

Southwest Florida Regional Economic Indicators

May 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

Table of Contents

Introduction..... 3

Airport Activity 6

Chart 1: RSW Traffic Trend 6

Chart 2: Sarasota Airport Traffic Trend 7

Chart 3: Charlotte County Airport Traffic Trend..... 7

Tourism Tax Revenues..... 8

Chart 4: Lee County Tourism Tax Revenues 8

Chart 5: Collier County Tourism Tax Revenues 9

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

Single-Family Building Permits 10

Chart 7: Lee County 10

Chart 8: Collier County 11

Chart 9: Charlotte County..... 11

Taxable Sales 12

Chart 11: Taxable Sales for Inland Counties 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 – Labor Force, Employment and Unemployment 15

Chart 15: Lee County Labor Force and Unemployment 15

Chart 16: Collier county Labor Force and Unemployment..... 16

Chart 17: Charlotte County Labor Force and Unemployment..... 16

Chart 18: Hendry County Labor Force and Unemployment 17

Chart 19: Glades County Labor Force and Unemployment 17

Sales of Single–Family Existing Homes and Median Sales Prices..... 18

Chart 20: Lee County 18

Chart 21: Collier County 19

Chart 22: Charlotte County..... 19

Consumer Confidence Index..... 20

Chart 23: Consumer Confidence Index..... 20

Consumer Price Index..... 21

Chart 24: CPI Annual Percentage Change..... 21

Chart 25: Miami-Fort Lauderdale CPI Component Percentage Change 22

Population 22

Chart 26: Coastal Counties Growth 1990 to 2009 23

Chart 27: Inland County Growth 1990 to 2009 23

Chart 28: Projections by County 24

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 national consumer price index increased by 3.2 percent over the last year, primarily driven by a 19-percent increase in energy prices and a 3.2-percent increase in food. All items, less food and energy, rose by only 1.3 percent. The Fort Lauderdale-Miami Consumer Price Index increased by 4.0 percent from April 2010 to April 2011. Again, the increase was primarily driven by energy and food prices that increased by 20 percent and 3.8 percent, respectively. All items except energy and food increased by 2.1 percent for the Fort Lauderdale-Miami area. If core inflation (without energy or food) begins to increase, this will put pressure on the Federal Reserve to move to a tighter monetary policy and begin increasing interest rates. The hope is that the increases in energy and food prices will be temporary and that the prices will stabilize or decline.

National employment rose by 244,000 in April with the private sector adding 268,000 jobs and the public sector losing 24,000 jobs. Overall, the trend is positive with 235,000 jobs added in February and 221,000 jobs added in March of this year. The non-seasonally adjusted national unemployment rate fell from 9.2 percent in March to 8.7 percent in April. The non-seasonally adjusted Florida unemployment rate also improved slightly from 10.6 percent in March to 10.4 percent in April. Lee, Collier, and Charlotte Counties reported lower unemployment rates of 10.8, 9.7, and 10.6 percent, respectively, in April compared to the prior month. Charts 15-19 show the changes in labor force, employment, and unemployment rate by county as reported in the Workforce section of this report on pages 15 to 17.

Historically high levels of unemployment and foreclosures, tight financial markets, Middle-East unrest, and higher oil prices 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.

As reported last month, the latest release of the Federal Reserve's Open Market Committee (FOMC) was issued on April 27th and is summarized as follows:

- The economic recovery is proceeding at a moderate pace and overall conditions in the labor market are improving gradually;
- Household spending and business investment in equipment and software continue to expand;
- Investment in nonresidential structures is still weak, and the housing sector continues to be depressed;
- Commodity prices have risen significantly since last summer, and concerns about global supplies of crude oil have contributed to a further increase in oil prices;
- Inflation has picked up in recent months, but longer-term inflation expectations have remained stable and measures of underlying inflation are still subdued;

- The FOMC will continue to maintain the target range for the federal funds rate at 0 to 1/4 percent and expects to continue this policy for an extended period of time; and
- The purchase of \$600 billion in long-term Treasury securities will be completed by the end of June.

The next meeting of the FOMC is scheduled for June 21-22, 2011.

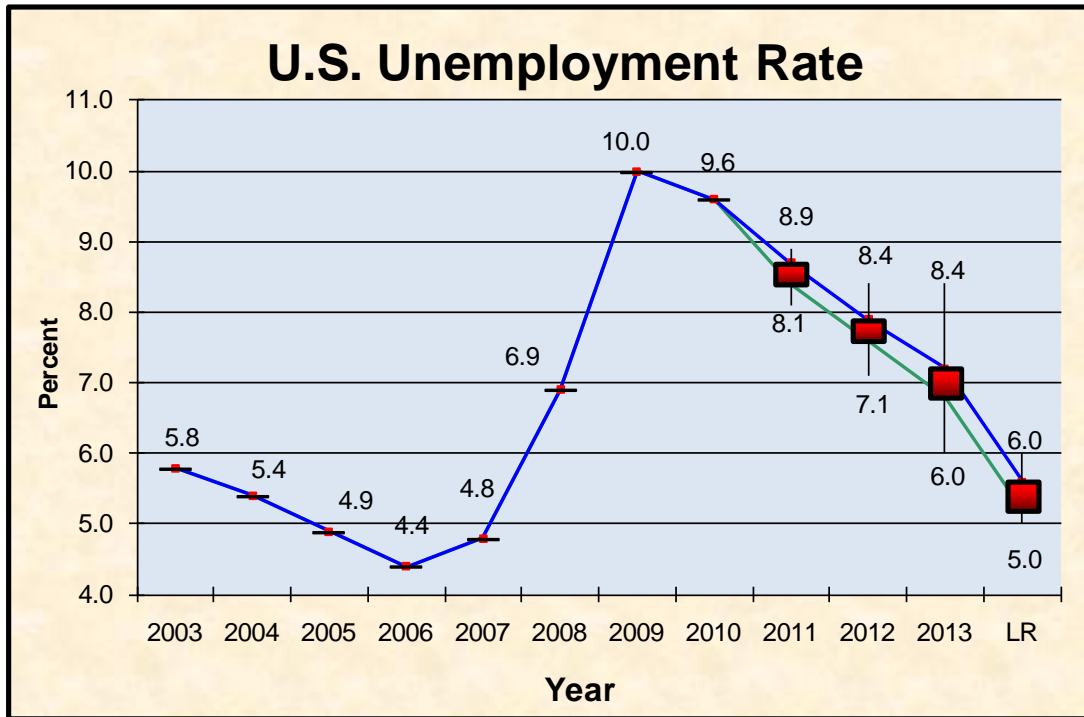
The latest Federal Reserve FOMC economic forecast was released on April 27th and is shown in the following "box and whiskers" charts. The red boxes are the central tendency forecast and the full range of uncertainty is reflected in the whiskers, or vertical lines.

The chart below showed that 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 2.9 to 3.7 percent growth in GDP with a central tendency range (red bar) of 3.1 to 3.3 percent. For 2012, the overall projected range is 2.9 to 4.4 percent with a central tendency range of 3.5 to 4.2 percent growth. For 2013, the overall projected range is 3.0 to 5.0 percent with a central tendency range of 3.5 to 4.3 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. 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, 2011

As shown in the chart below, national unemployment in 2011 is expected to be lower than 2010, but remain historically high, in a range of 8.1 to 8.9 percent, with a central tendency (red bar) of 8.4 to 8.7 percent. In 2012, the unemployment range is forecast to be between 7.1 and 8.4 percent with a central tendency of 7.6 to 7.9 percent. For 2013, the overall projected range for the national unemployment rate is 6.0 to 8.4 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 6.0 percent with a central tendency of 5.2 to 5.6 percent. The projections for unemployment are for the fourth quarter of each year.



Source: Minutes of the Federal Open Market Committee, April, 2011

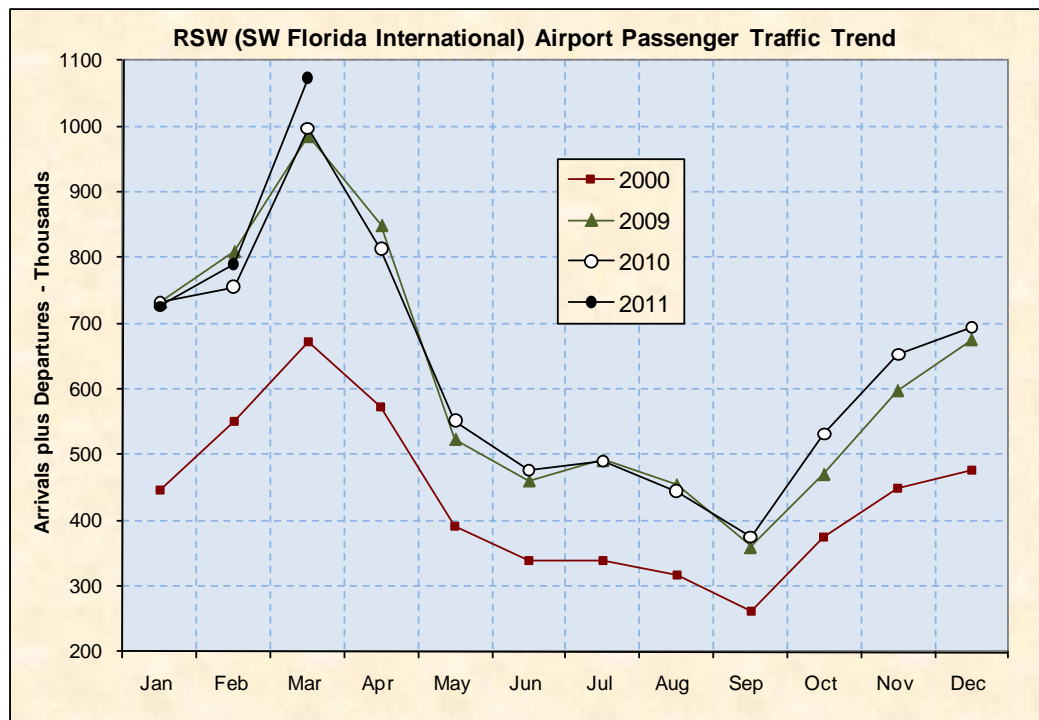
The Regional Economic Research Institute (RERI) is continuing to develop the regional economic database and this report, as a way to support its mission and assist the region. Starting last month, we are including charts that show not only unemployment rates, but also total employment and unemployment 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 each of Southwest Florida International (RSW), Sarasota (SRQ), and Charlotte County (PGD) airports. Peak seasonal activity occurs in February, March, and April, with significantly lower activity in the summer months. Charts 1, 2, and 3 illustrate the monthly seasonality of airport passenger traffic and the changes from year to year.

