

Southwest Florida Regional Economic Indicators

December 2009



Regional Economic Research Institute

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

Table of Contents

Introduction 3

Airport Activity..... 6

 Chart 1: Regional Airport Arrivals and Departures 6

 Chart 2: RSW Traffic Trend..... 7

 Chart 3: Sarasota Airport Traffic Trend..... 7

 Chart 4: Charlotte County Airport Traffic Trend 8

Tourism Tax Revenues 8

 Chart 5: Lee County Tourism Tax Revenues 9

 Chart 6: Collier County Tourism Tax Revenues..... 9

 Chart 7: Charlotte County Tourism Tax Revenues..... 10

Single-Family Building Permits..... 10

 Chart 8: Lee County..... 11

 Chart 9: Collier County 11

 Chart 10: Charlotte County 12

Taxable Sales..... 12

 Chart 11: Taxable Sales by County..... 13

 Chart 12: Lee County Taxable Sales - Change from a Year Earlier 13

 Chart 13: Collier County Taxable Sales - Change from a Year Earlier 14

 Chart 14: Charlotte County Taxable Sales - Change from a Year Earlier 14

Workforce – Unemployment 15

 Chart 15: Regional Unemployment..... 15

 Chart 16: Coastal County Unemployment 16

 Chart 17: Inland County Unemployment..... 16

Sales of Single–Family Existing Homes and Median Sales Price 17

 Chart 18: Lee County..... 17

 Chart 19: Collier County..... 18

 Chart 20: Charlotte County 18

Consumer Price Index 19

 Chart 21: CPI Annual Percentage Change 19

 Chart 22: Miami-Fort Lauderdale CPI Component Percentage Change 20

Population..... 20

 Chart 23: Coastal Counties Growth 1990 to 2009 21

 Chart 24: Inland County Growth 1990 to 2009..... 21

 Table 1: Projections by County 22

Chart 25: Projections by County	22
Chart 26: Population Distribution 2000	23
Chart 27: Population Distribution 2009	23
Chart 28: Population Distribution 2030	24

Contact List:

Dr. Gary Jackson, Director, Regional Economic Research Institute
 Phone: 239-590-7319 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

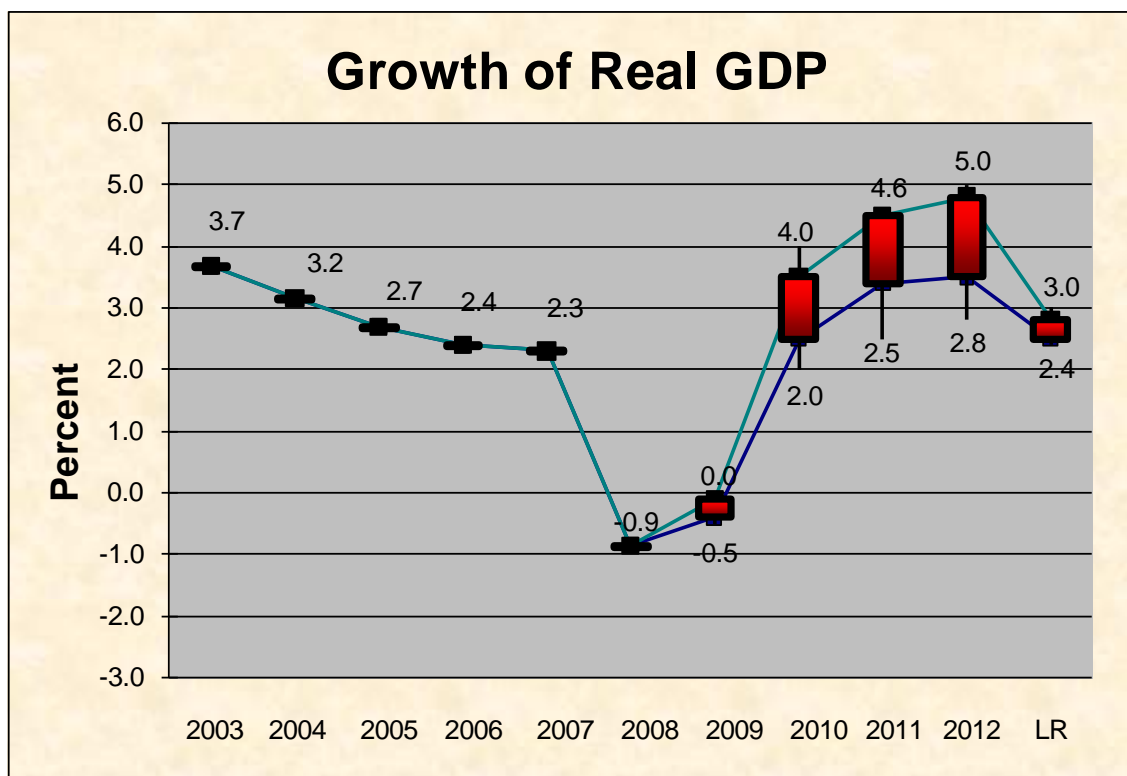
The nation's advance (preliminary) real GDP growth estimate for the third quarter was revised downward from 3.5 percent to a third revised estimate of 2.2 percent on December 23, 2009. This shows that the economy's output was not growing as fast as first thought. Personal savings rates were 1.7 percent in 2007 increasing to 2.7 percent in 2008. The personal saving rate for 2009 continued to increase to 3.7 percent for the first quarter, 5.4 percent for the second quarter, and 4.5 percent for the third quarter. Consumers remain very concerned about the economy, given high unemployment rates and tight credit. The Conference Board released its December consumer confidence index on December 29, 2009 showing that the index increased to 52.9 from 50.6 in November which is low but does show some improvement.

The Federal Reserve's Open Market Committee (FOMC) issued a press release on December 16th, indicating that:

- Economic activity has continued to pick up and the deterioration in the labor market is abating;
- The housing sector has shown some signs of improvement over recent months;
- Household spending appears to be expanding, but remains constrained by a weak labor market, modest income growth, lower housing wealth, and tight credit;
- Businesses are still cutting back on fixed investment, though at a slower pace, and remain reluctant to add to payrolls; progress is being made in bringing inventory stocks into better alignment with sales;
- Financial market conditions have become more supportive of economic growth;
- With substantial resource slack likely to continue to dampen cost pressures and with longer-term inflation expectations stable, the Committee expects that inflation will remain subdued for some time; and
- The Committee will maintain the target range for the federal funds rate at 0 to ¼ percent for an extended period; continue to purchase a total of \$1.25 trillion of agency mortgage-backed securities and about \$175 billion of agency debt; and will gradually slow the pace of its purchases in order to promote a smooth transition in markets.

The next meeting of the Federal Reserve's Open Market Committee is planned for January 26 and 27, 2010. The Federal Reserve Open Market Committee's newest economic forecasts were released on November 24th in their November 3-4 meeting minutes and 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.

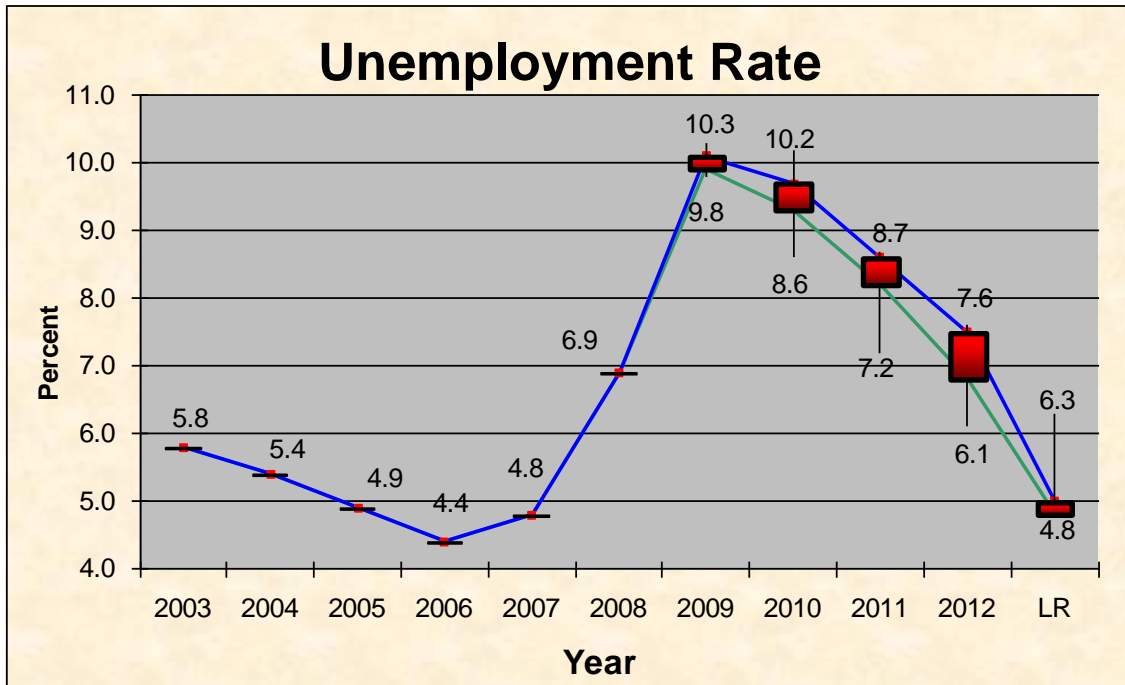
Real GDP has declined in 2009 with a forecast range of -0.5 to 0.0 percent growth. The chart below shows a recovery in 2010, but it will be several years before the economy returns to a more normal long-run (LR) trend. Real GDP growth projections for 2010, 2011, and 2012 show a recovery but there remains considerable uncertainty as to how strong the recovery will be as shown by the wide range of forecasts. For 2010, the range is 2.0 to 4.0 percent growth in GDP with a central tendency range (red bar) of 2.5 to 3.5 percent. For 2011, the projected Real GDP growth range is 2.5 to 4.6 percent with a central tendency of 3.4 to 4.5 percent. For 2012, the overall projected range is 2.8 to 5.0 percent with a central tendency range of 3.5 to 4.8 percent. The long-run (LR) trend for Real GDP has a range of 2.4 to 3.0 percent growth with a central tendency of 2.5 to 2.8 percent.



Source: Minutes of the Federal Open Market Committee, November 3-4, 2009.

The national unemployment rate was forecast to range between 9.8 and 10.3 percent in 2009 with a central tendency (red bar) of 9.9 to 10.1 percent, as shown in the chart below. The November 2009 national unemployment rate declined slightly to 10.0 percent. Unemployment in 2010 is expected to be

slightly lower, but remain high in a range of 8.6 to 10.2 percent with a central tendency (red bar) of 9.3 to 9.7 percent. For 2011, the unemployment rate is expected to be lower and in a range of 7.2 to 8.7 percent with a central tendency of 8.2 to 8.6 percent. In 2012, the national unemployment range is forecast to be between 6.1 and 7.6 percent with a central tendency of 6.8 to 7.5 percent. The long-run unemployment is expected to be in a range of 4.8 to 6.3 percent with a central tendency of 5.0 to 5.2 percent. The projections for unemployment are for the fourth quarter of each year.



