

# Southwest Florida Regional Economic Indicators

## March 2010



**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
Chart 25: Projections by County.....	22

### Contact Information:

Dr. Gary Jackson, Director, Regional Economic Research Institute

Phone: 239-590-7319 Email: [gjackson@fgcu.edu](mailto:gjackson@fgcu.edu)

Mr. Steven Scheff, Business Analyst, Regional Economic Research Institute

Phone: 239-590-7315 Email: [sscheff@fgcu.edu](mailto:sscheff@fgcu.edu)

Mr. Jim Breitbach, Technical Support

Phone: 239-590-7489 Email: [jbreitba@fgcu.edu](mailto:jbreitba@fgcu.edu)

## Introduction

The University partnered with the Bonita Chamber of Commerce to bring Ms. Sanda Pianalto, President and CEO of the Federal Reserve System's Fourth District (Cleveland) to campus on March 25th to discuss the economy and Federal Reserve Policy. She stated that the heightened sense of caution by consumers and business people and the prolonged high unemployment levels are expected to make this a very slow and gradual economic recovery. In addition, she stated that more emphasis should be placed on education and innovation, which are key factors driving long-term economic growth.

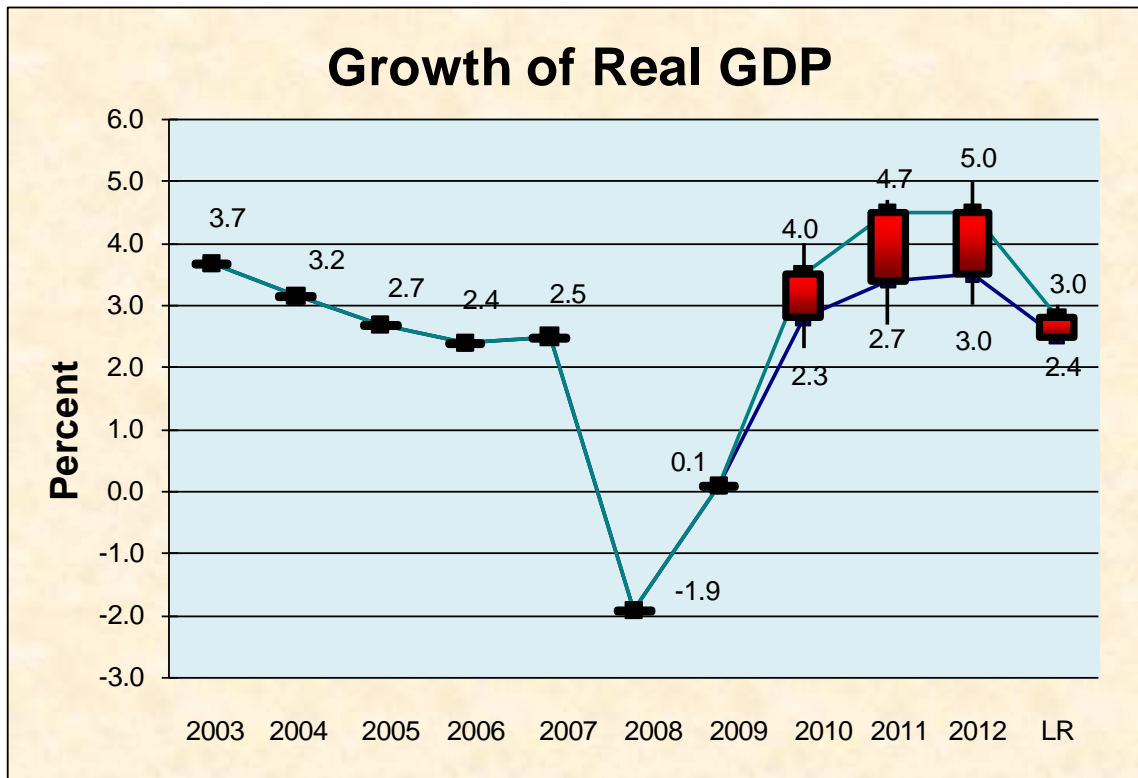
The Federal Reserve's Open Market Committee (FOMC) issued a press release on March 16<sup>th</sup>, noting that:

- Economic activity continues to strengthen and the labor market is stabilizing;
- Household spending is expanding at a moderate rate, but remains constrained by high unemployment, modest income growth, lower housing wealth, and tight credit;
- Business spending on equipment and software has risen significantly;
- Investment in nonresidential structures is declining, housing starts have been flat at a depressed level, and employers remain reluctant to add to payrolls;
- While bank lending continues to contract, financial market conditions remain supportive of economic growth;
- Although the pace of economic recovery is likely to be moderate for a time, the Committee anticipates a gradual return to higher levels of resource utilization in the context of price stability;
- With substantial resource slack continuing to restrain cost pressures and with longer-term inflation expectations stable, the Committee expects that inflation is likely to be subdued for some time;
- The Committee will maintain the target range for the federal funds rate at 0 to ¼ percent for an extended period;
- Purchases of \$1.25 trillion of agency mortgage-backed securities and about \$175 billion of agency debt are nearing completion; and
- The Committee will continue to monitor the economic outlook and financial developments, employing its policy tools as necessary to promote economic recovery and price stability.

The next meeting of the FOMC is planned for April 27-28, 2010.

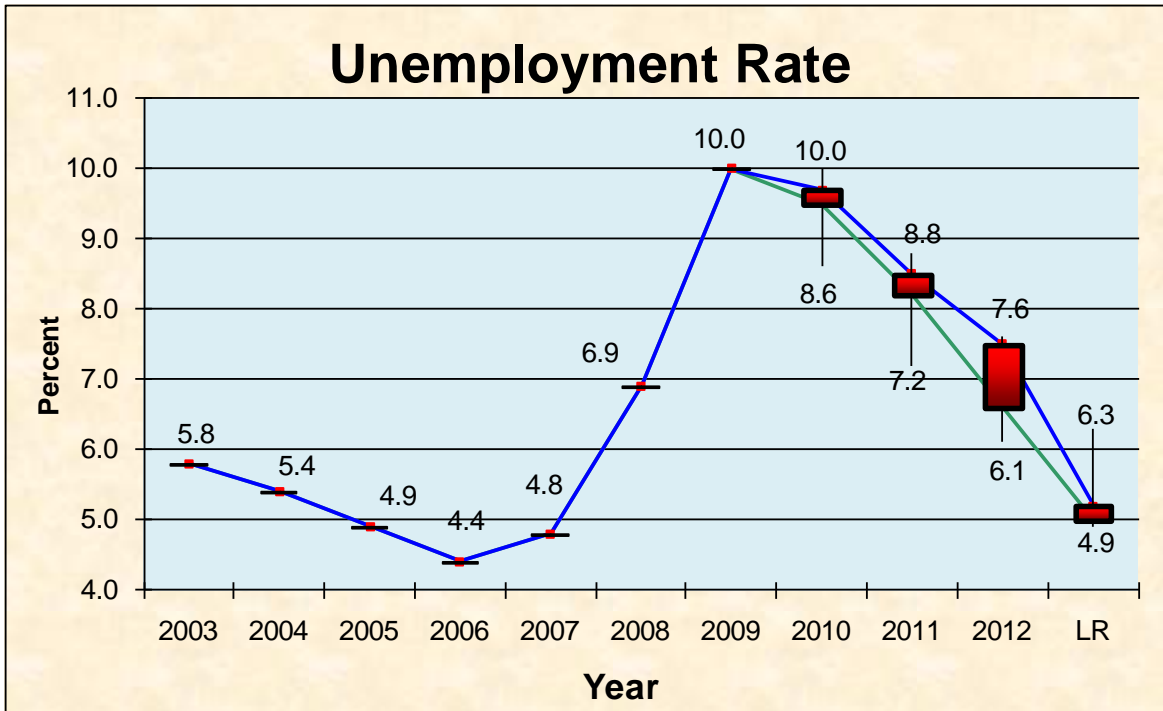
The FOMC's latest economic forecasts were released on February 17th and are shown in the following "box and whiskers" charts. The red boxes are the central tendency forecast and the full range of uncertainty is reflected in the whiskers, or vertical lines.

The chart below shows a projected recovery starting in 2010, but it will be several years before the economy returns to a more normal long-run trend ("LR"). 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 2.3 to 4.0 percent growth in GDP with a central tendency range (red bar) of 2.8 to 3.5 percent. For 2011, the projected Real GDP growth range is 2.7 to 4.7 percent with a central tendency of 3.4 to 4.5 percent. For 2012, the overall projected range is 3.0 to 5.0 percent with a central tendency range of 3.5 to 4.5 percent growth. 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. The real GDP growth rates are based on the change from the fourth quarter of one year to the fourth quarter of the next year.



Source: Minutes of the Federal Open Market Committee, January 26-27, 2010.

As shown in the chart below, unemployment in 2010 is expected to be slightly lower, but will remain historically high, in a range of 8.6 to 10.0 percent, with a central tendency (red bar) of 9.5 to 9.7 percent. For 2011, the unemployment rate is expected to be lower and in a range of 7.2 to 8.8 percent with a central tendency of 8.2 to 8.5 percent. In 2012, the national unemployment range is forecast to be between 6.1 and 7.6 percent with a central tendency of 6.6 to 7.5 percent. The long-run (LR) unemployment is expected to be in a range of 4.9 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.

Unemployment in the Southwest Florida region decreased to 13.5 percent in February 2010 from 13.7 percent in January. The unemployment rate may vary some over the next several months but is expected to remain high and rise some during the slower summer months due to seasonal unemployment. Increased national economic activity, improved consumer and business confidence, and continued adjustment in the housing and banking markets are expected to result in an improvement to our local economy later this year. In January, total air passenger traffic for the region's three airports rose 7 percent from December and 2 percent from January 2009. January Tourist Tax revenues for the coastal counties of Charlotte, Collier and Lee were down 2 percent from a year earlier. These mixed regional indicators are showing that the economy is stabilizing but does not show a strong recovery.

