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Introduction: Regional and National Background

The latest economic numbers continue to suggest a strong regional economy. Positive signs include an 11-percent increase in airport passenger activity from March 2018 to March 2019, a 2-percent increase in taxable sales for February 2019 versus February 2018, and a 2 to 4 percent growth in median home prices for each of the coastal counties from April 2018 to April 2019.

Southwest Florida’s seasonally-adjusted unemployment rate improved to 3.2 percent in April 2019, down from 3.5 percent in March 2019 and from 3.6 percent in April 2018. The region’s unemployment rate is below Florida’s 3.4 percent, as well as the nation’s 3.6 percent.

Other highlights in the report include:

- The coastal counties issued 822 single-family building permits in April 2019, down 5 percent from April 2018;

- Tourist tax revenues for Lee County fell 4 percent in March 2019 compared to March 2018. Meanwhile, Charlotte County and Collier County experienced year-to-year improvements in revenues (5 and 6 percent, respectively); and

- Single-family home sales in Charlotte and Collier County increased from April 2018 to April 2019, up 11 percent and 9 percent, respectively. Meanwhile, Lee County had a 7-percent decline in sales over the same period, marking the fifth straight month with a year-to-year decline.

The RERI staff extends its sincere thanks and appreciation to the dedicated individuals and organizations who make this report possible. They include FGCU student workers affiliated with the RERI, the Southwest Florida Regional Planning Council, the individual economic development organizations in Charlotte, Collier, and Lee counties, the convention and visitors bureaus in Charlotte, Collier and Lee counties, the regional airport authorities, the Realtors® of Collier, Lee, and Charlotte counties, the University of Florida Survey Research Center, and the county and city permit offices.

Reader comments or suggestions are always welcome. Please email them to RERI Senior Economist John Shannon at reri@fgcu.edu.
Airport Passenger Activity

Airport passenger activity is 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 this seasonality as well as the changes from year to year.

Total airport passenger activity for Southwest Florida was at a record high of 1,901,454 in March 2019, an increase of 11 percent over March 2018, and 34 percent above the previous month.

RSW traffic rose to 1,482,239 passengers in March 2019, an increase of more than 102,000 (7 percent) over March 2018, and a 33-percent jump from February 2019 (see Chart 1). PGD’s passenger activity rose to 221,326 in March 2019, up 15 percent over March 2018, and 49 percent greater than February 2019 (see Chart 2). Sarasota Bradenton airport counted 197,889 passengers in March 2019, an increase of 34 percent over March 2018 and 31 percent higher than February 2019 (Chart 3).

![Chart 1: SW Florida International Passenger Activity](image-url)
Chart 2: Punta Gorda Airport Passenger Activity

Source: Local Airport Authorities

Chart 3: Sarasota Airport Passenger Activity

Source: Local Airport Authorities
Tourist Tax Revenues

Seasonally-adjusted tourist tax revenues, shown in Charts 4 and 5, are based on month of occupancy. Revenues for the three coastal counties totaled $6.34 million in March 2019, a fractional increase over March 2018, albeit a 2 percent decline from February 2019.

Lee County’s seasonally-adjusted tourist tax revenues for March 2019 amounted to $3.44 million, declining 4 percent from March 2018 as well as from February 2019. Collier County’s tourist tax revenues increased to $2.57 million in March 2019, up 6 percent from March 2018, and 4 percent over the February 2019 figure. Seasonally-adjusted tourist tax revenues in Charlotte County were $369 thousand in March 2019, up 5 percent from March 2018, and 7-percent higher than February 2019.

Chart 4: Tourist Tax Revenues for the Coastal Counties

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

Taxable sales data track consumer spending based on the latest month of merchant collections. Data lag one month behind the Florida Department of Revenue’s reporting month and are now available through February 2019.

Seasonally-adjusted taxable sales for the region remained at $2.342 billion in February 2019, essentially unchanged from the prior month, but an increase of 2 percent over February 2018 (see Chart 6).

Charts 7 and 8 show seasonally-adjusted taxable sales for the coastal and inland counties, respectively. Lee County’s taxable sales totaled $1.256 billion in February 2019, less than 1 percent below February 2018 and January 2019. Collier County taxable sales increased to $803.4 million in February 2019, an increase of 7 percent from February 2018 and 2 percent above January 2019. Taxable sales in Charlotte County dipped to $243.8 million in February 2019, down 5 percent from February 2018 and 4 percent below January 2019.