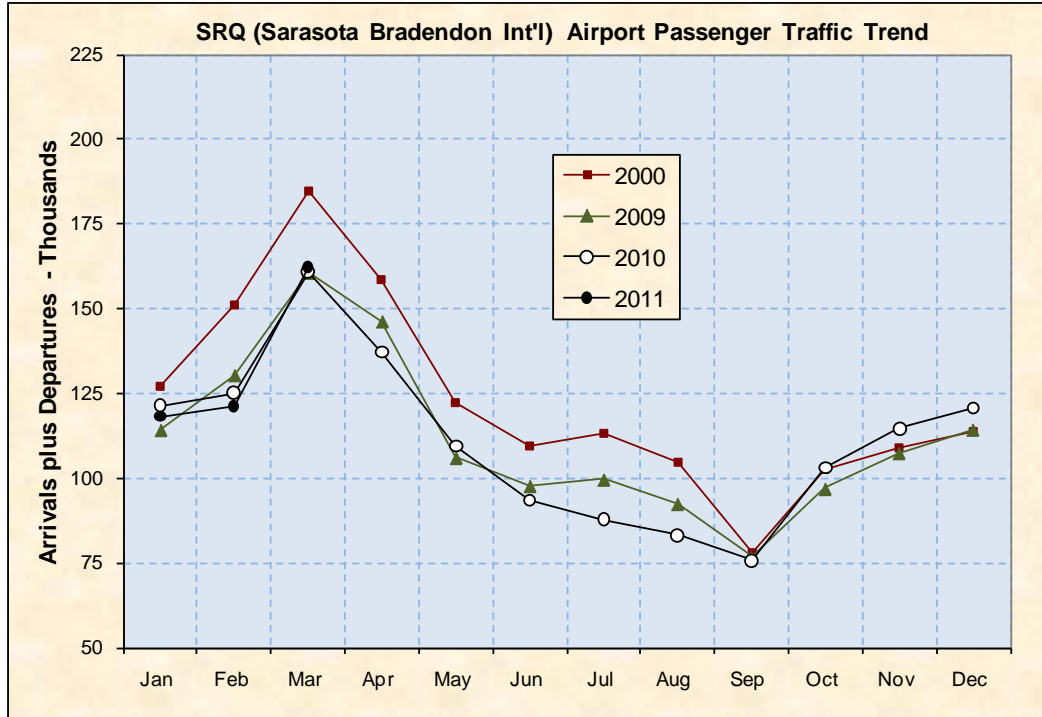
Total activity for the three regional airports totaled 1,280,203 in March 2011, an increase of eight percent over March 2010, and 35 percent above the prior month of February 2011. Chart 1 shows RSW passenger activity rising to 1,073,918 in March, an increase of eight percent from March 2010, and 36 percent above the February 2011 figure. Sarasota (SRQ) passenger activity increased to 162,311 in March 2011, up one percent from March 2010 and up 34 percent from February 2011, as shown in Chart 2. Charlotte County Airport reported passenger activity of 43,974 in March 2011, a 54-percent increase over March 2010, and a 30-percent increase from the prior month, as shown in Chart 3.

Chart 1: RSW Traffic Trend



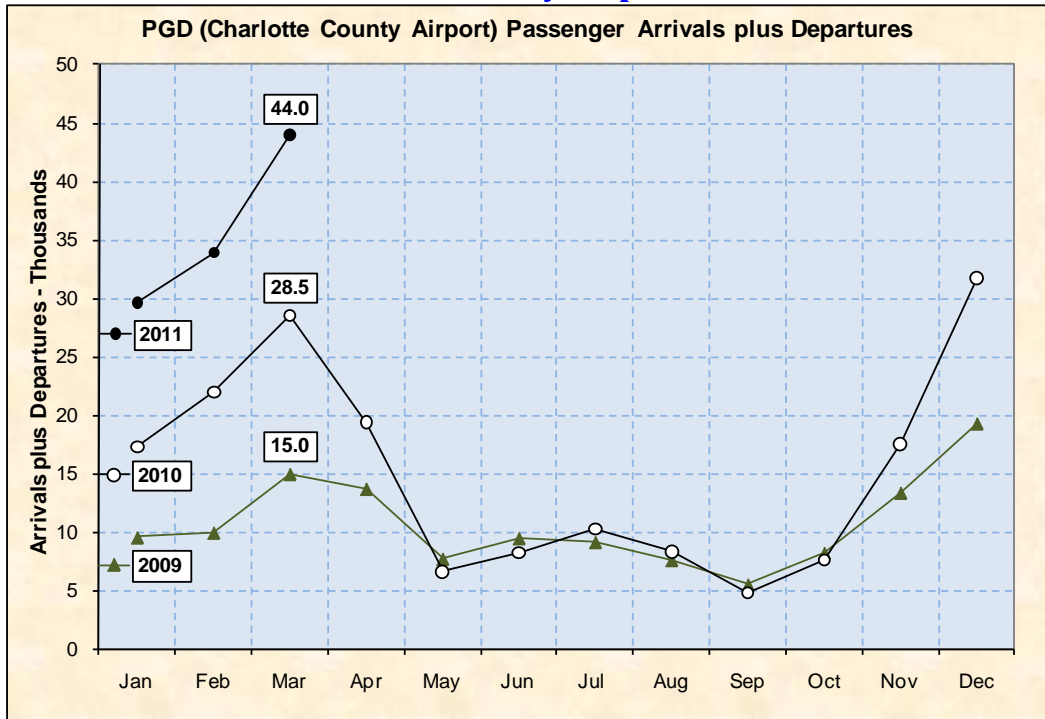
Source: Local Airport Authorities

Chart 2: Sarasota Airport Traffic Trend



Source: Local Airport Authorities

Chart 3: Charlotte County Airport Traffic Trend

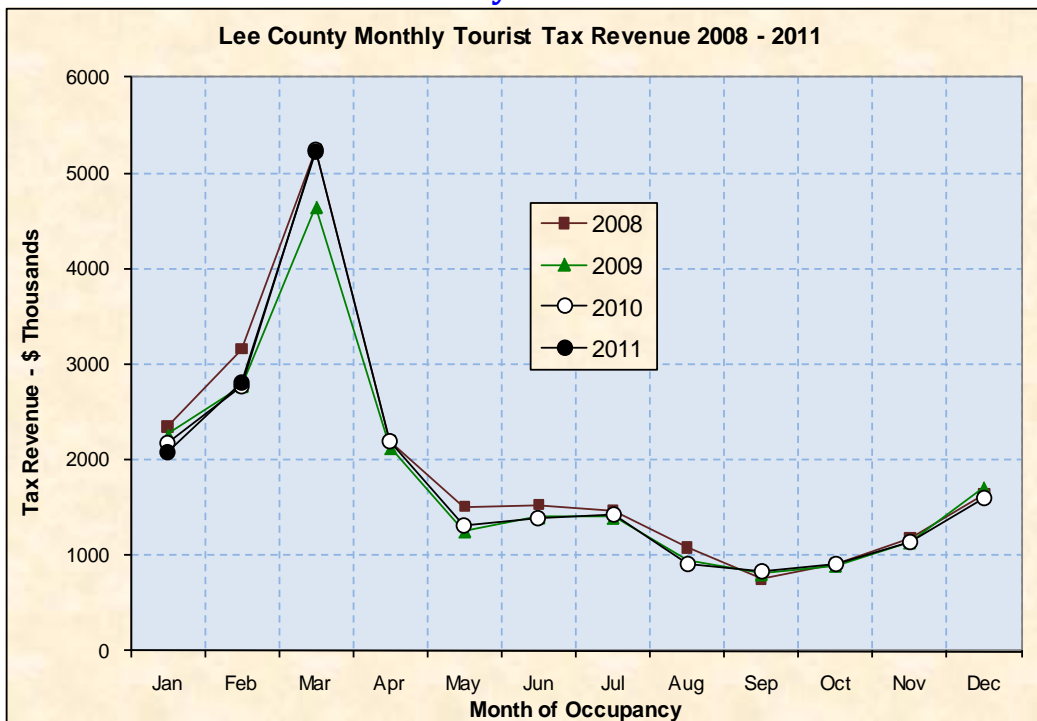


Source: Local Airport Authorities

Tourism Tax Revenues

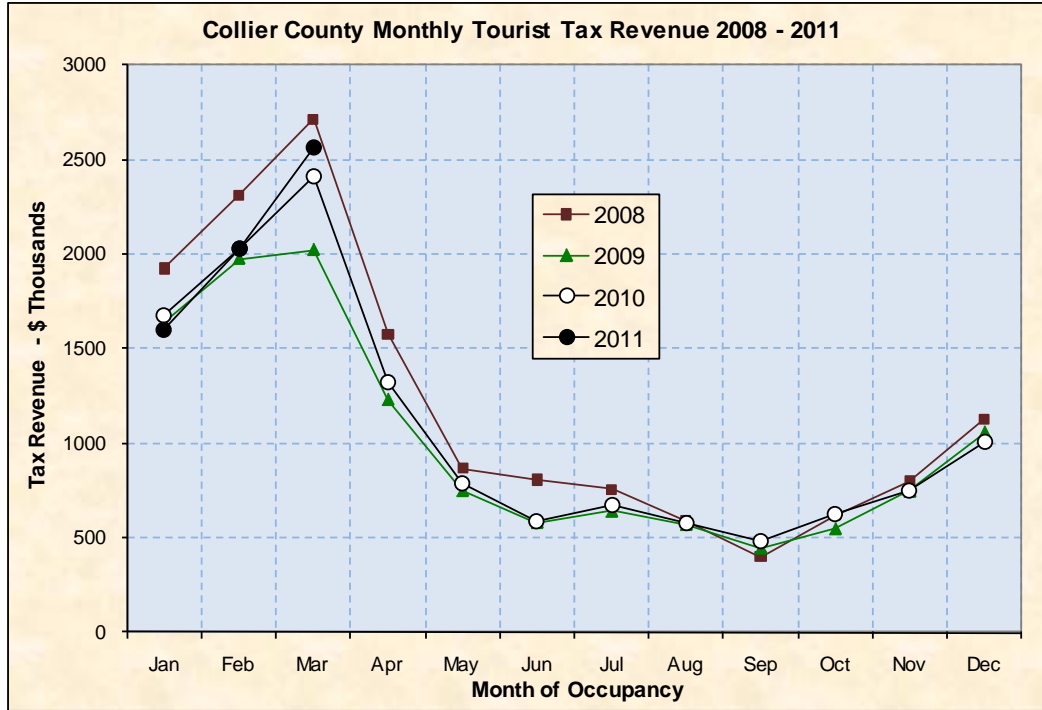
Tourism tax revenues for the three coastal counties are shown in Charts 4, 5, and 6, and are based on month of occupancy. March tourism tax revenues for the three coastal counties continued to follow the historic seasonal pattern, increasing by 61-percent over February. Charlotte County reported a 47-percent increase over the prior month, Collier County was up 27 percent, and Lee County showed an 86-percent increase. Total tourism tax revenues for the three coastal counties were almost two percent higher than those of March 2010. Collier County reported revenues of \$2,566,965, up seven percent over March 2010. Lee County tourism tax revenues amounted to \$5,218,769 in March 2011, a one-half percent decrease from March 2010. Charlotte County's tourism tax revenues amounted to \$300,553 in March 2011, a two-percent decrease from the March 2010 figure.