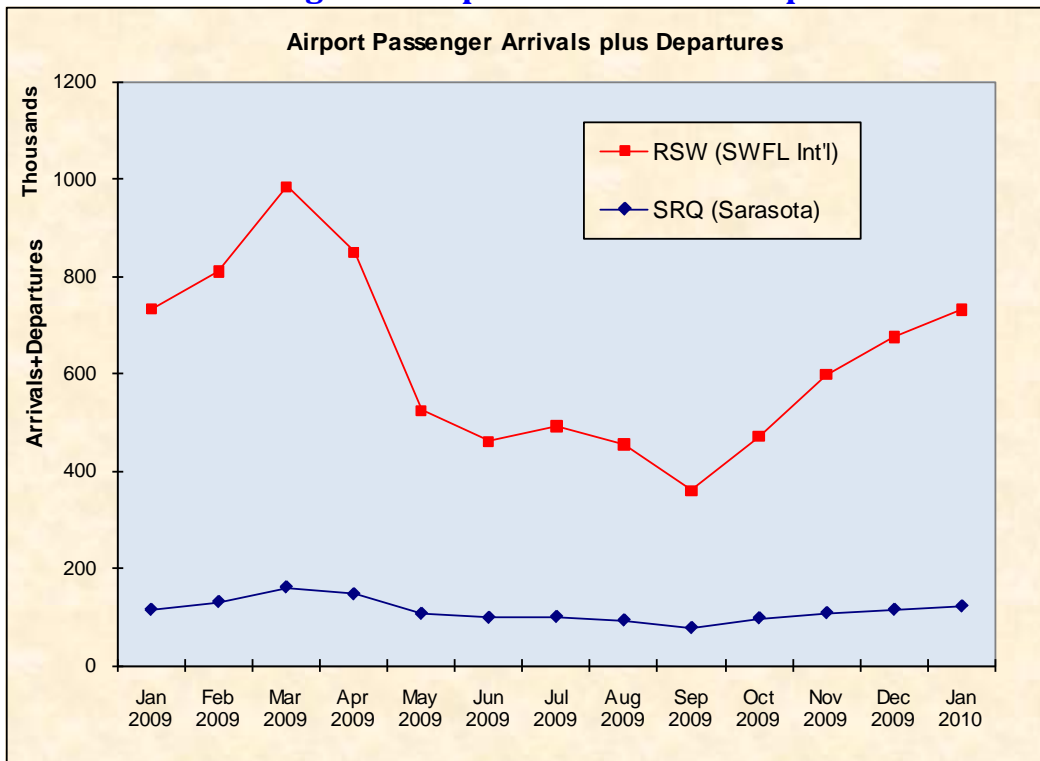
The Regional Economic Research Institute (RERI) is continuing to develop the regional economic database, and this report, as a way to support its mission and assist the region. The Institute continues to welcome suggestions from our readers, and would like to emphasize our appreciation of, and thanks to, our many partners for assistance in obtaining the data. We are grateful to all of you, 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, 3, and 4 illustrate the monthly seasonality of airport passenger traffic and the changes from year to year.

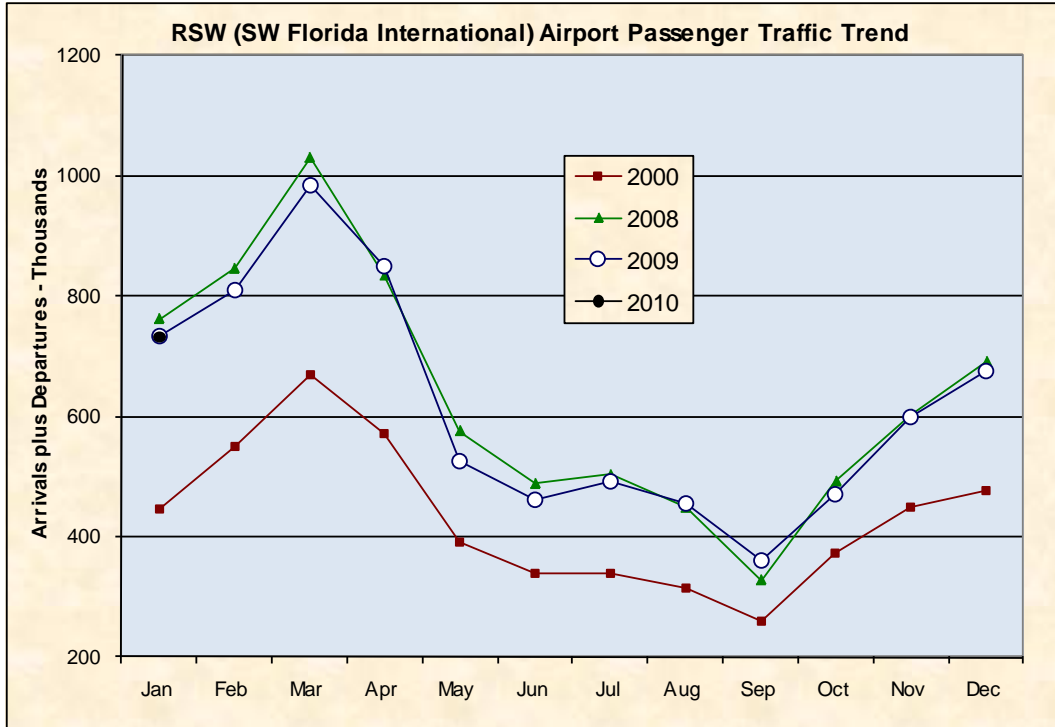
Regional Southwest Florida (RSW) airport is largest airport in the region, serving national and international destinations. Charts 1 and 2 show reported RSW airport passenger activity of 731,739 in January 2010, which is 8 percent higher than the December 2009 level and nearly even with the January 2009 figure. Sarasota (SRQ) passenger activity rose to 121,419 in January 2010, an increase of 6 percent from the prior month and from the prior year, as shown in Charts 1 and 3. Charlotte County airport recorded passenger activity of 17,283 in January, a decrease of 11 percent from December 2009 and an increase of 80 percent from the prior January, as shown in Chart 4.