Source: Minutes of the Federal Open Market Committee, November 3-4, 2009.

Although there are some signs of improvement, 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 remained steady at 13.3 percent in November. Passenger traffic at Regional Southwest Airport (RSW) in October 2009 saw a significant increase over the prior month, and a small decline from October 2008. Overall October Tourist Tax revenues for the coastal counties of Charlotte, Collier and Lee were down 10 percent from a year earlier.

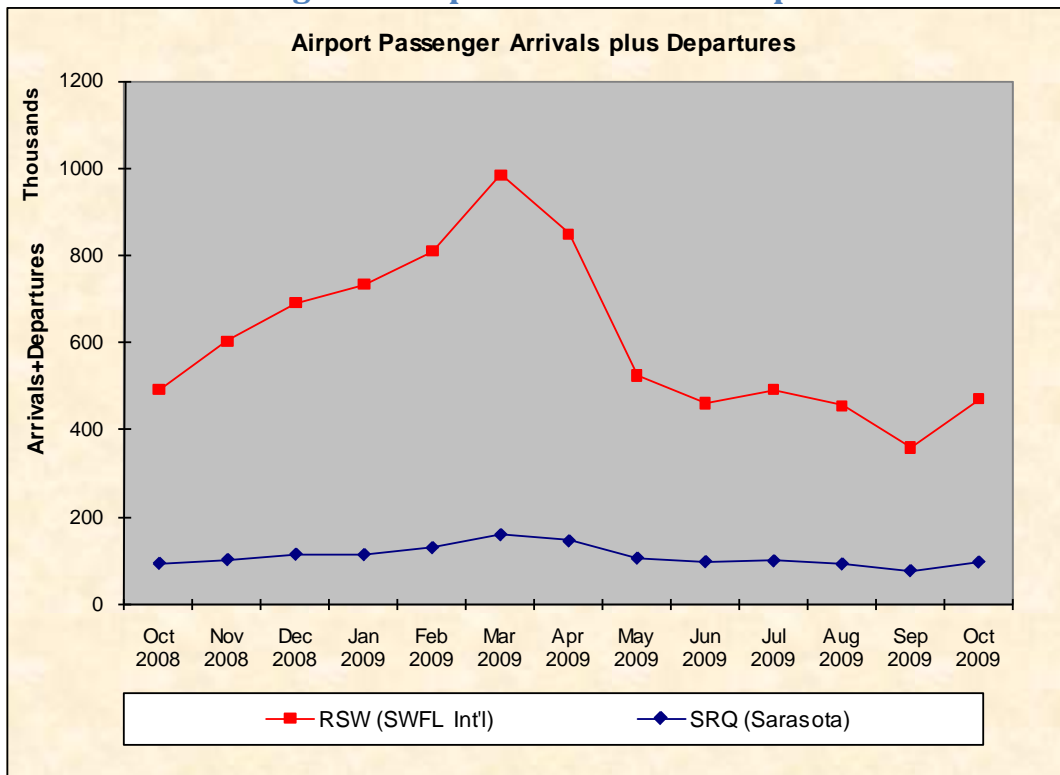
The Regional Economic Research Institute (RERI) is continuing to develop the regional economic database, and this report as a way to support its mission and assist the region. The Institute appreciates and thanks its many partners for assistance in obtaining the data, including the Southwest Florida Regional Planning Council, the Economic Development Organizations of Charlotte, Collier, and Lee Counties, the regional airport authorities, 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. Charts 2 and 3 illustrate the monthly seasonality of airport passenger traffic and the changes from year to year.

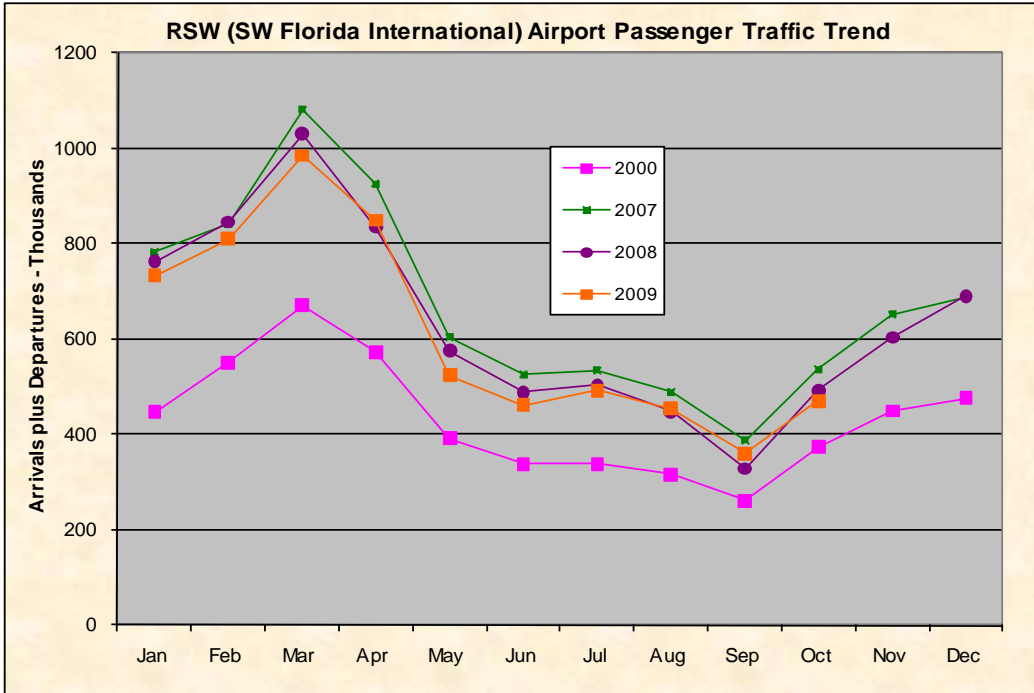
Regional Southwest Florida (RSW) airport is largest airport in the region serving national and international destinations. Charts 1 and 2 show reported RSW airport passenger activity of 470,931 in October 2009, which is 31 percent higher than the September 2009 level and 4 percent below October 2008. Sarasota (SRQ) passenger activity was 96,953 in October 2009, an increase of 26 percent above the prior month figure and 3 percent higher than a year ago, as shown in Charts 1 and 3. Charlotte County added commercial passenger service earlier this year, recording passenger activity of 8,258 in October, as shown in Chart 4.

