

# Southwest Florida Regional Economic Indicators

## March 2011



Regional Economic Research Institute

Lutgert College Of Business  
Phone 239-590-7319  
Florida Gulf Coast University  
10501 FGCU Blvd. South  
Fort Myers, FL 33965  
[www.fgcu.edu/cob/reri](http://www.fgcu.edu/cob/reri)

## Table of Contents

|   |    |
|---|----|
| Introduction.....   | 3  |
| Airport Activity.....   | 7  |
| Chart 1: Airport Arrivals and Departures.....                               | 7  |
| Chart 2: RSW Traffic Trend .....  | 8  |
| Chart 3: Sarasota Airport Traffic Trend .....                               | 8  |
| Chart 4: Charlotte County Airport Traffic Trend.....                        | 9  |
| Tourism Tax Revenues .....  | 9  |
| Chart 5: Lee County Tourism Tax Revenues .....                              | 10 |
| Chart 6: Collier County Tourism Tax Revenues .....                          | 10 |
| Chart 7: Charlotte County Tourism Tax Revenues.....                         | 11 |
| Single-Family Building Permits.....   | 11 |
| Chart 8: Lee County .....   | 12 |
| Chart 9: Collier County .....   | 12 |
| Chart 10: Charlotte County .....  | 13 |
| Taxable Sales.....  | 13 |
| Chart 12: Taxable Sales for Inland Counties.....                            | 14 |
| Chart 13: Lee County Taxable Sales - Change from a Year Earlier.....        | 15 |
| Chart 14: Collier County Taxable Sales - Change from a Year Earlier .....   | 15 |
| Chart 15: Charlotte County Taxable Sales - Change from a Year Earlier ..... | 16 |
| Workforce – Labor Force, Employment and Unemployment.....                   | 16 |
| Chart 16: Lee County Labor Force and Unemployment .....                     | 17 |
| Chart 17: Collier county Labor Force and Unemployment.....                  | 18 |
| Chart 18: Charlotte County Labor Force and Unemployment.....                | 18 |
| Chart 19: Hendry County Labor Force and Unemployment .....                  | 19 |
| Chart 20: Glades County Labor Force and Unemployment.....                   | 19 |
| Sales of Single–Family Existing Homes and Median Sales Prices.....          | 20 |
| Chart 21: Lee County .....  | 20 |
| Chart 22: Collier County .....  | 21 |
| Chart 23: Charlotte County .....  | 21 |
| Consumer Confidence Index.....  | 22 |
| Consumer Price Index.....   | 22 |
| Chart 25: CPI Annual Percentage Change.....                                 | 23 |
| Chart 26: Miami-Fort Lauderdale CPI Component Percentage Change .....       | 23 |
| Population.....   | 24 |
| Chart 27: Coastal Counties Growth 1990 to 2009 .....                        | 24 |
| Chart 28: Inland County Growth 1990 to 2009 .....                           | 25 |
| Chart 29: Projections by County.....  | 25 |

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

We had the honor of having Federal Reserve Bank of Atlanta President and CEO Dennis Lockhart visit Florida Gulf Coast University on Friday, March 25, 2011 as part of MarketPulse 2011. His presentation was covered by Dow Jones, Bloomberg, Reuters and our local news media. President Lockhart stated that, " I come to a net positive outlook for the economy for the rest of 2011 and 2012." He expects the national economy to have a moderate recovery but added that higher energy prices could dampen consumer spending and global uncertainty is a risk that could restrain business plans.

The U.S. Bureau of Economic Analysis (BEA) released updated estimate for fourth quarter 2010 real GDP growth on March 25th. The real GDP increase was 3.1 percent, up from 2.6 percent in the third quarter. Personal consumption expenditures, exports, and nonresidential fixed investment contributed to the increase, while private inventory investment and state and local government spending were negative, reducing the growth rate. Real personal consumption expenditures increased by 4.0 percent in the fourth quarter compared to an increase of only 2.4 percent in the third quarter and is a good sign that consumers are spending more. The Conference Board's Index of leading economic indicators was released on March 17th and was up 0.8 percent in February pointing to further growth and expansion of the recovery. The new Thomson Reuters/University of Michigan Consumer Sentiment Index for March was reported at 67.5 a large drop from 77.5 in February reflecting the potential economic headwinds of higher oil prices, natural disasters, and unrest overseas.

The national seasonally adjusted unemployment rate fell slightly from 9.0 percent in January to 8.9 Percent in February. Florida's seasonally adjusted unemployment decreased from 11.9 percent in January to 11.5 percent in February showing some improvement. The county unemployment rates are not seasonally adjusted so they include seasonal employment trends. Lee County's unemployment rate dropped from 12.7 in January to 11.7 in February with the county adding 1,305 new net jobs. Collier County's unemployment rate dropped from 11.7 percent in January to 10.7 percent in February with the county adding 603 new net jobs. Charlotte County's unemployment rate dropped from 12.6 percent in January to 11.6 in February adding 311 net new jobs. The labor force fell by 1,580 in Lee County, 857 in Collier County, and 445 in Charlotte County. If the drop in labor force numbers represent discouraged workers their return to the labor market later in the year will likely push up the unemployment rates. If they drop in the labor force numbers represents workers leaving the area for employment elsewhere, the unemployment drops are likely to be sustained.

High levels of unemployment and foreclosures, tight financial markets, and Middle-East unrest remain important concerns. The U.S. economy and the Southwest Florida economy in particular continue to work through the systemic problems related to the housing bubble and banking crisis. The recovery to more normal employment levels is expected to take several more years, but we are seeing improvement in the overall economy.

The latest release of the Federal Reserve's Open Market Committee (FOMC) was issued on March 15th and is summarized as follows:

- The economic recovery is on a firmer footing, and overall conditions in the labor market appear to be improving gradually;
- Household spending and business investment in equipment and software continued to expand;
- Investment in nonresidential structures is still weak, and the housing sector continues to be depressed.
- Commodity prices have risen significantly since the summer, and concerns about global supplies of crude oil have contributed to a sharp run-up in oil prices;
- Longer-term inflation expectations have remained stable, and measures of underlying inflation have been subdued;
- The recent increases in the prices of energy and other commodities are currently putting upward pressure on inflation. The committee expects these effects to be transitory, but will pay close attention to the evolution of inflation and inflation expectations.
- To promote a stronger pace of economic recovery and to help ensure that inflation, over time, is at levels consistent with its mandate, the Committee decided to continue expanding its holdings of securities. In addition to reinvesting principal payments from its securities holdings, the Federal Reserve System intends to purchase an additional \$600 billion of longer-term treasury securities by the end of the second quarter of 2011.
- The target range for the federal funds rate will be maintained at 0 to ¼ percent and it is anticipated that economic conditions, including low rates of resource utilization, subdued inflation trends, and stable inflation expectations, are likely to warrant exceptionally low levels for the federal funds rate for an extended period.

The next meeting of the FOMC is planned for April 26 - 27, 2011.

As previously reported, the latest FOMC economic forecast was released with the January minutes and is 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 showed recovery started in 2009, but it will be several years before the economy returns to a more normal long-run trend ("LR"). Real GDP growth projections for 2011, 2012, and 2013 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 2011, the range is 3.2 to 4.2 percent growth in GDP with a central tendency range (red bar) of 3.4 to 3.9 percent. For 2012, the overall projected range is 3.4 to 4.5 percent with a central tendency range of 3.5 to 4.4 percent growth. For 2013, the overall projected range is 3.0 to 5.0 percent with a central tendency range of 3.7 to 4.6 percent growth. The long-run 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 25-26, 2011

As shown in the chart below, national unemployment in 2011 is expected to be slightly lower than 2010, but remain historically high, in a range of 8.4 to 9.0 percent, with a central tendency (red bar) of 8.8 to 9.0 percent. In 2012, the unemployment range is forecast to be between 7.2 and 8.4 percent with a central tendency of 7.6 to 8.1 percent. For 2013, the overall projected range for the national unemployment rate is 6.0 to 7.9 percent with a central tendency range of 6.8 to 7.2 percent. Long-run unemployment is expected to be in a range of 5.0 to 6.2 percent with a central tendency of 5.0 to 6.0 percent. The projections for unemployment are for the fourth quarter of each year.



Source: Minutes of the Federal Open Market Committee, January 25-26, 2011

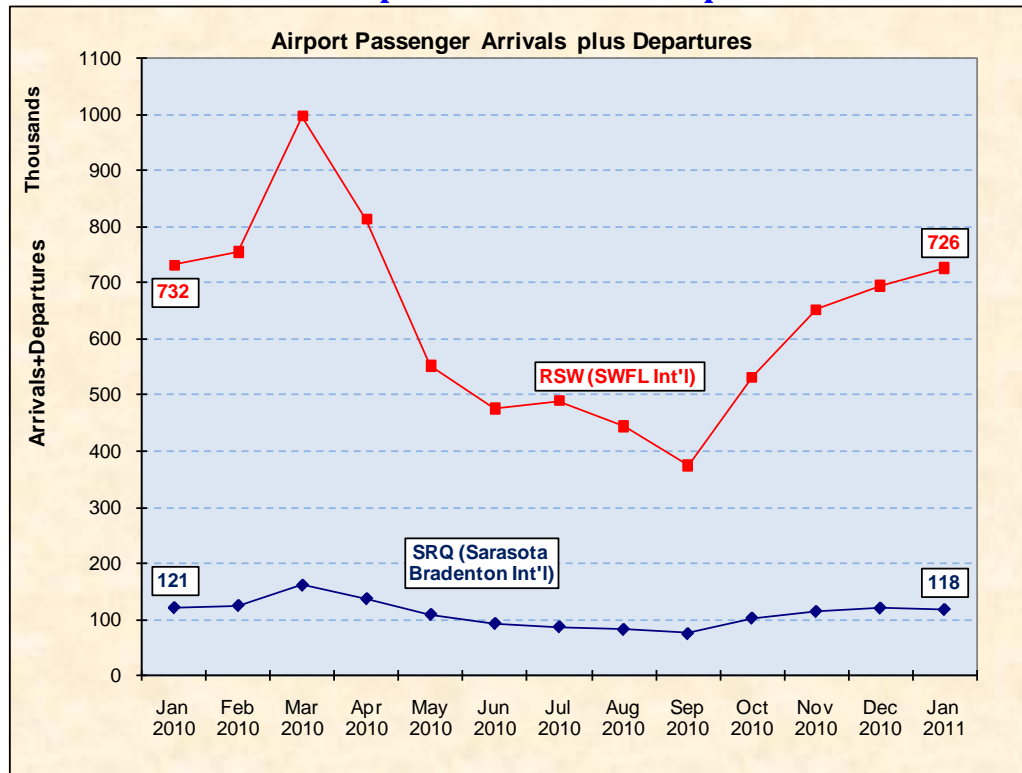
The Regional Economic Research Institute (RERI) is continuing to develop the regional economic database and this report, as a way to support its mission and assist the region. New this month are charts showing not only unemployment rates, but also total employment and unemployment by county. The Institute 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 Convention and Visitors Bureaus of Collier and Lee Counties, the regional airport authorities, the REALTORS® of Lee and Collier County, the University of Florida Survey Research Center, and the county and city permit offices.

## Airport Activity

Airport passenger activity is defined as the sum of arrivals and departures for Southwest Florida International (RSW) and Sarasota (SRQ) airports and is shown in Chart 1. Southwest Florida International airport is the largest airport in the region, serving national and international destinations. Peak seasonal activity occurs in February, March and April, with significantly lower activity in the summer months creating large seasonal swings. Charts 2, 3, and 4 illustrate the monthly seasonality of airport passenger traffic and the changes from year to year.

