

# Southwest Florida Regional Economic Indicators

## July 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 ..... 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](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 national and local economy continue to struggle with a slow, choppy recovery. The first advance estimate for the nation's second quarter GDP was released on July 29th and had growth at only 1.3 percent. The first quarter real GDP was revised down from 1.9 to only 0.4 percent showing almost no growth. The June Bureau of Labor Statistics Establishment Survey showed that national nonfarm payroll employment increased by only 18,000, with the private sector adding 57,000 additional jobs and the government reducing employment by 39,000. The gains in employment have been essentially flat the last two months following gains averaging 215,000 for February through April. The June employment gains were 34,000 in leisure and hospitality, 24,000 in professional and business services, and 14,000 in healthcare. In June 2010, the overall job loss was 192,000.

In June 2011, the number of long-term unemployed (those jobless for 27 weeks or longer) increased to 6.3 million which represents 44.4 percent of the unemployed. The number of part-time workers who are considered employed that want to work full time was 8.6 million. The national unemployment rate increased from 9.1 percent in May to 9.2 percent in June.

The national consumer price index increased by 3.6 percent over the last year, primarily driven by a 20.1 percent increase in energy prices and a 3.7 percent increase in food. All items, less food and energy, rose by only 1.6 percent. Core inflation remains subdued and will allow the Federal Reserve to keep interest rates low.

Historically high levels of unemployment and foreclosures, tight financial markets, Middle-East unrest, and higher oil prices remain important concerns. Adding to this economic uncertainty, the President and Congressional leaders continue to discuss possible spending reductions and tax revenue increases in light of the impending approach of the current national debt ceiling. 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, and households remain cautious, reducing overall spending.

The latest release of the Federal Reserve's Open Market Committee (FOMC) was issued on June 22<sup>nd</sup>, discussed by Chairman Bernanke in a presentation to the Senate Committee on Banking, Housing, and Urban Affairs on July 14, and is summarized as follows:

- The economic recovery is continuing at a moderate pace, though somewhat slower than the committee expected, and the recent labor market indicators have been weaker than anticipated;
- The slower pace of recovery reflects in part several factors that are expected to be temporary including higher food and energy prices and the supply chain disruptions associated with the tragic events in Japan;

- 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;
- Inflation has picked up in recent months, however, longer-term inflation expectations remain stable;
- 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 was completed at the end of June.

The next meeting of the FOMC is scheduled for August 9, 2011.

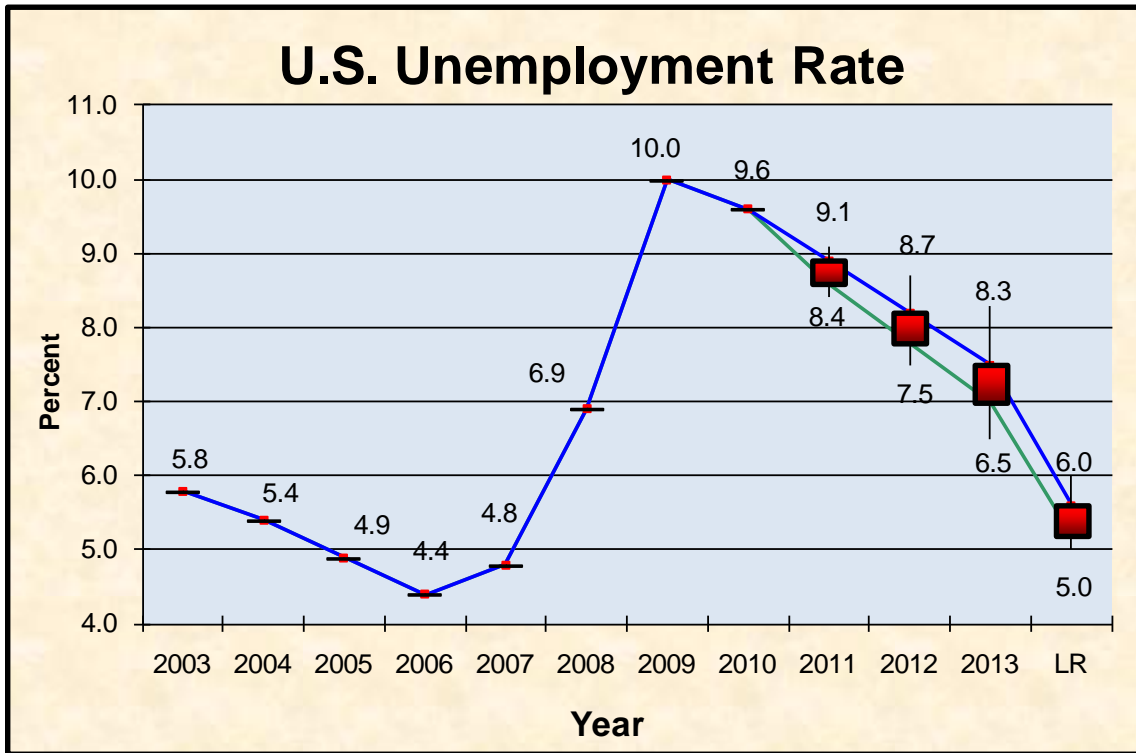
As reported last month, a somewhat slower growth forecast was released on June 22 by the FOMC and is shown in the following "box and whiskers" charts. The red boxes are the central tendency forecast and the full range of uncertainty is reflected in the whiskers, or vertical lines.

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 2.5 to 3.0 percent growth in GDP with a central tendency range (red bar) of 2.7 to 2.9 percent. For 2012, the overall projected range is 2.2 to 4.0 percent with a central tendency range of 3.3 to 3.7 percent growth. For 2013, the overall projected range is 3.0 to 4.5 percent with a central tendency range of 3.5 to 4.2 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: FOMC Press Conference, June 22, 2011

As shown in the chart below, national unemployment in 2011 is expected to be lower than in 2010, but remain historically high, in a range of 8.4 to 9.1 percent, with a central tendency (red bar) of 8.6 to 8.9 percent. In 2012, the unemployment range is forecast to be between 7.5 and 8.7 percent with a central tendency of 7.8 to 8.2 percent. For 2013, the overall projected range for the national unemployment rate is 6.5 to 8.3 percent with a central tendency range of 7.0 to 7.5 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: FOMC Press Conference, June 22, 2011

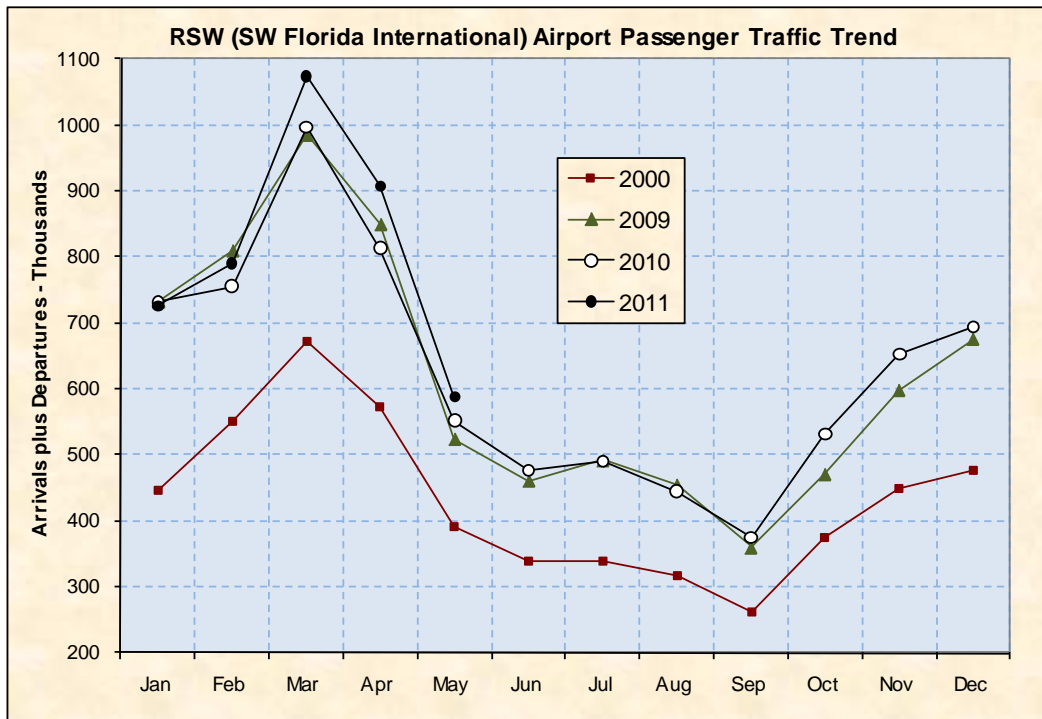
The Regional Economic Research Institute (RERI) is continuing to develop the regional economic database and this report, as a way to support its mission and assist the region. The Institute continues to welcome suggestions from our readers, and would like to emphasize our appreciation of, and thanks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

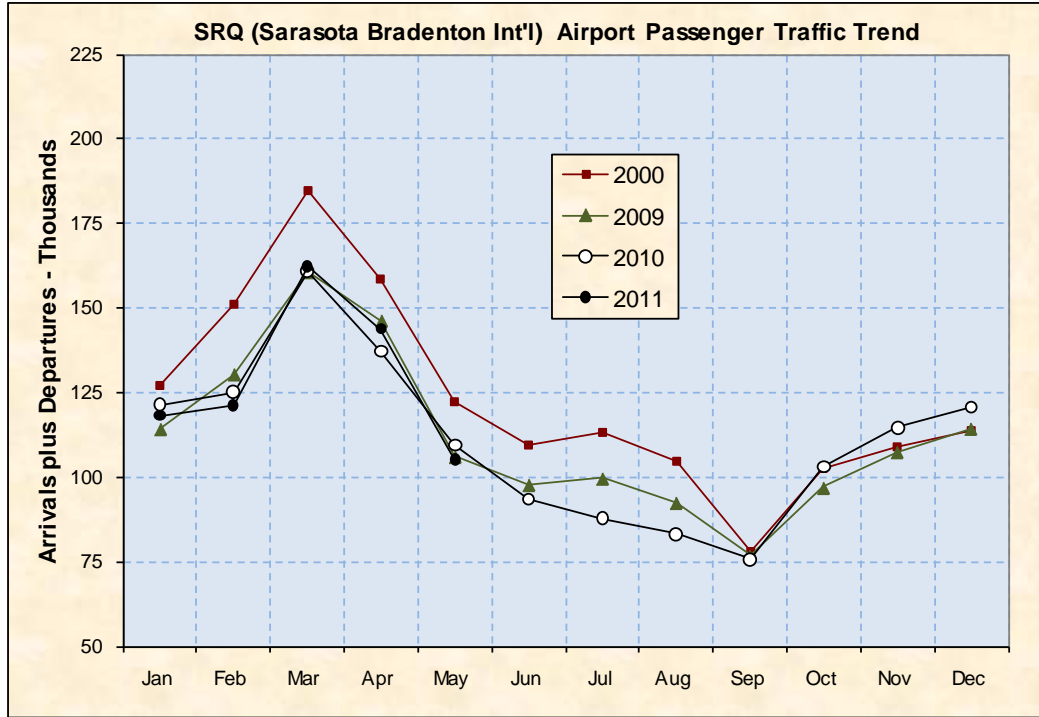
Total activity for the three regional airports totaled 706,115 in May 2011, an increase of seven percent over May 2010. Chart 1 shows RSW passenger activity of 587,633 in May, an increase of six percent from May 2010. This was the highest level of May activity at RSW since 2007. Sarasota (SRQ) passenger activity amounted to 105,272 in May 2011, down four percent from May 2010, as shown in Chart 2. Charlotte County Airport reported passenger activity of 13,210 in May 2011, nearly double the level of May 2010, as shown in Chart 3.

