

# Southwest Florida Regional Economic Indicators

## September 2009



**Regional Economic Research Institute**

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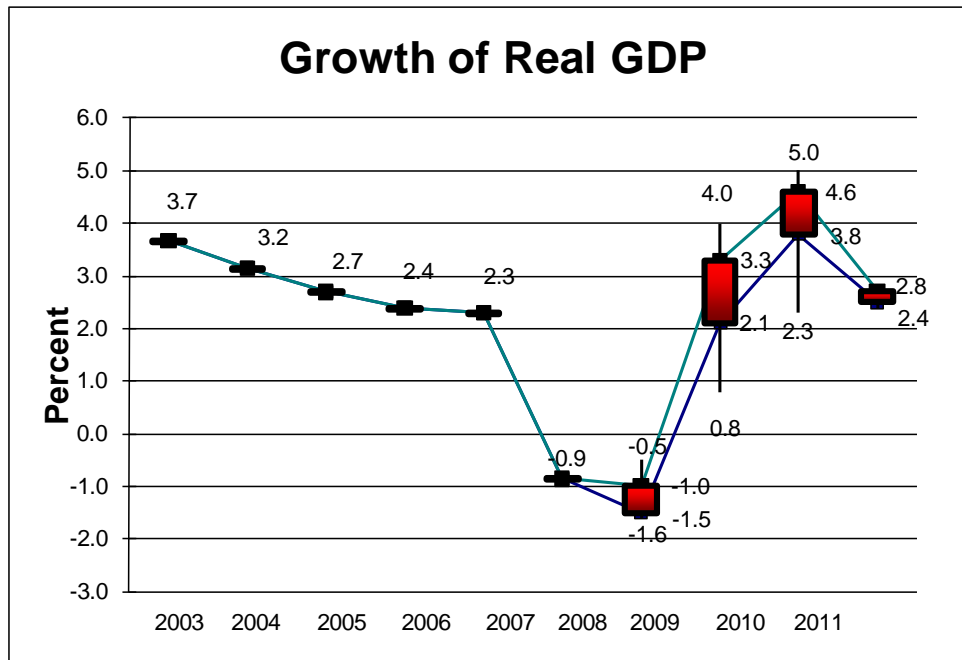
**Introduction**

The Federal Reserve Open Market Committee provided an update on the national economy on September 23. The press release from the meeting stated that:

- the latest information suggests that economic activity has picked up following its severe downturn;
- conditions in financial markets have improved further;
- activity in the housing sector has increased;
- household spending seems to be stabilizing but there are concerns due to ongoing job losses, sluggish income growth, lower housing wealth, and tight credit;
- businesses are still cutting back on fixed investment and staffing;
- expect weak economic activity for a time and a gradual return to higher levels of resource utilization and price stability; and
- the committee will maintain the existing federal funds rate between zero and one-quarter percent and expects that economic conditions will warrant low interest rate levels for an extended period of time.

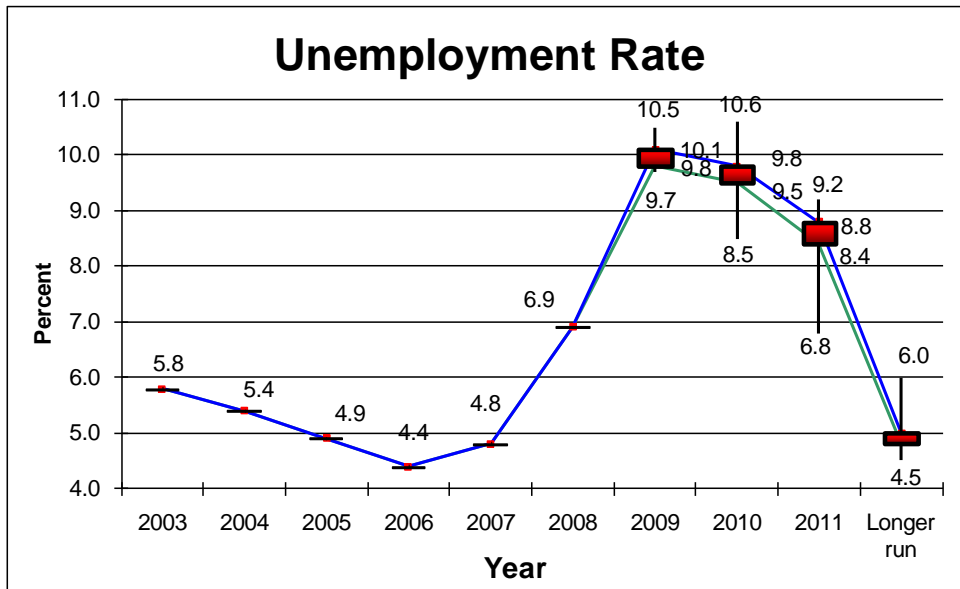
The next meeting of the Federal Reserve's Open Market Committee is planned for November 3 and 4th. The Federal Reserve Open Market Committee's economic forecasts released in the June minutes are shown in the following "box and whiskers" charts. The red boxes are the central tendency forecast and the full range of uncertainty is reflected in the whiskers, or vertical lines. An updated forecast has not been released but the August minutes indicated that new information had not changed their June forecasts very much.

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 August 2009 national unemployment rate rose to 9.7 percent and may rise further. 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 region reached 13.1 percent in July, up from 13.0 percent in July. Passenger traffic at Regional Southwest Airport (RSW) saw a month-to-month increase from June to July 2009, and a two-percent decrease from July 2008. Tourism revenues throughout the region were down nearly 10 percent from the prior year.

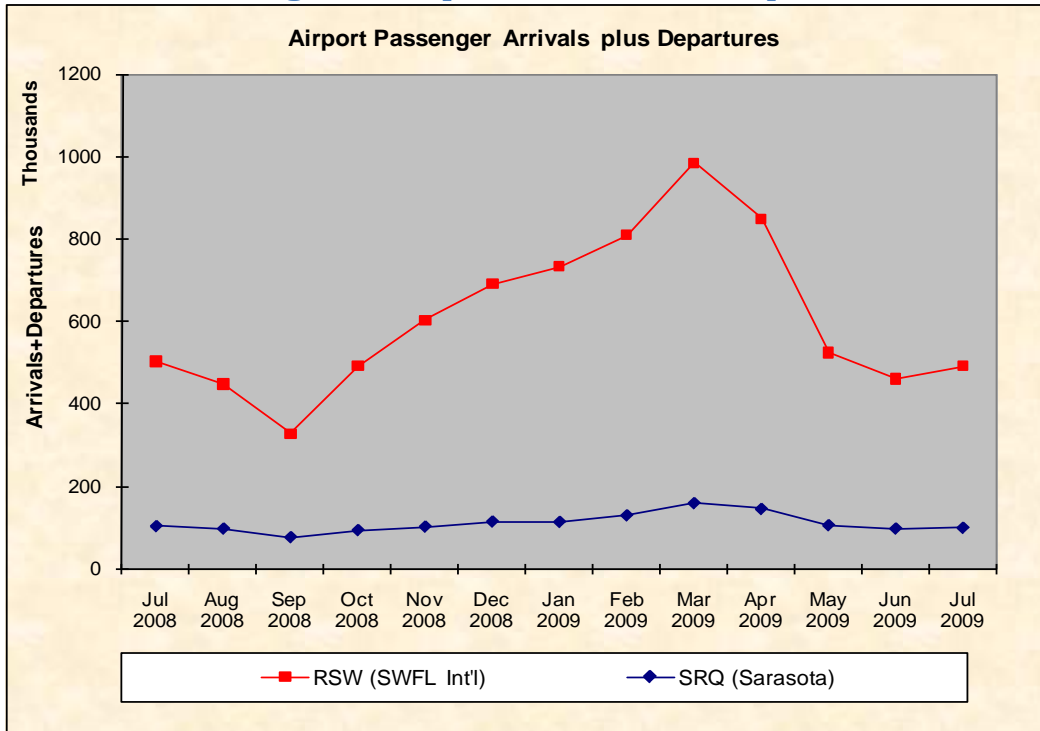
The Regional Economic Research Institute (RERI) is continuing to develop the regional economic database, and this report as a way to support its mission and assist the region. The Institute thanks its many partners for assistance in obtaining the data, including the Southwest Florida Regional Planning 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 and Sarasota airports and is shown in Chart 1. 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.

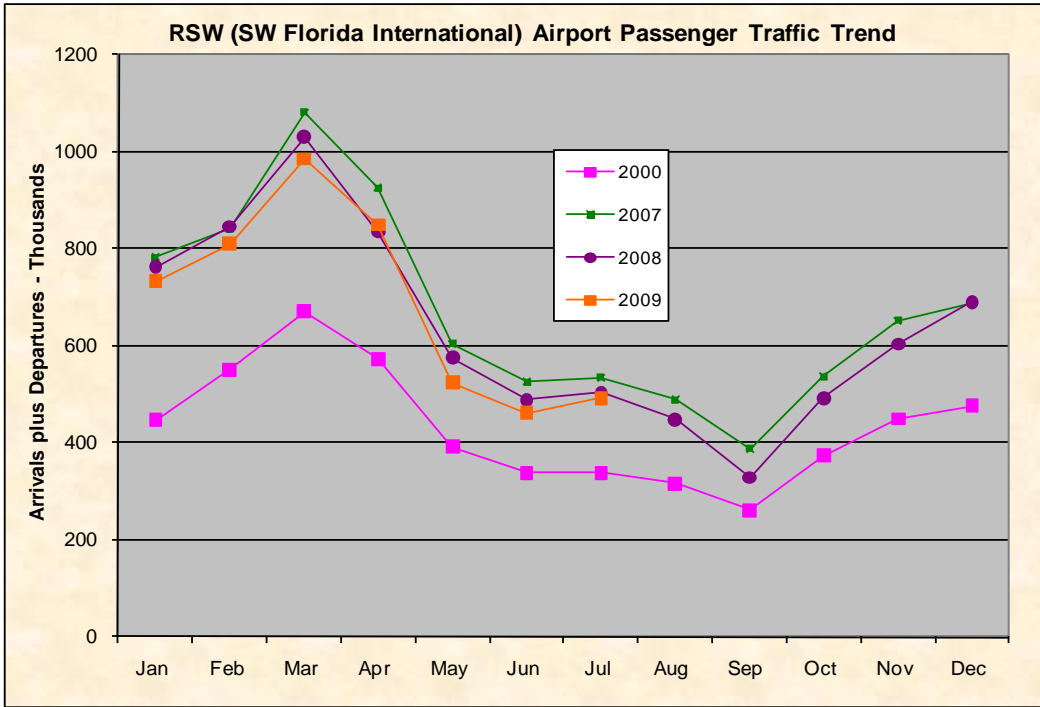
Regional Southwest Florida (RSW) airport located in Lee County is ranked as one of the fifty busiest airports in the nation. Chart 1 shows RSW airport passenger activity of 492,063 in July 2009, which is 7 percent higher than the June 2009 level and 2 percent below the July 2008 figure. Sarasota (SRQ) passenger activity was 99,704 in July 2009, a 2 percent increase over the prior month and 4 percent lower than the July 2008 figure, as shown in Chart 3. Charlotte County added commercial passenger service earlier this year, and recorded June and July passenger activity of 9,521 and 9,190, respectively. A chart for Charlotte airport activity is currently not shown, but will be added as the time series grows.