Chart 1: Regional Airport Arrivals and Departures



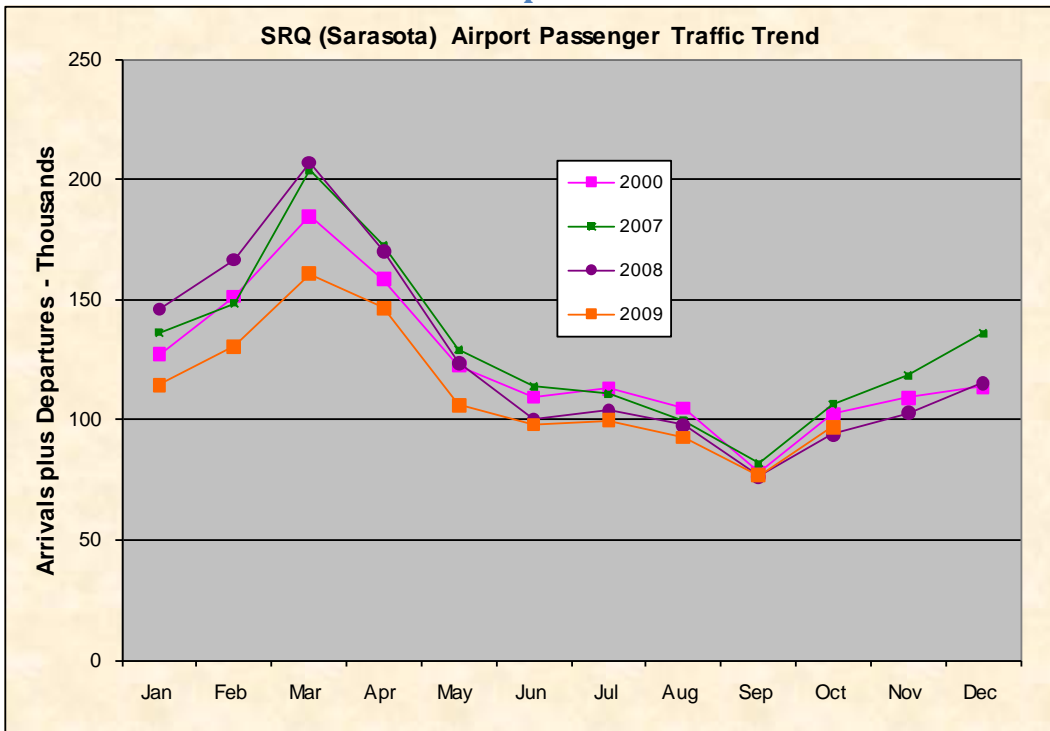
Source: Local Airport Authorities

Chart 2: RSW Traffic Trend



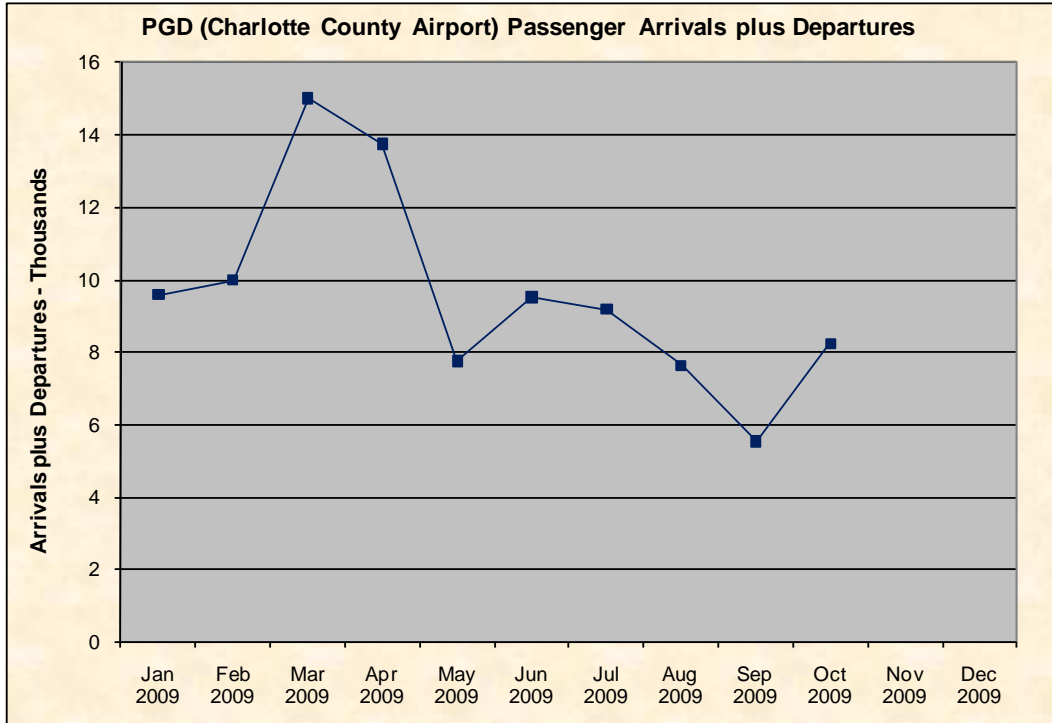
Source: Local Airport Authorities

Chart 3: Sarasota Airport Traffic Trend



Source: Local Airport Authorities

Chart 4: Charlotte County Airport Traffic Trend

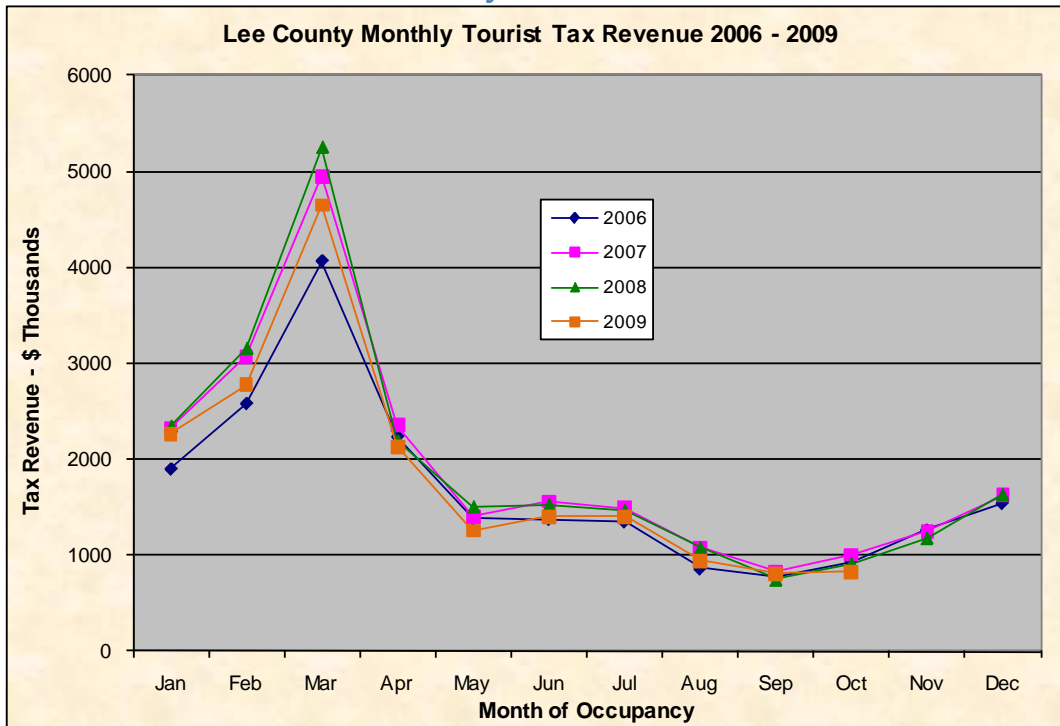


Source: Local Airport Authorities

Tourism Tax Revenues

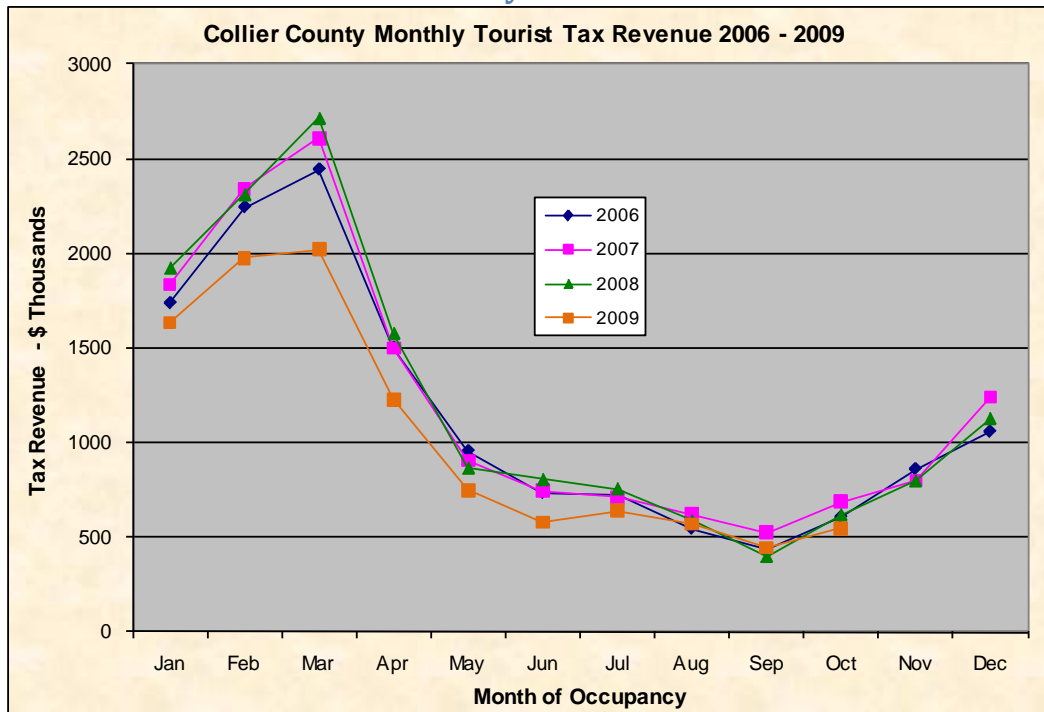
Tourism tax revenues for the region are shown in Charts 5, 6, and 7, and are based on month of occupancy. The charts show that October tourism tax revenues increased 5 percent for Charlotte County, while declining by 12 percent for Collier and 10 percent for Lee County, compared to October 2008. Total October tax revenues for the three counties combined increased by 7 percent from September 2009, reflecting the historic seasonal pattern.

Chart 5: Lee County Tourism Tax Revenues



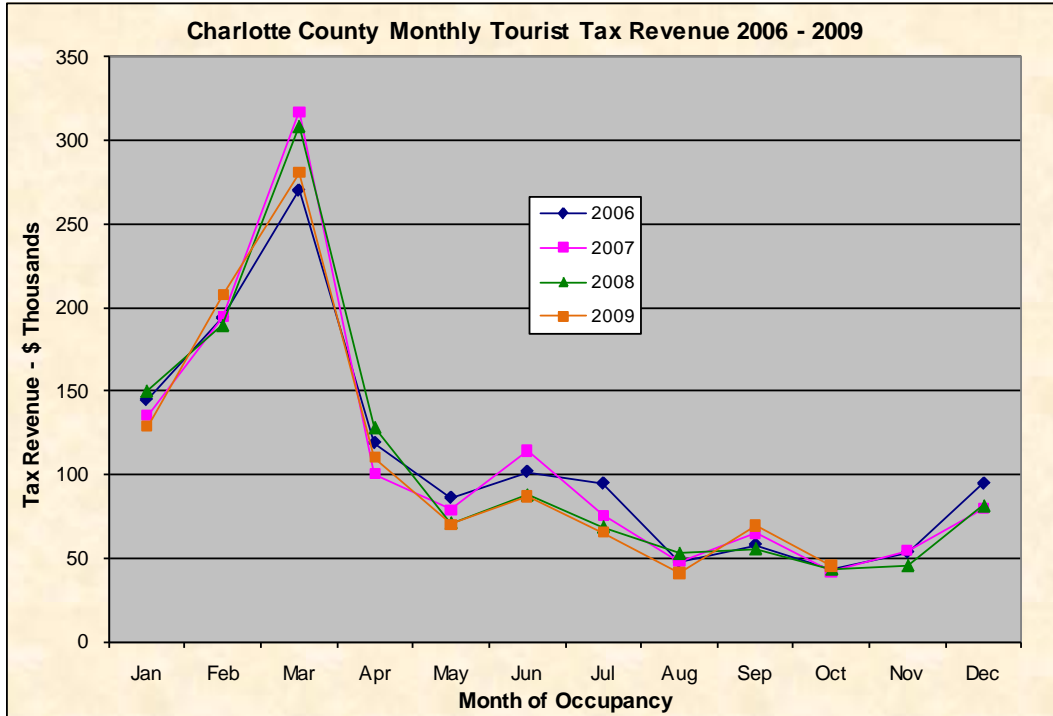
Source: Local County Tourism, Tax, and Economic Development Reports

