# Table of Contents

Introduction: Regional and National Background .................................................................................. 4

Airport Passenger Activity ......................................................................................................................... 5
  Chart 1: SW Florida International Passenger Activity ........................................................................ 5
  Chart 2: Punta Gorda Airport Passenger Activity .............................................................................. 6
  Chart 3: Sarasota Airport Passenger Activity ...................................................................................... 6

Tourist Tax Revenues ............................................................................................................................... 7
  Chart 4: Tourist Tax Revenues for the Coastal Counties ...................................................................... 7
  Chart 5: Coastal County Tourist Tax Revenues .................................................................................. 8

Taxable Sales ........................................................................................................................................... 8
  Chart 6: Taxable Sales for 5 County Region ......................................................................................... 9
  Chart 7: Taxable Sales for Coastal Counties ....................................................................................... 9
  Chart 8: Taxable Sales for Inland Counties ......................................................................................... 10

Workforce – Labor Force, Employment and Unemployment ................................................................. 10
  Chart 9: Lee County Labor Force and Unemployment ...................................................................... 11
  Chart 10: Collier County Labor Force and Unemployment ............................................................... 11
  Chart 11: Charlotte County Labor Force and Unemployment .......................................................... 12
  Chart 12: Hendry County Labor Force and Unemployment ............................................................... 12
  Chart 13: Glades County Labor Force and Unemployment ................................................................ 13

Single-Family Building Permits ............................................................................................................... 13
  Chart 14: Single-Family Building Permits for Lee County ................................................................. 14
  Chart 15: Single-Family Building Permits for Collier County ............................................................ 14
  Chart 16: Single-Family Building Permits for Charlotte County ........................................................ 15

Existing Single-Family Home Sales and Median Prices ....................................................................... 15
  Chart 17: Existing Single-Family Home Sales for Lee County ............................................................ 16
  Chart 18: Existing Single-Family Home Sales for Collier County ....................................................... 16
  Chart 19: Existing Single-Family Home Sales for Charlotte County .................................................. 17

Consumer Sentiment Index .................................................................................................................... 17
  Chart 20: U.S. Index of Consumer Sentiment ..................................................................................... 18
  Chart 21: Florida Consumer Sentiment Index ..................................................................................... 19
Regional Economic Indicators is published monthly by the staff and students of the Regional Economic Research Institute at Florida Gulf Coast University.

Dr. Chris Westley, Director, Regional Economic Research Institute
Phone: 239-590-7090  Email: cwestley@fgcu.edu
Mr. Jim Breitbach, Technical Support, Regional Economic Research Institute
Email: jbreitba@fgcu.edu
Mr. Steven Scheff, Business Analyst, Regional Economic Research Institute
Email: sscheff@fgcu.edu
Mr. John Shannon, Senior Economist, Regional Economic Research Institute
Phone: 239-590-1430  Email: jmshannon@fgcu.edu

Copyright © 2020 FGCU - All rights reserved.
Introduction: Regional and National Background

As we noted last month, “We can expect to see much of the effects of coronavirus restrictions on saving, investment, and market exchange on our region’s economy as early as next month’s report”. The latest economic figures bear witness to the fact that our lengthy period of positive economic conditions for the regional economy is being ended by the COVID-19 pandemic and the resultant personal and market restrictions.

For many, the most conclusive indicators are the unemployment rates. In just one month, our region has seen its unemployment rate jump from 3.2 percent to 4.7 percent. Since employment and unemployment data are collected in mid-March, several weeks before Governor DeSantis’ lockdown, it is reasonable to project that unemployment rates will climb noticeably higher before they stabilize and improve.

Other areas of the economy also showed effects of COVID-19. Airport passenger activity for RSW, SRQ, and PGD decreased by over 735,000 (39 percent) from March 2019 to March 2020. The consumer sentiment index for both Florida and the United States declined by double-digits for the second consecutive quarter, falling to 75.9 and 71.8, respectively.

Some indicators have yet to show impact from the COVID-19 pandemic. These included a 12-percent increase in taxable sales from February 2019 to February 2020, an 18-percent increase in single-family home sales (closings) in March 2020 compared to March 2019, and a 21-percent increase in tourist tax revenues between February 2019 and February 2020.

Other highlights in the report include:

- The coastal counties issued 921 single-family building permits in March 2020, seven fewer than February 2020;
- Median home prices for each of the three coastal counties increased by 5 to 11 percent from March 2019 to March 2020.

