

Southwest Florida Regional Economic Indicators

November 2012



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/eri

Table of Contents

Introduction: Regional and National Background	3
Airport Activity	7
Chart 1: SW Florida International Traffic Trend	7
Chart 2: Sarasota Airport Traffic Trend	8
Chart 3: Punta Gorda Airport Traffic Trend	8
Tourism Tax Revenues	9
Chart 4: Lee County Tourism Tax Revenues	9
Chart 5: Collier County Tourism Tax Revenues	10
Chart 6: Charlotte County Tourism Tax Revenues.....	10
Single-Family Building Permits	11
Chart 7: Lee County	11
Chart 8: Collier County	12
Chart 9: Charlotte County.....	12
Taxable Sales	13
Chart 11: Taxable Sales for Inland Counties	14
Chart 12: Lee County Taxable Sales Change from a Year Earlier	14
Chart 13: Collier County Taxable Sales Change from a Year Earlier	15
Chart 14: Charlotte County Taxable Sales Change from a Year Earlier	15
Workforce – Labor Force, Employment and Unemployment	16
Chart 15: Lee County Labor Force and Unemployment	17
Chart 16: Collier County Labor Force and Unemployment	17
Chart 17: Charlotte County Labor Force and Unemployment.....	18
Chart 18: Hendry County Labor Force and Unemployment	18
Chart 19: Glades County Labor Force and Unemployment	19
Sales of Single-family Homes and Median Sales Prices	19
Chart 20: Lee County	20
Chart 21: Collier County	20
Chart 22: Charlotte County.....	21
Consumer Confidence Index.....	21
Chart 23: Consumer Confidence Index.....	22
Consumer Price Index.....	22
Chart 24: CPI Annual Percentage Change.....	23
Chart 25: Miami-Fort Lauderdale CPI Component Percentage Change	23
Population	24
Chart 26: Coastal Counties Growth 1990 to 2010	24
Chart 27: Inland Counties Growth 1990 to 2010.....	25
Chart 28: Projections by County.....	25

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: Regional and National Background

Southwest Florida taxable sales increased by six percent from August 2011 to August 2012, a higher rate of growth than the four percent observed between July 2011 and July 2012. Southwest Florida International Airport Passenger traffic increased by one percent from September 2011 to September 2012. Lee, Collier, and Charlotte Counties issued a total of 283 single-family home permits in October, up from 187 last October. Median prices of existing single-family homes increased in October 2012 from October 2011 by over 23 percent in Lee, Collier, and Charlotte Counties, reflecting more traditional sales compared to distress sales. Southwest Florida tourism tax revenues for September 2012 were nine percent higher than September 2011.

October 2012 seasonally-adjusted unemployment rates generally improved from September 2012, as well as from the prior October. Lee County dropped from 8.8 percent unemployment in September 2012 to 8.4 percent in October 2012. Collier County's unemployment rate declined from 8.3 percent in September 2012 to 8.0 percent in October. Charlotte County's October unemployment rate decreased to 8.4 percent from 8.6 percent in September 2012. Hendry County declined from 11.7 percent in September 2012 to 11.2 percent in October and Glades County's unemployment rate held steady at 9.3 percent for September and October 2012. Consumer prices increased by two percent for the nearest metropolitan area surveyed which is the Miami-Fort Lauderdale area.

The national economy's growth rate (real GDP) for the third quarter increased at a 2.0 percent annual rate, compared to 1.3 percent for the second quarter. In the first quarter, economic growth was 2.0 percent. Third quarter real personal consumption expenditures increased by 2.0 percent, compared to 1.5 percent in the second quarter. Slow economic growth makes it difficult to bring down the unemployment rate.

The national unemployment rate edged up from 7.8 percent in September 2012 to 7.9 percent in October 2012. The number of long-term unemployed (those jobless for 27 weeks or longer) is 5.0 million or 40.6 percent of all unemployed.

The October Bureau of Labor Statistics Establishment Survey showed that national nonfarm payroll employment increased by 171,000, a larger increase than September's 148,000. The October employment increases included 51,000 in professional and business services, 36,000 in retail, 31,000 in health care, and 28,000 in leisure and hospitality. In contrast, employment fell by 9,000 in mining.

The national consumer price index increased by 2.2 percent from October 2011 to October 2012. The change was primarily driven by increases of 4.0 percent for energy and 1.7 percent for food. Medical care services increased by 3.9 percent and medical care commodities increased by 3.0 percent. Core inflation (all items less food and energy) increased by 2.0 percent.

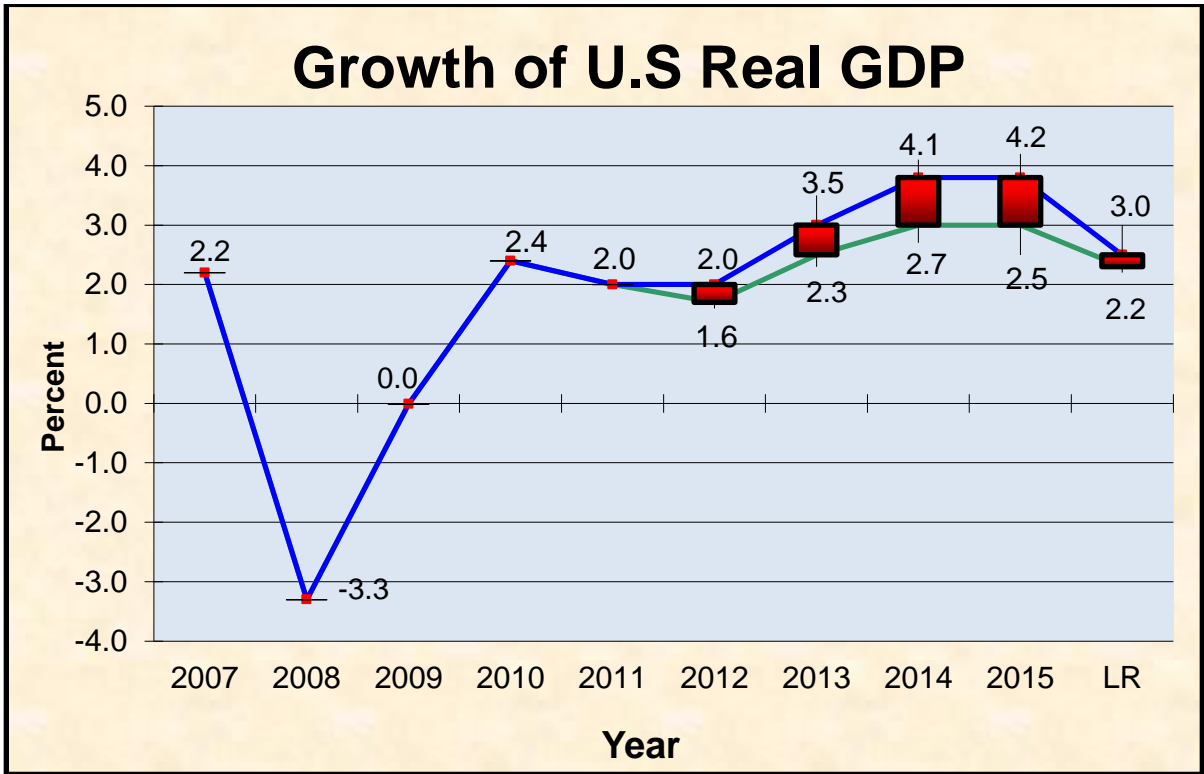
As noted last month, the latest statement of the Federal Reserve Open Market Committee (FOMC) was issued on October 24th; a condensed summary appears below:

- Economic activity has continued to expand at a moderate pace in recent months;
- Household spending has advanced a bit more quickly, but growth in business fixed investment has slowed;
- The housing sector has shown some further signs of improvement, albeit from a depressed level;
- Inflation recently picked up somewhat, although longer-term inflation expectations have remained stable. The Committee anticipates that inflation over the medium term likely would run at or below its 2 percent objective;
- The Committee remains concerned that, without sufficient policy accommodation, economic growth might not be strong enough to generate sustained improvement in labor market conditions. Furthermore, strains in global financial markets continue to pose significant downside risks to the economic outlook;
- To support a stronger economic recovery, the Committee will continue purchasing additional agency mortgage-backed securities at a pace of \$40 billion per month;
- The Committee will also continue through the end of the year its program to extend the average maturity of its holdings of securities, and its existing policy of reinvesting principal payments in agency mortgage-backed securities;
- These actions are expected to put downward pressure on longer-term interest rates, support mortgage markets, and help to make broader financial conditions more accommodative;
- If the outlook for the labor market does not improve substantially, the Committee will continue its purchases of mortgage-backed securities, undertake additional asset purchases, and employ its other policy tools as appropriate until such improvement is achieved in a context of price stability;
- To support continued progress toward maximum employment and price stability, the Committee expects that a highly accommodative stance of monetary policy will remain appropriate for a considerable time after the economic recovery strengthens. The Committee currently anticipates that exceptionally low levels for the federal funds rate are likely to be warranted at least through mid-2015.

The next meeting of the FOMC is scheduled for December 11th – 12th.

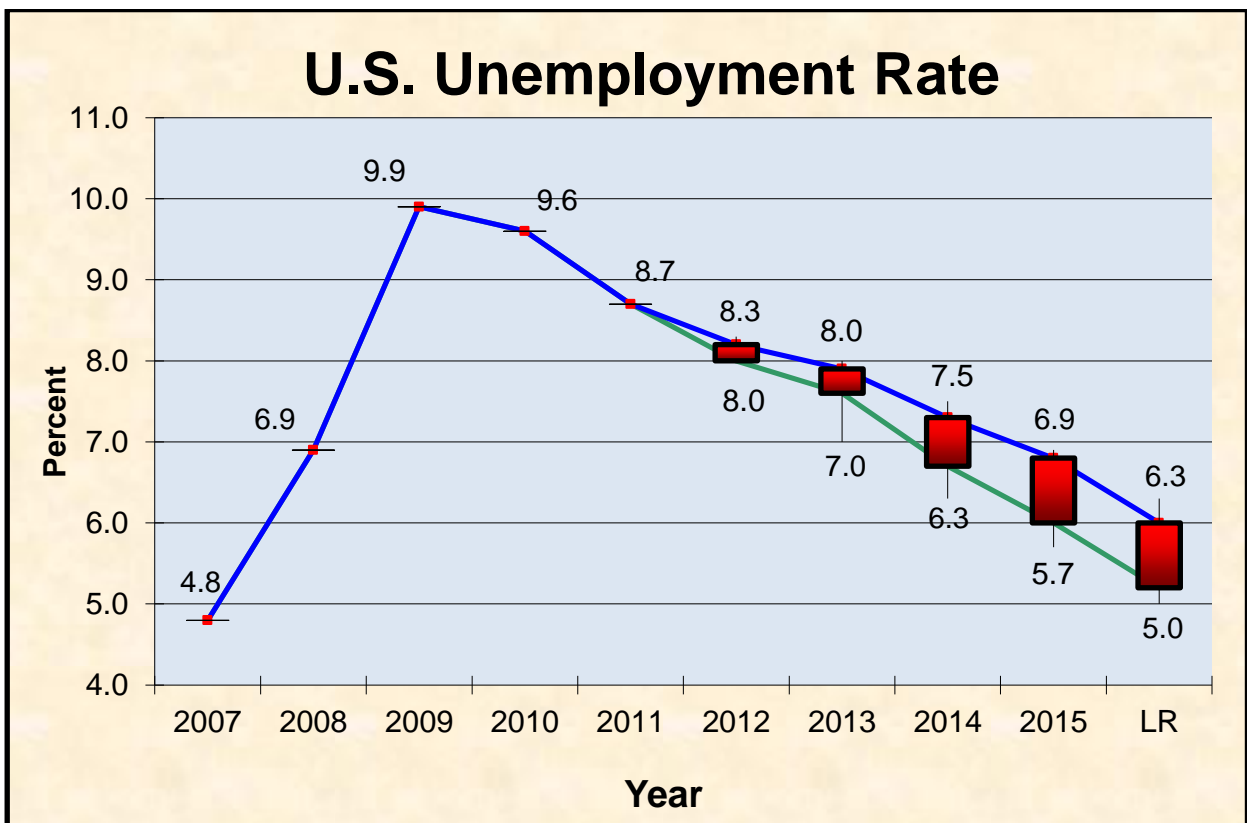
As reported last month, the FOMC released its latest forecast on September 13, 2012, which is shown on the following page in the "box and whiskers" charts. The red boxes are the central tendency forecast and the full range of uncertainty is reflected in the whiskers, or vertical lines.