Taxable sales in Hendry County amounted to $32.8 million in February 2019, an increase of 3 percent over February 2018, but 3 percent below January 2019. Glades County taxable sales increased to nearly $5.0 million in February 2019, an increase of 10 percent over both February 2018 and January 2019. All cited data are seasonally adjusted.
**Chart 6: Taxable Sales for 5 County Region**

**Chart 7: Taxable Sales for Coastal Counties**
Workforce – Labor Force, Employment and Unemployment

Charts 9-13 show total persons employed and unemployed, and the unemployment rate, all seasonally adjusted by the RERI, for each county from January 2007 through April 2019. The number of employed persons in Southwest Florida rose by 149 between March and April 2019, while the number of unemployed declined by 1,493. As a result, the region’s unemployment rate for April 2019 improved to 3.2 percent, down from 3.5 percent in March 2019 and from 3.6 percent in April 2018.

Lee County’s seasonally-adjusted unemployment rate fell to 3.1 percent in April 2019, down 0.2 percentage points from March 2019 and 0.4 points from April 2018, as depicted in Chart 9. Collier County’s unemployment rate also improved to 3.1 percent in April 2019, down 0.2 percentage points from March 2019, and 0.5 points from April 2018 (Chart 10). The April 2019 unemployment rate in Charlotte County dropped to 3.6 percent in April 2019, down from 3.9 percent in March 2019 and from 4.0 percent in April 2018 (Chart 11).

Hendry County’s unemployment rate decreased to 5.2 percent in April 2019, down from both the previous month (5.9 percent) and previous year (6.3 percent), as depicted in Chart 12. The April 2019 unemployment rate for Glades County was 4.1 percent, down 0.1 percentage points from both April 2018 and March 2019 (Chart 13).

The seasonally-adjusted unemployment rate for the state of Florida improved to 3.4 percent in April 2019, down 0.1 percentage points from March 2019, and 0.3 percentage points below April 2018. The United States unemployment rate dipped to 3.6 percent in April 2019, down from 3.8 percent in March 2019 and from 3.9 percent in April 2018.
Chart 9: Lee County Labor Force and Unemployment

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

Chart 10: Collier County Labor Force and Unemployment

Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI
Chart 11: Charlotte County Labor Force and Unemployment

[Chart showing labor force and unemployment trends with seasonal adjustment]

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

Chart 12: Hendry County Labor Force and Unemployment

[Chart showing labor force and unemployment trends with seasonal adjustment]

Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI
Single-Family Building Permits

The coastal counties had 822 single-family permits issued in April 2019, a decrease of 44 (5 percent) from April 2018, but 12 more than March 2019. Lee County issued 444 permits in April 2019, down from 452 in April 2018, but up from 401 in March 2019 (Chart 14). In Collier County, 251 permits were issued in April 2019, down from the previous month’s total of 261, and a decrease of 41 permits from April 2018 (see Chart 15). Charlotte County issued 127 permits in April 2019, 5 more than April 2018, but 21 less than March 2019 (as depicted in Chart 16). All three coastal counties exhibit negatively sloped 13-month trends for permits issued.

Through April 2019, Hendry County has issued 55 single-family building permits compared to 47 in the first four months of 2018.

Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI
Chart 14: Single-Family Building Permits for Lee County

Chart 15: Single-Family Building Permits for Collier County
**Existing Single-Family Home Sales and Median Prices**

Charts 17-19 summarize existing single-family home sales by a Realtor® for Lee, Collier, and Charlotte Counties. The solid lines represent median prices plotted against the scale on the right side, and the bars represent the number of homes sold with the scale on the left side. The broken lines show the trends in numbers of homes sold and median prices.

Total Realtor® sales of single-family homes in the three counties grew to 2,416 units in April 2019, up from 2,140 units in March 2019, and just 3 fewer than April 2018. All three coastal counties showed sales growth over the prior month.