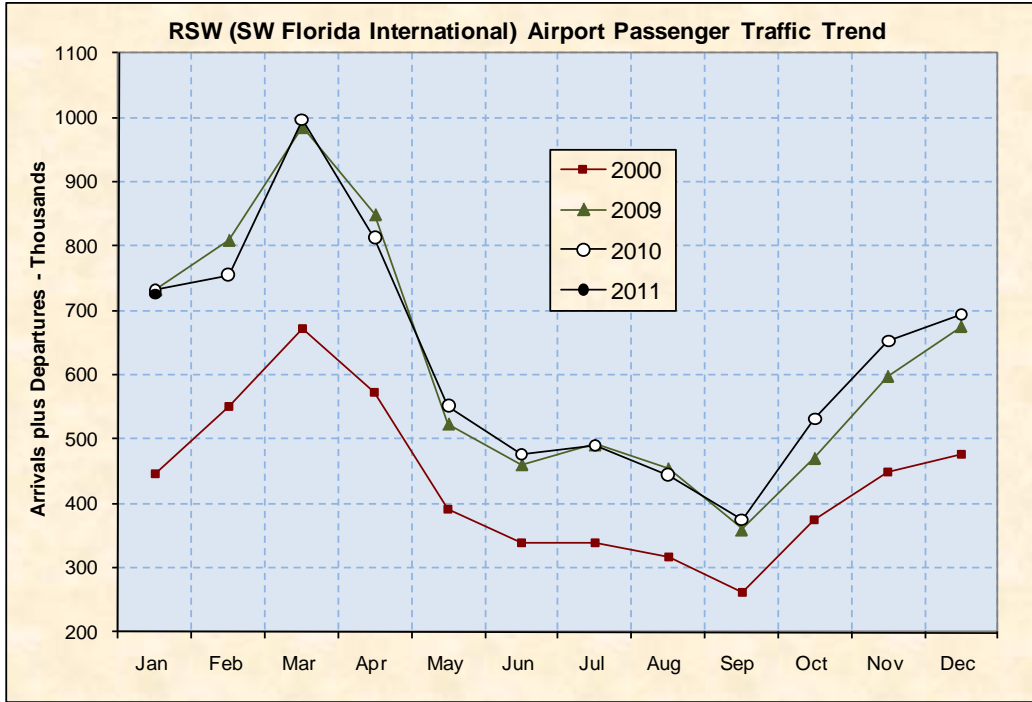
While total activity for the three regional airports increased in January 2011, there were some individual variations. Charts 1 and 2 show RSW airport passenger activity rising to 726,332 in January, an increase of five percent from December 2010, albeit one percent lower than January 2010. Sarasota (SRQ) passenger activity dipped to 118,121 in January 2011, down three percent from January 2010 and two percent from December 2010, as shown in Charts 1 and 3. Charlotte County Airport recorded passenger activity of 29,628 in January, a 71 percent increase over January 2010, but a seven percent decrease from the prior month, as shown in Chart 4. Traffic for the three airports totaled 874,081, representing an increase of three percent from December 2010 and a less than one-half percent increase over January 2010.

**Chart 1: Airport Arrivals and Departures**



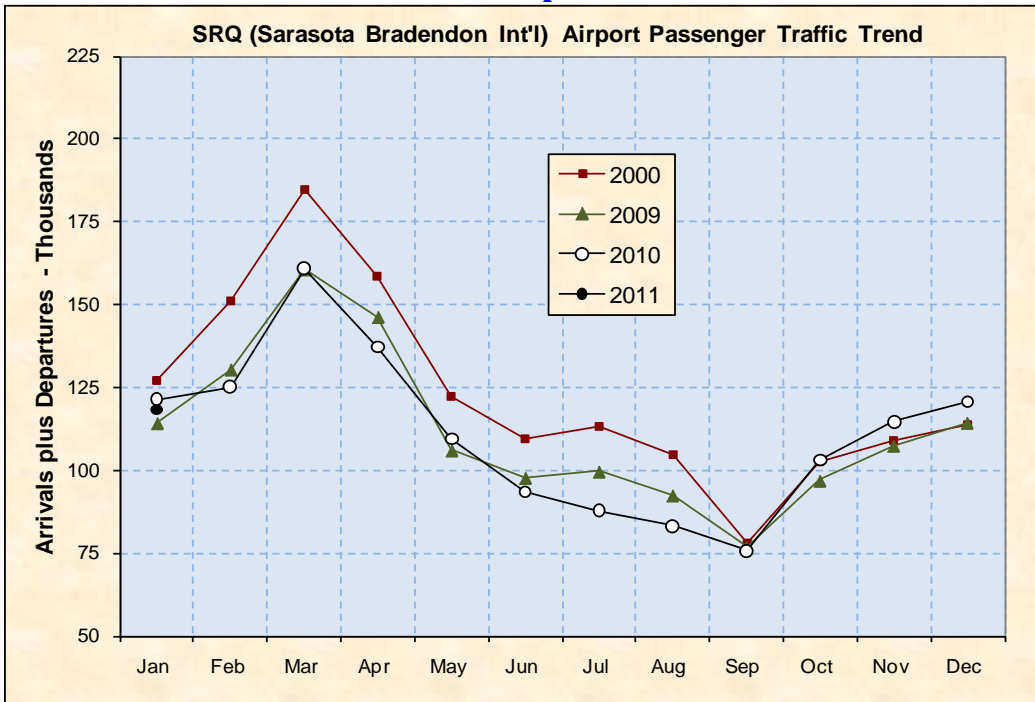
Source: Local Airport Authorities

**Chart 2: RSW Traffic Trend**



Source: Local Airport Authorities

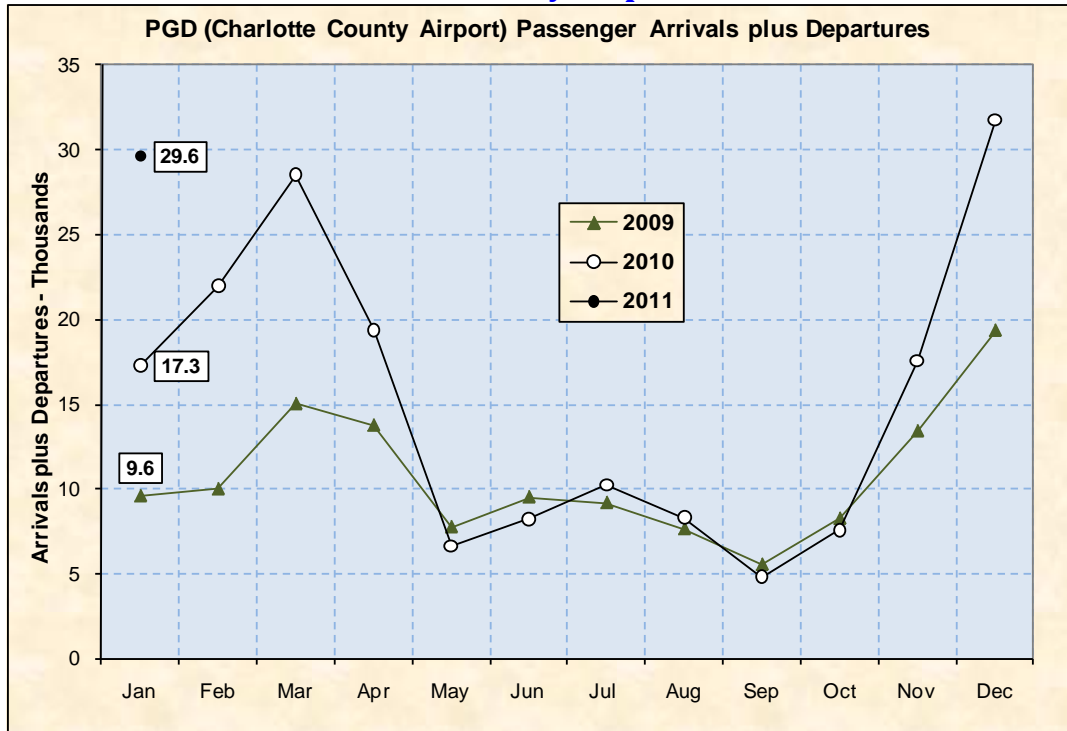
**Chart 3: Sarasota Airport Traffic Trend**