The RERI staff extends its sincere thanks and appreciation to the dedicated individuals and organizations which 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 to enhance the usefulness of this report are always welcome. Please email them to RERI Senior Economist John Shannon at rerifgcu.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 usually occurs in February, March, and April, with significantly lower activity in the summer months. Charts 1, 2, and 3 illustrate the typical seasonality as well as the changes from year to year.

This March, total passenger traffic for the three airports dropped by 735,204, a decline of 39 percent from March 2019, and 508,439 (30 percent) fewer than February 2020. Clearly, the COVID-19 pandemic is keeping both Floridians and non-Floridians at home, substantially varying from the traditional seasonal pattern.

Passenger traffic at RSW slumped to 861,221 in March 2020, down 42 percent from March 2019 (see Chart 1). PGD’s passenger activity amounted to 151,783 in March 2020, a decline of 31 percent from March 2019 (see Chart 2). Similarly, Sarasota Bradenton activity dropped to 153,246 in March 2020, a 23-percent decrease from March 2019.

Chart 1: SW Florida International Passenger Activity

Source: Local Airport Authorities
Chart 2: Punta Gorda Airport Passenger Activity

Punta Gorda Airport (PGD) Passenger Activity

Source: Local Airport Authorities

Chart 3: Sarasota Airport Passenger Activity

Sarasota Bradenton Int’l Airport (SRQ) Passenger Activity

Source: Local Airport Authorities
Tourist Tax Revenues

Seasonally-adjusted tourist tax revenues are shown in Charts 4 and 5, based on month of occupancy. Revenues for the three coastal counties increased to $7.86 million in February 2020, an increase of $1.35 million (21 percent) over February 2019, and 5-percent above January 2020. These data were recorded before Florida experienced a significant increase in COVID-19 cases, and the resultant closures and quarantines.

Lee County’s seasonally-adjusted tourist tax revenues for February 2020 were $4.57 million, up 27 percent over February 2019. Collier County’s tourist tax revenues amounted to $2.81 million in February 2020, up 12 percent over February 2019. Seasonally-adjusted tourist tax revenues in Charlotte County were $459 thousand in February 2020, an increase of 28 percent over the prior February.

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 2020.

Seasonally-adjusted taxable sales for the region rose to $2.61 billion in February 2020, up from $2.33 billion in February 2019 and from $2.55 billion in January 2020 (see Chart 6). All charts show positive long-term trends prior to the major impact of the COVID-19 pandemic.

Seasonally-adjustable taxable sales for the coastal and inland counties are shown in Charts 7 and 8, respectively. Lee County’s taxable sales were $1.41 billion in February 2020, a 13-percent improvement over February 2019. Collier County taxable sales increased to $881.9 million in February 2020, up 10 percent from February 2019. Taxable sales in Charlotte County rose to $277.8 million in February 2020, an increase of 14 percent over February 2019.

Taxable sales in Hendry County amounted to $32.7 million in February 2020, a decrease of 2 percent from the February 2019 figure. Glades County taxable sales were $5.6 million in February 2020, up 13 percent over February 2019. All cited data are seasonally adjusted.
Chart 6: Taxable Sales for 5 County Region

Source: Florida Department of Revenue, Office of Tax Research

Chart 7: Taxable Sales for Coastal Counties

Source: Florida Department of Revenue, Office of Tax Research
Workforce – Labor Force, Employment and Unemployment

Charts 9-13 show total persons employed and unemployed, and the resulting unemployment rates seasonally adjusted by the RERI, for each county from January 2007 through March 2020. The COVID-19 pandemic became significant in March, as all five counties showed significant upturns in month-to-month unemployment rates, as well as in the number of persons unemployed. In total, the region experienced a decline in employment of 14,511 (2 percent) and an increase in unemployment of 9,210 (47 percent). As a result, the total unemployment rate rose from 3.2 percent in February 2020 to 4.7 percent in March 2020.

Lee County’s seasonally-adjusted unemployment rate rose from 3.0 percent in February 2020 to 4.5 percent in March 2020 (Chart 9). Collier County’s unemployment rate also rose from 3.0 to 4.5 percent in the same period (Chart 10). The March 2020 unemployment rate in Charlotte County was 5.1 percent, up from 3.5 percent in February 2020 (Chart 11).

Hendry County’s unemployment rate rose to 8.6 percent in March 2020, up from 5.8 percent in February, as depicted in Chart 12. The March 2020 unemployment rate for Glades County increased to 5.6 percent, an increase of 1.7 percent from February 2020 (Chart 13).

