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Introduction: Regional and National Background

The latest economic indicators continued to show mixed results for the Southwest Florida economy, as some indicators improved while others declined. While COVID-19 vaccine distributions continued to be distributed throughout the state and country, uncertainty will continue to impact the economy in the short and medium term.

The seasonally-adjusted unemployment rate for the region in February 2021 increased 0.1 points from the previous month to 3.9 percent, and remains 0.6 percentage points above the February 2020 figure. The number unemployed in February 2021 increased by over 3,500 people from February 2020, while employment fell by over 17,000 over the same period.

Real estate indicators continued to be a bright spot for the region. Single-family building permits for the coastal counties improved 15 percent from February 2020 to February 2021. Single-family home sales improved 28 percent in February 2021 over February 2020. Median prices for all three counties also increased by 15 to 23 percent during the same 12-month period. Realtor® Active listings for the coastal counties were down in February 2021, falling 63 percent from February 2020.

Other indicators provided some mixed results for the hospitality and tourism economy:

- Airport passenger activity for February 2021 increased by 11 percent over January 2021, following the traditional seasonal pattern, but was 39 percent below the total for February 2020;

- January 2021 seasonally-adjusted tourist tax revenues were 14 percent lower than January 2020, albeit 10 percent above the December 2020 total;

- Seasonally-adjusted taxable sales rose 5 percent in December 2020 compared to December 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. Stay well, and please observe masking and distancing guidelines in order to 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, with significantly lower activity in the summer months. Charts 1, 2, and 3 illustrate the historic seasonality as well as the changes from year to year.

As noted in previous reports, the COVID-19 pandemic is keeping both Floridians and non-Floridians at home. Total passenger traffic for the three airports amounted to 1,014,490 in February 2021, down 39 percent from February 2020, and up 11 percent over January 2021 following the seasonal pattern. While all three airports continue to improve from the dip in passenger activity experienced in April 2020, a complete recovery to pre-pandemic levels is not anticipated in the short-term.

In 2021 the charts better reflect the historic seasonal pattern, albeit at a reduced level. Passenger traffic at RSW was 725,735 in February 2021, down 42 percent from February 2020, but 6 percent greater than January 2021 (see Chart 1). PGD’s passenger activity amounted to 128,983 in February 2021, a decrease of 36 percent from February 2020, and 31 percent above January 2021 (see Chart 2). Sarasota Bradenton served 159,772 passengers in February 2021, a 31-percent decrease from February 2020, albeit 26 percent above January 2021. For Sarasota Bradenton, this represents activities above the level observed in February 2019, while RSW and PGD’s activity are still below 2018’s level.

Chart 1: SW Florida International Passenger Activity

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

Chart 3: Sarasota Airport Passenger Activity

Source: Local Airport Authorities
Tourist Tax Revenues

Charts 4 and 5 show seasonally-adjusted tourist tax revenues by month of occupancy. Revenues for the coastal counties increased to $6.7 million in January 2021 from $6.1 million in December 2020. Revenues were also $1.1 million (14 percent) behind January 2020.

Lee County’s seasonally-adjusted tourist tax revenues for January 2021 rose to $4.1 million, a 9-percent decline from January 2020, however, 20 percent higher than December 2020. Collier County’s tourist tax revenues amounted to $2.2 million in January 2021, down 22 percent compared to January 2020, as well as 3 percent below the December 2020 figure. Seasonally-adjusted tourist tax revenues in Charlotte County declined to $452.8 thousand in January 2021, a 1-percent decline from January 2020, but 10 percent higher than the December 2020 measure.

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 December 2020.

Seasonally-adjusted taxable sales for Southwest Florida totaled $2.568 billion in December 2020, an increase of 5 percent from December 2019 and 6 percent higher than November 2020 (see Chart 6).

Results for the coastal and inland counties are shown in Charts 7 and 8, respectively. Lee County’s seasonally-adjusted taxable sales were $1.387 billion in December 2020, an increase of 6 percent over December 2019 and a 6 percent increase from November 2020. Collier County taxable sales were $866.9 million in December 2020, up 7 percent from November 2020, and 5 percent over the December 2019 total. Taxable sales in Charlotte County increased to $272.7 million in December 2020, compared to $267.1 million in December 2019 and to $264.1 million in November 2020.

