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Introduction: Regional and National Background

The latest economic figures continue to exemplify the effects of the COVID-19 pandemic on the Southwest Florida economy, as local and state officials have begun to loosen market restrictions and businesses reopen their doors to consumers.

For many, the most conclusive indicators are the unemployment rates. From April to May 2020, the seasonally-adjusted unemployment rate for the region fell from 15.7 percent to 14.8 percent, but remains four and a half times the May 2019 rate. A decline in the number of employed workers (down 97,222), coupled with a rise in the number of unemployed workers (up 66,804) continues to fuel the double-digit employment rate. The unemployment rate for the region remains above both the state (14.5 percent) and the nation (13.3 percent).

Some areas of the economy began to show signs of improvement from the initial effects of COVID-19, but remain well below pre-coronavirus levels. Airport passenger activity in May 2020 increased by over 200 percent from April 2020, but year-to-date passenger traffic in 2020 remains 34-percent below 2019. Florida Consumer Sentiment improved 6.1 points from May to June 2020, but was 13.8 points below June 2019. The U.S. Consumer Sentiment Index told a similar story, as the index rose 5.8 points from May to June 2020, but remains 20.1 points below the June 2019 figure.

Some other highlights of the report include:

- **Tourist tax revenues** for the coastal counties sank in April 2020, falling 86 percent from the same month last year.

- **Seasonally-adjusted Taxable sales** data showed noticeable effects from the COVID-19 pandemic, with April 2020 figures showing a 36-percent decline in sales compared to April 2019.

- **Single-family home sales** for the coastal counties fell by 40 percent in May 2020 compared to May 2019.

- **Median home prices** in Lee County declined 1 percent from May 2019 to May 2020. Charlotte and Collier County experienced a 3- and 1-percent increase in median home prices over the same period, respectively.

- May 2020 single-family building permits were down 15 percent from May 2019.

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. Please stay well and observe quarantining and distancing regulations that will save lives.
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 (but see below), 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.

Total passenger traffic for the three airports in May 2020 showed an uptick from April to 246,306, but still a decline of over 763,000 (76 percent) from May 2019. As we have noted in previous reports, the COVID-19 pandemic is keeping both Floridians and non-Floridians at home, substantially varying from the traditional seasonal pattern. As a result, significant numbers of commercial aircraft have been idled, and existing flights are operating well below capacity. A reversal of these results to pre-pandemic levels is not anticipated in the short-term. For the five months ending May 31, total passenger traffic in 2020 has dropped by nearly 2.5 million (34 percent) below 2019.

The charts tell the story; note the fishhook pattern between April and May 2020. Passenger traffic at RSW amounted to 143,004 in May 2020, down 80 percent from May 2019, but more than 2.5 times the April 2020 figure (see Chart 1). PGD’s passenger activity was 63,314 in May 2020, a decrease of 48 percent from May 2019 (see Chart 2). Similarly, Sarasota Bradenton activity rebounded to 39,988 in May 2020, but still represented a 75-percent decline from May 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 continued to show significant effects from the COVID-19 pandemic in April 2020, declining to $924,553. This represented a $5.6 million decline (86 percent) from April 2019, as well as a $3.4 million (78 percent) decrease from the previous month. The decline in tourist tax revenues for the coastal counties was expected for April 2020, as shutdown and stay-at-home orders related to COVID-19 significantly reduced demand for short-term rentals in the region.

Lee County’s seasonally-adjusted tourist tax revenues for April 2020 were $411.7 thousand, down 89 percent from April 2019. Collier County’s tourist tax revenues fell to $410.5 thousand in April 2020, down 84 percent compared to April 2019. Seasonally-adjusted tourist tax revenues in Charlotte County sank to $109.8 thousand in April 2020, a decrease of 72 percent from the prior March. Chart 5a is provided to illustrate the change in seasonally-adjusted tourist tax revenues over the past 13 months.

Chart 4: Tourist Tax Revenues for the Coastal Counties

(Chart showing tourist tax revenues from 2015 to 2020 for 3 coastal counties, comparing unadjusted and seasonally adjusted data)

Source: Local County Tourism, Tax, and Economic Development Reports
Chart 5: Coastal County Tourist Tax Revenues

Source: Local County Tourism, Tax, and Economic Development Reports and seasonal adjustment by RERI

Chart 5a: Coastal County Short-term Tourist Tax Revenues

Source: Local County Tourism, Tax, and Economic Development Reports and seasonal adjustment by RERI
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 April 2020.

Seasonally-adjusted taxable sales for the region showed noticeable effects from the COVID-19 pandemic in April 2020. Seasonally-adjusted taxable sales for Southwest Florida fell to $1.53 billion in April 2020, down from $2.40 billion in April 2019 and from $1.89 billion in March 2020 (see Chart 6).