Chart 6: Collier County Tourism Tax Revenues



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

Chart 7: Charlotte County Tourism Tax Revenues

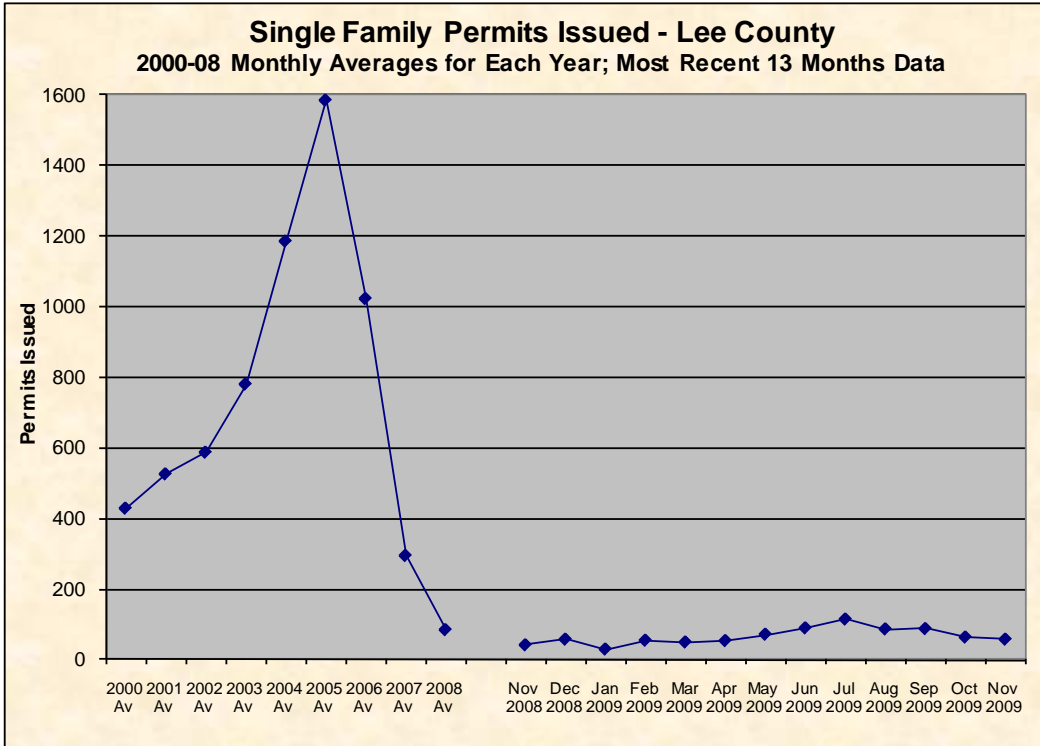


Source: Local County Tourism, Tax, and Economic Development Reports

Single-Family Building Permits

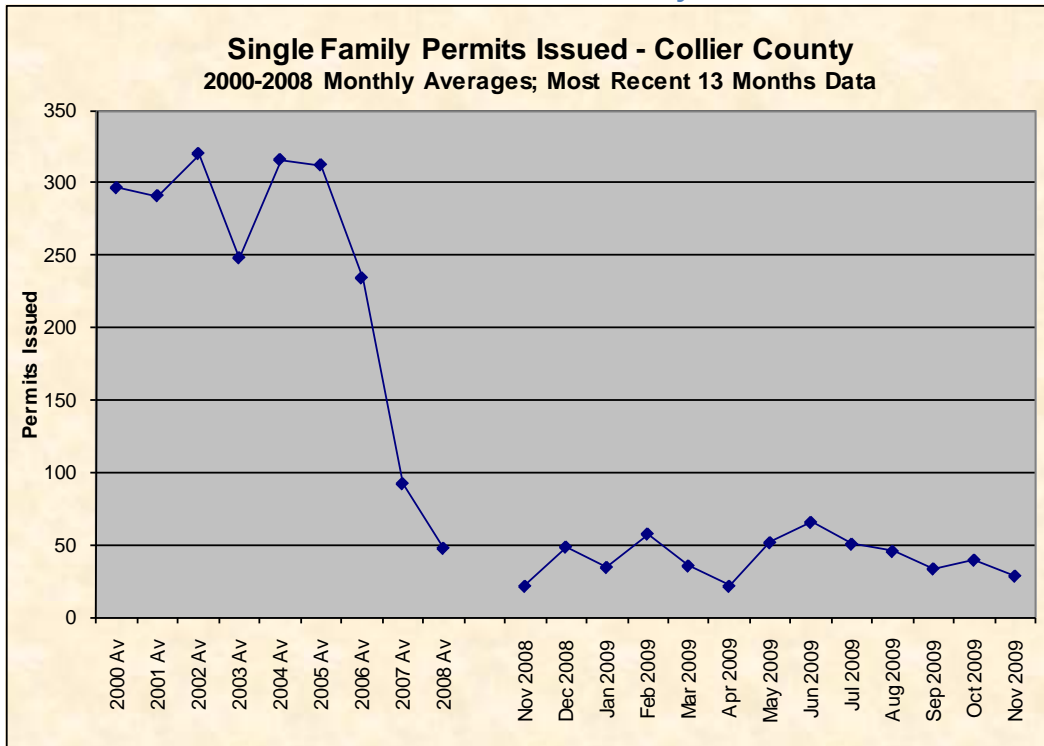
Total single-family home permits remained historically low for the region as a result of the economy's recession and the impact of many existing homes selling below replacement cost. Lee County showed 58 single-family home permits issued in November 2009, a decrease from 64 in October, but an increase over the prior year figure of 42, as shown in Chart 8. Similarly, single-family permits for Collier County declined from 40 in October 2009 to 29 in November, as shown in Chart 9; this represented an increase over the prior year figure of 22. Charlotte County reported 4 permits in November, down from the prior month figure of 38 and from the prior year figure of 19, as shown in Chart 10.

Chart 8: Lee County



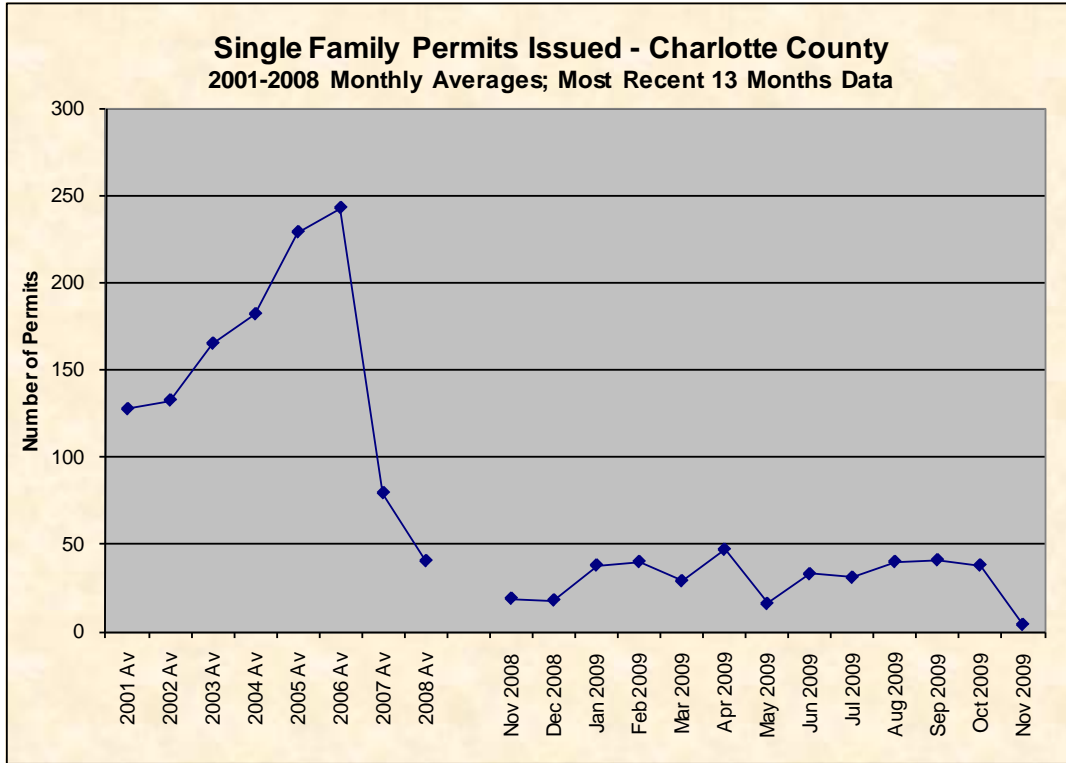
Source: Local Building and Zoning Departments, including Fort Myers, Cape Coral, and Unincorporated Lee County, Bonita Springs and Fort Myers Beach permits.

Chart 9: Collier County



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

Chart 10: Charlotte County



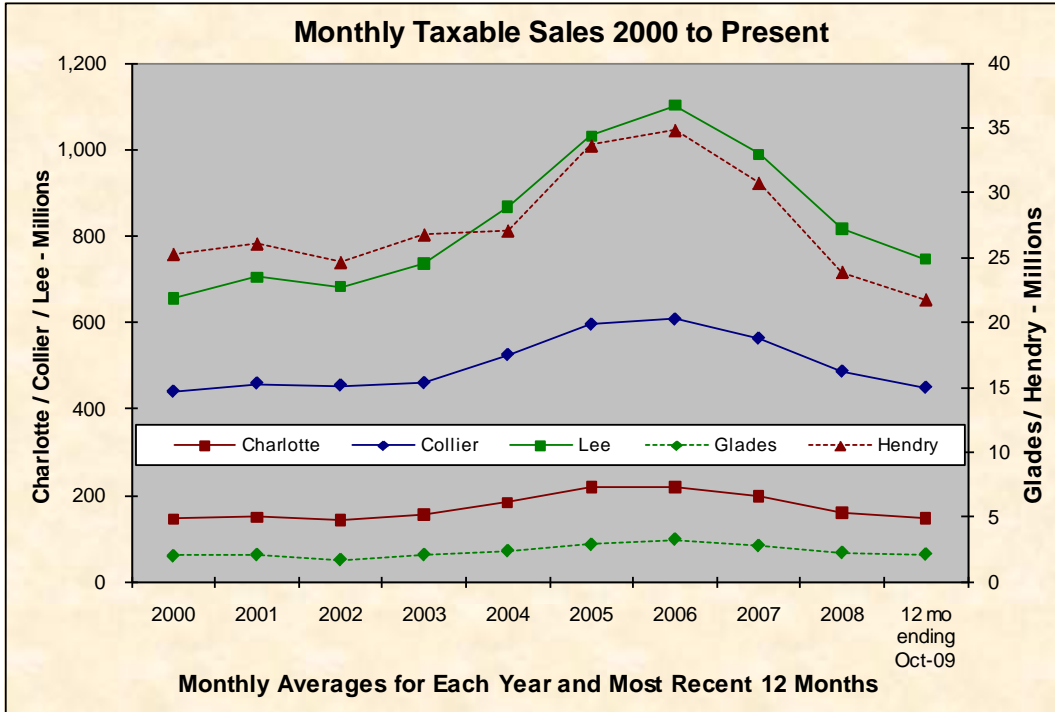
Source: Local Building and Zoning Departments, includes unincorporated Charlotte County permits only.

Taxable Sales

Taxable sales figures are used to track consumer spending, an important component of the regional economy. Chart 11 provides a historical range of average monthly taxable sales from 2000 to 2008 and the latest 12-month average through October 2009. The taxable sales charts show month of collection by the merchant rather than the reporting month issued by the Florida Department of Revenue. Thus, October is the latest collection month plotted on the following charts. Note that Chart 11 uses different scales for the Coastal counties (Charlotte, Collier, and Lee) and the Inland counties (Glades and Hendry).

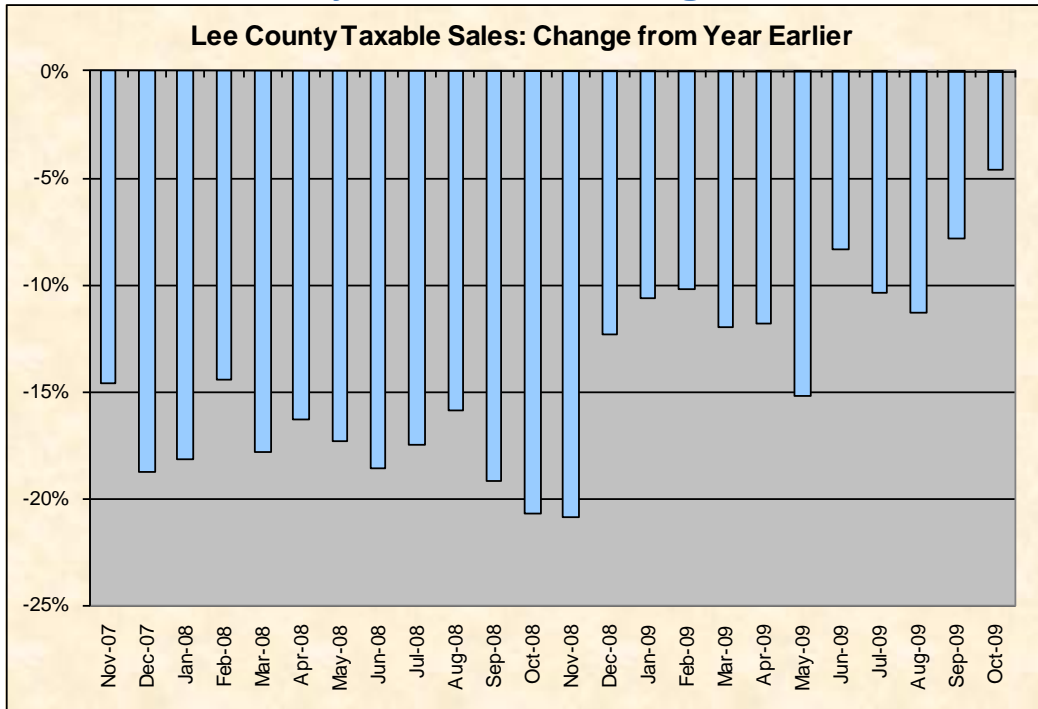
The local impact of the current recession continues to be visible in the decreases in taxable sales from the levels achieved several years ago, as shown in Chart 11. The year-to-year decreases have become smaller. Lee County taxable sales decreased from year-earlier levels by 5 percent in October 2009, as shown in Chart 12. Collier County and Charlotte County each experienced a year-to-year reduction of 1 percent, as shown in Charts 13 and 14. Taxable sales for the five-county region declined by \$38 million, or 3 percent, from October 2008 to October 2009; there was a regional increase from the prior month of September 2009 amounting to \$118 million or 11 percent.