Taxable sales in Hendry County totaled $35.3 million in December 2020, down 7 percent from December 2019, albeit 4 percent over the November 2020 total. Glades County taxable sales were $5.9 million in December 2020, up 27 percent from November 2020, but 3 percent below the December 2019 total. All cited data are seasonally adjusted.
Based on the data, taxable sales for the coastal counties (Lee, Collier, and Charlotte) fared better than those of the inland counties in the month of December 2020, compared to the same time last year. However, all the five counties in the region saw their taxable sales increase from their respective November 2020 totals, corresponding to the influx of tourists from northern states during the winter months.

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

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 February 2021. The number of employed persons in the Southwest Florida region decreased by 497 between January 2021 and February 2021, while the number of unemployed also increased by 485 over the same period. The region’s seasonally-adjusted unemployment rate rose to 3.9 percent in February 2021, up 0.1 percentage points from the prior month. Compared to a year ago, the seasonally-adjusted number of employed workers is down by over 17,000, while the number of unemployed were over 3,000 higher. The total labor force declined by 13,814 from February 2020 to February 2021, mainly in Collier and Lee counties.

Lee County’s seasonally-adjusted unemployment rate rose from 3.1 percent in February 2020 to 3.9 percent in January 2021 and to 4.1 percent in February 2021 (Chart 9). Lee’s employment fell by 787 from the prior month, while unemployment also went up by 383. Collier County’s unemployment rate rose from 3.1 in February 2020 to 3.5 in January 2021 and remained the same in February 2021 (Chart 10). Charlotte County’s unemployment rate was 4.0 percent in February 2021, up 0.1 points from the previous month, and 0.3 points higher than February 2020 (Chart 11).

Hendry’s unemployment rate was 5.3 percent in February 2021, down from the previous month by 0.1 points, and down 0.9 points from the February 2020 measure, as depicted in Chart 12. The corresponding figures for Glades County are 3.3 percent in February 2021, 3.4 percent in January 2021, and 4.2 percent in February 2020 (Chart 13).

The State of Florida’s seasonally adjusted unemployment rate was 4.7 percent in February 2021, down 0.1 points from the January 2021 rate, and up 1.4 percentage points from February 2020. The United States unemployment rate was 6.2 percent in February 2021, down 0.1 points from 6.3 percent in January 2021, and up 2.7 percentage points from the 3.5 percent for February 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

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

[Graph 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

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

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

The Southwest Florida coastal counties issued 1,066 single-family building permits in February 2021, an increase of 138 permits (15 percent) over February 2020, but down 293 permits (22 percent) from January 2021. Lee County issued 664 permits in February 2021, up from 463 in February 2020, but a decrease below the 754 permits issued in January 2021 (see Chart 14). In Collier County, 195 permits were issued in February 2021, a decrease of 39 permits (17 percent) from February 2020 and 162 fewer than January 2021 (see Chart 15). Charlotte County recorded 207 permits issued in February 2021, a decrease from the 231 permits issued in February 2020, and 41 fewer permits than January 2021 (see Chart 16).

Hendry County issued 28 single-family building permits in February 2021, compared to 22 issued during February 2020, a 27 percent increase. All coastal counties and Hendry County saw a monthly decline in single-family building permits. Only Lee County and Hendry County experienced a year-to-year growth in single-family building permits.
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. Each solid line represents 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.

Realtor® sales of single-family homes in the three coastal counties again rose substantially compared to the same month of the prior year. Totals for February 2021 were 2,331, an increase of 28 percent over February 2020, also 8 percent above January 2021. All three counties experienced meaningful increases in median prices from one year ago, ranging from 15 to 23 percent. The sales and median price trend lines for all three counties continue to be positive.