**Chart 1: Regional Airport Arrivals and Departures**



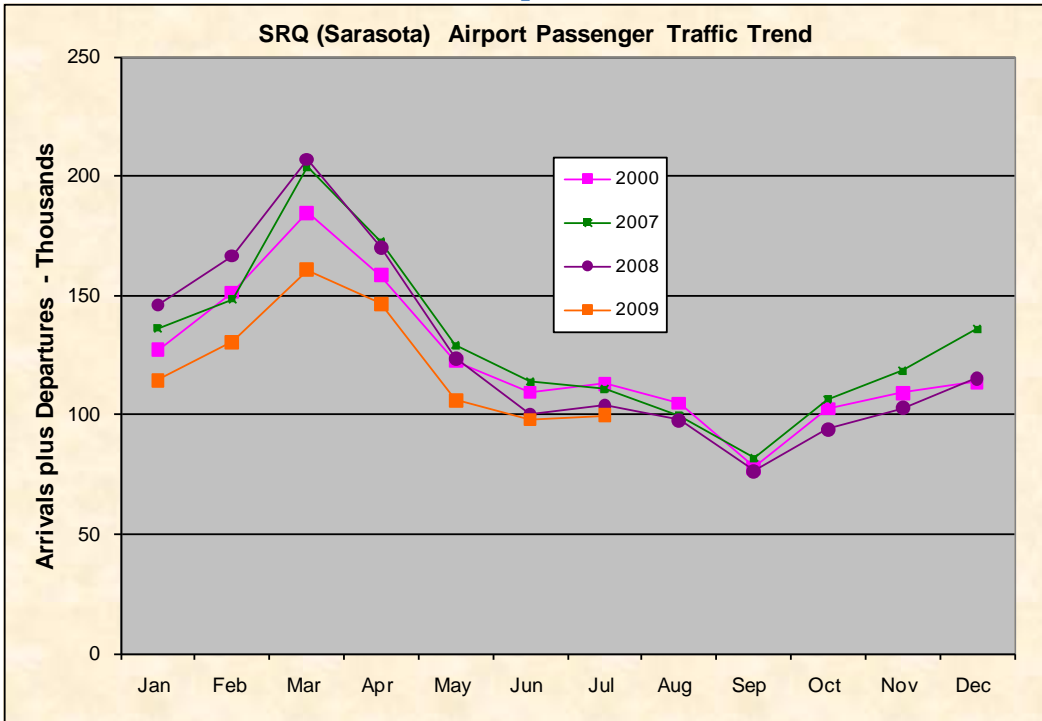
Source: Local Airport Authorities

**Chart 2: RSW Traffic Trend**



Source: Local Airport Authorities

**Chart 3: Sarasota Airport Traffic Trend**

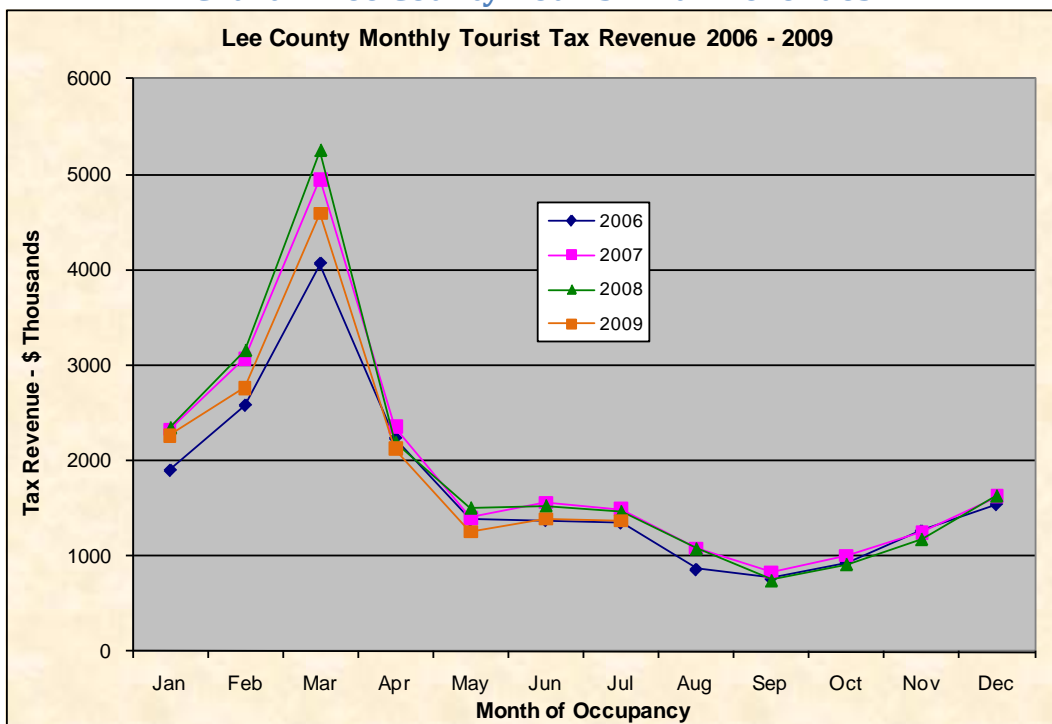


Source: Local Airport Authorities

## 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 July tourism tax revenues declined 7 percent for Lee County, 16 percent for Collier, and 5 percent for Charlotte County, compared to July 2008. Total tax revenues for the three counties declined 10 percent from July 2008. Collier County tourism taxes increased by 10 percent over the prior month of June, while Lee and Charlotte County tourism taxes decreased by 1 percent and 25 percent, respectively. For all three counties combined, there was an increase of 1 percent from June 2009.

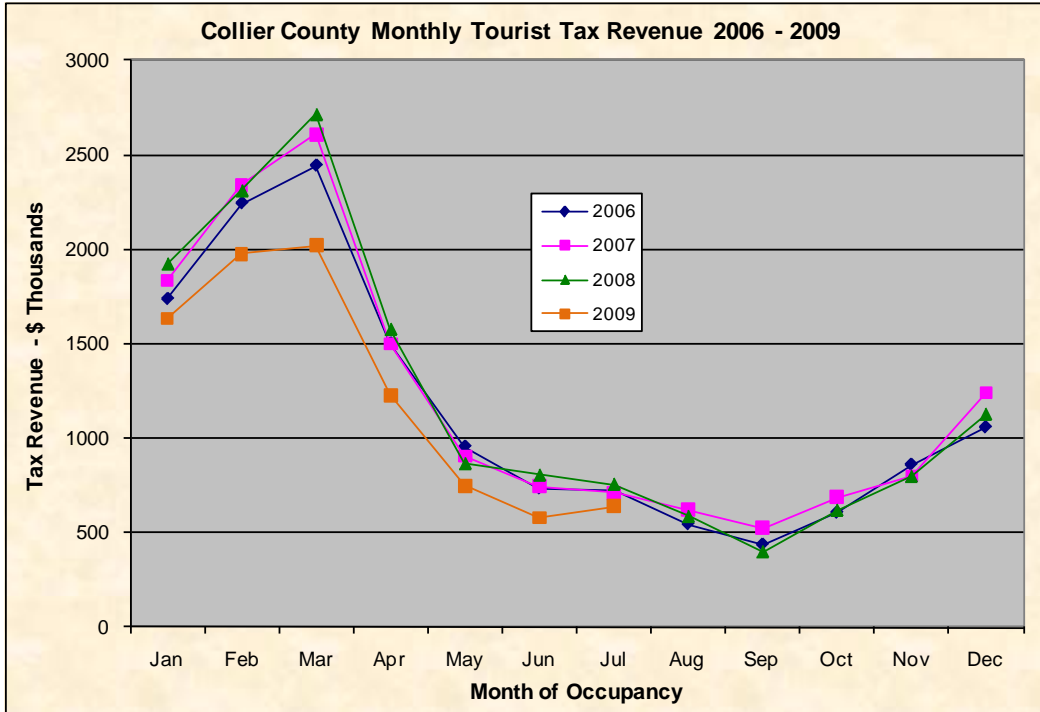
**Chart 4: Lee County Tourism Tax Revenues**