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



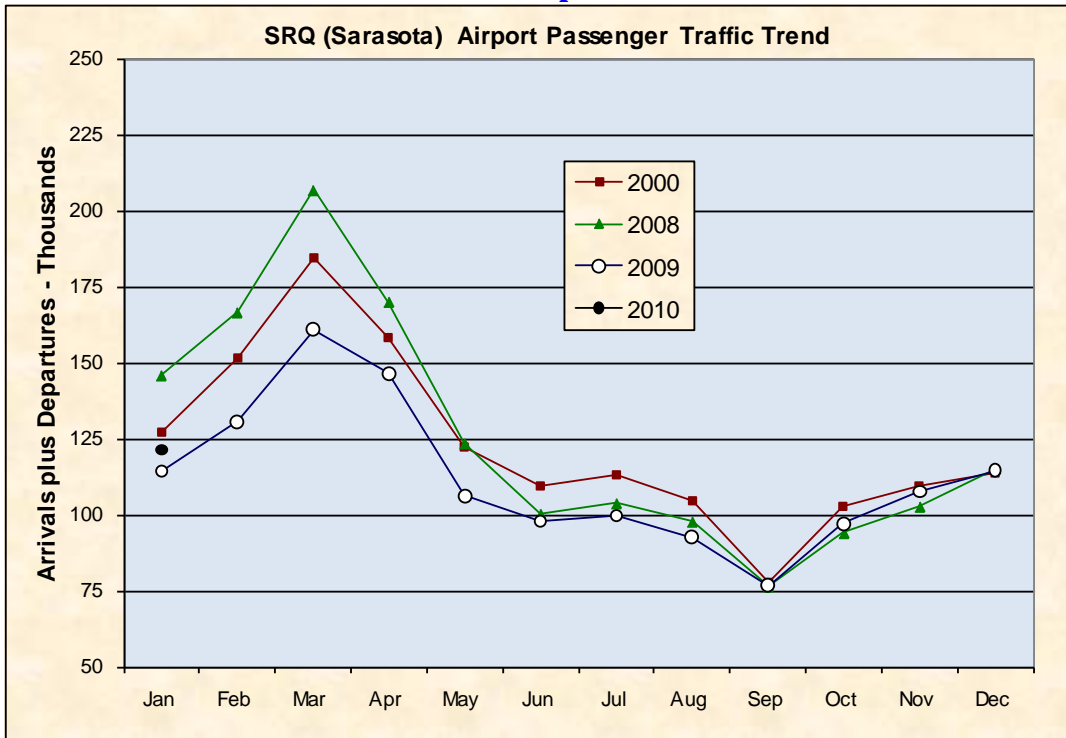
Source: Local Airport Authorities

**Chart 2: RSW Traffic Trend**



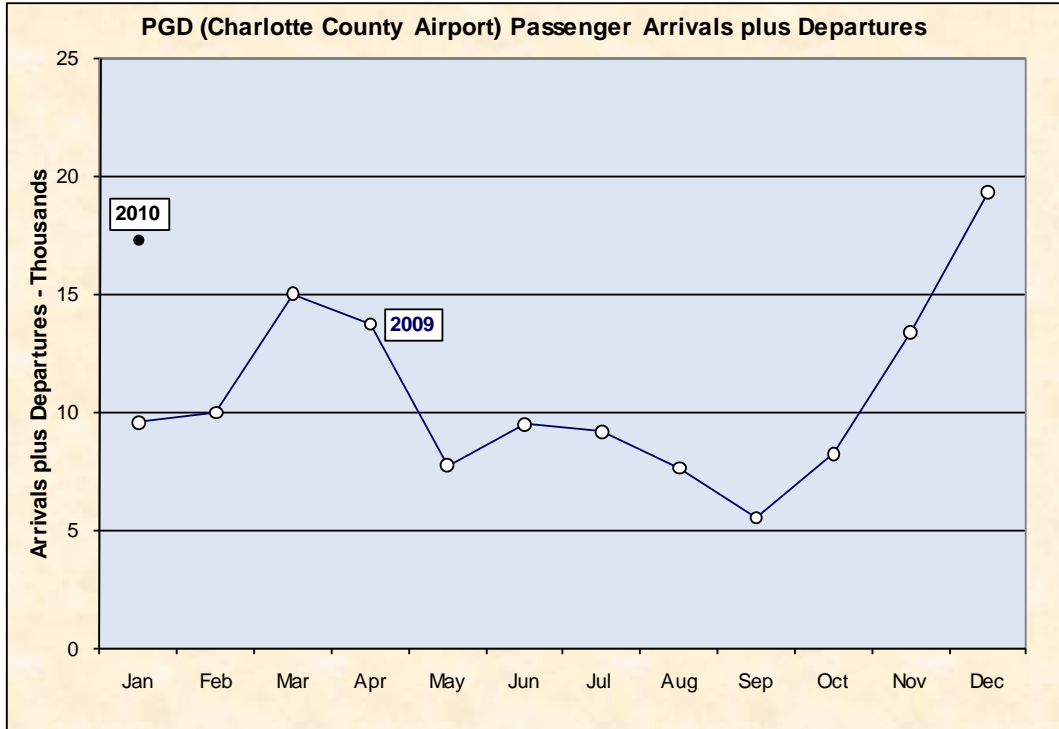
Source: Local Airport Authorities

**Chart 3: Sarasota Airport Traffic Trend**



Source: Local Airport Authorities

### Chart 4: Charlotte County Airport Traffic Trend



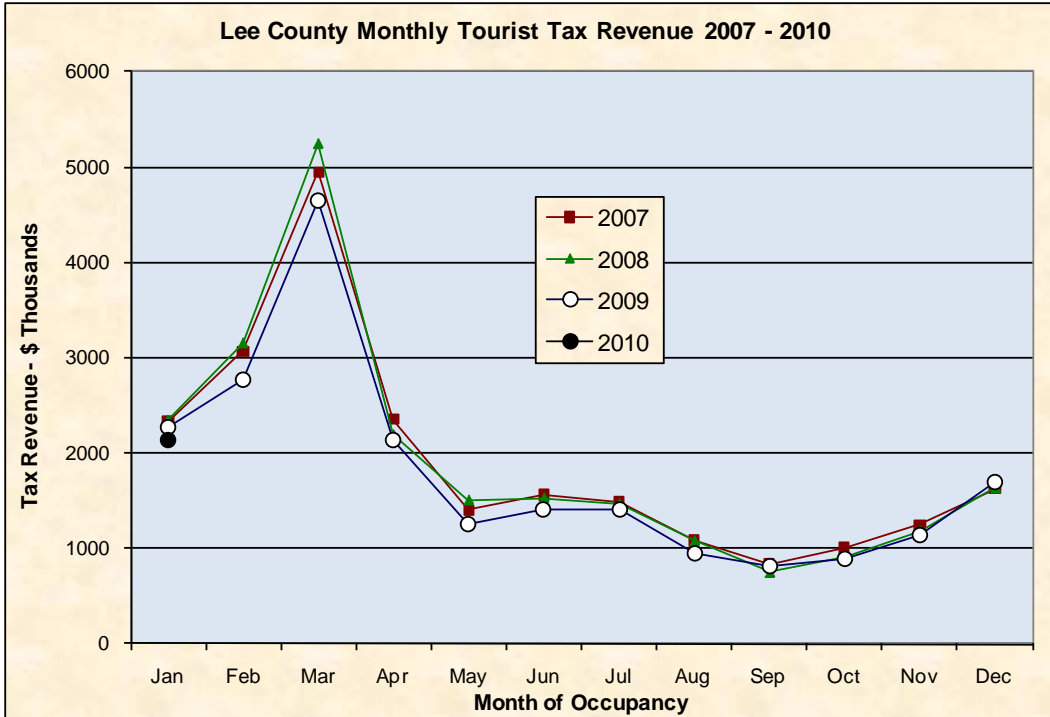
Source: Local Airport Authorities

### Tourism Tax Revenues

Tourism tax revenues for the region are shown in Charts 5, 6, and 7, and are based on month of occupancy. Lee County showed a seasonal increase of 26 percent from December 2009 to January 2010, while Collier County recorded a 59 percent increase for the same period. The corresponding gain for Charlotte County was 87 percent. Compared to January 2009, Lee County revenues declined by 6 percent, while Collier County was up 3 percent and Charlotte County increased by 17 percent. Total revenues for the 3 counties decreased by \$66,000, or 2 percent from January 2009.

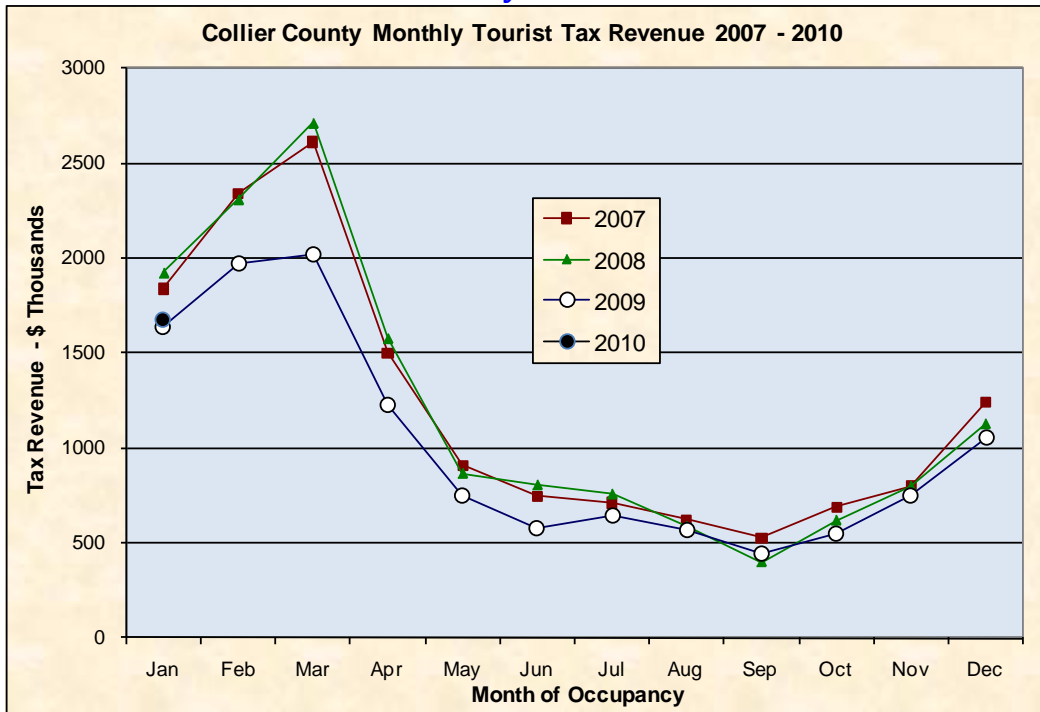


**Chart 5: Lee County Tourism Tax Revenues**



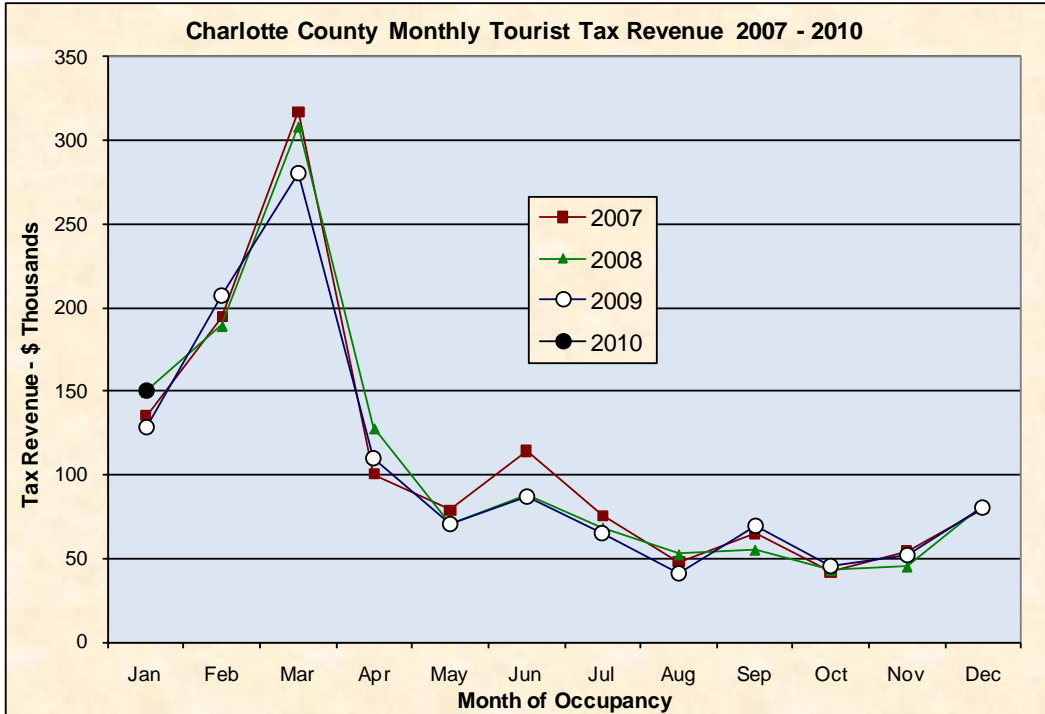
Source: Local County Tourism, Tax, and Economic Development Reports