Seasonally-adjustable taxable sales for the coastal and inland counties are shown in Charts 7 and 8, respectively. Lee County’s taxable sales were $833.6 million in April 2020, a 36-percent drop over April 2019. Collier County taxable sales fell to $478.8 million in April 2020, down 41 percent from April 2019. Taxable sales in Charlotte County tumbled to $184.4 million in April 2020, a decline of 26 percent over April 2019.

Taxable sales in Hendry County amounted to $33.2 million in April 2020, up 2 percent from the April 2019 figure. Hendry County was the only county in Southwest Florida to show an annual increase in taxable sales. Glades County taxable sales were $4.7 million in April 2020, down 4 percent over April 2019. All cited data are seasonally adjusted.

Chart 6: Taxable Sales for 5 County Region

![Chart 6: Taxable Sales for 5 County Region](image-url)
Chart 7: Taxable Sales for Coastal Counties

Chart 8: Taxable Sales for Inland 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 May 2020. Although the coastal communities showed some improvement in their employment figures for May 2020, the number of employed workers in the region remained 97,000 below May 2019 figure, while nearly 67,000 more people were unemployed. The region’s seasonally-adjusted unemployment rate was 14.8 percent in May 2020, down from 15.7 percent in April 2020, but 4.5 times the rate in May 2019. Chart 8a shows the current state of the region over the past 13 months more clearly:

**Chart 8a: Southwest Florida Short-term Labor Force and Unemployment**

Lee County’s seasonally-adjusted unemployment rate rose from 3.2 percent in May 2019 to 15.9 percent in April 2020, and then settled back to 14.9 percent in May 2020 (Chart 9). Collier County’s unemployment rate jumped from 3.2 percent in May 2019 to 15.5 percent in April 2020 and then declined to 14.8 percent in May 2020 (Chart 10). The unemployment rate pattern was the same for Charlotte County, rising from 3.7 percent in May 2019 to 15.6 percent in April 2020 before dropping to 14.2 percent in May 2020 (Chart 11).

Unemployment rates for Hendry and Glades Counties continued to rise in May 2020. The Hendry unemployment rate has gone from 5.7 percent in May 2019 to 12.7 percent in April 2020 to 14.1 percent in May 2020, as depicted in Chart 12. The corresponding figures for Glades County are 4.5 percent in May 2019 to 8.1 percent in April 2020 to 9.6 percent in May 2020 (Chart 13).
The seasonally-adjusted unemployment rate for the state of Florida rose to 14.5 percent in May 2020 from 3.2 percent in May 2019 and from a revised 13.8 percent in April 2020. The United States unemployment rate settled at 13.3 percent in May 2020, up from 3.6 percent in May 2019 but below the 14.7 percent figure for April 2020.

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

[Diagram showing labor force and unemployment data for Collier County from January 2007 to January 2020.]

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

Chart 11: Charlotte County Labor Force and Unemployment

[Diagram showing labor force and unemployment data for Charlotte County from January 2007 to January 2020.]

Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI
Chart 12: Hendry County Labor Force and Unemployment

Chart 13: Glades 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 a total of 693 single-family building permits during May 2020, a decrease of 122 permits (15 percent) from May 2019, and five fewer than the prior month of April 2020. Lee County issued 366 permits in May 2020, down from 408 in May 2019 (Chart 14). In Collier County, 205 permits were issued in May 2020, compared to 254 in May 2019 (see Chart 15). Charlotte County issued 122 permits during May 2020, a decrease of 31 from May 2019 (as depicted in Chart 16).

For the first five months of 2020, Hendry County issued 74 single-family building permits compared to 77 through May 2019.

As noted elsewhere in this report, the COVID-19 pandemic is clearly having deleterious effects on the economy of Southwest Florida and of course, the rest of the nation.

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

Chart 16: Single-Family Building Permits for Charlotte County
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.

There was a further decline in total Realtor® sales of single-family homes in the three coastal counties, from 2,658 units in May 2019 to 1,989 units in April 2020 to 1,590 units in May 2020. All three counties experienced a decline in median prices from April 2020, although Collier and Charlotte showed increases over May 2019. Effects of the pandemic on home buying are becoming more evident.

Single-family home sales in Lee County dropped to 924 units in May 2020, down 590 units (39 percent) from May 2019, while Lee’s median price dipped from $265,000 to $263,225 over the same period (Chart 17). Collier County single-family home sales amounted to 340 in May 2020, a decrease of 288 units (46 percent) from the prior May. The median price in Collier County rose from $443,750 in May 2019 to $450,000 in May 2020 (Chart 18). Charlotte County reported 326 single-family home sales for May 2020, down 190 units (37 percent) from May 2019. Charlotte’s median price in May 2020 was $236,933, compared to $230,000 in May 2019 (Chart 19).