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

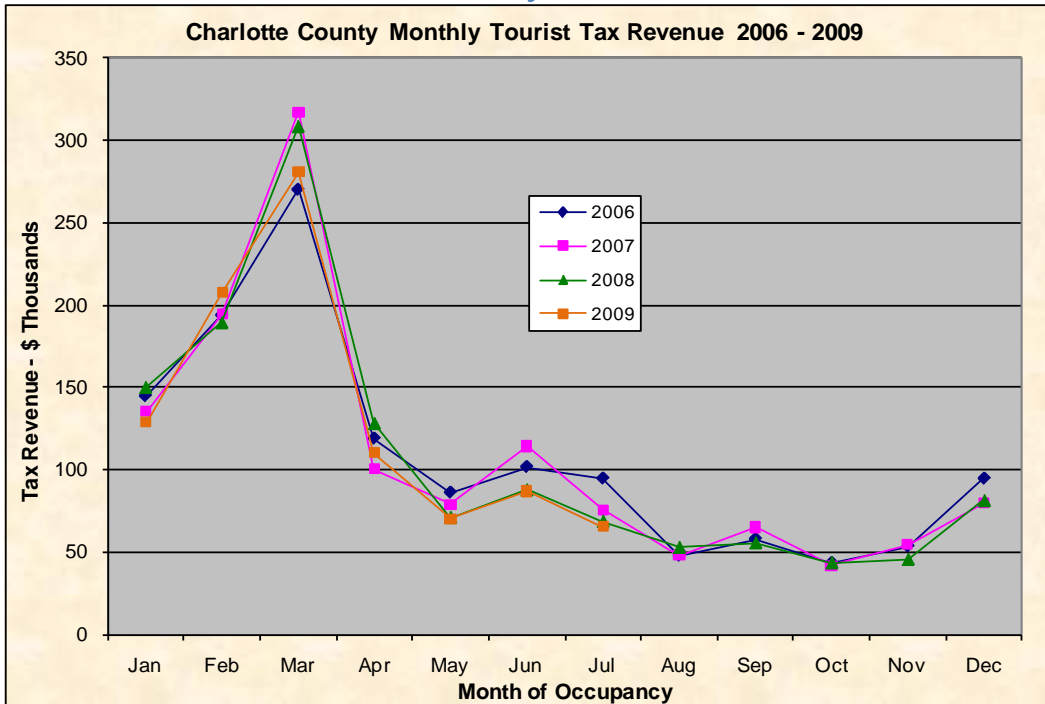


**Chart 5: Collier County Tourism Tax Revenues**



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

**Chart 6: Charlotte County Tourism Tax Revenues**

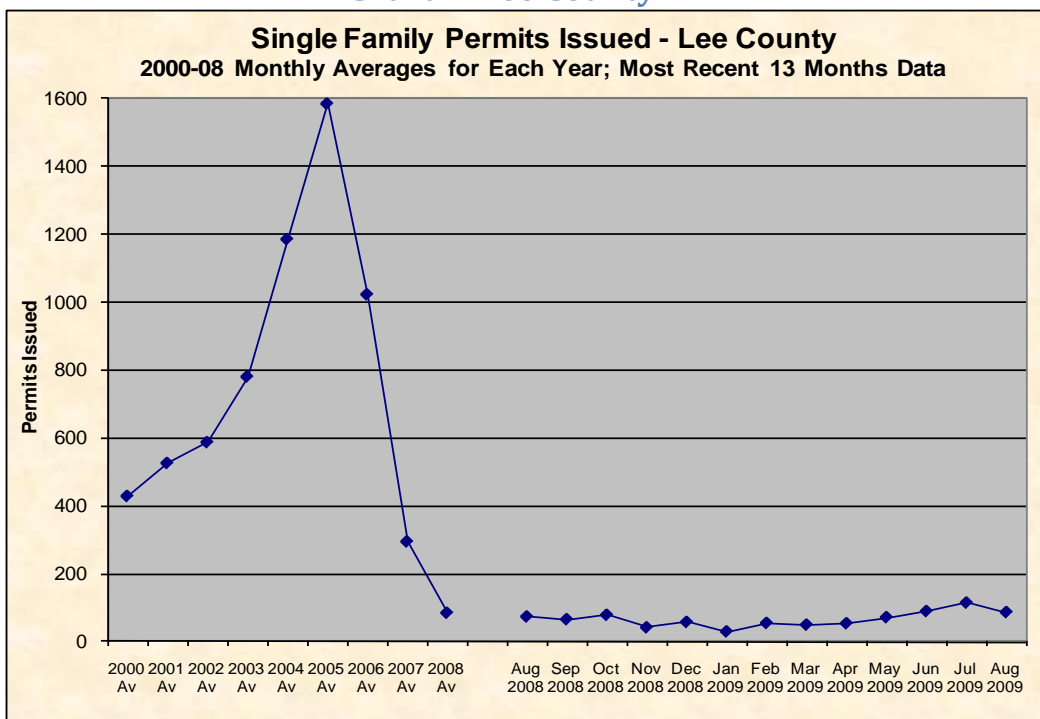


Source: Local County Tourism, Tax, and Economic Development Reports

## Single-Family Building Permits

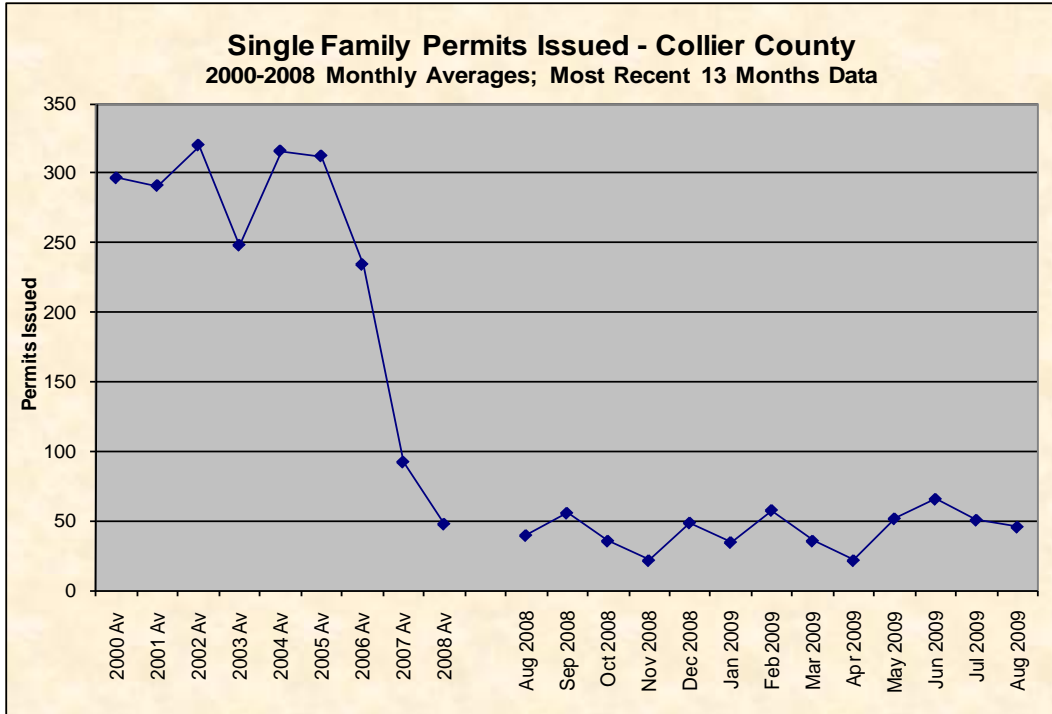
Total single-family home permits issued declined in August, and remained historically low for the region as a result of the economy's recession and the impact of many existing homes selling below replacement cost. August single-family permitting in Lee County decreased to 87 from 115 in July, as shown in Chart 7; however, this represents an increase over the year ago figure of 74 as well as over the 2008 monthly average of 85. Single-family permits for Collier County decreased from 51 in July to 46 in August, as shown in Chart 8. This was an increase over the August 2008 permit level of 40, but slightly below the monthly average of 48 for all of 2008. Charlotte County reported 40 permits in August, an increase over the prior month figure of 31 as well as the prior year figure of 27. Charlotte County's monthly average for all of 2008 was 41.

**Chart 7: Lee County**



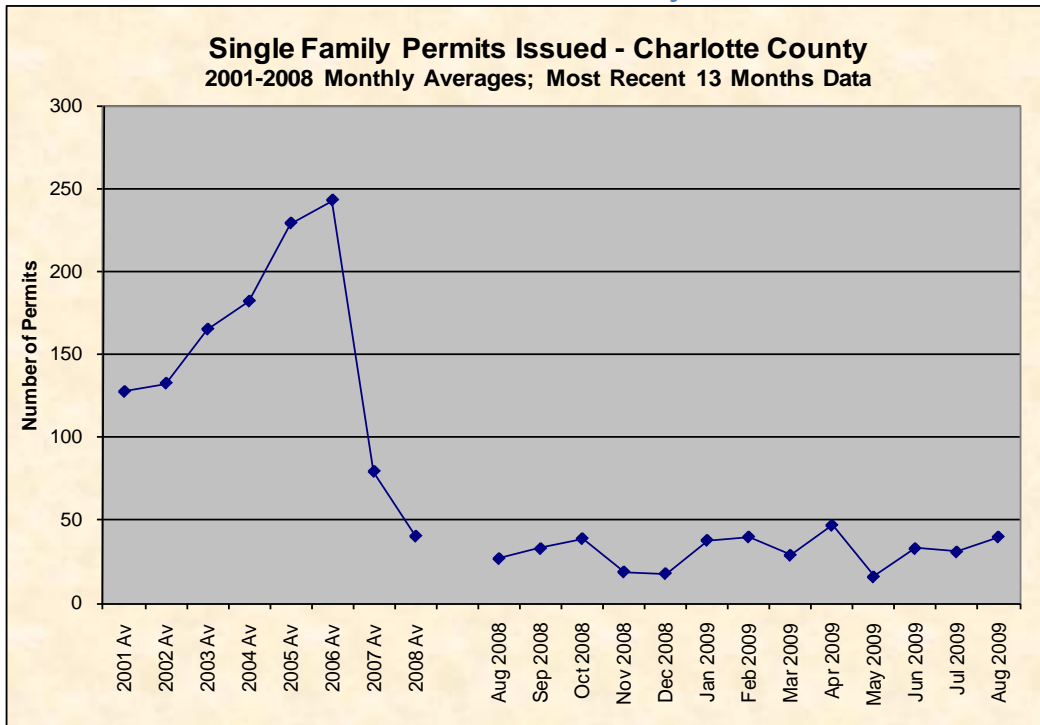
Source: Local Building and Zoning Departments, including Fort Myers, Cape Coral, and Unincorporated Lee County, Bonita Springs and Fort Myers Beach permits.