Chart 11: Taxable Sales by County



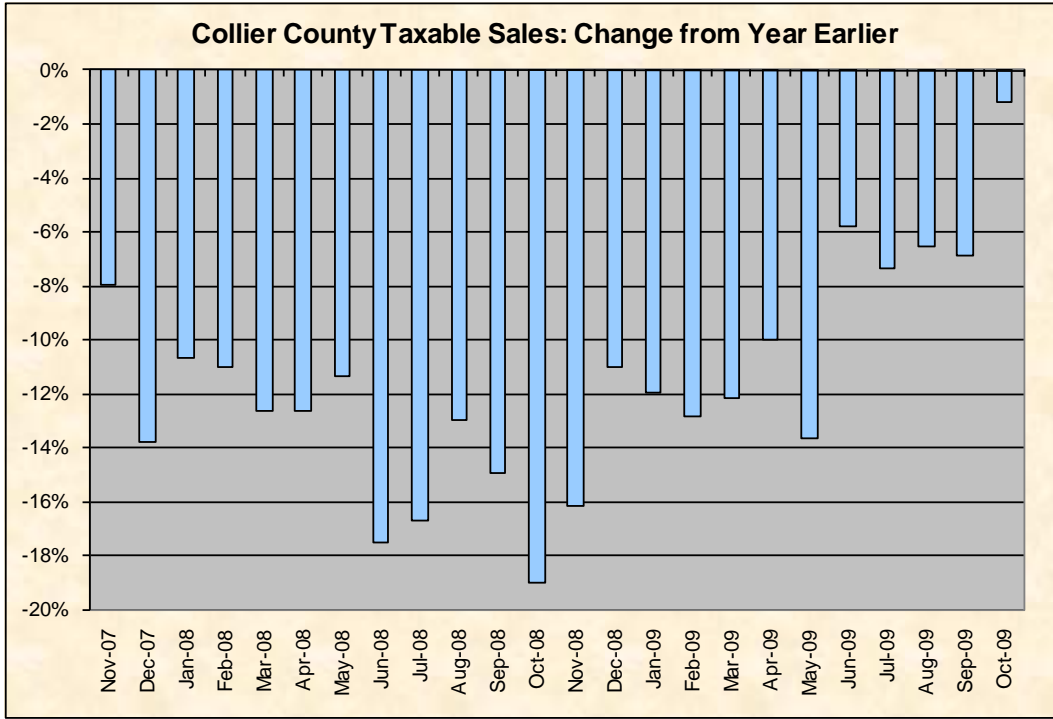
Source: Florida Department of Tax Research

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



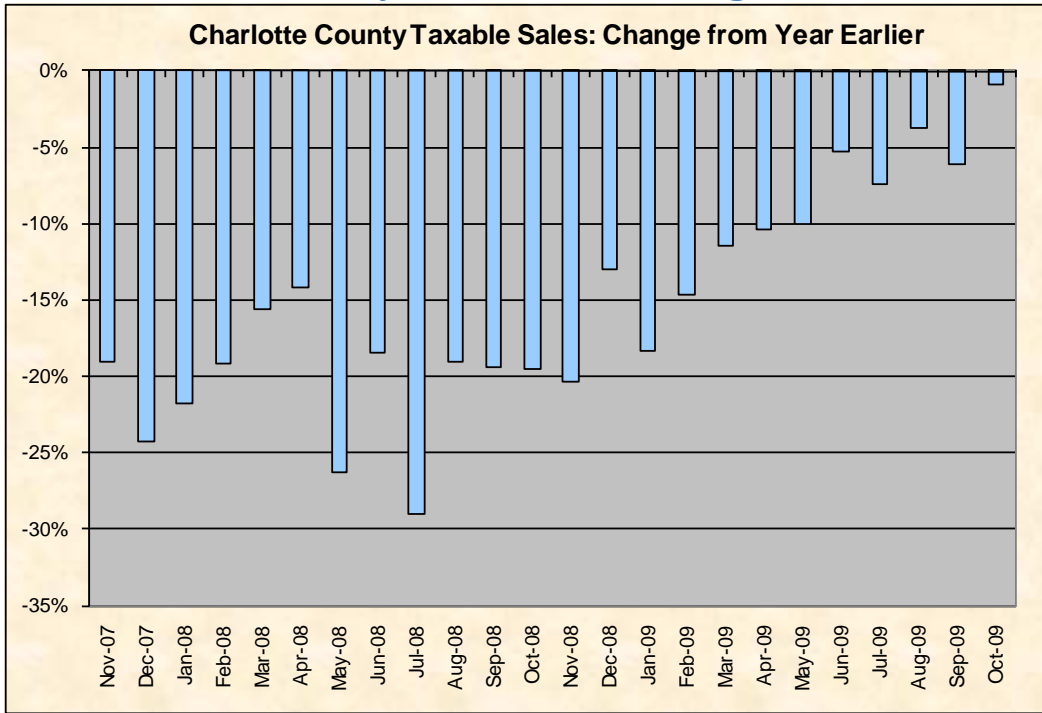
Source: Florida Department of Tax Research

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



Source: Florida Department of Tax Research

Chart 14: Charlotte County Taxable Sales - Change from a Year Earlier



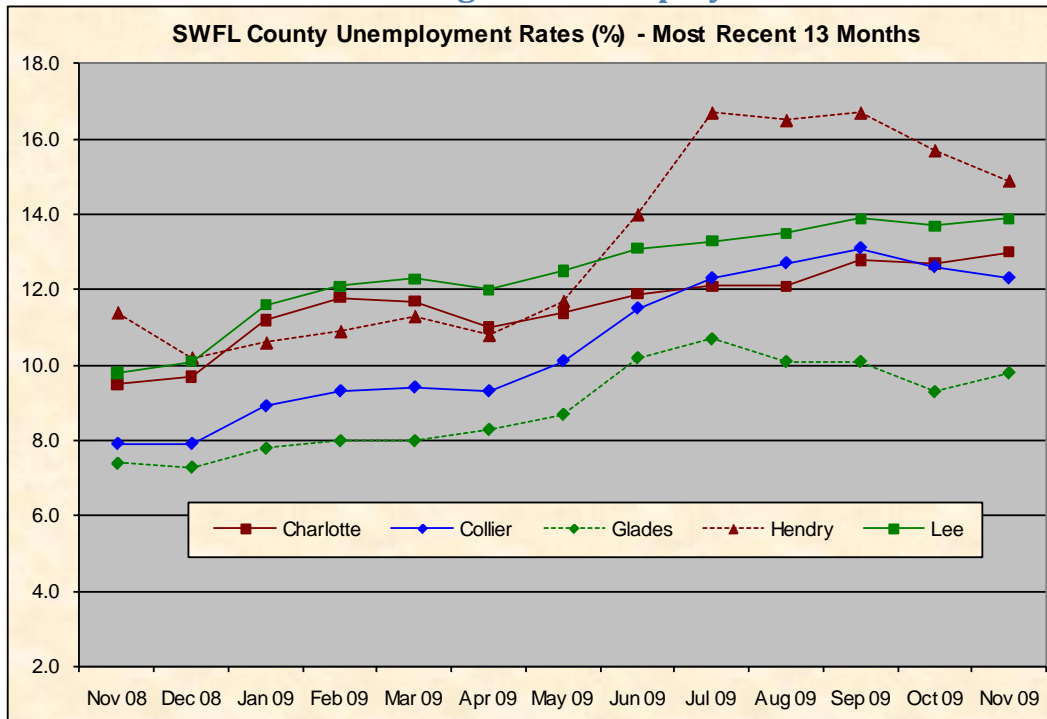
Source: Florida Department of Tax Research

Workforce - Unemployment

Charlotte, Lee, and Glades reported increased unemployment in November 2009 compared to October, as shown in Chart 15. The unemployment rates tracked in this report are not seasonally adjusted. Collier and Hendry Counties experienced moderate declines in unemployment. Lee County's unemployment rate increased from 13.7 percent in October to 13.9 percent in November 2009. Collier County's unemployment rate decreased from 12.6 percent to 12.3 percent, and Charlotte County's figure increased from 12.7 percent to 13.0 percent. Hendry County unemployment decreased from 15.7 percent in October to 14.9 percent in November 2009, while Glades County's unemployment rate rose from 9.3 to 9.8 percent. Florida's unemployment rate increased from 11.3 percent in October 2009 to 11.5 percent in November, while the national unemployment rate was 9.4 percent, not seasonally adjusted, and 10.0 percent seasonally adjusted.

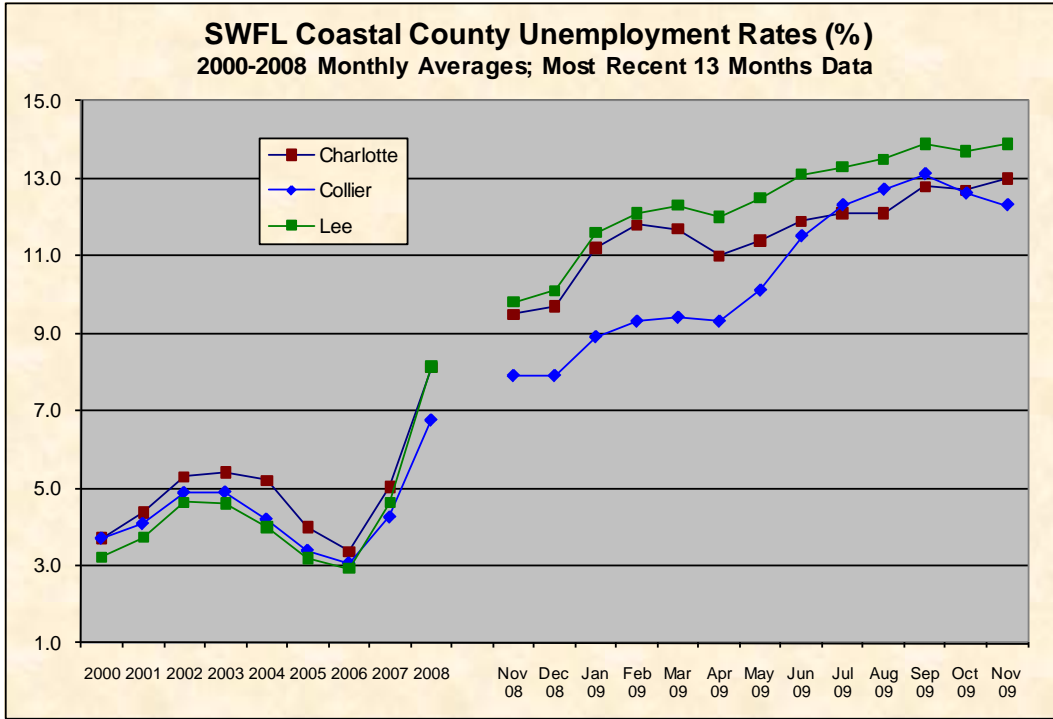
Charts 16 (coastal counties) and 17 (inland counties) provide a longer term historical perspective of unemployment rates for our region from 2000 to 2008 and the latest 13 months. Unemployment rates above 5 or 6 percent reflect cyclical unemployment and a slowdown of the economy from long-run trends.

