

Southwest Florida Regional Economic Indicators

May 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 for Coastal Counties..... 13

 Chart 12: Taxable Sales for Inland Counties 13

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

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

 Chart 15: Charlotte County Taxable Sales - Change from a Year Earlier 15

Workforce – Unemployment 15

 Chart 16: Regional Unemployment..... 16

 Chart 17: Coastal County Unemployment 16

 Chart 18: Inland County Unemployment..... 17

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

 Chart 19: Lee County..... 18

 Chart 20: Collier County..... 18

 Chart 21: Charlotte County 19

Consumer Price Index 19

 Chart 22: CPI Annual Percentage Change 20

 Chart 23: Miami-Fort Lauderdale CPI Component Percentage Change 20

Population..... 21

 Chart 24: Coastal Counties Growth 1990 to 2009 21

 Chart 25: Inland County Growth 1990 to 2009..... 22

 Chart 26: Projections by County 22

Contact Information:

Dr. Gary Jackson, Director, Regional Economic Research Institute

Phone: 239-590-7319 Email: gjackson@fgcu.edu

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

Phone: 239-590-7315 Email: sscheff@fgcu.edu

Mr. Jim Breitbach, Technical Support

Phone: 239-590-7489 Email: jbreitba@fgcu.edu

Introduction

The Conference Board's consumer confidence index was released on May 25, 2010 and increased to 63.3 for May from 57.7 in April, indicating some improvement in consumer confidence but continuing concern about the economy and level of employment.

The Federal Reserve's Open Market Committee (FOMC) issued a press release on April 28th, noting that:

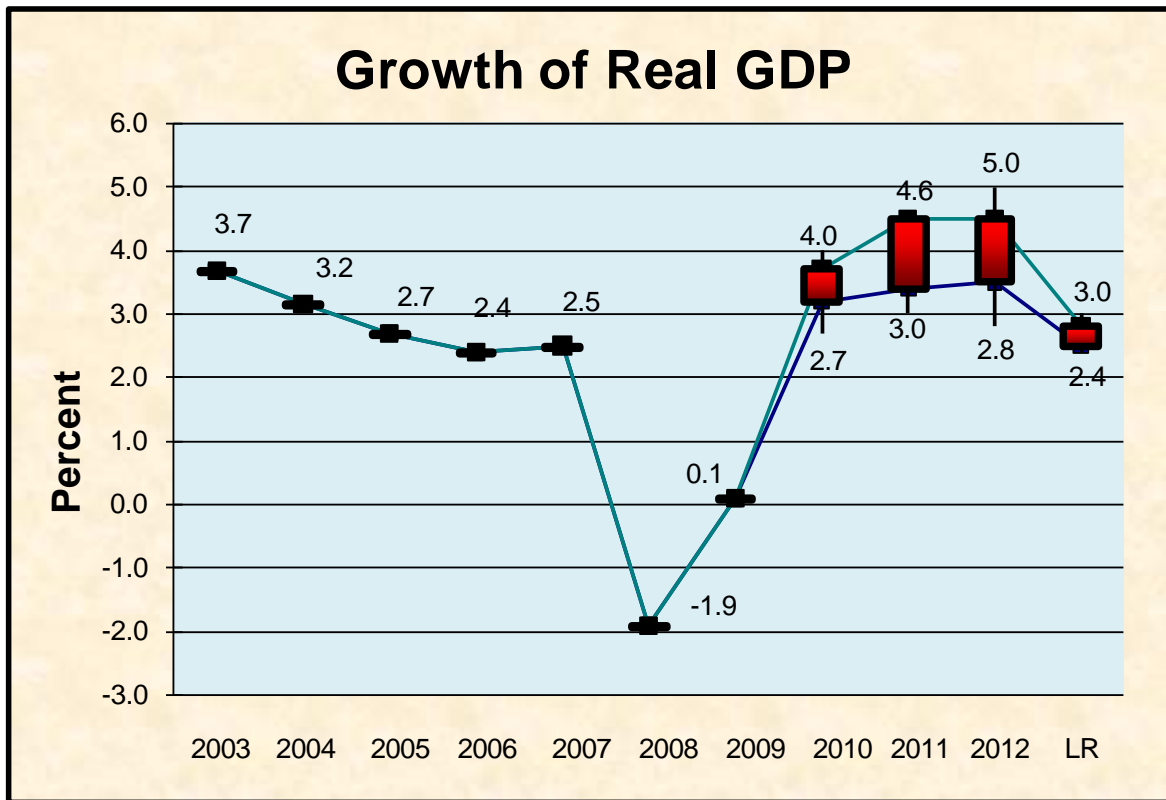
- Economic activity has continued to strengthen and the labor market is beginning to improve;
- Growth in household spending has picked up recently but remains constrained by high unemployment, modest income growth, lower housing wealth and tight credit;
- Business spending on equipment and software has risen significantly;
- Investment in nonresidential structures is declining and employers remain reluctant to add to payrolls;
- Housing starts have edged up but remain at depressed levels;
- 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;
- 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 FMOC is planned for June 22-23, 2010.

The FOMC's latest economic forecasts were released on May 19th 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.

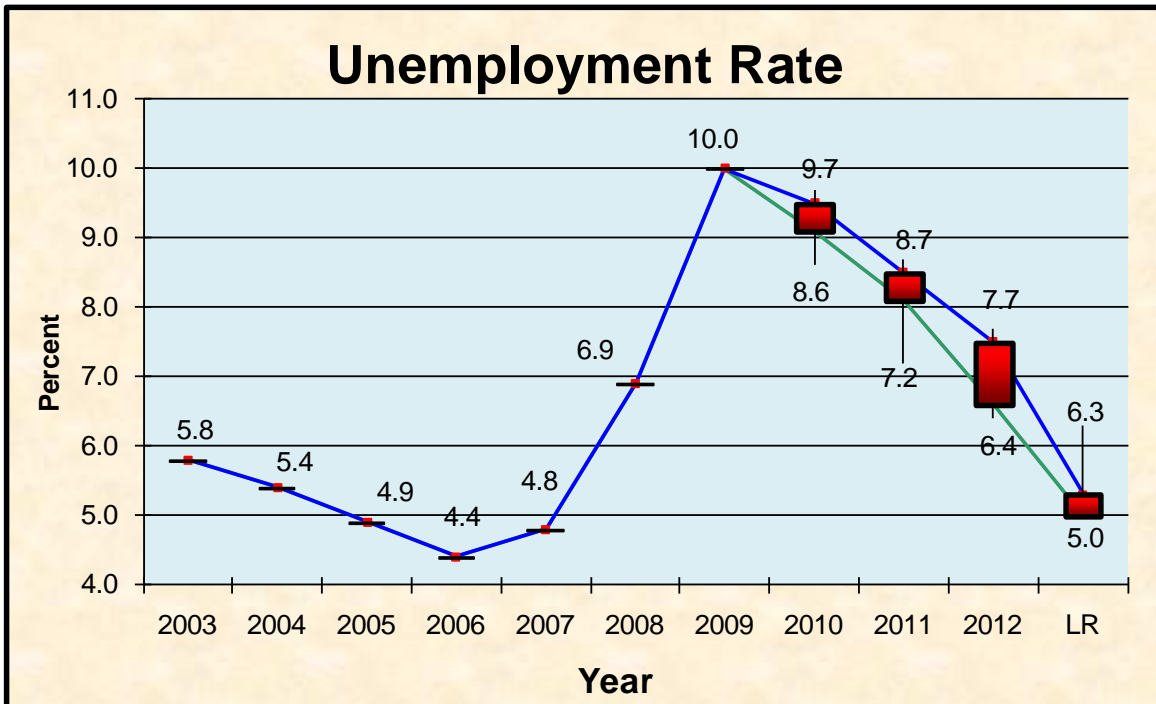
The chart below shows the recovery starting in 2010, but it will be several years before the economy returns to a more normal long-run trend ("LR"). Real GDP growth projections for 2010, 2011, and 2012 show a recovery but there remains considerable uncertainty as to how strong the recovery will be, as shown by the wide range of forecasts. For 2010, the range is 2.7 to 4.0 percent growth in GDP with a central tendency range (red bar) of 3.2 to 3.7 percent. For 2011, the projected Real GDP growth range is 3.0 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 4.5 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, April 27-28, 2010.

As shown in the chart below, national unemployment in 2010 is expected to be slightly lower, but will remain historically high, in a range of 8.6 to 9.7 percent, with a central tendency (red bar) of 9.1 to 9.5 percent. For 2011, the unemployment rate is expected to be lower in a range of 7.2 to 8.7 percent with a central tendency of 8.1 to 8.5 percent. In 2012, the unemployment range is forecast to be between 6.4 and 7.7 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 5.0 to 6.3 percent with a central tendency of 5.0 to 5.3 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.

April unemployment in the Southwest Florida region continues to be high but declined to 12.7 percent in Lee County, 11.4 percent in Collier County, and 12.5 percent in Charlotte County. The unemployment rate may vary some over the next several months but is expected to remain high and to rise some during the slower summer months due to seasonal unemployment.

Continued high levels of existing single-family home sales, 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. There are mixed regional indicators generally showing that the economy is stabilizing and beginning a slow gradual path of recovery.