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



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

**Chart 7: Charlotte County Tourism Tax Revenues**

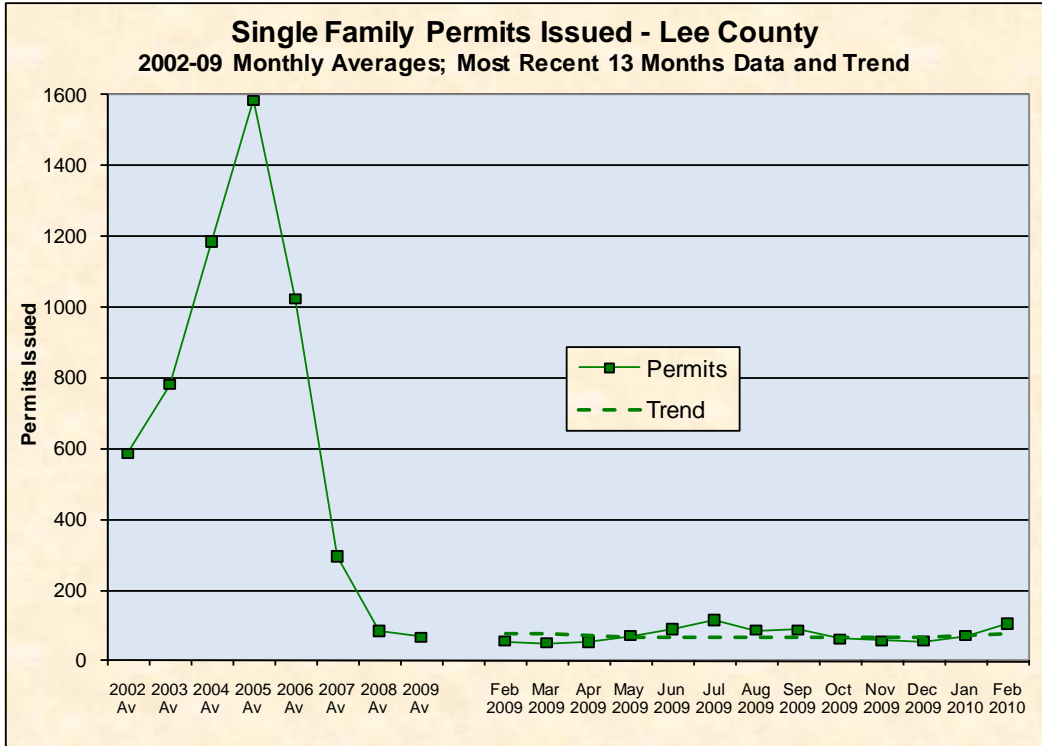


Source: Local County Tourism, Tax, and Economic Development Reports

## Single-Family Building Permits

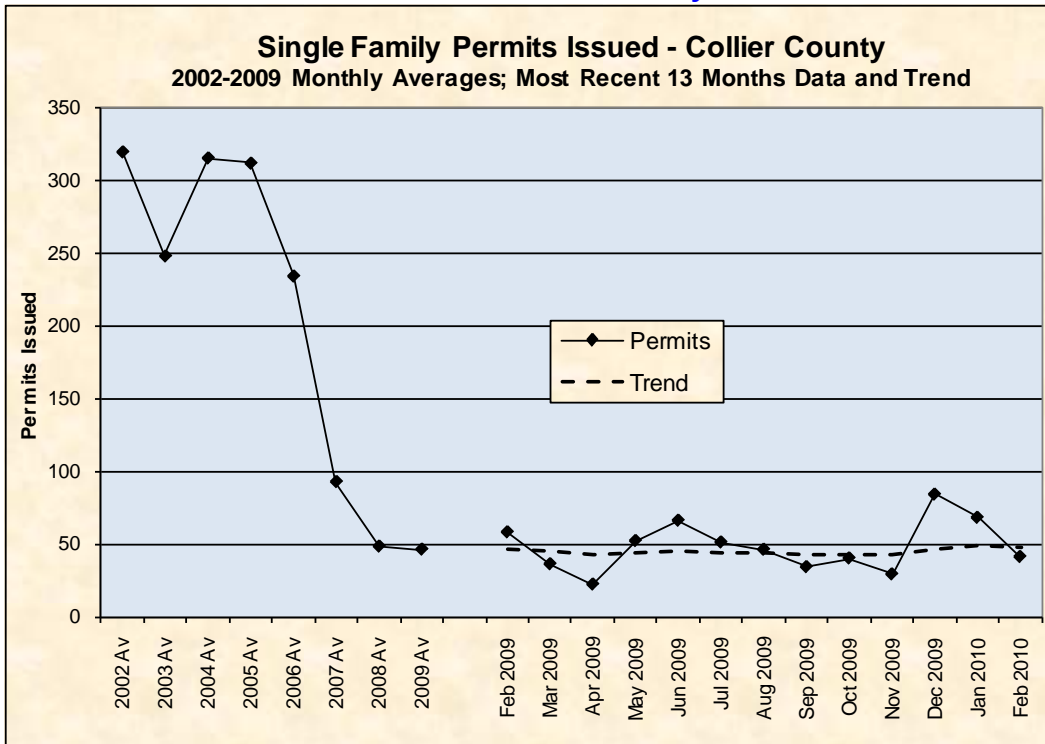
Total single-family home permits continued at historically low levels for the region. Lee County issued 106 single-family home permits in February 2010, up from 71 in January 2010 and from 55 in February 2009, as shown in Chart 8. Single-family permits for Collier County decreased from 68 in January 2010 to 41 in February 2010, as shown in Chart 9; the corresponding figure for February 2009 was 58. Charlotte County data for February was not available at the time this report was issued; results through January 2010 are shown in Chart 10. A moving average trend line for the latest 12-months is shown on each chart.

**Chart 8: Lee County**



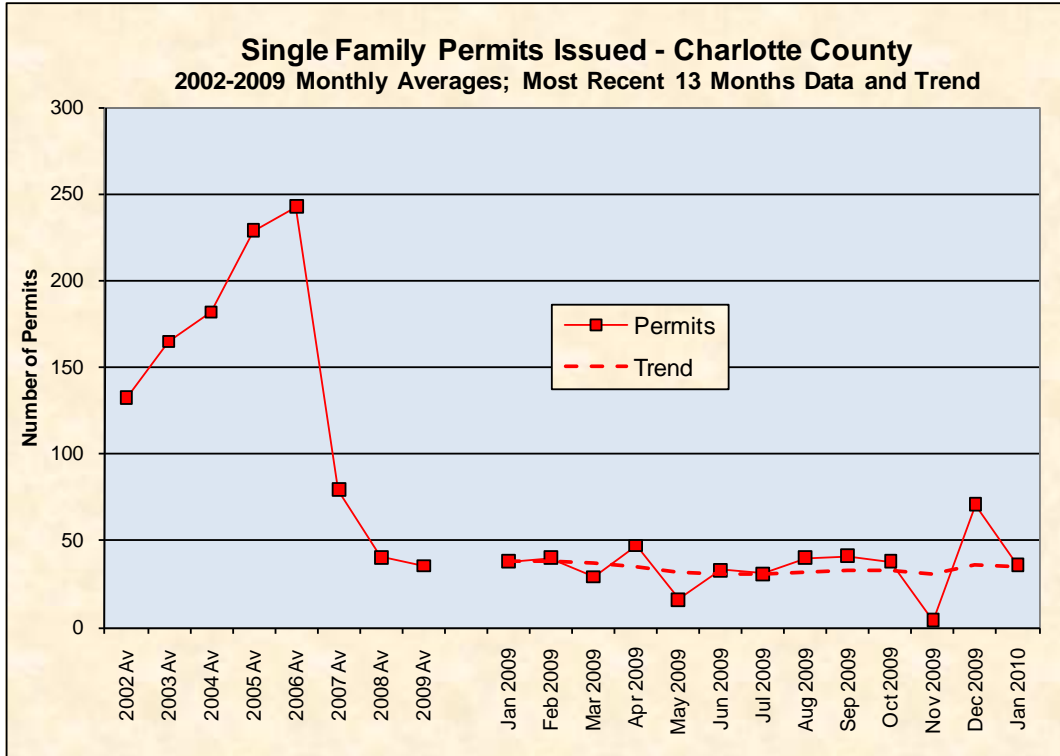
Source: Local Building and Zoning Departments, including Fort Myers, Cape Coral, and Unincorporated Lee County, Bonita Springs and Fort Myers Beach permits.

**Chart 9: Collier County**



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

**Chart 10: Charlotte County**



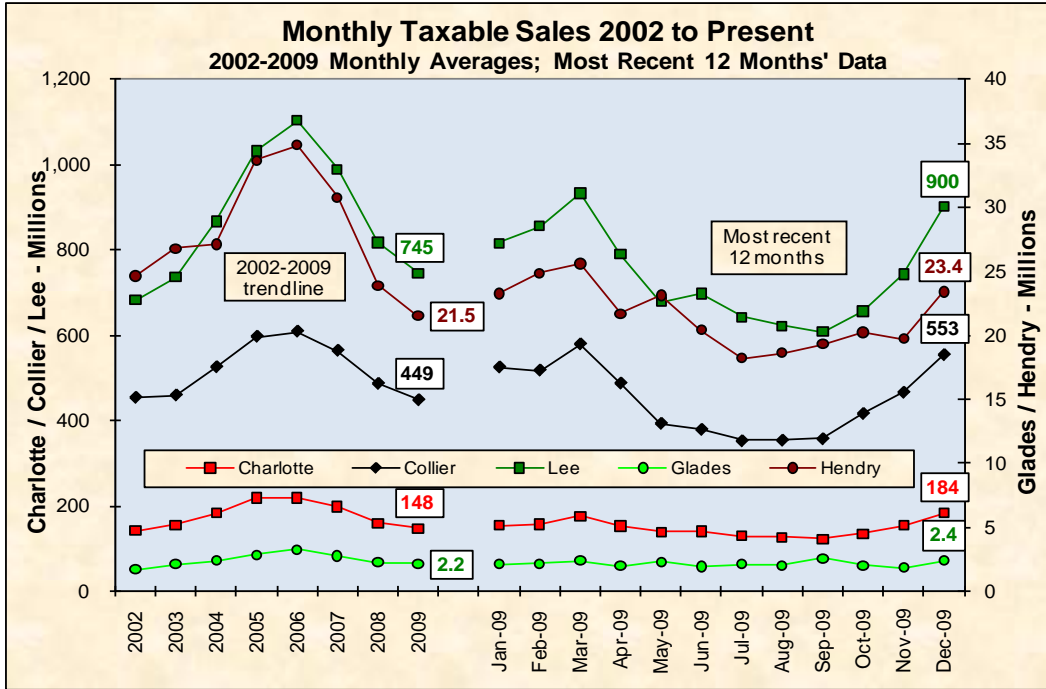
Source: Local Building and Zoning Departments, includes unincorporated Charlotte County permits only.