Chart 15: Regional Unemployment



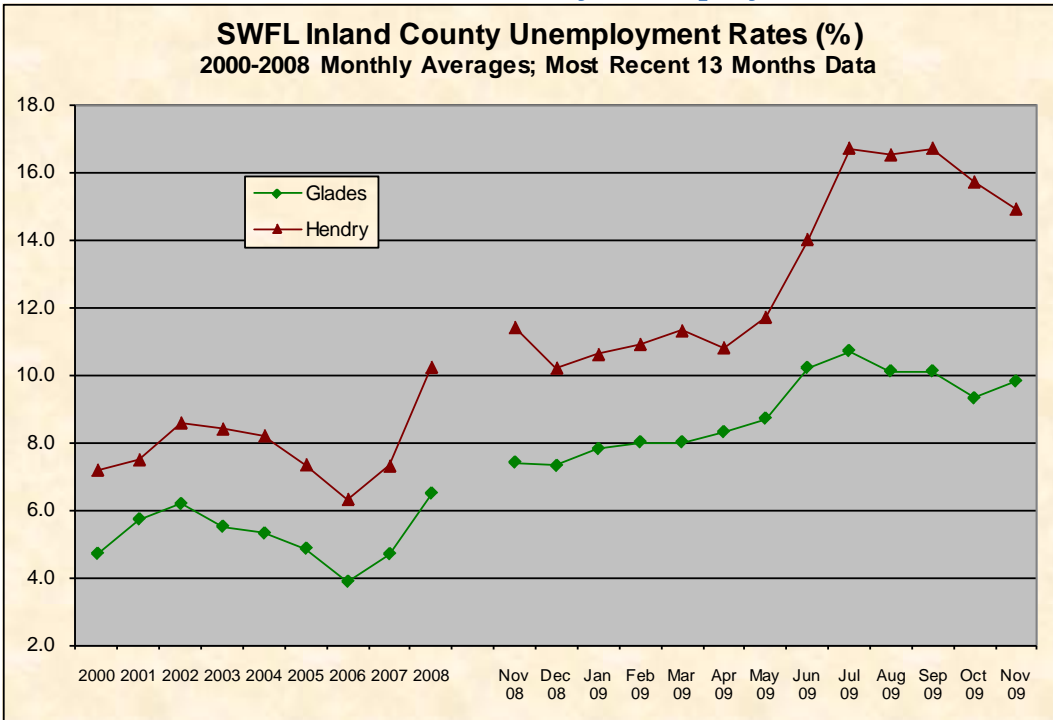
Source: AWI

Chart 16: Coastal County Unemployment



Source AWI

Chart 17: Inland County Unemployment

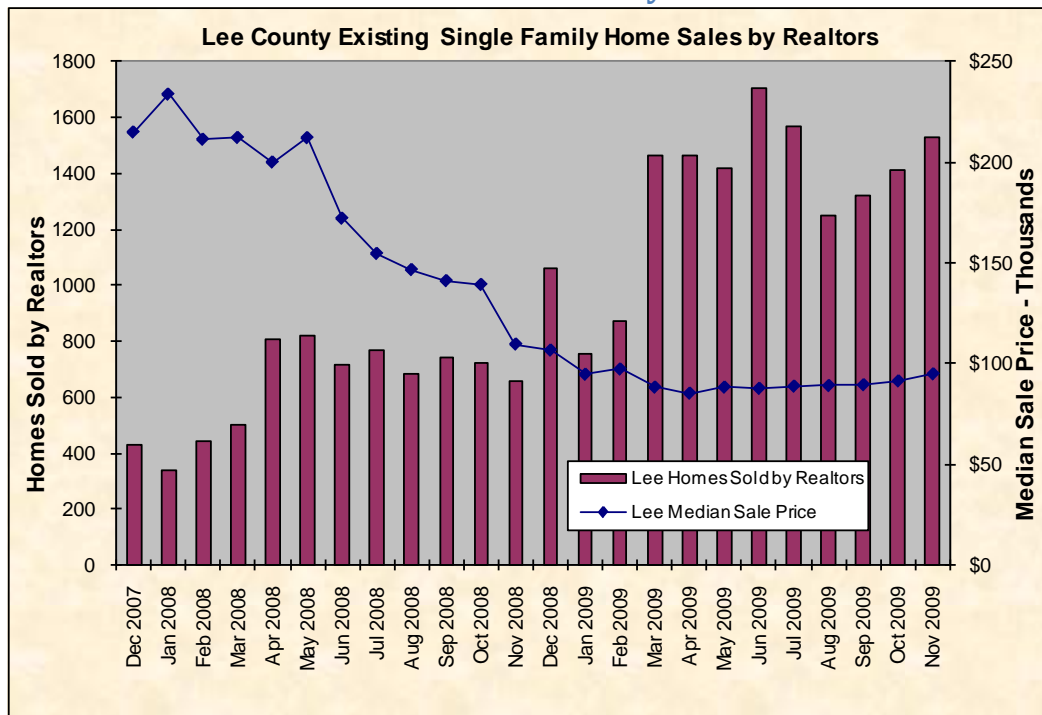


Source AWI

Sales of Single-Family Existing Homes and Median Sales Price

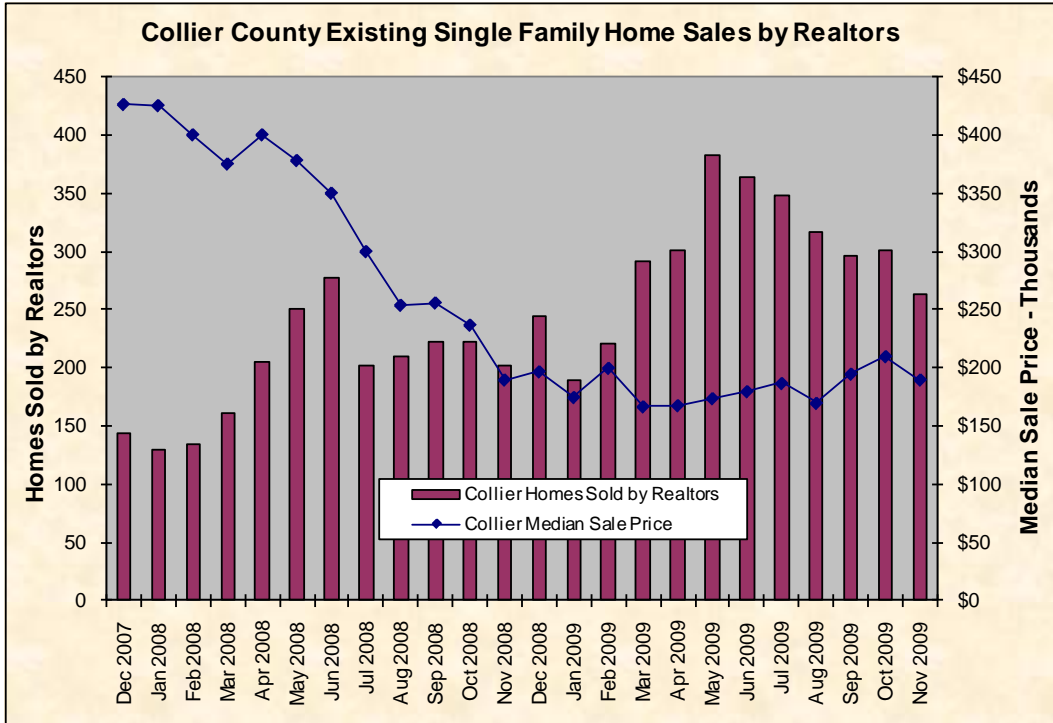
The number of existing single-family homes sold by REALTORS in November 2009 showed increases from the prior month in Lee and Charlotte Counties, while Collier County sales were down 13 percent (Charts 18, 19, and 20). Total sales for the three counties increased by 6 percent over the prior month, and were up by 100 percent or double those of November 2008. Lee County had total sales of 1,530 homes, an 8 percent increase from October 2009, and a 133 percent increase over November 2008. The median sales price for Lee County increased slightly from \$91,600 in October to \$95,100 in November 2009 (Chart 18). Collier County sales decreased from 301 in October to 263 in November 2009, along with a median price decrease from \$210,000 to \$190,000, as shown in Chart 19. Collier County's November sales represented a 30 percent increase over the prior November. Charlotte County sales increased 14 percent from 237 in the prior month to 270 in November 2009, and by 55 percent from November 2008. The median price in Charlotte County dipped from \$109,300 to \$100,000, as shown in Chart 20.

Chart 18: Lee County



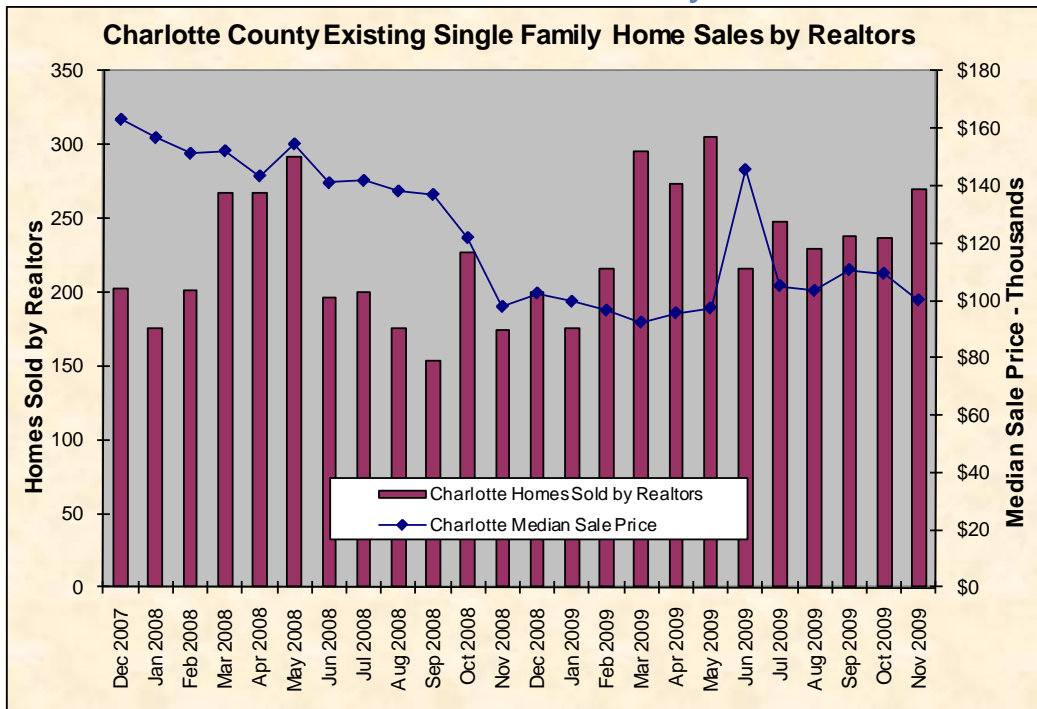
Source: Florida Association of Realtors® Fort Myers – Cape Coral MSA <http://media.living.net/statistics/statisticsfull.html>