The seasonally-adjusted unemployment rate for the state of Florida increased to 4.3 percent in March 2020 from 2.8 percent in February. The United States unemployment rate rose to 4.4 percent in March 2020 from 3.5 percent in February 2020. We expect the April figures to be even more bleak.
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

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

Chart 12: Hendry County Labor Force and Unemployment

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

The three Southwest Florida coastal counties issued 921 single-family building permits during March 2020, an increase of 111 permits (14 percent) over March 2019, but seven fewer than the prior month of February 2020. Lee County issued 500 permits in March 2020, up from 401 in March 2019 (Chart 14). In Collier County, 250 permits were issued in March 2020, compared to 261 in March 2019 (see Chart 15). Charlotte County issued 171 permits during March 2020, up from 148 in March 2019 (as depicted in Chart 16). Lee and Charlotte continued to show positive trends.

For the first three months of 2020, Hendry County has issued 46 single-family building permits compared to 41 through March 2019.
Chart 14: Single-Family Building Permits for Lee County

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

Chart 15: Single-Family Building Permits for Collier County

Source: Collier County Growth Management Department, includes unincorporated Collier County permits only
Existing Single-Family Home Sales and Median Prices

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

For March 2020, Realtor® sales of single-family homes in the three coastal counties were 2,526 units, an increase of 386 units (18 percent) over March 2019, and 709 units more than the prior month. Many, if not most, of these transactions were entered into prior to closing in March 2020.

Single-family home sales in Lee County rose to 1,415 units in March 2020, up 191 units (16 percent) from March 2019, while Lee’s median price rose from $250,400 to $279,000 over the same period (Chart 17). Collier County single-family home sales amounted to 622 in March 2020, an increase of 124 units (25 percent) over the prior March. The median price in Collier County rose from $440,000 in March 2019 to $490,000 in March 2020 (Chart 18). Charlotte County reported 489 single-family home sales for March 2020, up 71 units (17 percent) from March 2019. Charlotte’s median price was $245,000 in March 2020, compared to $234,275 in March 2019 (Chart 19).
Chart 17: Existing Single-Family Home Sales for Lee County

Source: Florida Realtors® Cape Coral-Fort Myers MSA

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

Source: Florida Realtors® Naples-Immokalee-Marco Island, Florida MSA
Chart 19: Existing Single-Family Home Sales for Charlotte County

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 declined by double digits for the second consecutive month, registering at 71.8 in April 2020. The index was down 17.3 points from March 2020 and 25.4 points from April 2019. In his April 27, 2020 report, Survey of Consumers chief economist, Richard Curtin, noted that: “In the weeks ahead, as several states reopen their economies, more information will reach consumers about how reopening could cause a resurgence in coronavirus infections. Consumers’ reactions to relaxing restrictions will be critical, either putting further pressure on states to reopen their economies, or exerting added pressure to extend the restrictions even if it has negative consequences for economic prospects”.

Florida’s Consumer Sentiment Index also continued to plummet in April 2020, decreasing 11.2 points to 75.9 from the revised figure of 87.1 in March 2020. “The continued decline in consumer confidence comes as no surprise as large sectors of the economy have remained paralyzed and an increasing number of workers are being furloughed following the efforts to contain the pandemic,” 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 28, 2020 edition of Florida Consumer Sentiment Index. “Since mid-March, over 1.15 million Floridians have applied for...
unemployment benefits... and forecasts a surge in Florida’s unemployment rate in the short-run.”

**Chart 20: U.S. Index of Consumer Sentiment**

- **Past 13 Months**
  - Apr-19: 97.2
  - May-19: 100.0
  - Jun-19: 98.2
  - Jul-19: 98.4
  - Aug-19: 89.8
  - Sep-19: 93.2
  - Oct-19: 95.5
  - Nov-19: 96.8
  - Dec-19: 99.3
  - Jan-20: 99.8
  - Feb-20: 101.0
  - Mar-20: 89.1
  - Apr-20: 71.8

- **Past 6 Years**

Source: Thomson Reuters/University of Michigan
Consumer Price Index

As reported last month, Chart 22 shows that year-to-year changes in consumer price indices ("CPI") through February 2020 indicate that CPI growth rates rose from a year ago. The February 2020 Miami/Ft. Lauderdale CPI grew 1.4 percent from February 2019, compared to 1.2 percent a year earlier (from February 2018 to February 2019). CPI growth in the US South Region was 1.9 percent from February 2019 to February 2020, up from 1.1 percent between February 2018 and February 2019. For the same periods, the CPI growth for the nation increased from 1.5 percent to 2.3 percent.
Components of the Miami-Fort Lauderdale Consumer Price Index for the 12 months ending February 2020 are shown in Chart 23. Increases in apparel and medical care expenses were the primary factors behind the modest 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 2018, 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. These data have been revised since our last report. 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
Last Updated: December 2019

From 1990 to 2018, regional population grew at a compound average rate of 2.6 percent per year. The compound average annual rates of growth were 2.7 percent in Lee County, 3.2 percent in Collier County, 1.7 percent in Charlotte County, 1.9 percent in Glades County, and 1.5 percent in Hendry County.

