for the five-county region declined by \$204 million, or 12 percent, between April 2008 and April 2009.

Chart 10: Taxable Sales by County



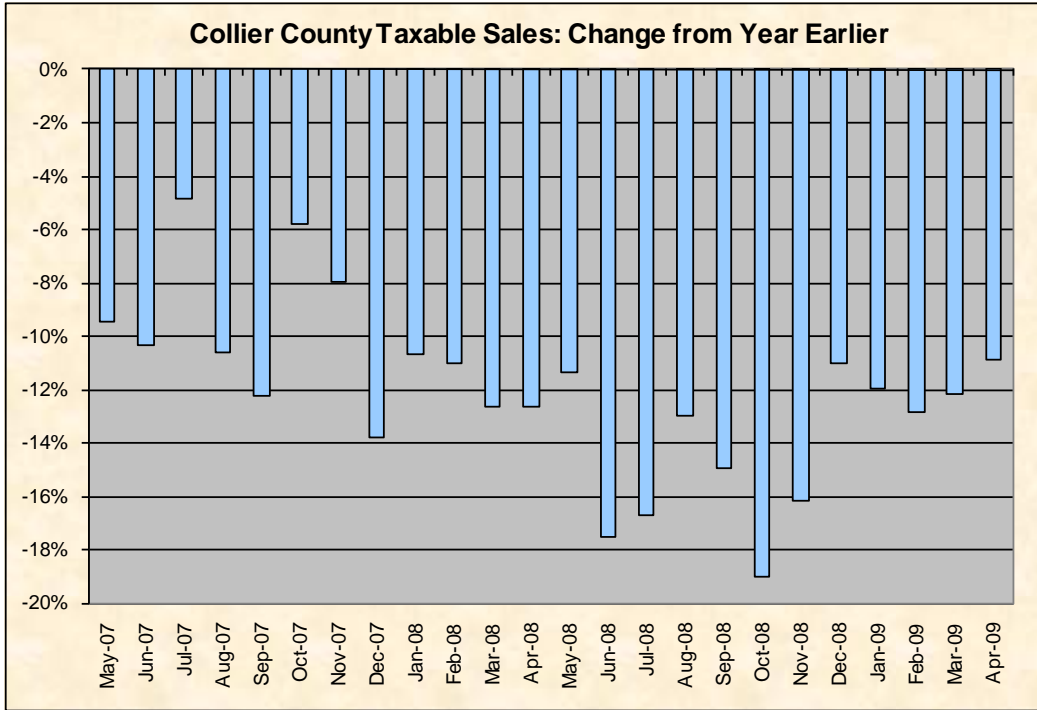
Source: Florida Department of Tax Research

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



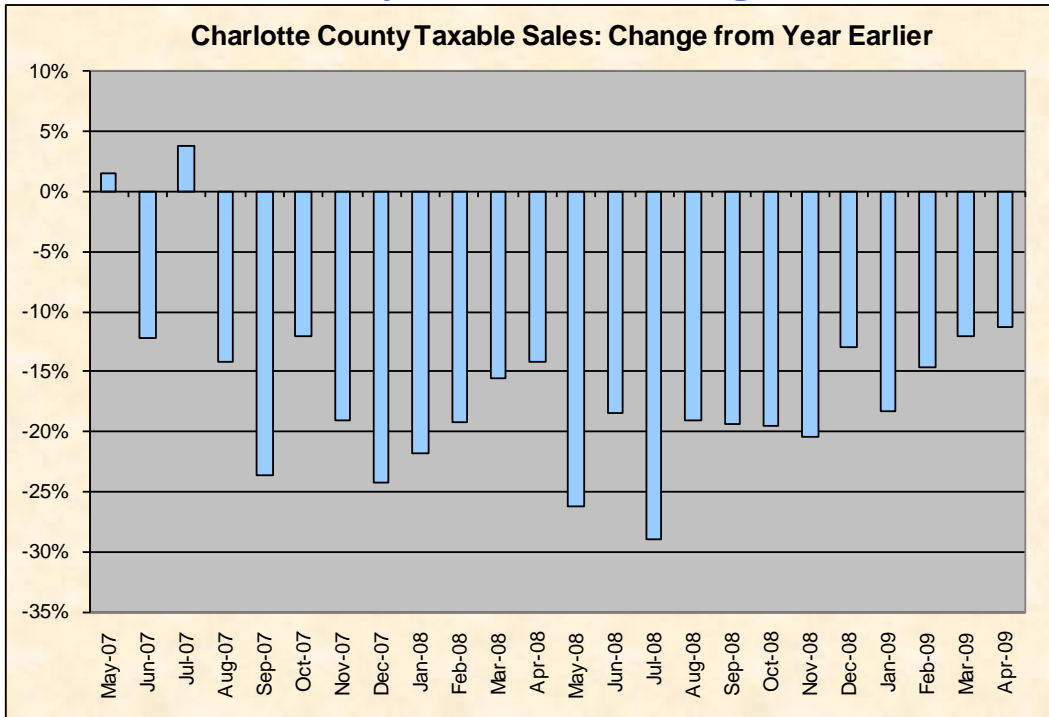
Source: Florida Department of Tax Research