**Chart 1: RSW Traffic Trend**



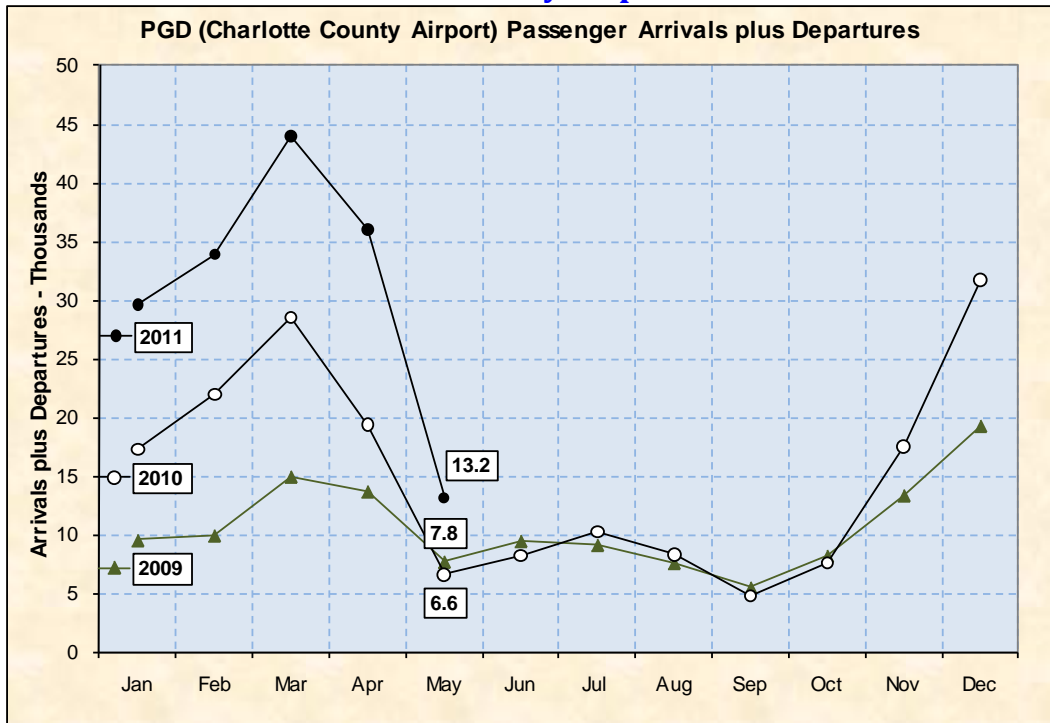
Source: Local Airport Authorities

**Chart 2: Sarasota Airport Traffic Trend**



Source: Local Airport Authorities

**Chart 3: Charlotte County Airport Traffic Trend**

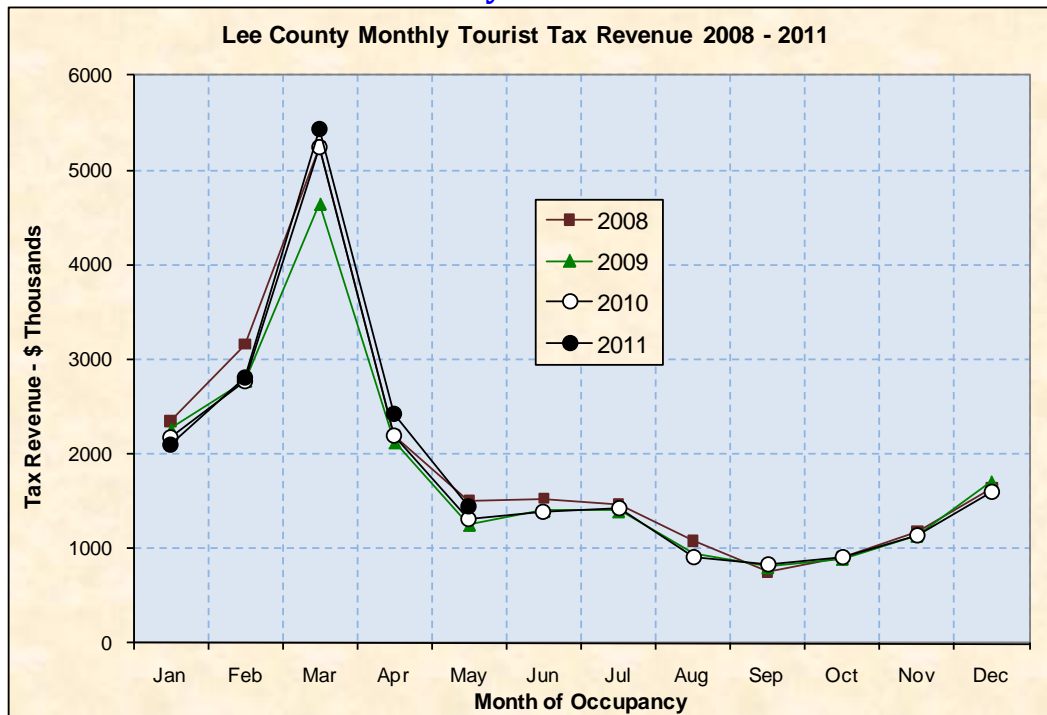


Source: Local Airport Authorities

## Tourism Tax Revenues

Tourism tax revenues for the three coastal counties are shown in Charts 4, 5, and 6, based on month of occupancy. May tourism tax revenues for the three coastal counties increased by 10 percent over May 2010. Lee County tourism tax revenues amounted to \$1,455,449 in May 2011, an 11-percent increase from May 2010. Collier County revenues of \$850,683 in May 2011 were eight-percent higher than May 2010. Charlotte County's tourism tax revenues were \$70,852 in May 2011, a 12-percent increase from the May 2010 figure.

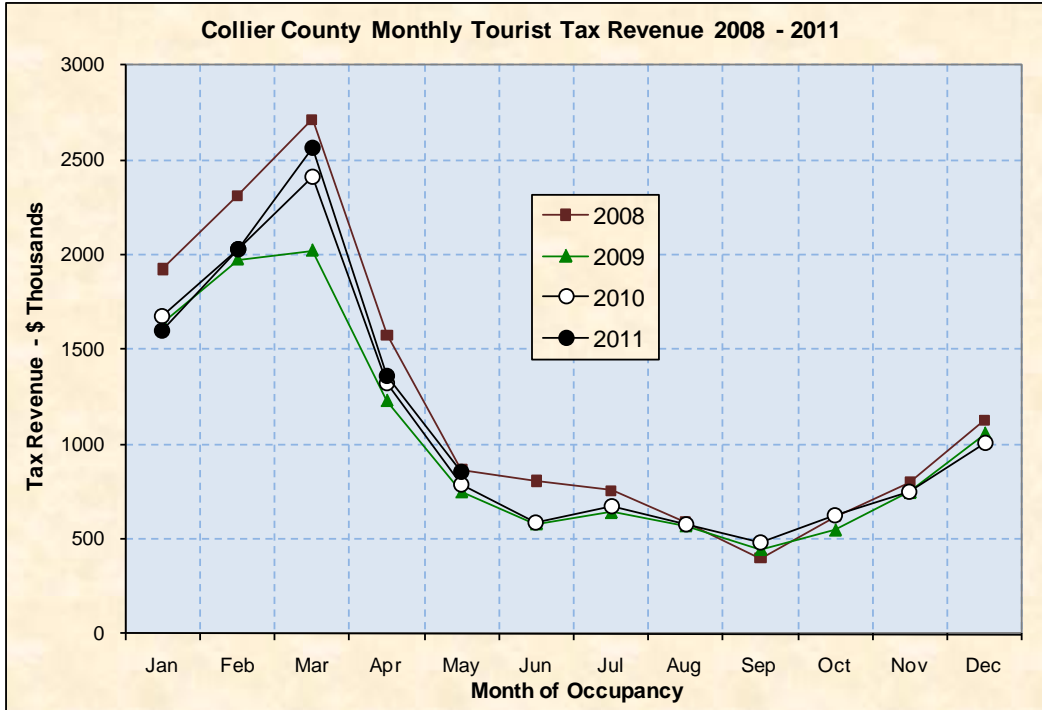
**Chart 4: Lee County Tourism Tax Revenues**