The chart shows that recovery started in 2009, but it is expected to be several years before the economy returns to a more normal long-run trend ("LR"). Real GDP growth projections for 2012, 2013, and 2014 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 2012, the overall projected range is 1.6 to 2.0 percent with a central tendency (red bar) range of 1.7 to 2.0 percent growth. For 2013, the overall projected range is 2.3 to 3.5 percent with a central tendency range of 2.5 to 3.0 percent growth. For 2014, the overall projected range is 2.7 to 4.1 percent with a central tendency range of 3.0 to 3.8 percent growths. For 2015, the overall projected range is 2.5 to 4.2 percent with a central tendency range of 3.0 to 3.8 percent growths. The long-run trend for Real GDP has a range of 2.2 to 3.0 percent growth with a central tendency of 2.3 to 2.5 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: Federal Reserve Open Market Committee Meeting Statement, September 13, 2012.

As shown in the chart on the next page, the 2012 national unemployment rate is expected to be lower than in 2011, but remain historically high, in a range of 8.0 to 8.3 percent, with a central tendency of 8.0 to 8.2 percent. For 2013, the overall projected range for the national unemployment rate is 7.0 to 8.0 percent with a central tendency range of 7.6 to 7.9 percent. For 2014, the overall projected range for the national unemployment rate is 6.3 to 7.5 percent with a central tendency range of 6.7 to 7.3 percent. For 2015, the overall projected range for the national unemployment rate is 5.7 to 6.9 percent with a central tendency range of 6.0 to 6.8 percent. Long-run unemployment is expected to be in a range of 5.0 to 6.3 percent with a central tendency of 5.2 to 6.0 percent. The projections for unemployment are for the fourth quarter of each year.



Source: Federal Reserve Open Market Committee Meeting Statement, September 13, 2012.

Issues related to the Federal budget, state budgets, European sovereign debt issues, health care costs, income and estate tax uncertainties, and oil prices continue to create some headwinds but the trend of slow but positive economic growth is expected.

RERI thanks all of the individuals and organizations that have helped to bring together the regional information for this report. These include 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.

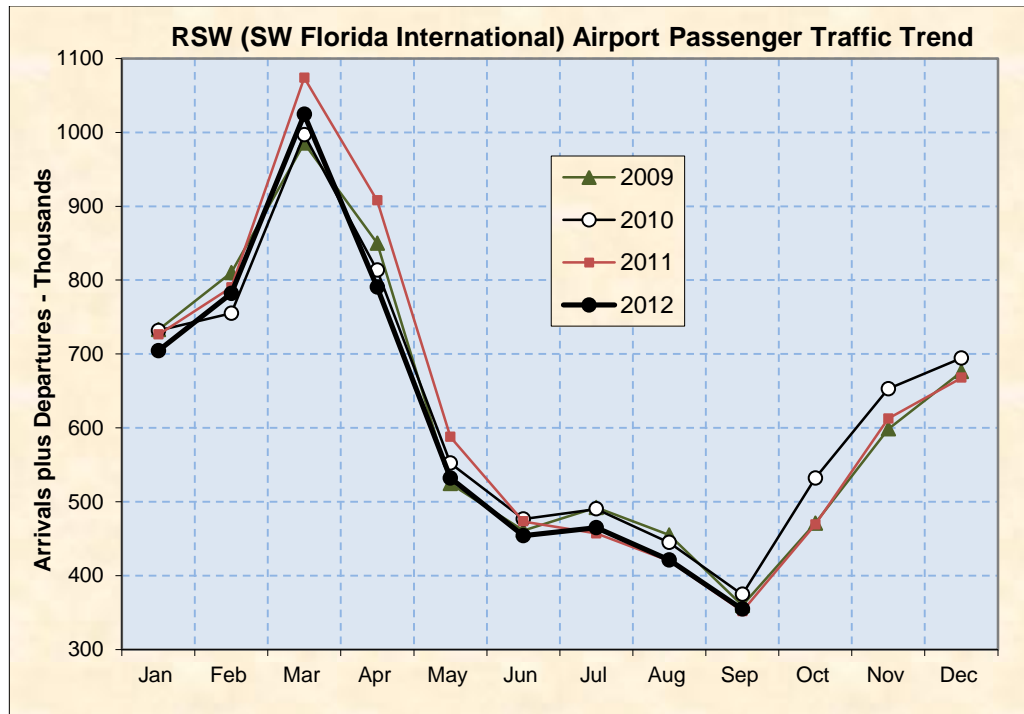
Airport Activity

Airport passenger activity is defined as the sum of arrivals and departures for Southwest Florida International (RSW), Sarasota Bradenton International (SRQ), and Punta Gorda (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.

Passenger activity for the three Southwest Florida airports was one-percent below the September 2011 figure. Chart 1 shows SW Florida International passenger activity of 354,640 in September 2012, one percent above September 2011. Sarasota Bradenton passenger activity amounted to 65,167 passengers in September 2012, 11 percent below September 2011, as shown in Chart 2.

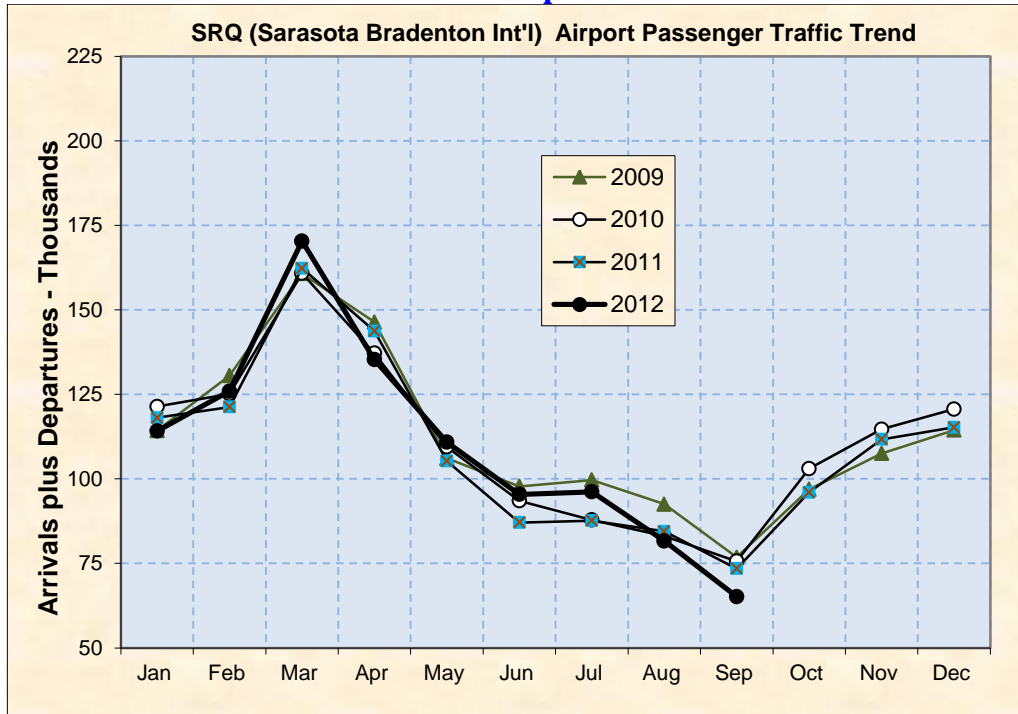
Punta Gorda passenger activity amounted to 10,871 in September 2012, 16-percent higher than September 2011.