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



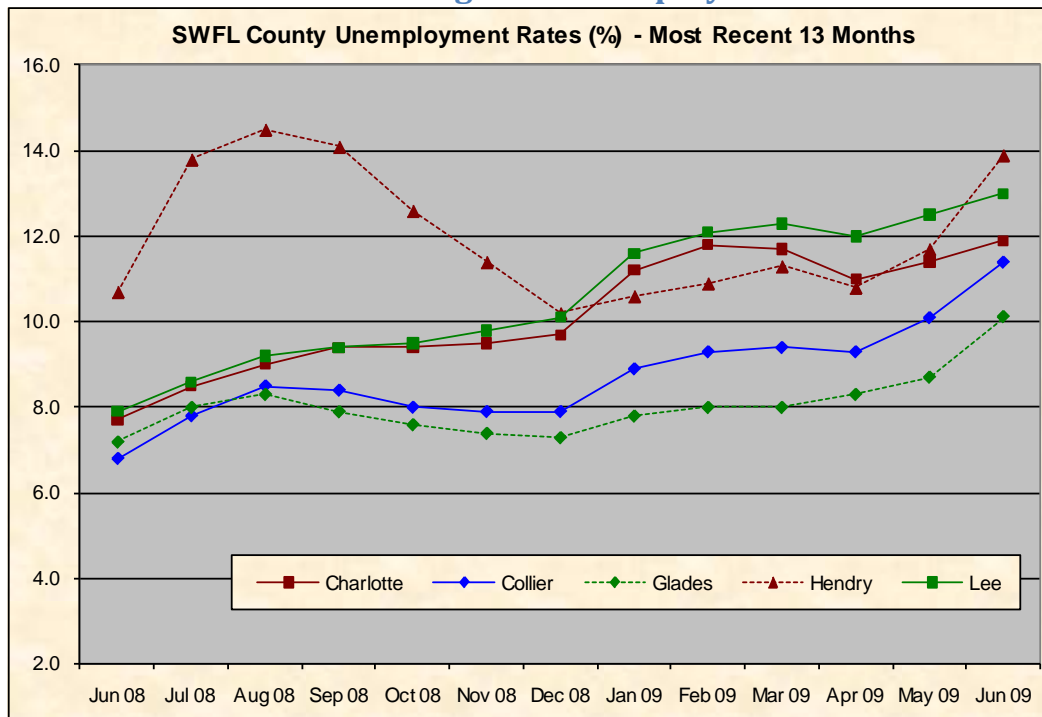
Source: Florida Department of Tax Research

Workforce - Unemployment

All Southwest Florida counties reported increased unemployment in June (Chart 14), compared to May. The unemployment rates tracked in this report are not seasonally adjusted. Lee County's unemployment rate increased from 12.5 percent in May to 13.0 percent in June 2009. Collier County's unemployment rate increased from 10.1 percent to 11.4 percent, and Charlotte County's figures increased from 11.4 percent to 11.9 percent. Hendry County unemployment increased from 11.7 percent in May to 13.9 percent in June 2009, while Glades County's unemployment increased from 8.7 percent in May 2009 to 10.1 percent in June. Florida's unemployment rate climbed to 10.8 percent in June 2009, and the national unemployment rate was 9.7 percent (not seasonally adjusted).

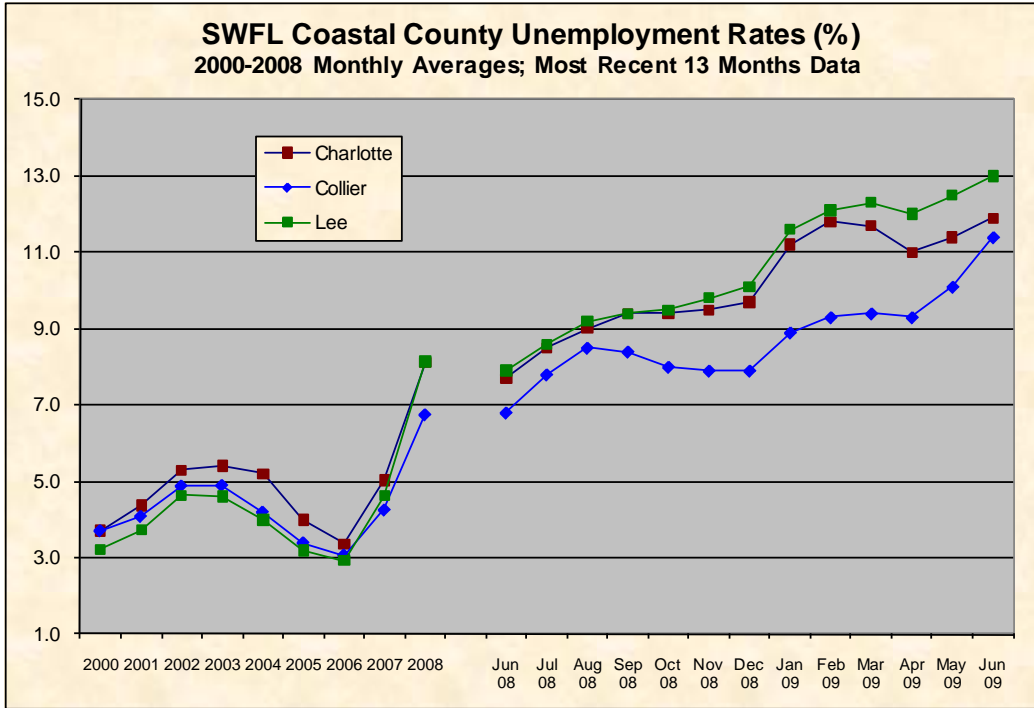
Charts 15 (coastal counties) and 16 (inland counties) provide a longer term historical perspective of unemployment rates for our region from 2000 to 2008 and the latest 13 months. Unemployment rates above 5.0 percent reflect cyclical unemployment and a slowdown of the economy from long-run trends. Our region has been hit particularly hard due to its dependence on housing and construction in general.