## Taxable Sales

Taxable sales figures are used to track consumer spending, an important component of the regional economy. January 2010 data was not available as this report went to press. As previously reported, Chart 11 provides a historical range of average monthly taxable sales from 2002 through December 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, December 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) for ease of visibility.

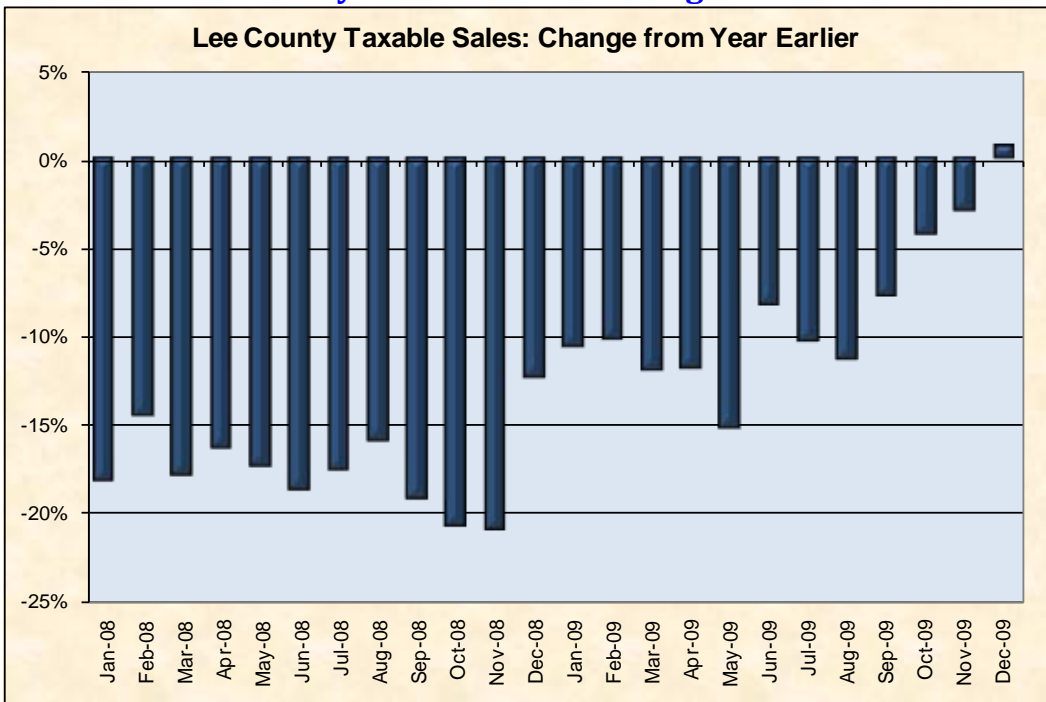
December data generally showed the first year-to-year comparative increases in several years. Taxable sales for the five-county region increased by \$25 million, or 2 percent, from December 2008 to December 2009. The seasonal increase for the region from the prior month of November 2009 was \$279 million or 20 percent.

**Chart 11: Taxable Sales by County**



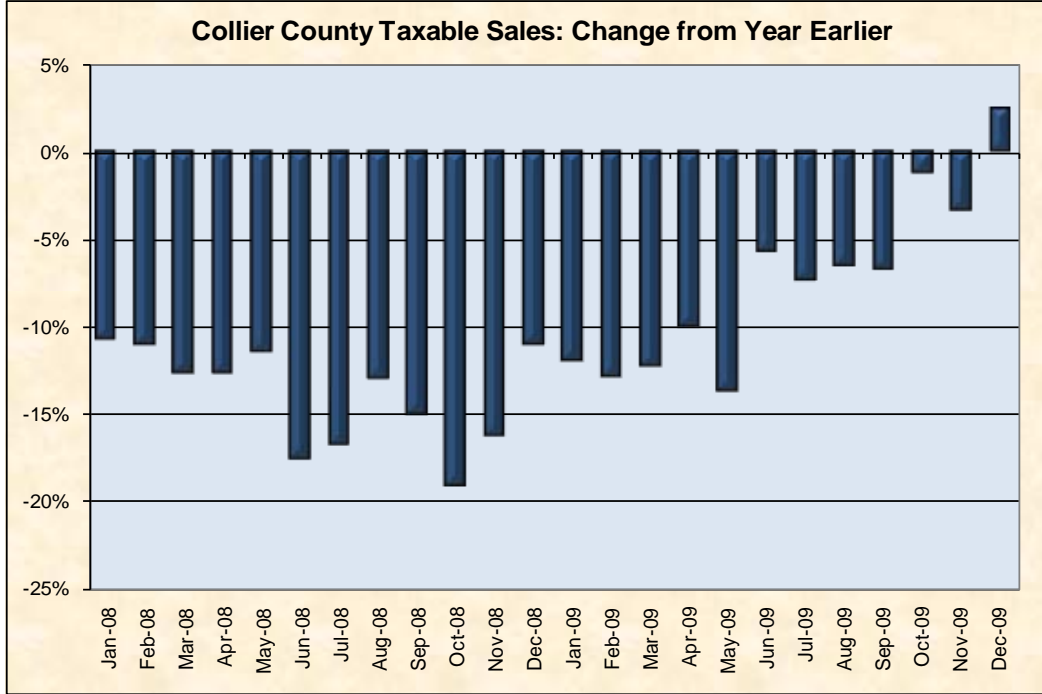
Source: Florida Department of Tax Research

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



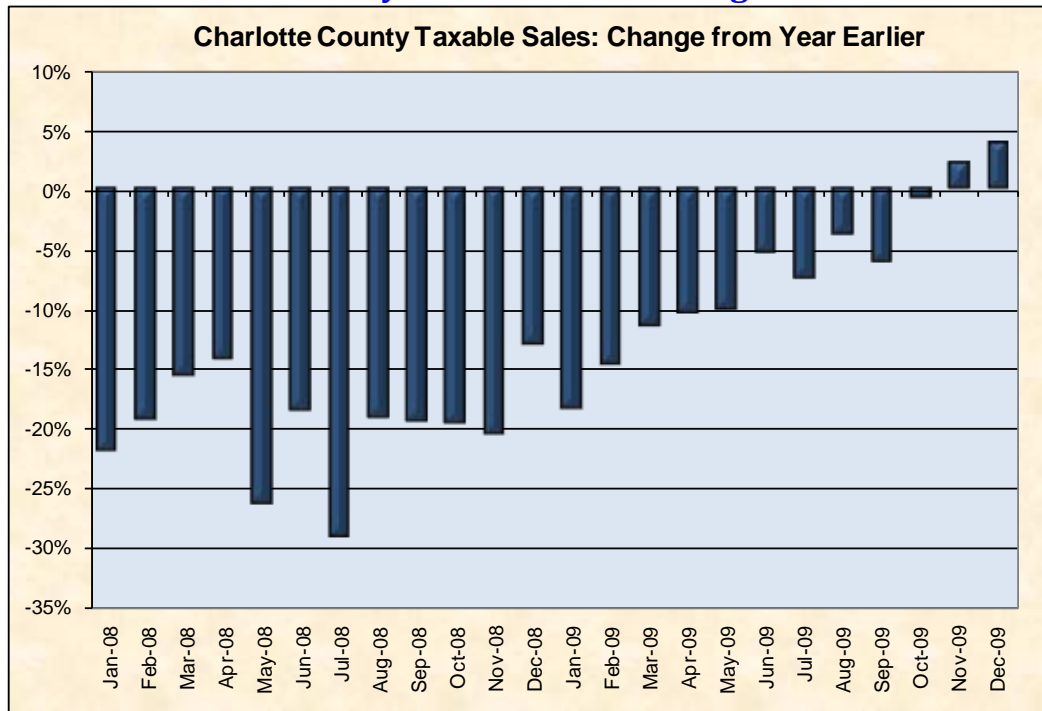
Source: Florida Department of Tax Research

**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**



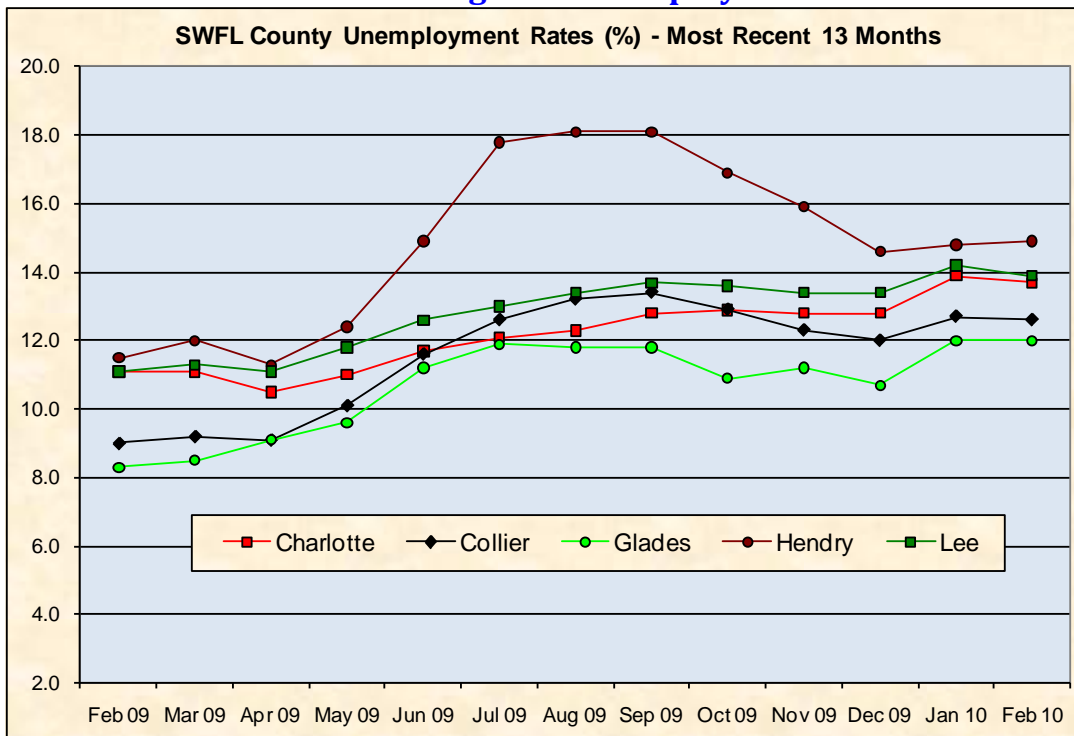
Source: Florida Department of Tax Research