Chart 1: SW Florida International Traffic Trend



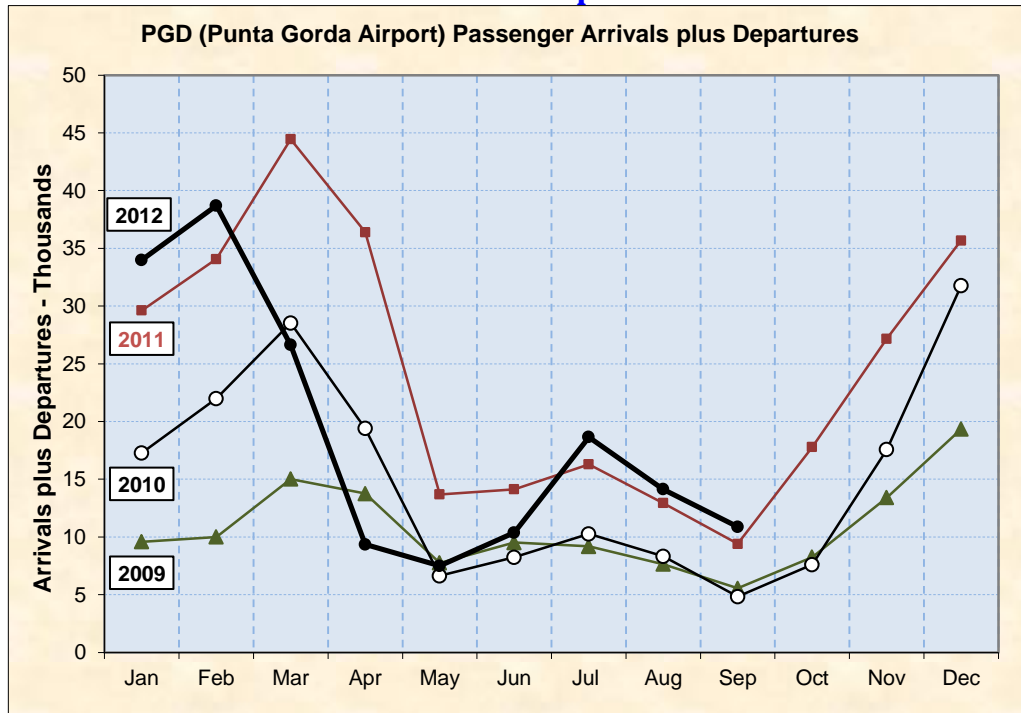
Source: Local Airport Authorities

Chart 2: Sarasota Airport Traffic Trend



Source: Local Airport Authorities

Chart 3: Punta Gorda Airport Traffic Trend

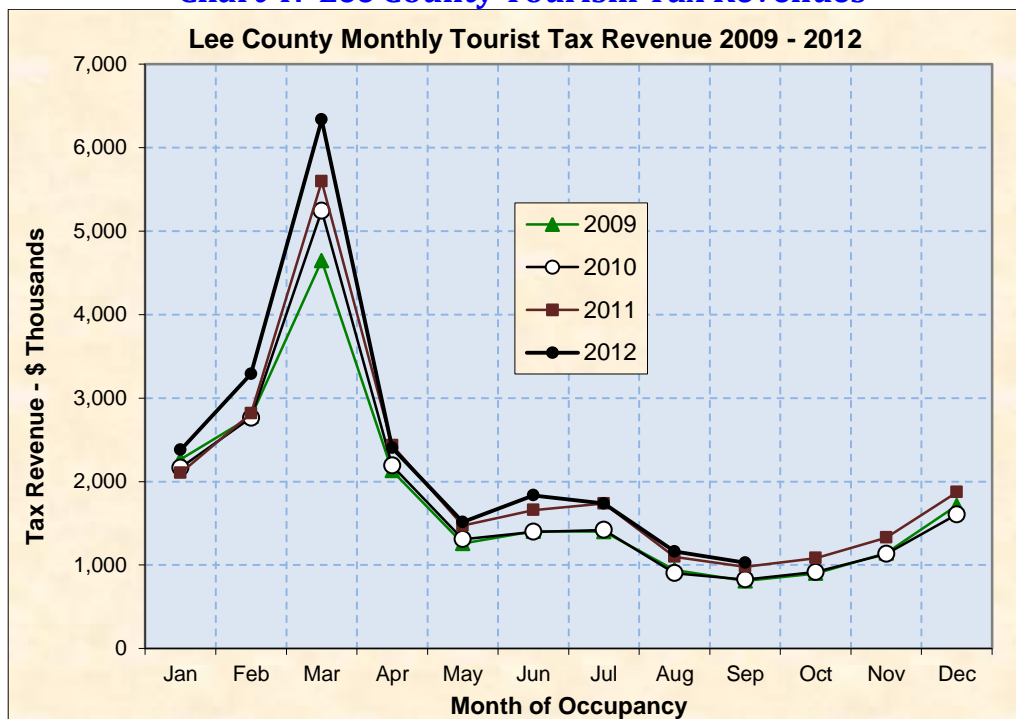


Source: Local Airport Authorities

Tourism Tax Revenues

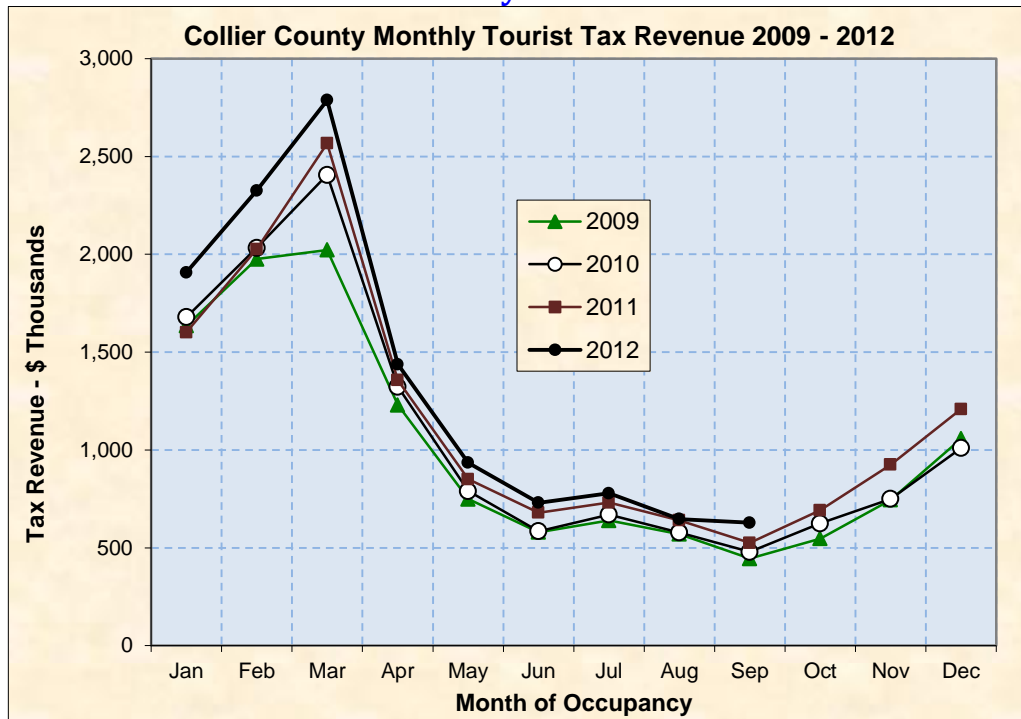
Tourism tax revenues for the three coastal counties are shown in Charts 4, 5, and 6, based on month of occupancy. In total, September 2012 tourism tax revenues for the coastal counties were nine percent higher than September 2011. Lee County tourism tax revenues for September 2012 amounted to \$1,026,758, an increase of five percent from September 2011. Collier County's September 2012 tourism tax revenues were \$627,861, a 20-percent increase over September 2011. Charlotte County reported tourism tax revenues of \$65,044 for September 2012, a 7-percent decrease from September 2011.

Chart 4: Lee County Tourism Tax Revenues



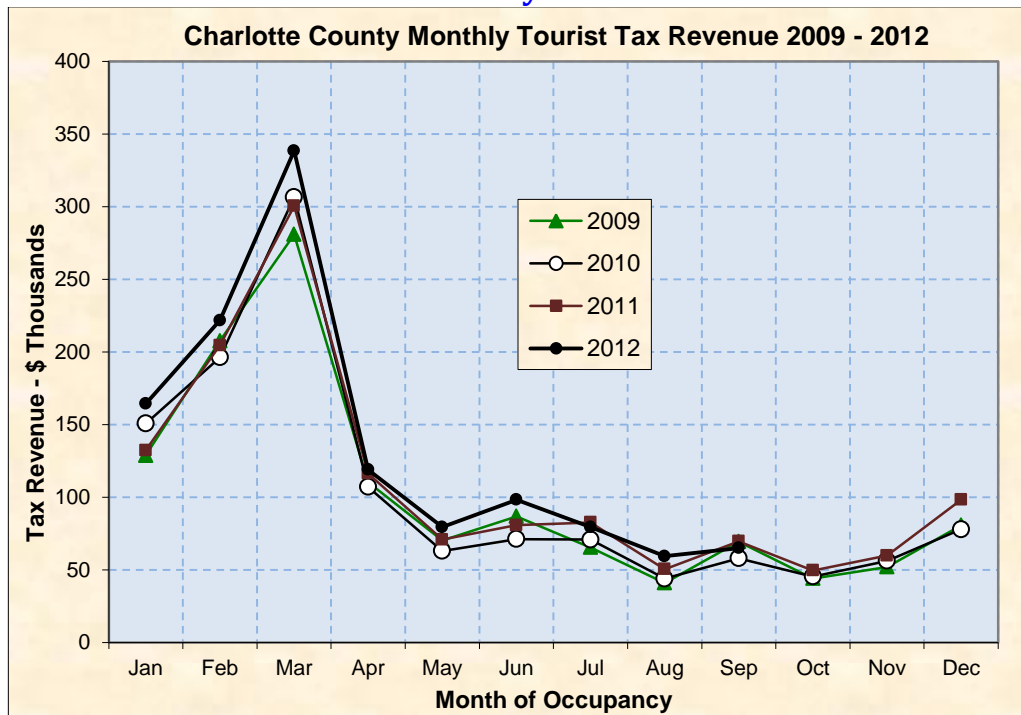
Source: Local County Tourism, Tax, and Economic Development Reports

Chart 5: Collier County Tourism Tax Revenues



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

Chart 6: Charlotte County Tourism Tax Revenues



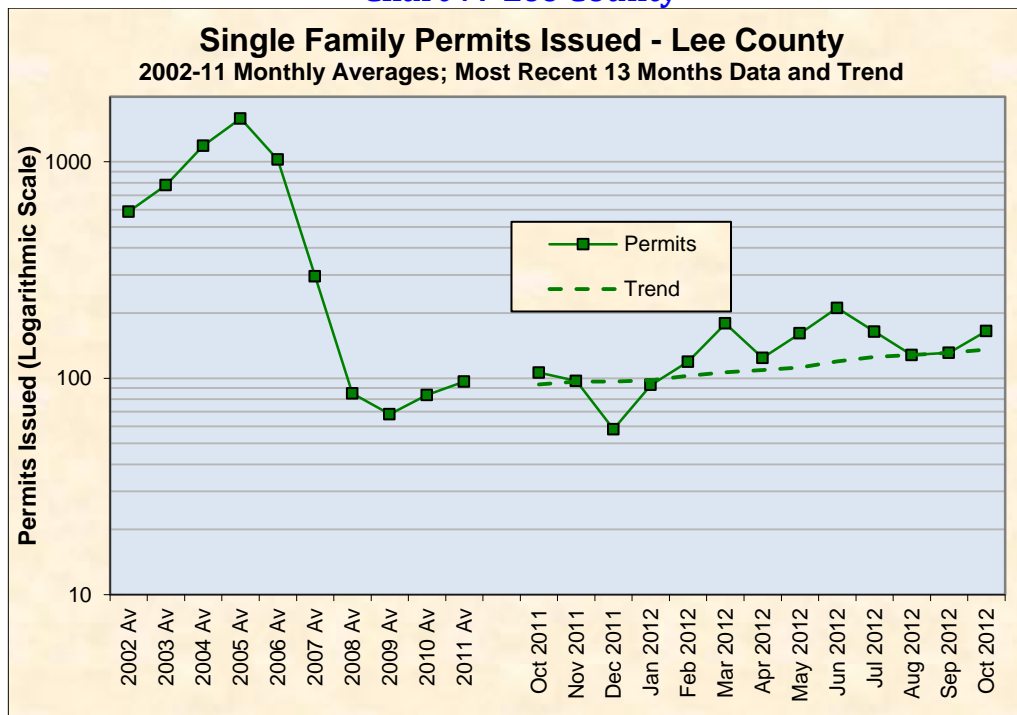
Source: Local County Tourism, Tax, and Economic Development Reports

Single-Family Building Permits

Total single-family building permits for the three coastal county region increased by 51 percent in October 2012 over October 2011, and by 25 percent over the prior month of September 2012. A total of 283 single-family permits were issued in the region in October 2012, compared to 187 permits in October 2011 and 226 permits issued in September 2012.

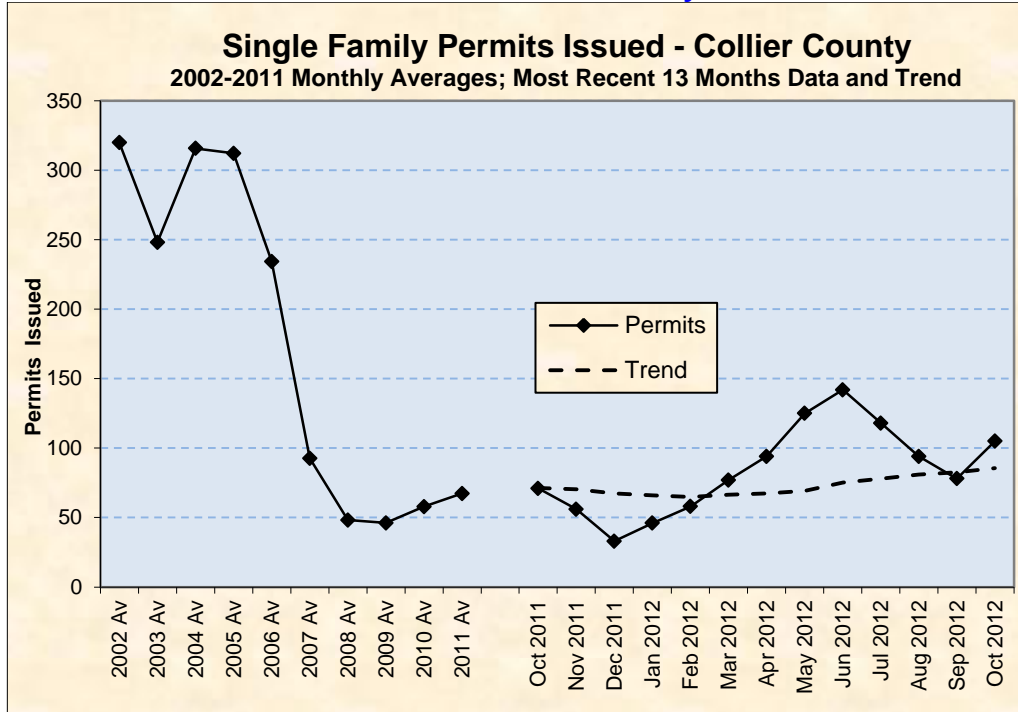
Lee County reported 165 single-family building permits issued in October 2012, an increase of 59 from October 2011, and an increase of 34 from the September 2012 figure of 131, as shown in Chart 7 (which employs a logarithmic scale on its y-axis to more clearly portray long-term trends). Collier County issued 105 permits in October 2012, up from 71 in October 2011, and from 78 in September 2012, as shown in Chart 8. Lee and Collier Counties 12-month trend continues to show some upward movement. Charlotte County recorded 13 permits in October 2012, up from 10 in October 2011, but down from 17 in September 2012, as shown in Chart 9. Eight single-family building permits have been issued in Hendry County between January and October 2012, compared with 20 permits in the first 10 months of 2011.