Chart 14: Regional Unemployment



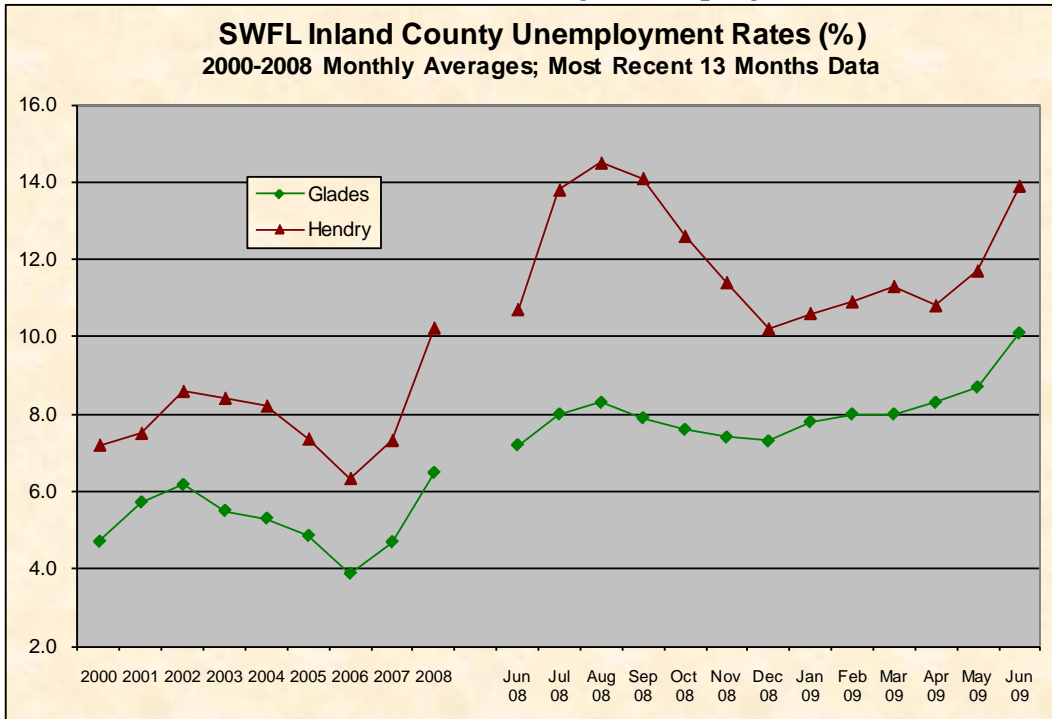
Source; AWI

Chart 15: Coastal County Unemployment



Source AWI

Chart 16: Inland County Unemployment

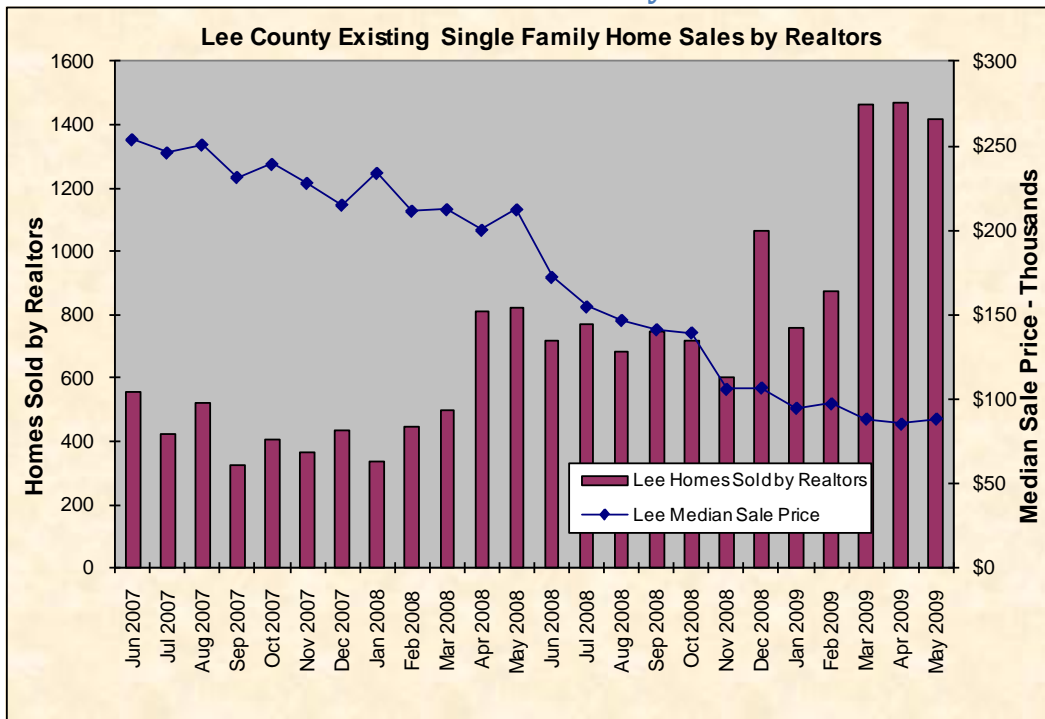


Source AWI

Sales of Single-Family Existing Homes and Median Sales Price

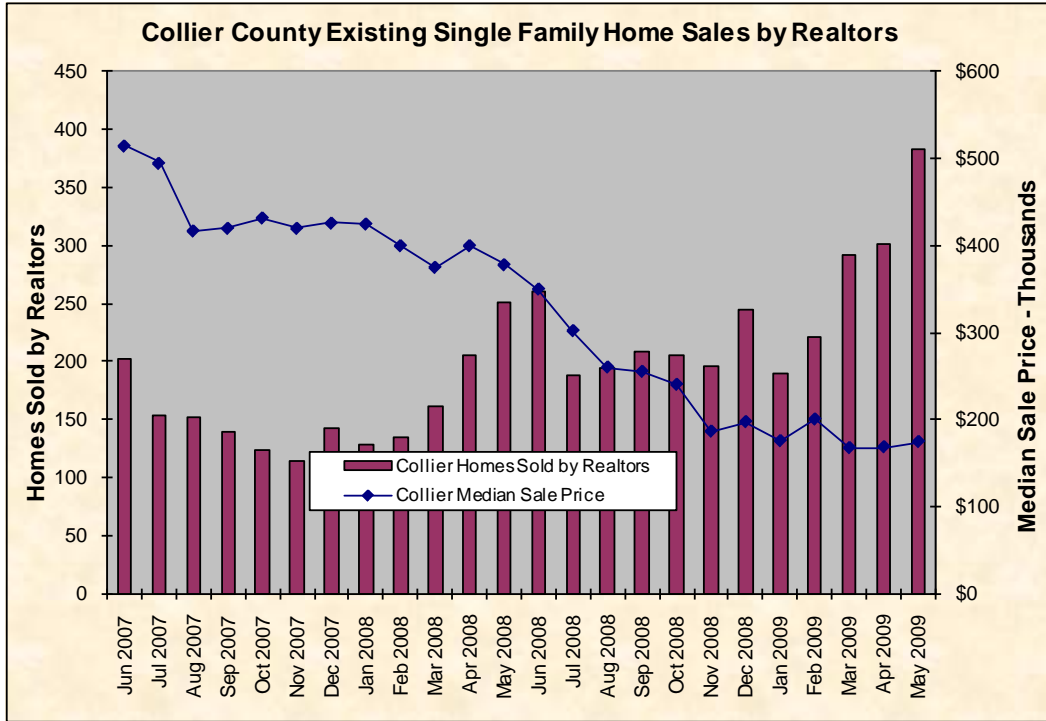
The number of existing single-family homes sold by Realtors in May 2009 showed increases from the prior month in Collier and Charlotte Counties, while Lee County sales decreased from 1,468 to 1,417 homes (Chart 17). For all three counties, total sales increased to 2,105 homes, a 3 percent increase over April 2009, and a 54 percent increase from the May 2008 total. The