**Chart 8: Collier County**



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

**Chart 9: Charlotte County**



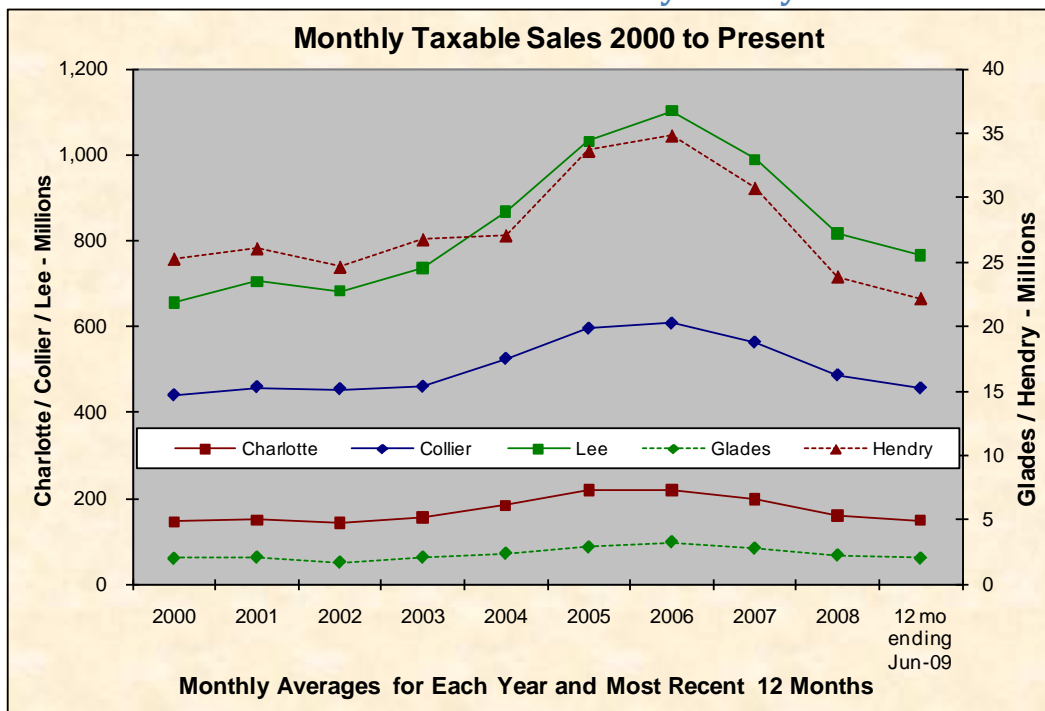
Source: Local Building and Zoning Departments, includes unincorporated Charlotte County permits only.

## Taxable Sales

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 June 2009. 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 June the latest collection month plotted on the following charts.

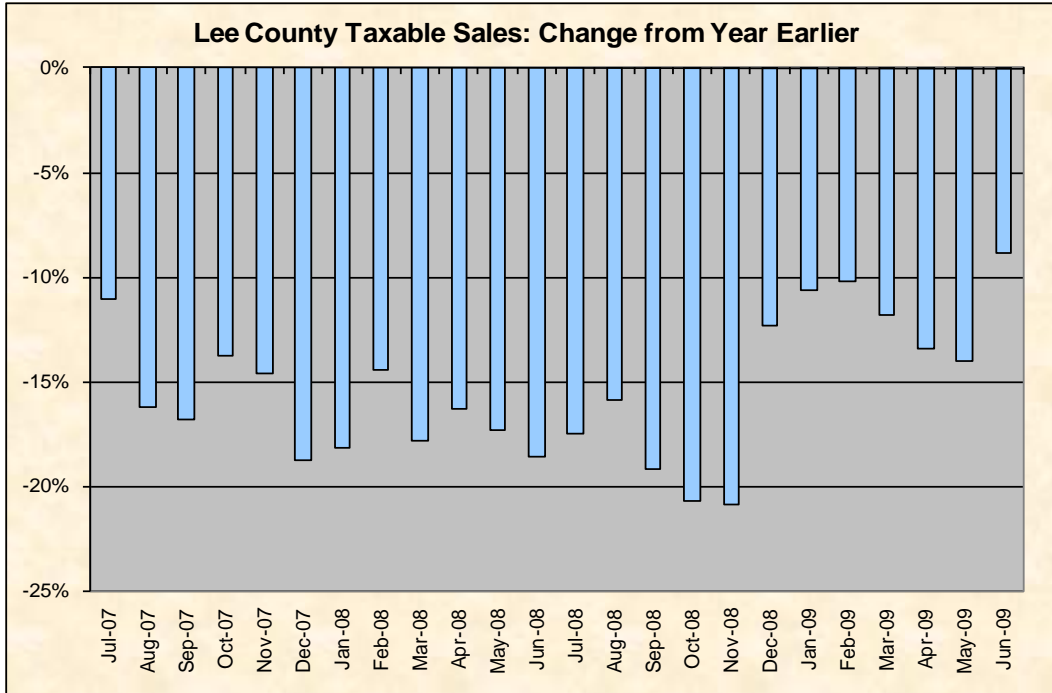
The local impact of the current recession continues to be visible in the year-to-year percentage decreases in taxable sales. Lee County taxable sales in June 2009 decreased by nine percent versus year-earlier levels, as shown in Chart 11. Collier and Charlotte Counties experienced year-to-year reductions of six percent, as shown in Charts 12 and 13. Charts 11, 12, and 13 show a decreasing rate of year-to-year declines. Hendry County's June taxable sales (not charted) were off by seven percent from a year earlier, while Glades (not charted) were down by 14 percent. Taxable sales for the five-county region declined by \$102 million, or eight percent, from June 2008 to June 2009; the regional decrease from the prior month of May 2009 amounted to \$19 million or 2 percent.

**Chart 10: Taxable Sales by County**



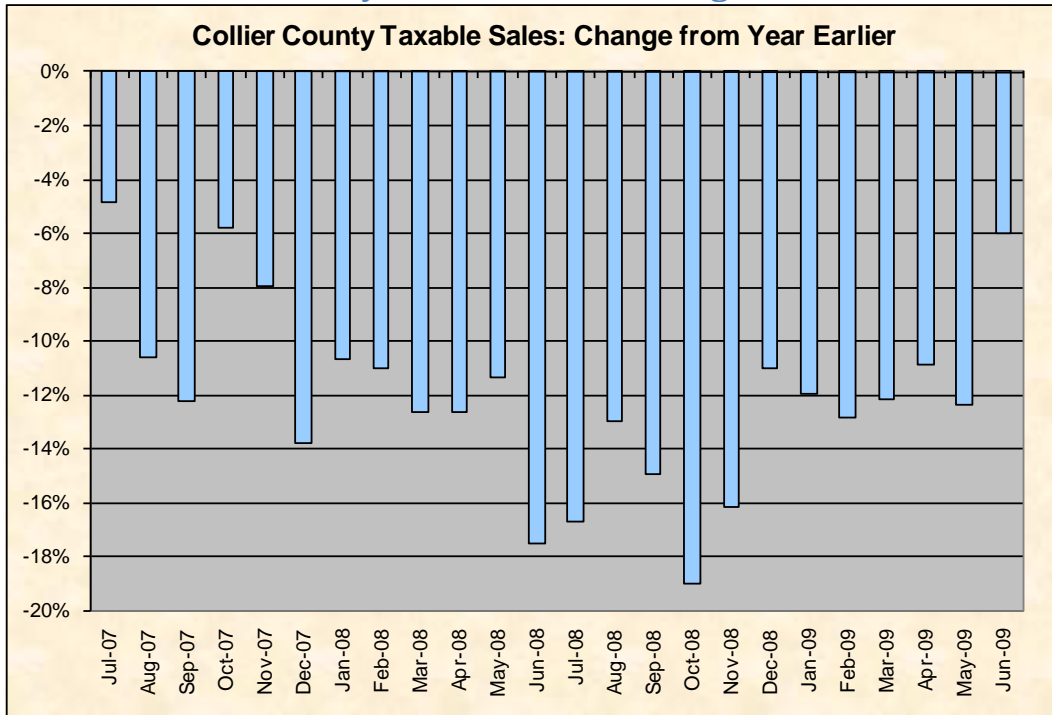
Source: Florida Department of Tax Research