Chart 4: Lee County Tourism Tax Revenues



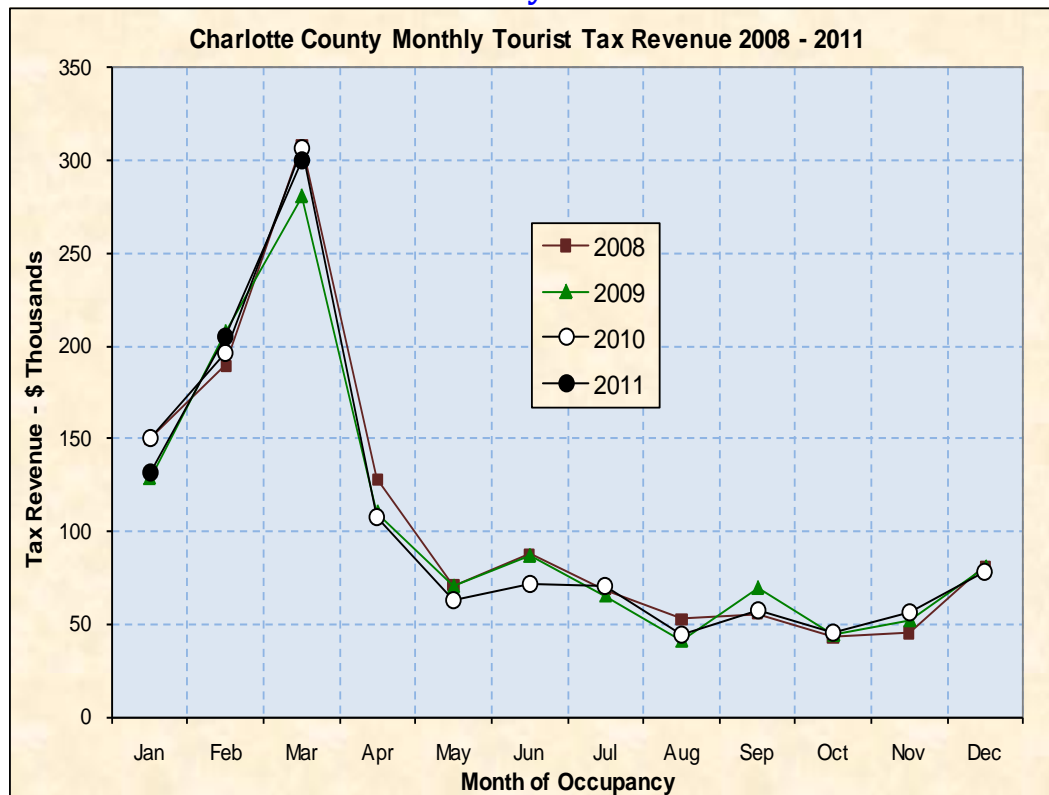
Source: Local County Tourism, Tax, and Economic Development Reports

Chart 5: Collier County Tourism Tax Revenues



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

Chart 6: Charlotte County Tourism Tax Revenues

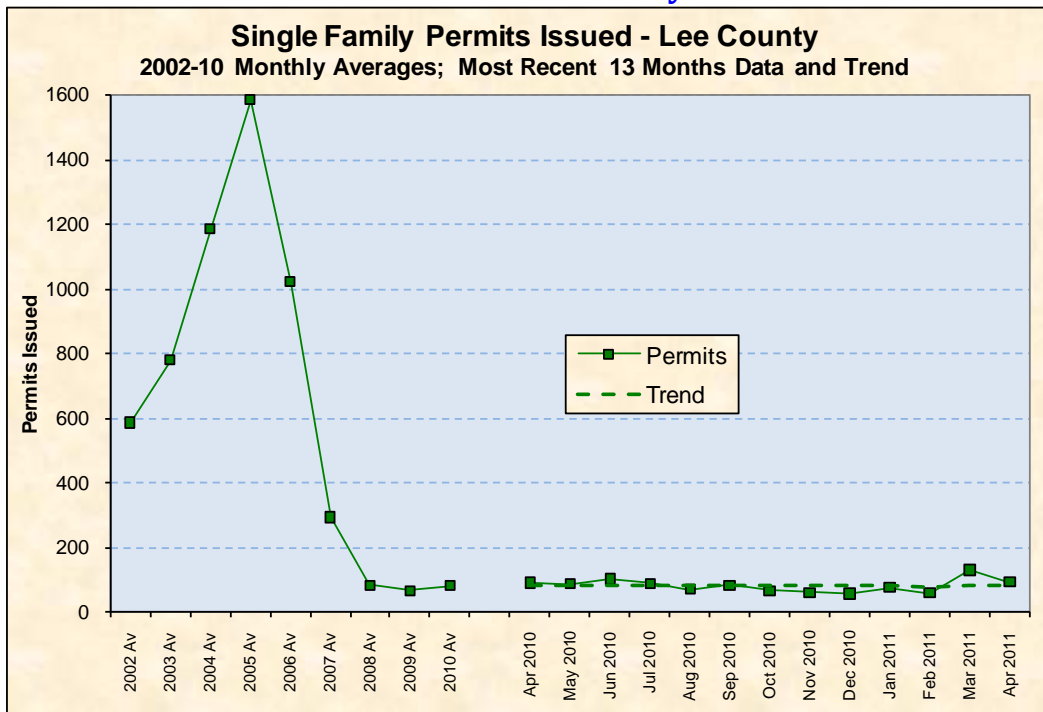


Source: Local County Tourism, Tax, and Economic Development Reports

Single-Family Building Permits

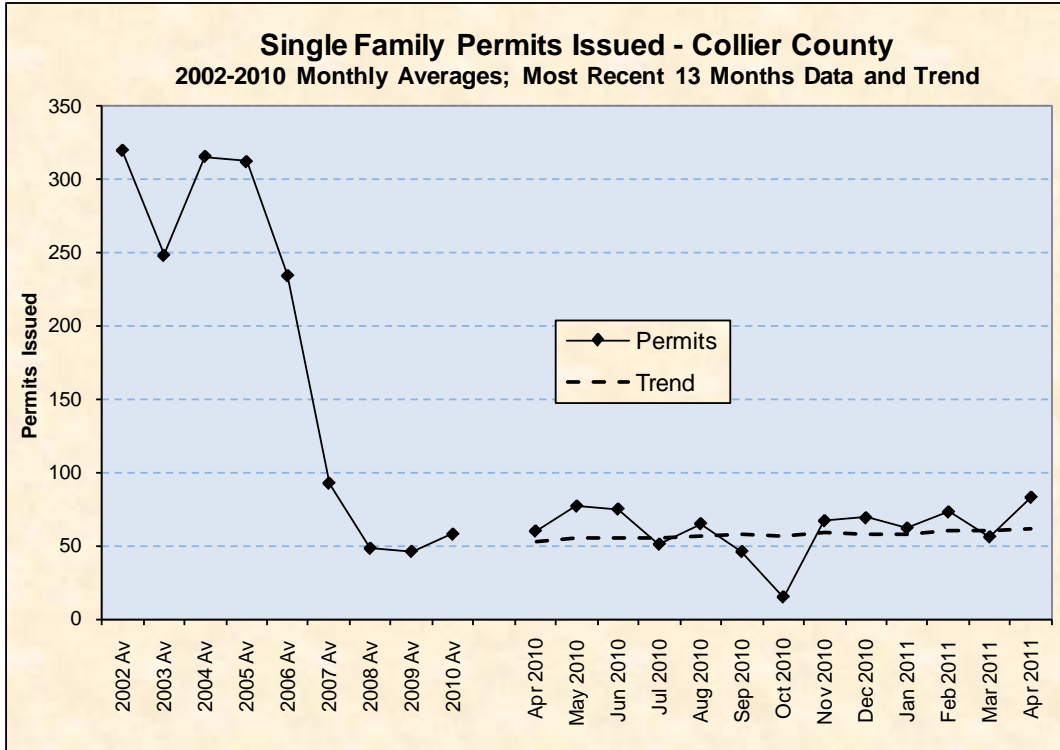
Lee County issued 95 single-family home permits in April 2011, down from 131 in March, as shown in Chart 7; the corresponding figure for April 2010 was 92. Collier County showed an increase to 83 permits issued in April, compared to 56 in March and 60 in April 2010, as shown in Chart 8. Charlotte County permits dropped to 19 in April 2011 from 37 in March and 25 in April 2010, as shown in Chart 9. The three-county total of 197 in March 2011 represented a decrease from the prior month total of 224 permits, but an increase over the April 2010 figure of 177.

Chart 7: Lee County



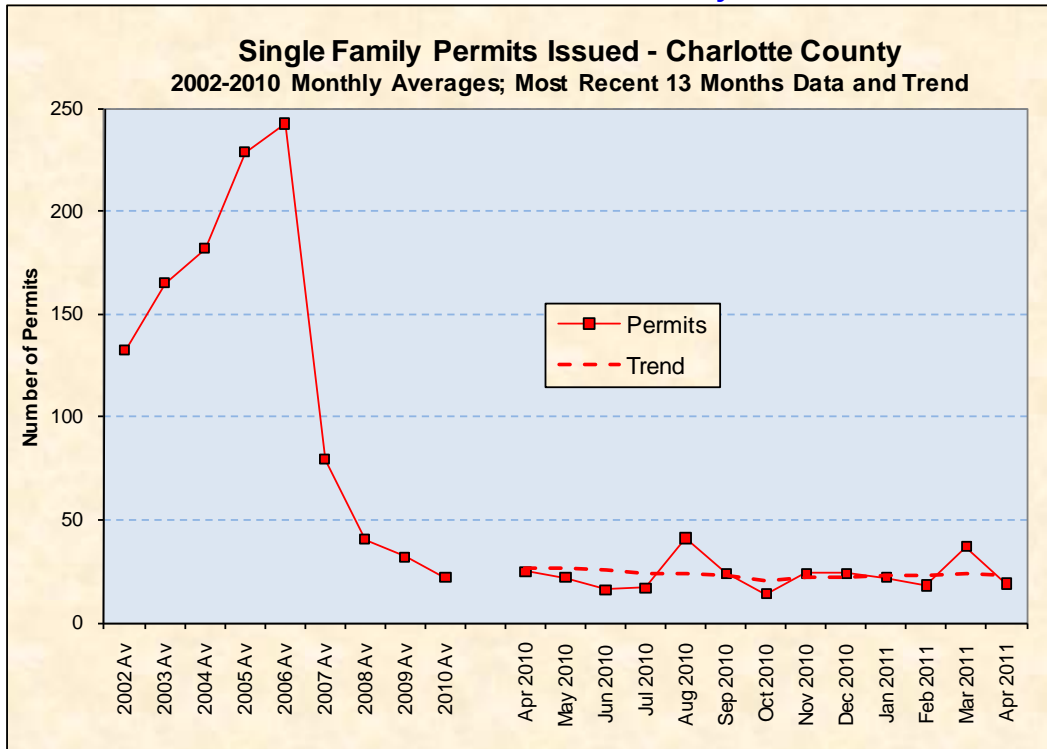
Source: Local Building and Zoning Departments, including Fort Myers, Cape Coral, and Unincorporated Lee County, Bonita Springs and Fort Myers Beach permits.