Chart 7: Lee County



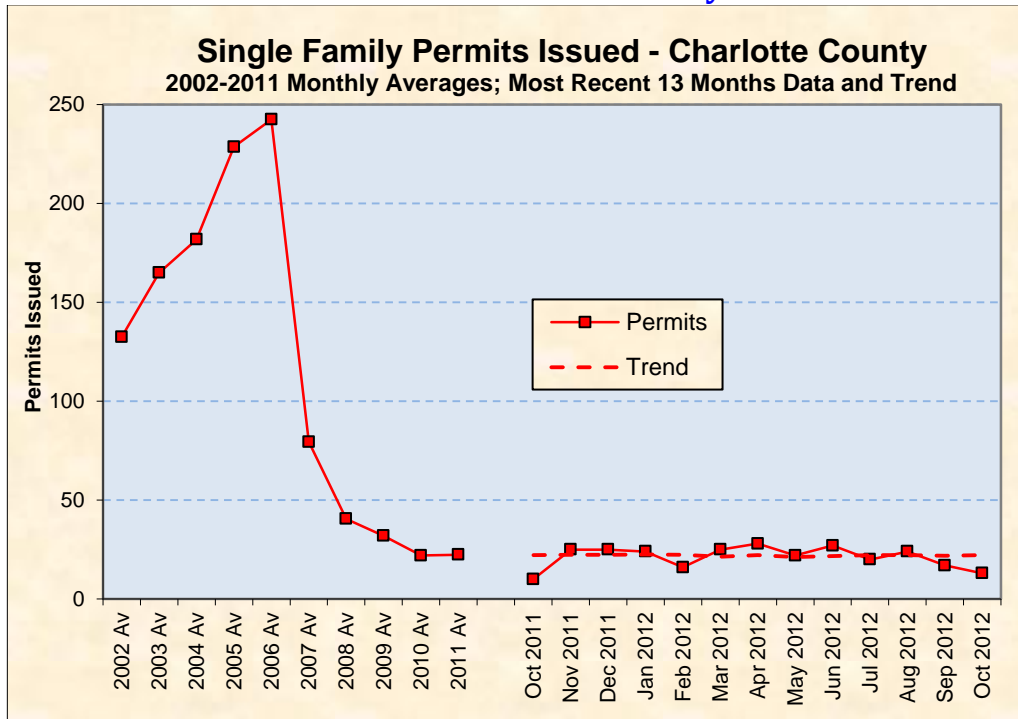
Source: Local Building and Zoning Departments, including Fort Myers, Cape Coral, and Unincorporated Lee County, Bonita Springs and Fort Myers Beach permits.

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

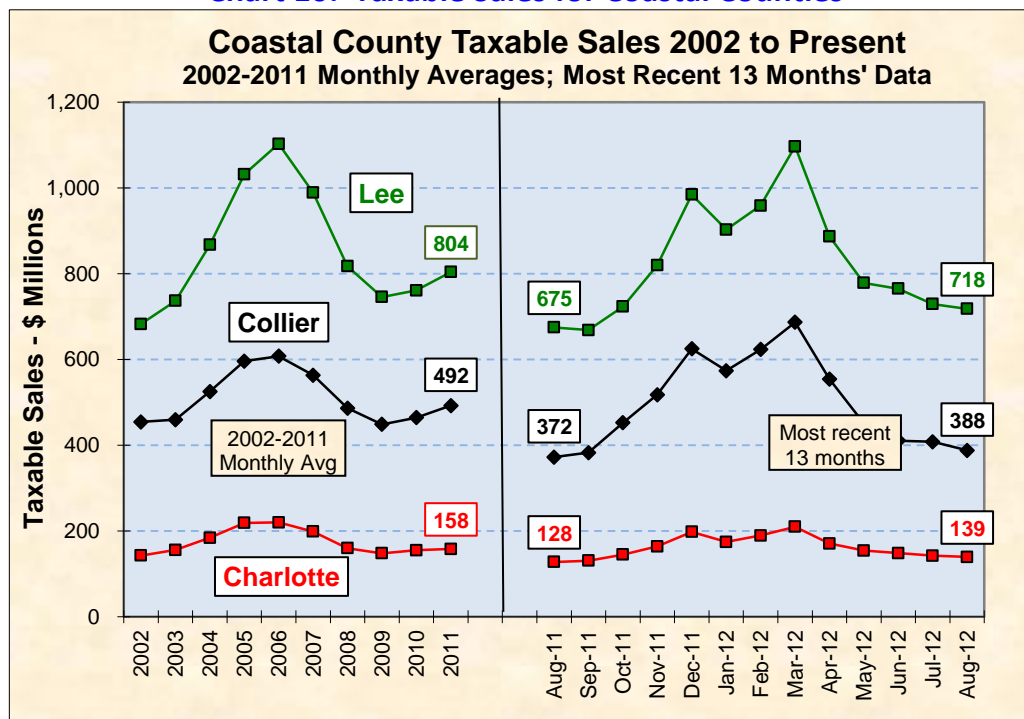
Taxable sales data track consumer spending, an important component of the regional economy. The following charts show the latest month of merchants' collections (August 2012), rather than the reporting month issued by the Florida Department of Revenue.

All reporting counties other than Glades reported increased taxable sales in August 2012 compared to August 2011, for a total regional gain of \$72.3 million, or six percent. Taxable sales data for the coastal counties are shown in Chart 10. Charlotte County's taxable sales of \$139.2 million in August 2012 were nine percent higher than August 2011. Lee County taxable sales were \$717.9 million in August 2012, a six-percent increase over August 2011, while Collier County's taxable sales of \$387.9 million in August 2012 represented a four percent increase over August 2011.

Hendry County's taxable sales of \$20.8 million in August were up 14 percent over August 2011. Glades County reported August 2012 taxable sales of \$2.0 million, an 11-percent decrease from August 2011. Taxable sales for Hendry and Glades Counties are shown in Chart 11.

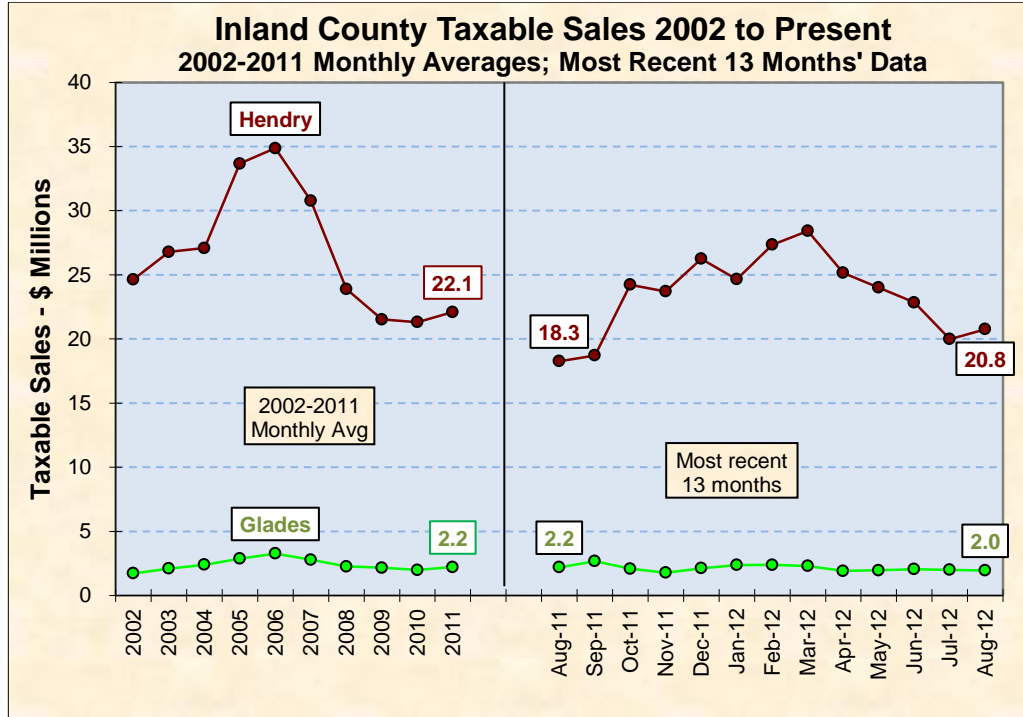
Charts 12, 13, and 14 depict percentage changes in taxable sales from the same month a year earlier. The changes continued to be positive. Lee and Collier Counties have shown positive year-over-year comparisons for every month in the two-year measurement period. Charlotte County has recorded positive changes for the last 11 consecutive months.

Chart 10: Taxable Sales for Coastal Counties



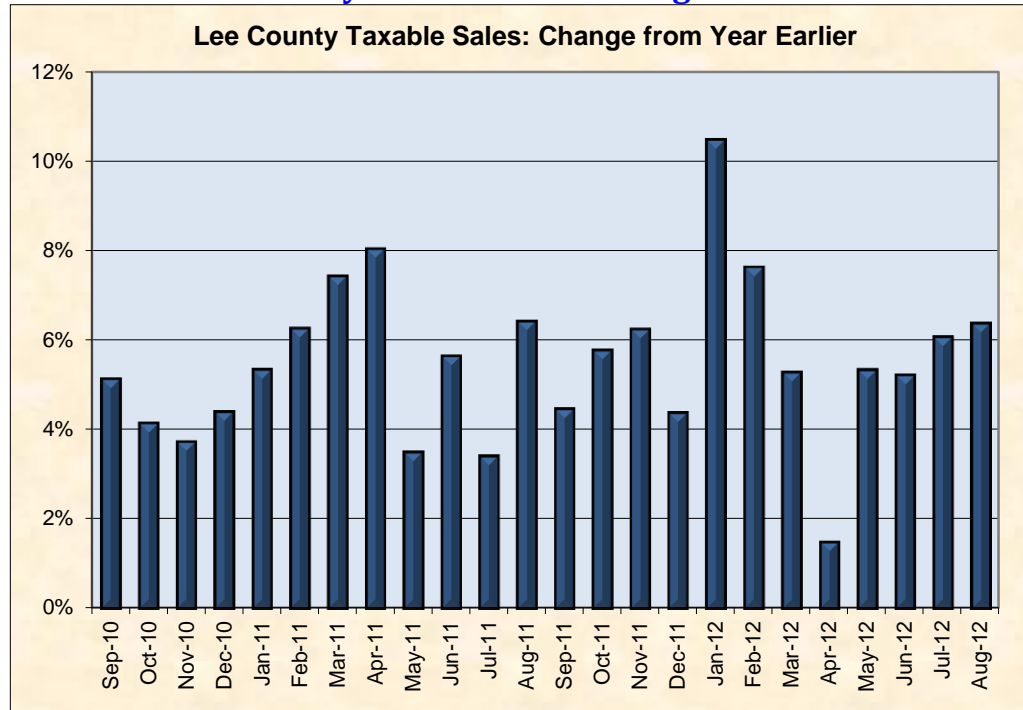
Source: Florida Department of Revenue, Office of Tax Research