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

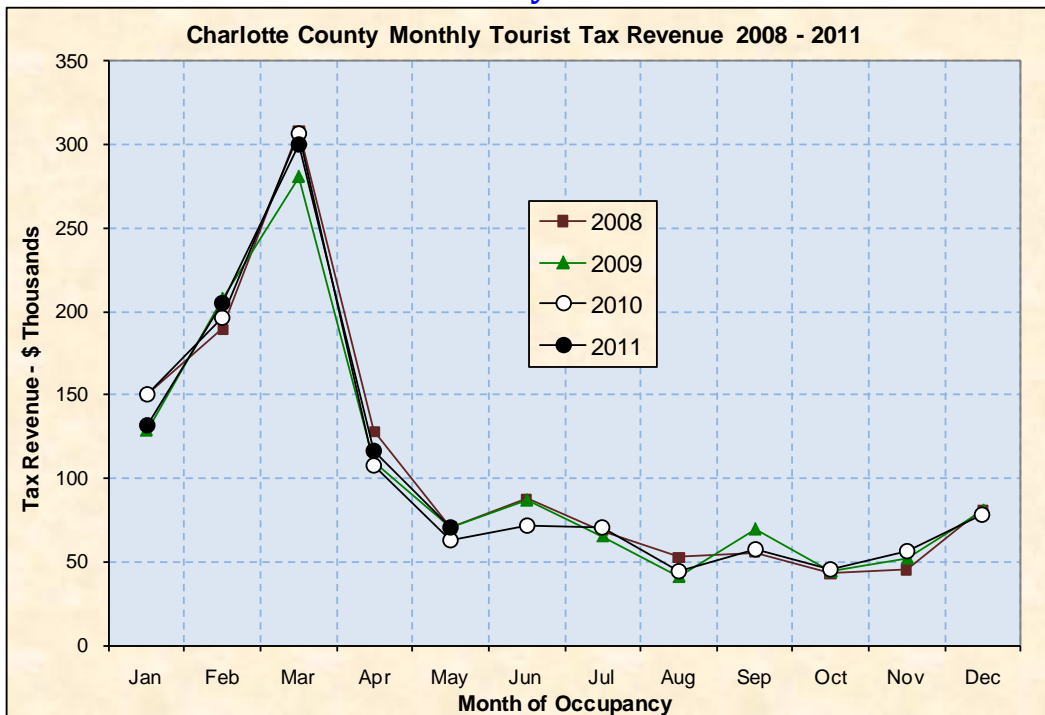


**Chart 5: Collier County Tourism Tax Revenues**



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

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

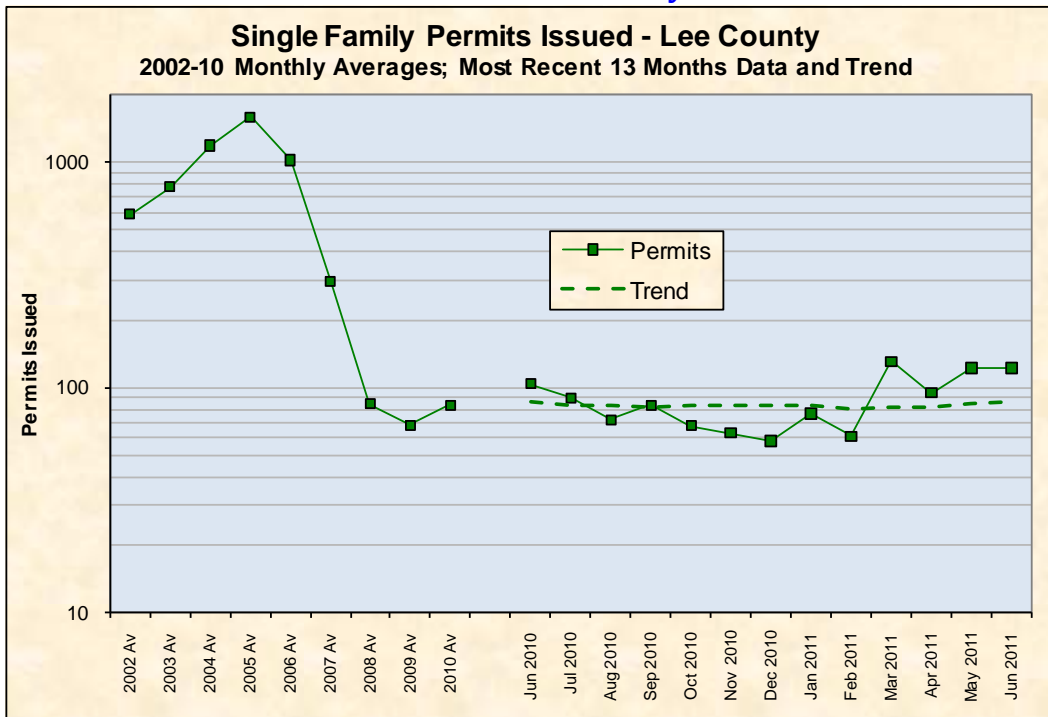


Source: Local County Tourism, Tax, and Economic Development Reports

## Single-Family Building Permits

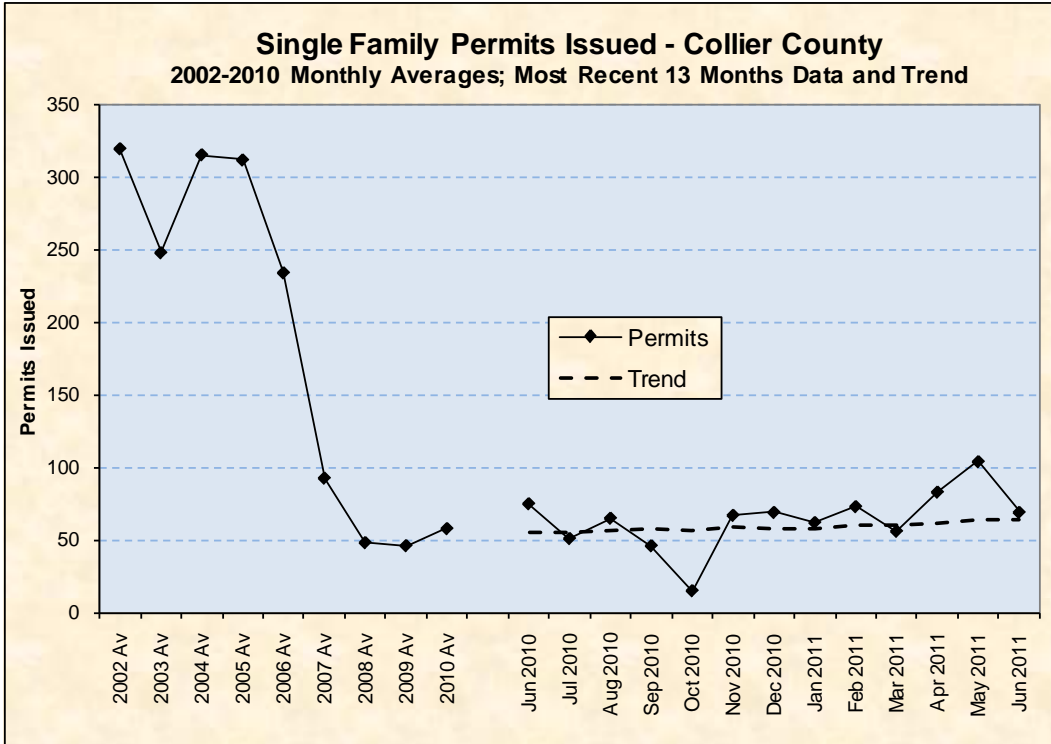
Total June 2011 single-family building permits increased over June 2010 for the three coastal counties. Lee County issued 122 single-family home permits in June 2011, equal to the May figure and up from 104 in June 2010, as shown in Chart 7. Please note that Chart 7 employs a logarithmic numerical scale on its y-axis to allow the chart to show both the boom and recent years on a scale that more clearly portrays the trends. Collier County issued 69 single-family permits in June 2011, compared to 104 in May 2011 and 75 in June 2010, as shown in Chart 8. Charlotte County permits decreased to 21 in June 2011 from 34 in May 2011, as shown in Chart 9. The three counties issued 212 single-family permits in June 2011. This represents a nine-percent increase from June 2010, and an 18-percent decrease from May 2011.

**Chart 7: Lee County**



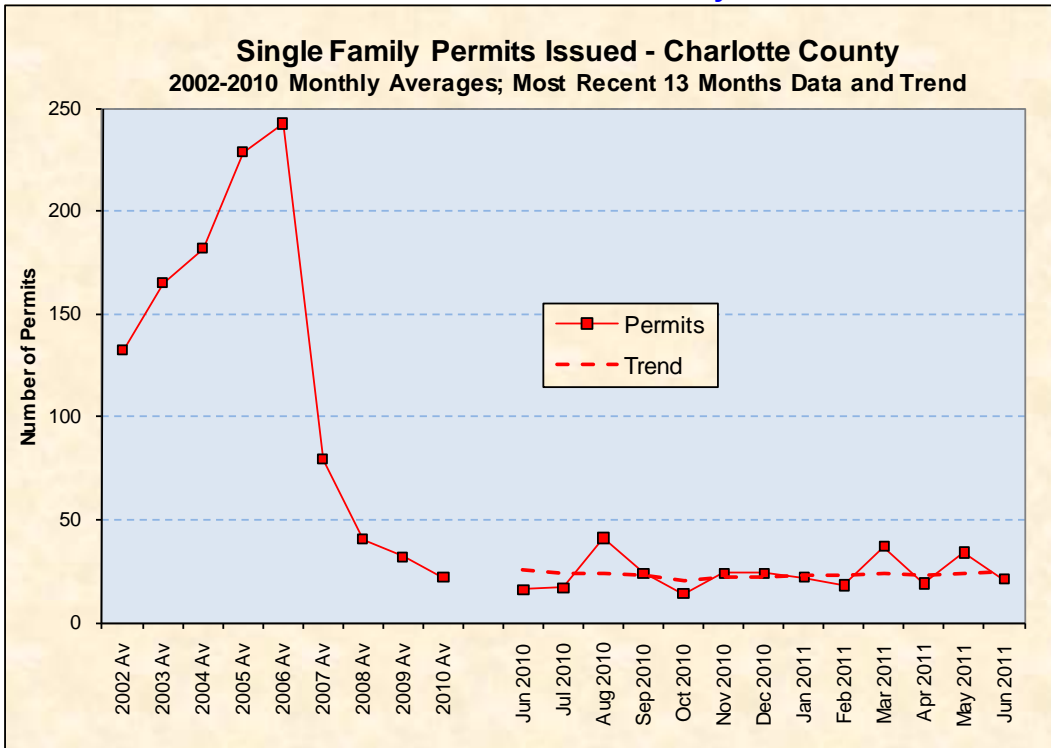
Source: Local Building and Zoning Departments, including Fort Myers, Cape Coral, and Unincorporated Lee County, Bonita Springs and Fort Myers Beach permits.

