

# Southwest Florida Regional Economic Indicators

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Regional Economic Research Institute

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## Introduction

The Federal Reserve Open Market Committee met on March 18, 2009, and stated that the economy continues to decline with consumers worried about jobs and loss of wealth as stock market and housing prices decline. Consumer spending is down and businesses are having difficulty obtaining credit. The global economy has slowed, reducing U.S. exports.

The minutes of the March 17-18, 2009 Federal Open Market Committee were recently released and stated, " The staff's projections for real GDP in the second half of 2009 and in 2010 were revised down, with real GDP expected to flatten out gradually over the second half of this year and then to expand slowly next year as the stresses in financial markets ease, the effects of fiscal stimulus take hold, inventory adjustments are worked through, and the correction in housing activity comes to an end. The weaker trajectory of real output resulted in the projected path of the unemployment rate rising more steeply into early next year before flattening out a high level over the rest of the year." The next meeting of the Open Market Committee is planned for April 28 and 29, 2009.

Our regional economic indicator charts show the impact of the slowdown in the local economy in the form of low retail sales, high unemployment rates, low permitting levels, and low inflation rates. Unemployment in Lee County reached 12.2 percent in March. Airport passenger traffic at Regional Southwest(RSW) is off by four percent from last February. February tourism revenues are down for Lee and Collier Counties while Charlotte County showed a increase compared to the same month last year.

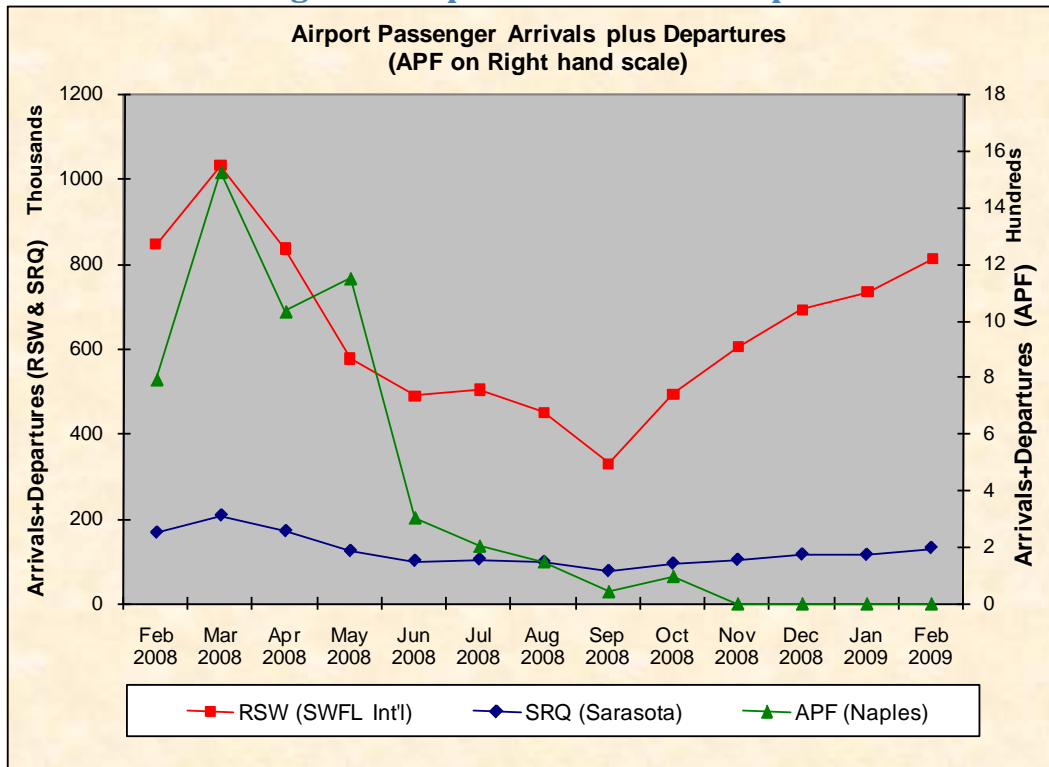
The Regional Economic Research Institute (RERI) is continuing to develop the regional economic database, and this report, as a way to support its mission and assist the region. The Institute thanks its many partners for assistance in obtaining the data, including the Southwest Florida Regional Planning Council, the Economic Development Organizations of Charlotte, Collier, and Lee Counties, and the county and city permit offices.

## Airport Activity

Airport passenger activity is defined as the sum of arrivals and departures for Regional Southwest Florida, Sarasota and Naples airports. In Chart 1, passenger activity for Regional Southwest Florida (RSW) and Sarasota (SRQ) are shown on the left vertical axis and the numbers for Naples airport (APF) are shown on the right vertical axis. Peak seasonal activity occurs in February, March and April. Significantly lower activity takes place in the summer months, especially the period of June to September. Charts 2 and 3 illustrate the monthly seasonality of airport passenger traffic and the changes from year to year.

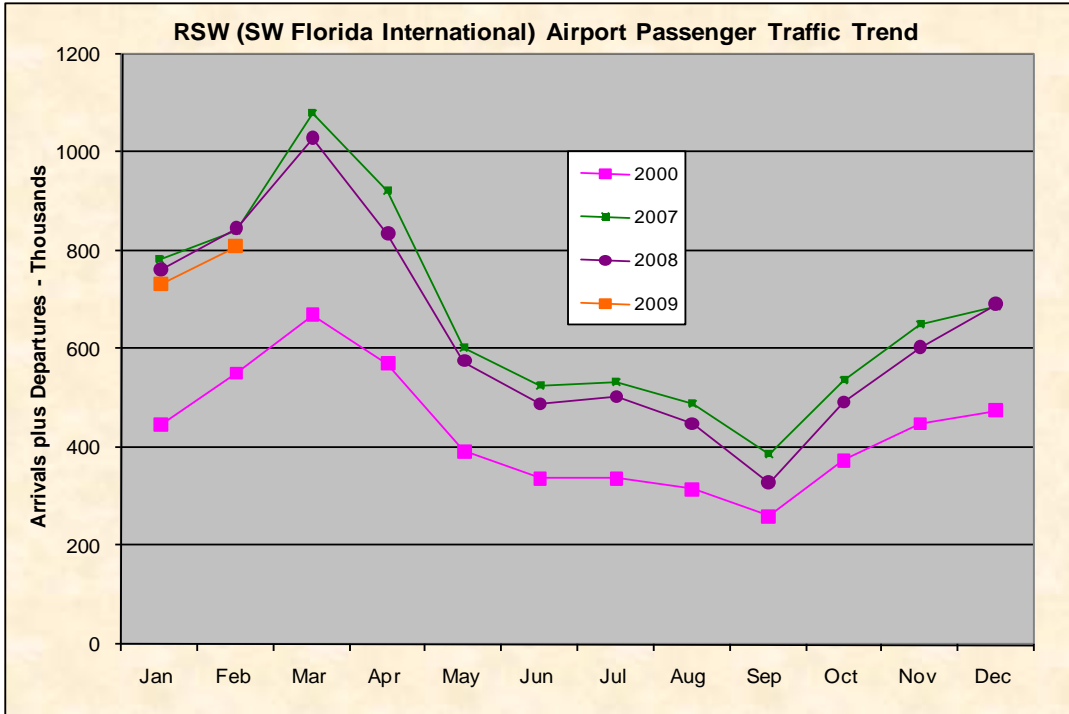
Regional Southwest Florida (RSW) airport located in Lee County is ranked as one of the fifty busiest airports in the nation. The 2008 passenger activity peaked in March at 1,030,151 and as expected, activity levels fell over the slower summer months, as shown in Chart 1. The February 2009 passenger level was 809,990 which is four percent lower than the February 2008 level of 845,741. Sarasota (SRQ) passenger activity was 130,541 in February 2009 or approximately 22 percent lower than February 2008, albeit up 14 percent from January 2009. Charlotte County has added commercial passenger service and we plan to track activity levels there as information becomes available.