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



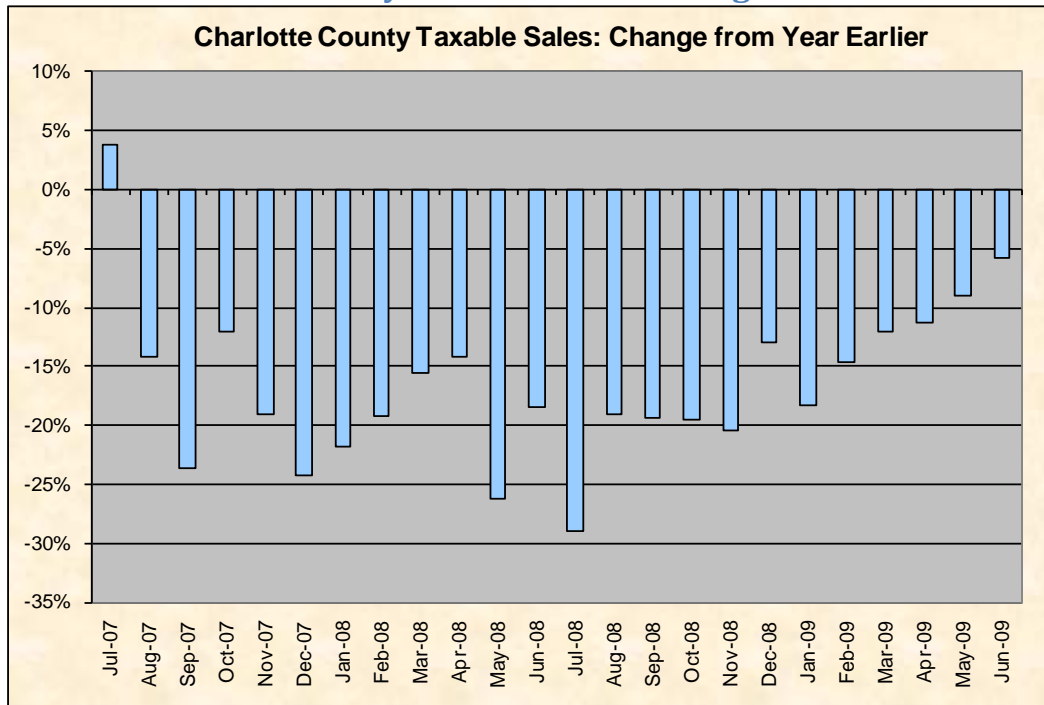
Source: Florida Department of Tax Research

**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**



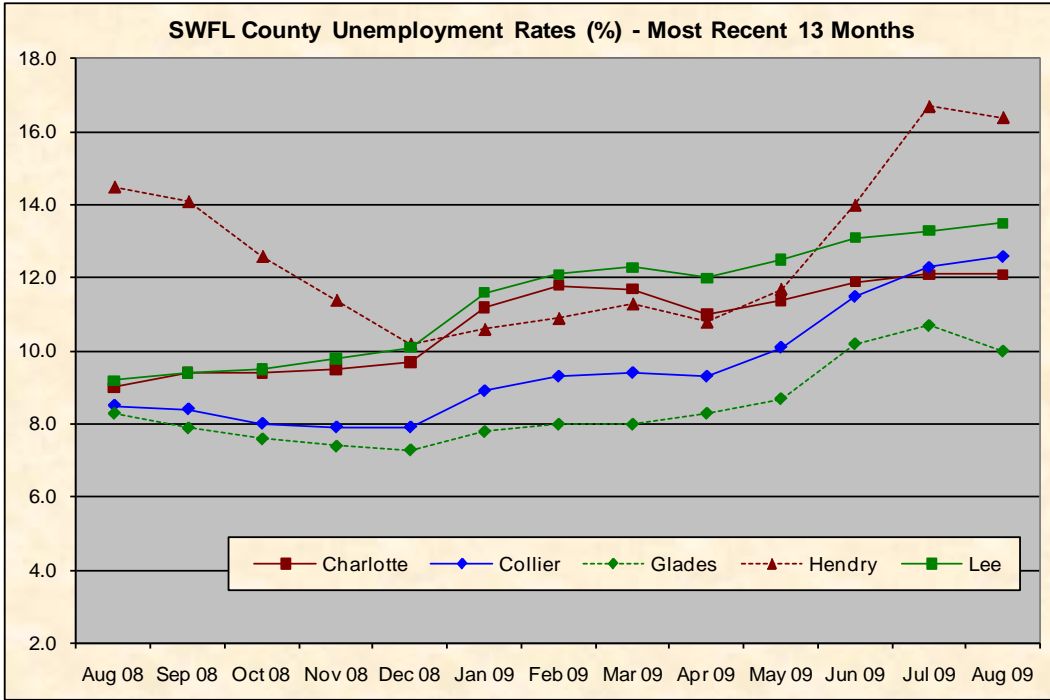
Source: Florida Department of Tax Research

## Workforce - Unemployment

Collier and Lee Counties reported increased unemployment in August (Chart 14), compared to July. The unemployment rates tracked in this report are not seasonally adjusted. Lee County's unemployment rate edged up from 13.3 percent in July to 13.5 percent in August 2009. Collier County's unemployment rate increased from 12.3 percent to 12.6 percent, and Charlotte County's figure was steady at 12.1 percent. Hendry County unemployment decreased from 16.7 percent in July to 16.4 percent in August 2009, while Glades County's unemployment rate declined from 10.7 percent in July 2009 to 10.0 percent in August. Florida's unemployment rate dipped from 11.1 percent in July 2009 to 10.9 percent in August, and the national unemployment rate was 9.6 percent (not seasonally adjusted).

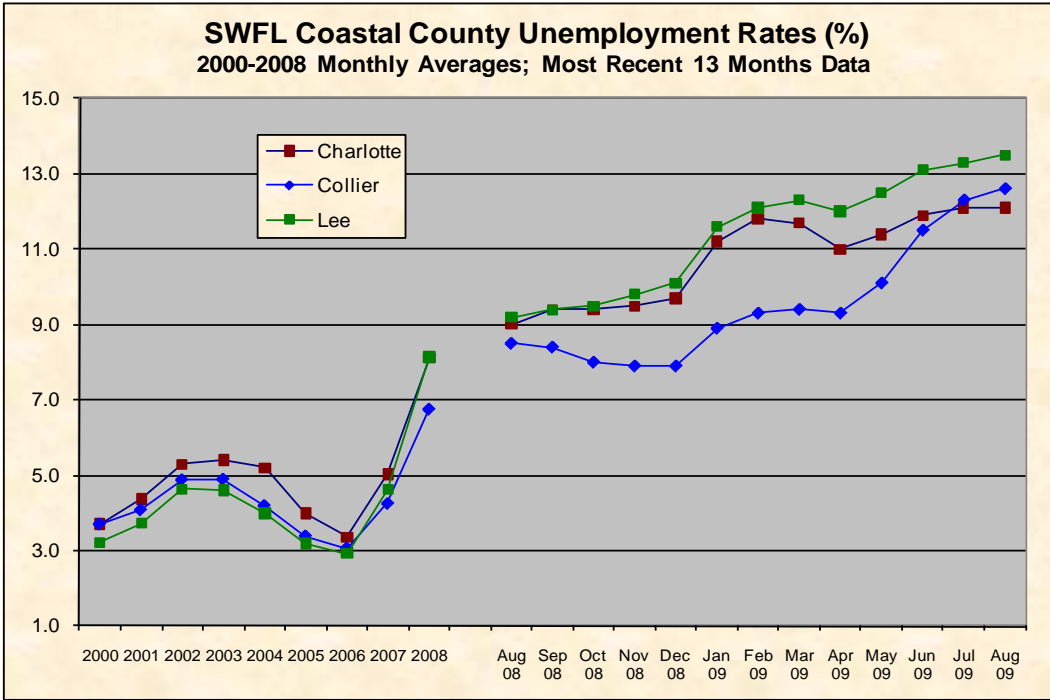
Charts 15 (coastal counties) and 16 (inland counties) provide a longer term historical perspective of unemployment rates for our region from 2000 to 2008 and the latest 13 months. Unemployment rates above 5.0 percent reflect cyclical unemployment and a slowdown of the economy from long-run trends.