Source: Local Airport Authorities



**Chart 4: Charlotte County Airport Traffic Trend**

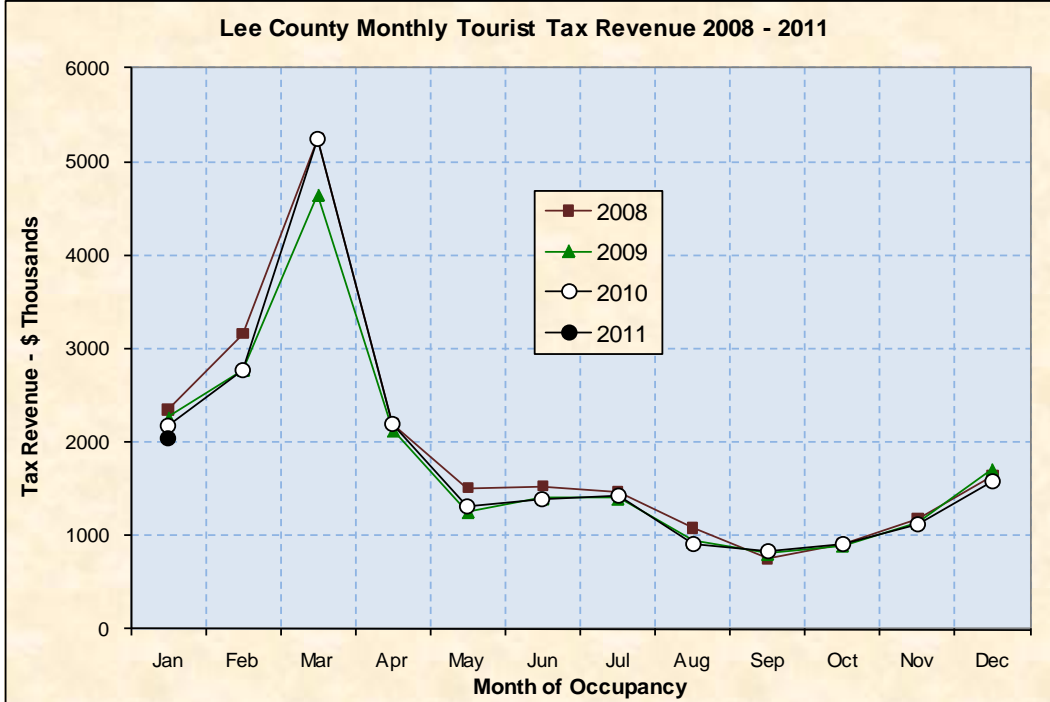


Source: Local Airport Authorities

## Tourism Tax Revenues

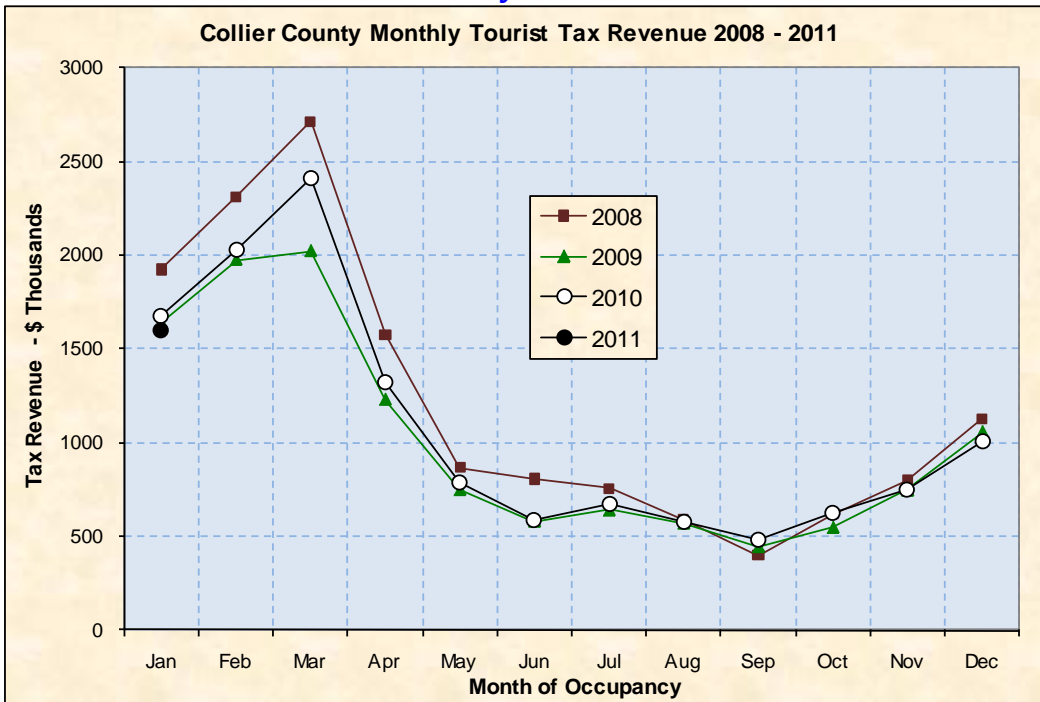
Tourism tax revenues for the region are shown in Charts 5, 6, and 7, and are based on month of occupancy. Total January tourism tax revenues for the three coastal counties continued to follow the historic seasonal pattern, increasing by 42 percent over December. Charlotte County reported a 70 percent increase over the prior month, Collier County was up 59 percent, and Lee County showed a 29 percent increase. However, compared to the prior year, total tourism tax revenues were five percent below those of January 2010. Lee County tourism tax revenues were \$2,047,570 in January 2011, a decrease of five percent from January 2010. Collier County reported revenues of \$1,601,322, a five-percent decrease from January 2010. Charlotte County's tourism tax revenues amounted to \$132,325 in January 2011, a 12-percent decrease from the January 2010 figure.

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



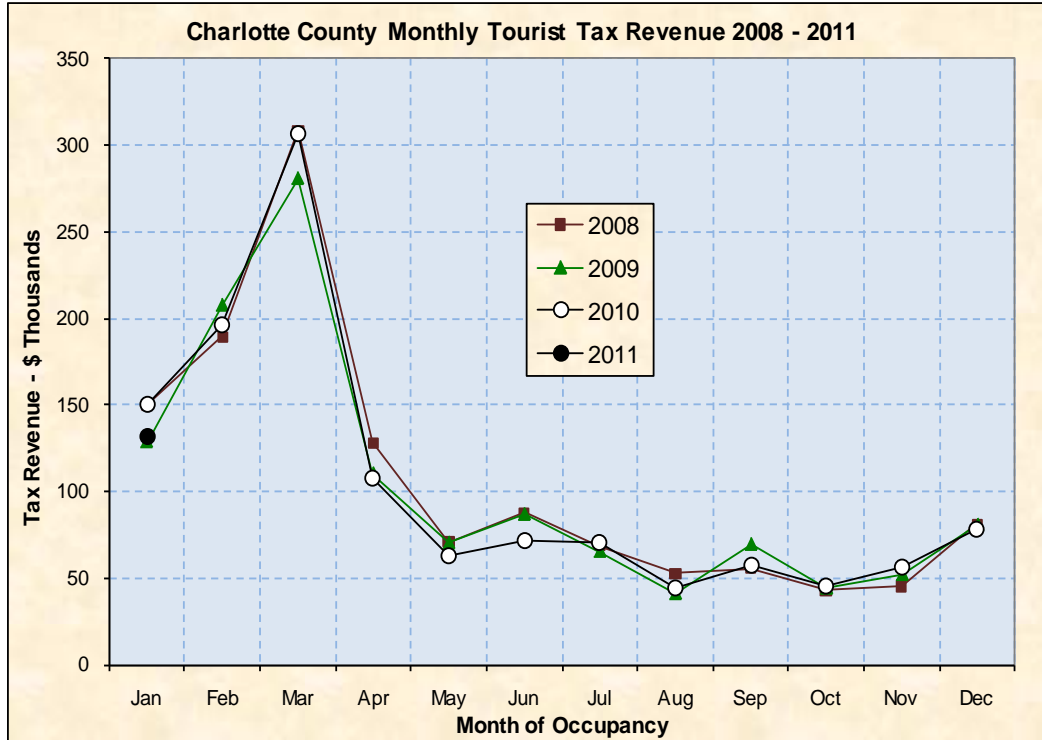
Source: Local County Tourism, Tax, and Economic Development Reports

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



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

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

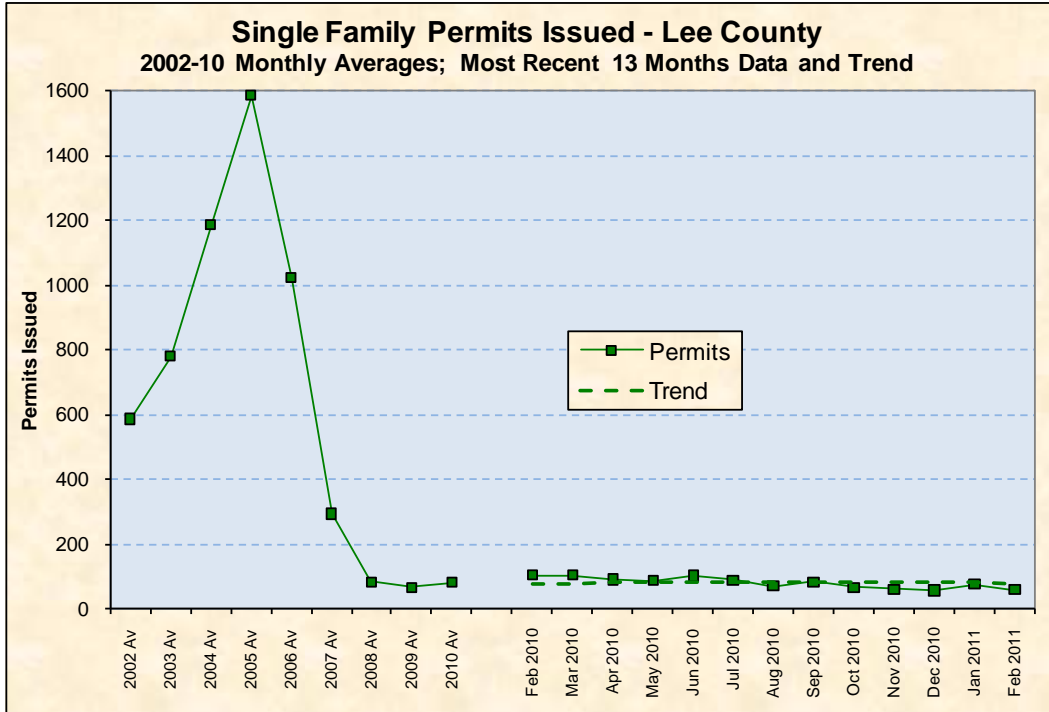


Source: Local County Tourism, Tax, and Economic Development Reports

## Single-Family Building Permits

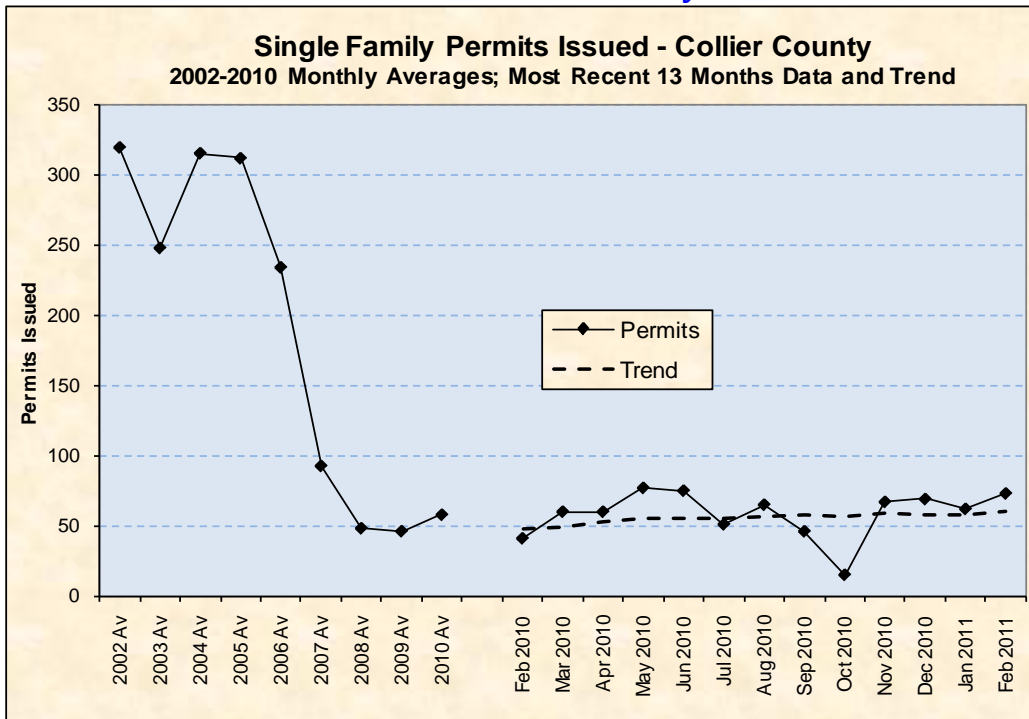
Lee County issued 61 single-family home permits in February 2011, a decrease from 77 in January 2011, as shown in Chart 8; the corresponding figure for February 2010 was 106. Collier County showed an increase to 73 permits issued in February, compared to 62 in January and 41 in February 2010, as shown in Chart 9. Charlotte County permits dipped to 18 in February 2011, down from 22 in January and the same as the figure for February 2010, as shown in Chart 10. The three-county total of 152 in February 2011 represented a decrease over the prior month total of 161 and the year earlier figure of 165.