median sales price for Lee County increased from \$85,500 to \$88,500. Collier County sales increased from 301 to 383 with the median price increasing to \$174,000 from the prior month figure of \$168,000, as shown in Chart 18. Charlotte County sales increased from 274 in April to 305 in May 2009, accompanied by an increase in the median sales price from \$95,500 to \$97,200, as shown in Chart 19. Median sale prices have decreased significantly from May 2008, in large measure due to foreclosure sales activity.

Chart 17: Lee County



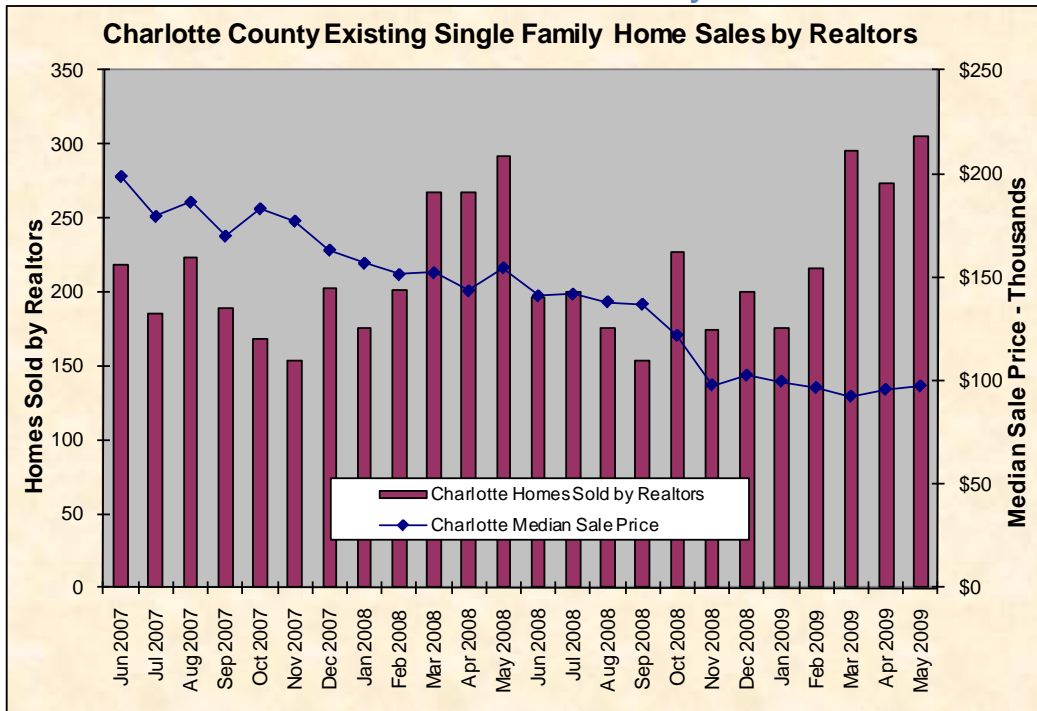
Source: Florida Association of Realtors® Fort Myers – Cape Coral MSA <http://media.living.net/statistics/statisticsfull.html>