Chart 11: Taxable Sales for Inland Counties



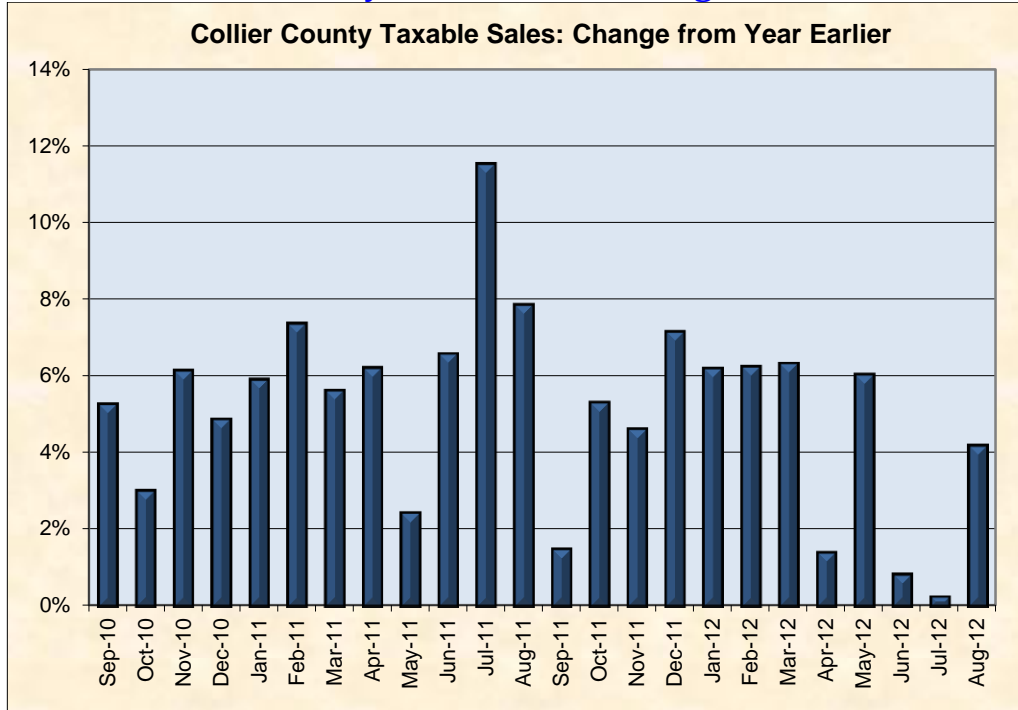
Source: Florida Department of Revenue, Office of Tax Research

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



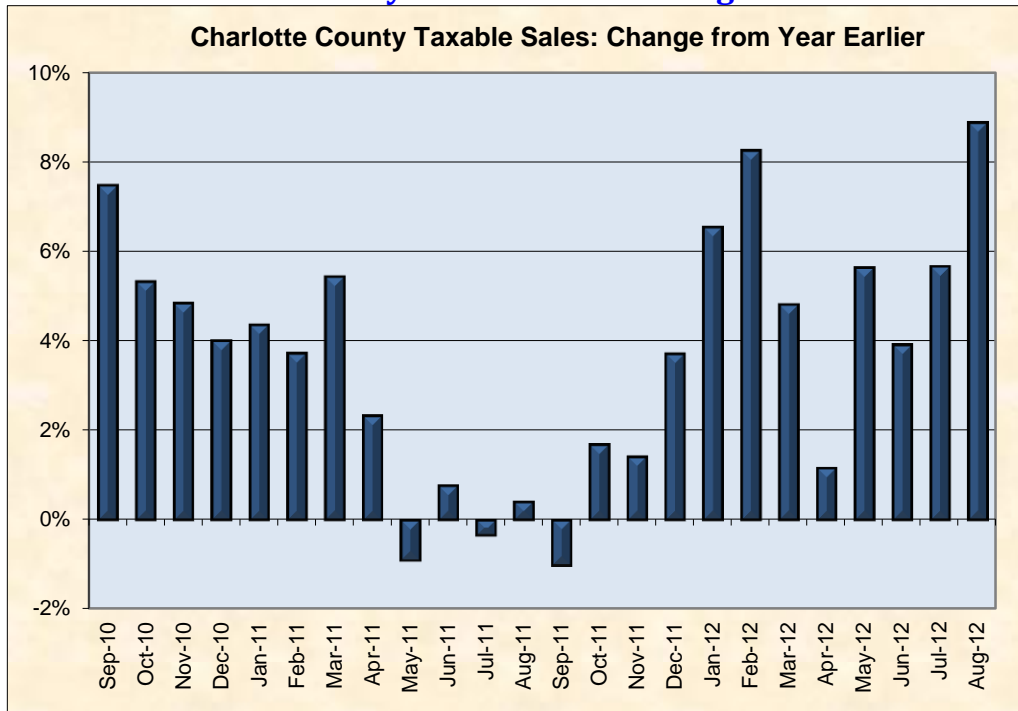
Source: Florida Department of Revenue, Office of Tax Research

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

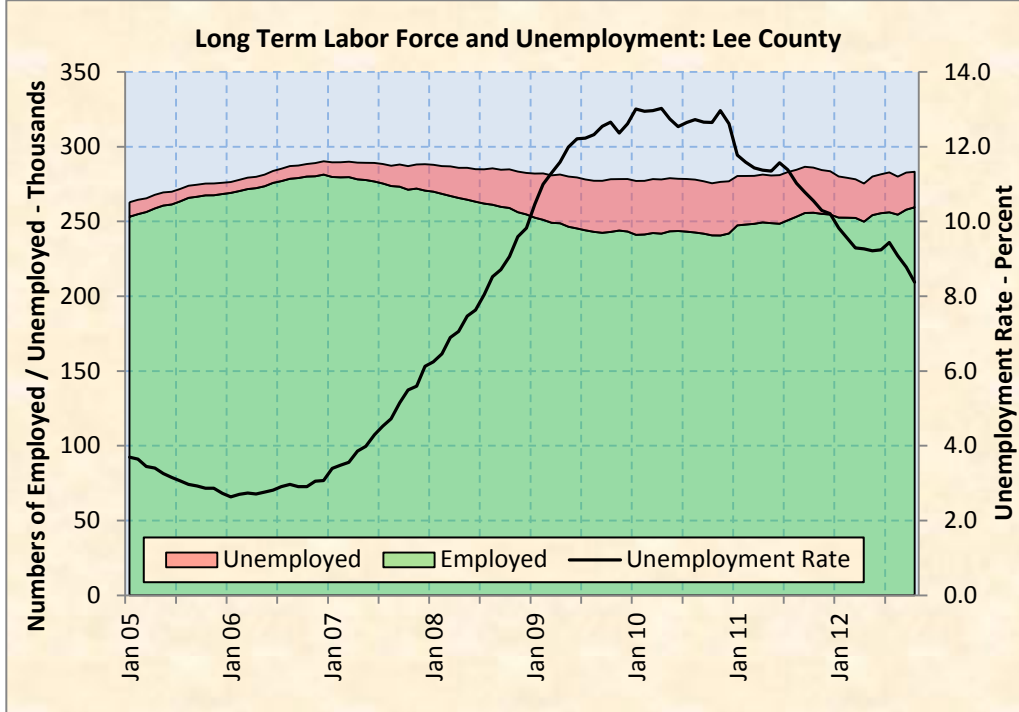
Charts 15, 16, 17, 18, and 19 show total persons employed unemployed, and the unemployment rate for each county in the region from January 2005 to October 2012, on a seasonally-adjusted basis. Unemployment rates above five or six percent generally reflect cyclical unemployment and a slowdown of the economy from long-run trends.

Seasonally-adjusted unemployment rates in October 2012 continued to show improvement from the prior year (October 2011) in all five reporting counties. Lee County's seasonally-adjusted unemployment rate declined to 8.4 percent in October 2012, down from 8.8 percent in September 2012, and substantially below the 10.6 percent figure of October 2011. This was the lowest unemployment rate in Lee County since July 2008. Lee's employment grew by 3,641 persons from October 2011 to October 2012. Collier County's unemployment rate dropped to 8.0 percent in October 2012 compared to 8.3 percent in September 2012 and 9.8 percent in October 2011, with an increase of 4,722 persons employed. This represented the lowest rate since October 2008. Charlotte County had an unemployment rate of 8.4 percent in October 2012, its lowest rate since July 2008, representing a drop from 8.6 percent in September 2012 and from 10.3 percent in October 2011.

Hendry's unemployment rate dropped to 11.2 percent in October, its lowest rate since July 2008. This was 0.5 percentage points below the September 2012 figure and 2.7 percentage points lower than October 2011. The unemployment rate in Glades County was 9.3 percent in October 2012, equal to the rate in September 2012 and 1.1 percentage points lower than September 2011. Total employment in the five reporting counties increased by 9,720 persons over October 2011; the number of unemployed dropped by 10,967 and the region's total unemployment rate fell from 10.4 percent to 8.4 percent.

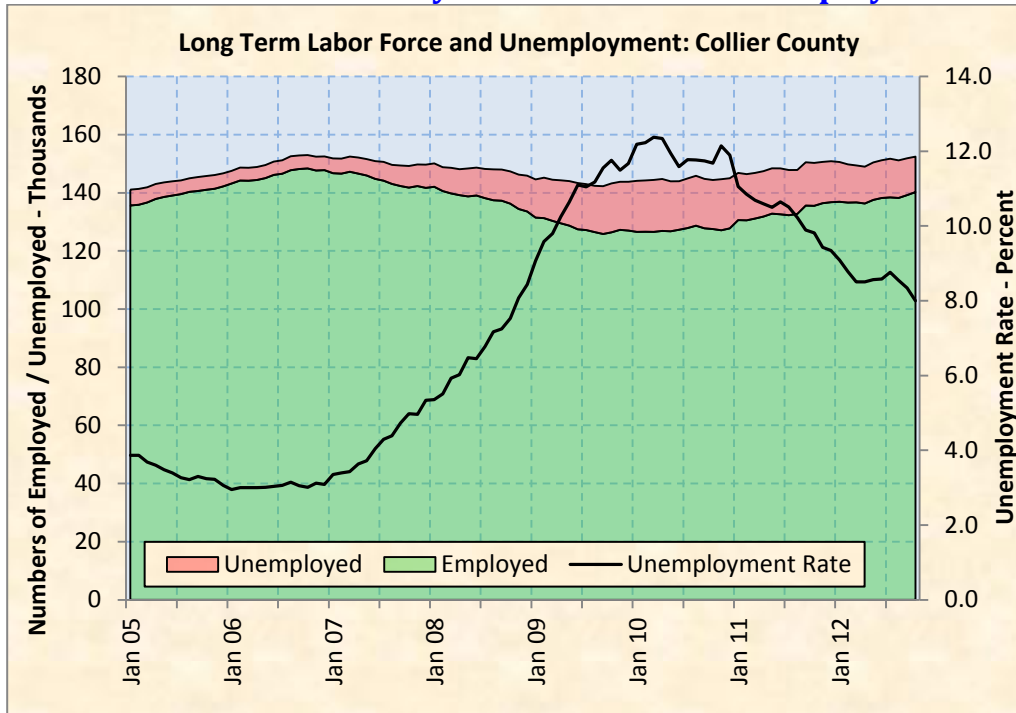
The October 2012 seasonally-adjusted unemployment rate for the State of Florida dropped to 8.5 percent from the September 2012 figure of 8.7 percent; this represents a 1.7 percentage point decrease from the 10.2 percent of October 2011. The seasonally-adjusted national unemployment rate was 7.9 percent in October 2012, up slightly from 7.8 percent in September 2012, but 1.0 percentage point below the 8.9 percent recorded in October 2011.