Chart 8: Collier County



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

Chart 9: Charlotte County



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

Taxable Sales

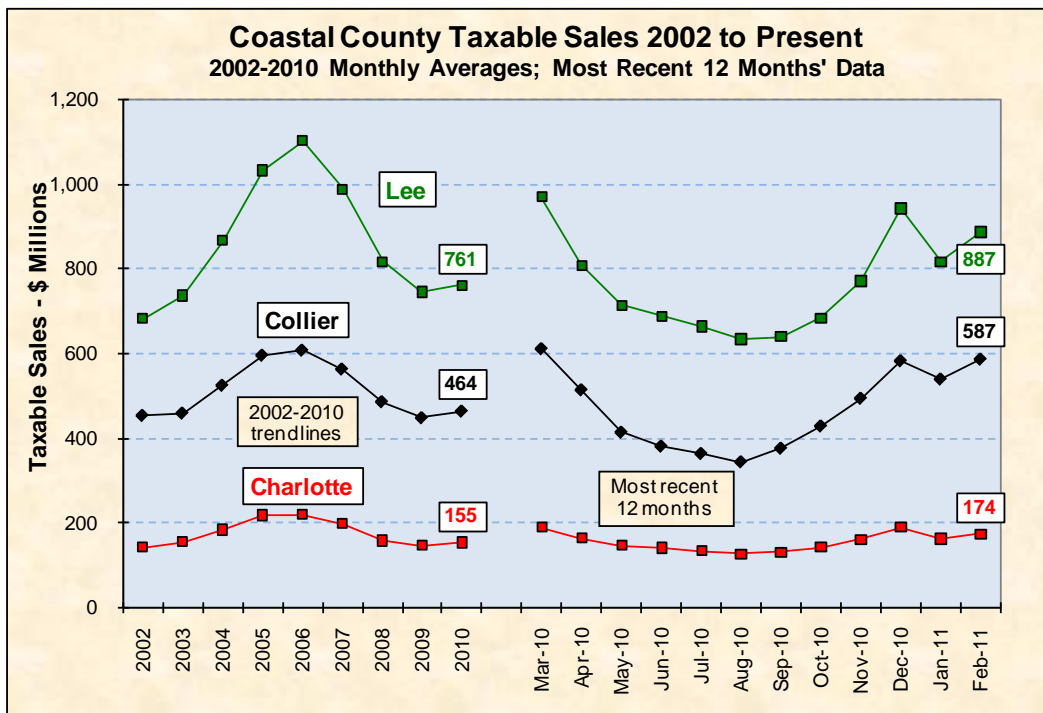
Taxable sales figures are used to track consumer spending, an important component of the regional economy. The taxable sales charts show month of collection by the merchant rather than the reporting month issued by the Florida Department of Revenue. Thus, February is the latest collection month plotted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

Total taxable sales for the five-county region in February 2011 showed a six-percent increase (\$96.5 million) over February 2010; and an eight-percent increase (\$129.3 million) from the prior month of January. Taxable sales for the Coastal Counties are shown in Chart 10. Charlotte County reported taxable sales of \$174.5 million in February 2011, a three-percent increase from the February 2010 figure. Lee County taxable sales amounted to \$887.1 million in February 2011, a six-percent increase from February 2010; and Collier County's taxable sales rose to \$586.6 million in February 2011, a seven-percent increase from February 2010. Increases in taxable sales were seven percent in Charlotte and nine percent in both Collier and Lee Counties from January to February 2011.

Chart 11 shows taxable sales for Glades and Hendry Counties. Glades County reported February 2011 taxable sales of \$2.6 million, a 19-percent increase over the same month one year ago. Hendry County's taxable sales of \$24.3 million were four percent higher than a year ago. The January to February 2011 increase was eight percent for Hendry County and one percent for Glades County.

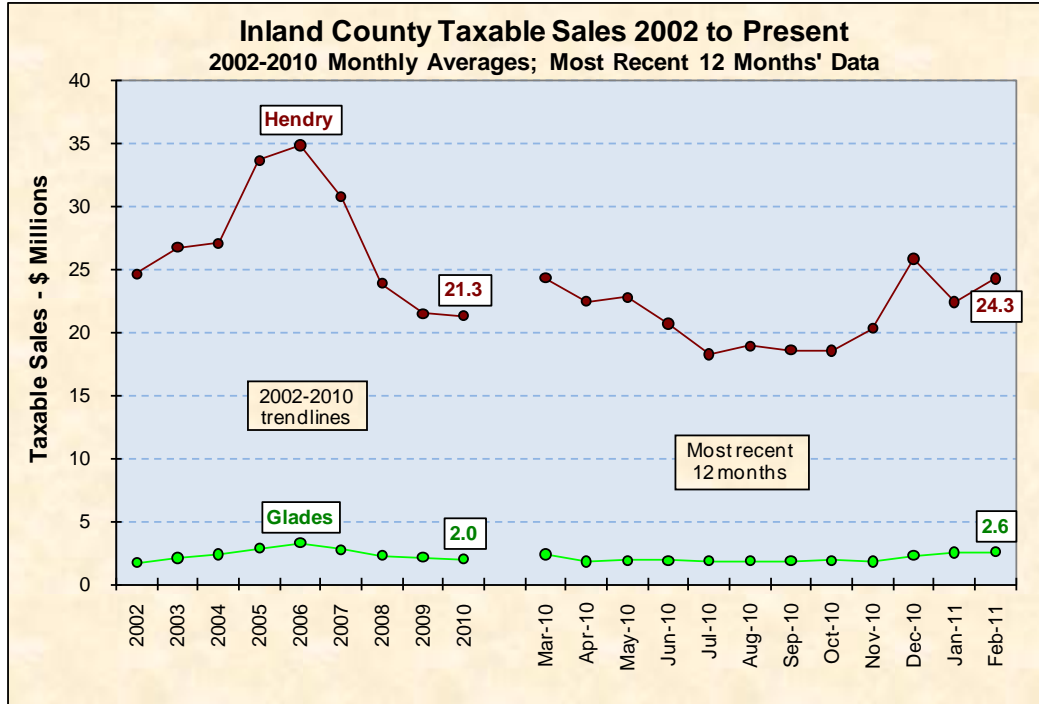
Charts 12, 13, and 14 depict the change in taxable sales from the same month a year earlier. Lee, Collier, and Charlotte Counties have shown increases in 11 of the last 12 months.

Chart 10: Taxable Sales for Coastal Counties



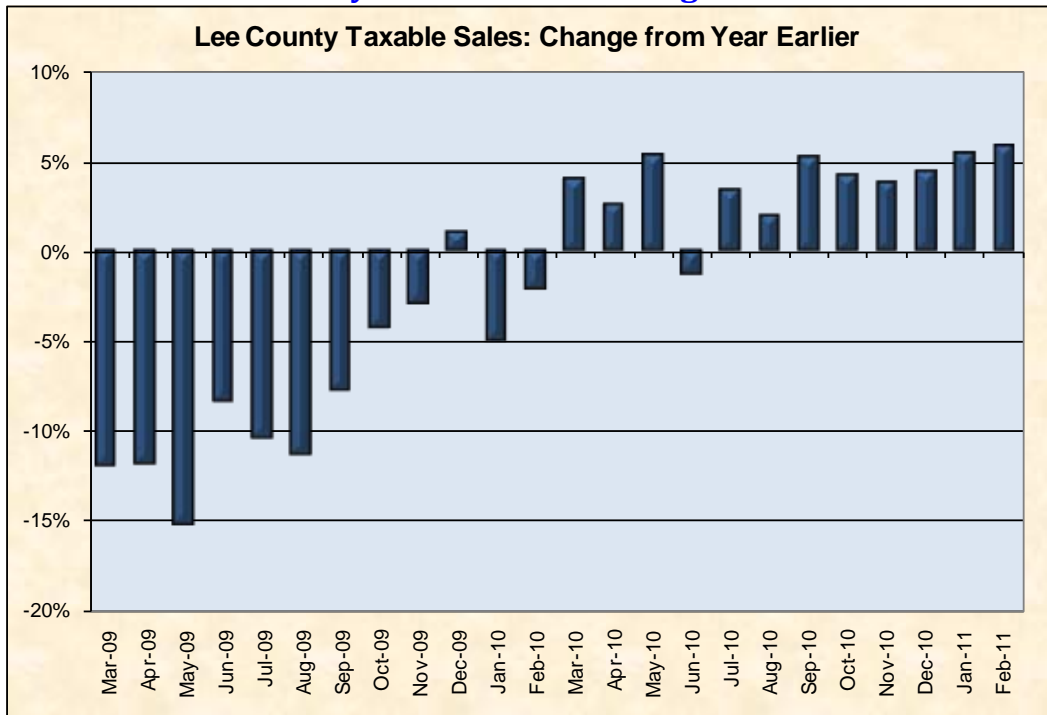
Source: Florida Department of Revenue, Office of Tax Research

Chart 11: Taxable Sales for Inland Counties



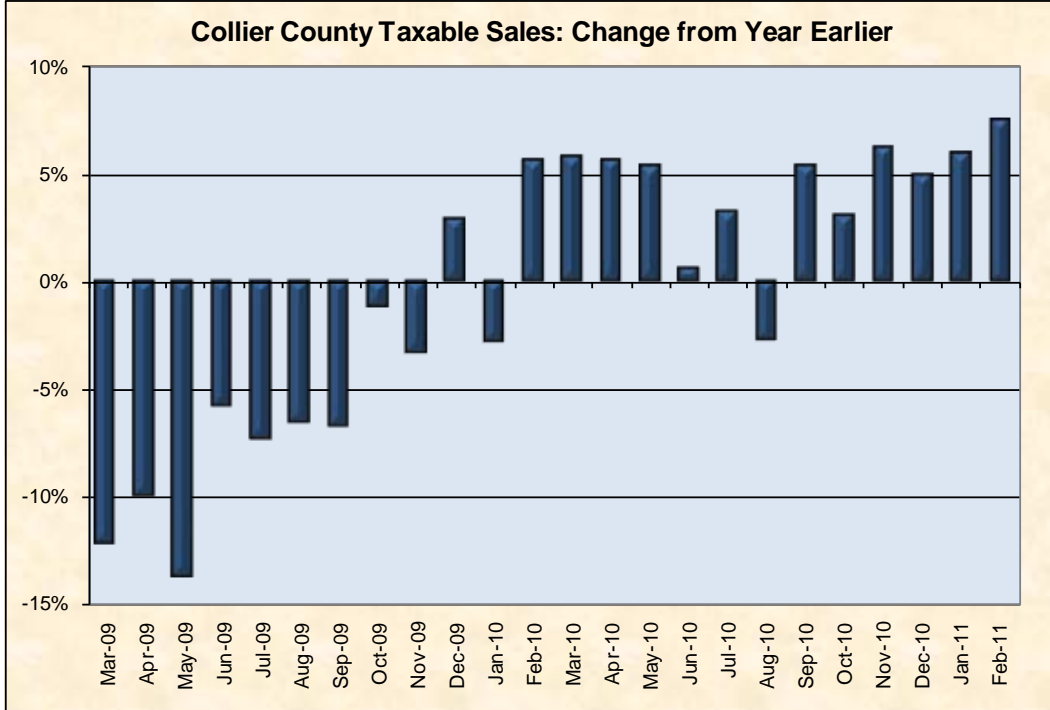
Source: Florida Department of Revenue, Office of Tax Research