**Chart 8: Lee County**



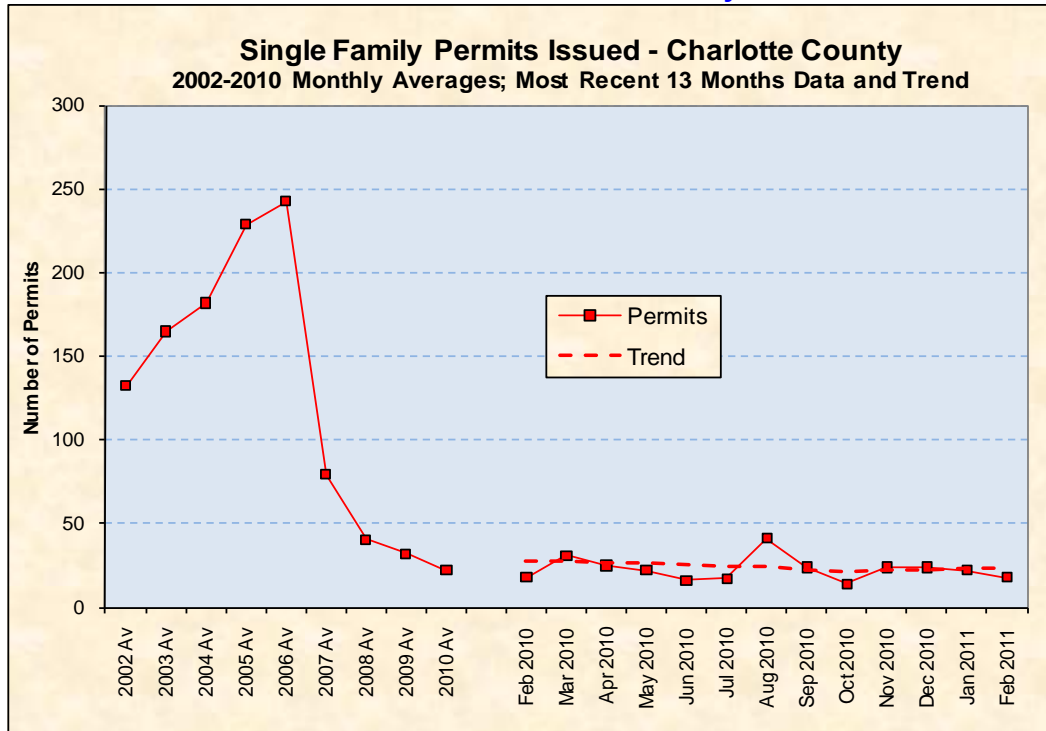
Source: Local Building and Zoning Departments, including Fort Myers, Cape Coral, and Unincorporated Lee County, Bonita Springs and Fort Myers Beach permits.

**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

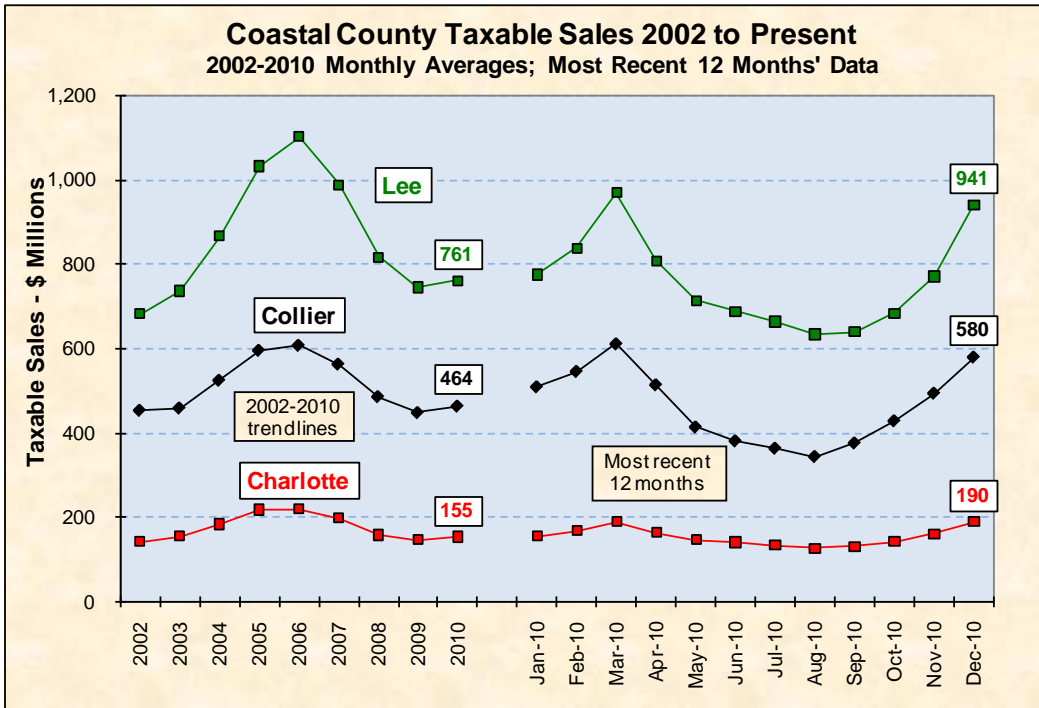
Taxable sales figures are used to track consumer spending, an important component of the regional economy. The taxable sales charts show month of collection by the merchant rather than the reporting month issued by the Florida Department of Revenue. Thus, **December** is the latest collection month plotted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

Total taxable sales for the five-county region in December showed a four-percent increase (\$70.7 million) over December 2009 and a 20-percent increase (\$289.4 million) from the prior month of November. Taxable sales for the Coastal Counties are shown in Chart 11. Charlotte County reported taxable sales of \$190.4 million in December 2010, an 18-percent increase over the November 2010 figure. Lee County taxable sales amounted to \$940.6 million in December 2010, a 22-percent increase from November 2010, and Collier County's taxable sales rose to \$580.0 million in December 2010, a 17-percent increase from November 2010. The three Coastal Counties each showed a 4-percent increase from December 2009.

Chart 12 shows taxable sales for Glades and Hendry Counties on a scale that differs from that of Chart 11. Glades County reported December 2010 taxable sales of \$2.3 million, a 4 percent decline from the same month one year ago. Hendry County's taxable sales of \$25.8 million were 10 percent higher than a year ago.

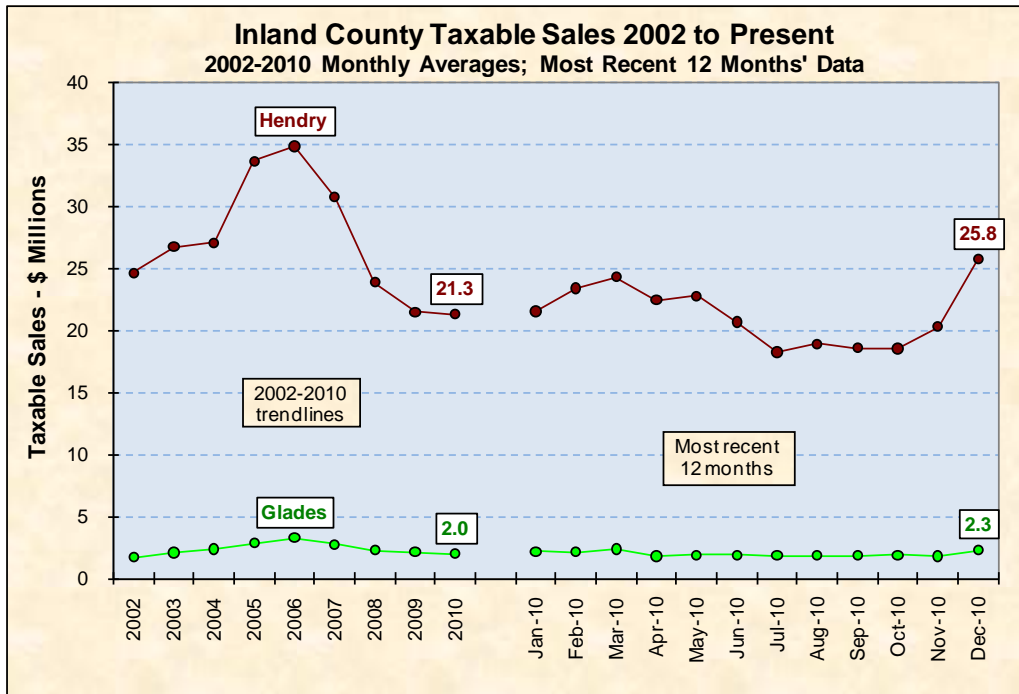
Charts 13, 14, and 15 show moderately positive percentage changes in taxable sales from the same month a year earlier for each coastal county. Lee County has shown increases in nine of the past 12 months; Collier County, in 10 of the last 12 months; and Charlotte, in 11 of the last 12 months.

**Chart 11: Taxable Sales for Coastal Counties**



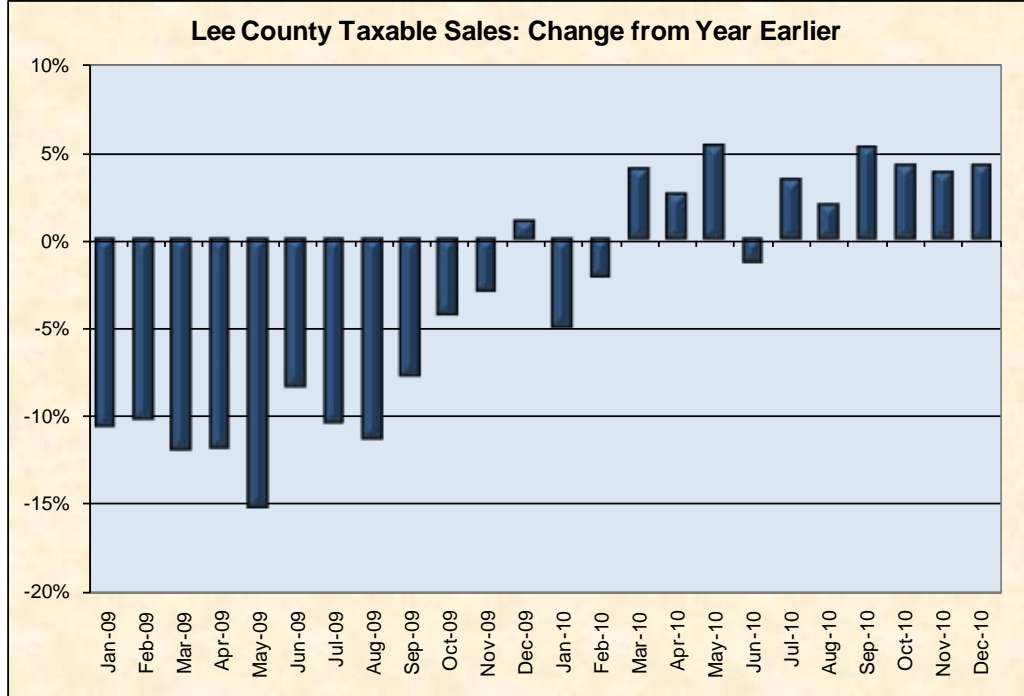
Source: Florida Department of Revenue, Office of Tax Research