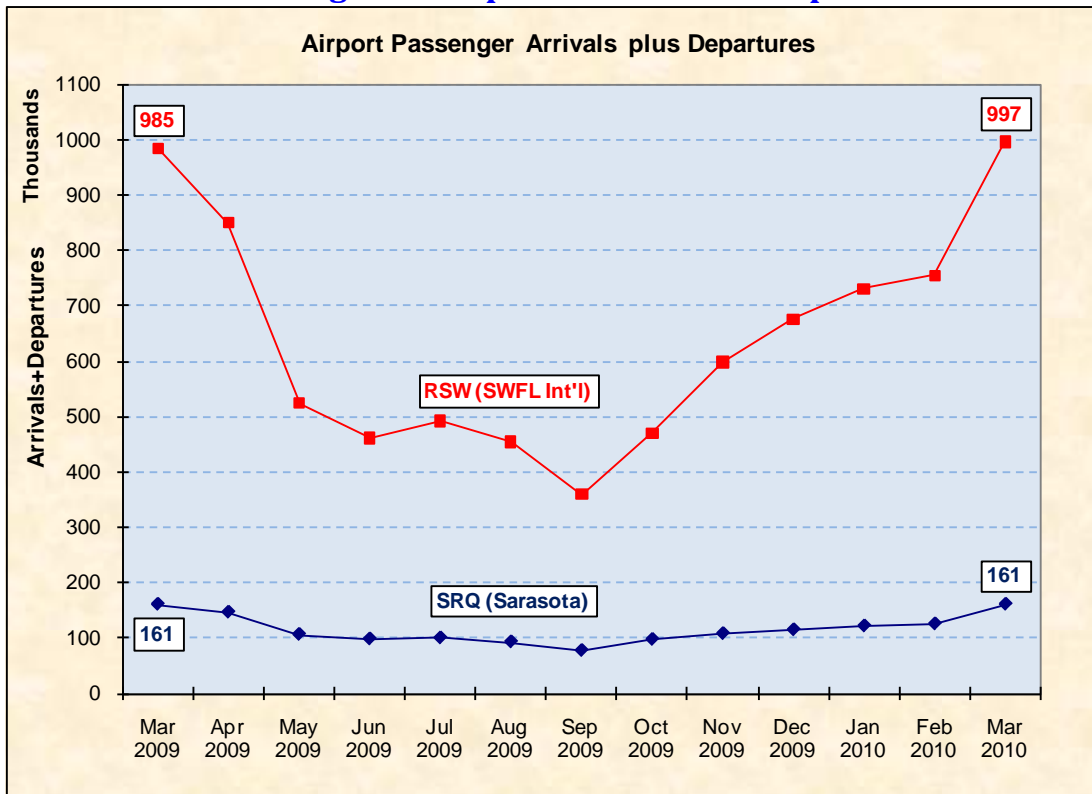
The Regional Economic Research Institute (RERI) is continuing to develop the regional economic database, and this report, as a way to support its mission and assist the region. The Institute continues to welcome suggestions from our readers, and would like to emphasize our appreciation of, and thanks 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.

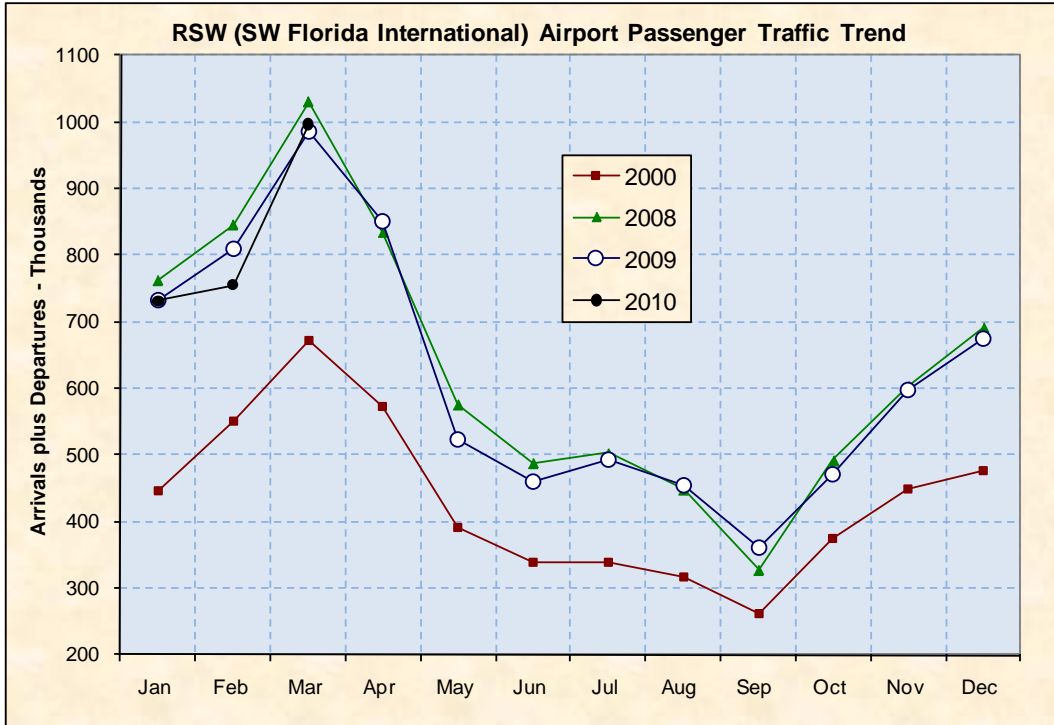
Regional Southwest Florida (RSW) airport is largest airport in the region, serving national and international destinations. Charts 1 and 2 show reported RSW airport passenger activity of 996,951 in March 2010, an increase of one percent over the passenger activity of March 2009. Sarasota (SRQ) passenger activity rose to 160,773 in March 2010, approximately the same level observed in March 2009, as shown in Charts 1 and 3. Charlotte County airport recorded passenger activity of 28,534 in March, an increase of 30 percent over March 2009, as shown in Chart 4.