Single-family home sales in Lee County rose to 1,292 units in February 2021, an increase of 256 units (25 percent) from February 2020, while Lee’s median price rose from $270,000 to $329,950 over the same period (see Chart 17). Collier County single-family home sales registered 608 units in February 2021, an increase of 203 (50 percent) compared to February 2020. The median price in Collier County rose substantially by $103.5 thousand from $454,000 in February 2020 to $557,500 in February 2021 (see Chart 18). Charlotte County reported 431 existing single-family home sales for February 2021, up 15 percent from the 376 units sold in February 2020. The median price in Charlotte County was $275,000 in February 2021, up $35,000 (15 percent) over the same month last year (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
Realtor® Active Listings

Active listings are provided by the Realtors® residential listings database and provides a look into the number of properties for sale on the market. These figures include single-family residential homes, condominiums and townhomes, and exclude pending listings where a pending status is available.

Active listings in the three coastal counties continued to fall in February 2021. The coastal counties had 6,415 residential properties listed for sale, down 24 percent from January 2021, as well as a 63-percent decline from February 2020.

Active listings in Lee County dipped to 2,985 units in February 2021, a 24-percent decrease from January 2021, and a 65-percent fall from February 2020 (Chart 20). Collier County reported 2,624 units listed for sale in February 2021, down from both the previous month (25 percent) and same month last year (60 percent) (Chart 21). Charlotte County active listings fell to 806 units in February 2021, a decrease of 22 percent from January 2021, and a 61-percent slip from February 2020 (Chart 22).
Chart 20: Active Listings for Lee County

Source: Realtor.com residential listings database

Chart 21: Active Listings for Collier County

Source: Realtor.com residential listings database
Consumer Sentiment Index

Charts 23 and 24 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 rebounded in March 2021, rising 8.1 points from the previous month to 84.9. Richard Curtin, chief economist for the Surveys of Consumers, noted that the increase was largely due to the third disbursement of relief checks and better than anticipated vaccination progress. “The data clearly point toward robust increases in consumer spending. The ultimate strength and duration of the spending surge will depend on the rate of draw-downs in savings since consumers anticipate a slower pace of income growth. Despite the vast decline in precautionary motives sparked by the easing of pandemic fears, those precautionary motives will not completely disappear,” noted Curtin.

Florida’s Consumer Sentiment Index also improved in March 2021, increasing 3.7 points from the previous month to 80.9. “Consistent with the vaccination rollout and the proposed vaccine eligibility expansions, the gain in confidence came from consumers’ future expectations, particularly from Floridians’ expectations about the national economy over the next year,” Hector H Sandoval, director of the Economic Analysis Program at the University of Florida’s Bureau of Economic and Business Research, said in the March 30, 2021 edition of Florida Consumer
Sentiment Index. “The recovery is far from complete, though the vaccine eligibility expansion recently announced, opening up eligibility to all adults, is expected to have a positive impact on Florida’s economic prospects in the short-run. Coupled with the arrival of the third stimulus check, which is expected to boost local economies, we anticipate an increased rate of recovery and further improvements in consumer sentiment in the coming months.”
Chart 24: Florida Consumer Sentiment Index

Consumer Price Index

Chart 25 shows that year-to-year changes in consumer price indices (“CPI”) through February 2021 continue to be lower than a year ago. The Miami/Ft. Lauderdale CPI increased by 1.4 percent from February 2020 to February 2021, while the US South Region had a 2.0 percent increase over the same period. CPI for the nation increased by 1.7 percent in February 2021 compared to February 2020.
Components of the Miami-Fort Lauderdale Consumer Price Index for the 12 months ending February 2021 are shown in Chart 26. Increases in food and beverage costs continue to outpace the rest of the components, increasing 5.2 percent in February 2021 over February 2020. The region also saw a moderate decline in prices for both transportation (2.1 percent decline in February 2021 over February 2020) and apparel (3.4 percent decline over the same 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 2019, 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: August 2020

From 1990 to 2019, regional population grew at a compound average rate of 2.6 percent per year. The compound average annual rates of growth were 2.8 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 2020 to 2045, at substantially lower rates than those experienced between 1990 and 2019. Projected growth for the five-county region averages 1.3 percent per year, resulting in a population increase of 38.6 percent from 2019 to 2045. This would add over 520,000 residents to the region, and bring the total to 1,867,600. Lee County’s population is projected to grow an average of 1.4 percent per year, Collier County at 1.2 percent, and Charlotte County at 1.0 percent. Projected growth rates for the inland counties are substantially lower; Hendry County’s population is projected to grow at an average of 0.6 percent per year and Glades County at 0.3 percent per year.