**Chart 12: Taxable Sales for Inland Counties**



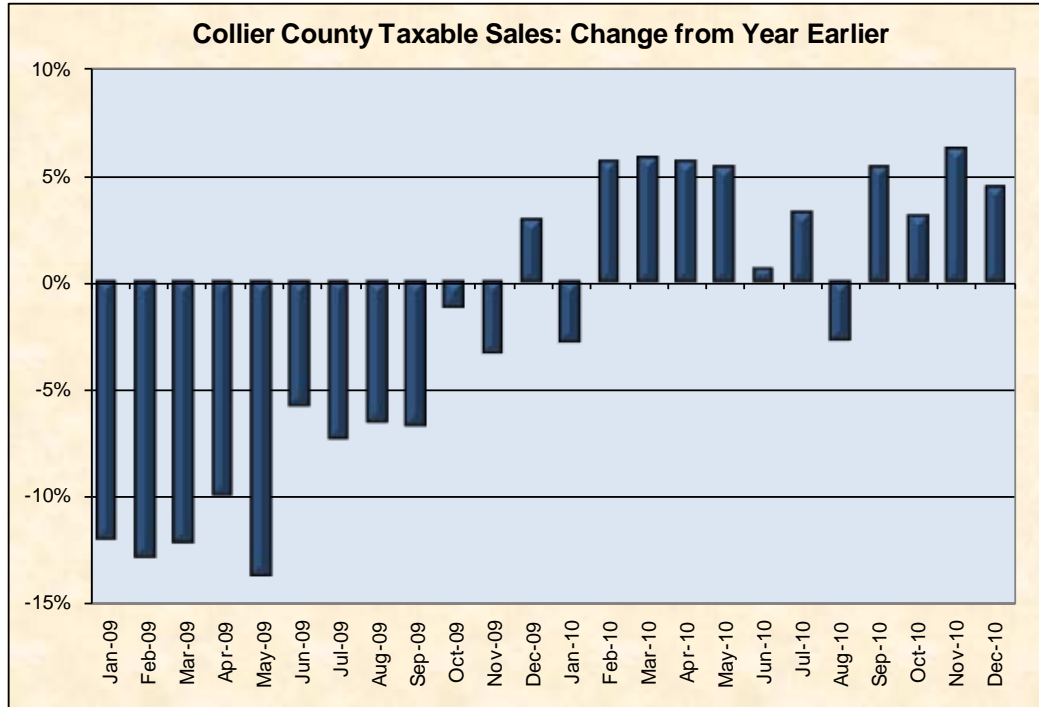
Source: Florida Department of Revenue, Office of Tax Research

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



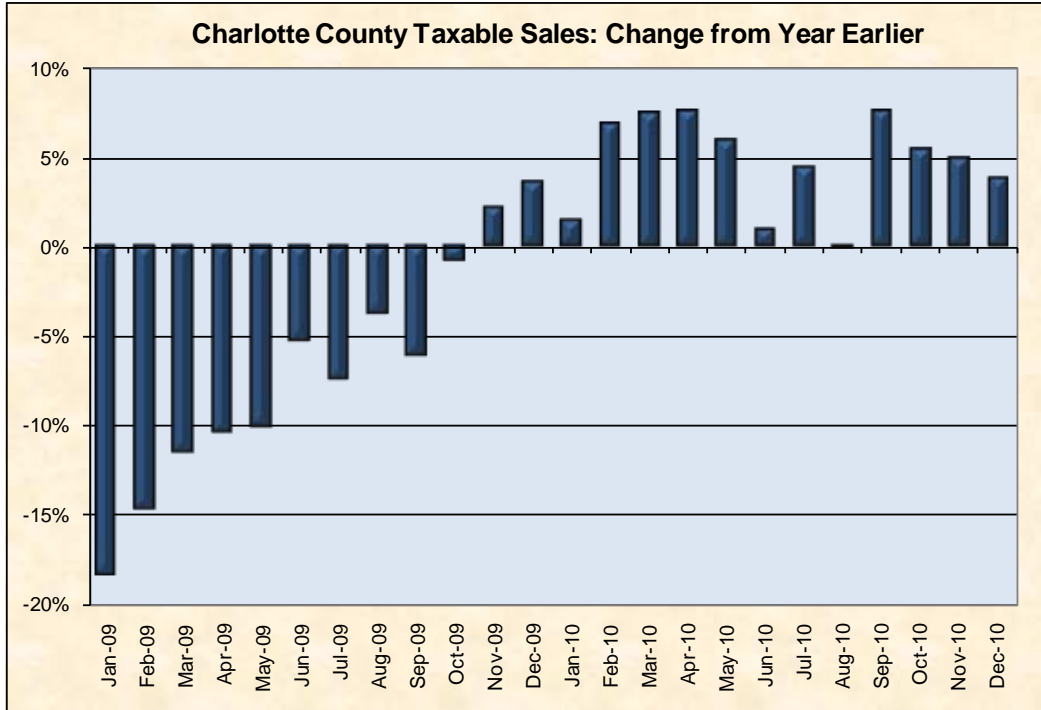
Source: Florida Department of Revenue, Office of Tax Research

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



Source: Florida Department of Revenue, Office of Tax Research

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



Source: Florida Department of Revenue, Office of Tax Research

## Workforce – Labor Force, Employment and Unemployment

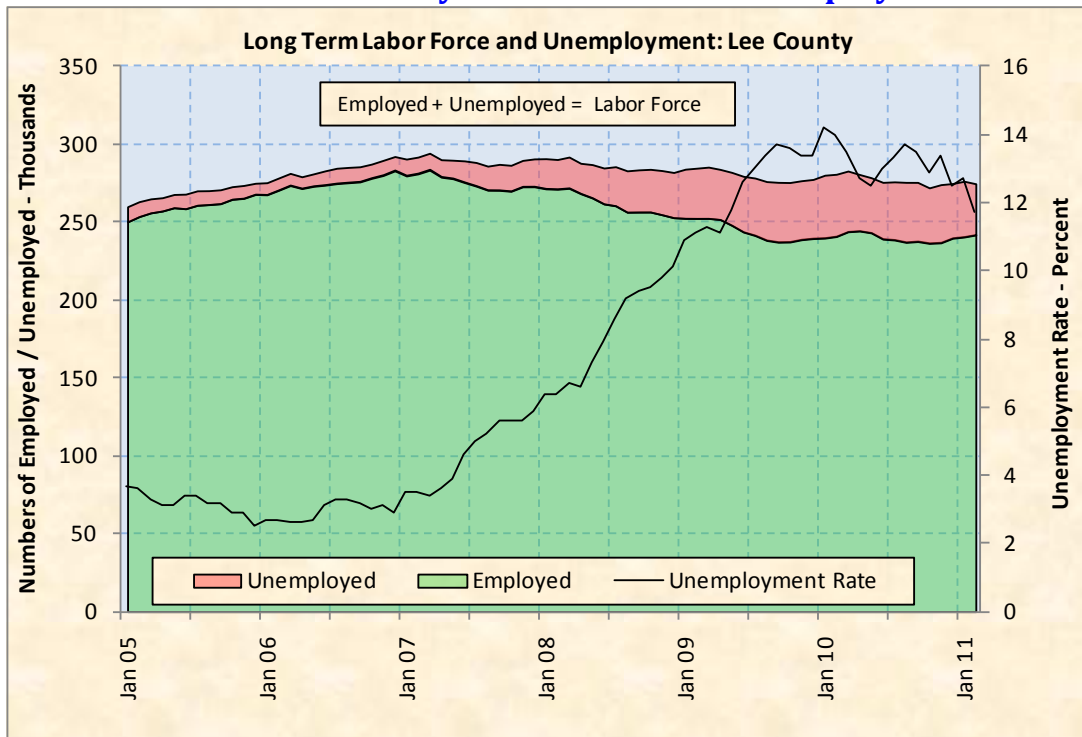
Charts 16, 17, 18, 19, and 20 are new this month. They show total employment, total unemployment, and the unemployment rate for each county from the beginning of 2005 to February 2011. This provides more information for each of the counties, and relies less heavily on just the unemployment rate to provide a view of the labor situation. The unemployment rate can decline due to improvements in employment, or as a result of people not actively seeking employment and dropping out of the labor force (discouraged workers) or moving away from our labor market to seek employment elsewhere.

Total employment in the five counties of Southwest Florida was 453,085 in February 2011, an increase of 1,907 from the prior month and 6,120 from February 2010. Unemployment rates were lower in each of the five counties, compared to both the prior month and the prior February 2010. Lee’s unemployment rate went from 12.7 percent in January to 11.7 in February, as illustrated in Chart 16. Lee County employment increased by 1,305 net employees. Collier County’s unemployment rate dropped from 11.7 percent in January to 10.7 percent in February with a net employment gain of 603, as shown in Chart 17. Charlotte County’s unemployment rate declined from 12.6 percent in January to 11.6 percent in February, as shown in Chart 18. Hendry County saw the unemployment rate decline from 14.1 percent in January to 13.4 percent in February and net employment fall by 317 as shown in Chart 19. Glades County’s unemployment declined from 9.3 percent in January to 8.4 percent in February with a net employment gain of five workers as shown in Chart 20. Florida’s state-wide non-seasonally adjusted unemployment rate dropped to 11.0 percent in February 2011, down from 11.8 percent in the previous month and from 12.3 percent a year earlier. The national unemployment rate decreased as well, to 9.5 percent in February 2011 from 9.8 percent in January 2011 and from 10.4 percent in February 2011. Unemployment rates reported in this report are not seasonally adjusted except as noted in the introduction.



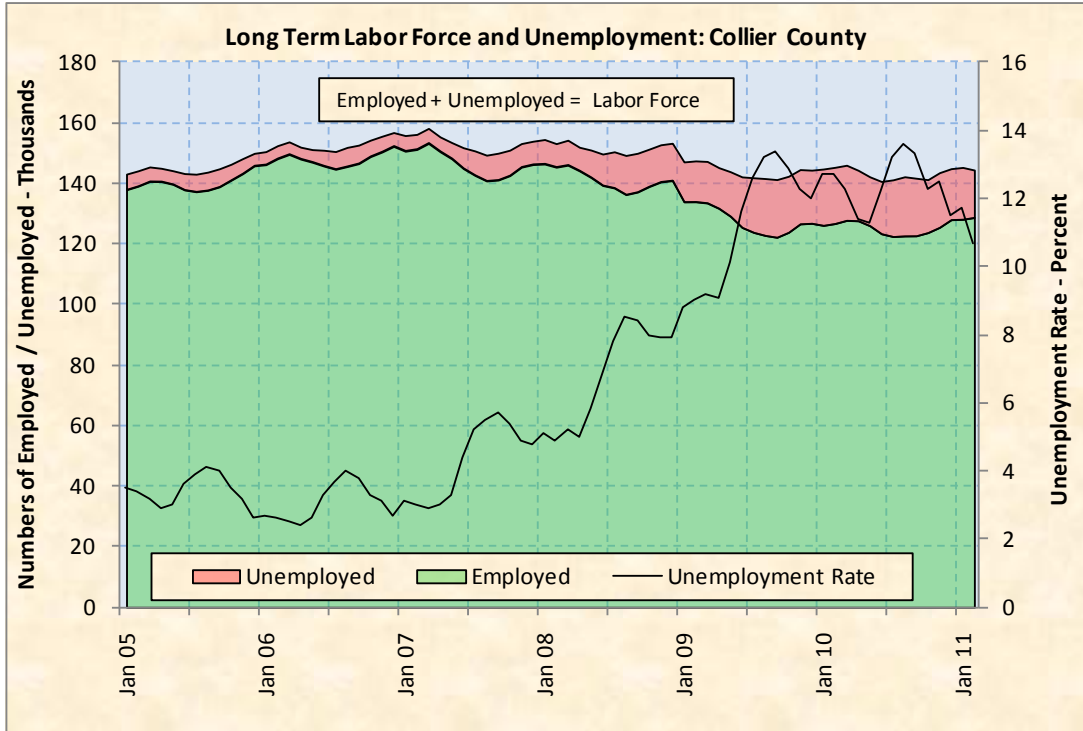
Unemployment rates above five or six percent generally reflect cyclical unemployment and a slowdown of the economy from long-run trends. The forecast for unemployment rates continues to be a very slow and gradual improvement through 2014.