**Chart 1: Regional Airport Arrivals and Departures**



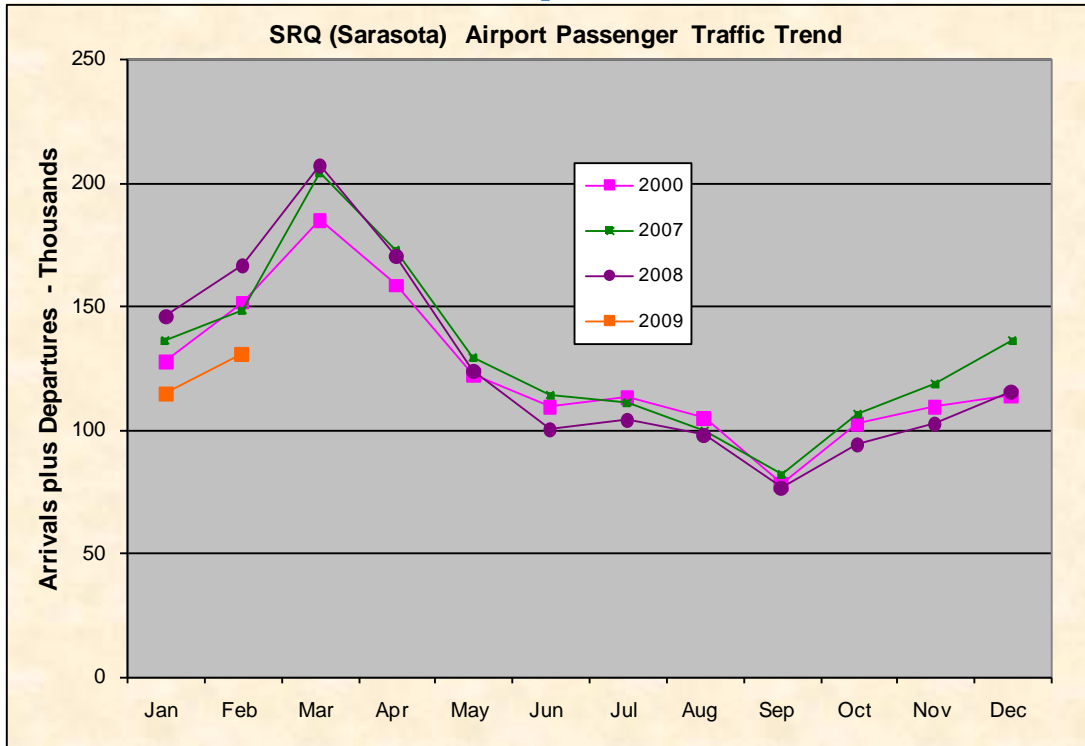
Source: Local Airport Authorities

**Chart 2: RSW Traffic Trend**



Source: Local Airport Authorities

**Chart 3: Sarasota Airport Traffic Trend**

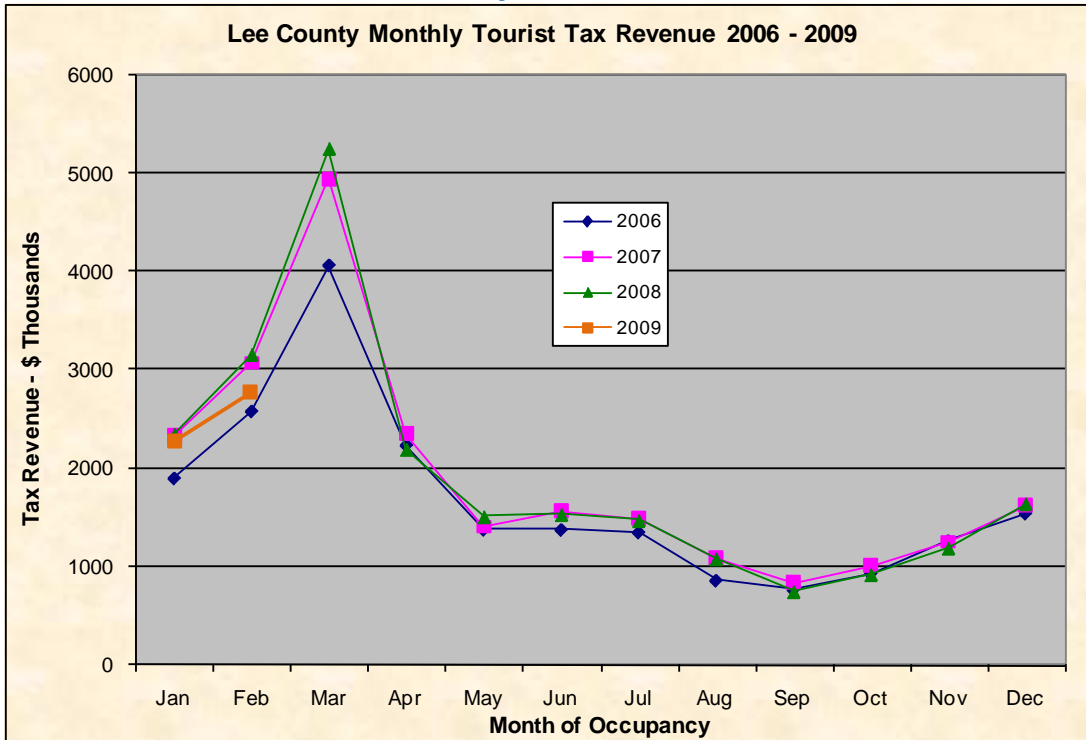


Source: Local Airport Authorities

## Tourism Tax Revenues

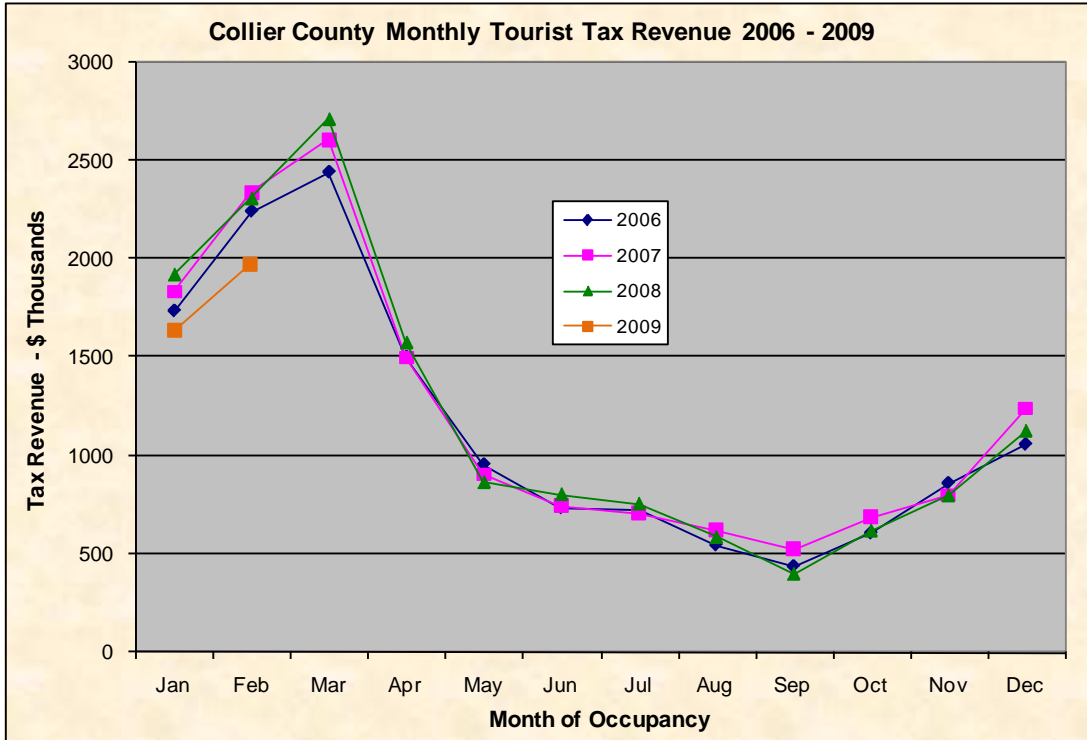
Tourism tax revenues for the region are shown in Charts 4, 5, and 6, and are based on month of occupancy. The charts show that tourism tax revenues were down 12 percent in February for Lee and 14 percent for Collier compared to February 2008. Conversely, Charlotte County recorded a 10 percent increase versus February 2008, which was unexpected given the current economic climate.