**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

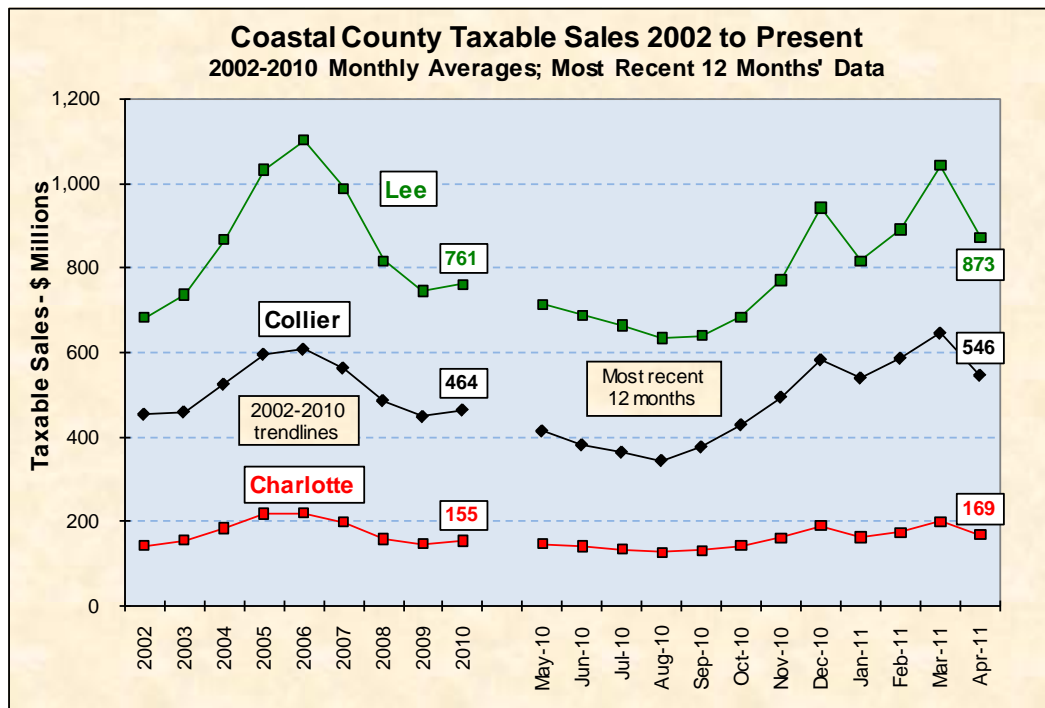
Taxable sales figures are used to track consumer spending, an important component of the regional economy. The taxable sales charts show month of collection by the merchant rather than the reporting month issued by the Florida Department of Revenue. Thus, April is the latest collection month plotted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

Total taxable sales for the five-county region in April 2011 showed a seven-percent increase (\$99.1 million) over April 2010; and a 16-percent seasonal decrease (\$304.1 million) from the prior month of March. Taxable sales for the Coastal Counties are shown in Chart 10. Charlotte County reported taxable sales of \$168.5 million in April 2011, a two-percent increase from the April 2010 figure. Lee County taxable sales amounted to \$873.2 million in April 2011, an eight-percent increase from April 2010; and Collier County's taxable sales were \$546.3 million in April 2011, a six-percent increase from April 2010. From March to April 2011, seasonal decreases in taxable sales amounted to 16 percent in Charlotte and Lee, and 15 percent in Collier County.

Chart 11 shows taxable sales for Glades and Hendry Counties. Hendry County's taxable sales of \$21.7 million in April were three percent lower than a year ago, and 15 percent below the prior month. Glades County reported April 2011 taxable sales of \$2.0 million, a seven-percent increase over the same month one year ago, and a 17-percent seasonal decline from March 2011.

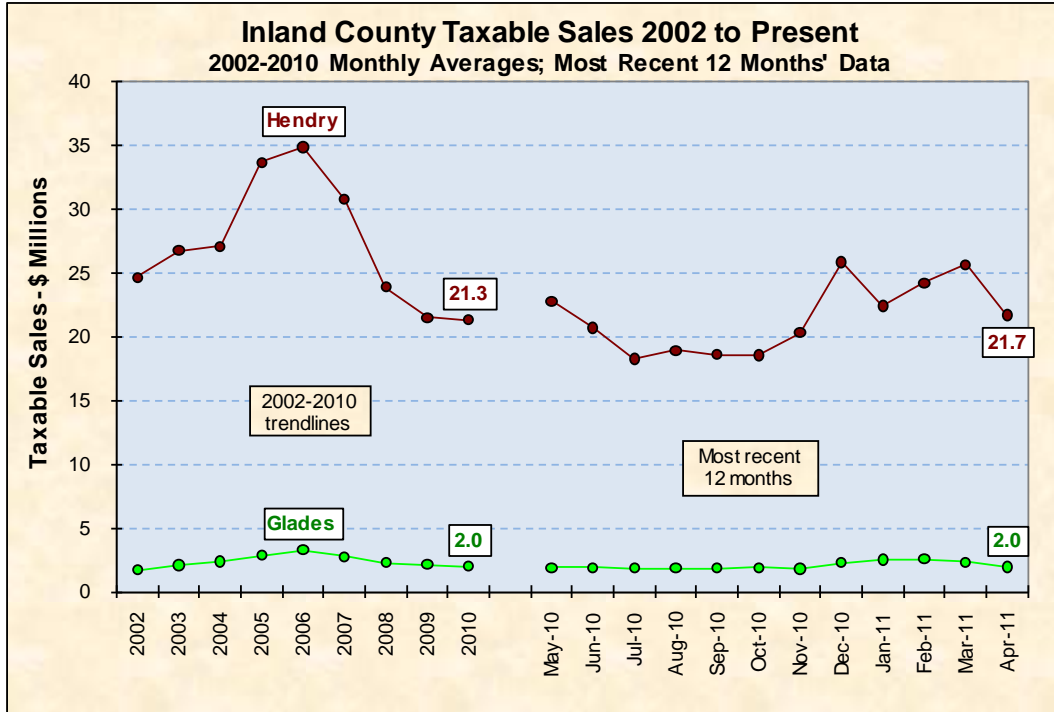
Charts 12, 13, and 14 depict the change in taxable sales from the same month a year earlier. Each of the Coastal Counties have year-over-year increases in 11 of the last 12 months, a very positive indicator.

**Chart 10: Taxable Sales for Coastal Counties**



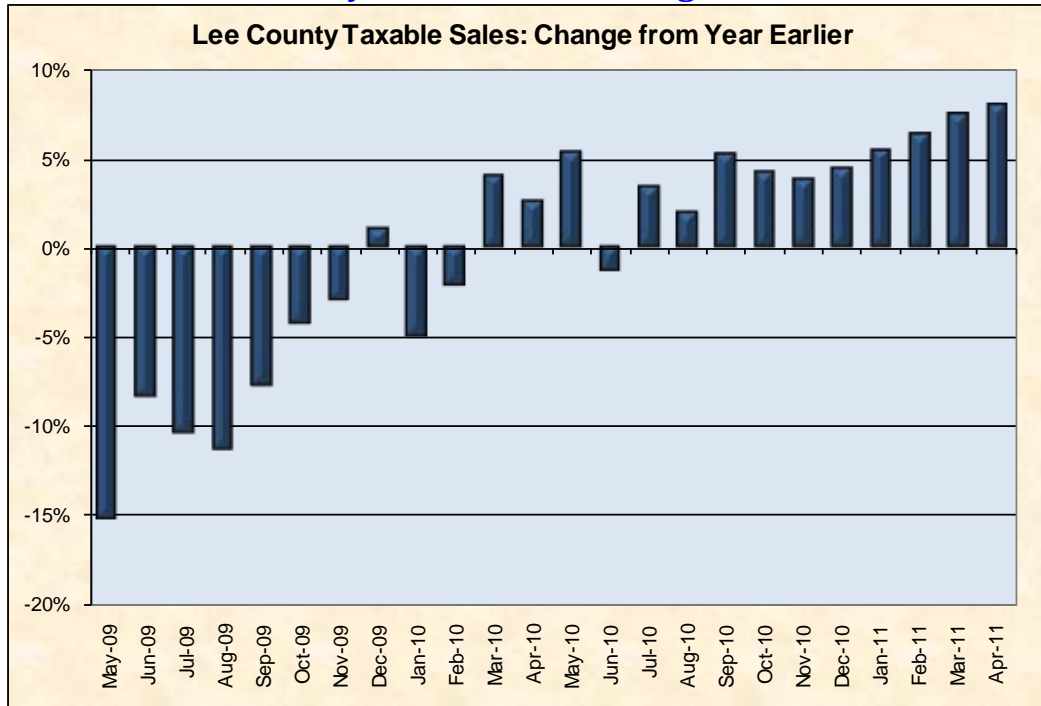
Source: Florida Department of Revenue, Office of Tax Research

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



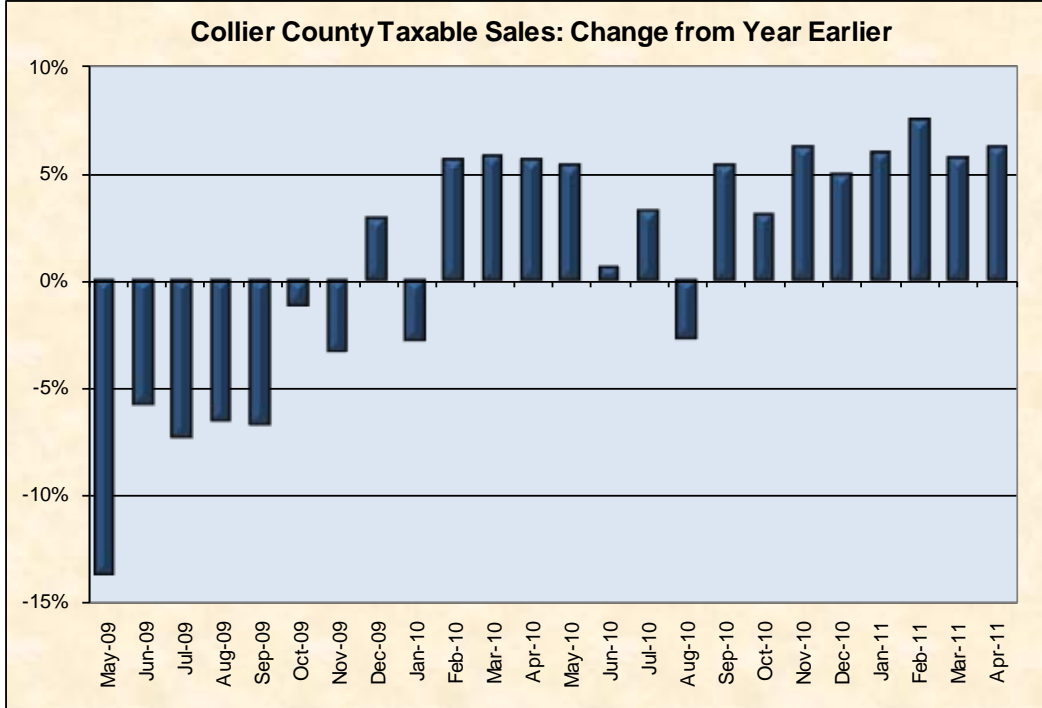
Source: Florida Department of Revenue, Office of Tax Research