Chart 1: Regional Airport Arrivals and Departures



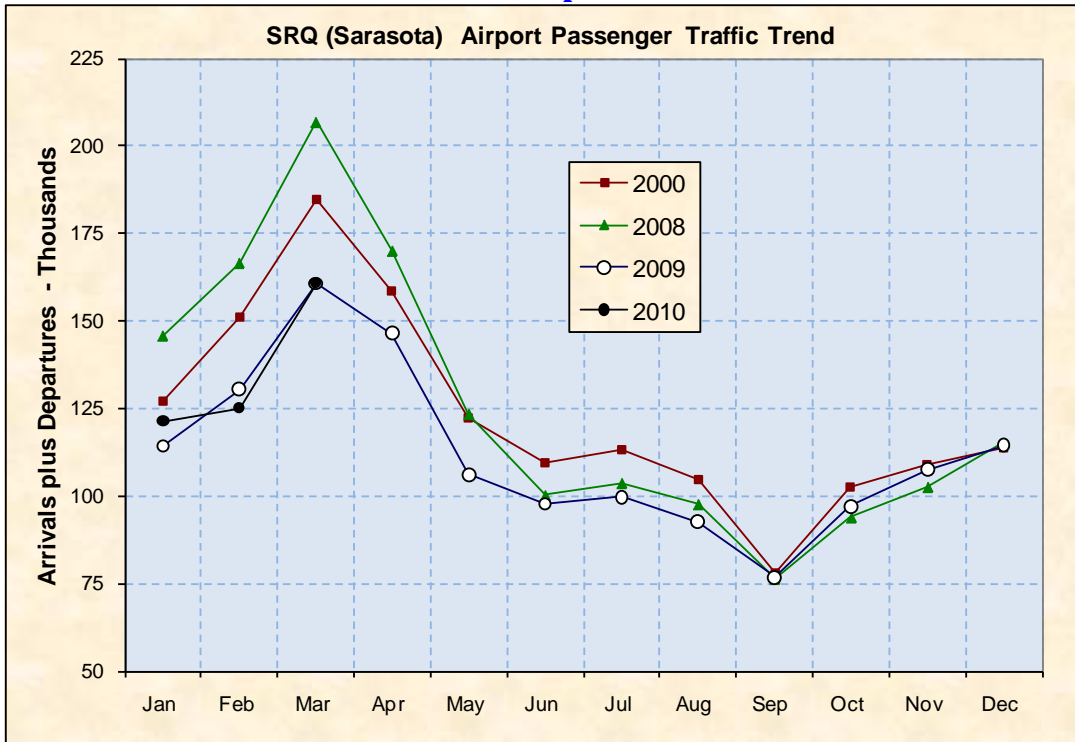
Source: Local Airport Authorities

Chart 2: RSW Traffic Trend



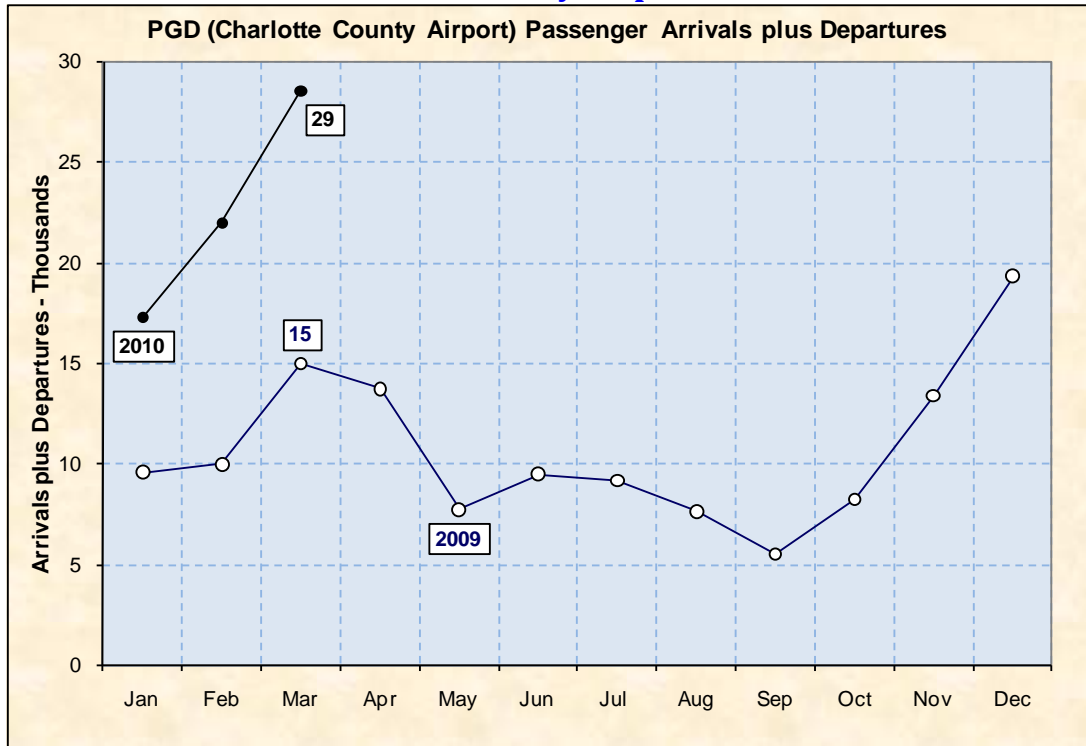
Source: Local Airport Authorities

Chart 3: Sarasota Airport Traffic Trend



Source: Local Airport Authorities

Chart 4: Charlotte County Airport Traffic Trend

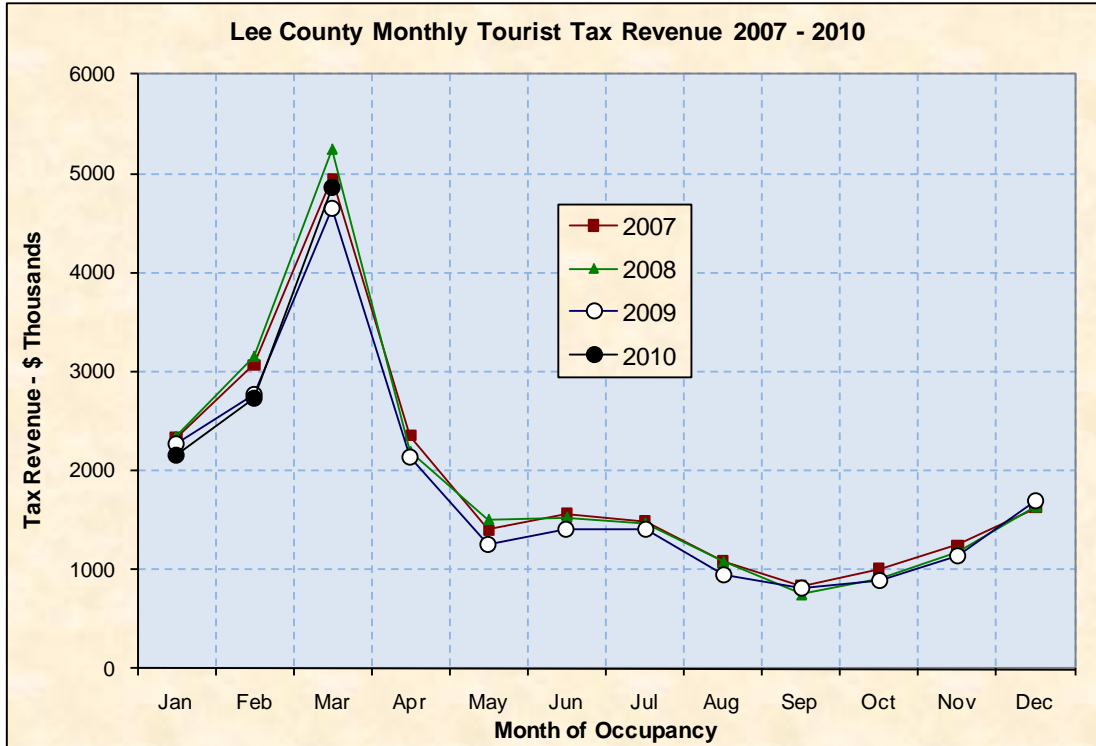


Source: Local Airport Authorities

Tourism Tax Revenues

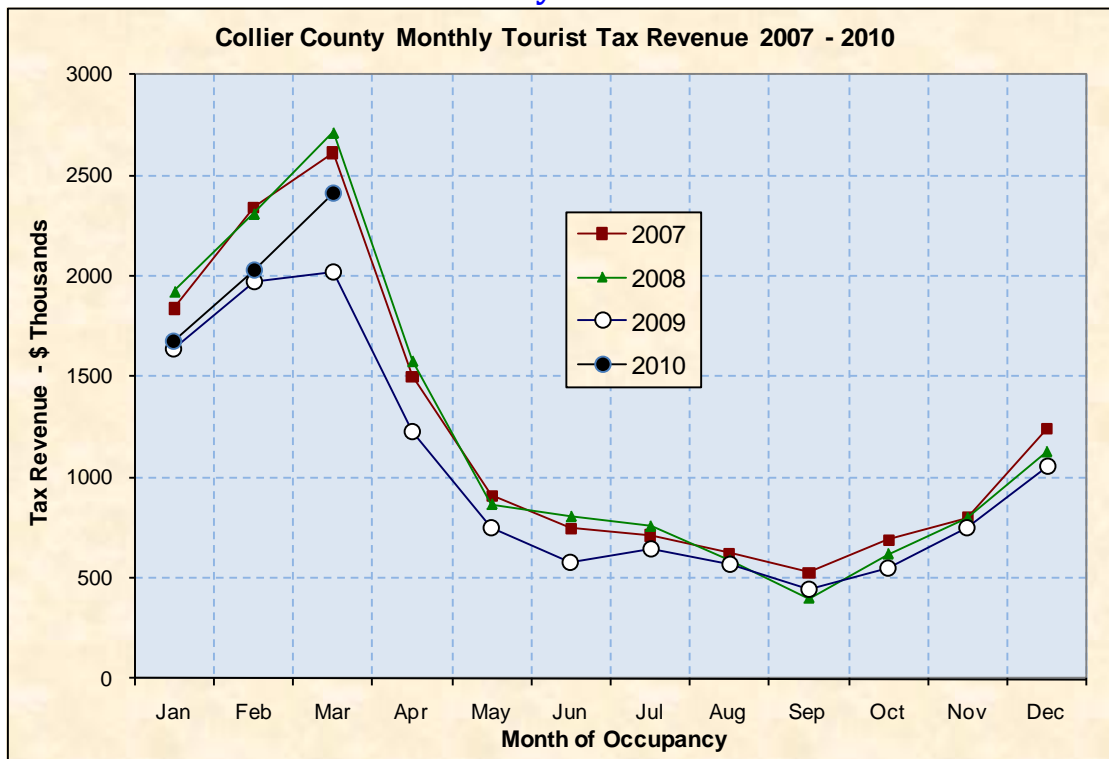
Tourist tax revenues were up in March 2010 compared to March 2009, Lee County revenues increased by five percent, while Collier County revenue was up 19 percent and Charlotte County tourism tax revenue increased nine percent. Tourism tax revenues for the region are shown in Charts 5, 6, and 7, and are based on month of occupancy.

Chart 5: Lee County Tourism Tax Revenues



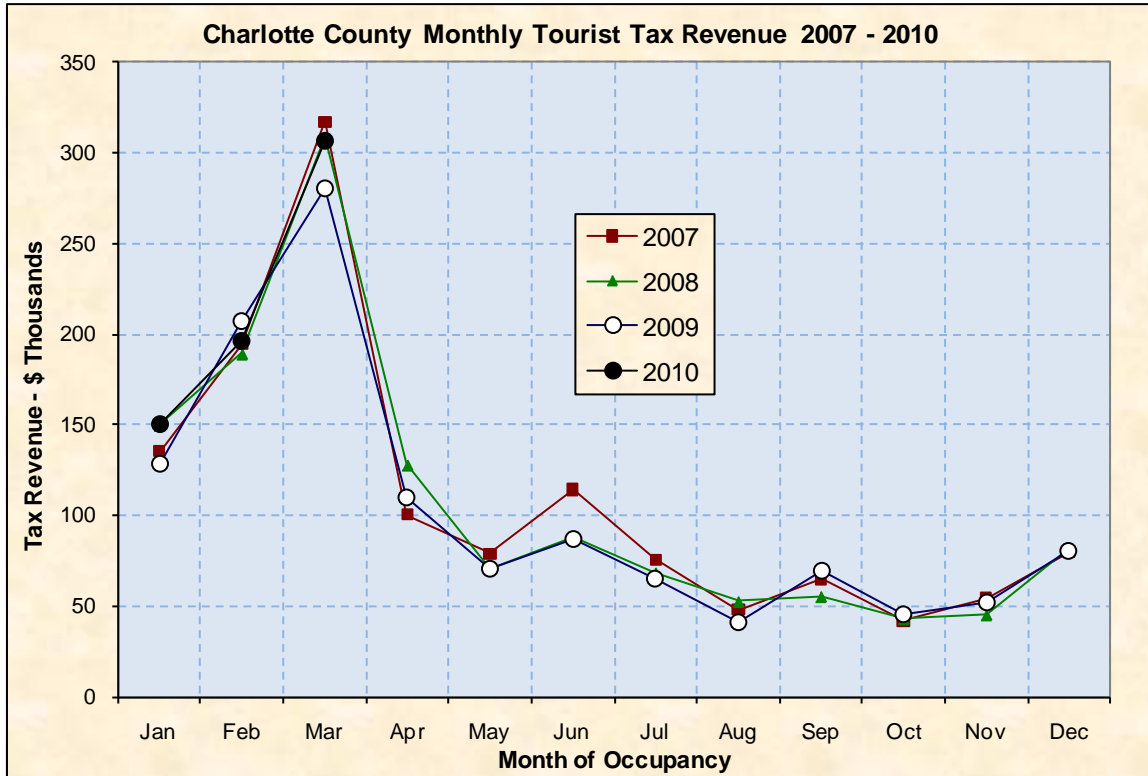
Source: Local County Tourism, Tax, and Economic Development Reports