Chart 15: Lee County Labor Force and Unemployment



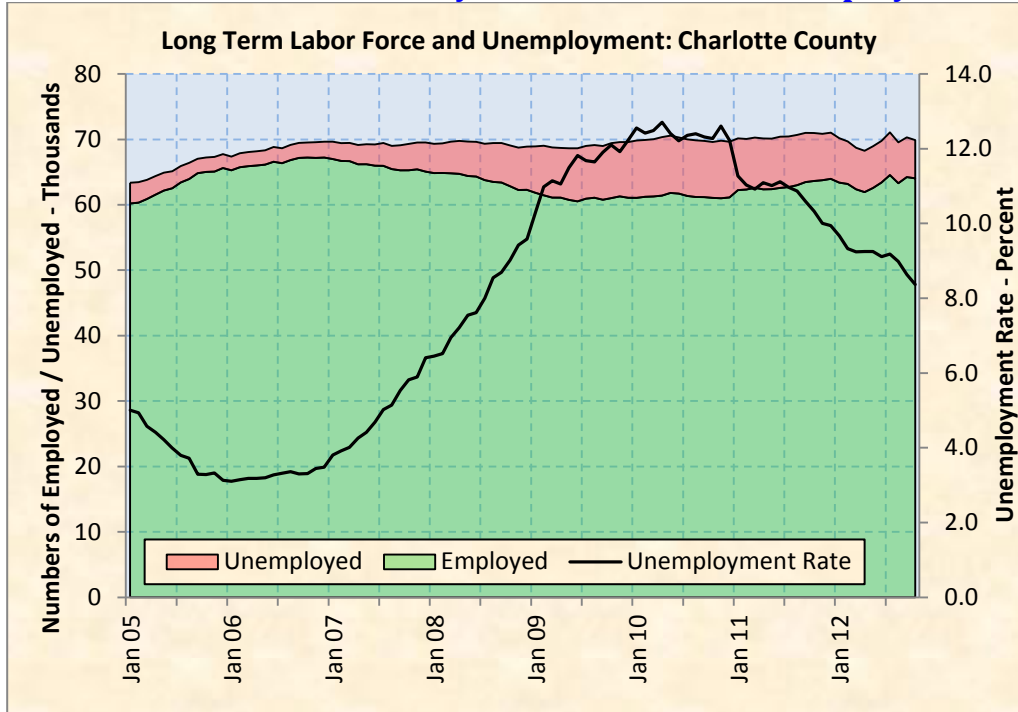
Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI

Chart 16: Collier County Labor Force and Unemployment



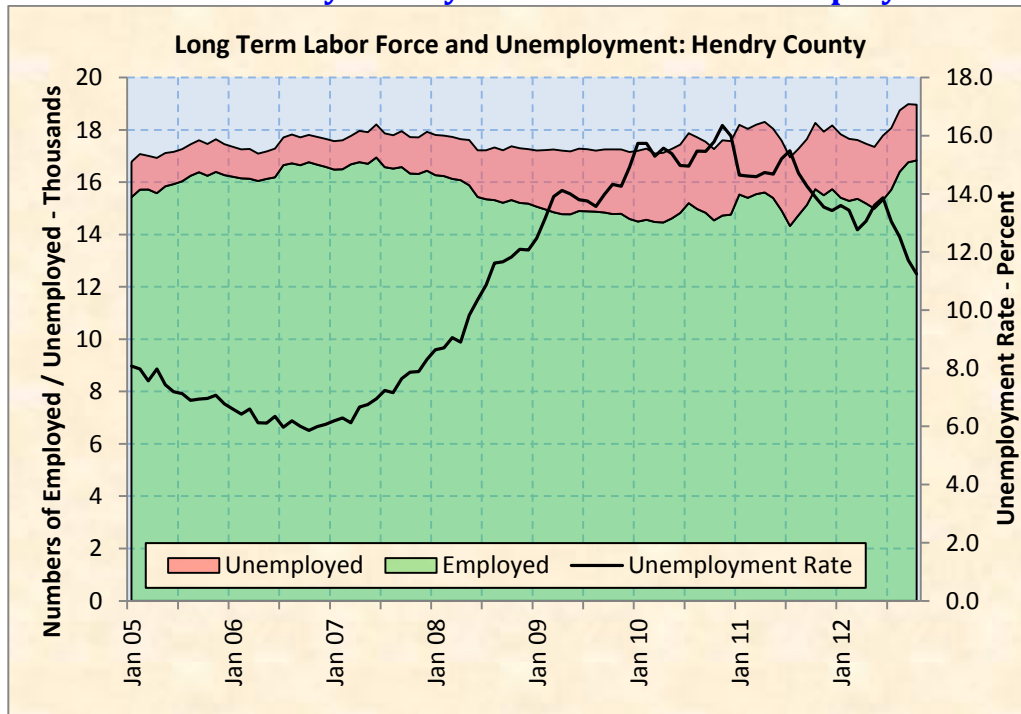
Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI

Chart 17: Charlotte County Labor Force and Unemployment



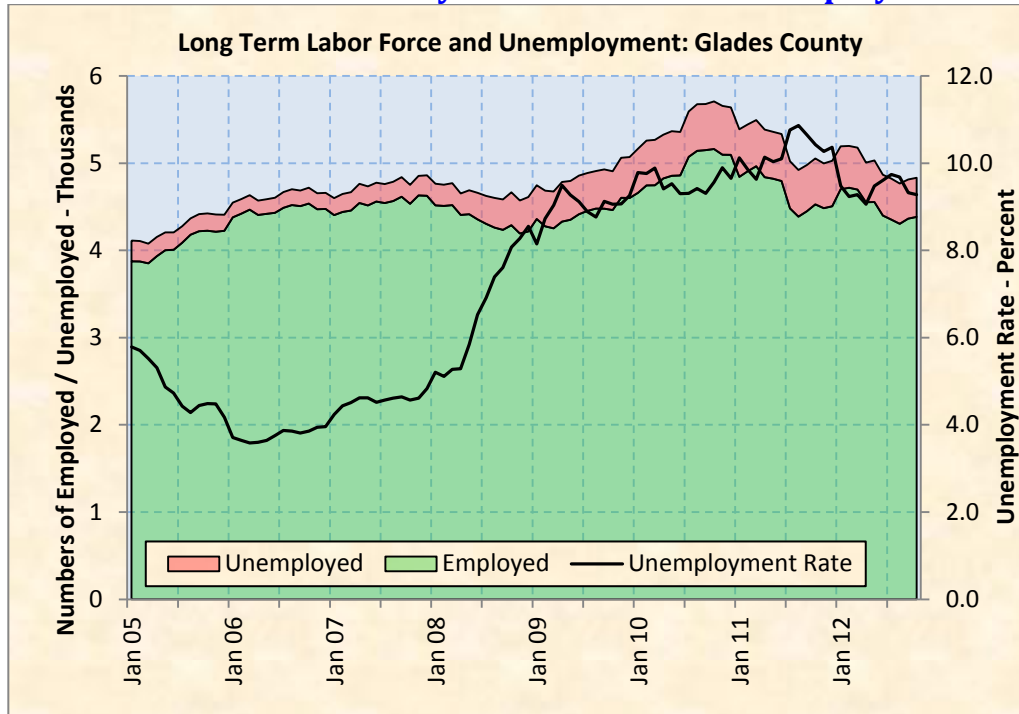
Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI

Chart 18: Hendry County Labor Force and Unemployment



Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI

Chart 19: Glades County Labor Force and Unemployment



Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI

Sales of Single-family Homes and Median Sales Prices

Charts 20 through 22 show the existing single-family home sales by a Realtor® for Lee, Collier, and Charlotte Counties. The line represents median price with the scale on the right side and the bars represent the number of homes sold with the scale on the left side.

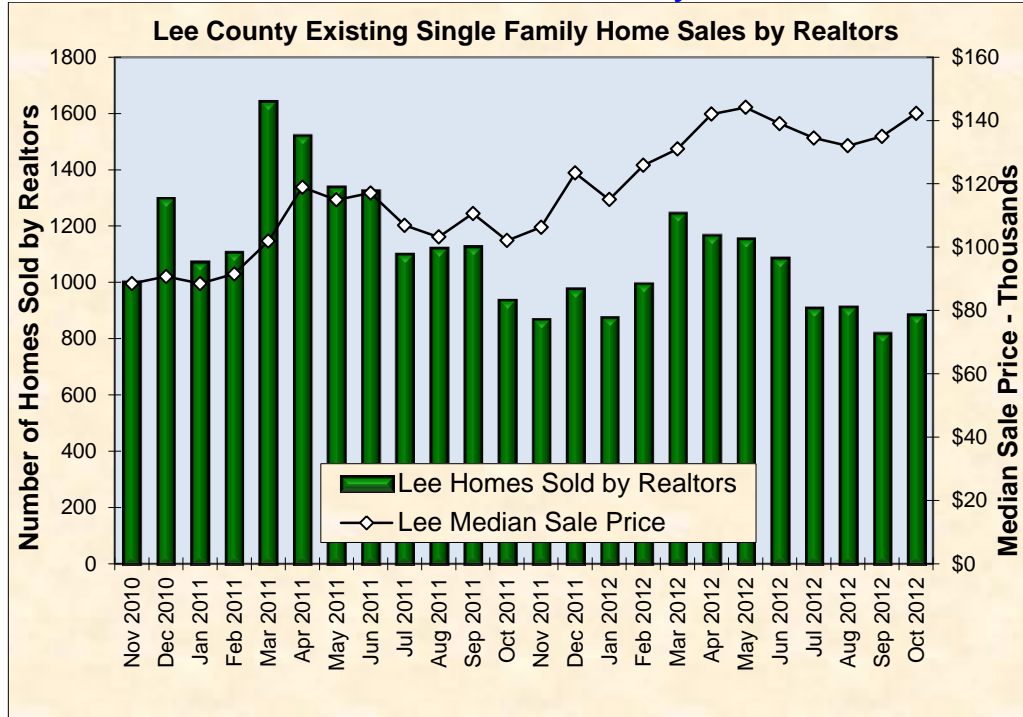
Combined sales of single-family homes in the coastal counties grew to 1,471 units in October 2012, up 10 percent from the prior month of September 2012, and essentially the same as the October 2011 figure of 1,472. Median prices in all three counties continued to show significant increases from October 2011.

There were 886 sales reported in Lee County in October 2012 at a median price of \$142,250. Sales were down six percent from 938 in October 2011, but the median price rose to \$142,250 from \$102,100 over the same time period. In September 2012, 820 homes were sold with a median price of \$135,000.

Collier County had 305 single-family home sales in October 2012, a two-percent increase from October 2011 and 14 percent above the September 2012 figure of 268. The median price was \$235,000 in October 2012, compared to \$190,000 in October 2011 and \$232,000 in September 2012.