## Workforce – Unemployment

The February 2010 unemployment rates remain high but decreased from January in each of the coastal counties, as shown in Chart 15 below. Charts 16 and 17 show the unemployment levels from 2002 to present by county. Lee County's unemployment level fell from 14.2 percent in January 2010 to 13.9 percent in February 2010. Charlotte County's unemployment fell from 13.9 percent in January 2009 to 13.7 percent in February 2010. Collier County's unemployment rate fell to 12.6 percent in February 2010 from 12.7 percent in January 2010. Hendry County's unemployment rose from 14.8 percent in January to 14.9 percent in February 2010. Glades County's unemployment held constant at 12.0 percent in February 2010. Florida's February unemployment rate was 12.2 percent, down from 12.3 percent in the previous month. The national unemployment rate fell from 10.6 percent in January to 10.4 percent in February. The seasonally-adjusted unemployment rate for the nation was 9.7 percent in February. The unemployment rates reported in this report are not seasonally adjusted unless otherwise noted.

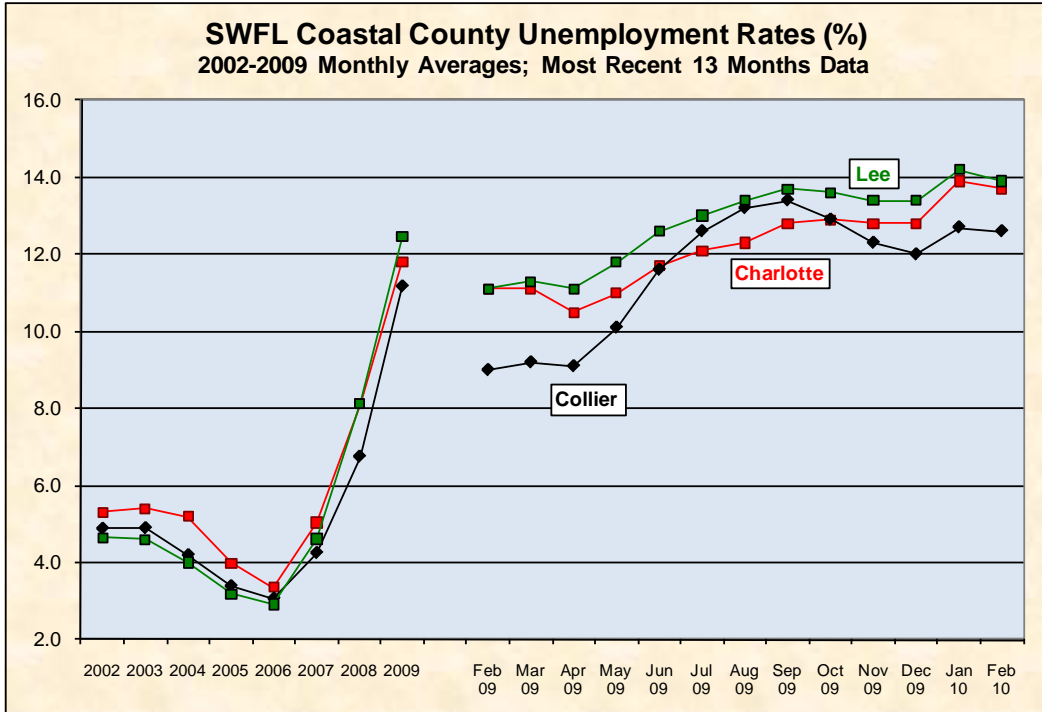
Unemployment rates for all five counties have been running between three to four percentage points higher than the corresponding period a year earlier as shown in Charts 16 and 17. Unemployment rates above 5 or 6 percent reflect cyclical unemployment and a slowdown of the economy from long-run trends. The forecast for unemployment levels is a very slow and gradual decline through 2013.