Single-family home sales in Lee County improved to 1,362 in April 2019, an increase of 138 units from March 2019, but 97 fewer units than April 2018. The median price in Lee County edged up to $266,500 in April 2019 from $262,500 in April 2018 (Chart 17). Collier County single-family home sales rose to 548 in April 2019, up 50 units from the previous month, and 43 units more than April 2018. The median price in Collier County grew to $499,500 in April 2019 from $480,000 in April 2018 (Chart 18). In April 2019, Charlotte County reported 506 single-family home sales, 88 more than March 2019, and an increase of 51 units from April 2018. Charlotte’s median price rose to $232,700 in April 2019, up $7,700 over April 2018 (Chart 19).
Chart 17: Existing Single-Family Home Sales for Lee County

Chart 18: Existing Single-Family Home Sales for Collier County
Consumer Sentiment Index

Charts 20 and 21 shows monthly data and linear trend lines over the last six years for both the Florida Consumer Sentiment Index (“CSI”) 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 U.S. Index of Consumer Sentiment improved to 100 in May 2019, up 2.8 points from April 2019 and 2 points from May 2018. The May 2019 issue of Survey of Consumers noted that “[a]lthough consumer sentiment remained at very favorable levels, confidence significantly eroded in the last two weeks of May. The late-month decline was due to unfavorable references to tariffs, spontaneously mentioned by 35% of all consumers in the last two weeks of May, up from 16% in the first half of May and 15% in April and equal to the peak recorded last July in response to the initial imposition of tariffs.”

The Consumer Sentiment Index for Florida increased to 102 in April 2019, up 1.4 points from the revised March 2019 figure. This was the highest level the index has reached in 17 years. “Overall, Floridians are more optimistic. April’s confidence boost stems from the positive outlook regarding national economic conditions in the short-and long-run.,” Hector H. Sandoval, director of the Economic Analysis Program at the University of Florida’s Bureau of Economic and Business Research, said in the April 30, 2019 edition of Florida Consumer Sentiment Index. “It is worth noting expectations are split among the population by gender, with women reporting less-favorable views.”
Chart 20: U.S. Index of Consumer Sentiment

Chart 21: Florida Consumer Sentiment Index
Consumer Price Index

Chart 22 shows year-to-year changes in consumer price indices (CPI) through April 2019 indicating that the rates of inflation have abated somewhat from a year ago. The April 2019 Miami/Ft. Lauderdale CPI showed an increase of 2.2 percent from April 2018, compared to 3.5 percent a year earlier (from April 2017 to April 2018). CPI growth in the US South Region was 1.8 percent from April 2018 to April 2019, down from the 2.4 percent growth from April 2017 to April 2018. The CPI for the nation increased 2.0 percent from April 2018 to April 2019, compared to a 2.5 percent increase from April 2017 to April 2018.
Components of the Miami-Fort Lauderdale Consumer Price Index for the 12 months ending April 2019 are shown in Chart 23. An increase in housing costs was the primary driver behind the rise in CPI inflation over this period.
Appendix

The data presented in this appendix are not released on a monthly basis. The first two charts, Charts A1 and A2, show historic population growth through 2017, as well as projections updated annually by the state of Florida’s Office of Economic and Demographic Research, working in conjunction with the University of Florida’s Bureau of Economic and Business Research. The second two charts, Charts A3 and A4, depict historic measures of U.S. GDP growth rates and unemployment as well as projections by the Federal Reserve’s Federal Open Market Committee and are updated quarterly. Charts A5 through A8 show regional GDP for the coastal counties (published annually), while Chart A9 depicts the FGCU Industry Diversification Index for Southwest Florida and the state, which is updated quarterly.

Regional Population

From 1990 to 2017, regional population growth compounded average was 2.6 percent per year. The compound average annual rate of growth for 1990 to 2017 was 2.8 percent in Lee County, 3.2 percent in Collier County, 1.7 percent in Charlotte County, 2.0 percent in Glades County, and 1.6 percent in Hendry County. The right-hand sections of Charts A1 and A2 show projected population increases from 2018 to 2045. All projected rates of increase are substantially lower than the aforementioned historic growth rates of 1990 to 2017. Projected growth for the five-county region averages 1.3 percent per year, resulting in a population increase of 41.8 percent from 2018 to 2045, adding over 547,000 residents and bringing the
Lee County’s population is projected to grow an average of 1.6 percent per year, Collier County at 1.3 percent, and Charlotte County at 0.8 percent. Hendry County’s population is projected to grow at an average of 0.5 percent per year and Glades County at 0.6 percent per year.