**Chart 4: Lee County Tourism Tax Revenues**



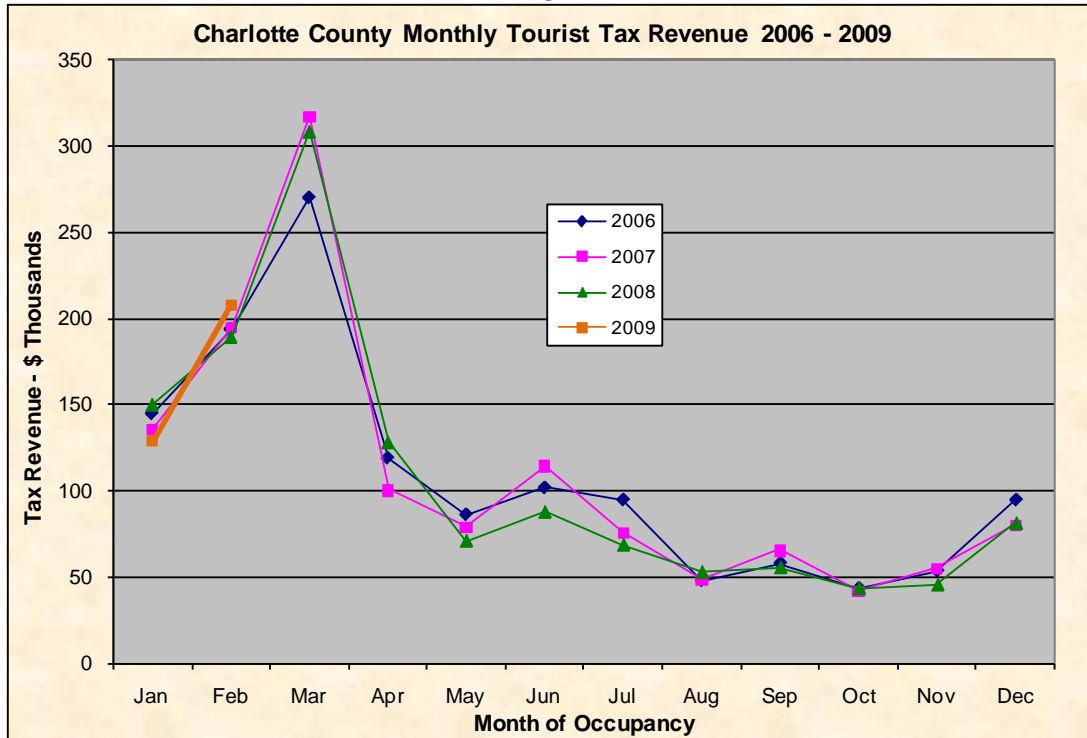
Source: Local County Tourism, Tax, and Economic Development Reports

**Chart 5: Collier County Tourism Tax Revenues**



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

**Chart 6: Charlotte County Tourism Tax Revenues**

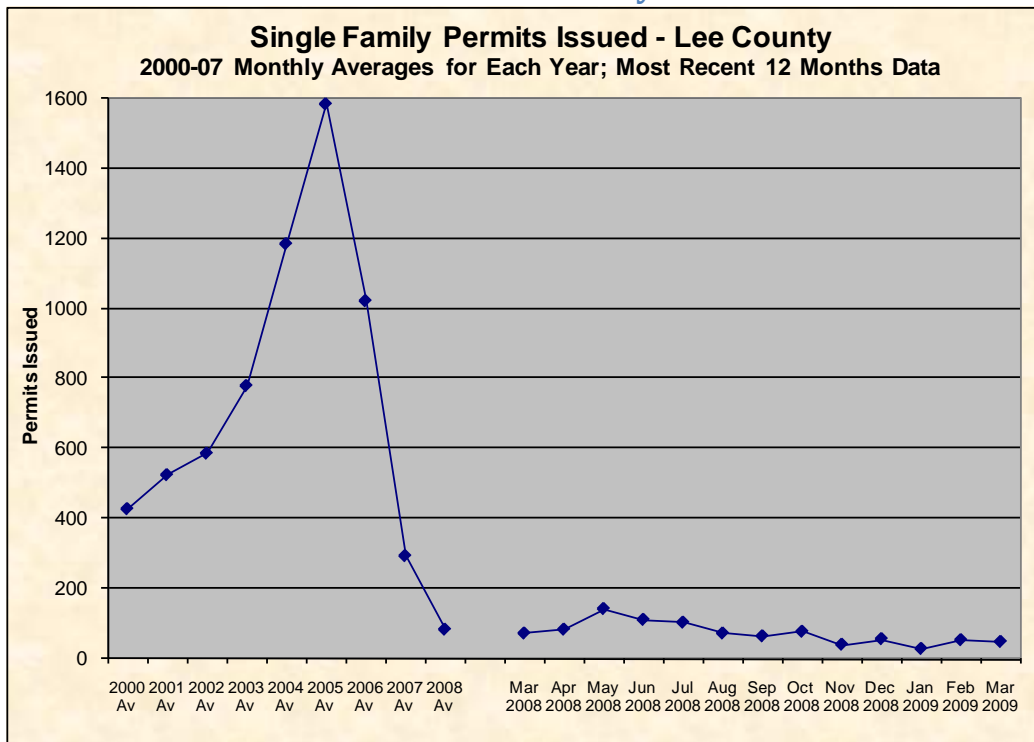


Source: Local County Tourism, Tax, and Economic Development Reports

## Single-Family Building Permits

Single-family home permits issued remained low for the region as the economy's recession and a large inventory of homes continued to put downward pressure on housing prices. The March single-family permitting in Lee County decreased to 50 in March from 55 in February as shown in Chart 7; one year ago, the figure was 74. Single-family permits for Collier County decreased from 58 in February to 36 in March, as shown in Chart 8. This fell short of the Collier County total of 47 in March 2008. In Charlotte County, 29 permits were issued in March 2009 compared to 40 in both February 2009 as well as March 2008. This is illustrated in Chart 9.

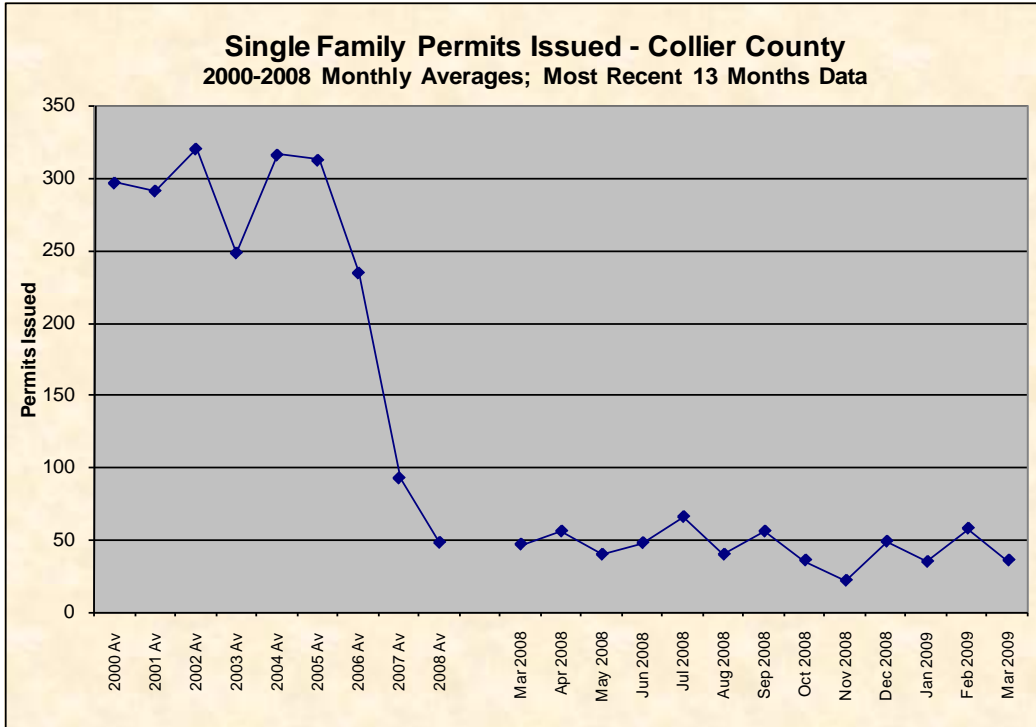
**Chart 7: Lee County**



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

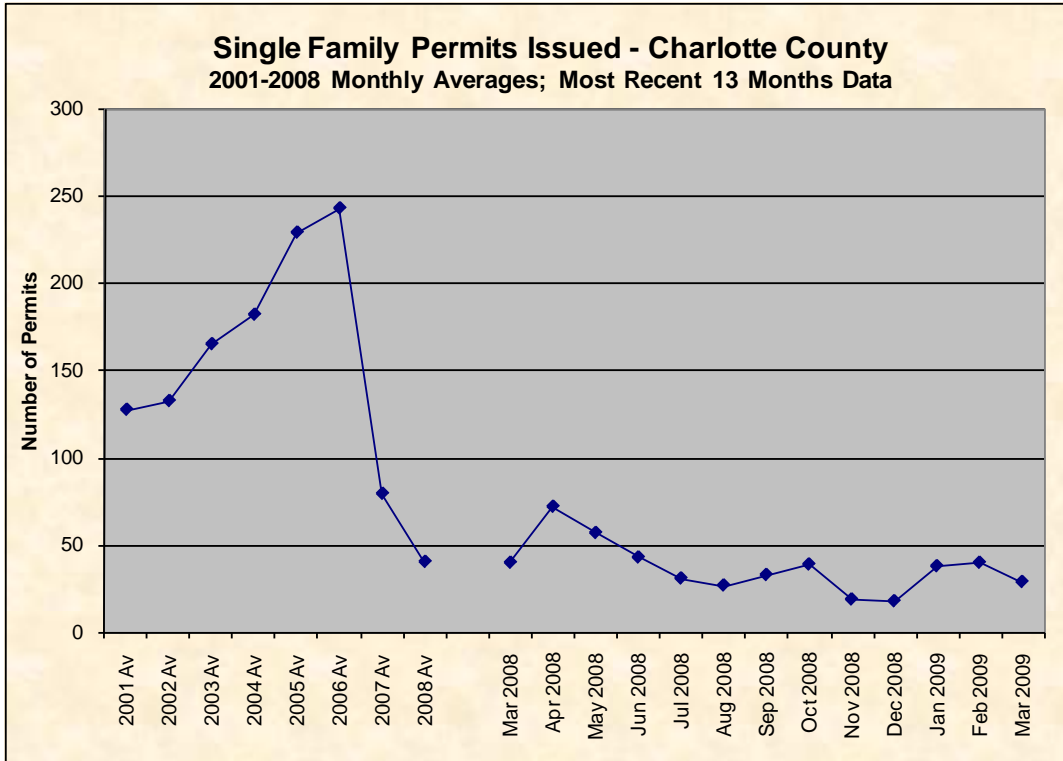


**Chart 8: Collier County**



Source: Local Building and Zoning Departments, includes unincorporated Collier County permits only.