Chart 19: Collier County



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

Chart 20: Charlotte County

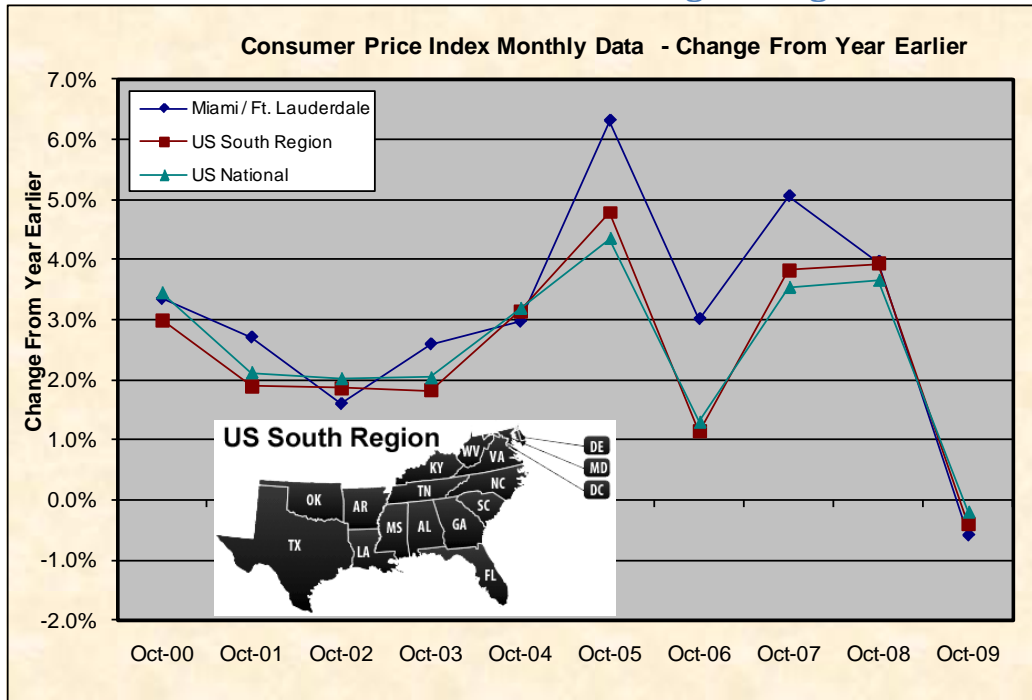


Source: Florida Association of Realtors® Punta Gorda, Florida MSA <http://media.living.net/statistics/statisticsfull.html>

Consumer Price Index

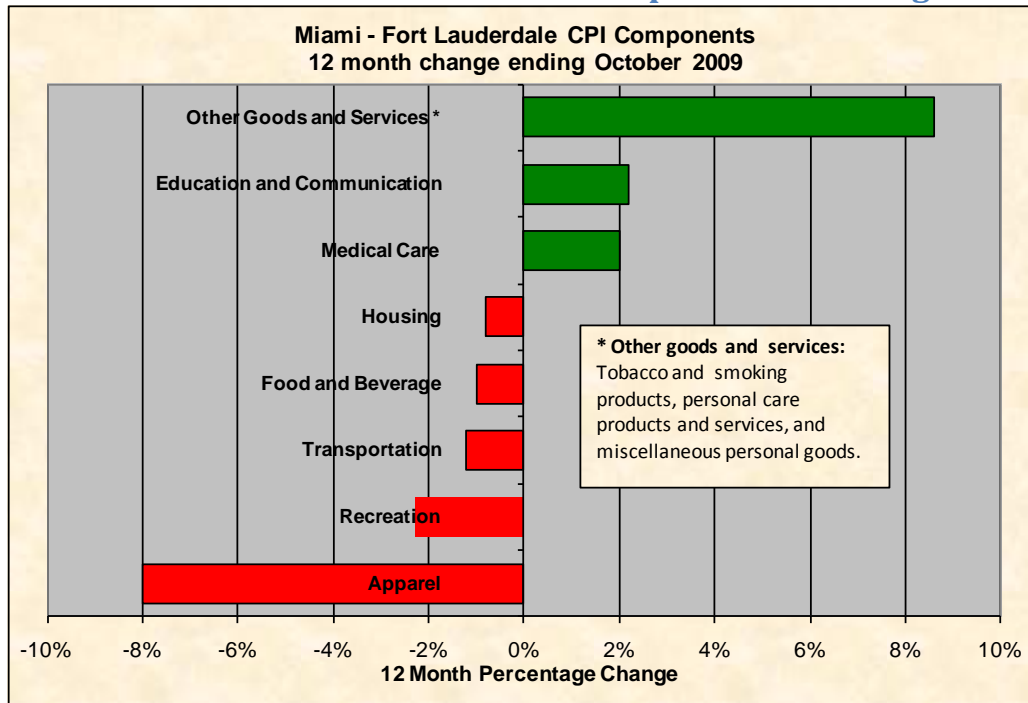
The consumer price index (CPI) is reported for the nation, region, and the Miami-Fort Lauderdale area and is shown in Chart 20. The Miami-Fort Lauderdale area CPI is collected every two months and is the closest reporting location to Southwest Florida. As noted in November's report, the October 2009 CPI for that area had declined by 0.6 percent from October 2008.

Chart 21: CPI Annual Percentage Change



The overall Miami-Fort Lauderdale Consumer Price Index for the 12 months ending October 2009 can be broken down into the components contributing to the price changes, as shown in Chart 21.

Chart 22: Miami-Fort Lauderdale CPI Component Percentage Change



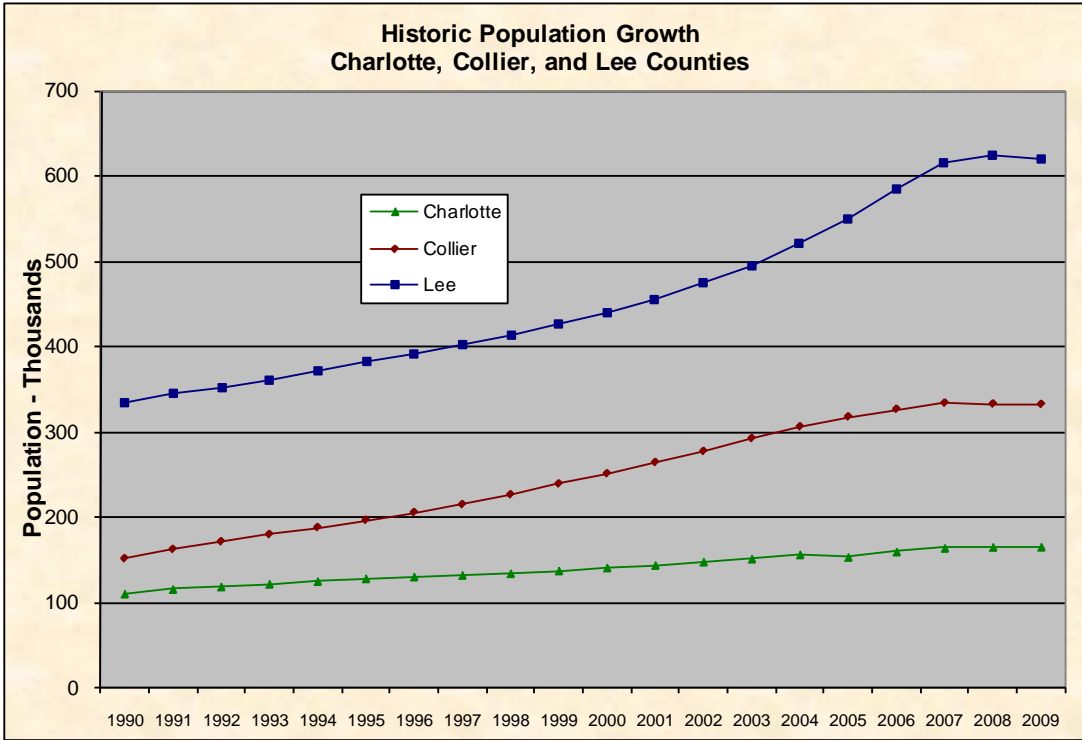
Source: BLS

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

Population

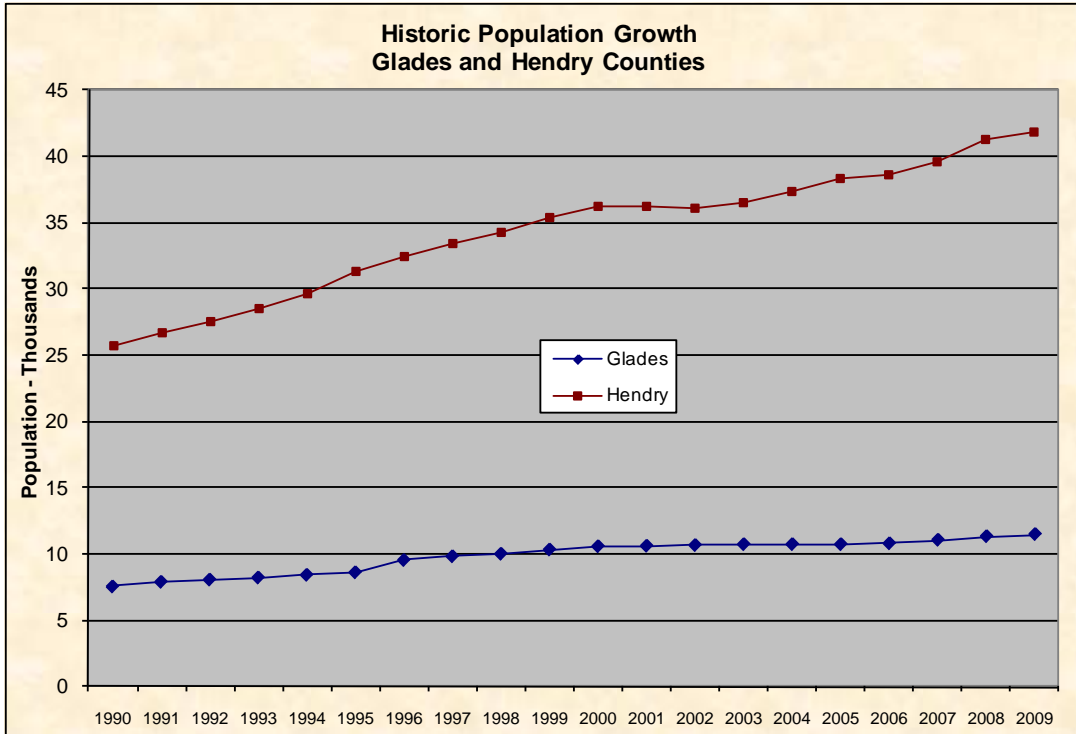
As previously reported, the length and severity of the current global recession is expected to slow regional and state population growth. A Florida Demographic Estimating Conference (“FDEC”) was held in February 2009 and their forecasts are included in this report. Charts 22 and 23 show historic population 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 23: Coastal Counties Growth 1990 to 2009