**Chart 16: Lee County Labor Force and Unemployment**



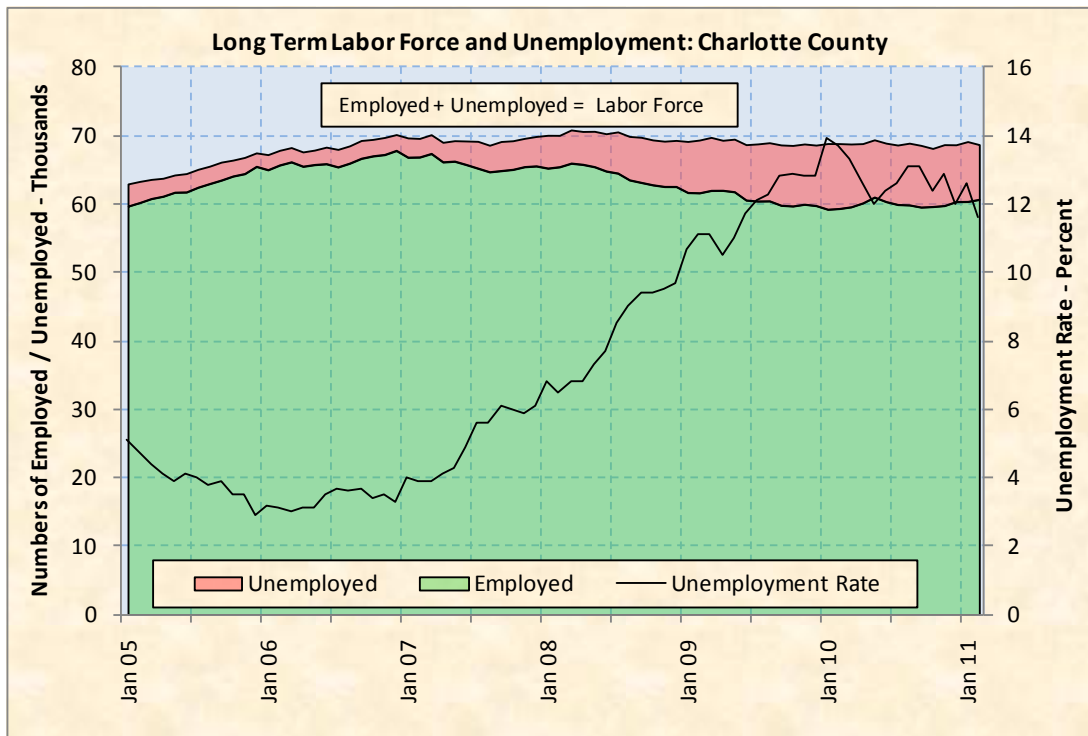
Source AWI

**Chart 17: Collier county Labor Force and Unemployment**



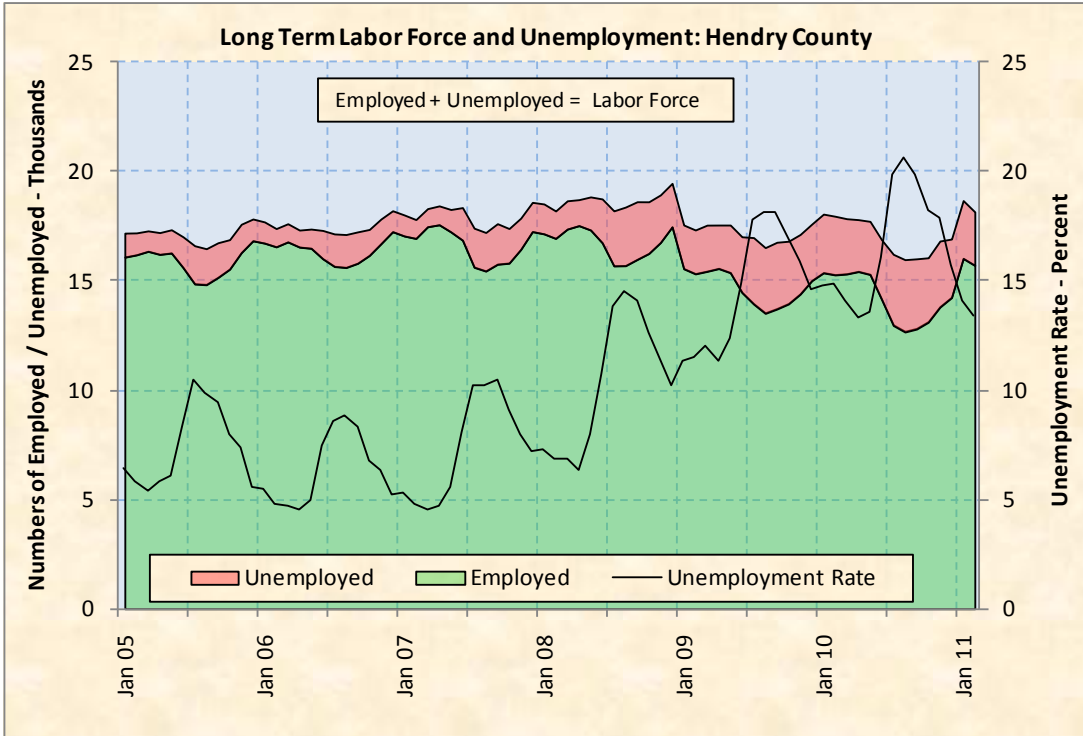
Source AWI

**Chart 18: Charlotte County Labor Force and Unemployment**



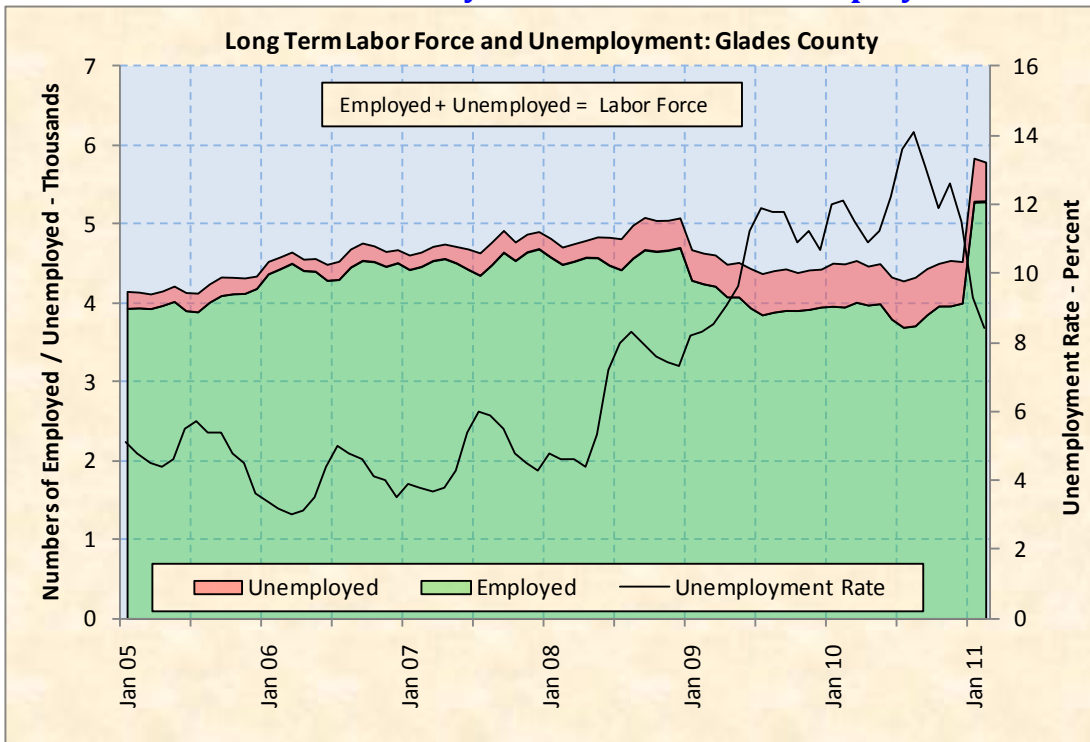
Source AWI

**Chart 19: Hendry County Labor Force and Unemployment**



Source AWI

**Chart 20: Glades County Labor Force and Unemployment**

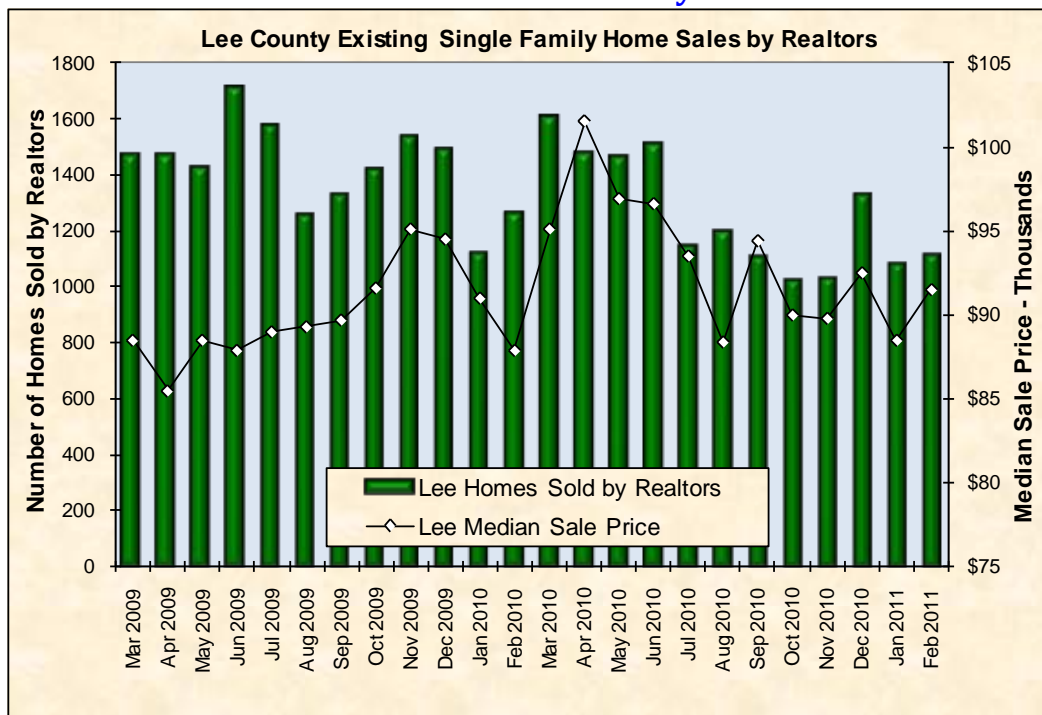


Source AWI

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

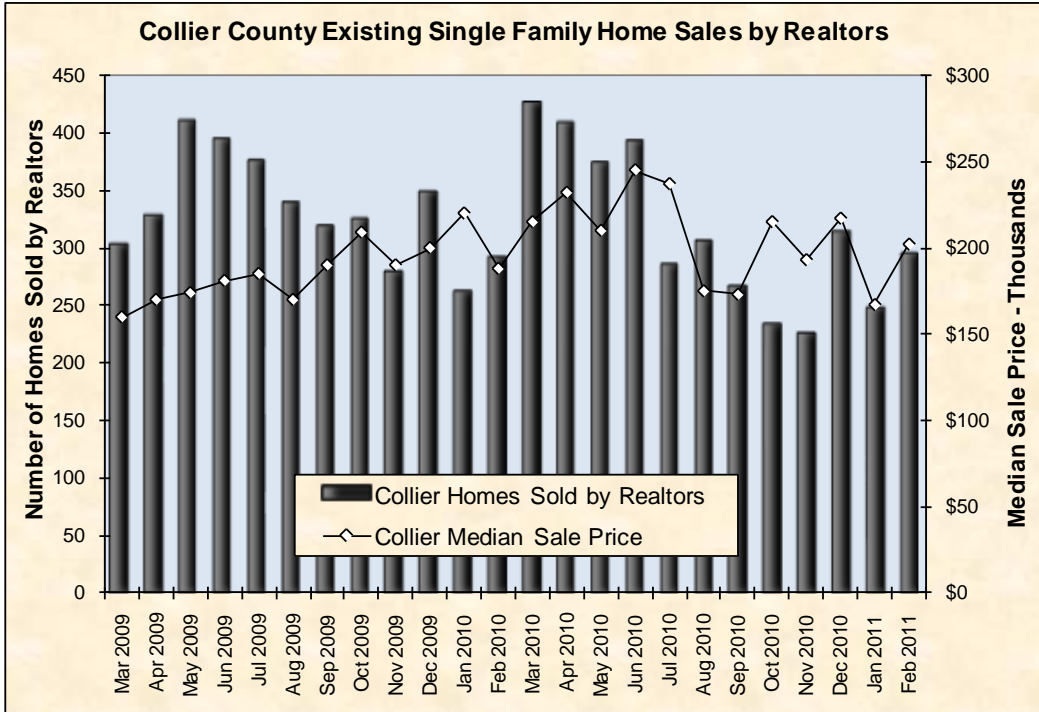
Realtor® sales and median prices of existing single-family homes in Lee, Collier, and Charlotte Counties all showed improvement in February 2011 from the previous month. Lee County had sales of 1,106 single-family homes at a median price of \$91,500 in February, compared to sales of 1,072 and a median price of \$88,500 in the previous month, as shown in Chart 21. Collier County's existing single-family Realtor sales were 294 in February 2011, up from 247 in January, accompanied by an increase in the median price from \$167,000 to \$202,000, as shown in Chart 22. Charlotte County's existing single-family home sales rose from 260 in January 2011 to 268 in February, with a median price increase from \$86,300 to \$97,500, as shown in Chart 23. Compared to February 2010, Realtor® sales declined by 12 percent in Lee County, increased by one percent in Collier, and increased by 12 percent in Charlotte County. Median price levels increased over the prior month (January 2011) and the prior year (February 2010) in all three counties.

**Chart 21: Lee County**



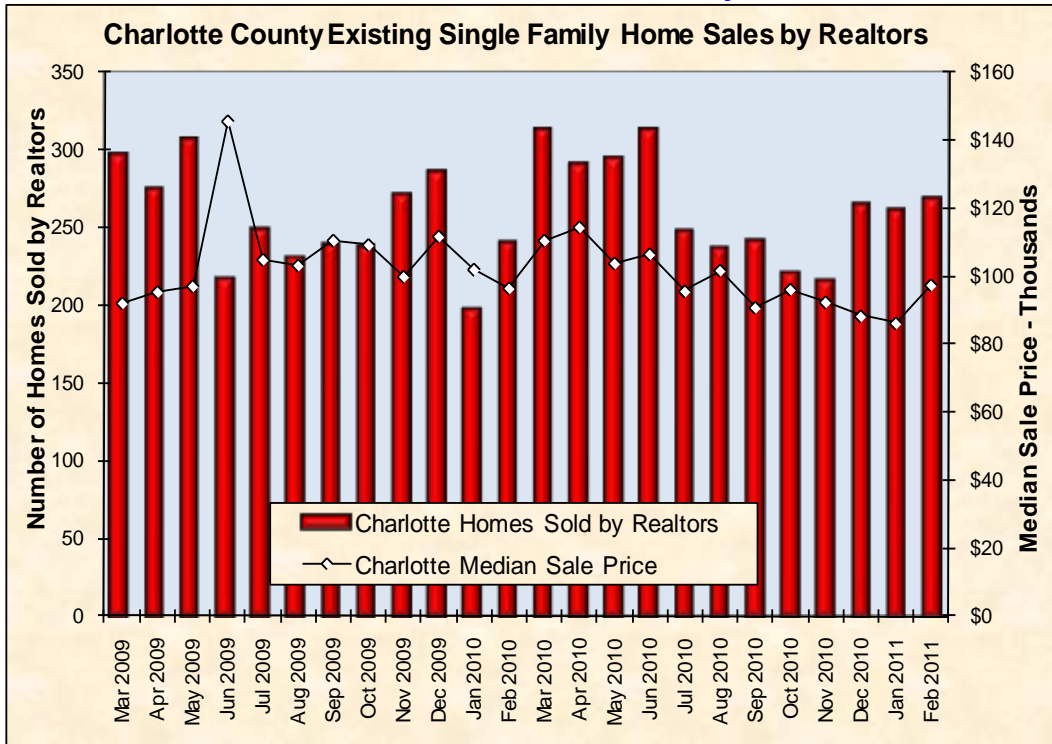
Source: Florida Realtors® Fort Myers – Cape Coral MSA <http://media.living.net/statistics/statisticsfull.html>

**Chart 22: Collier County**



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

**Chart 23: Charlotte County**

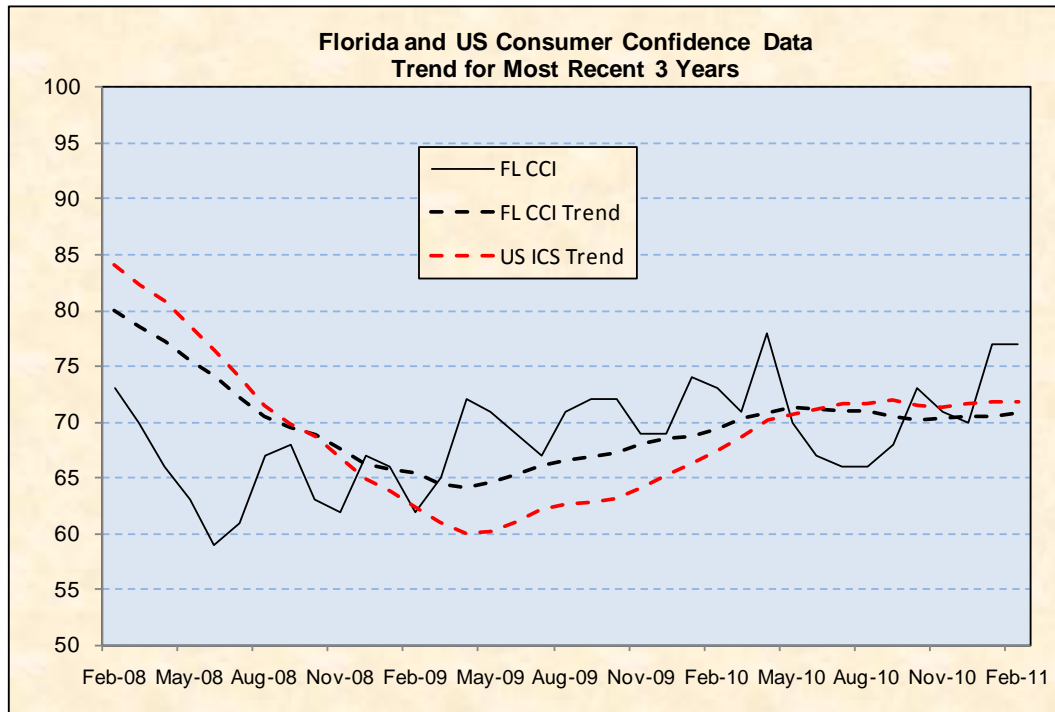


Source: Florida Realtors® Punta Gorda, Florida MSA ; <http://media.living.net/statistics/statisticsfull.html>