**Chart 14: Regional Unemployment**



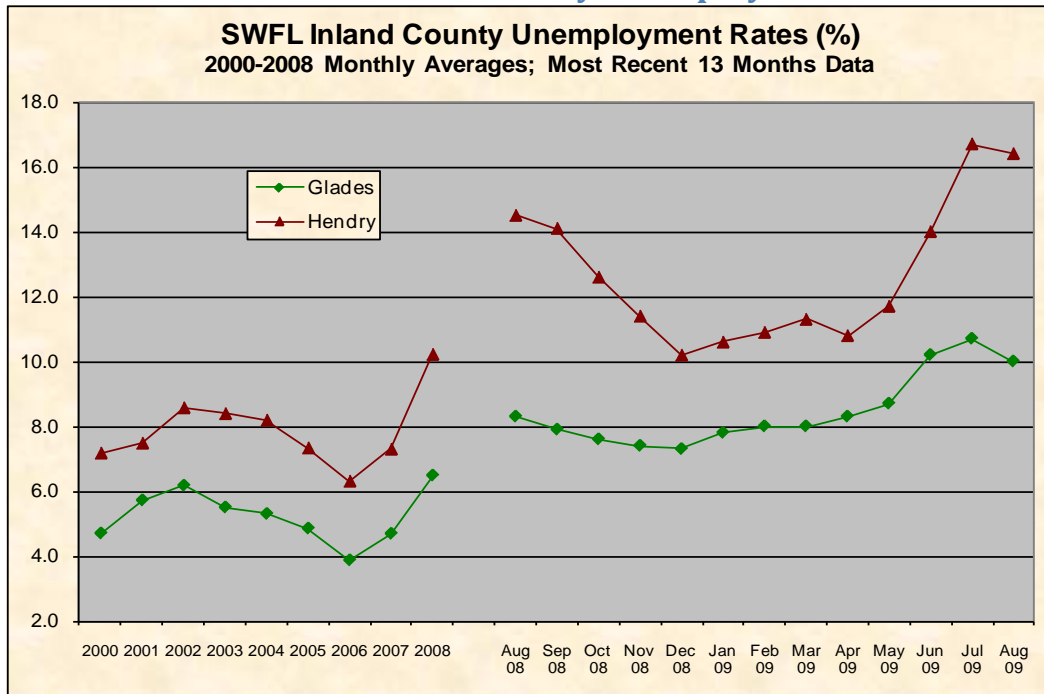
Source; AWI

**Chart 15: Coastal County Unemployment**



Source AWI

**Chart 16: Inland County Unemployment**



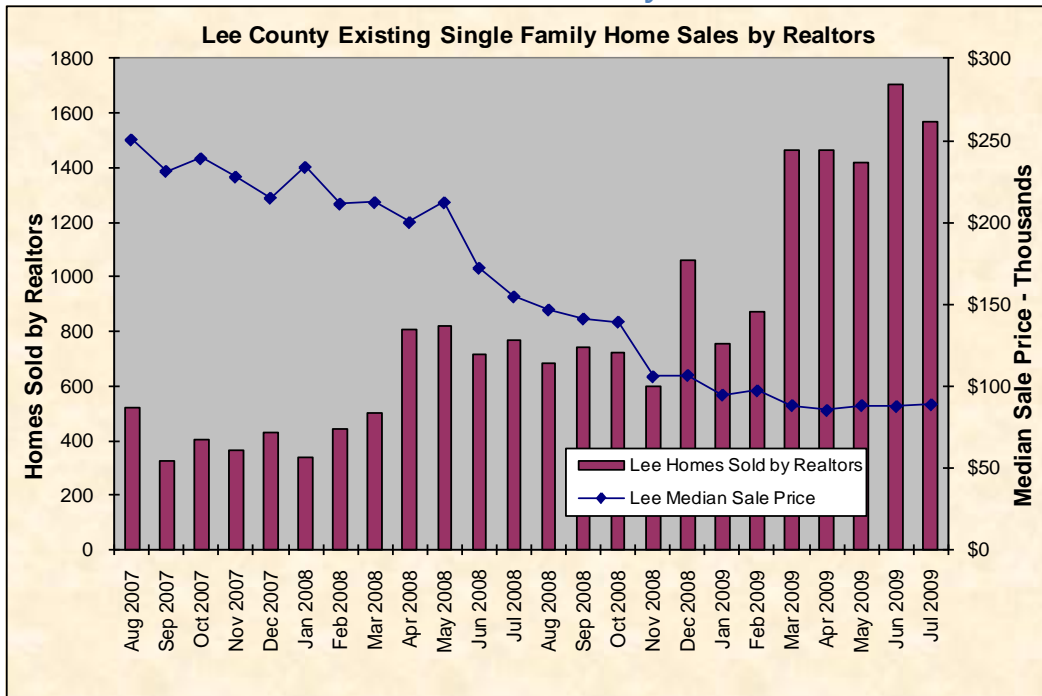
Source AWI

## Sales of Single-Family Existing Homes and Median Sales Price

The number of existing single-family homes sold by Realtors in July 2009 showed decreases from the prior month in Lee and Collier Counties, while Charlotte County sales increased from 216 to 248 homes (Chart 19). For all three counties, total sales declined to 2,166 homes, a five percent decrease from June 2009, and an 85 percent increase over July 2008. Lee County sales declined from 1,705 in June to 1,570 in July 2009. The median sales price for Lee County increased slightly from \$87,900 to \$89,000. Collier County sales decreased from 364 to 348 with the median price increasing to \$187,000 from the prior month figure of \$180,000, as shown in Chart 18. Charlotte County showed a substantial decrease in the median sales price from \$145,600 to \$105,000, as shown in Chart 19; its median sales price in June might have been an aberration based upon relatively small numbers. Median sale prices continue to show significant decreases from the prior year, in large measure due to foreclosure sales activity.

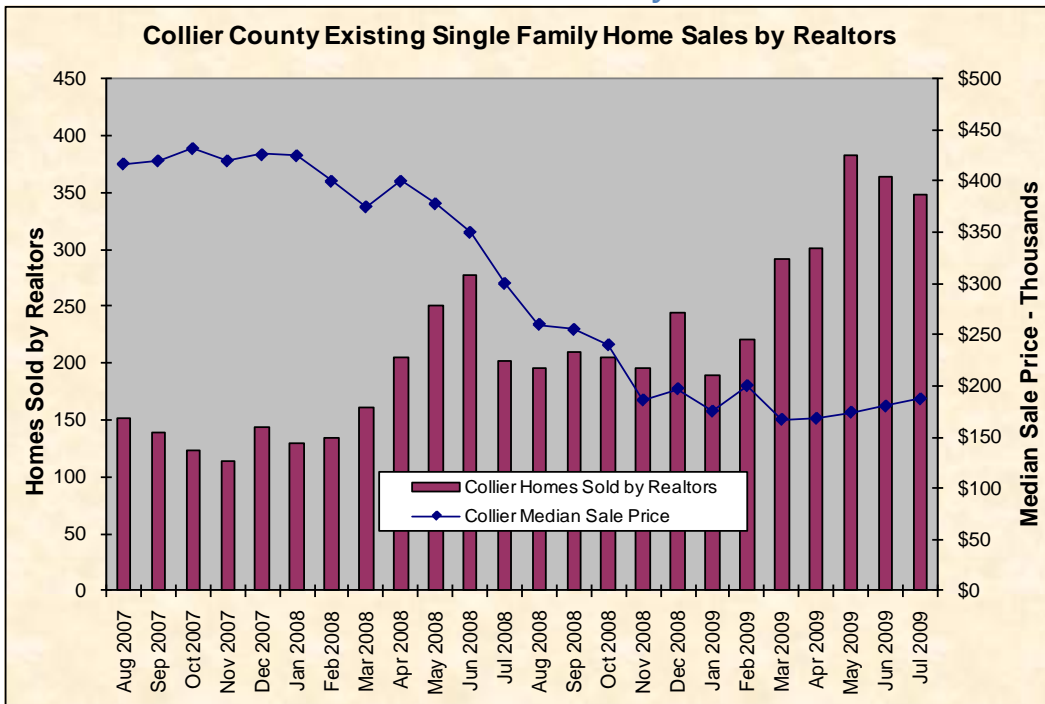


**Chart 17: Lee County**



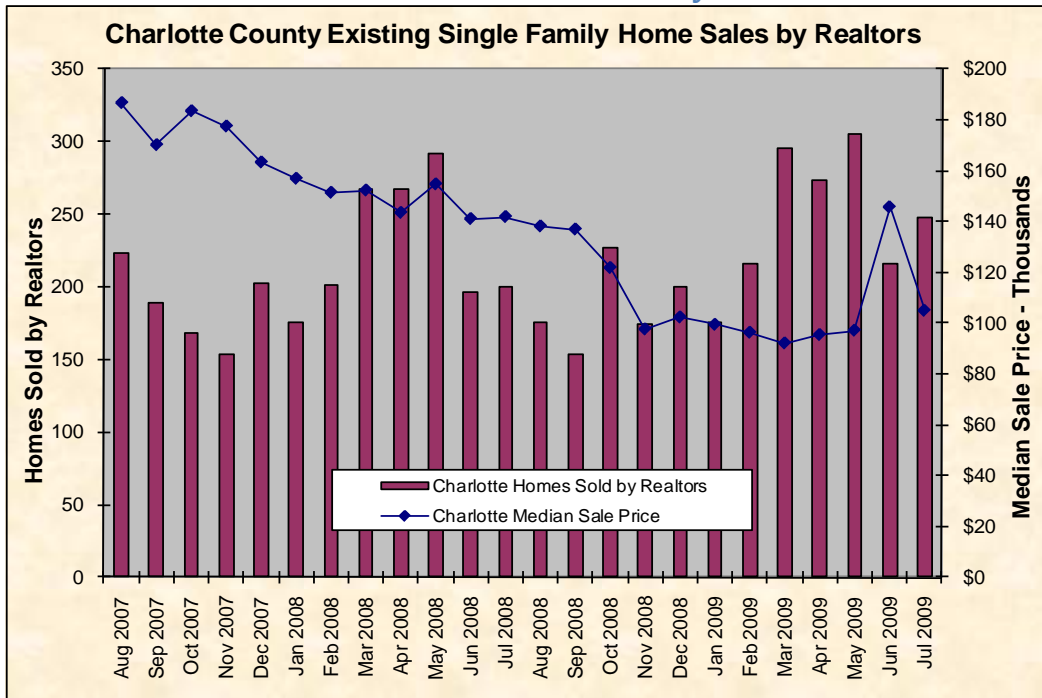
Source: Florida Association of Realtors® Fort Myers – Cape Coral MSA <http://media.living.net/statistics/statisticsfull.html>

**Chart 18: Collier County**



Source: Naples Area Board of Realtors® (NABOR) [www.naplesarea.com](http://www.naplesarea.com)

**Chart 19: Charlotte County**

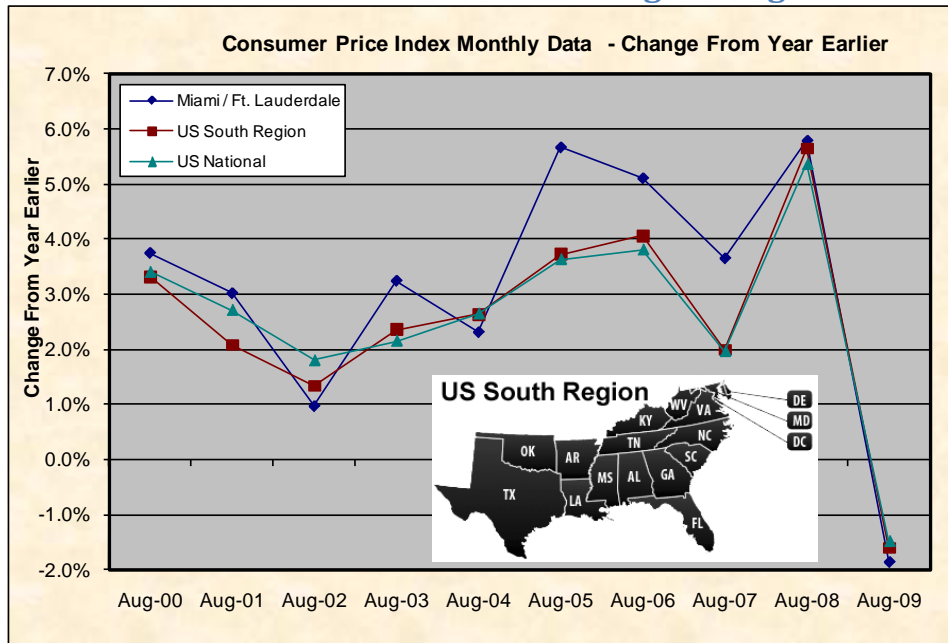


Source: Florida Association of Realtors © Punta Gorda, Florida MSA <http://media.living.net/statistics/statisticsfull.html>

## Consumer Price Index

The consumer price index (CPI) is reported for the nation, region, and the Miami-Fort Lauderdale area and is shown in chart 20. The Miami-Fort Lauderdale area CPI is collected every two months and is the closest reporting location to Southwest Florida. The August 2009 CPI for that area had declined by two percent from August 2008.