**Chart A1: Coastal Counties Population, 1990 to 2045**

**Historic and Projected Population**
Charlotte, Collier, and Lee Counties

**Chart A2: Inland Counties Population, 1990 to 2045**

**Historic and Projected Population**
Glades and Hendry Counties

Source: Office of Economic and Demographic Research
National GDP and Unemployment

Charts A3 and A4 depict both historical trends and the Federal Open Market Committee’s projections for national Gross Domestic Product (“GDP”) and Unemployment. The FOMC’s projections are released quarterly and reflect the assessments of the Federal Reserve Board of Governors and of Federal Reserve District Bank presidents, with the most recent figures shown in the following charts. The dotted lines depict the highest and lowest projections—or the range of all projections—while the darker blue area within the dotted lines depict the central tendency forecast within those projections.

Chart A3 shows the recovery in GDP growth following the most recent recession, and current projections close to the normal long-run trend (“LR”). Real GDP growth rates are based on the change from the fourth quarter of one year to the fourth quarter of the next year.

GDP growth for 2018 measured 2.88 percent (rounded up to 2.9 percent below), which is an increase from the 2.2 measured in 2017, and on par with the 2.9 percent measured in 2015. The overall high and low projections (shown as ranges below and denoted by the dotted lines) for 2019 worsened when compared to the projections made in December 2018, while projections for 2020, 2021, and the long run remained near the same level. The projections indicate sentiment that economic conditions will slow over the next three years. Although growth projections fall thereafter, there is no sign that the surveyed economists foresee negative growth associated with a recession at this time. Long-run growth rates of 3 percent GDP are generally associated with an economy operating with a full employment of resources.

Last year, the current economic expansion recently became the second-longest recorded in the last 150 years. If it continues past June 2019, then the current expansion will be the longest one observed over that time period.

**Chart A3: Historic and Projected GDP Growth, 2007 to Long Run**

Source: Historical data obtained from Bureau of Economic Analysis. Projected data obtained from Federal Reserve Open Market Committee Meeting Statement, March 20, 2019.
Chart A4 depicts the decline in unemployment following the 2008 recession to levels, beginning in 2016, more closely associated with natural rates of unemployment. Compared to these national numbers, unemployment rates in Florida and Southwest Florida tend to be more volatile, falling lower when national unemployment is falling and rising higher when national unemployment is rising.

The central tendency from the March 2019 forecast suggests that unemployment will fall slightly in 2019, before increasing the following two years. However, the forecasts show that the unemployment rate will not rise above 4 percent until 2021. The long run projected increases in unemployment remain at levels well below those that would normally be associated with an economy in recession.

**Chart A4: Historic and Projected Unemployment, 2007 to Long Run**

The next quarterly release of projections for GDP and Unemployment will be released following the FOMC meeting scheduled in June 2019. These projections will be updated in the July 2019 edition of *Regional Economic Indicators*. 
Regional GDP

Charts A5 shows GDP growth by industry for the Southwest Florida coastal region. Most industries in Southwest Florida continued to grow, with the mining, quarrying, and oil and gas extraction industry (14.4 percent increase from 2016 to 2017), wholesale trade industry (7.1 percent increase), utilities industry (4.4 percent increase), and arts, entertainment, recreation, accommodation, and food services industry (4.2 percent increase) making the largest gains. Agriculture, forestry, fishing, and hunting (15.1 percent decline), transportation and warehousing (2.4 percent decline), and professional and business services (0.1 percent decline) were the only industries to retract over the past year.

Chart A5: Regional Gross Domestic Product for Coastal Counties

Source: U.S. Bureau of Economic Analysis
Charts A6 shows GDP by industry for Lee County. The wholesale trade industry (10.5 percent increase from 2016 to 2017), information industry (7.7 percent increase), manufacturing industry (6.5 percent increase), and utilities industry (6.1 percent increase) made the largest gains over the 12-month period. Meanwhile, agriculture, forestry, fishing, and hunting (34.5 percent decline), mining, quarrying, and oil and gas extraction (18.8 percent decline), transportation and warehousing (3.5 percent decline), and finance, insurance, real estate, rental, and leasing (2.1 percent decline) all retracted over the same period.