**Chart 15: Regional Unemployment**



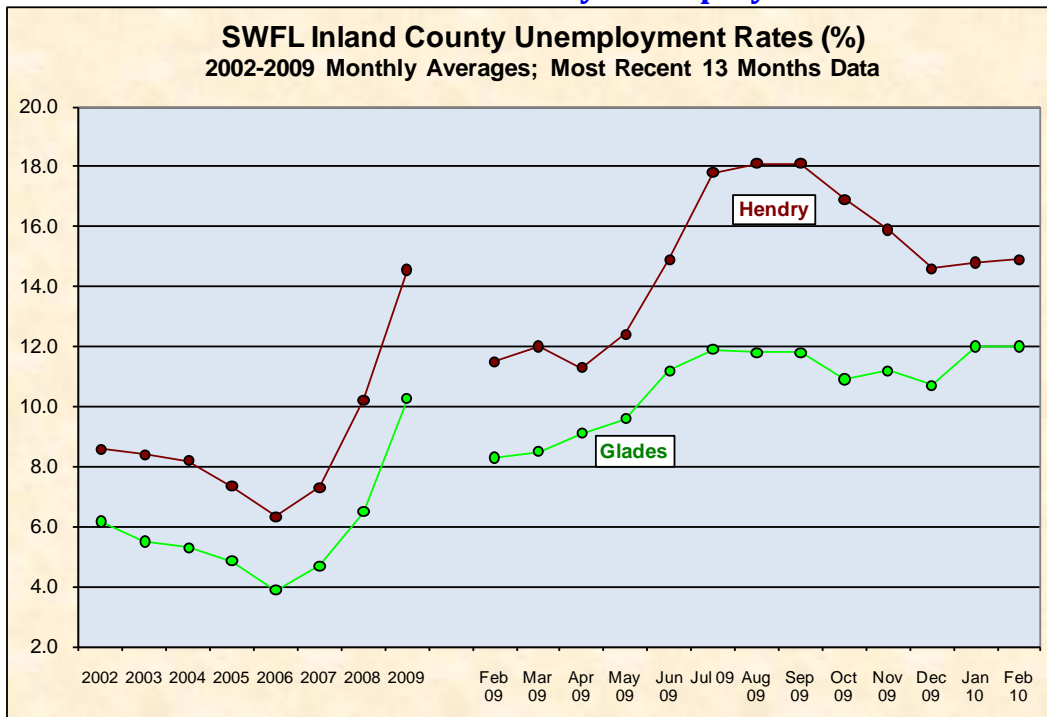
Source: AWI

**Chart 16: Coastal County Unemployment**



Source AWI

**Chart 17: Inland County Unemployment**



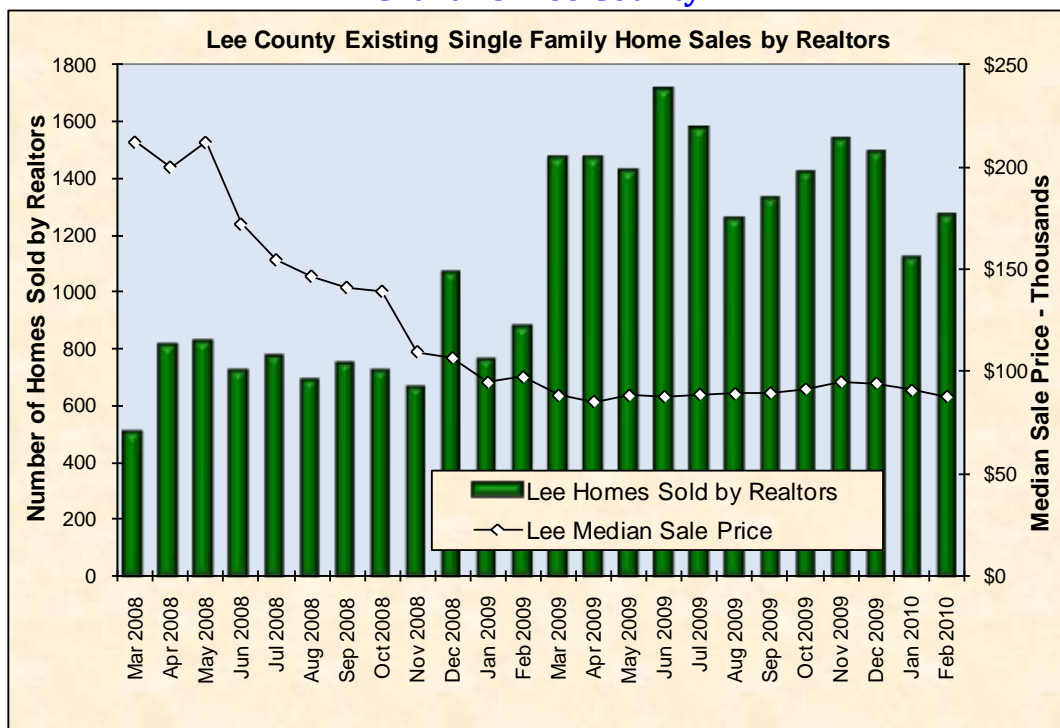
Source AWI



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

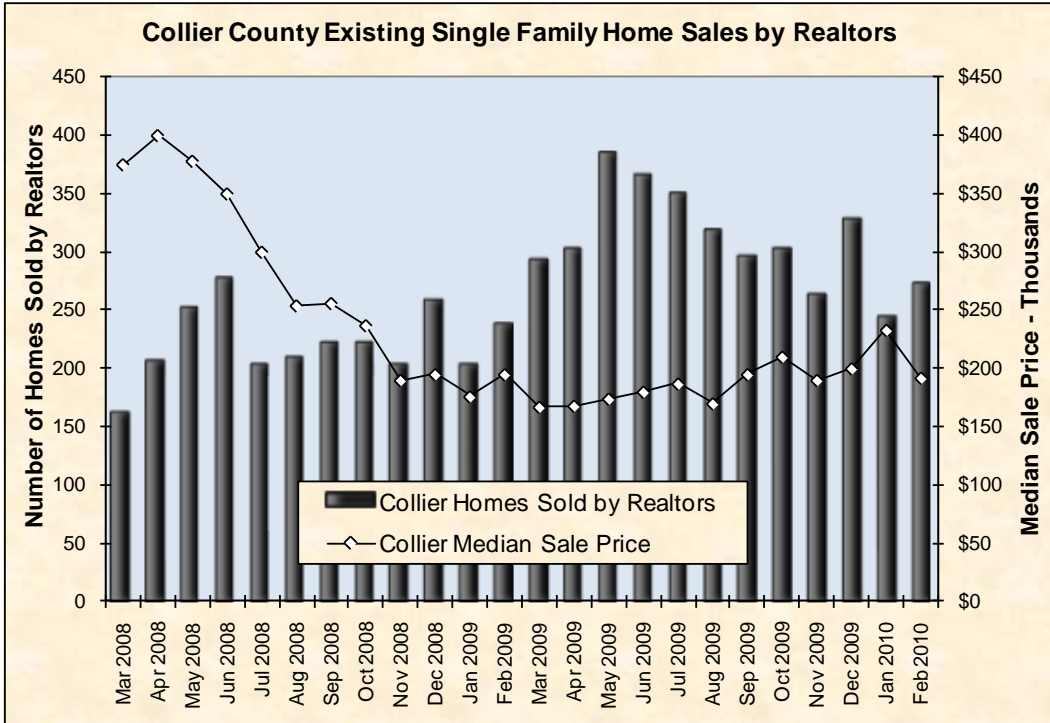
REALTOR sales of existing single-family homes in February 2010 showed significant increases over the prior month as well as over February 2009. For Lee County, existing home sales were 1,261; this is a 13 percent increase from January 2010 and a 44 percent increase over February 2009, as shown in Chart 18. The median housing price fell from \$91,000 in January 2010 to \$88,000 in February 2010. Collier County had existing single-family home sales of 272, an 11 percent increase from the prior month and a 15 percent increases from the prior year as shown in Chart 19. The Collier median single-family housing price fell from \$233,000 to \$192,000. For Charlotte County, the existing single-family home sales increased to 239, an increase of 22 percent from the previous month and an 11 percent from a year earlier as shown in Chart 20. The median single-family housing price fell from \$102,100 in January to \$96,600 in February 2010.

**Chart 18: Lee County**



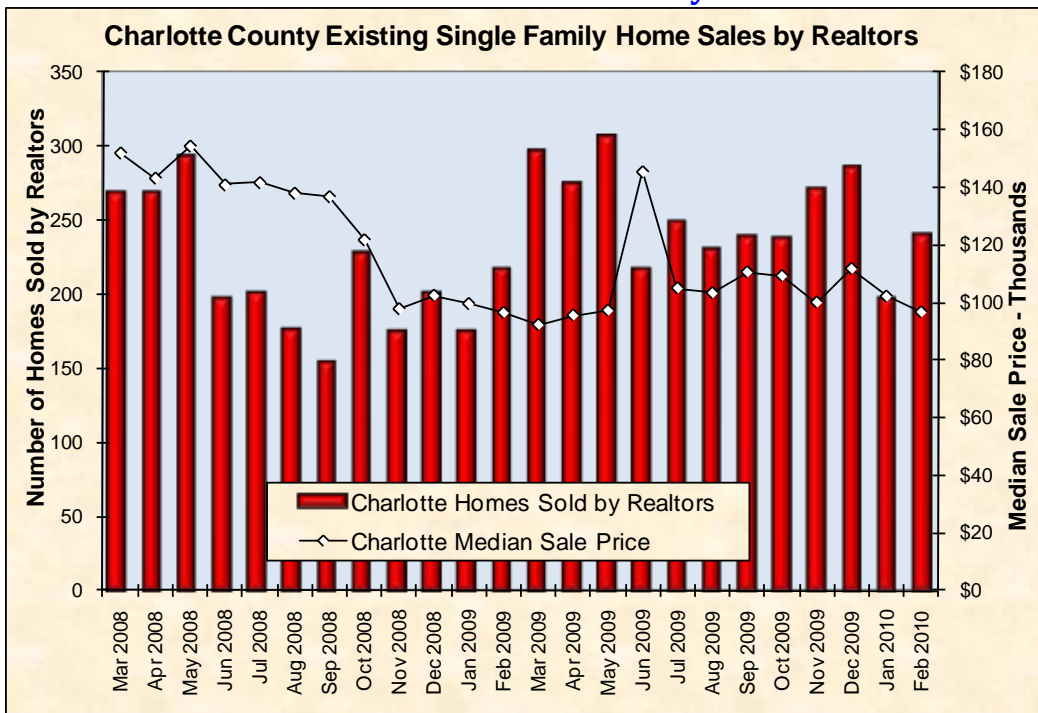
Source: Florida Association of Realtors® Fort Myers – Cape Coral MSA <http://media.living.net/statistics/statisticsfull.html>

**Chart 19: Collier County**



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

**Chart 20: Charlotte County**

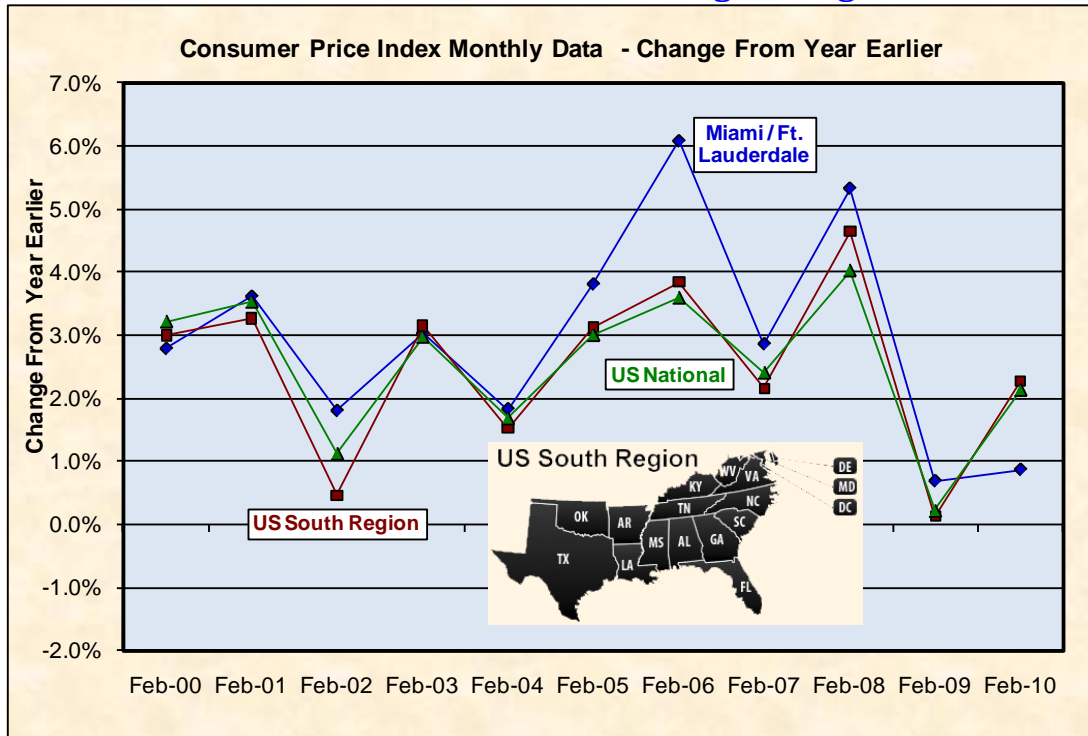


Source: Florida Association of Realtors® Punta Gorda, Florida MSA  
<http://media.living.net/statistics/statisticsfull.html>

## Consumer Price Index

Consumer price indices (CPI) for the nation, the region, and the Miami-Fort Lauderdale area are shown in Chart 21. The Miami-Fort Lauderdale area CPI is collected every two months and is the closest reporting location to Southwest Florida. The national CPI increased 2.1 percent from February 2009 to February 2010. The South region increased at a 2.3 percent rate and the Miami/Fort Lauderdale index rose at only 0.9 percent.