**Chart 9: Charlotte County**



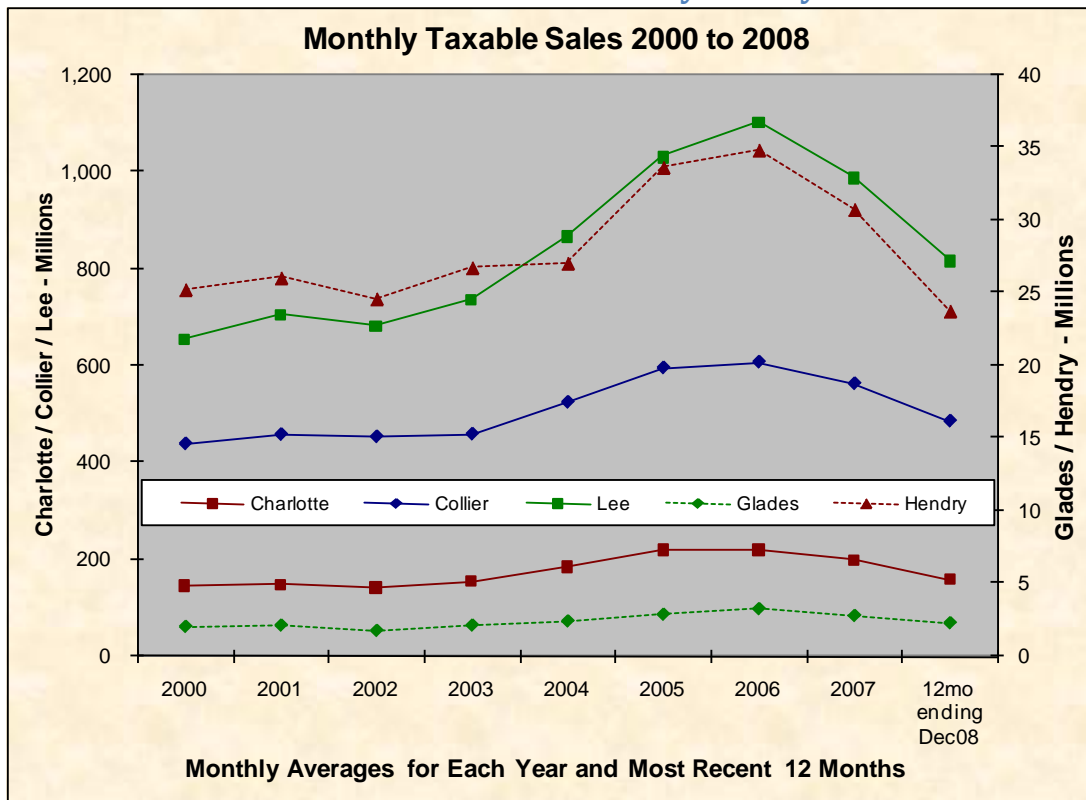
Source: Local Building and Zoning Departments, includes unincorporated Charlotte County permits only.

## Taxable Sales

The taxable sales charts show month of collection rather than the reporting month issued by the Florida Department of Revenue. This makes December the latest collection month plotted on the following charts. The taxable sales figures are used to track consumer spending, an important component of the regional economy. Chart 10 provides a historical range of average monthly taxable sales from 2000 to 2008.

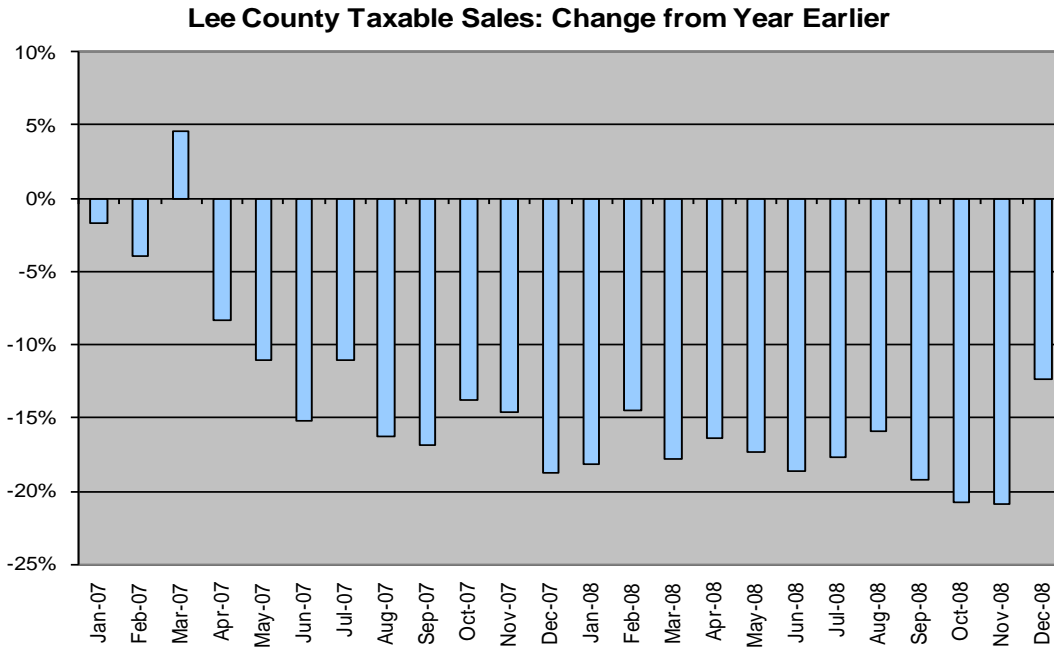
Each of the counties had a month-to-month increase in taxable sales in December 2008, as expected during the busier winter season. The local impact of the current recession is clearly visible in the year-to-year percentage drops in taxable sales. Lee County saw December 2008 taxable sales 12 percent below December 2007 levels as shown in Chart 11. Collier and Charlotte Counties experienced year-to-year reductions of 11 and 12 percent, respectively, as shown in Charts 12 and 13. Hendry County's taxable sales (not charted) were off by 21 percent from a year earlier, while Glades (not charted) was down by 16 percent.

**Chart 10: Taxable Sales by County**



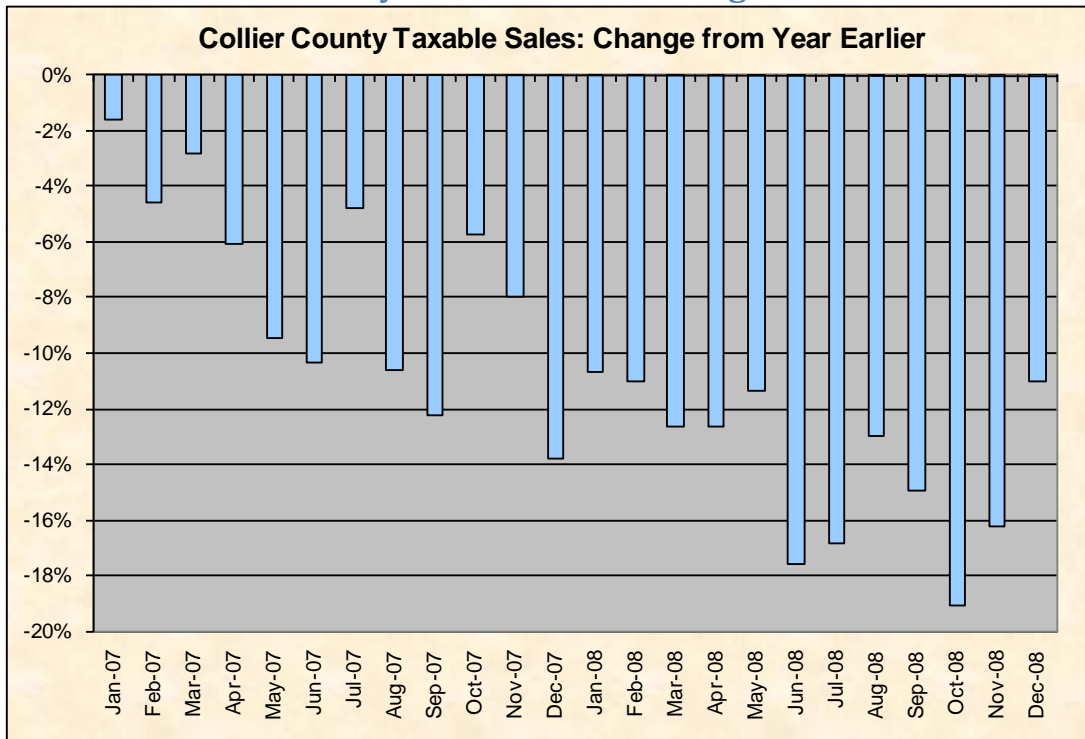
Source: Florida Department of Tax Research