Chart 18: Collier County



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

Chart 19: Charlotte County

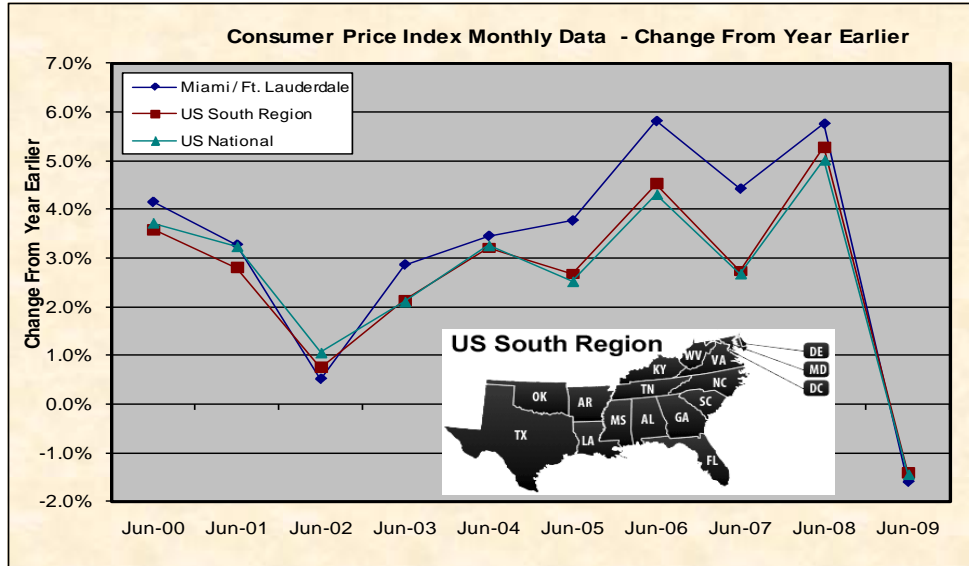


Source: Florida Association of Realtors® Punta Gorda, Florida MSA <http://media.living.net/statistics/statisticsfull.html>

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 and is the closest reporting location to Southwest Florida. The June 2009 CPI was down 1.6 percent from June 2008, as shown in Chart 20.

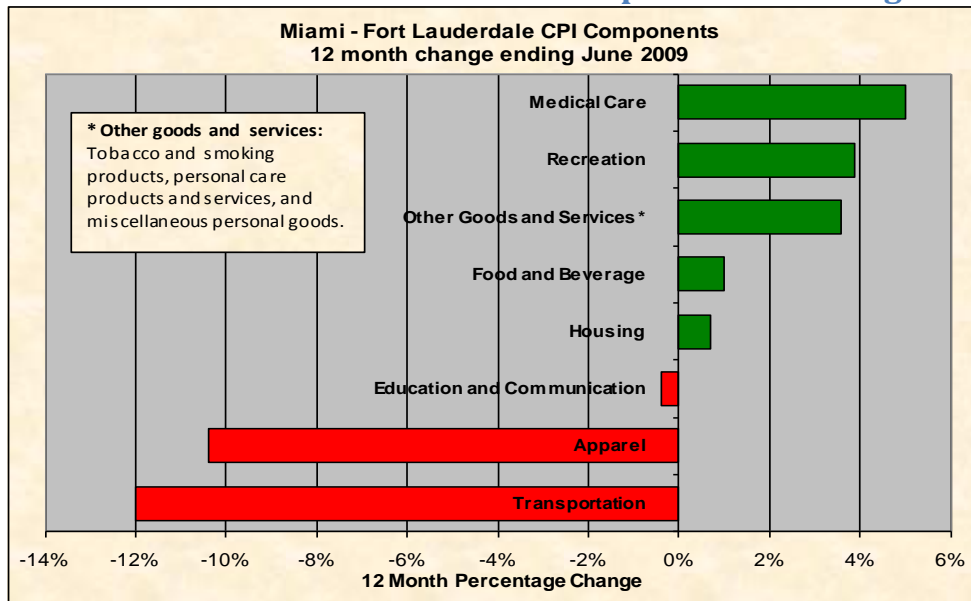
Chart 20: CPI Annual Percentage Change



Source: BLS

The overall Miami-Fort Lauderdale CPI index for the last 12 months ending June 2009 can be broken down into the components contributing to the price changes as shown in Chart 21.