Chart 6: Collier County Tourism Tax Revenues



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

Chart 7: Charlotte County Tourism Tax Revenues

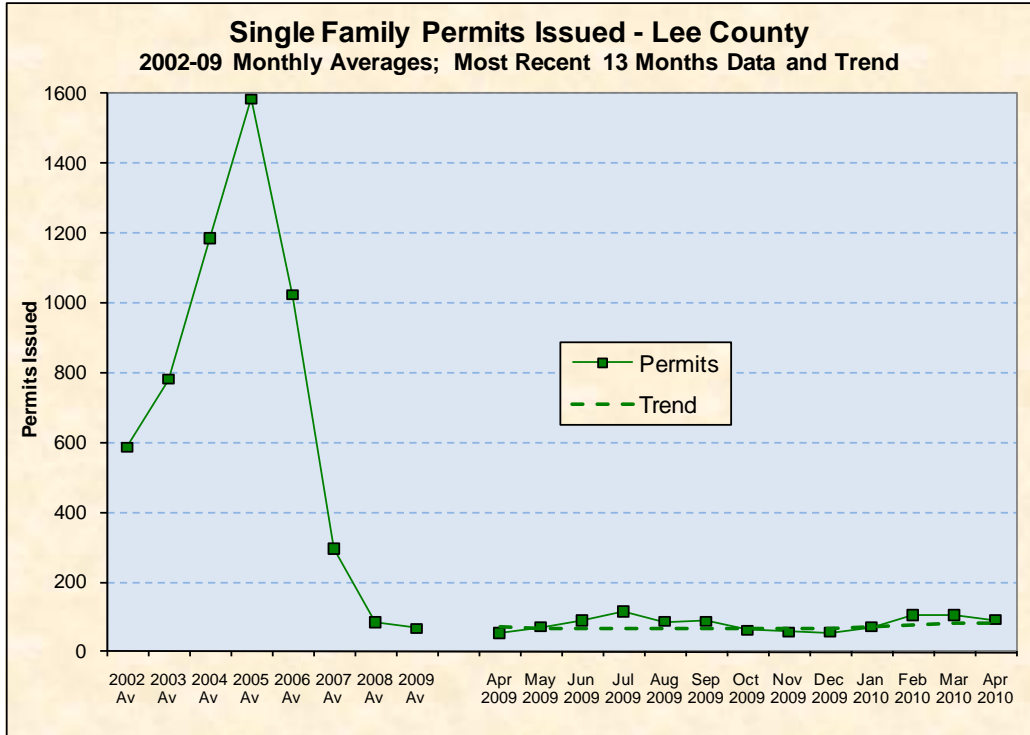


Source: Local County Tourism, Tax, and Economic Development Reports

Single-Family Building Permits

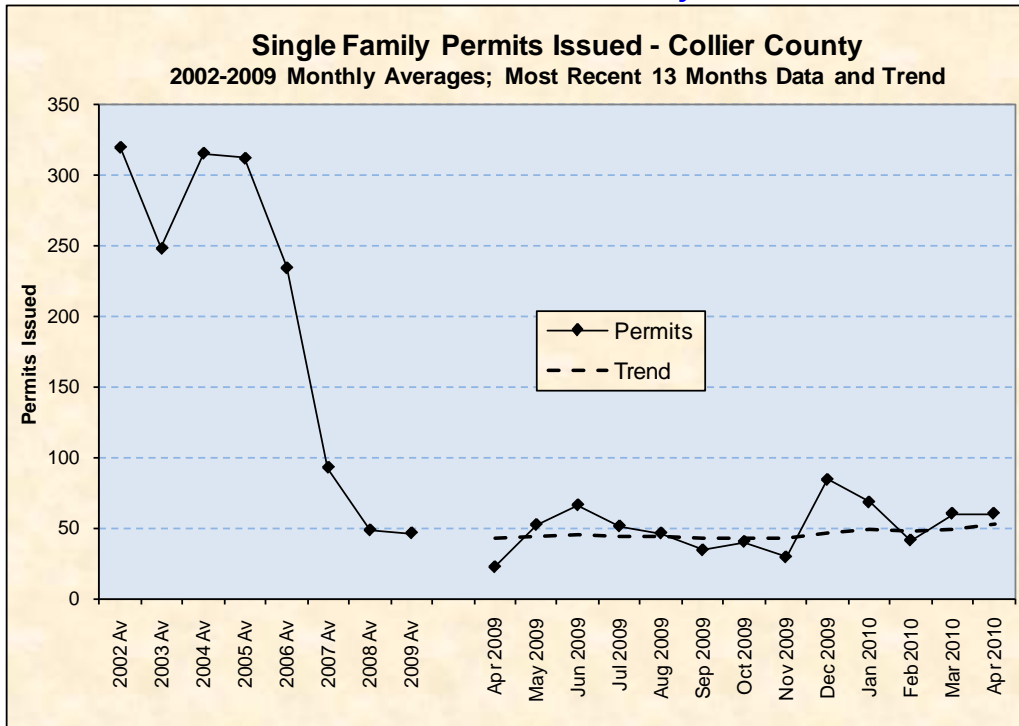
Total single-family home permits continued at low levels but increased from the same month a year ago. Lee County issued 92 single-family home permits in April 2010, down from 106 in March 2010, but up from 54 in April 2009, as shown in Chart 8. Single-family permits for Collier County were 60 in March and April 2010, as shown in Chart 9; the corresponding figure for April 2009 was 22. The April 2010 Charlotte County permit information was unavailable in time for this report, so Chart 10 shows the permit information through March 2010. A moving average trend line for the latest 12 months is shown on each chart.

Chart 8: Lee County



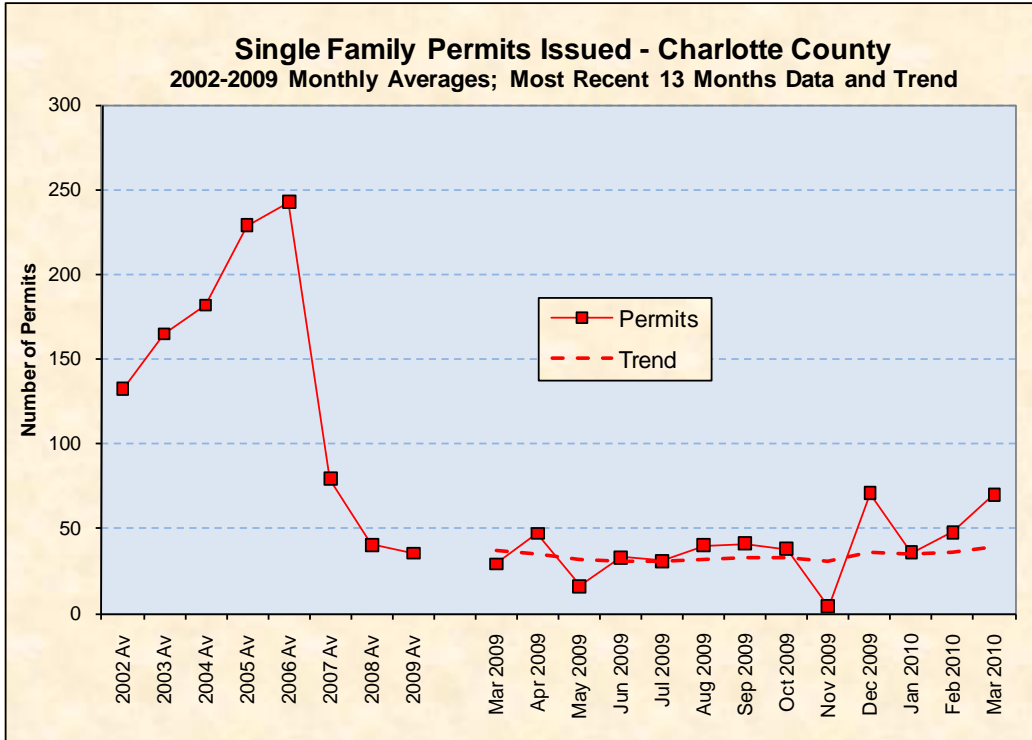
Source: Local Building and Zoning Departments, including Fort Myers, Cape Coral, and Unincorporated Lee County, Bonita Springs and Fort Myers Beach permits.

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.

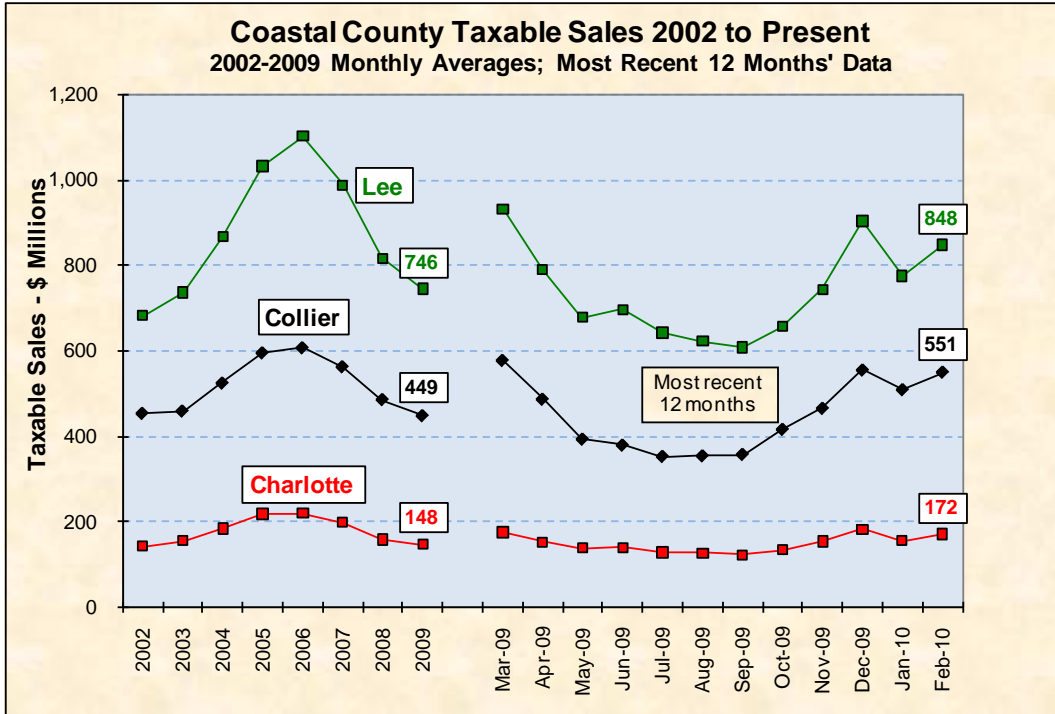
Taxable Sales

Taxable sales figures are used to track consumer spending, an important component of the regional economy. The taxable sales charts show month of collection by the merchant rather than the reporting month issued by the Florida Department of Revenue. Thus, February is the latest collection month plotted on the following charts.

The January taxable sales generally fall below December and rise in February and this year's taxable sales are following the same trend. Taxable sales for the Coastal Counties are shown in Chart 11. Charlotte County saw taxable sales rise to \$171.8 million in February 2010, an increase of approximately nine percent from February 2009. Lee County taxable sales were \$848.0 million in February 2010, a one-percent reduction from February 2009. Collier County's taxable sales were \$550.7 million in February 2010, a six-percent increase from February 2009.