## Consumer Confidence Index

The national Thomson Reuters/University of Michigan Consumer Sentiment Index for March was reported at 67.5 a large drop from 77.5 in February. The March Florida Consumer Confidence Index was not available in time for this month's report. As reported last month, the Florida Consumer Confidence Index measures the attitudes of Florida residents regarding their personal finances and the outlook for the future. Chart 24 shows this monthly data for the last three years, as well as 12-month moving average trend lines for the Florida Consumer Confidence Index ("CCI") and for the United States Index of Consumer Sentiment ("ICS") reported by Thomson Reuters/University of Michigan. While the indices tend to correlate fairly well, the impact of the Gulf Oil Spill can be clearly seen in the Florida CCI spring and summer 2010 numbers. In February 2011, the national index increased to 77.5 from 74.2 in the prior month, while the Florida Consumer remained unchanged at 77. As noted by the Florida CCI Survey Director, Chris McCarty, "A second month at this high level makes it much less likely that the increase for January was an aberration and more likely that consumers view the economy and their personal economic situation as having improved."

**Chart 24: Consumer Confidence Index**

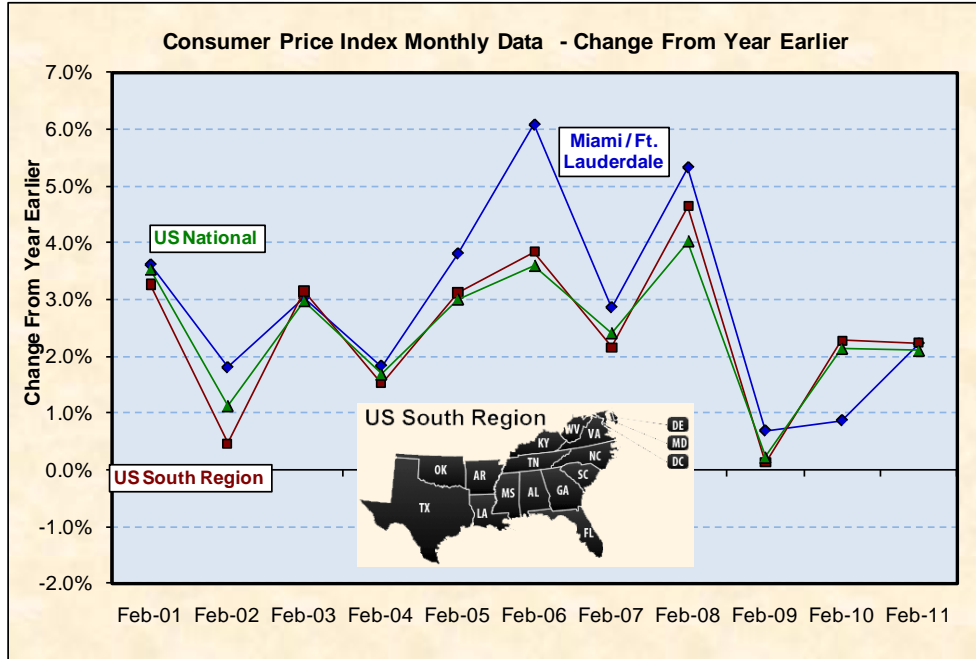


Source: Bureau of Economic and Business Research, University of Florida and Thomson Reuters/University of Michigan

## Consumer Price Index

Consumer price indices (CPI) for the nation, the region, and the Miami-Fort Lauderdale area are shown in Chart 25. The Miami-Fort Lauderdale area CPI is collected every two months and is the closest reporting location to Southwest Florida. The most recent release covers data through February 2011. From February 2010 to February 2011, the National CPI increased by 2.1 percent, the Southern Region CPI, and the Miami-Fort Lauderdale area CPI each increased by 2.2 percent. These data reflect a slightly higher rate of inflation than those of two months ago. As noted in the Introduction, the Federal Reserve Open Market Committee is closely monitoring this activity.