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



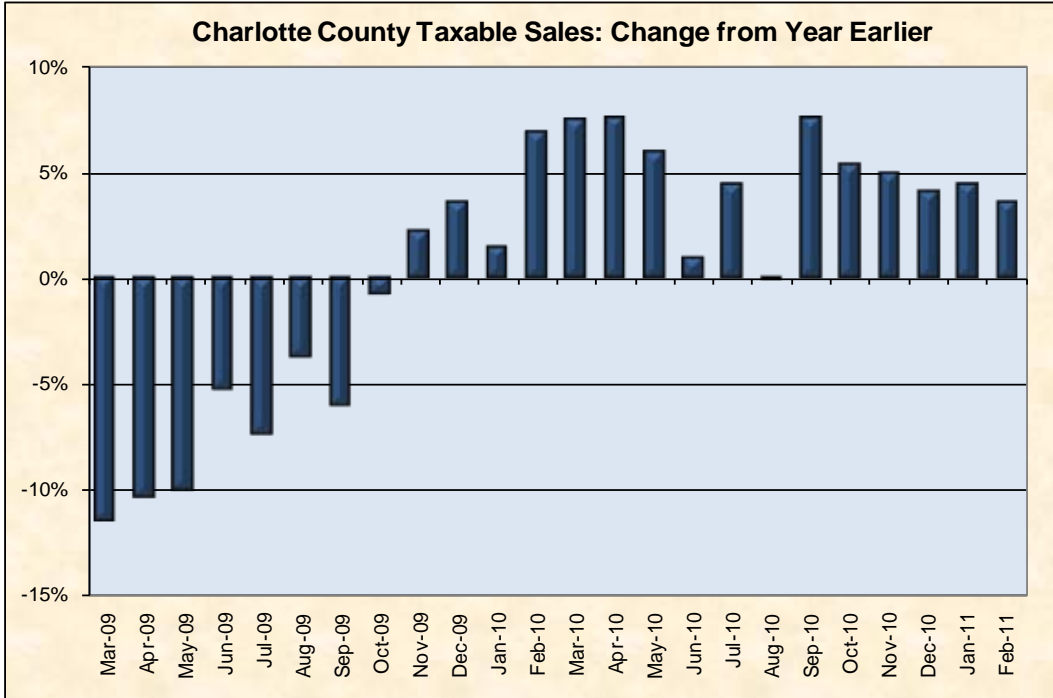
Source: Florida Department of Revenue, Office of Tax Research

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



Source: Florida Department of Revenue, Office of Tax Research

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



Source: Florida Department of Revenue, Office of Tax Research

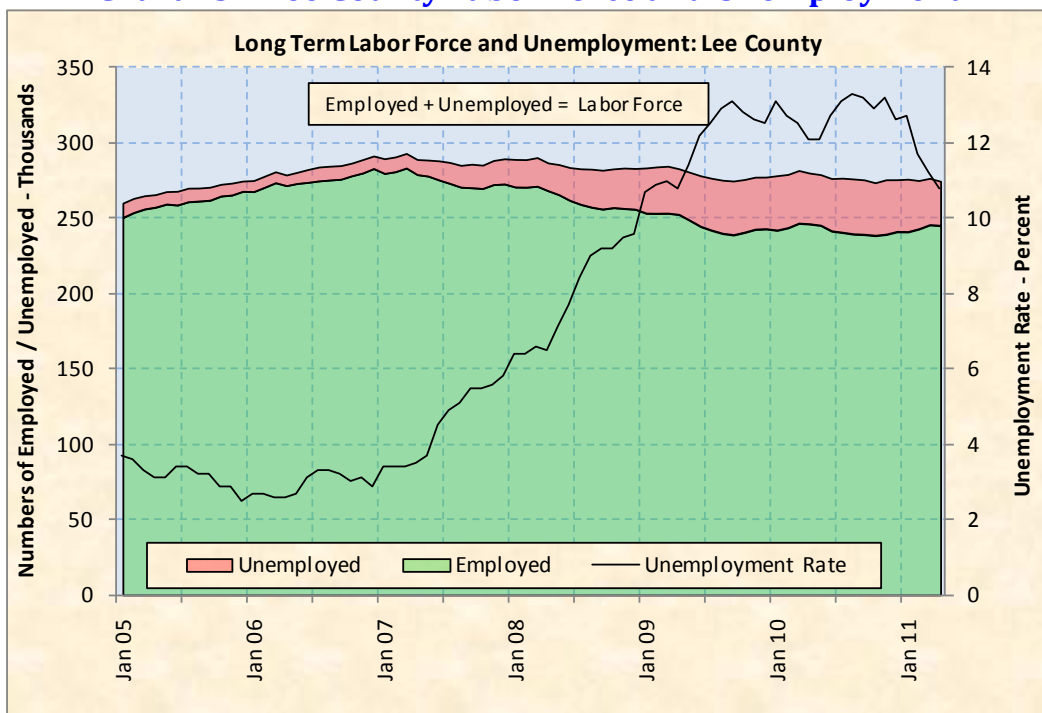
Workforce – Labor Force, Employment and Unemployment

Charts 15, 16, 17, 18, and 19 show total employment, total unemployment, and the unemployment rate for each county from the beginning of 2005 to April 2011. This provides more information about each of the counties, since 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.

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, as noted in the introduction.

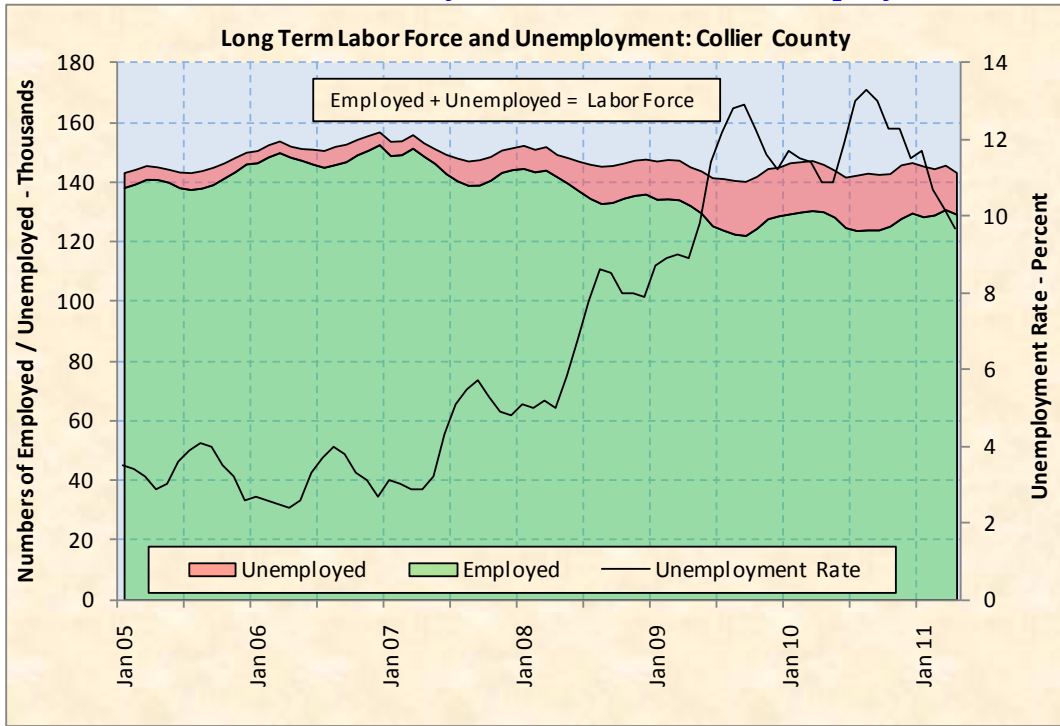
Four of the five counties reported lower unemployment rates in April compared to April 2010 and to the prior month of March 2011. Nevertheless, total five-county employment declined by 2,472 from the previous month to 457,128. Lee County's unemployment rate dropped from 11.2 percent in March to 10.8 in April with an employment loss of 484, as illustrated in Chart 15. Collier County's unemployment rate improved from 10.2 percent in March to 9.7 percent in April despite a drop in employment of 1,577, as shown in Chart 16. Charlotte County's unemployment rate declined from 11.0 percent in March to 10.6 percent in April with a net employment reduction of 126, as shown in Chart 17. Hendry County saw its unemployment rate decline from 13.1 percent in March to 12.8 percent in April; net employment was down by 221, as shown in Chart 18. Glades County's unemployment rate showed the only month-to-month increase from 8.0 percent in March to 8.3 percent in April, along with a net employment loss of 64 workers, as shown in Chart 19. The state of Florida's non-seasonally adjusted unemployment rate dropped to 10.4 percent in April 2011, down from 10.6 percent in the previous month and from 10.9 percent a year earlier. The national unemployment rate decreased as well, to 8.7 percent in April 2011 from 9.2 percent in March 2011 and from 9.5 percent in April 2010. Unemployment rates reported in this report are not seasonally adjusted, except as noted.