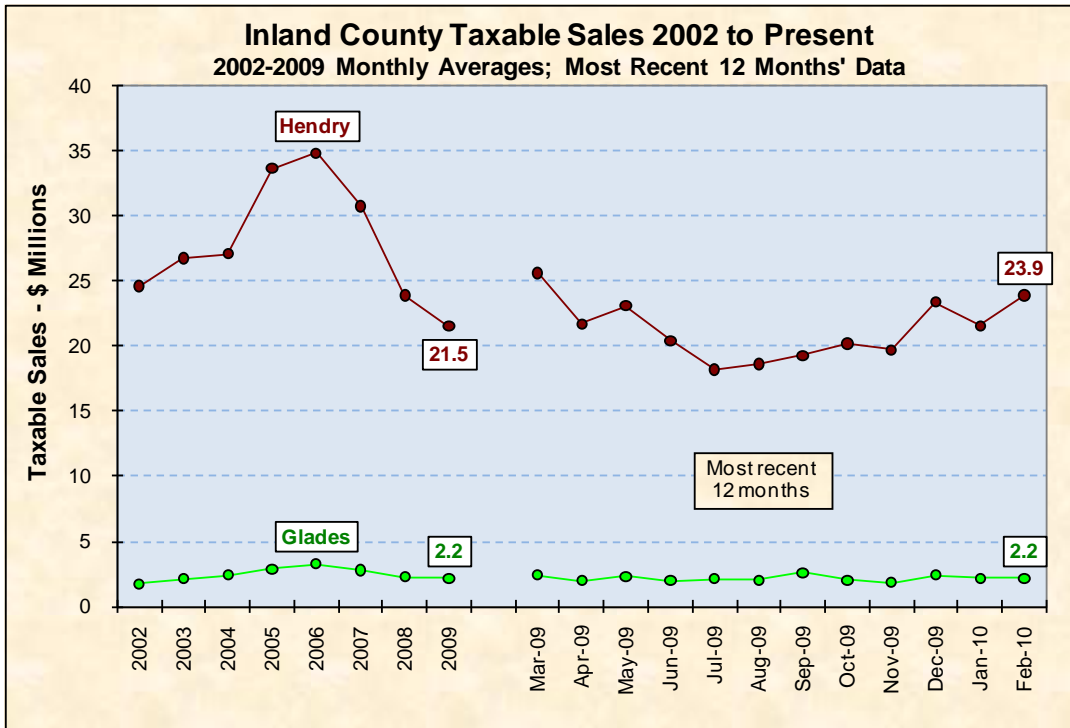
Chart 12 is a new chart that shows taxable sales for Glades and Hendry Counties. Glades County had February 2010 taxable sales of \$2.2 million, approximately the same as February 2009. Hendry County had taxable sales of \$23.9 million, a four-percent decline from February 2009. Charts 13, 14, and 15 show the trends in the percentage change in taxable sales from the same month a year earlier.

Chart 11: Taxable Sales for Coastal Counties



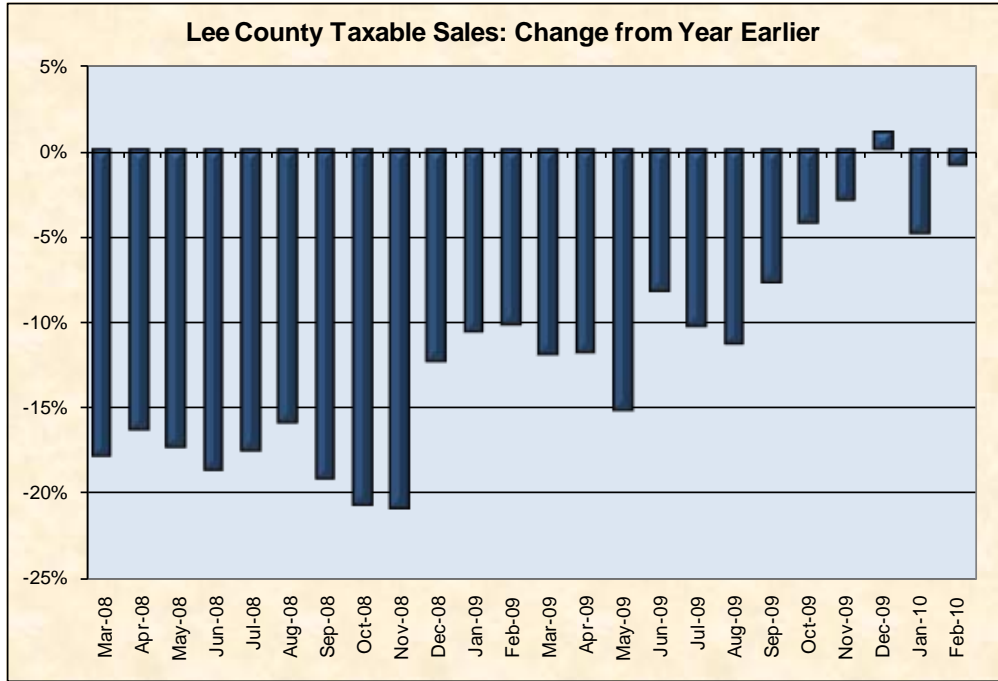
Source: Florida Department of Tax Research

Chart 12: Taxable Sales for Inland Counties



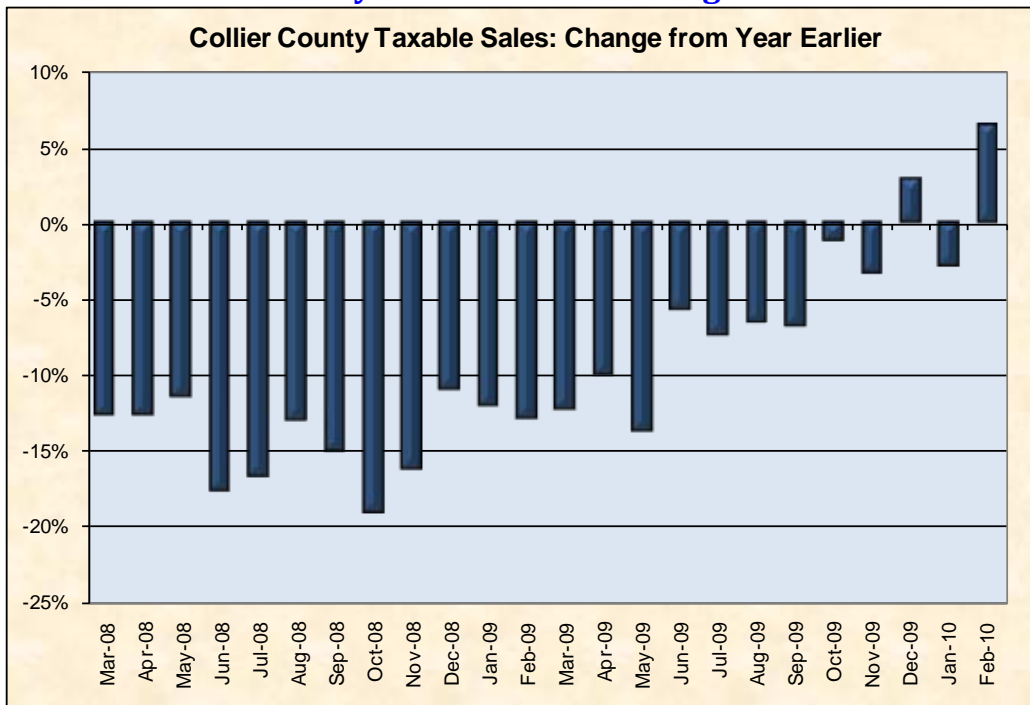
Source: Florida Department of Tax Research

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



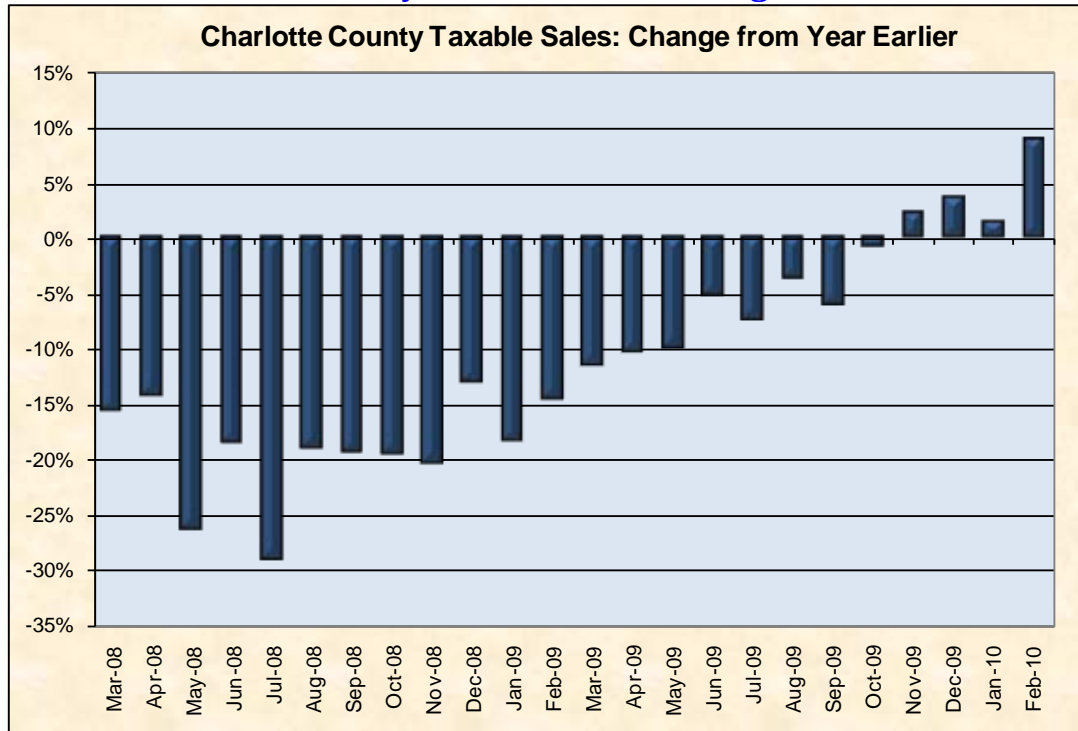
Source: Florida Department of Tax Research