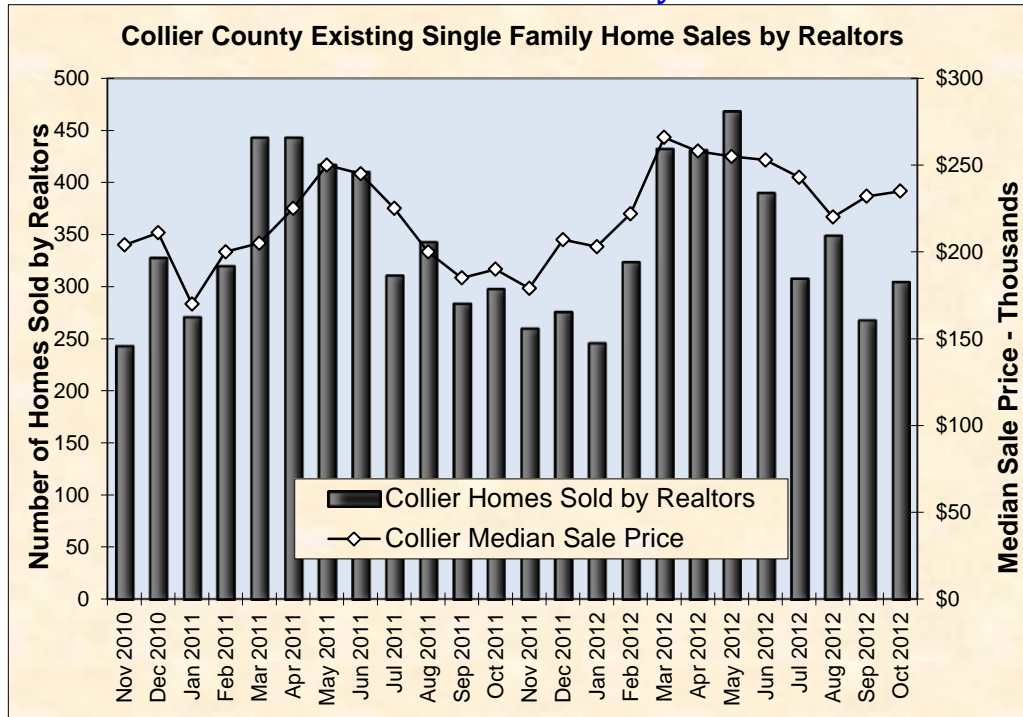
Charlotte County reported 280 single-family home sales in October 2012 at a median price of \$120,000. Property sales for October 2012 were up 19 percent from 236 home sales in October 2011 at a median price of \$90,000. October 2012 sales were 12-percent higher than September 2012 sales of 249 homes and the median price remained unchanged.

Chart 20: Lee County



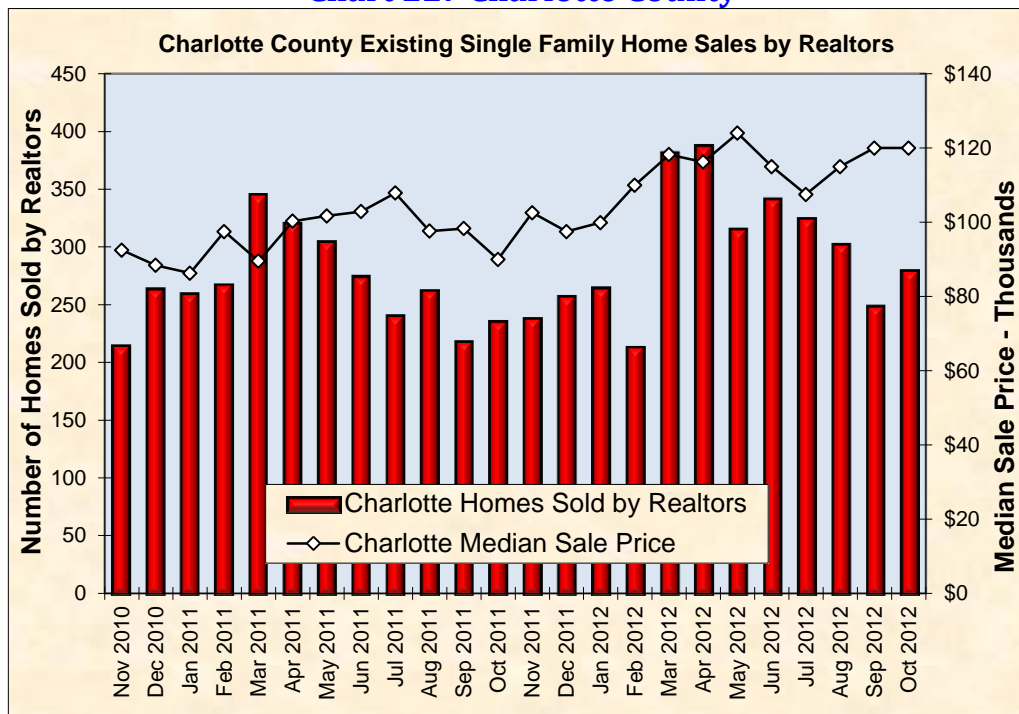
Source: Realtor Association of Greater Fort Myers and the Beach, Inc.

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>

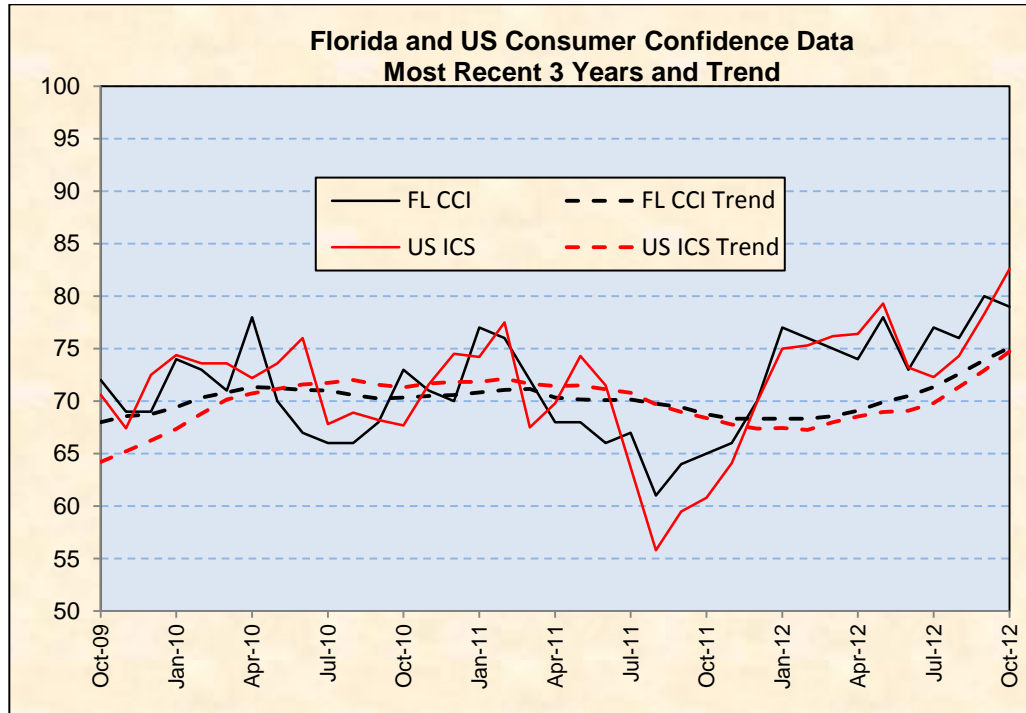
Consumer Confidence Index

Chart 23 shows monthly data for the last three years and 12-month moving average trend lines for both the Florida Consumer Confidence Index (“CCI”) reported by the University of Florida Bureau of Economic and Business Research (BEBR) and for the United States Index of Consumer Sentiment (“ICS”) reported by Thomson Reuters/University of Michigan. The national ICS rose to 82.6 in October 2012, the highest reading since September 2007. This represented a 4.3-point increase from September 2012, and 21.8 points higher than the October 2011 figure of 60.8. “The very positive economic expectations of consumers stand in sharp contrast to growing concerns expressed by investors and companies about the impending fiscal cliff as well as the impact of a slowing global economy. While the surge in confidence will act to bolster consumer spending during the upcoming holiday season, it also means that this higher level of optimism is more vulnerable to reversal depending on how and when the fiscal cliff is bridged. The surge in consumer optimism may be largely due to the implied election promises of both candidates that most of the Bush tax cuts and the payroll tax cuts will be promptly extended,” survey director Richard Curtin said in a statement.

The Florida Consumer Confidence Index for October was 79 compared to a revised figure of 80 in September 2012, and up 14 points from the October 2011 figure. “Floridians are still feeling relatively optimistic in October as we head into the final week of the election,” said Chris McCarty, the Survey Director. “The index was revised up a point in September to a post-recession high of 80. Our preliminary October reading of 79 is near that high, although [that] would historically be considered relatively low. There was increased pessimism about personal finances which we attribute to coverage of the debates and perhaps some awareness of the set of automatic budget cuts and tax increases called the ‘fiscal cliff’. Balancing that are expectations about the U.S. economy over the next year,

which is at a post-recession high. Much of this may be tied to the elections and may change following the elections given that the state appears evenly divided between the two presidential candidates. One candidate will lose and this may change the outlook of those supporting him.”

Chart 23: Consumer Confidence Index

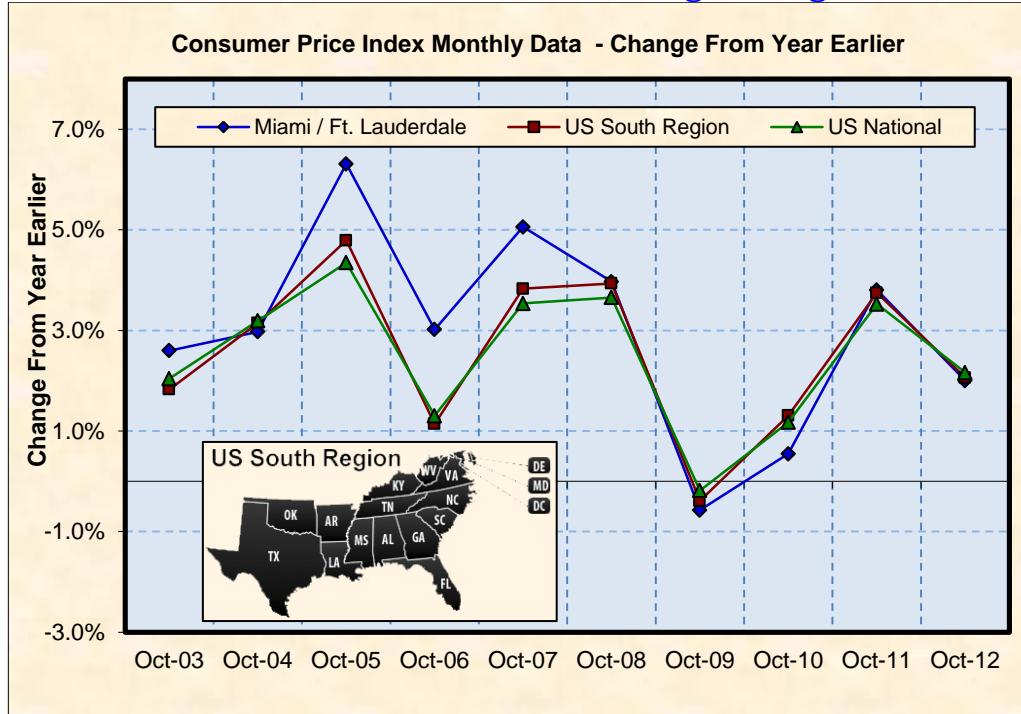


Source: Bureau of Economic and Business Research, University of Florida and Thompson Reuters/University of Michigan

Consumer Price Index

Year-to-year changes in the consumer price indices (CPI) for the Nation, the U.S. Southern Region, and the Miami-Ft. Lauderdale area are shown in Chart 24 through October 2012. The data shows continued moderate consumer price growth, with year to year increases of 2.2 percent for National CPI, 2.1 percent for the Southern Region CPI, and 2.0 percent for the Miami-Fort Lauderdale area CPI. The October to October growth rates are slightly above those of the August to August figures.