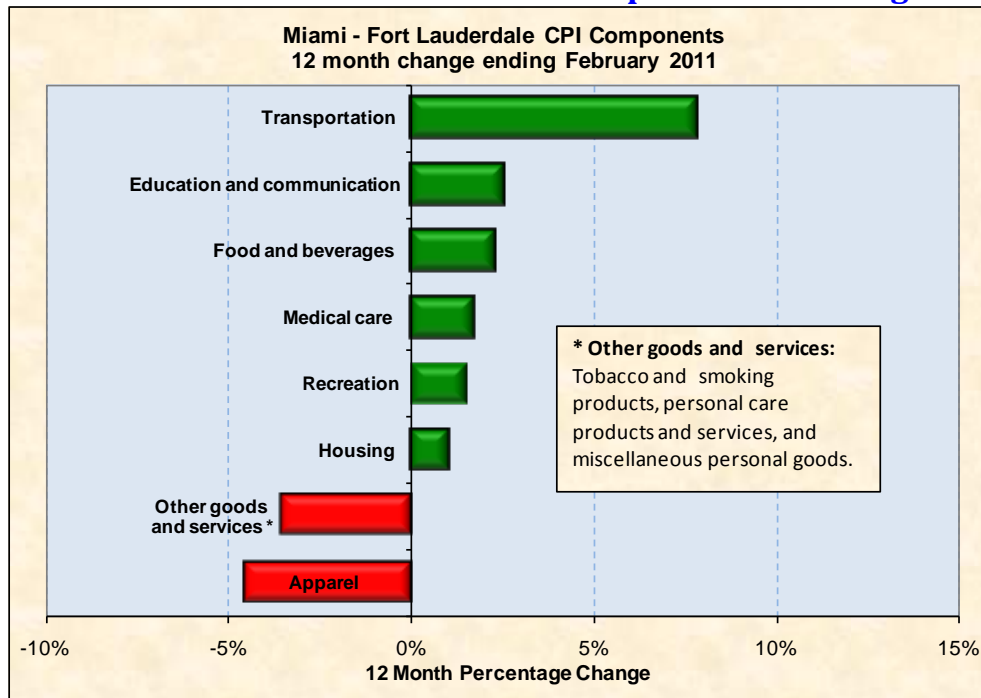
**Chart 25: CPI Annual Percentage Change**



Source: BLS

The components of the Miami-Fort Lauderdale Consumer Price Index for the 12 months ended February 2011 are shown in Chart 26. Costs of apparel and other goods and services continued to show declines over the past 12 months. Prices of transportation, education & communication, food & beverages, medical care, recreation, and housing increased over February 2010. Although the change is small, housing costs are showing an increase over the last year.

**Chart 26: Miami-Fort Lauderdale CPI Component Percentage Change**



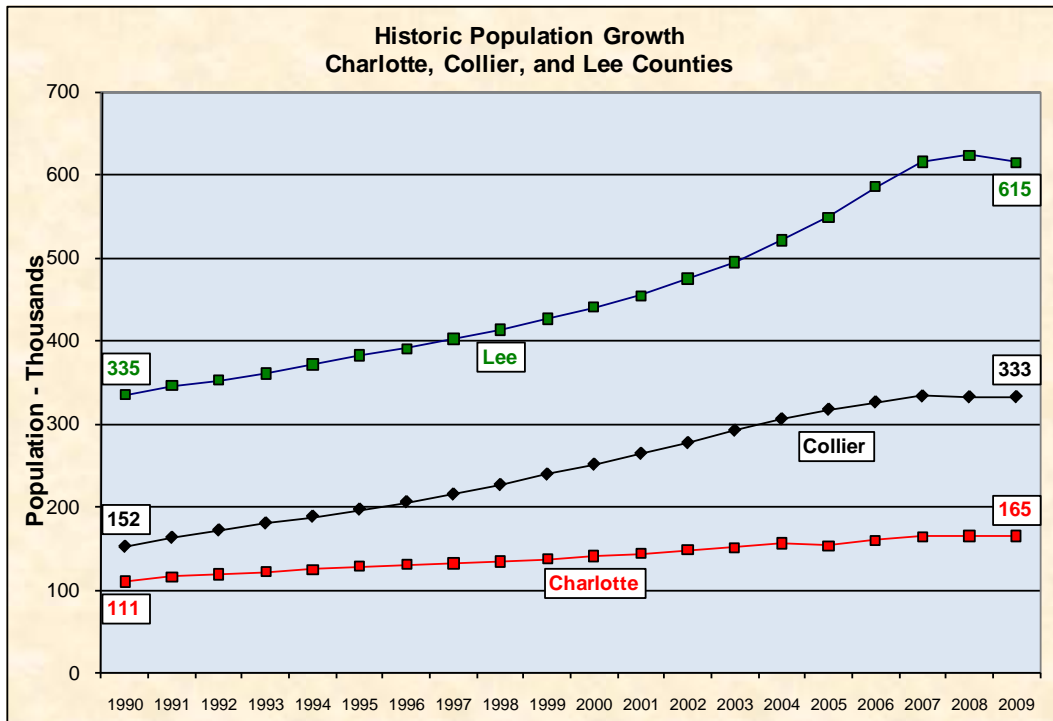
Source: BLS

## Population

As reported previously, the following charts reflect the most recent county population forecasts released by the Florida Office of Economic and Demographic Research (EDR). Population growth from 1990 to 2009 is shown in Charts 27 and 28. 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 2.5 percent per year.

Chart 29 and its accompanying table show projected population increases from 2010 to 2030. The overall rate of regional growth averages 1.9 percent per year for this period, resulting in a 20-year increase of 46 percent.

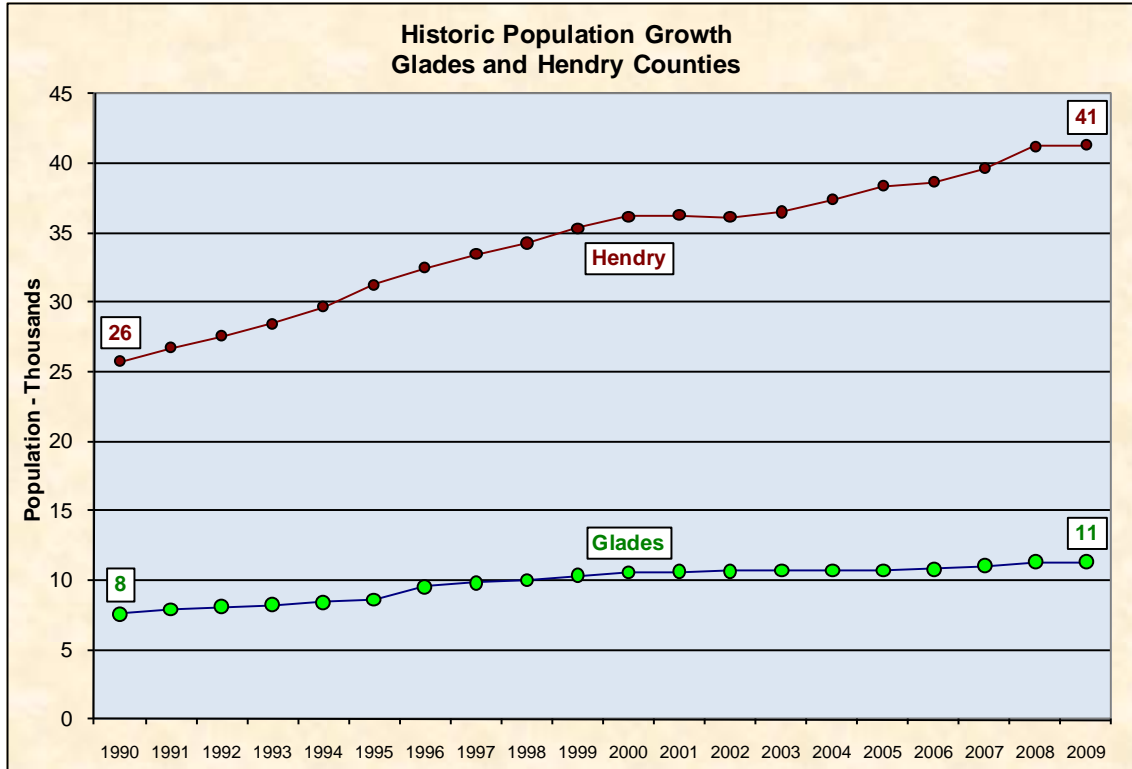
**Chart 27: Coastal Counties Growth 1990 to 2009**



Source: Florida EDR: Florida Demographic Estimating Conference, January 2010 and the Florida Demographic Database, August 2010

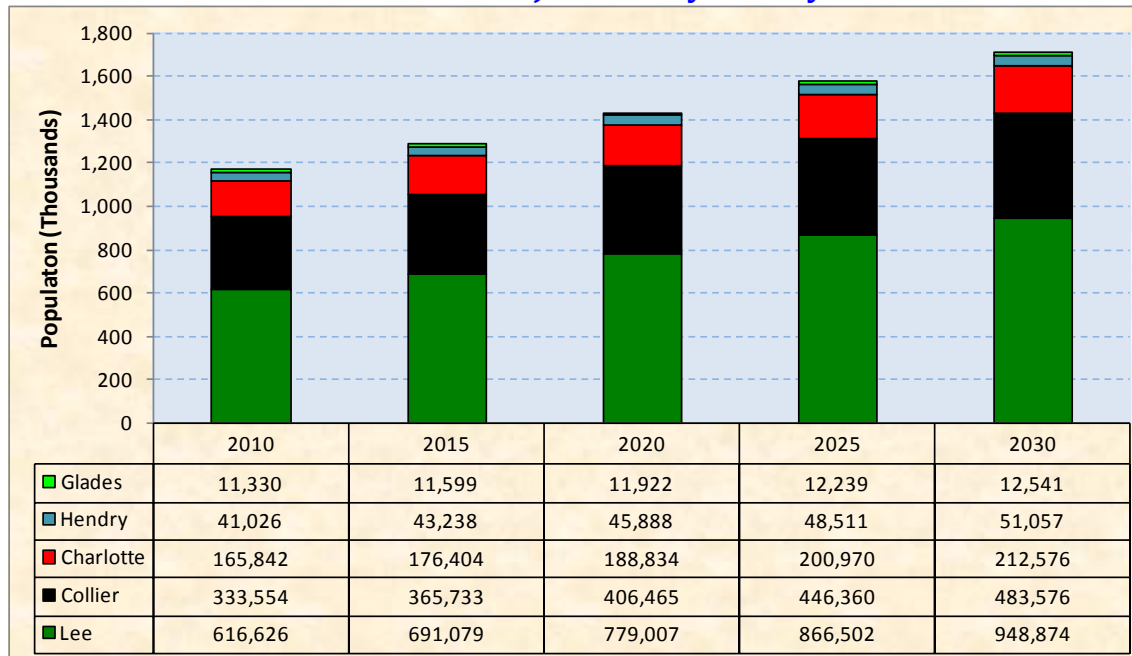


**Chart 28: Inland County Growth 1990 to 2009**



Source: Florida EDR: Florida Demographic Estimating Conference, January 2010 and the Florida Demographic Database, August 2010

**Chart 29: Projections by County**



Source: Florida EDR: Florida Demographic Estimating Conference, January 2010 and the Florida Demographic Database, August 2010