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



Source: Florida Department of Tax Research

Chart 15: Charlotte County Taxable Sales - Change from a Year Earlier



Source: Florida Department of Tax Research

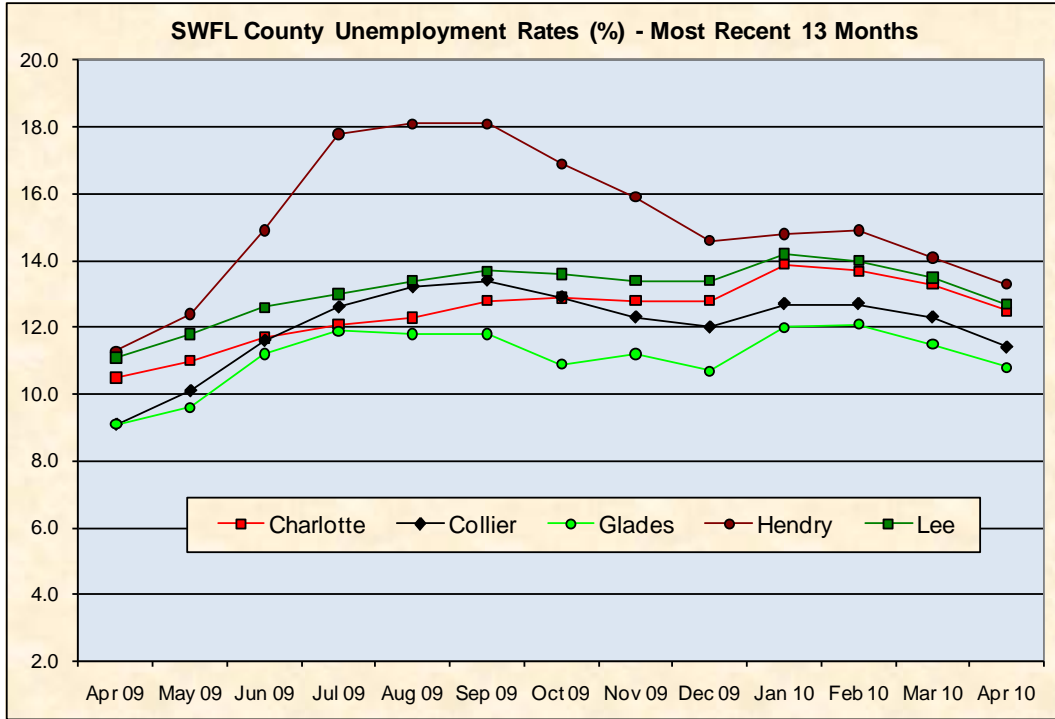
Workforce – Unemployment

The April 2010 unemployment rates remain high but decreased from March in each of the Southwest Florida counties, as shown in Chart 16. Chart 17 shows the coastal county unemployment rates by year from 2002 to 2009 and the most current monthly unemployment rates over the last 13 months. Lee County's unemployment level fell from 13.5 percent in March 2010 to 12.7 percent in April 2010. Charlotte County's unemployment fell from 13.3 percent in March 2010 to 12.5 percent in April 2010. Collier County's unemployment rate fell to 12.3 percent in March 2010 to 11.4 percent in April 2010.

Glades and Hendry County unemployment trends are shown in Chart 18. Hendry County's unemployment declined from 14.1 percent in March to 13.3 percent in April 2010, while Glades County's unemployment declined from 11.5 percent in March 2010 to 10.8 percent in April 2010. Florida's April unemployment rate was 11.2 percent, down from 12.0 percent in the previous month. The national unemployment rate fell from 10.2 percent in March to 9.5 percent in April. The seasonally-adjusted unemployment rate for the nation was 9.7 percent in April. The unemployment rates reported in this report are not seasonally adjusted unless otherwise noted.

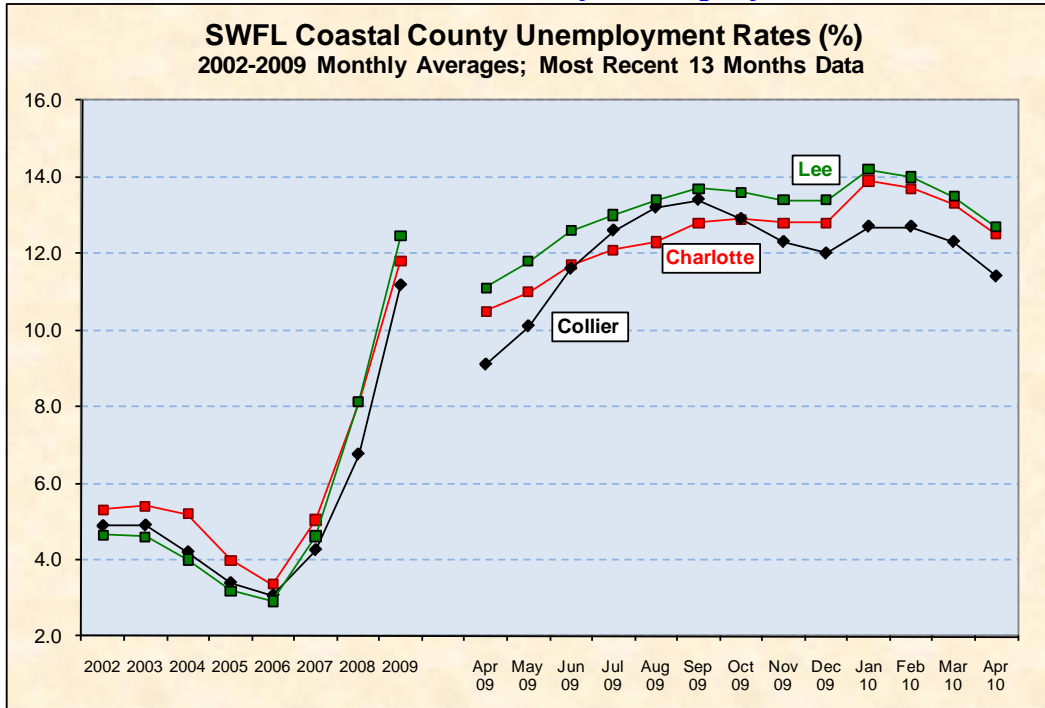
Unemployment rates for all five counties have been averaging between two to three percentage points higher than the corresponding period a year earlier, as shown in Charts 16, 17, and 18. Unemployment rates above 5 or 6 percent reflect cyclical unemployment and a slowdown of the economy from long-run trends. The forecast for unemployment levels is a very slow and gradual decline through 2013.