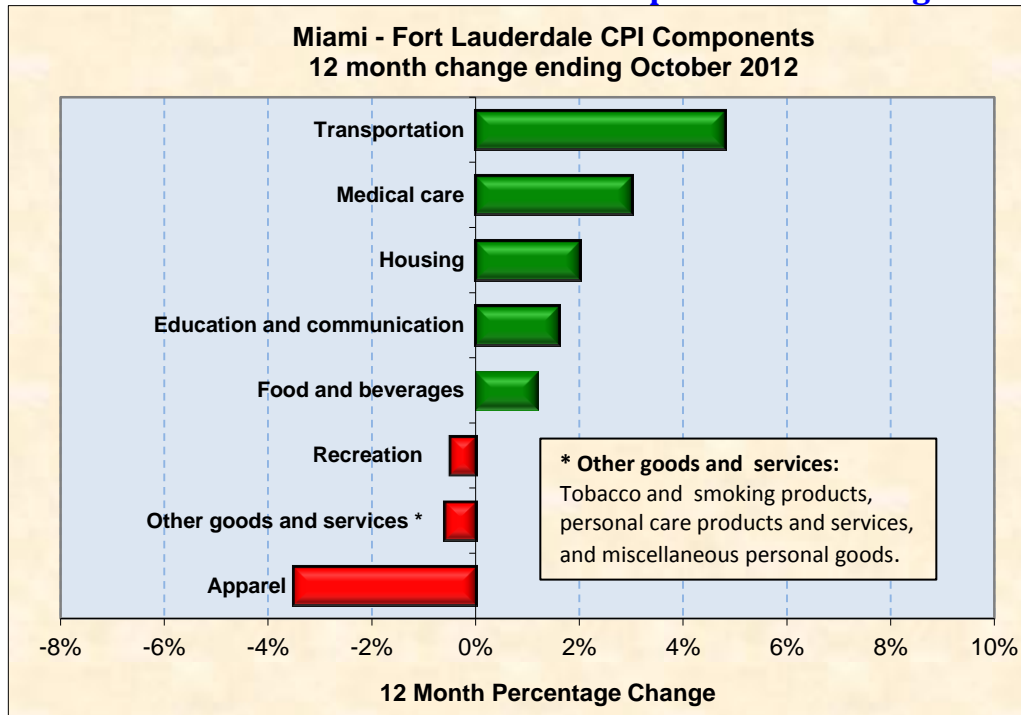
Chart 24: CPI Annual Percentage Change



Source: BLS

The components of the Miami-Fort Lauderdale Consumer Price Index for the 12 months ending October 2012 are shown in Chart 25. The largest increases were seen in transportation costs (up 4.8 percent), medical care (3.0 percent), and housing (2.0 percent). A notable decrease of 3.5 percent was seen in apparel costs.

Chart 25: Miami-Fort Lauderdale CPI Component Percentage Change



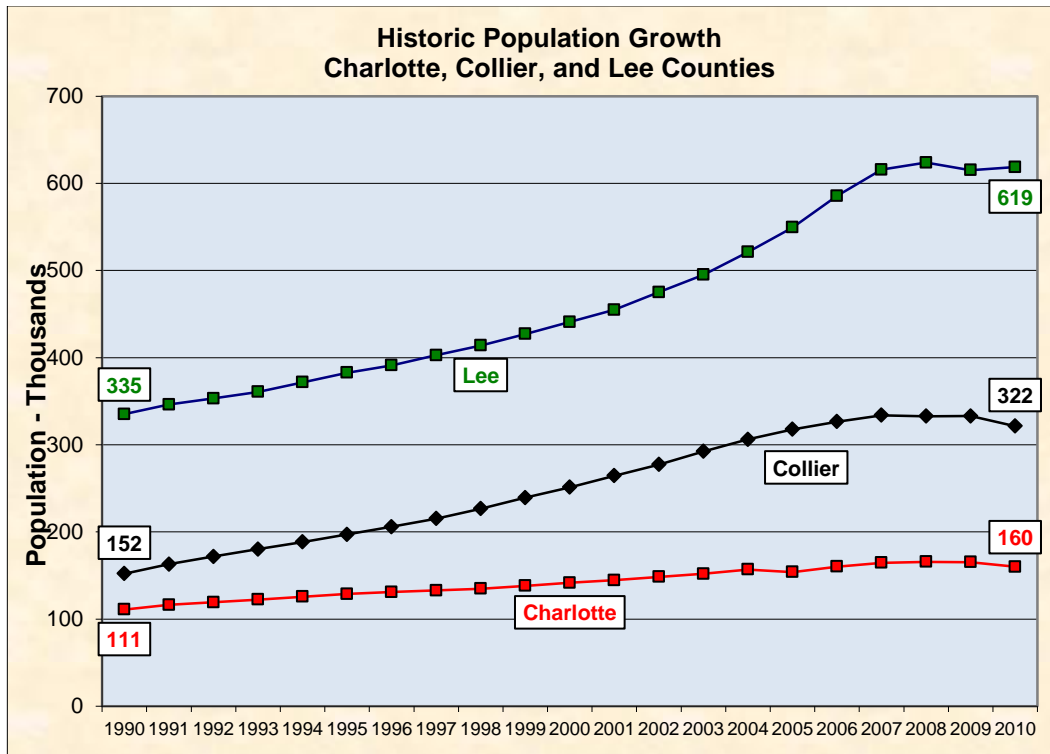
Source: BLS

Population

The following charts reflect the most recent county population forecasts released by the University of Florida's Bureau of Economic and Business Research (BEBR). Population growth from 1990 to 2010 is shown in Charts 26 and 27. Collier County grew at an average annual compound growth rate of 3.8 percent from 1990 to 2010. Lee County's population grew at an annual rate of 3.1 percent. Charlotte, Glades, and Hendry Counties had average annual rates of population growth between 1.8 and 2.7 percent per year.

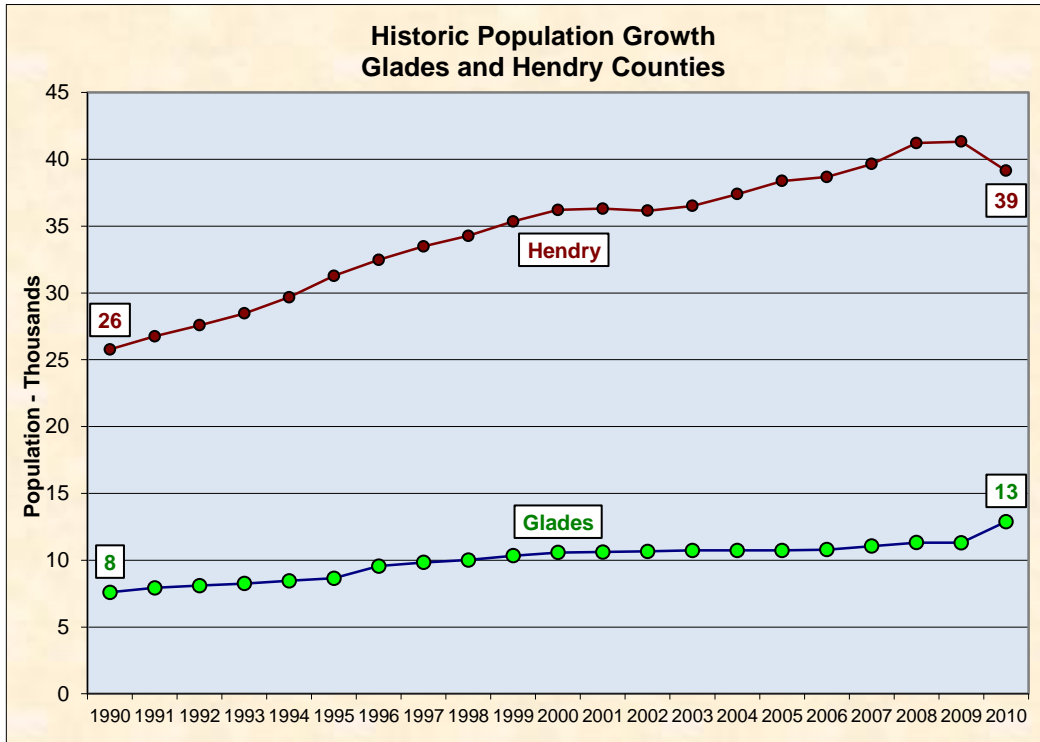
Chart 28 and its accompanying table show projected population increases from 2015 to 2040. These projections have been lowered slightly from those previously reported. However, the overall rate of regional growth still averages 1.6 percent per year for this period, resulting in a 30-year increase of 59 percent for the five-county region from 2010 to 2040.

Chart 26: Coastal Counties Growth 1990 to 2010



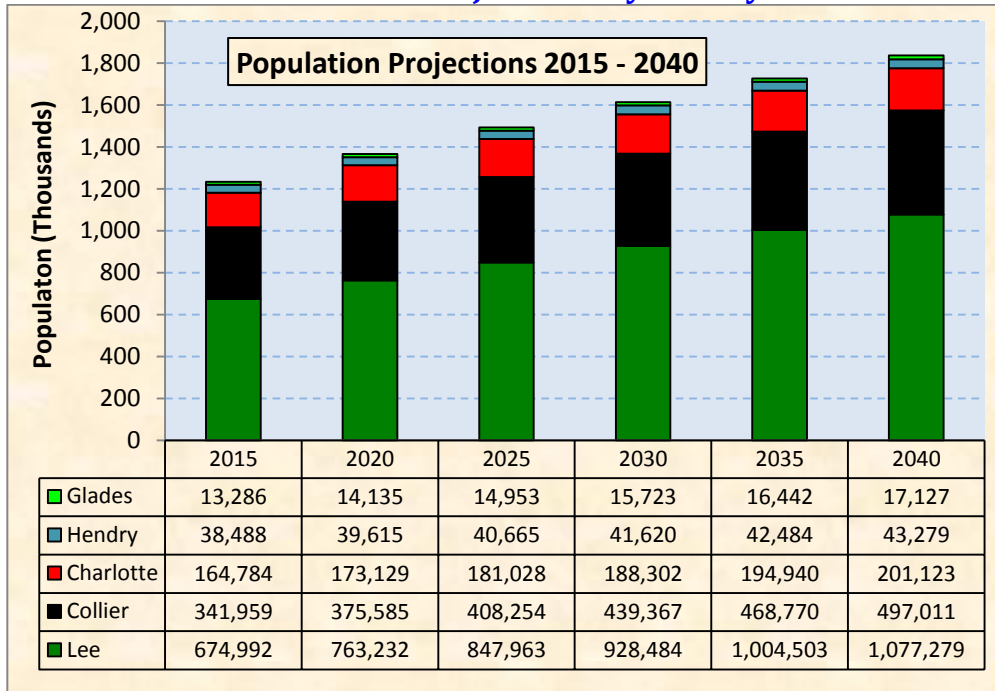
Source: Florida EDR: Florida Demographic Estimating Conference, January 2010 and the Florida Demographic Database, August 2010

Chart 27: Inland Counties Growth 1990 to 2010



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, updated March 2012.