The right-hand sections of Charts A1 and A2 show projected population increases from 2019 to 2045, at substantially lower rates than those experienced between 1990 and 2018. Projected growth for the five-county region averages 1.3 percent per year, resulting in a population increase of 41.1 percent from 2018 to 2045. This would add over 539,000 residents to the region, and bring the total to 1,851,000. Lee County’s population is projected to grow an average of 1.4 percent per year, Collier County at 1.3 percent, and Charlotte County at 0.9 percent. Hendry County’s population is projected to grow at an average of 0.6 percent per year and Glades County at 0.4 percent per year.
**Chart A1: Coastal Counties Population, 1990 to 2045**

Historic and Projected Population
Charlotte, Collier, and Lee Counties

**Historic**
- Charlotte: 1990 - 111, 2018 - 229
- Collier: 1990 - 152, 2018 - 367
- Lee: 1990 - 335, 2018 - 714

**Projected**
- Charlotte: 2045 - 1,045
- Collier: 2045 - 516
- Lee: 2045 - 1,045

Source: Office of Economic and Demographic Research

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

Historic and Projected Population
Glades and Hendry Counties

**Historic**
- Glades: 1990 - 7.6, 2018 - 14.5
- Hendry: 1990 - 25.8, 2018 - 39.6

**Projected**
- Glades: 2045 - 14.5
- Hendry: 2045 - 46.5

Source: Office of Economic and Demographic Research
Due to the COVID-19 pandemic, the FOMC meeting scheduled for March 2020 was cancelled, resulting in no revised projections for national GDP and unemployment. All figures reported below represent data reported from the previous projections.

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 December 2019 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 2.4 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 slightly declined when compared to the projections made in September 2019, while projections for 2020, 2021, 2022, and the long run slightly improved. Projections continue to 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.

With the current economic expansion continuing through December 2019, the United States is now in the longest recorded expansion over the last 150 years.
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 December 2019 forecast suggests that unemployment will fall slightly in 2019, before increasing the following three years. However, the central tendencies predict that the unemployment rate will not rise above 4 percent until 2022. While long run projections indicate an unemployment rate slightly above 4 percent, these forecasts remain at levels well below those that would normally be associated with an economy in recession.
The next quarterly release of projections for GDP and Unemployment will be released following the FOMC meeting scheduled in June 2020. These projections will be updated in the July 2020 edition of *Regional Economic Indicators*.
Regional GDP  
Last Updated: January 2020

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 (13.6 percent increase from 2017 to 2018), construction industry (11 percent increase), manufacturing industry (10 percent increase), and professional and business services industry (7.1 percent increase) making the largest gains. Agriculture, forestry, fishing, and hunting (6.2 percent decline), and government enterprises (0.6 percent decline) were the only industries to retract from 2017 to 2018.

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 agriculture industry (14.9 percent increase from 2017 to 2018), mining, quarrying, and oil and gas extraction industry (12.5 percent increase), construction industry (11.5 percent increase), and manufacturing industry (8.1 percent increase) made the largest gains over the 12-month period. Meanwhile, transportation and warehousing (1.5 percent decline), and government enterprises (1 percent decline) both 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 transportation and warehousing industry (20.4 percent increase from 2017 to 2018), manufacturing industry (13.2 percent increase), construction industry (9.3 percent increase), and professional and business services industry (9.3 percent increase) made the largest gains over the 12-month period. Meanwhile, agriculture, forestry, fishing, and hunting (7.4 percent decline) was the only industry to retract over the same period.
Charts A8 shows GDP by industry for Charlotte County. The mining, quarrying, and oil and gas extraction industry (23.9 percent increase from 2017 to 2018), construction industry (16.3 percent increase), transportation and warehousing industry (6.6 percent increase), and manufacturing industry (5.6 percent increase) made the largest gains over the 12-month period. Meanwhile, agriculture, forestry, fishing, and hunting (21.8 percent decline), was the only declining industry over the same period.

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

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 fgcu.edu/cob/reri/idp).
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 2019, the IDI for Southwest Florida measured at 8.70, ranking it as the 6th most industrially diverse workforce region in the state of Florida (out of 24). Meanwhile, the state of Florida had an IDI of 8.64, ranking Florida as the 20th highest state in the nation in industry diversification, although below the national average of 8.68.

**Chart A9: Industry Diversification Index, 2004 to 2019**