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



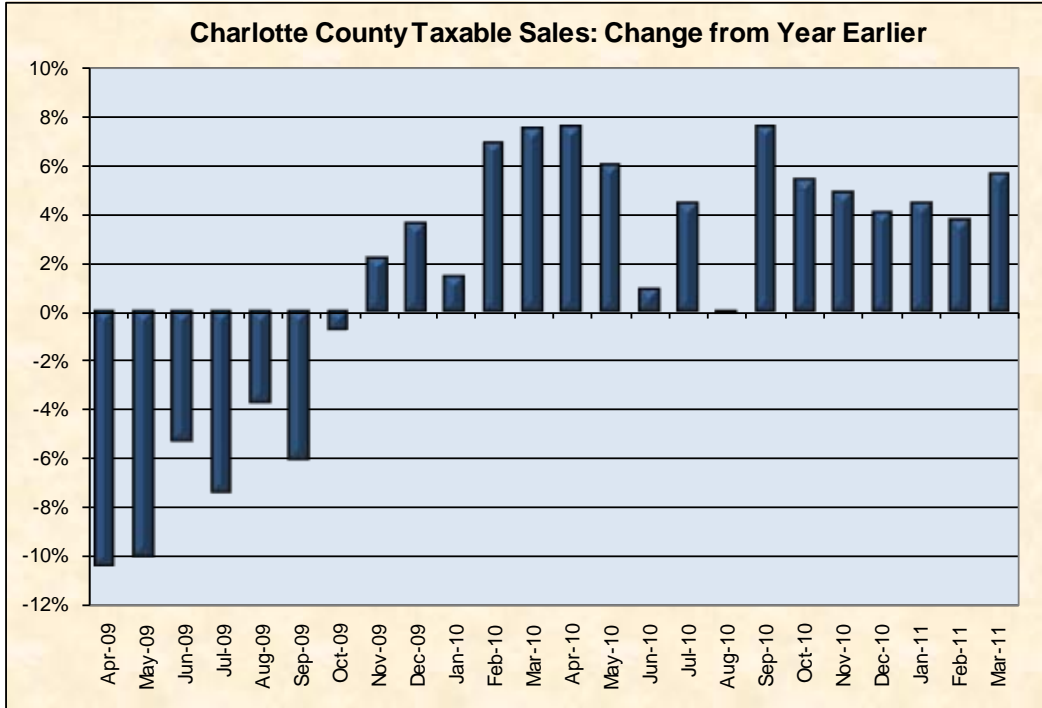
Source: Florida Department of Revenue, Office of Tax Research

**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**



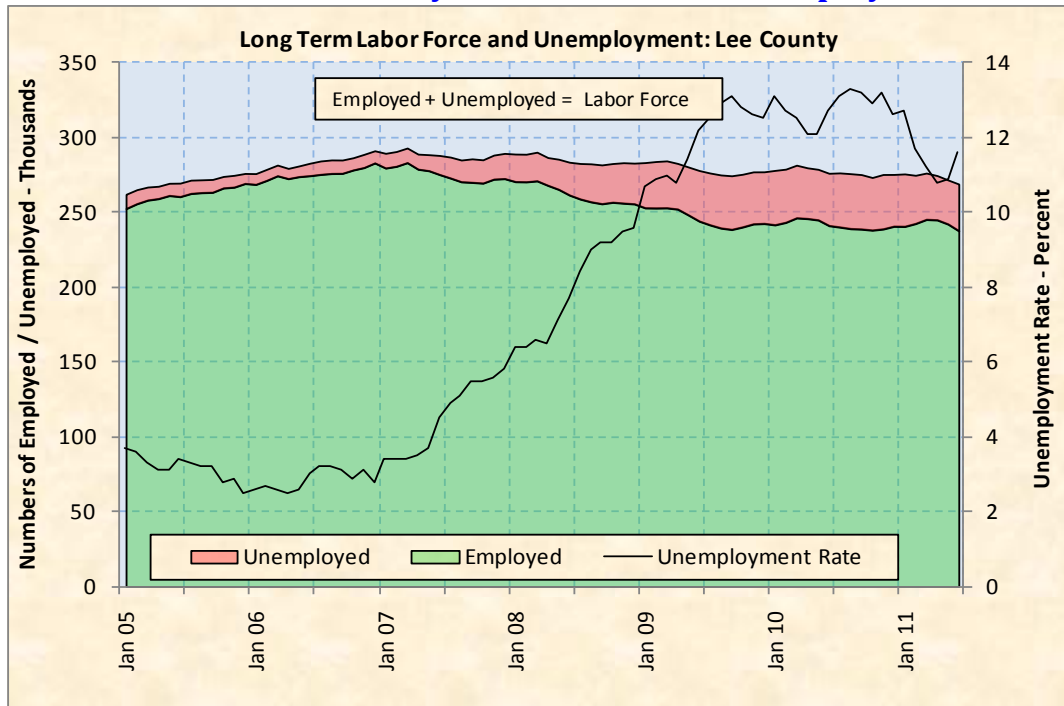
Source: Florida Department of Revenue, Office of Tax Research

## Workforce – Labor Force, Employment and Unemployment

Charts 15, 16, 17, 18, and 19 show total employment, unemployment, and the unemployment rate for each county from the beginning of 2005 to June 2011. This additional information is provided since unemployment rates 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

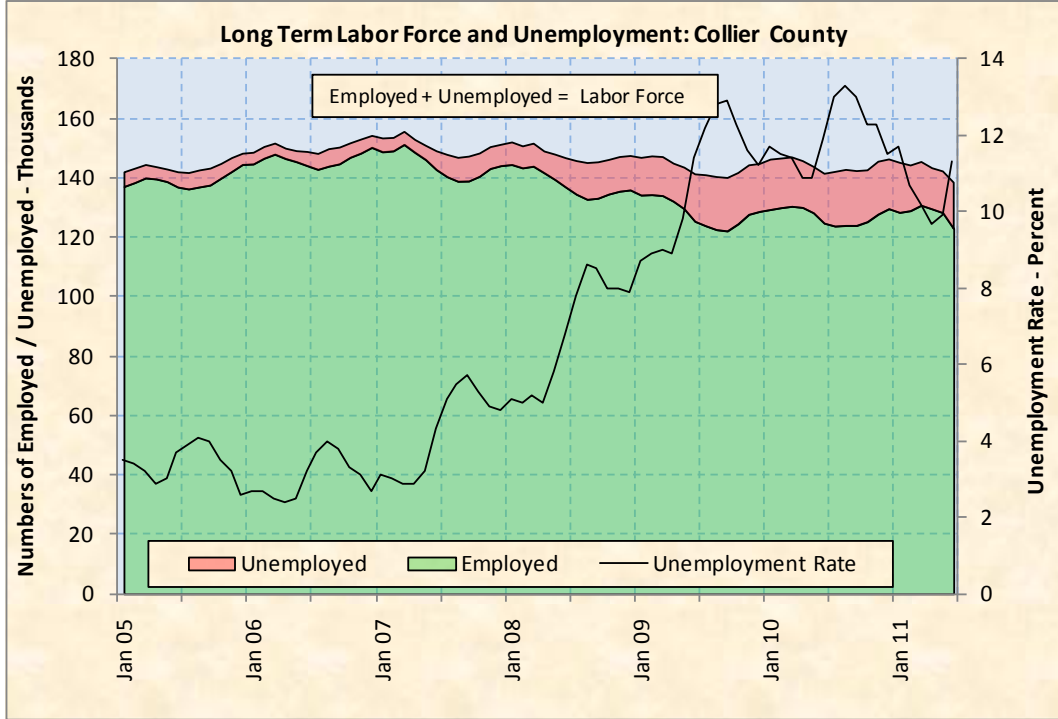
All five counties reported higher unemployment rates in June 2011 compared to May 2011 as we move into the slower summer season. However, four of the five counties showed lower June 2011 unemployment rates than those from June 2010. The Southwest Florida five-county region has experienced a loss of 6,158 jobs from June 2010 to June 2011. Lee County's unemployment rate rose to 11.6 percent, up from the May figure of 10.9 percent, as shown in Chart 15. Collier County's unemployment rate rose from 9.9 percent in May to 11.3 percent in June. Charlotte County's unemployment rate increased from 10.4 percent in May to 11.1 percent in June, as shown in Chart 17. Hendry County saw its unemployment rate increase from 13.4 percent in May to 16.2 percent in June, as shown in Chart 18. Glades County's unemployment rate showed a month-to-month increase from 8.4 percent in May to 9.4 percent in June, as shown in Chart 19. The state of Florida's non-seasonally adjusted unemployment rate rose from 10.5 percent in May to 11.1 percent in June. The unemployment rate was lower than the June 2010 figure of 11.4 percent. The national unemployment rate rose to 9.3 percent in June 2011, up from the prior month figure of 8.7 percent. Unemployment rates reported in this report are not seasonally adjusted, except as noted.