Chart 21: Miami-Fort Lauderdale CPI Component Percentage Change



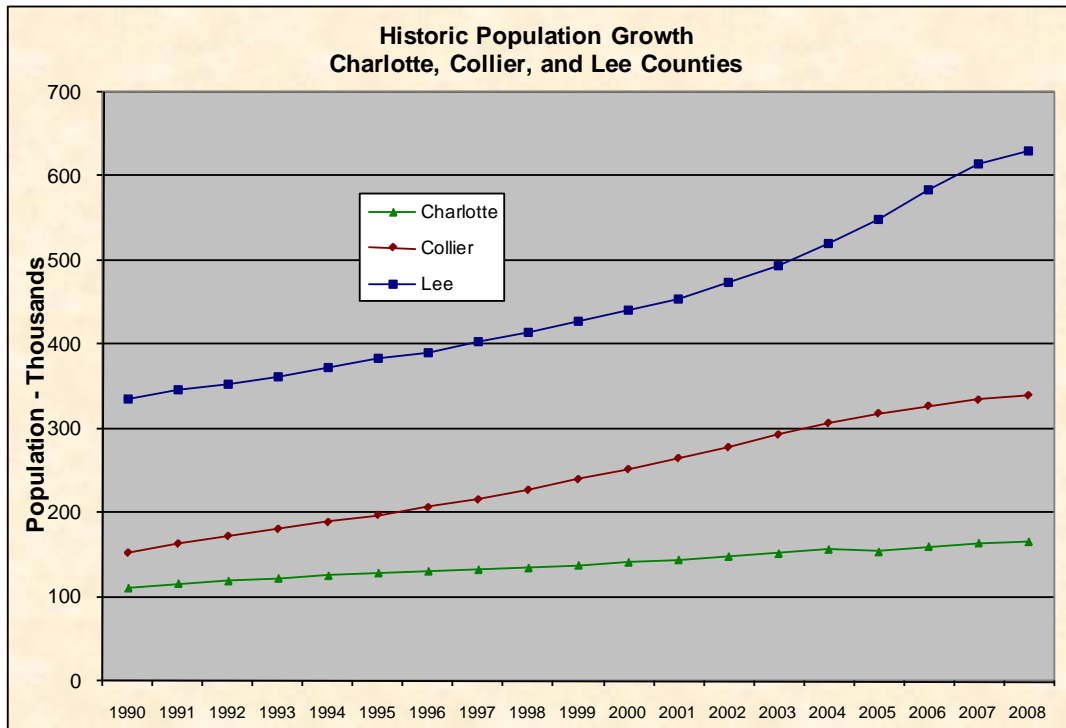
Source: BLS

The costs of medical care, recreation, and other goods and services have shown the largest increases over the last year.

Population

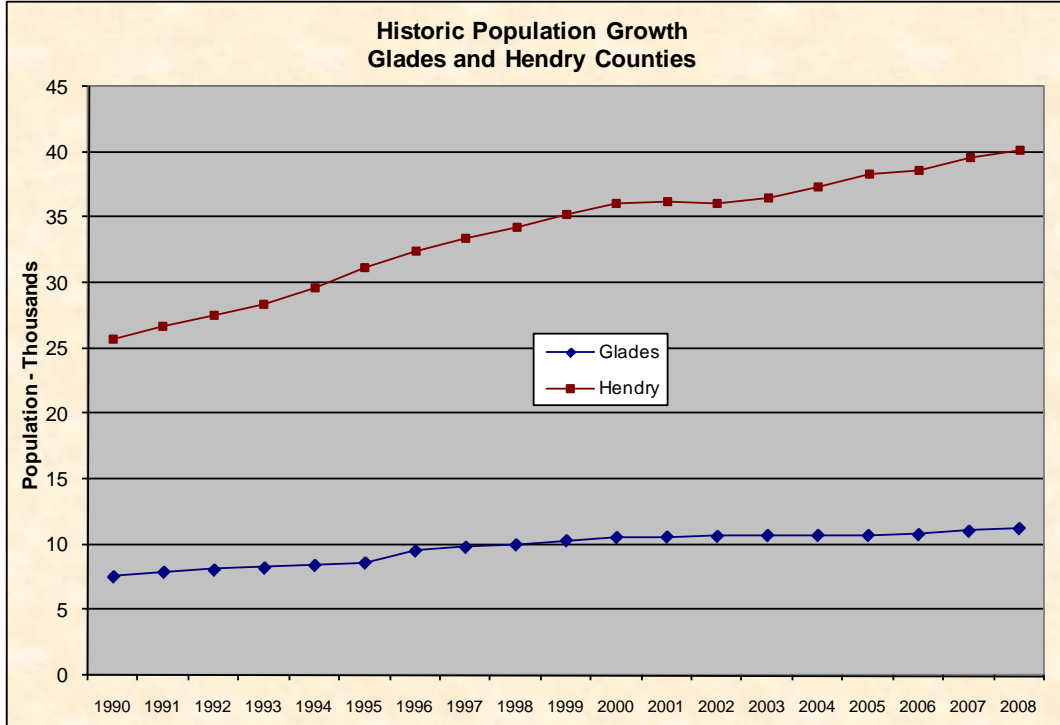
The length and severity of the current global recession is expected to slow regional and state population growth for the next few years. A Florida Demographic Estimating Conference was held in July 2008 and their forecasts are included in this report. Charts 22 and 23 show the historic population growth 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 23, 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 24 provides a chart of the population projections for 2008 through 2030. Charts 25 through 27 provide the percentages of regional population by County for the years 1990, 2008, and 2030.