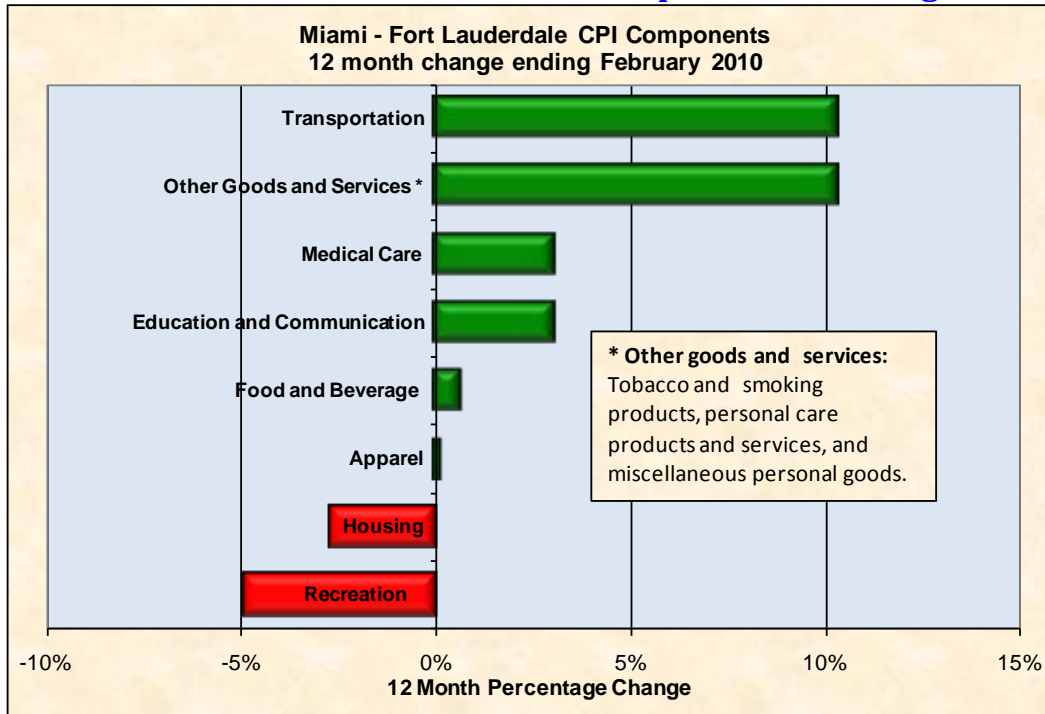
**Chart 21: CPI Annual Percentage Change**



Source: BLS

The overall Miami-Fort Lauderdale Consumer Price Index for the 12 months ending February 2010 is broken down into the components contributing to the price changes, shown in Chart 22.

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



Source: BLS

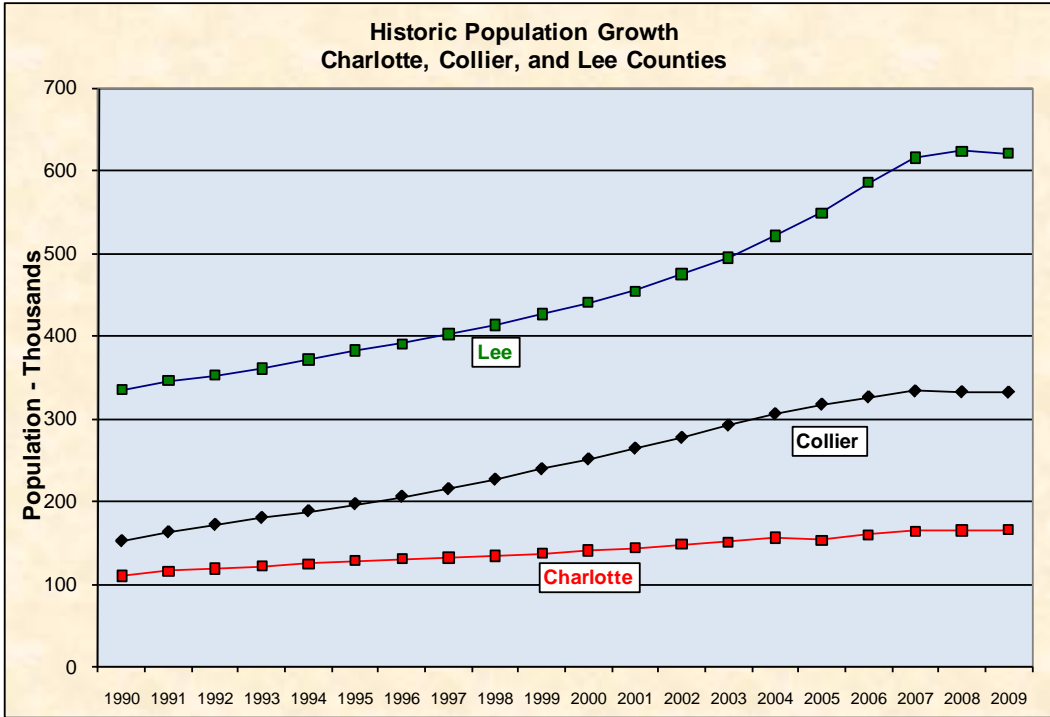
The costs of transportation, other goods and services, medical care, and education/communication continue to show the largest increases from the prior year. The year-to-year increase in transportation costs was driven by a 35 percent increase in motor fuel costs.

## Population

The length and severity of the current global recession has slowed regional and state population growth. The February 2009 forecasts of the Florida Demographic Estimating Conference (“FDEC”) are included in this report. Population growth from 1990 to 2009 is shown in Charts 23 and 24. Collier County grew at an average annual compound 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.

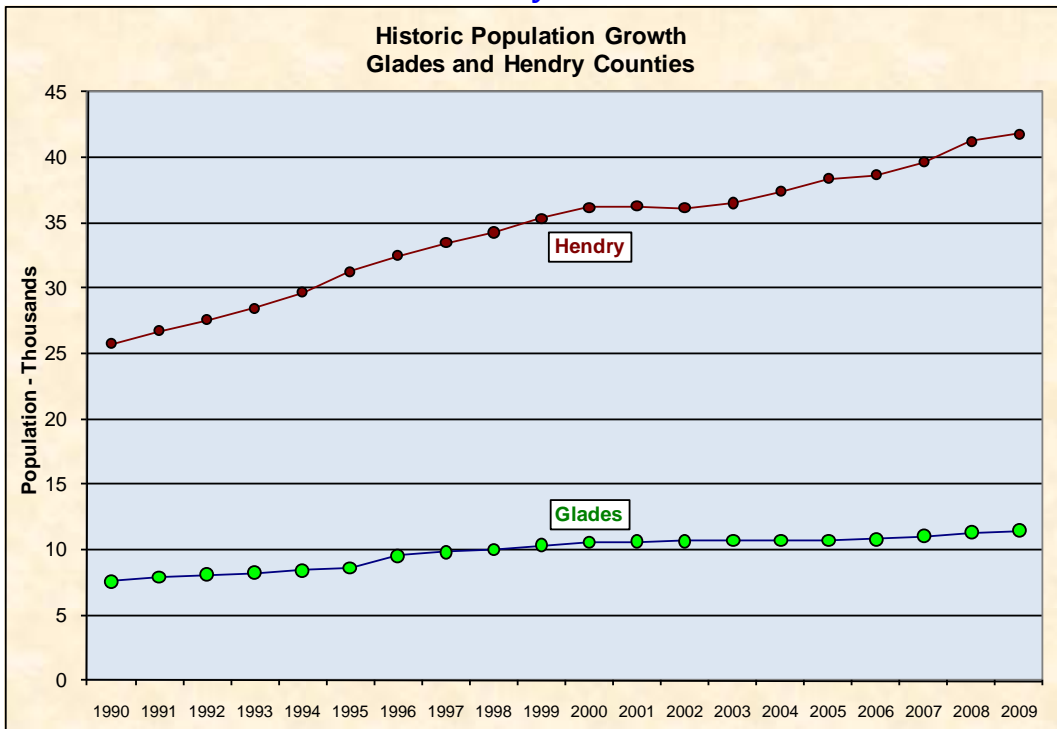
Chart 25 and its accompanying table show projected population increases from 2010 to 2030. The overall rate of regional growth averages 2 percent per year for this period, resulting in a 20-year increase of 46 percent. Given the projected slow recovery through 2012, I would not be surprised to see the population growth projections lowered again at the next estimating conference.

**Chart 23: Coastal Counties Growth 1990 to 2009**



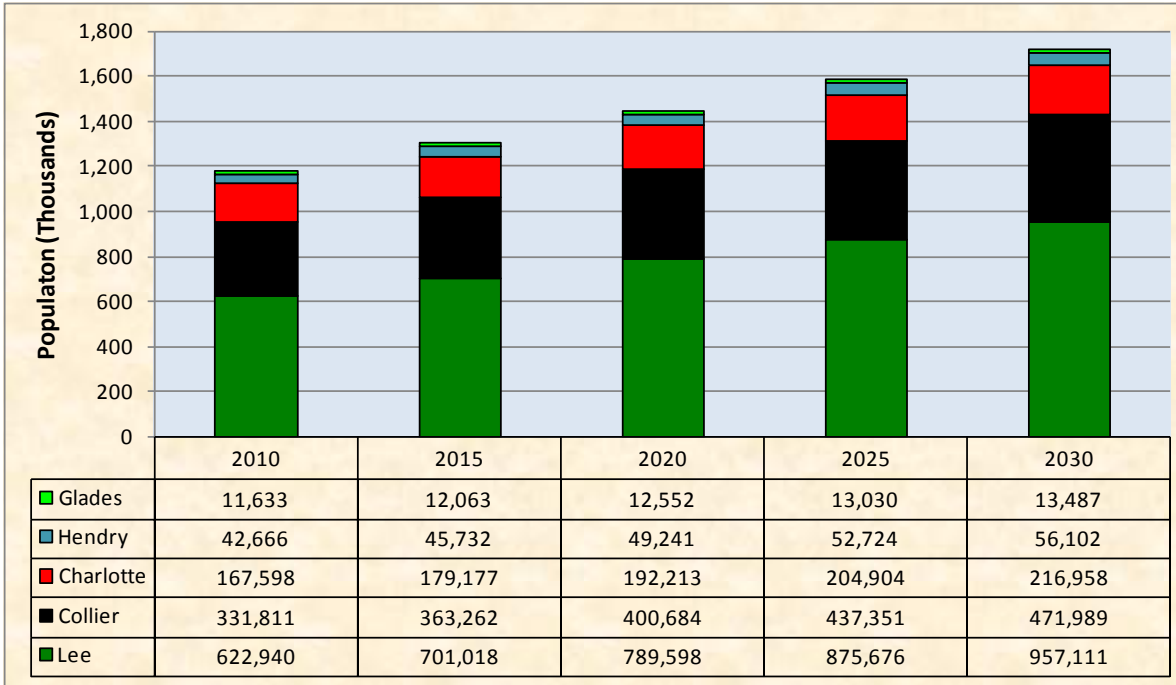
Source: Florida EDR: August 2009

**Chart 24: Inland County Growth 1990 to 2009**



Source: Florida EDR: August 2009

**Chart 25: Projections by County**



Source: Florida EDR: August 2009.