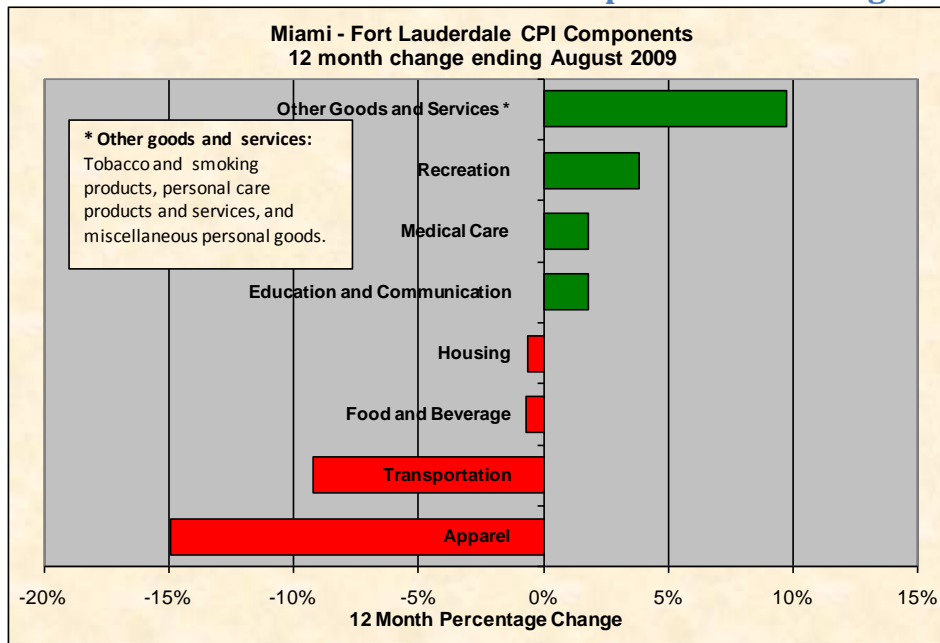
**Chart 20: CPI Annual Percentage Change**



Source: BLS

The overall Miami-Fort Lauderdale CPI index for the 12 months ending August 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**



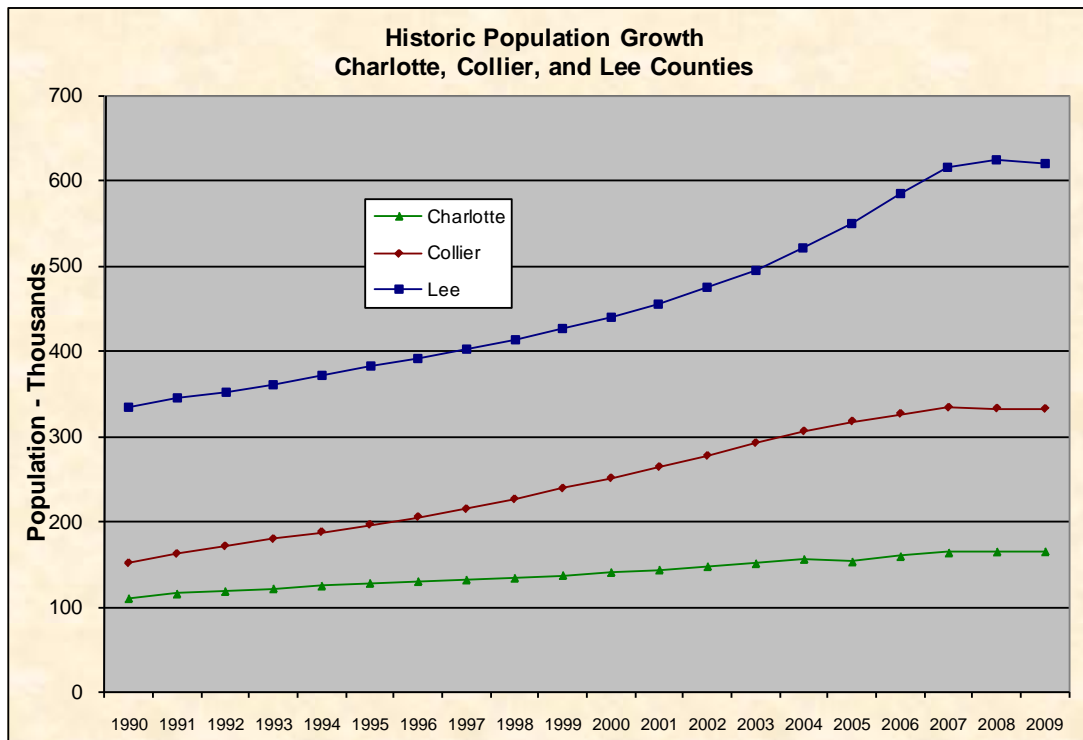
Source: BLS

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

## Population

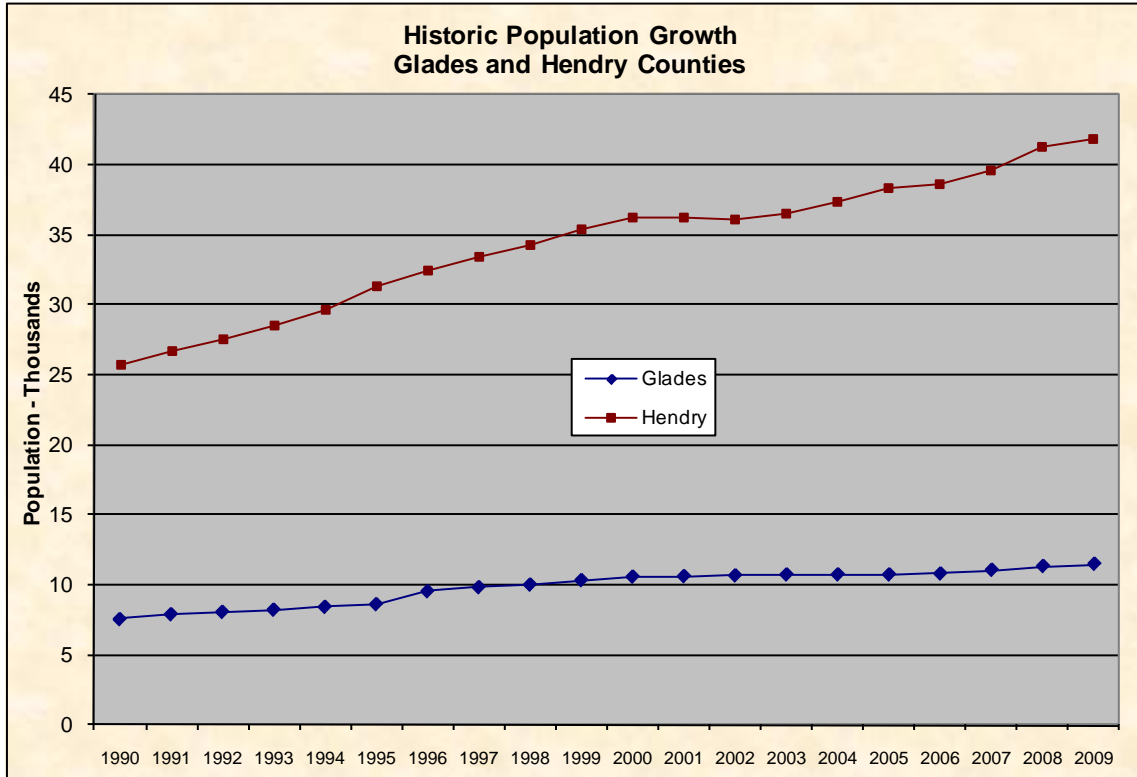
The length and severity of the current global recession is expected to slow regional and state population growth. A Florida Demographic Estimating Conference (“FDEC”) was held in February 2009 and their forecasts are included in this report. Charts 22 and 23 show historic population growth from 1990 to 2009. Collier County grew at an average annual growth rate of 4.2 percent from 1990 to 2009. Lee County’s population grew at an annual rate of 3.3 percent. Charlotte, Glades, and Hendry Counties had average annual rates of population growth between 2.1 and 2.6 percent per year. Table 1 shows projected population increases for 2009 to 2030 and Chart 24 provides a chart of those population projections through 2030. The overall rate of regional growth is less than projected by the FDEC last year. Charts 25 through 27 illustrate the percentages of regional population by county for the years 2000, 2009, and 2030.