**Chart 11: Lee County Taxable Sales - Change from a Year Earlier**



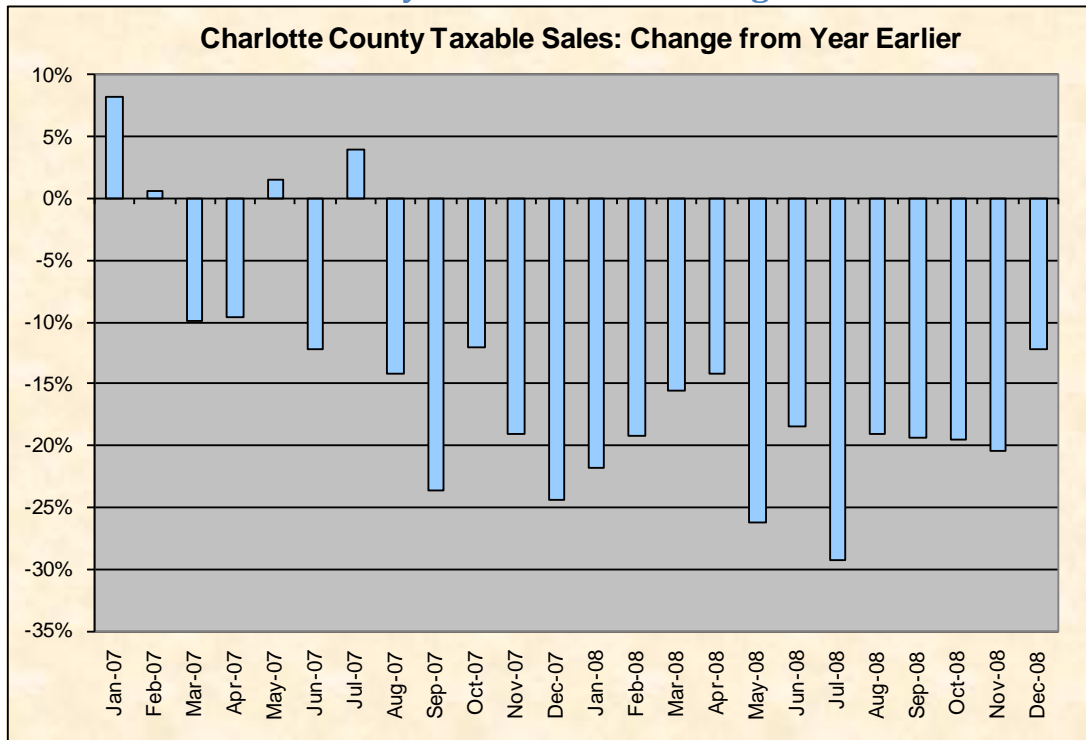
Source: Florida Department of Tax Research

**Chart 12: Collier County Taxable Sales - Change from a Year Earlier**



Source: Florida Department of Tax Research

**Chart 13: Charlotte County Taxable Sales - Change from a Year Earlier**



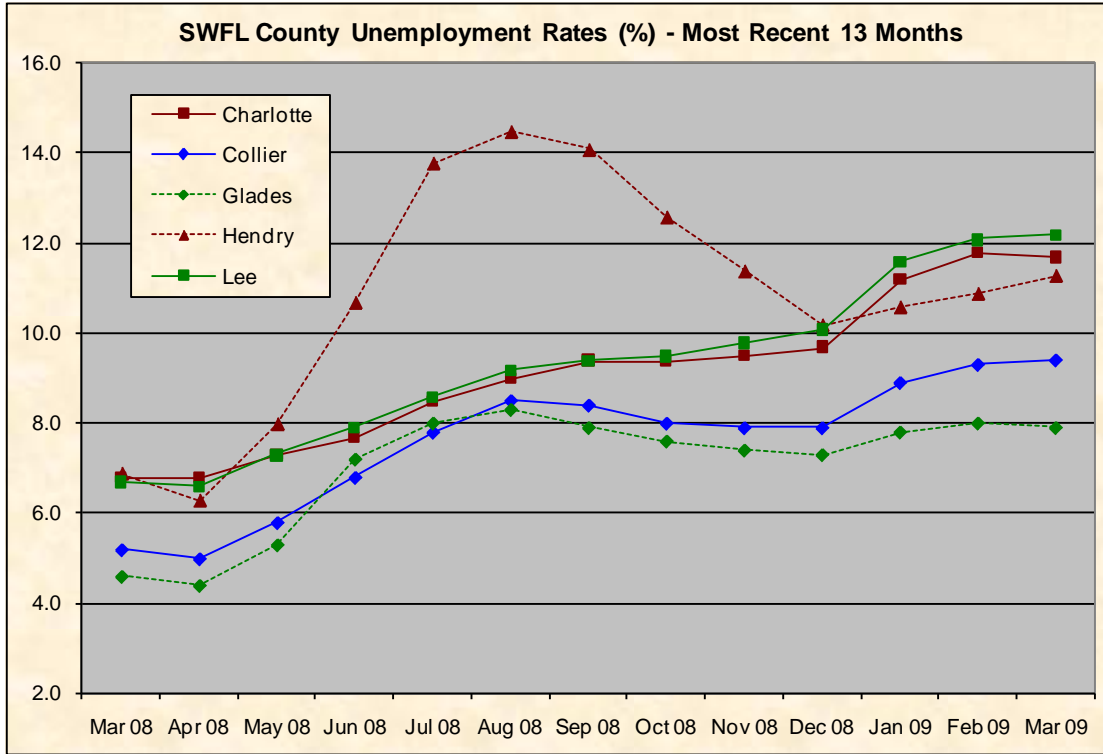
Source: Florida Department of Tax Research

## Workforce - Unemployment

Unemployment levels in Southwest Florida remain high, as shown in Chart 14. The unemployment rates reported in this report are not seasonally adjusted. Lee County's unemployment rate rose from 12.1 percent in February 2009 to 12.2 percent in March 2009. Collier County's unemployment rate rose to 9.4 percent in March 2009 from 9.3 percent in February 2008. Charlotte County's unemployment rate declined to 11.7 percent in March 2009 from 11.8 percent in February 2009. Hendry County unemployment increased from 10.9 percent in February to 11.3 percent in March 2009. Glades County's unemployment decreased from 8.0 percent in February 2008 to 7.9 percent in March 2009. The Florida unemployment rate was 9.5 percent in January 2009 (not seasonally adjusted) and the national unemployment rate was 9.0 percent for March 2009 (not seasonally adjusted).