Chart 16: Regional Unemployment



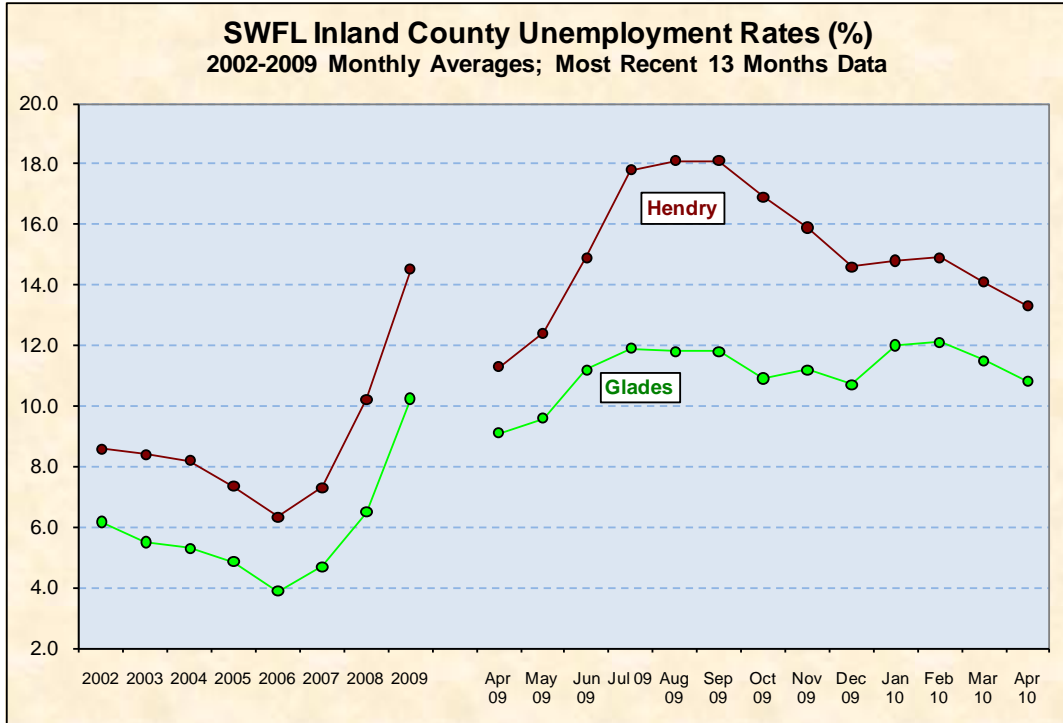
Source; AWI

Chart 17: Coastal County Unemployment



Source AWI

Chart 18: Inland County Unemployment

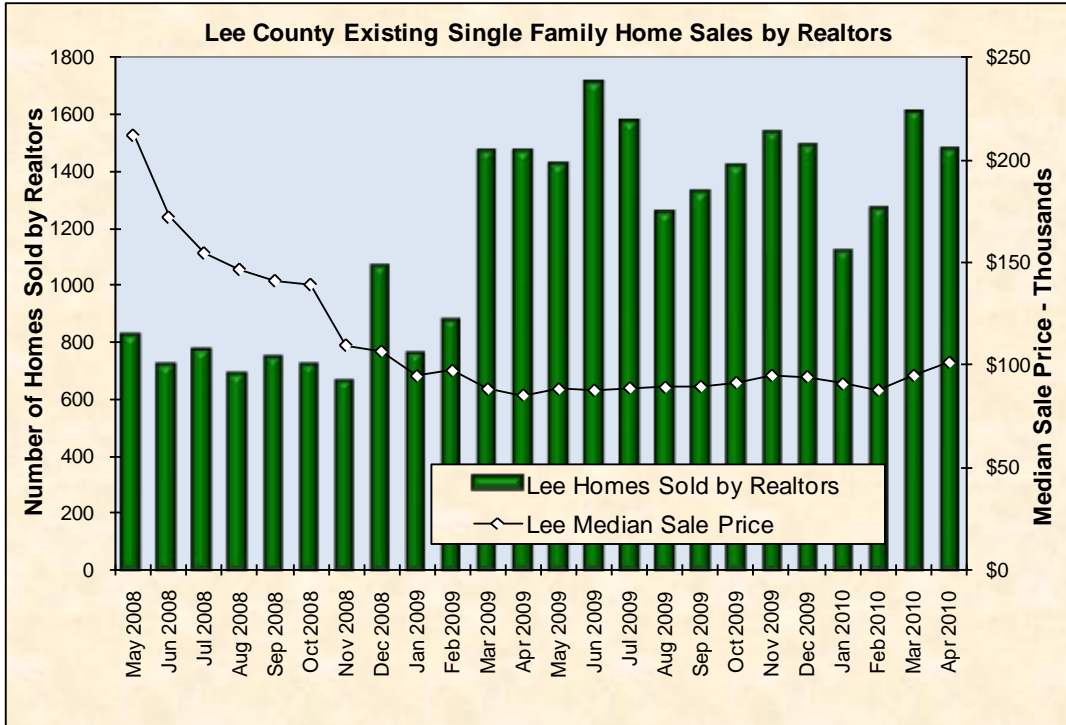


Source AWI

Sales of Single-Family Existing Homes and Median Sales Price

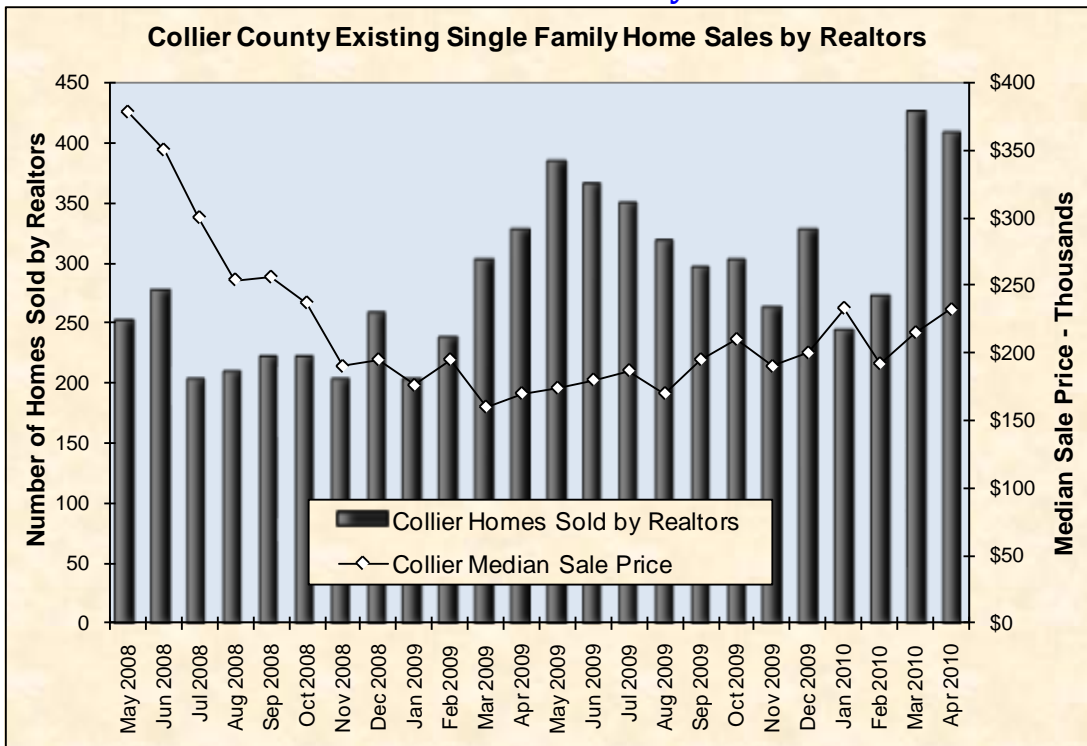
REALTOR sales of existing single-family homes slowed slightly but remained strong in April 2010 with median housing prices rising in each of the coastal counties. Lee County had sales of 1,473 single-family homes at a median price of \$101,500 in April 2010, compared to sales of 1,603 and a median price of \$95,100 the previous month, as shown in Chart 19. Collier County's existing single-family REALTOR sales were 407 in April 2010, down from 425 in March 2010, with the median price rising from \$215,000 to \$232,000, as shown in Chart 20. Charlotte County's existing single-family home sales declined as well from 311 in March 2010 to 290 in April 2010. The Charlotte County median price increased from \$110,600 in March 2010 to \$114,500 in April 2010, as shown in Chart 21.

Chart 19: Lee County



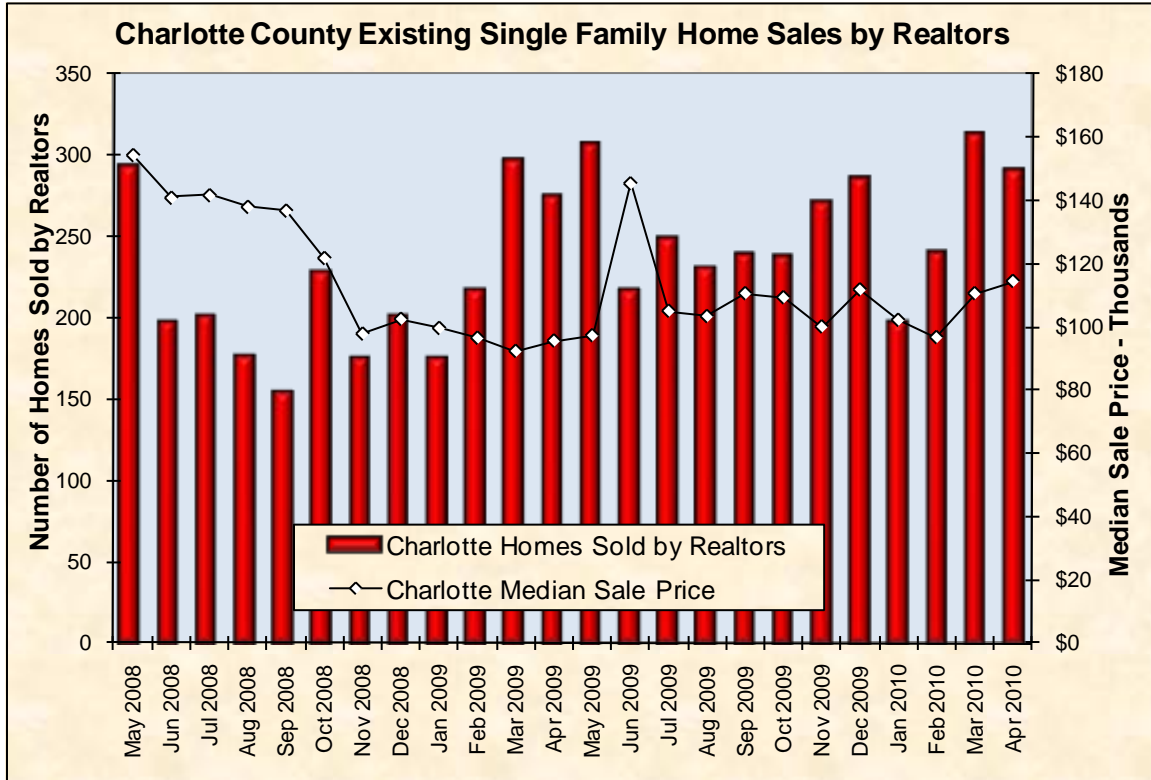
Source: Florida Association of Realtors® Fort Myers – Cape Coral MSA <http://media.living.net/statistics/statisticsfull.html>

Chart 20: Collier County



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

Chart 21: Charlotte County



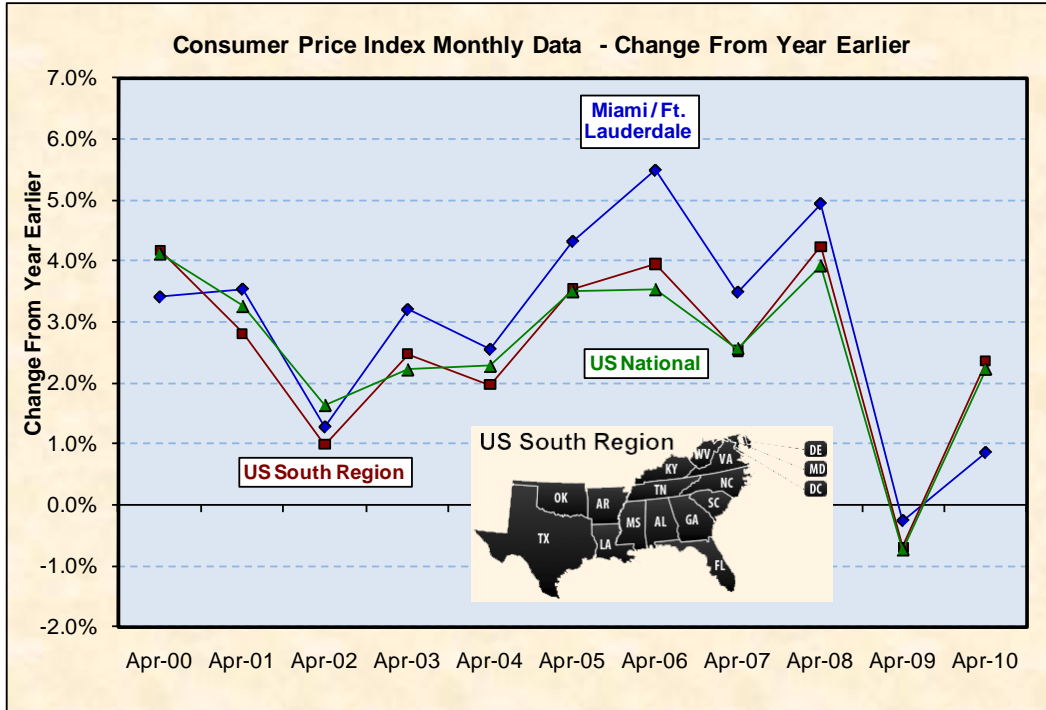
Source: Florida Association of Realtors © Punta Gorda, Florida MSA

<http://media.living.net/statistics/statisticsfull.html>

Consumer Price Index

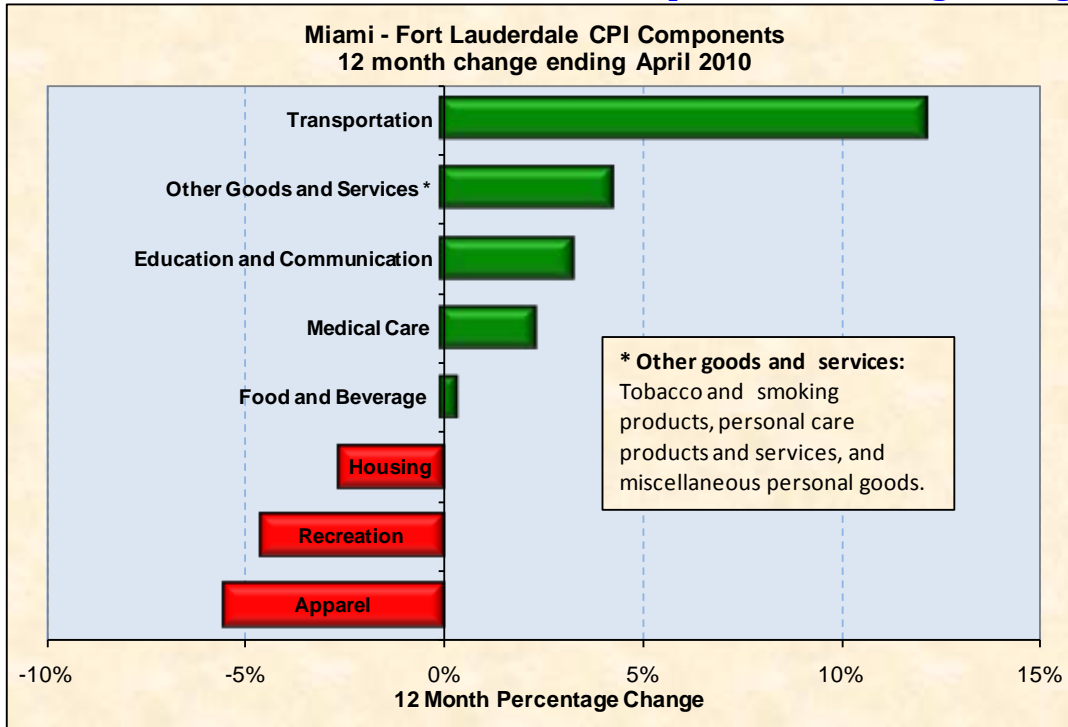
Consumer price indices (CPI) for the nation, the region, and the Miami-Fort Lauderdale area are shown in Chart 22. The Miami-Fort Lauderdale area CPI is collected every two months and is the closest reporting location to Southwest Florida. The national CPI increased 2.2 percent from April 2009 to April 2010. The South region increased at a 2.4 percent rate and the Miami/Fort Lauderdale index rose at only 0.9 percent.