**Chart 17: Existing Single-Family Home Sales for Lee County**

![Chart 17: Existing Single-Family Home Sales for Lee County](image)

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

Source: Florida Realtors® Punta Gorda, Florida MSA
Consumer Sentiment Index

Charts 20 and 21 show 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 continued to improve in June 2020, rising 5.8 points from the previous month to 78.1. Despite the increase, the index still remains 20.1 points below the June 2019 figure. “While most consumers believe that economic conditions could hardly worsen from the recent shutdown of the national economy, prospective growth in the economy is more closely tied to progress against the coronavirus,” said Richard Curtin, chief economist for the Surveys of Consumers. “The early reopening of the economy has undoubtedly restored jobs and incomes, but it has come at the probable cost of an uptick in the spread of the virus.”

Florida’s Consumer Sentiment Index increased in June 2020, rising 6.1 points to 82.7 from the revised figure of 76.6 in May 2020. “When consumers feel more optimistic about their economic prospects, they are more comfortable increasing their spending, particularly on big-ticket items. Coupled with the fact that businesses around Florida were allowed to reopen and operate at an increased capacity in June, the increase in consumer confidence is a positive sign for the state’s economy,” Hector H Sandoval, director of the Economic Analysis Program at the University of Florida’s Bureau of Economic and Business Research, said in the June 30, 2020 edition of Florida Consumer Sentiment Index. “Looking ahead, as a record number of cases are reported in Florida by the end of June and with the state starting to roll back some of their reopening plans, we expect consumer confidence to decrease in July, slowing the economic recovery.”
**Chart 20: U.S. Index of Consumer Sentiment**

![Chart 20](image)

*Source: Thomson Reuters/University of Michigan*

**Chart 21: Florida Consumer Sentiment Index**

![Chart 21](image)

*Source: Bureau of Economic and Business Research, University of Florida*
Consumer Price Index

As reported last month, the impact of the COVID-19 Pandemic is apparent in this area as well. Chart 22 shows that year-to-year changes in consumer price indices (“CPI”) through April 2020 declined noticeably from a year ago. The March 2020 Miami/Ft. Lauderdale CPI dropped by 0.5 percent from April 2019, while the CPI for the US South Region was 0.2 percent below the April 2019 figure. For the same period, CPI growth for the nation was positive, but at only 0.3 percent.

**Chart 22: CPI Annual Percentage Change**

![Chart showing CPI annual percentage change from year earlier](Image)

Components of the Miami-Fort Lauderdale Consumer Price Index for the 12 months ending April 2020 are shown in Chart 23. Increases in food & beverage and medical care costs seem an expected outcome of this pandemic, along with decreases in apparel and transportation expenses due to quarantining.
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

Chart 23: Miami-Fort Lauderdale CPI Component Percentage Change

Source: U.S. Bureau of Labor Statistics
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

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

Last Updated: July 2020

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 June 2020 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 illustrates the uncertainty in GDP projections from the COVID-19 pandemic, with both ranges and central tendencies fluctuating erratically from 2020 to 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 2019 measured 2.3 percent, a decline from the 2.9 percent measured in both 2015 and 2018. The overall high and low projections (shown as ranges below and denoted by the dotted lines) for 2020 show that GDP growth is expected to fall by 4.2 percent to as much as 10 percent. While 2021 is projected to show an improvement in GDP growth, uncertainty surrounding the pandemic makes it difficult to project precisely where GDP growth will be next.
year, resulting in projections that predict GDP will grow by 7 percent or fall by 1 percent. In 2022, the board members believe that GDP growth will range from 2 to 6 percent, and project that in the long-run, GDP growth will remain somewhere between 1.6 percent and 2.2 percent.

Chart A3: Historic and Projected GDP Growth, 2008 to Long Run

Chart A4 depicts unemployment following the 2008 recession. Unemployment is expected to rise considerably in 2020, with rate estimates ranging from 7 percent to 14 percent. Some FOMC members believe that unemployment will remain in double digits in 2021, with predictions ranging from 4.5 percent to 12 percent. Unemployment in 2022 is projected to range somewhere between 4 percent and 8 percent in 2022, and in the long run, the unemployment rate is expected to range between 3.5 percent and 4.7 percent. 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 next quarterly release of projections for GDP and Unemployment will be released following the FOMC meeting scheduled in September 2020. These projections will be updated in the October 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**

![Regional Gross Domestic Product Chart](chart.png)

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.

**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 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**

![Chart showing GDP by industry for Charlotte County]

Source: U.S. Bureau of Economic Analysis

**Industry Diversification Index**

**Last Updated:** July 2020

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 fourth quarter of 2019, the IDI for Southwest Florida measured at 8.60, ranking it as the 8th 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 17th highest state in the nation in industry diversification, although below the national average of 8.65.

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