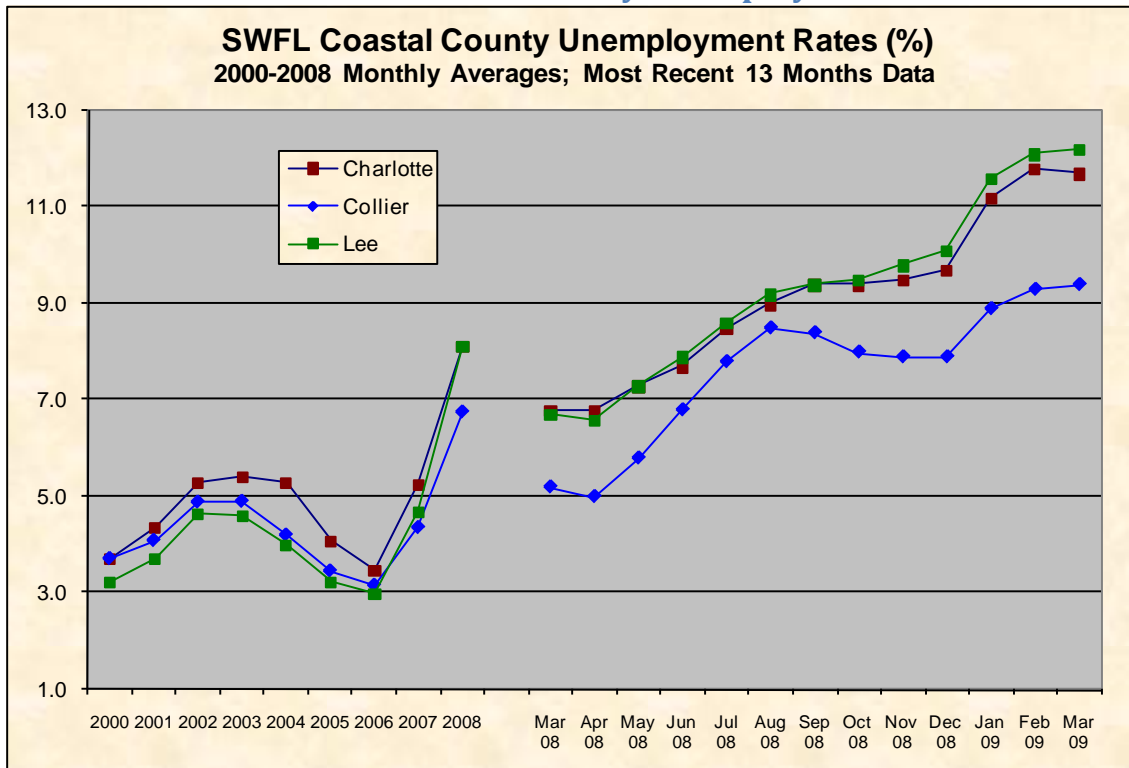
Charts 15 and 16 show the unemployment rates for our region and provide a longer term historical perspective from 2000 to 2008 and the latest 13 months. Unemployment rates above 5.0 percent reflect cyclical unemployment and a slowdown of the economy from long-run trends. Our region has been hit particularly hard due to its dependence on housing and construction in general.