Chart 22: CPI Annual Percentage Change



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 23.

Chart 23: Miami-Fort Lauderdale CPI Component Percentage Change



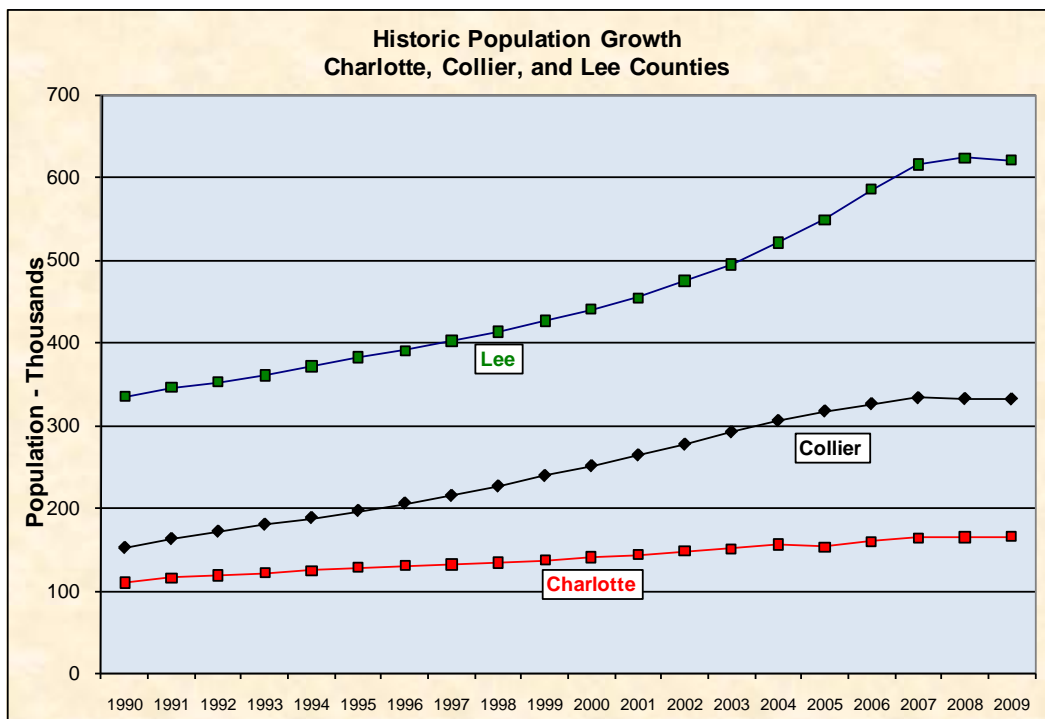
The costs of transportation, other goods and services, education and communication, and medical care continue to show the largest increases from the prior year. The year-to-year increase in transportation costs was driven by a 35-percent increase in motor fuel costs.

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 24 and 25. 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.

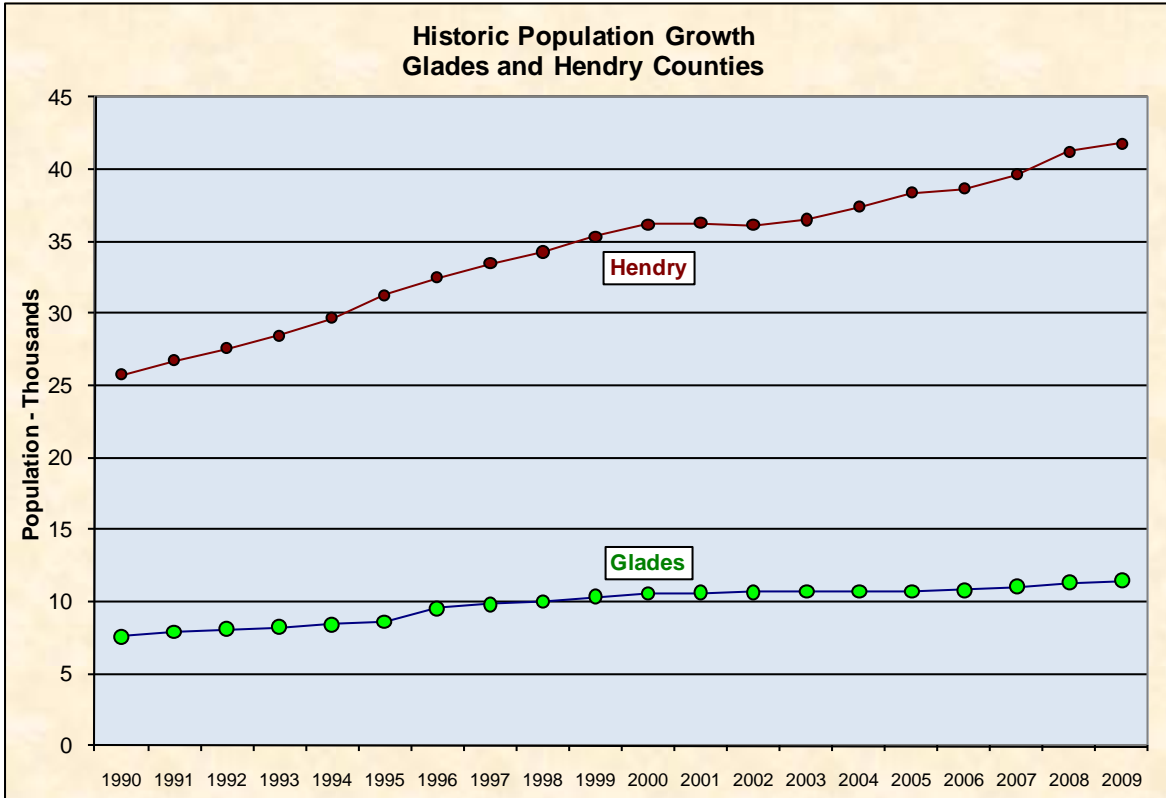
Chart 26 and its accompanying table show projected population increases from 2010 to 2030. The overall rate of regional growth averages 2 percent per year for this period, resulting in a 20-year increase of 46 percent. Given the projected slow recovery through 2012, I would not be surprised to see the population growth projections lowered again at the next estimating conference.

Chart 24: Coastal Counties Growth 1990 to 2009



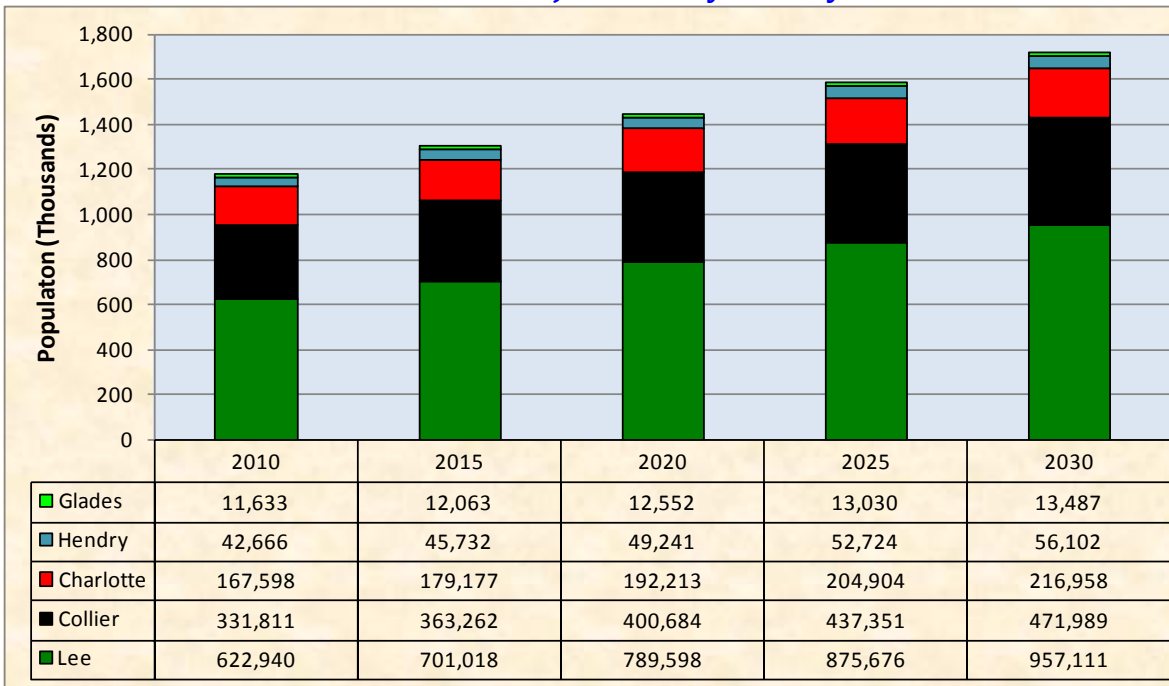
Source: Florida EDR: August 2009

Chart 25: Inland County Growth 1990 to 2009



Source: Florida EDR: August 2009

Chart 26: Projections by County



Source: Florida EDR: August 2009.