Chart 15: Lee County Labor Force and Unemployment



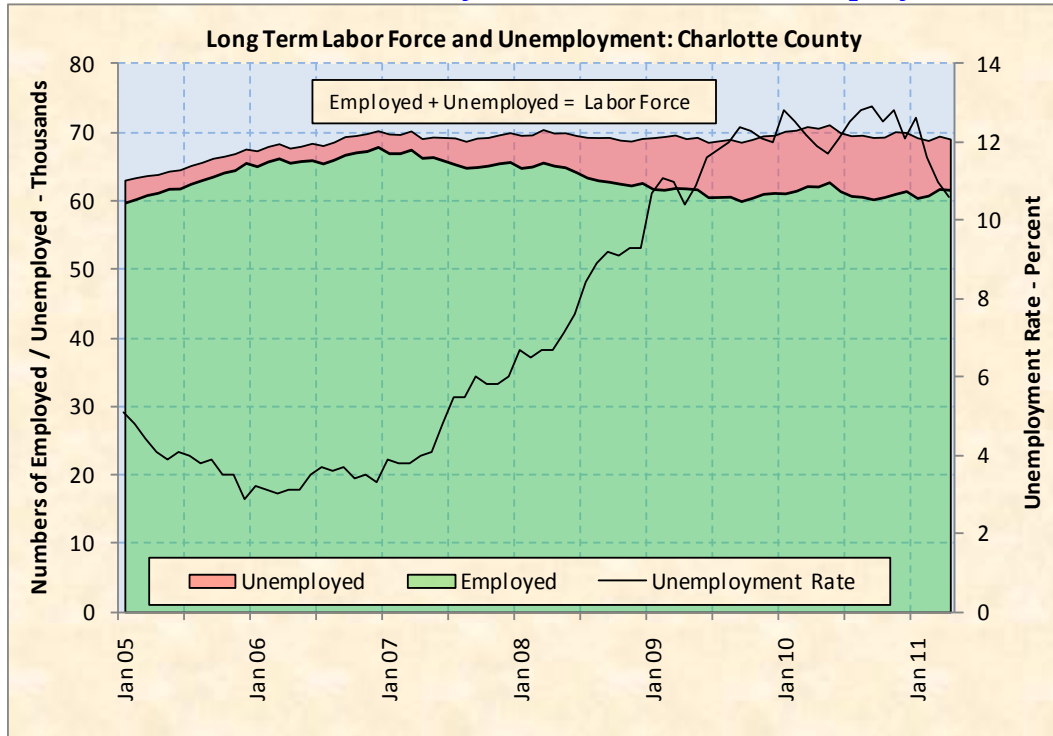
Source AWI

Chart 16: Collier county Labor Force and Unemployment



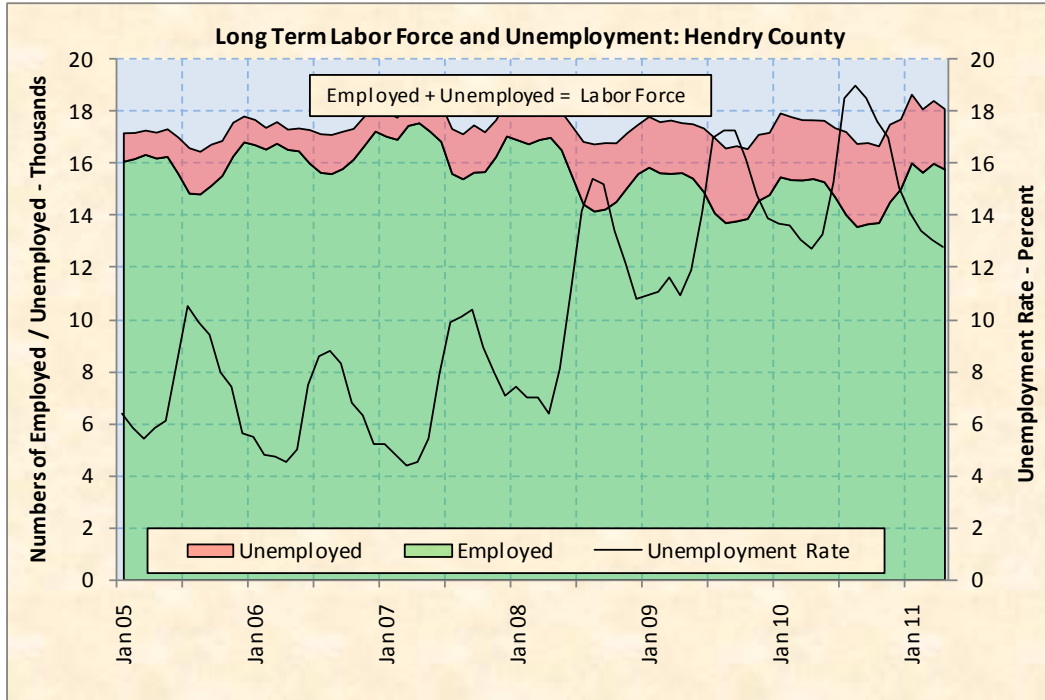
Source AWI

Chart 17: Charlotte County Labor Force and Unemployment



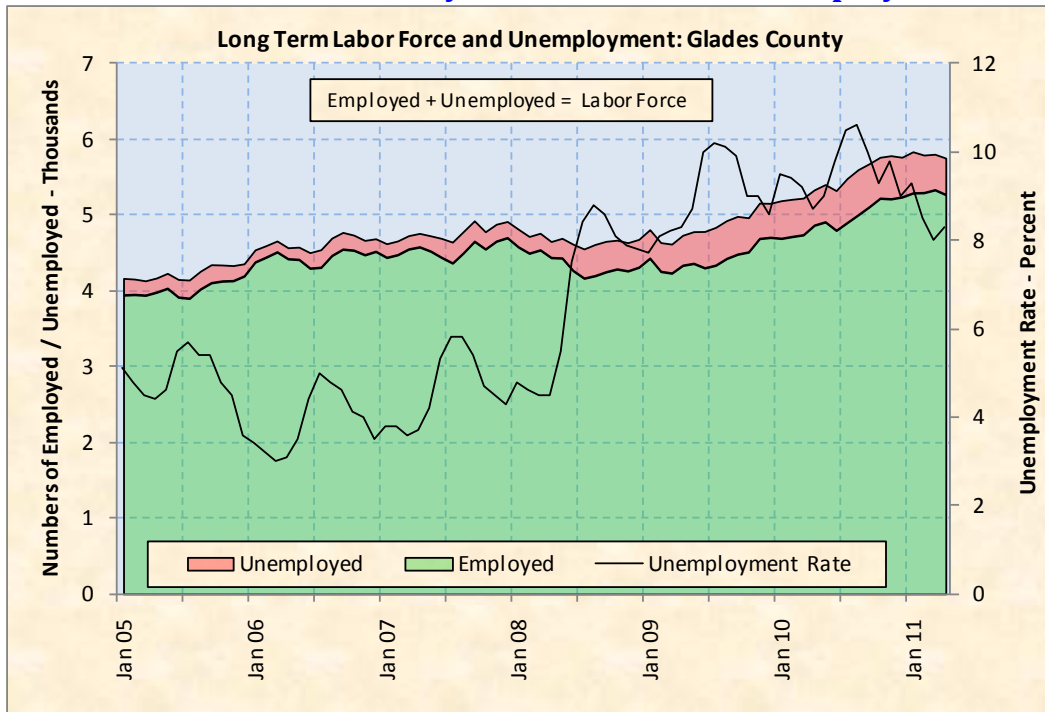
Source AWI

Chart 18: Hendry County Labor Force and Unemployment



Source AWI

Chart 19: Glades County Labor Force and Unemployment

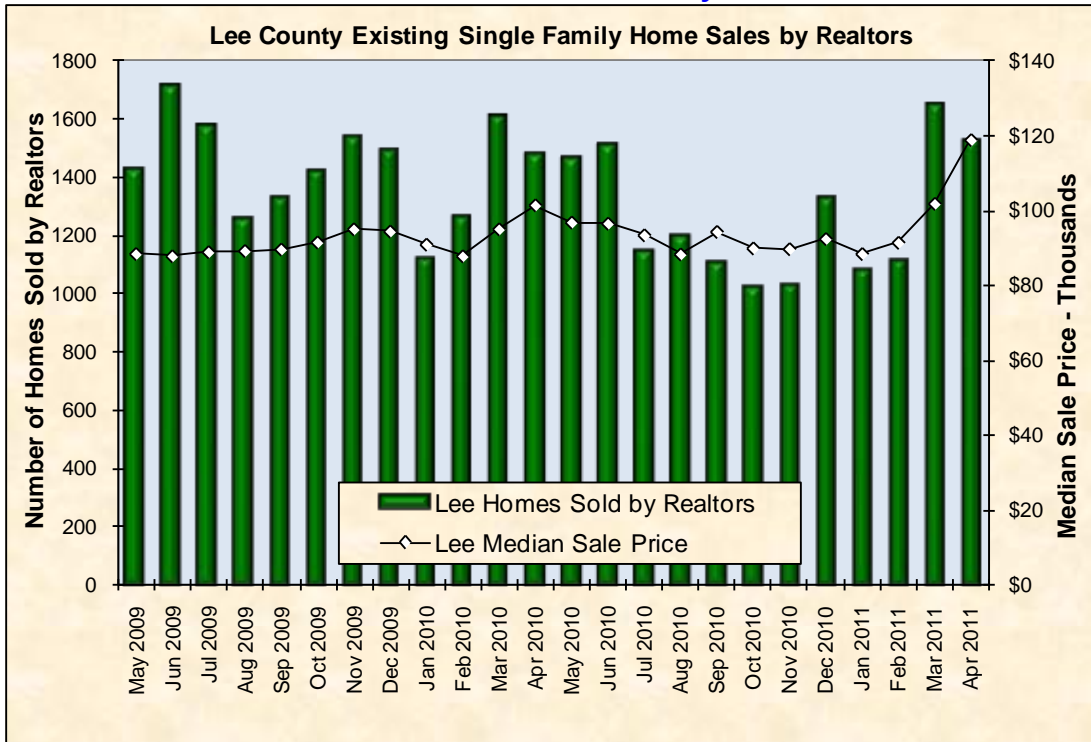


Source AWI

Sales of Single-Family Existing Homes and Median Sales Prices

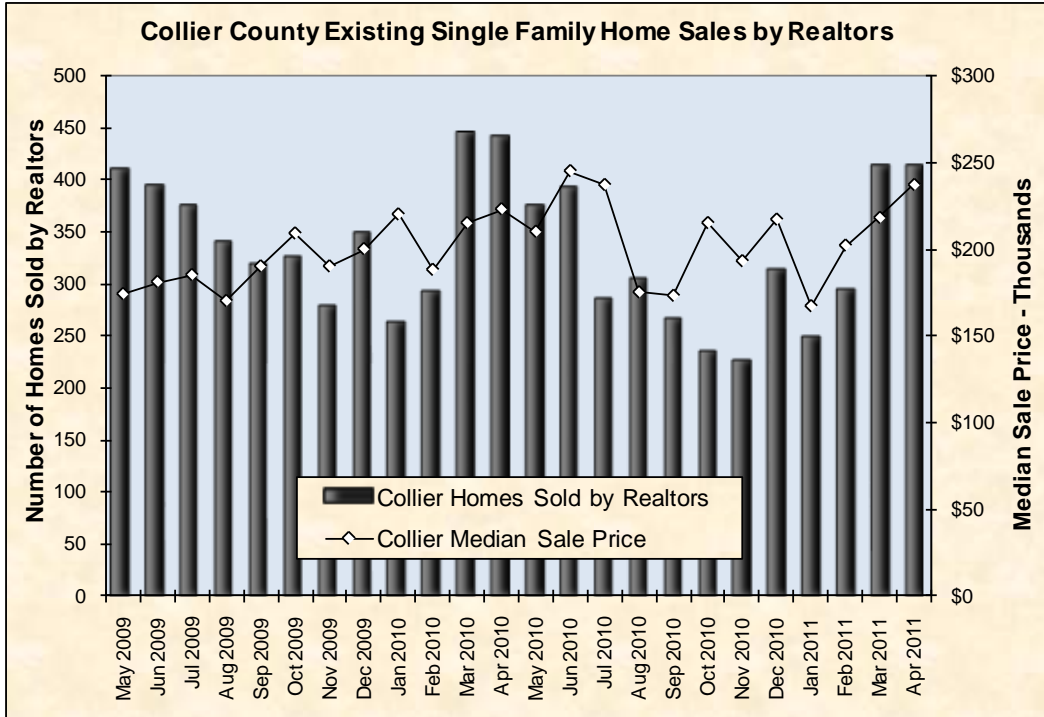
Total Realtor® sales of existing single-family homes in Lee and Charlotte Counties declined in April 2011, with sales in Collier County up slightly, compared to the previous month. However, median prices were higher in each of the three counties. Lee County had sales of 1,520 single-family homes at a median price of \$118,900 in April, compared to sales of 1,641 and a median price of \$101,900 in the previous month, as shown in Chart 20. Collier County's existing single-family Realtor sales were 412 in April 2011, up slightly from the 411 figure for March, accompanied by an increase in the median price from \$218,000 to \$237,000, as shown in Chart 21. Charlotte County's existing single-family home sales declined from 346 in March 2011 to 321 in April, albeit with a median price increase from \$89,500 to \$100,300, as shown in Chart 22. Compared to April 2010, Realtor sales declined by six percent in Collier County, while increasing by three percent in Lee and by 11 percent in Charlotte County. Compared to April 2010, median prices dropped in Charlotte County, but rose in Collier and Lee Counties.

Chart 20: Lee County



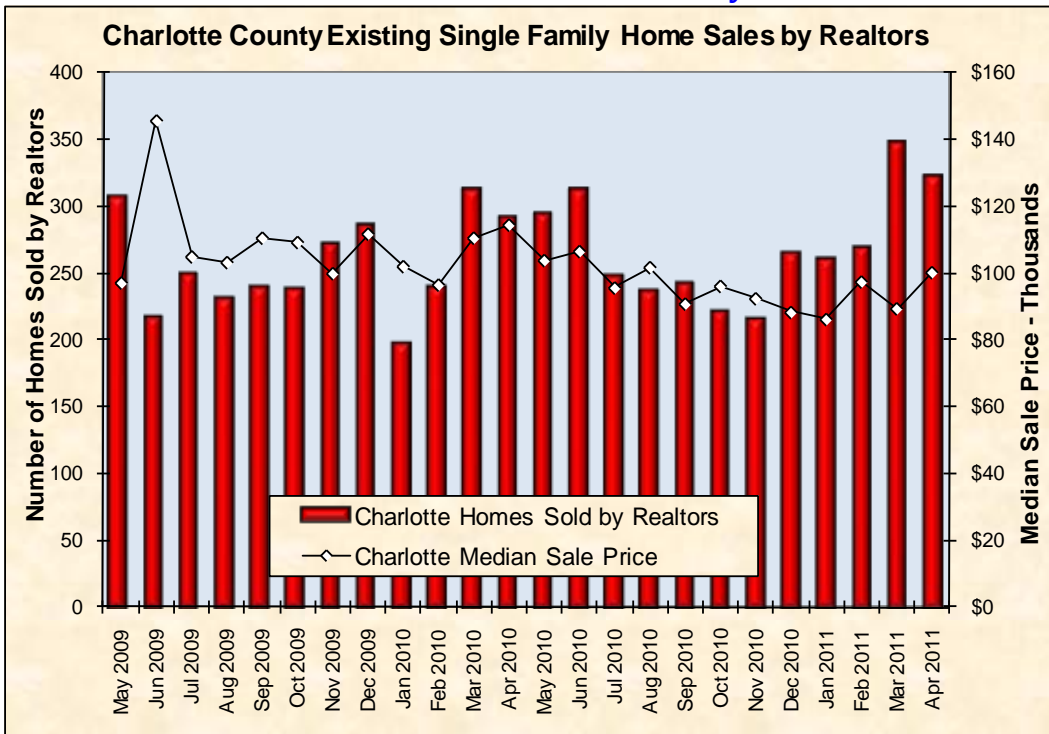
Source: Florida Realtors® Fort Myers – Cape Coral MSA <http://media.living.net/statistics/statisticsfull.html>

Chart 21: Collier County



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

Chart 22: Charlotte County

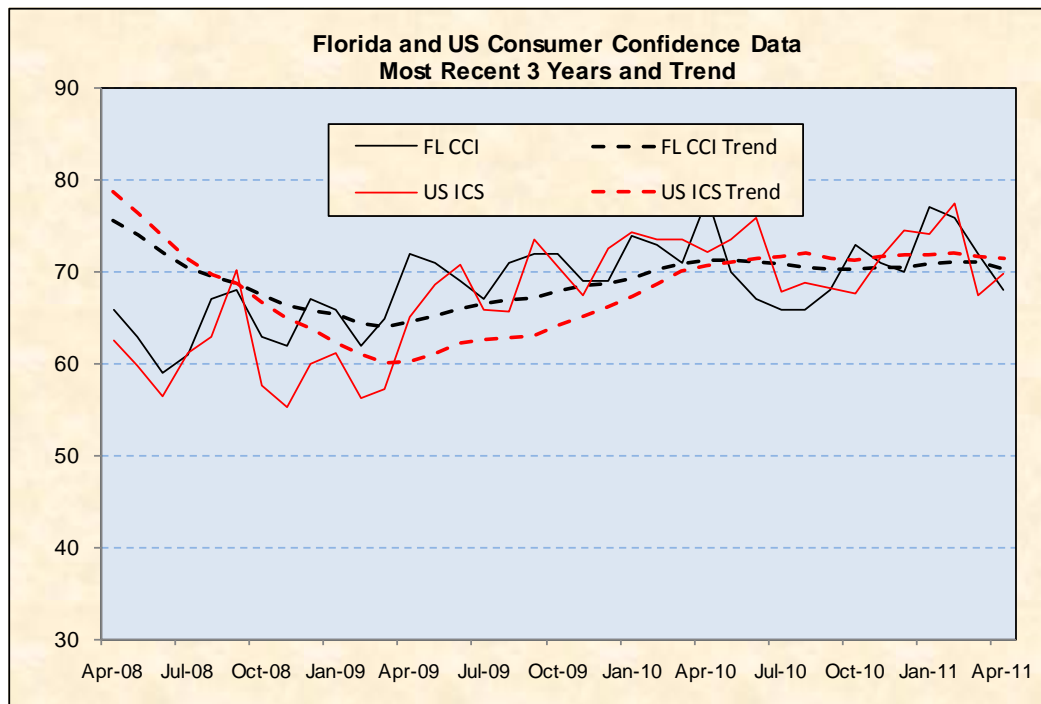