**Chart 22: Coastal Counties Growth 1990 to 2009**



Source: Florida EDR: August 2009

**Chart 23: Inland County Growth 1990 to 2009**



Source: Florida EDR: August 2009

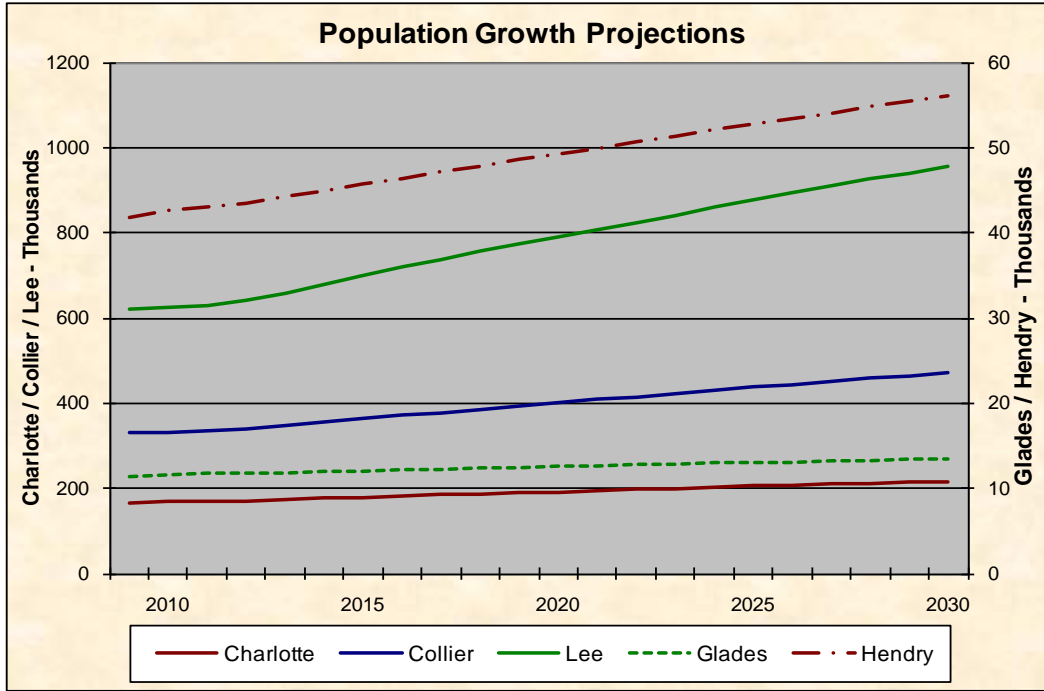
**Table 1: Projections by County**

**EDR Demographic Estimating Conference  
Population Estimates and Projections by County**

Year	Charlotte	Collier	Lee	Hendry	Glades
<b>2009</b>	165,990	332,386	621,029	41,803	11,480
<b>2010</b>	167,598	331,811	622,940	42,666	11,633
<b>2020</b>	192,213	400,684	789,598	49,241	12,552
<b>2030</b>	216,958	471,989	957,111	56,102	13,487

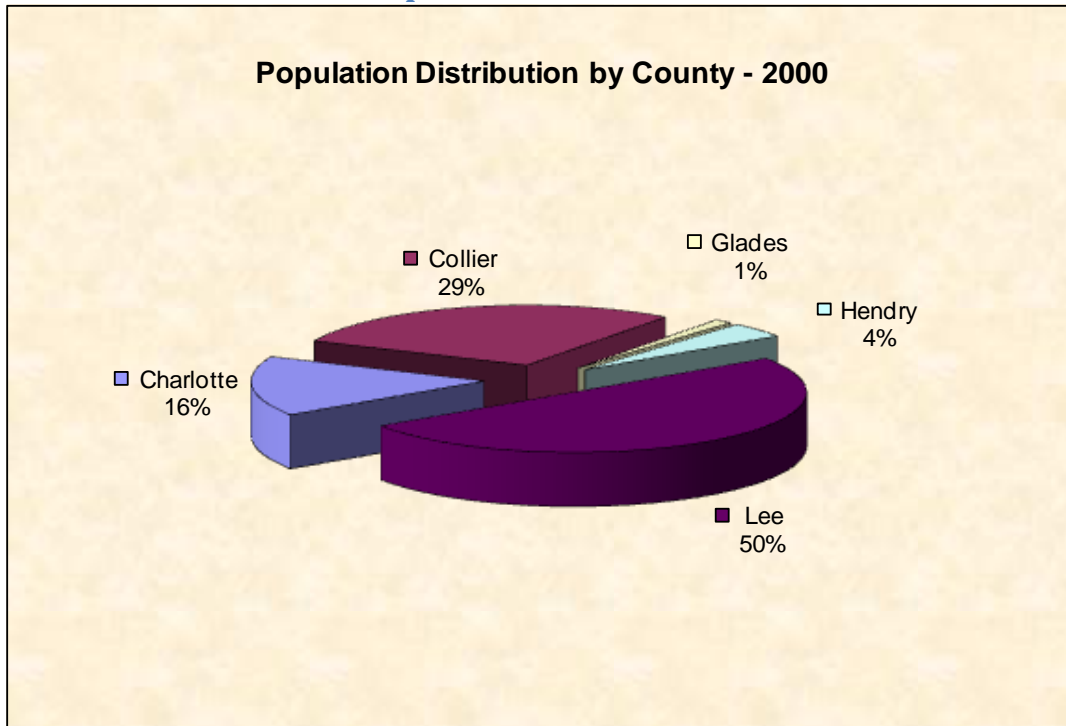
Source: Florida EDR: August 2009.

**Chart 24: Projections by County**



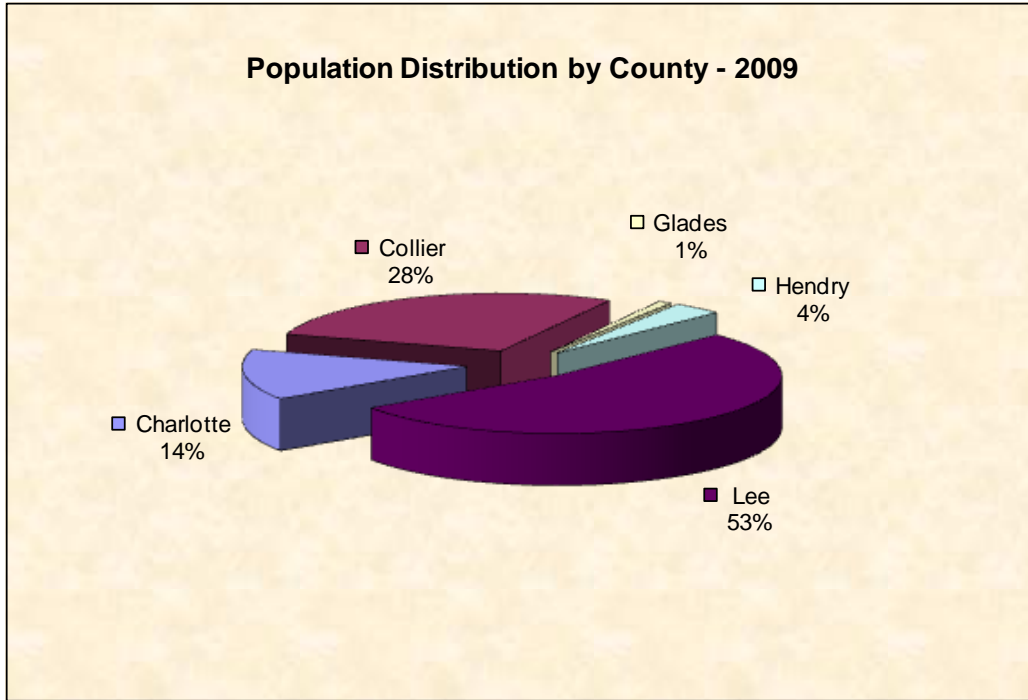
Source: Florida EDR: August 2009.

**Chart 25: Population Distribution 2000**



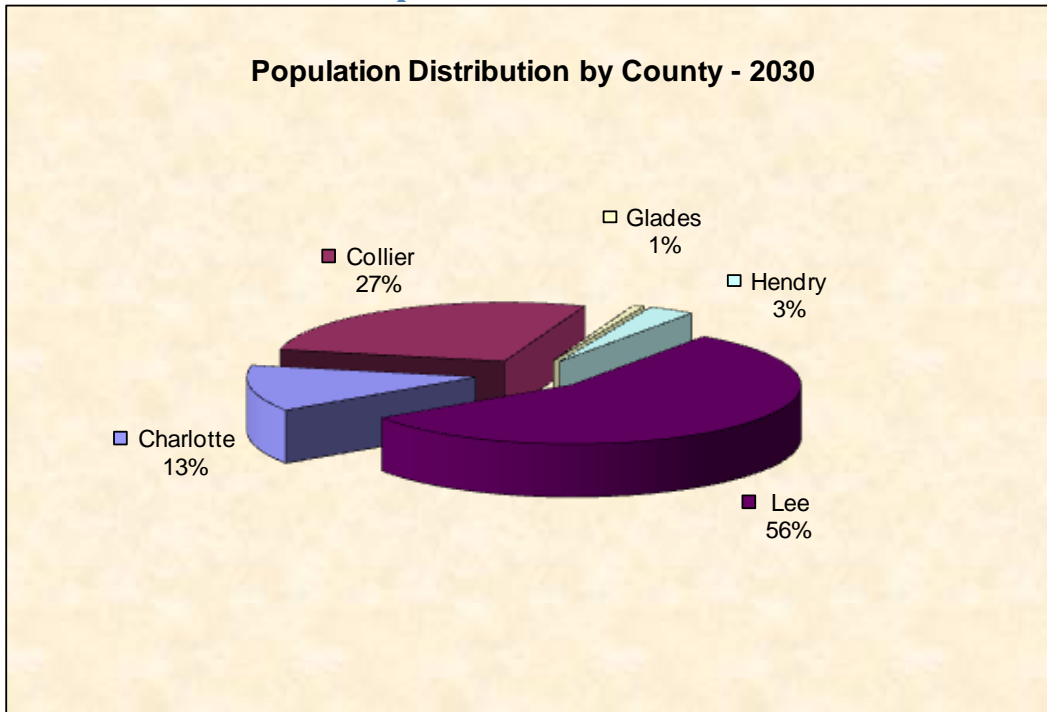
Source: Florida EDR: August 2009.

**Chart 26: Population Distribution 2009**



Source: Florida EDR: August 2009.

**Chart 27: Population Distribution 2030**



Source: Florida EDR: August 2009.