Source: Florida EDR: August 2009

Chart 24: Inland County Growth 1990 to 2009



Source: Florida EDR: August 2009

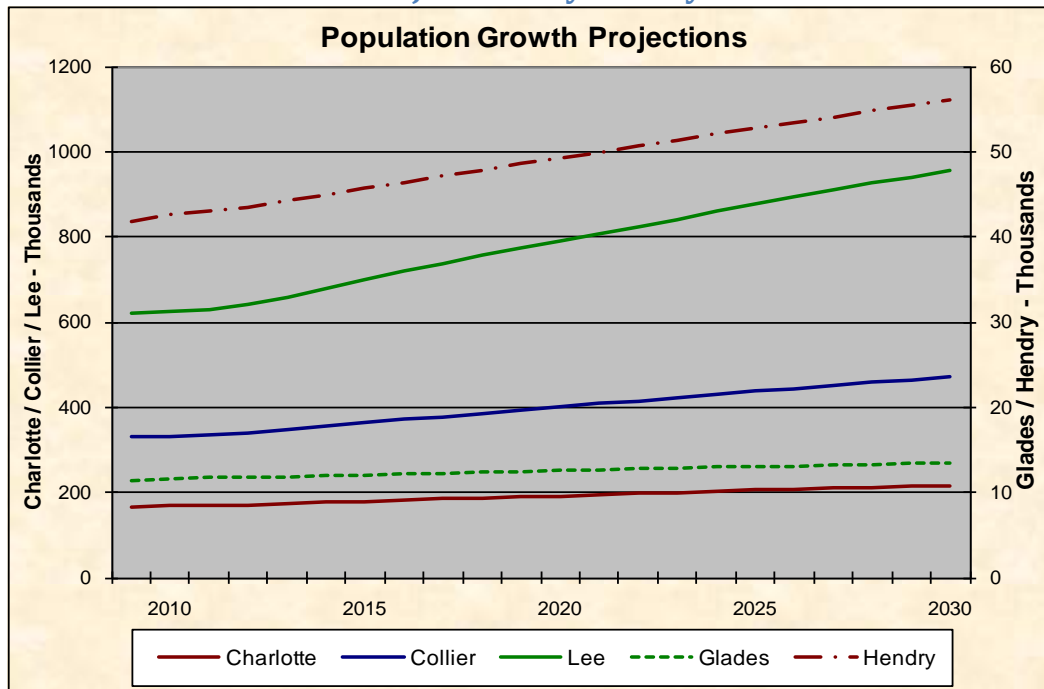
Table 1: Projections by County

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

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

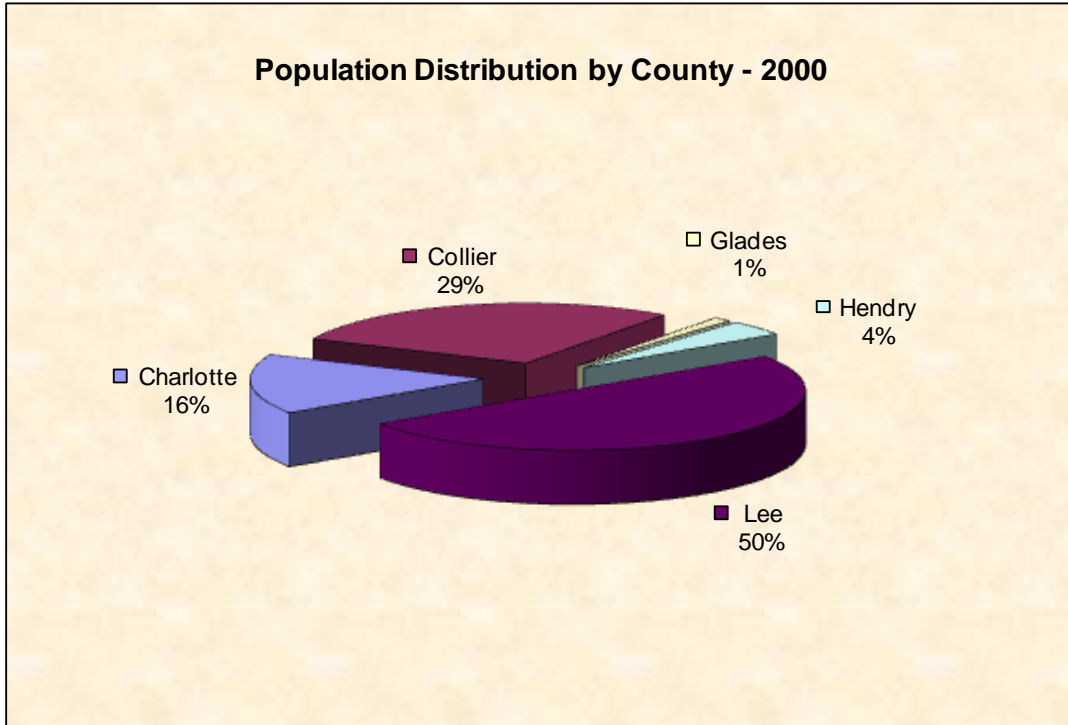
Source: Florida EDR: August 2009.

Chart 25: Projections by County



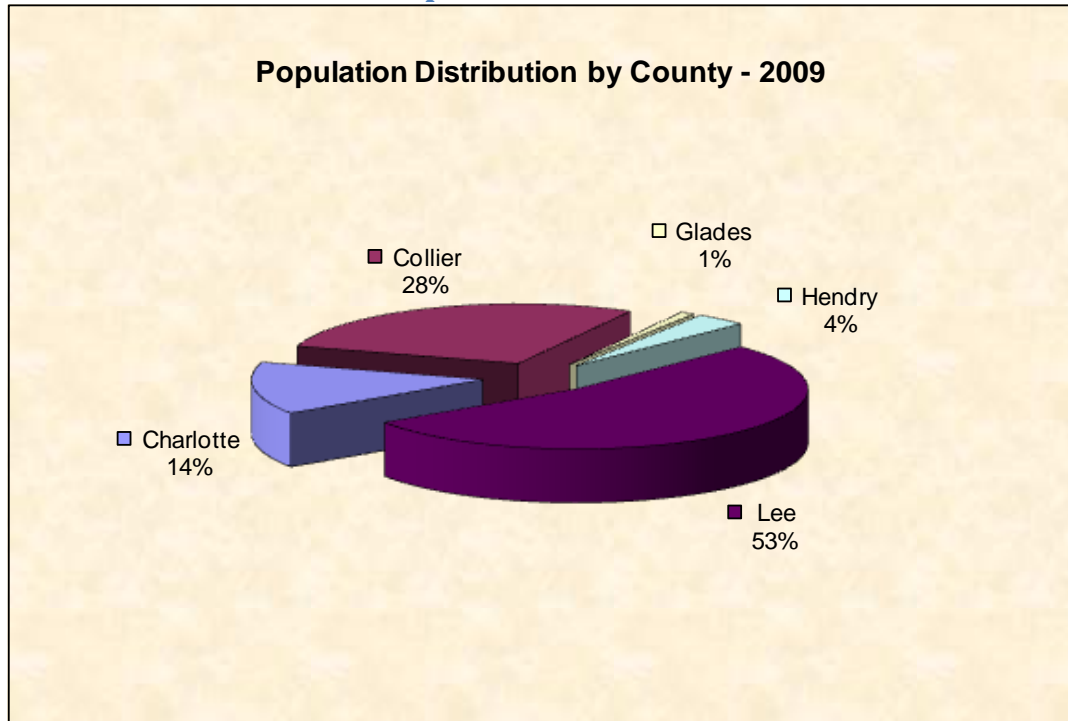
Source: Florida EDR: August 2009.

Chart 26: Population Distribution 2000



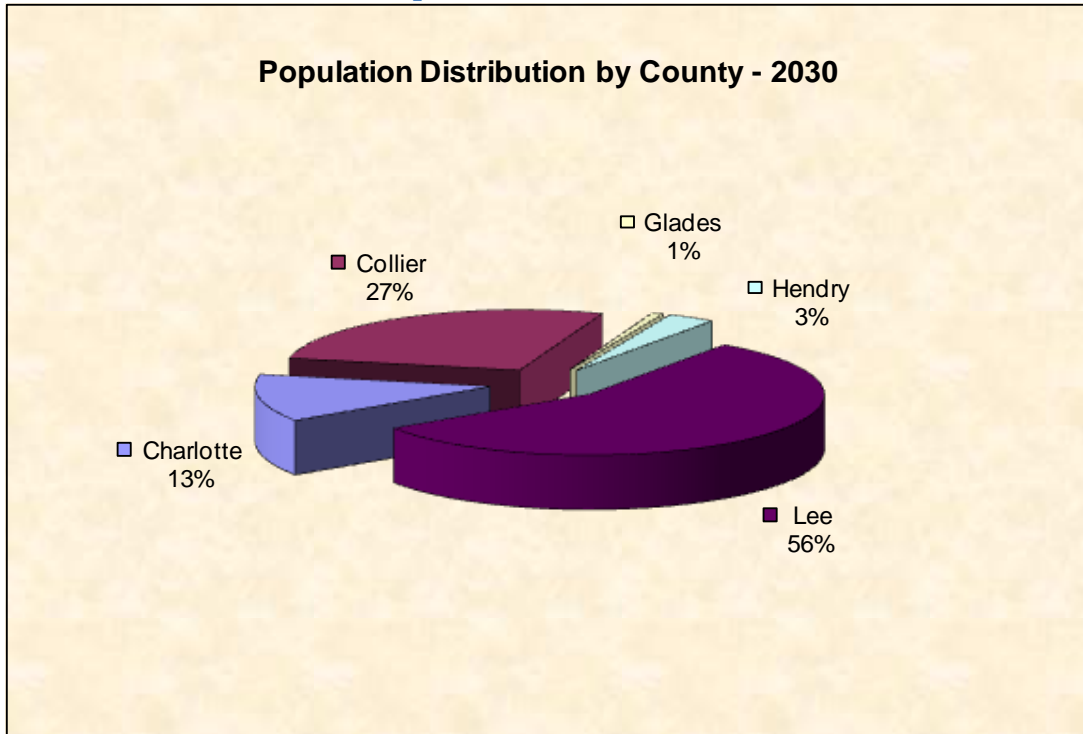
Source: Florida EDR: August 2009.

Chart 27: Population Distribution 2009



Source: Florida EDR: August 2009.

Chart 28: Population Distribution 2030



Source: Florida EDR: August 2009.