Source: Florida Realtors® Punta Gorda, Florida MSA ; <http://media.living.net/statistics/statisticsfull.html>

Consumer Confidence Index

Consumer confidence is an important indicator and reflects uncertainty about the economy. Chart 23 shows monthly data for the last three years, as well as 12-month moving average trend lines for both the Florida Consumer Confidence Index (“CCI”) and for the United States Index of Consumer Sentiment (“ICS”) reported by Thomson Reuters/University of Michigan. The national ICS for April was 69.8, a moderate increase from the March figure of 67.5, but below the 72.2 of April 2010. Thomson Reuters noted that “While consumers still expect continued increases in gasoline prices, the April data indicated that consumers thought the rapid price run-up had largely ended”. The Florida Consumer Confidence Index was less optimistic at 68, moving down from 72 in March and 78 a year earlier. Chris McCarty, the Survey Director, noted in April that “Last month’s decline was driven mostly by negative international news, including upheaval in the Middle East and the earthquake in Japan, as well as rising gasoline prices”.

Chart 23: Consumer Confidence Index

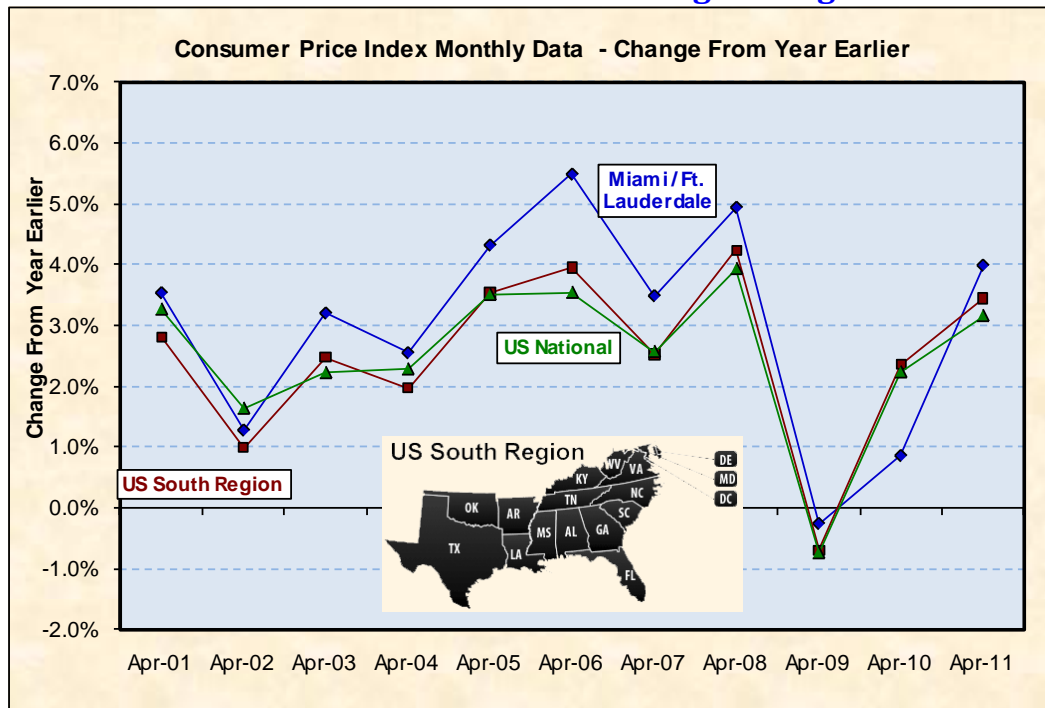


Source: Bureau of Economic and Business Research, University of Florida and Thomson Reuters/University of Michigan

Consumer Price Index

Consumer price indices (CPI) for the nation, the region, and the Miami-Fort Lauderdale area are shown in Chart 24. 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 April 2011, and shows the impact of higher energy and food prices. From April 2010 to April 2011, the National CPI increased by 3.2 percent, the Southern Region CPI increased by 3.4 percent, and the Miami-Fort Lauderdale area CPI rose by 4.0 percent. The overall inflation rate is noticeably higher but the focus has been on the core inflation rate and whether the increases in energy and food prices are temporary. As noted in the Introduction, the Federal Reserve Open Market Committee is closely monitoring the core inflation rate and inflationary expectations.