**Chart 15: Lee County Labor Force and Unemployment**



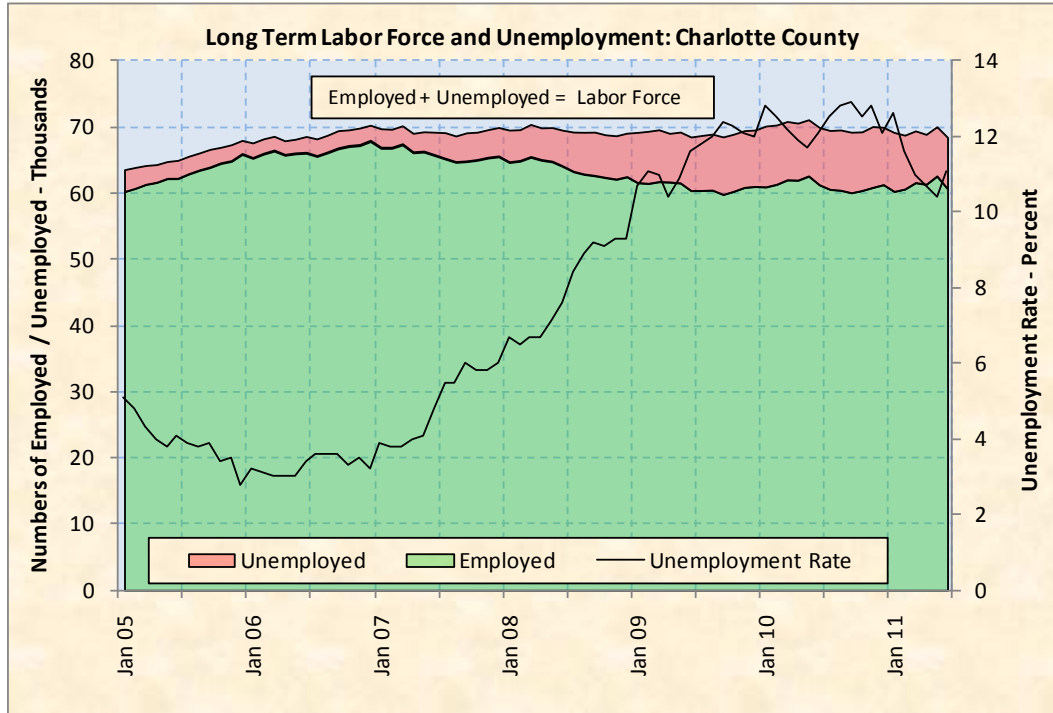
Source AWI

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



Source AWI

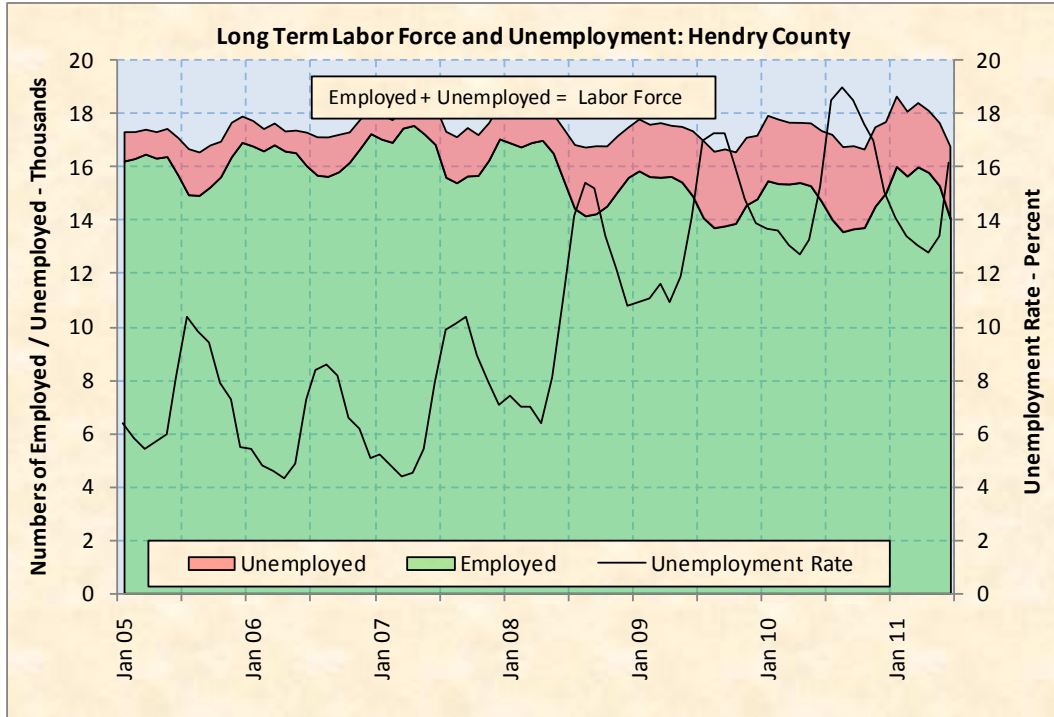
**Chart 17: Charlotte County Labor Force and Unemployment**