**Chart 14: Regional Unemployment**



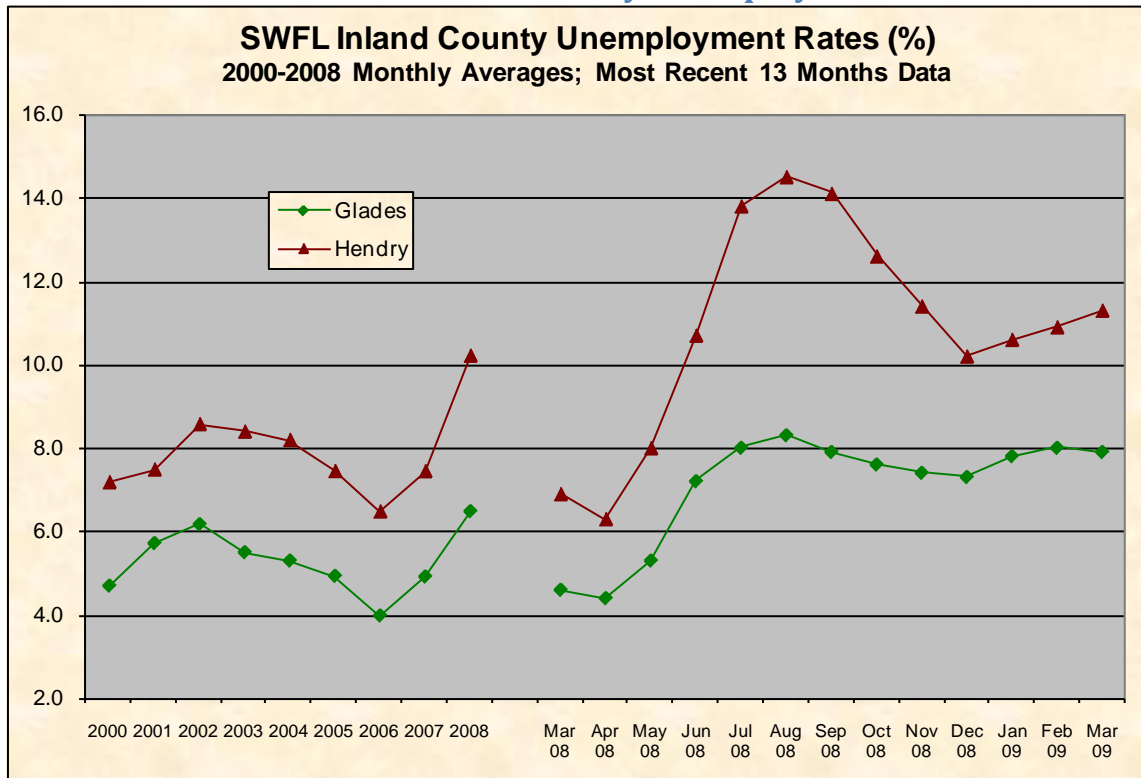
Source; AWI

**Chart 15: Coastal County Unemployment**



Source AWI

**Chart 16: Inland County Unemployment**

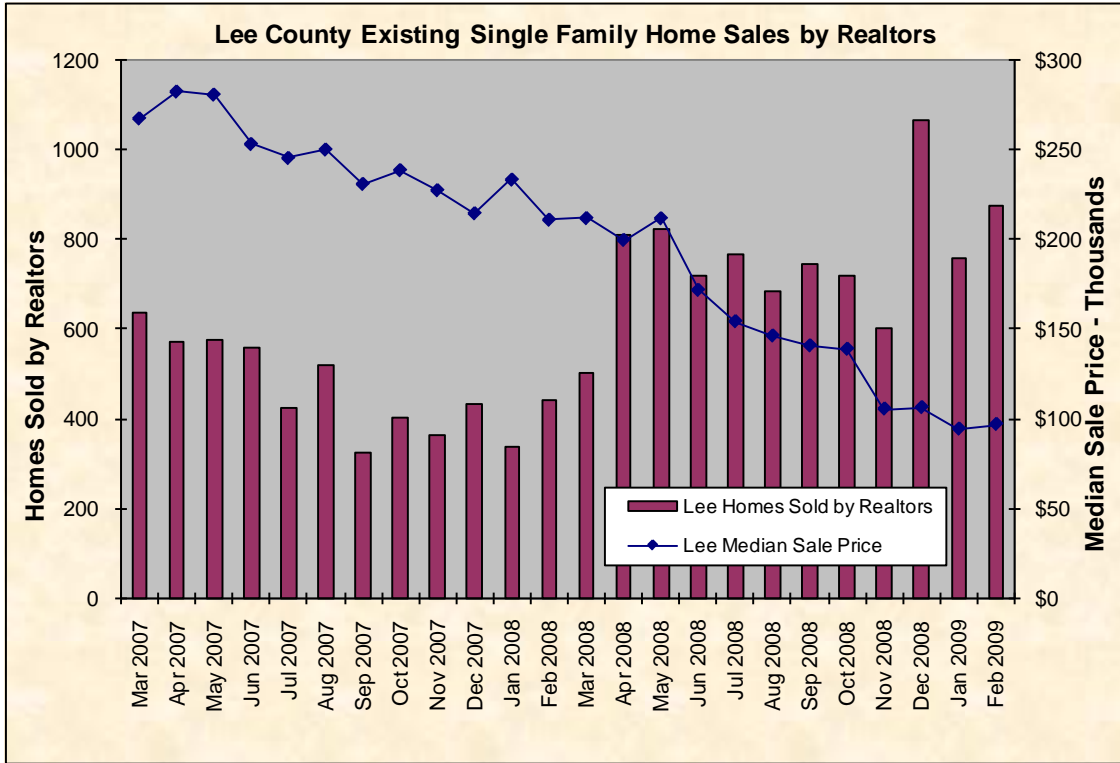


Source AWI

## Sales of Single-Family Existing Homes and Median Sales Price

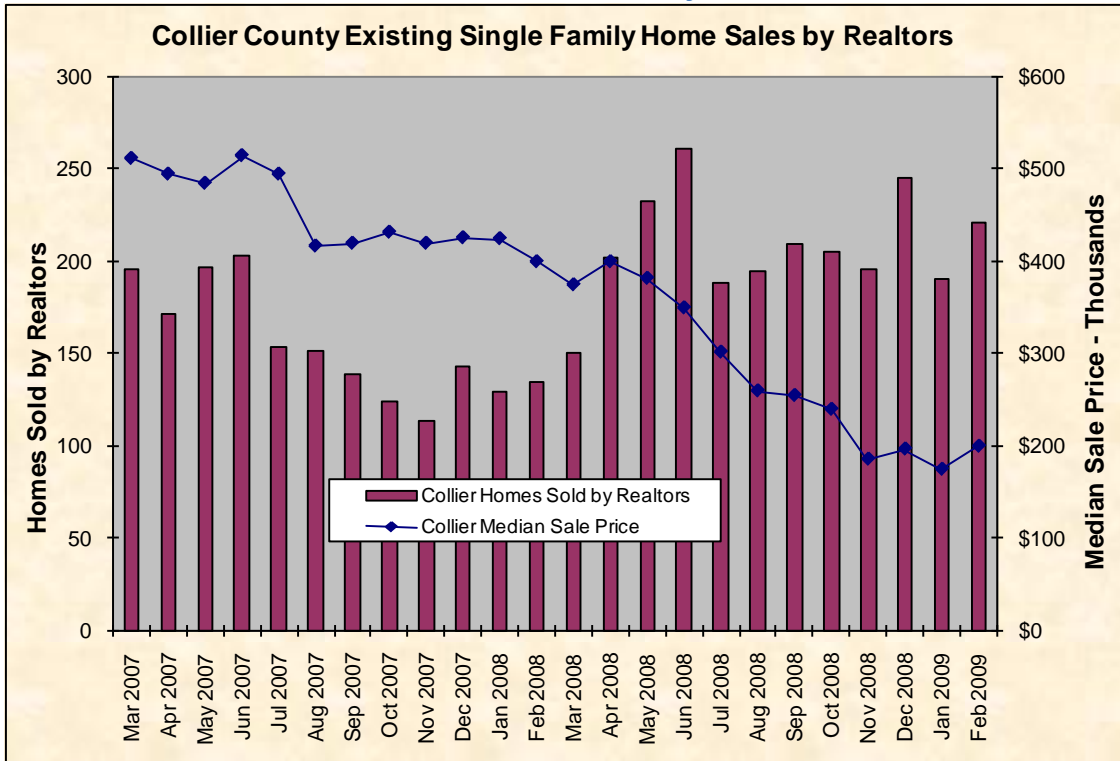
The number of existing single-family homes sold by Realtors in February 2009 increased from the prior month in Lee, Collier, and Charlotte Counties. Lee County sales increased from 758 in January 2009 to 875 in February 2009, as shown in Chart 17. The median sales price for Lee County increased from \$94,900 to \$97,500. Collier County sales increased from 190 to 221 with the median price increasing to \$200,000 from \$175,000 in February as shown in Chart 18. Charlotte County sales increased from 175 in January to 216 in February, with the median sales price decreasing from \$99,500 to \$96,400, as shown in Chart 19.

Chart 17: Lee County



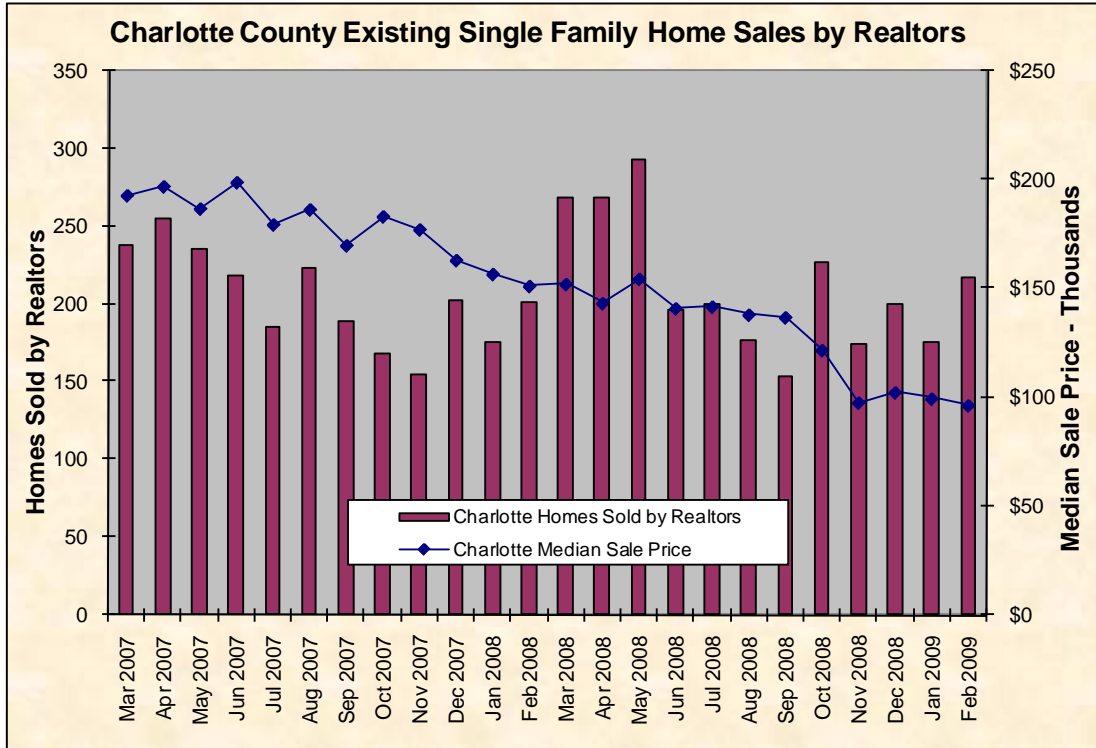
Source: Florida Association of Realtors® Fort Myers – Cape Coral MSA <http://media.living.net/statistics/statisticsfull.html>

Chart 18: Collier County



Source: Naples Area Board of Realtors® (NABOR) [www.naplesarea.com](http://www.naplesarea.com)

Chart 19: Charlotte County



Source: Florida Association of Realtors® Punta Gorda, Florida MSA <http://media.living.net/statistics/statisticsfull.html>

## Consumer Price Index

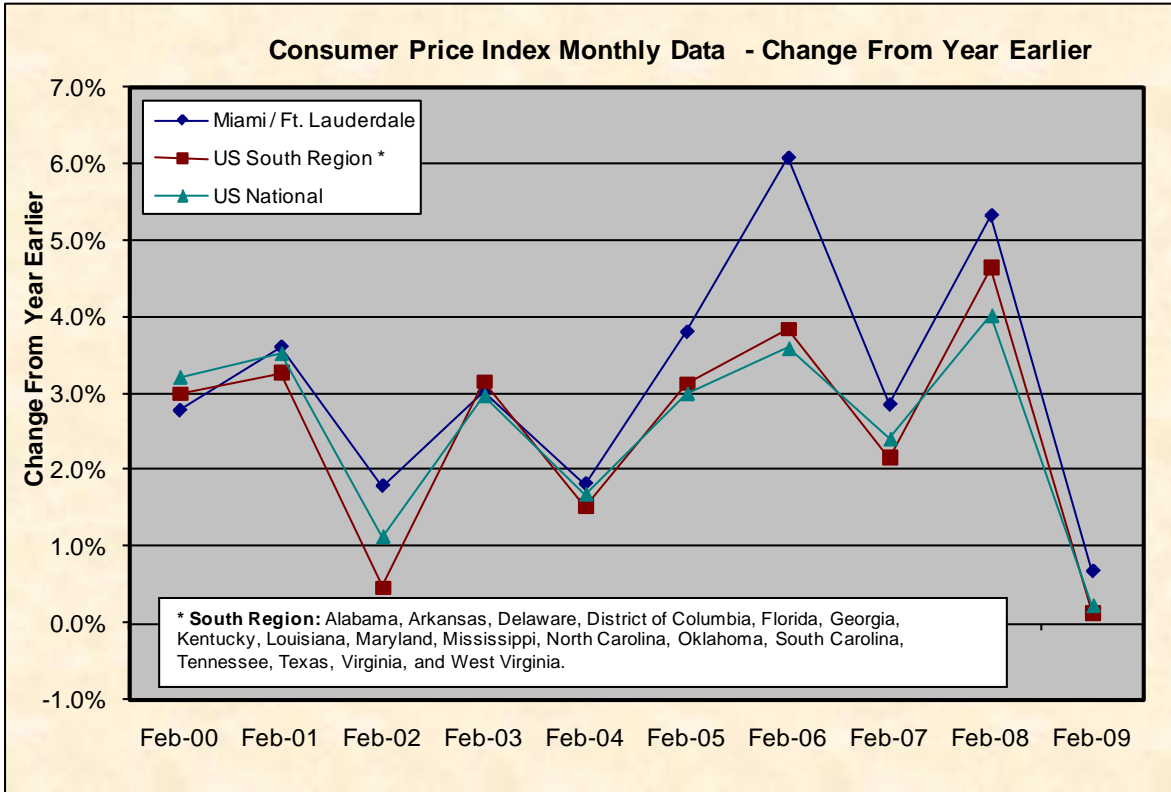
The consumer price index (CPI) is reported for the nation, region, and the Miami-Fort Lauderdale area. The Miami-Fort Lauderdale area CPI is collected every two months. For the last 12 months ending in February 2009, it has increased by 0.7 percent, as shown in Chart 20. The overall Miami-Fort Lauderdale CPI index for the last 12 months ending February 2009 can be broken down into the following component parts:

- Food and beverages rose 3.7 percent; ↑
- Housing rose 2.9 percent; ↑
- Apparel fell 2.8 percent; ↓
- Transportation fell 9.2 percent; ↓
- Medical care rose 5.4 percent; ↑
- Recreation rose 3.1 percent; ↑
- Education and communication fell 0.2 percent; and ↓
- Other goods and services rose 3.9 percent. ↑

Food, medical care, and other goods and services costs have risen substantially over the last year.