Chart 22: Coastal Counties Growth 1990 to 2008



Source: Florida EDR: July 2008.

Chart 23: Inland County Growth 1990 to 2008



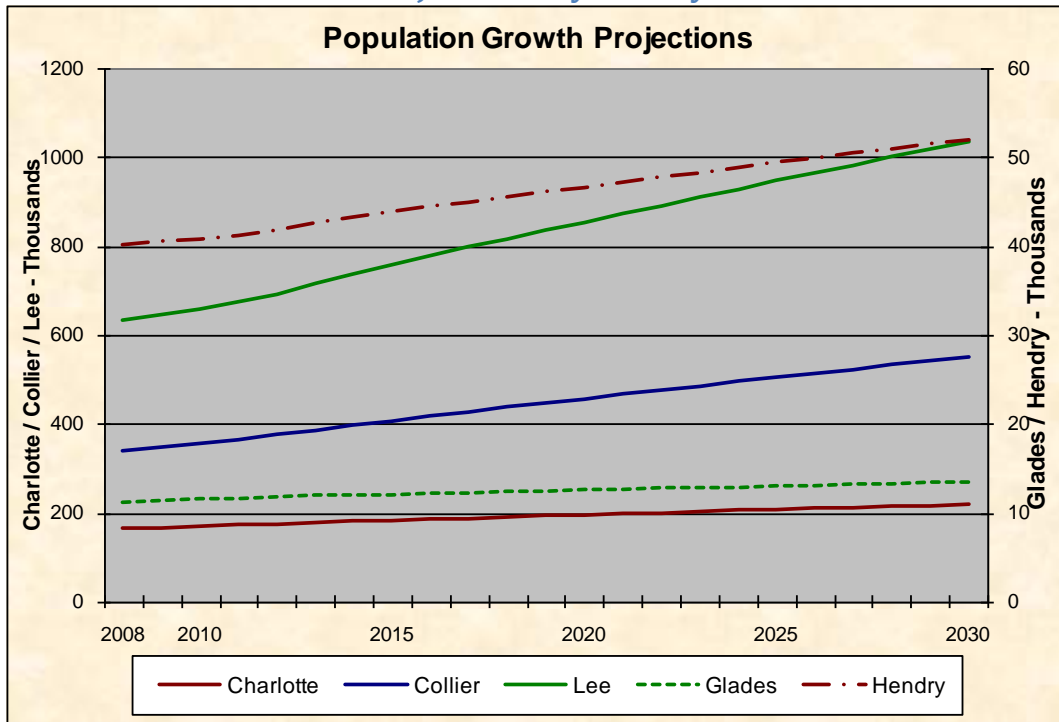
Source: Florida EDR: July 2008.

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

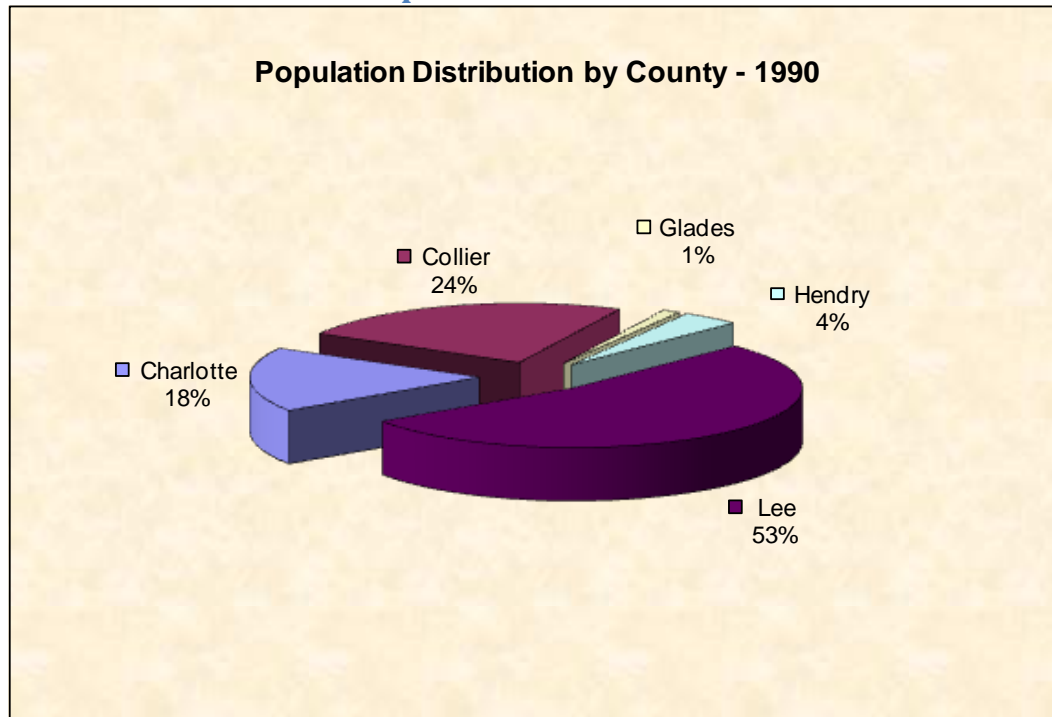
Source: Florida EDR: July 2008.