Chart A1: Coastal Counties Population, 1990 to 2045

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

Last Updated: April 2021

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 March 2021 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 2020 was -3.5 percent, compared to the 2.2 percent GDP reported in 2019. The overall high and low projections (shown as ranges below and denoted by the dotted lines) for 2021 show that all members of the FOMC expecting GDP to improve this year, with a range of 5.0 to 7.3 percent and a central tendency of 5.8 to 6.6 percent. The substantial increase in expectations for GDP are likely largely influenced by the down year in 2020. The board members believe that GDP growth will range from 2.5 to 4.4 percent in 2022 and range between 1.7 and
2.6 percent in 2023. In the long-run, GDP growth is expected to range somewhere between 1.6 percent and 2.2 percent.

Chart A3: Historic and Projected GDP Growth, 2009 to Long Run

Chart A4 depicts unemployment trends since 2009. The unemployment rate in 2020 was 8.1 percent, up 4.4 percentage points from 2019. FOMC members believe unemployment will improve in 2021, with predictions ranging from 4.0 percent to 5.5 percent. Unemployment in 2022 is projected to range somewhere between 3.2 percent and 4.2 percent, and range between 3.0 and 4.0 percent in 2023. In the long run, the unemployment rate is expected to range between 3.5 percent and 4.5 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.
Chart A4: Historic and Projected Unemployment, 2009 to Long Run

The next quarterly release of projections for GDP and Unemployment will be released following the FOMC meeting scheduled in June 2021. These projections will be updated in the July 2021 edition of Regional Economic Indicators.
Regional GDP

Last Updated: January 2021

Charts A5 shows GDP growth by industry for the Southwest Florida coastal counties. Most industries in the coastal counties continued to grow in 2019, with the transportation and warehousing industry (7.3 percent increase from 2018 to 2019), finance, insurance, real estate, rental and leasing industry (5.6 percent increase), educational services, health care, and social assistance industry (5.1 percent increase), and professional and business services industry (4.9 percent increase) making the largest gains. Mining, quarrying, and oil and gas extraction (4.3 percent decline), and utilities (4.3 percent decline) were the only industries to retract from 2018 to 2019.

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 transportation and warehousing industry (6.3 percent increase from 2018 to 2019), educational services, health care, and social assistance industry (5.9 percent increase), professional and business services industry (5.2 percent increase), and information industry (4.5 percent increase) made the largest gains over the 12-month period. Meanwhile, utilities (4.7 percent decline), agriculture, forestry, fishing and hunting (3 percent decline), and construction (0.8 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 transportation and warehousing industry (7.3 percent increase from 2018 to 2019), information industry (6.5 percent increase), agriculture, forestry, fishing and hunting industry (5.9 percent increase), and manufacturing industry (5.7 percent increase) made the largest gains over the 12-month period. Meanwhile, mining, quarrying, and oil and gas extraction (45.4 percent decline) and utilities (2.3 percent decline) were the only industries 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 transportation and warehousing industry (19.5 percent increase from 2018 to 2019), finance, insurance, real estate, rental and leasing industry (13.7 percent increase), construction industry (12.3 percent increase), and mining, quarrying, and oil and gas extraction industry (10.8 percent increase) made the largest gains over the 12-month period. Meanwhile, manufacturing (2.3 percent decline), wholesale trade (1.8 percent decline), and arts, entertainment, recreation, accommodation, and food services (1.2 percent decline) all declined 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. During the third quarter of 2020, the IDI for Southwest Florida measured at 5.28, ranking it as the 10th most industrially diverse workforce region in the state of Florida (out of 24). Meanwhile, the state of Florida had an IDI of 5.22, ranking Florida as the 26th highest state in the nation in industry diversification, although below the national average of 5.35.