**Chart A6: Regional Gross Domestic Product for Lee County**

Source: U.S. Bureau of Economic Analysis
Charts A7 shows GDP by industry for Collier County. The finance, insurance, real estate, rental, and leasing industry (3.4 percent increase from 2016 to 2017), retail trade industry (3.2 percent increase), arts, entertainment, recreation, accommodation, and food services industry (3.2 percent increase), and educational services, health care, and social assistance industry (2.5 percent increase) made the largest gains over the 12-month period. Meanwhile, information (7.7 percent decline), agriculture, forestry, fishing, and hunting (7.0 percent decline), professional and business services (5.6 percent decline), and other services (1.4 percent decline) all retracted over the same period.

**Chart A7: Regional Gross Domestic Product for Collier County**

Source: U.S. Bureau of Economic Analysis
Charts A8 shows GDP by industry for Charlotte County. The information industry (12.7 percent increase from 2016 to 2017), transportation and warehousing industry (8.2 percent increase), wholesale trade industry (7.3 percent increase), and arts, entertainment, recreation, accommodation, and food services industry (5.0 percent increase) made the largest gains over the 12-month period. Meanwhile, mining, quarrying, and oil and gas extraction (26.3 percent decline), utilities (23.5 percent decline), agriculture, forestry, fishing, and hunting (10.4 percent decline), manufacturing (6.1 percent decline), and construction (0.8 percent decline) all retracted over the same period.

**Chart A8: Regional Gross Domestic Product for Charlotte County**

<table>
<thead>
<tr>
<th>Industry</th>
<th>2017 Change</th>
<th>2016 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government and government enterprises</td>
<td>2.3</td>
<td>0.7</td>
</tr>
<tr>
<td>Other services (except government and…</td>
<td>4.9</td>
<td>5.0</td>
</tr>
<tr>
<td>Arts, entertainment, recreation, accommodation…</td>
<td>2.8</td>
<td>2.8</td>
</tr>
<tr>
<td>Educational services, health care, and social…</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td>Professional and business services</td>
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<td>3.5</td>
</tr>
<tr>
<td>Finance, insurance, real estate, rental, and leasing</td>
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<td>8.2</td>
</tr>
<tr>
<td>Information</td>
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<td>-6.1</td>
</tr>
<tr>
<td>Transportation and warehousing</td>
<td>7.3</td>
<td>7.3</td>
</tr>
<tr>
<td>Retail trade</td>
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<td>-0.8</td>
</tr>
<tr>
<td>Wholesale trade</td>
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<td>-26.3</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-10.4</td>
<td>-10.4</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>-23.5</td>
<td>-23.5</td>
</tr>
<tr>
<td>Mining, quarrying, and oil and gas extraction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture, forestry, fishing, and hunting</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: U.S. Bureau of Economic Analysis

**Industry Diversification Index**

The FGCU Industry Diversification Index (IDI) measures the degree to which a region’s workforce is concentrated in few industries or dispersed into many. The IDI is computed quarterly by the Regional Economic Research Institute’s Industry Diversification Project, which tracks industry diversification by Metropolitan Statistical Area, workforce region, and state. (For more details, please go to lutgert.fgcu.edu/IDI).

The IDI can be between 0 and 10, with a higher index denoting a more diverse workforce and a lower one denoting a less diverse workforce. Industry diversification is an important factor explaining our state and
region’s tendency to overheat during expansions in the business cycle and overcorrect during contractions in the business cycle.

Chart A9 shows the industry diversification index for the Southwest Florida workforce region and the state of Florida. Southwest Florida’s industry diversification increased from the fourth quarter of 2006 to the 3rd quarter of 2008. After 2008, the region exhibits a seasonal trend, mainly due to the stronger influence of tourism and seasonal residents that visit Southwest Florida during the winter season, increasing the demand for retail trade and accommodation and food service jobs.

During the third quarter of 2018, the IDI for Southwest Florida measured at 8.66, ranking it as the 5th most industrially diverse workforce region in the state of Florida (out of 24). Meanwhile, the state of Florida had an IDI of 8.63, ranking Florida as the 21st highest state in the nation in industry diversification, although below the national average of 8.67.