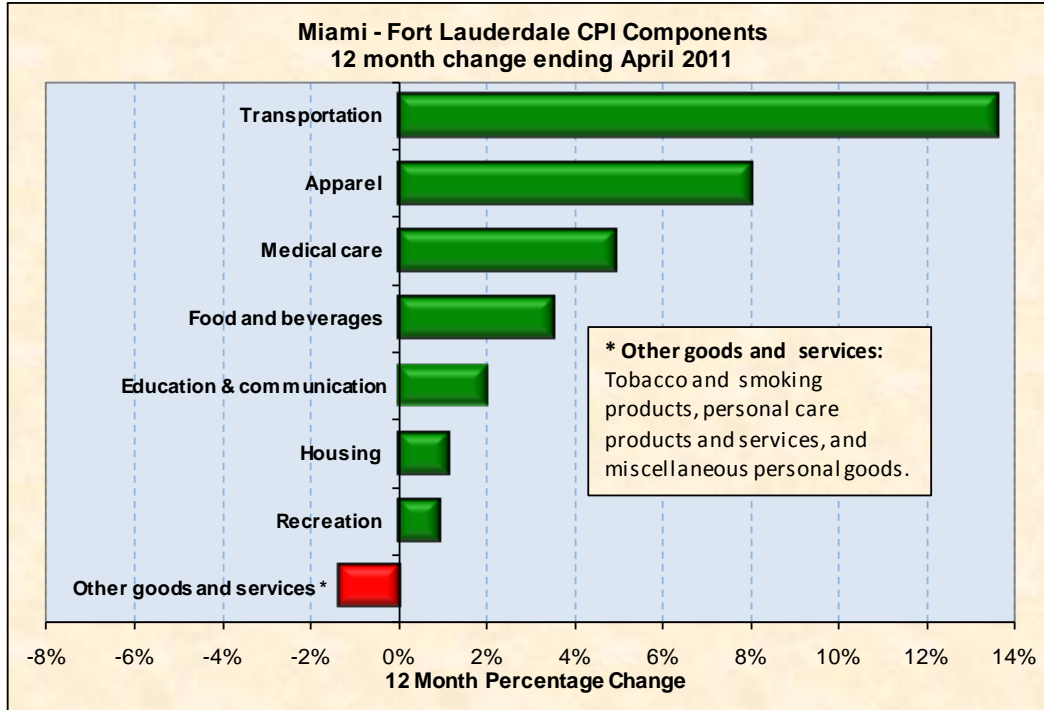
Chart 24: CPI Annual Percentage Change



Source: BLS

The components of the Miami-Fort Lauderdale Consumer Price Index for the 12 months ending April 2011 are shown in Chart 25. Costs of transportation showed the largest year-to-year increase of 13.6 percent, reflecting the large rise in gasoline costs. Other significant increases were seen in apparel, increasing 8.0 percent, medical care increasing 4.9 percent, and food and beverages increasing 3.5 percent.

Chart 25: Miami-Fort Lauderdale CPI Component Percentage Change



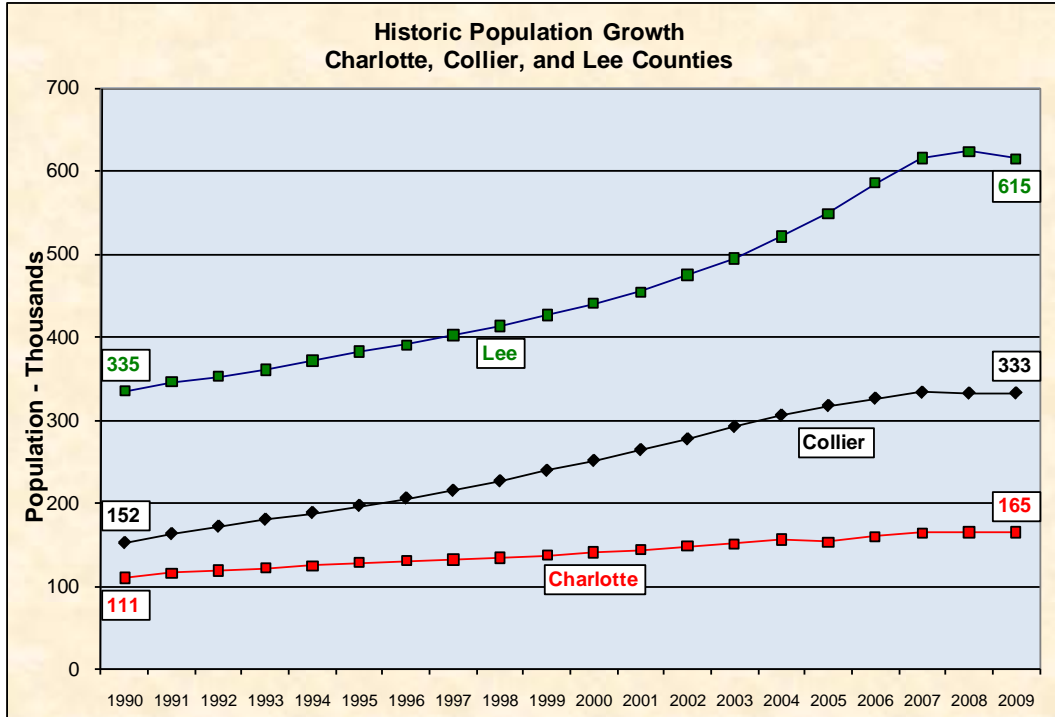
Source: BLS

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 26 and 27. 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.

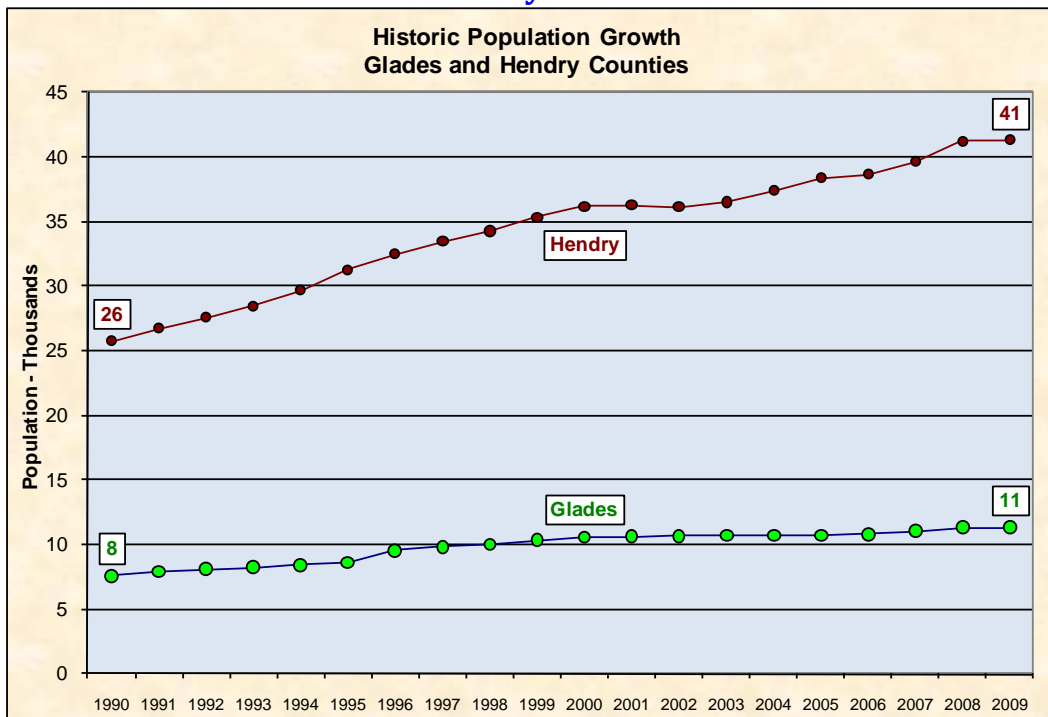
Chart 28 and its accompanying table show projected population increases from 2010 to 2030. The overall rate of regional growth averages 1.9 percent per year for this period, resulting in a 20-year increase of 46 percent.

Chart 26: Coastal Counties Growth 1990 to 2009



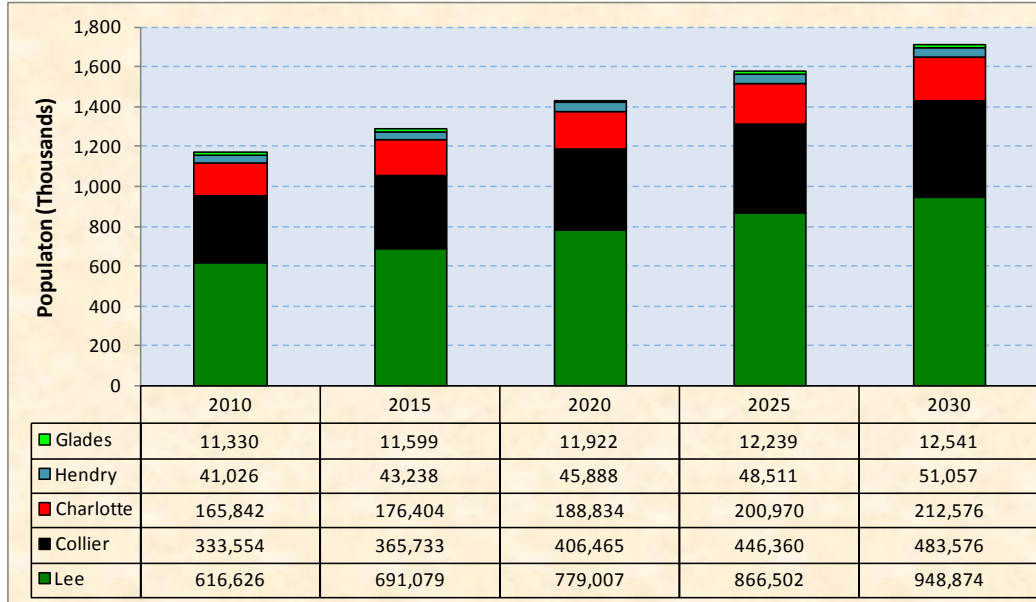
Source: Florida EDR: Florida Demographic Estimating Conference, January 2010 and the Florida Demographic Database, August 2010

Chart 27: Inland County Growth 1990 to 2009



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

Chart 28: Projections by County



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