Source AWI

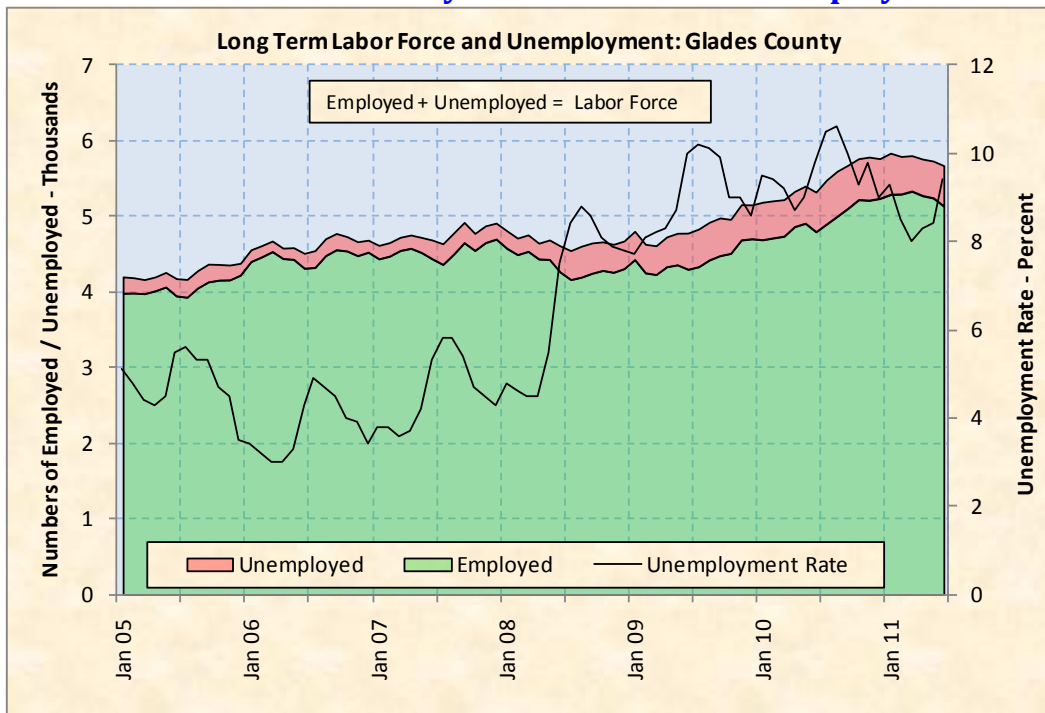


**Chart 18: Hendry County Labor Force and Unemployment**



Source AWI

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

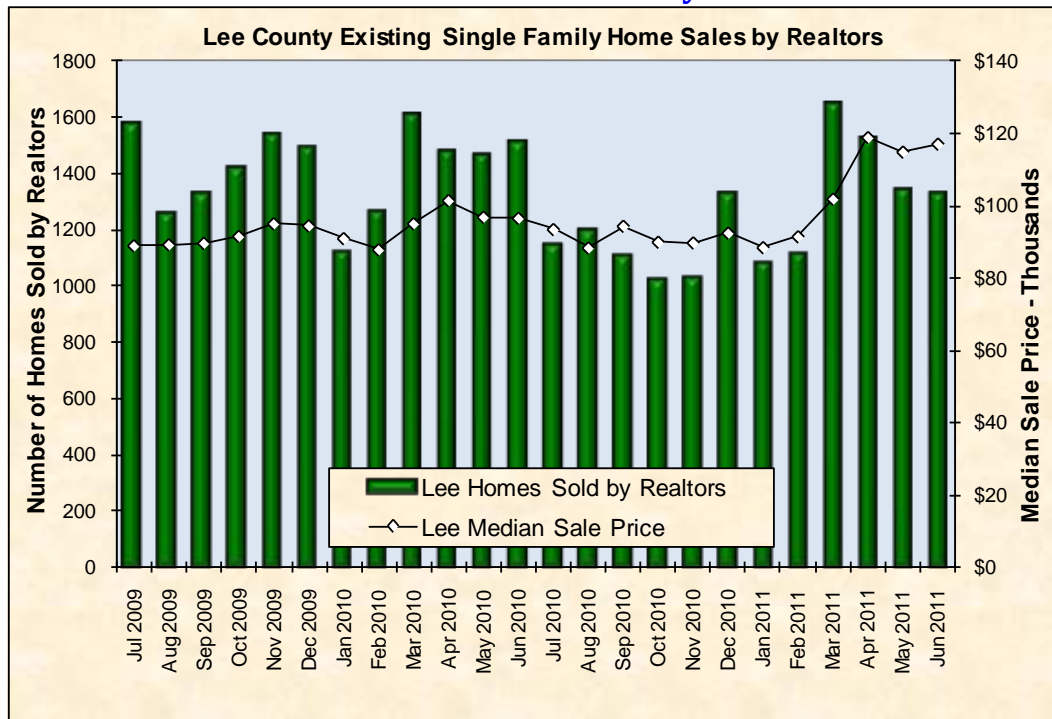


Source AWI

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

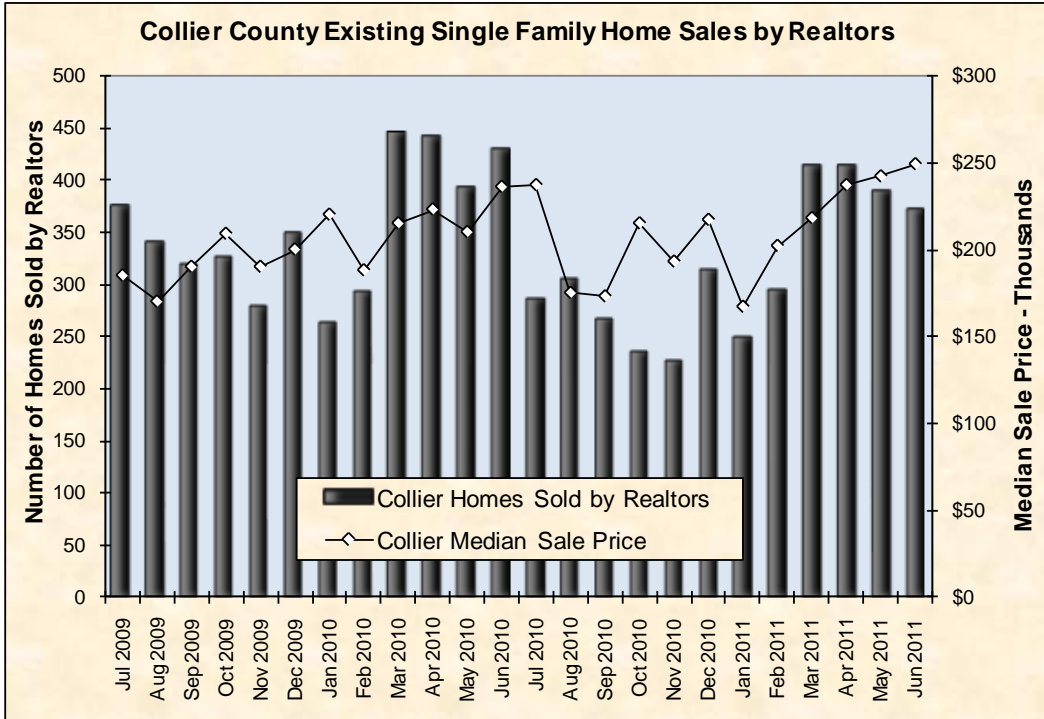
Total Realtor® sales of existing single-family homes in Lee, Collier, and Charlotte Counties declined in June 2011, compared to the previous month, while median prices edged up. Lee County had sales of 1,325 single-family homes at a median price of \$117,100 in June 2011, compared to sales of 1,338 and a median price of \$114,900 in the previous month, as shown in Chart 20. Collier County's existing single-family Realtor sales were 370 in June 2011, down from 388 in May 2011. Collier County had an increase in median price from \$242,000 in May 2011 to \$249,000 in June 2011, as shown in Chart 21. Charlotte County's existing single-family home sales declined from 305 in May 2011 to 275 in June 2011, albeit with a median price increase from \$101,700 to \$102,900, as shown in Chart 22. Compared to June 2010, Realtor sales declined by 12 percent in Lee and Charlotte, and by 13 percent in Collier County. Compared to June 2010, median prices rose by 21 percent in Lee County, six percent in Collier County, but dropped by three percent in Charlotte County.

**Chart 20: Lee County**



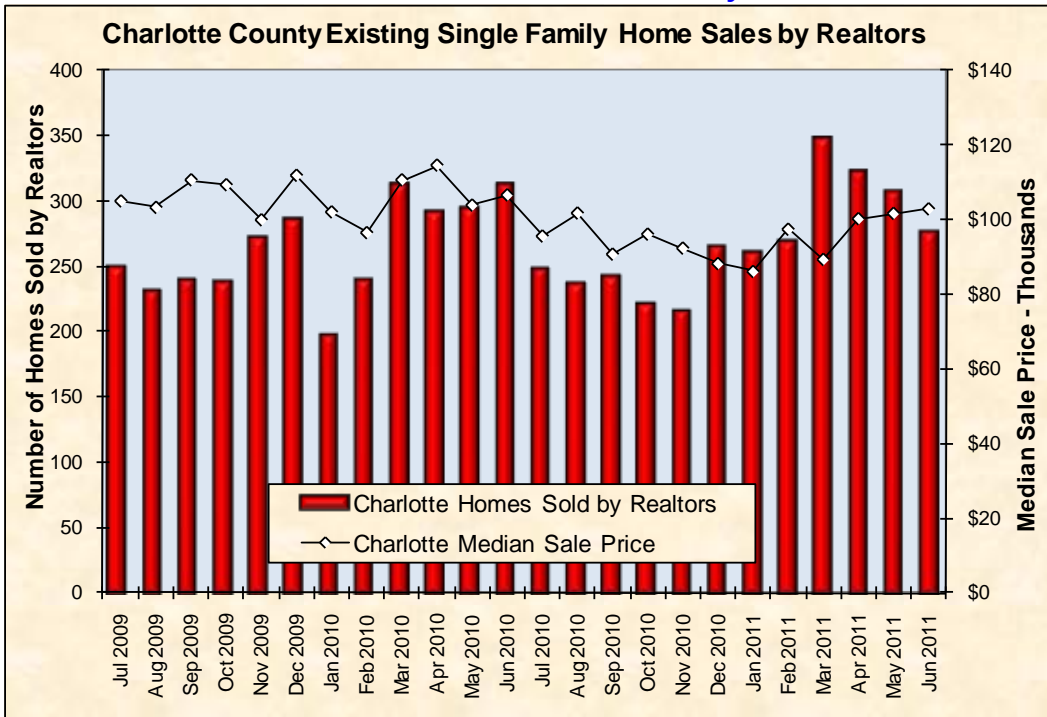
Source: Florida Realtors® Fort Myers – Cape Coral MSA <http://media.living.net/statistics/statisticsfull.html>

**Chart 21: Collier County**



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

**Chart 22: Charlotte County**



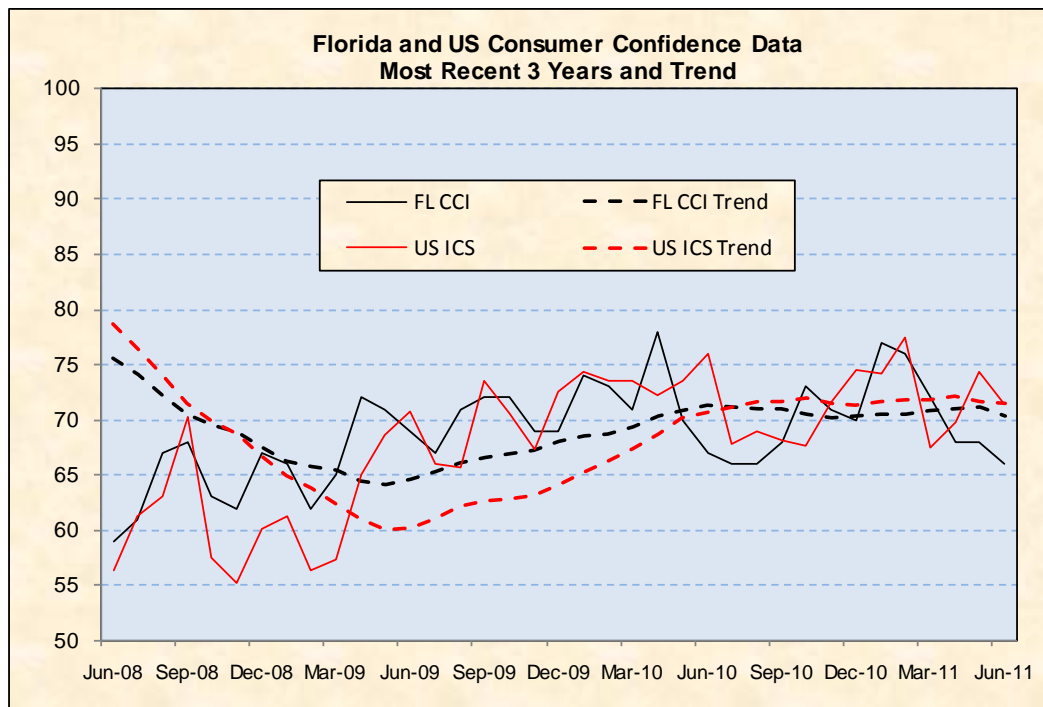
Source: Florida Realtors® Punta Gorda, Florida MSA ; <http://media.living.net/statistics/statisticsfull.html>

## 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 June was 71.5, a decrease from the May figure of 74.3, as well as from 76 in June 2010. Thomson Reuters noted that “What consumers have expected during the past two years is tantamount to economic stagnation: the majority of consumers expect no income increase, the majority anticipate no significant decline in joblessness, and the majority expect their living standards to continue to slowly erode due to inflation.”

The Florida Consumer Confidence Index slipped to 66 from 68 in May 2011 and from 67 in June 2010. Chris McCarty, the Survey Director, noted that “Floridians became a bit more pessimistic in June, particularly among those over age 60. Floridians appear to be growing concerned about the short-run health of the U.S. economy. As the deadline to adjust the debt ceiling approaches, some Floridians, particularly seniors, may be anticipating cuts to Social Security and Medicare which will likely have to be part of any long-term deficit reduction solution”.

**Chart 23: Consumer Confidence Index**

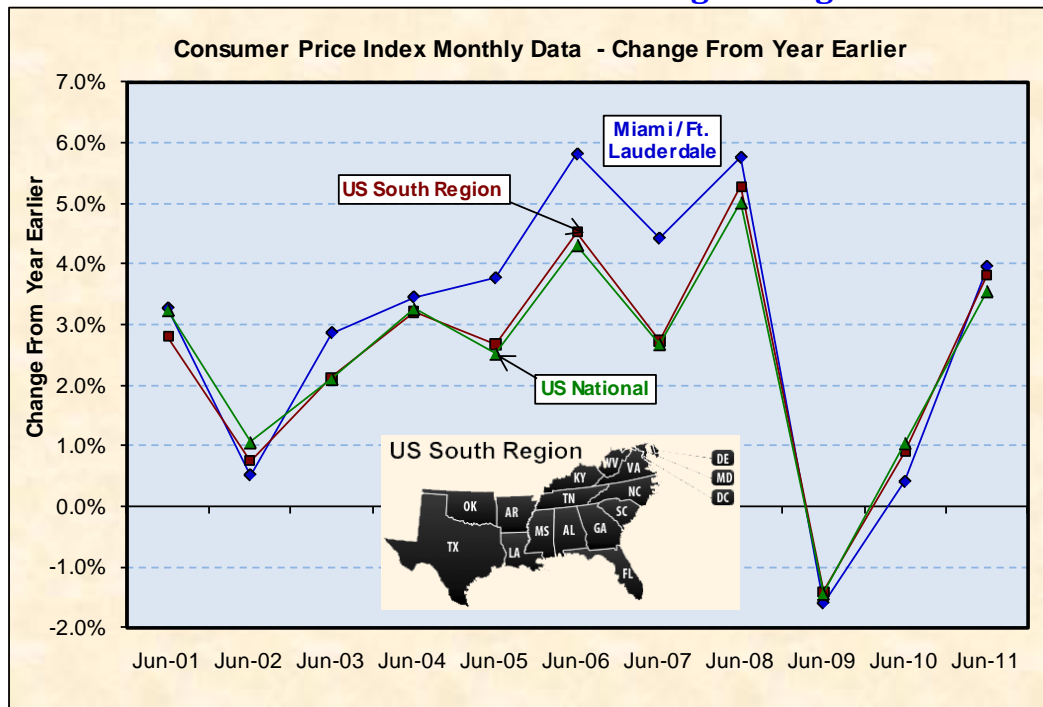


Source: Bureau of Economic and Business Research, University of Florida and Thomson Reuters/University of Michigan

## 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 June 2011, and shows the impact of higher energy and food prices. From June 2010 to June 2011, the National CPI increased by 3.6 percent, the Southern Region CPI increased by 3.8 percent, and the Miami-Fort Lauderdale area CPI rose by 4.0 percent. Corresponding year-over-year increases in April were 3.2 percent, 3.4 percent, and 4 percent, respectively. The Federal Reserve Open Market Committee is closely monitoring the core inflation rate and inflationary expectations.