Chart 24: Projections by County



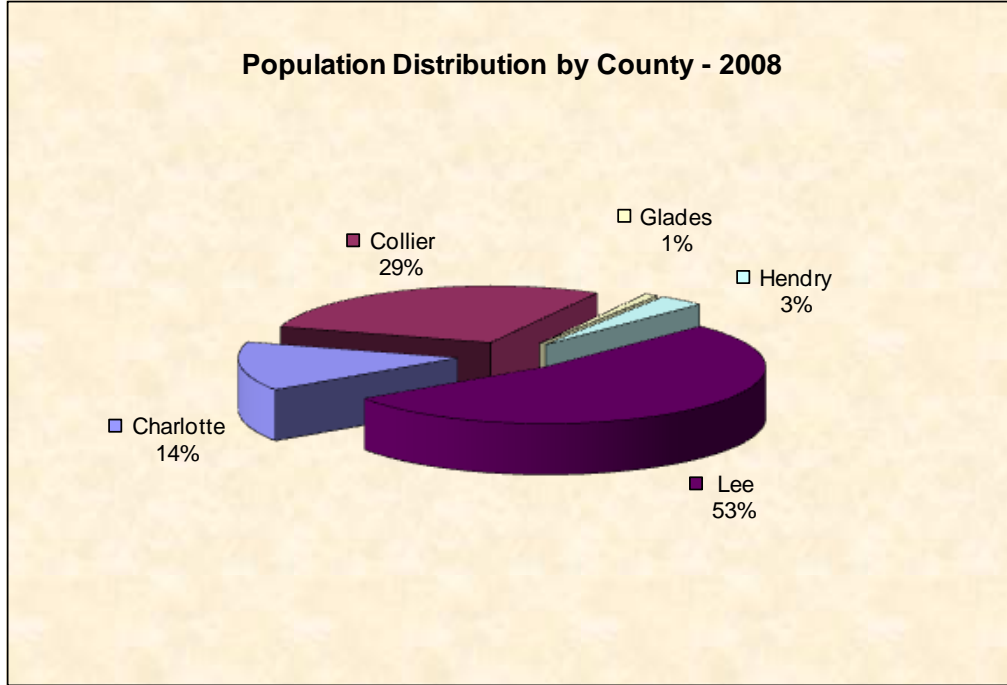
Source: Florida EDR: July 2008.

Chart 25: Population Distribution 1990



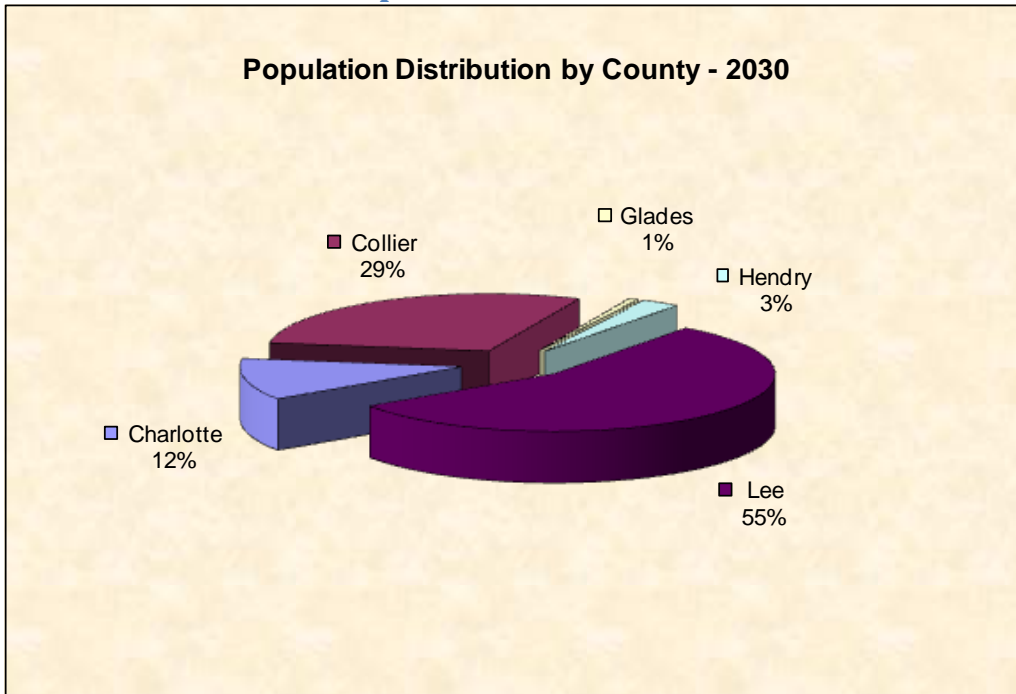
Source: Florida EDR: July 2008.

Chart 26: Population Distribution 2008



Source: Florida EDR: July 2008.

Chart 27: Population Distribution 2030



Source: Florida EDR: July 2008.