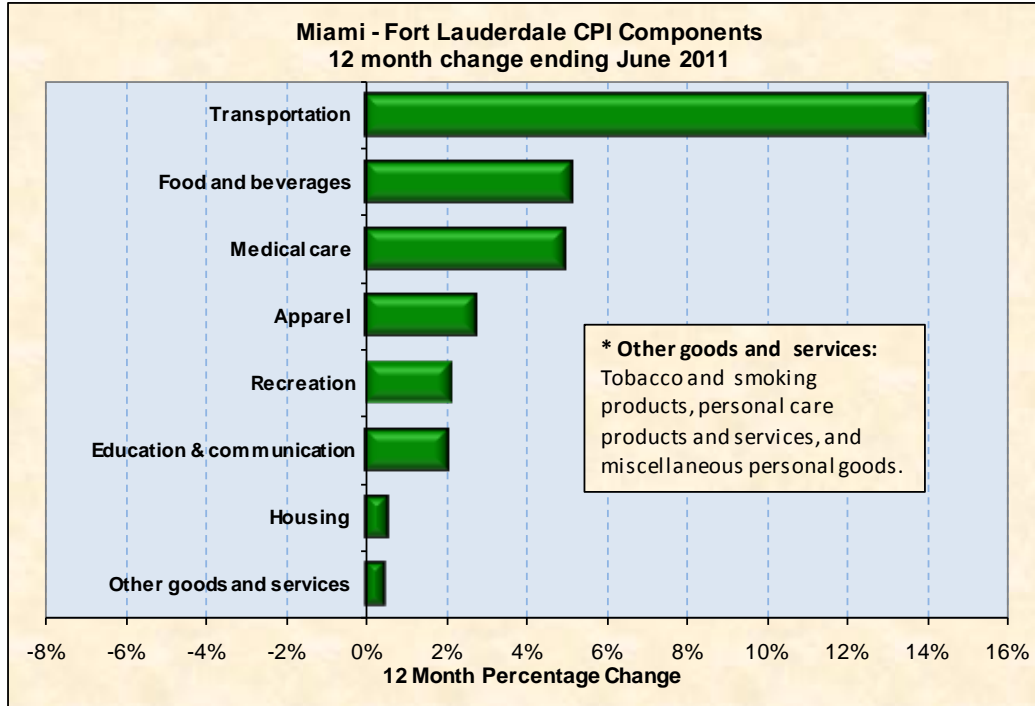
**Chart 24: CPI Annual Percentage Change**



Source: BLS

The components of the Miami-Fort Lauderdale Consumer Price Index for the 12 months ending June 2011 are shown in Chart 25. Costs of transportation showed the largest year-to-year increase of 13.9 percent, reflecting the large rise in gasoline costs since last year. Other significant increases were seen in food & beverage costs (up 5.1 percent) and medical care (up 4.9 percent). It should be noted that all categories showed positive price increases including housing.

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



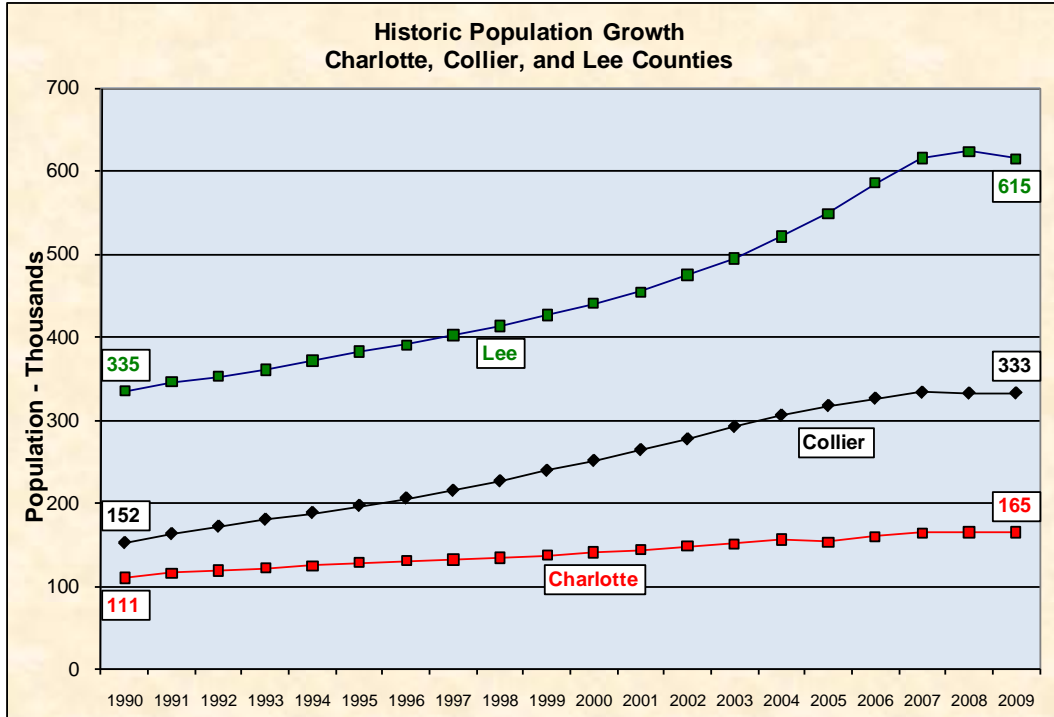
Source: BLS

## 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.

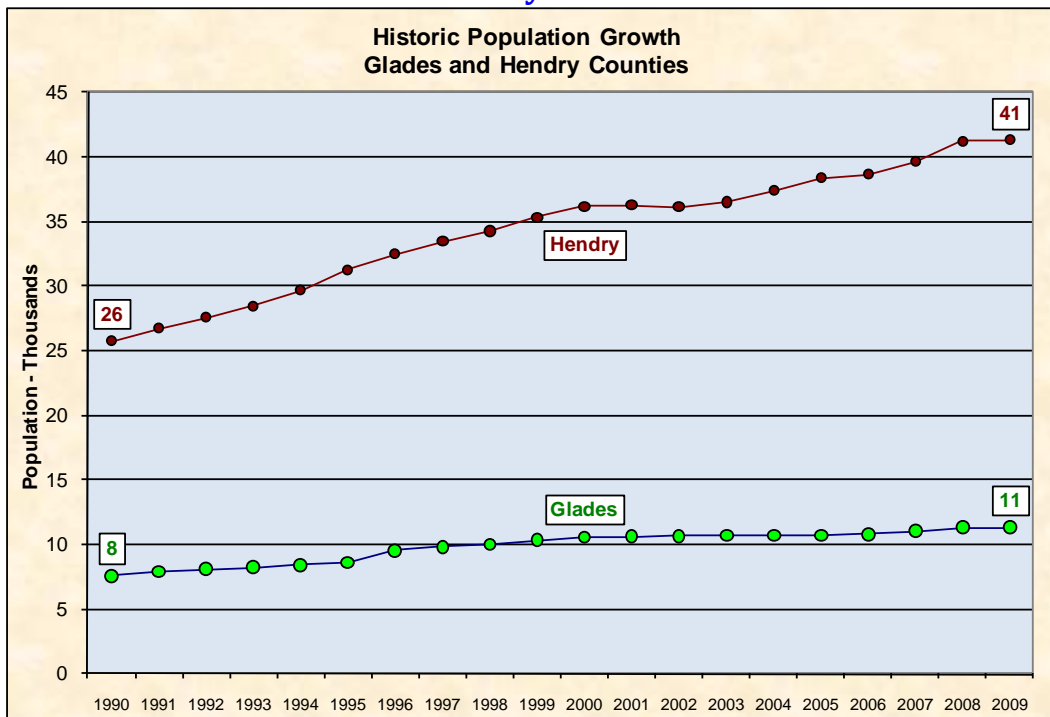
Chart 28 and its accompanying table show projected population increases from 2010 to 2030. The overall rate of regional growth averages 1.9 percent per year for this period, resulting in a 20-year increase of 46 percent.

**Chart 26: Coastal Counties Growth 1990 to 2009**



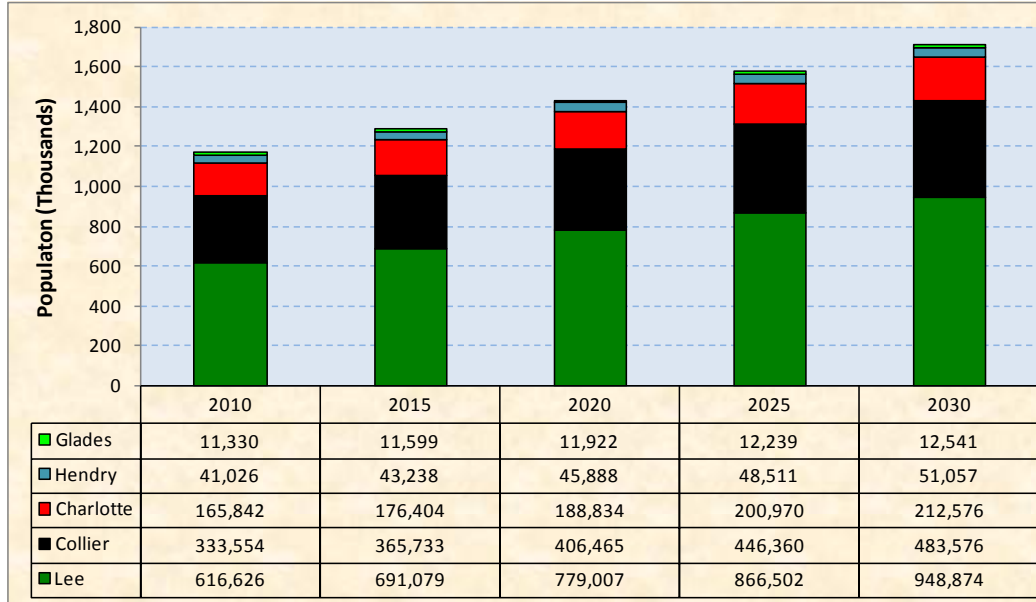
Source: Florida EDR: Florida Demographic Estimating Conference, January 2010 and the Florida Demographic Database, August 2010

**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