**Chart 20: CPI Annual Percentage Change**

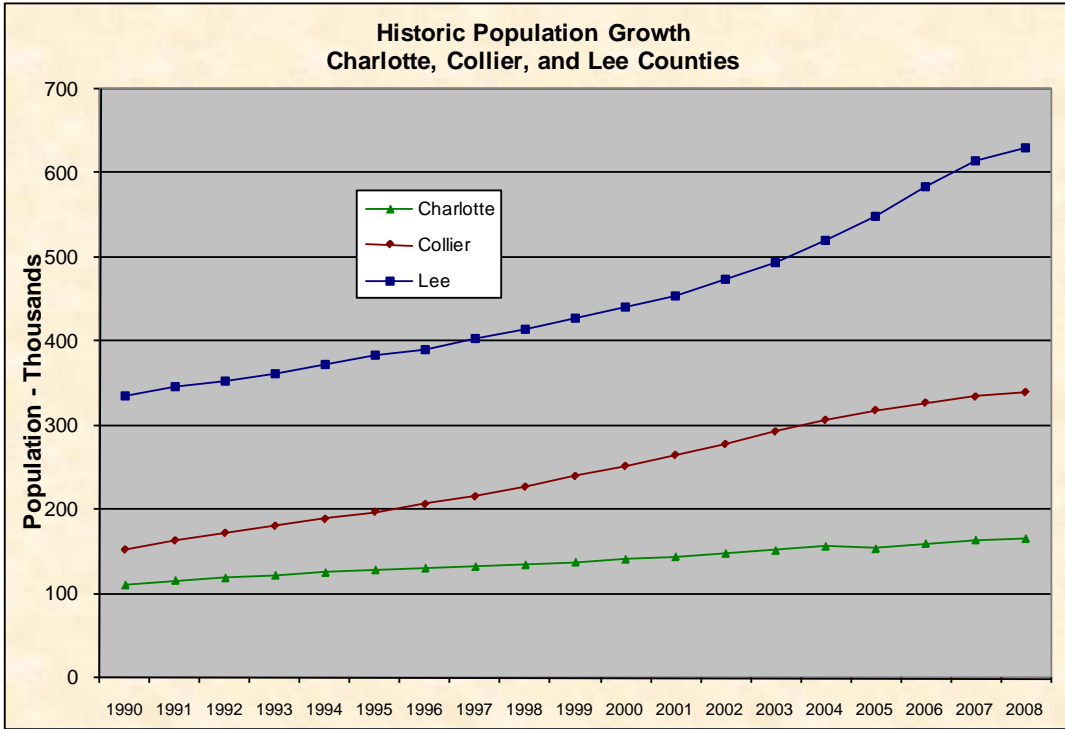


Source: BLS

## Population

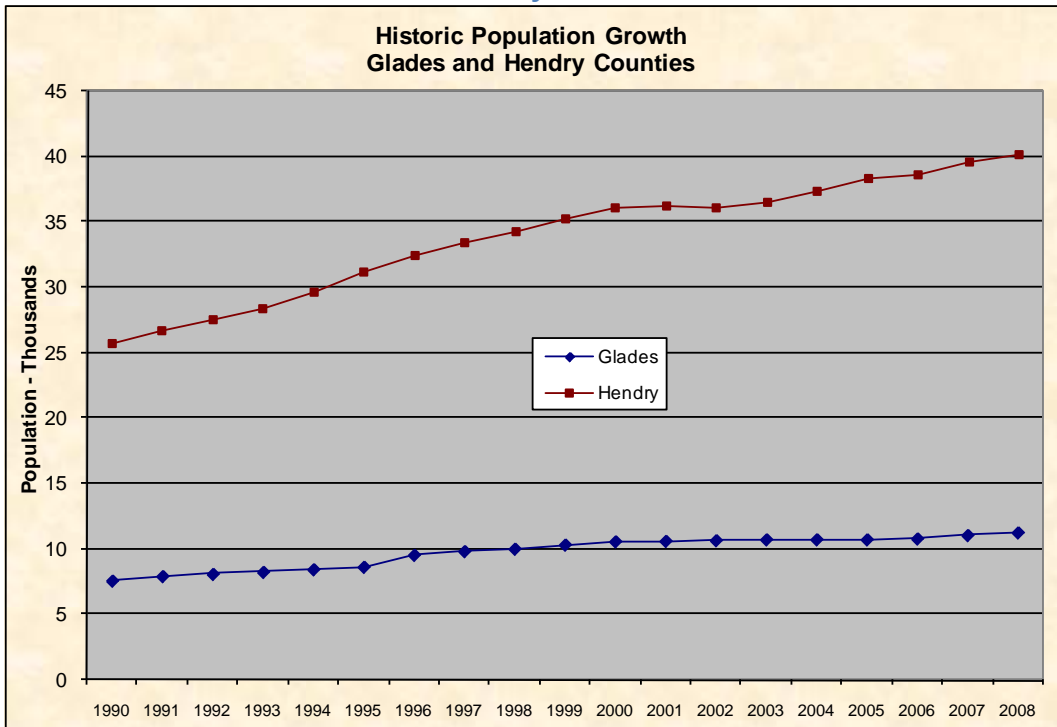
The length and severity of the current global recession is expected to slow regional and state population growth for the next couple of years. A Florida Demographic Estimating Conference was held in July 2008 and their forecasts are included in this report. Charts 21 and 22 show the historic population growth from 1990 to 2008. Collier County grew at an average annual growth rate of 4.6 percent from 1990 to 2008. Lee County almost doubled its population from 1990 to 2008 growing at an annual rate of 3.6 percent. As indicated in Chart 22, Charlotte, Glades, and Hendry Counties had average annual rates of population growth between 2.2 and 2.5 percent per year. Table 1 shows projected population increases for 2008 to 2030 and Chart 21 provides a chart of the population projections for 2008 through 2030. Charts 24 through 26 provide the percentages of regional population by County for the years 1990, 2008, and 2030.

**Chart 21: Coastal Counties Growth 1990 to 2008**



Source: Florida EDR: July 2008.

**Chart 22: Inland County Growth 1990 to 2008**



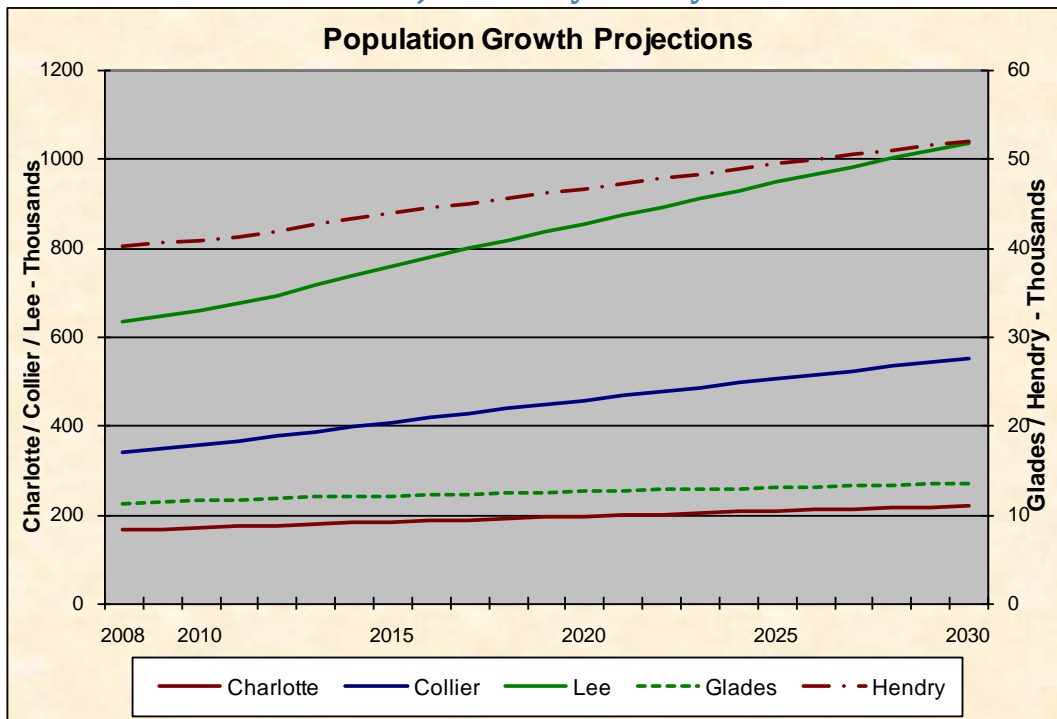
Source: Florida EDR: July 2008.

**Table 1: Projections by County**  
**EDR Demographic Estimating Conference**  
**Population Estimates and Projections by County**

Year	Charlotte	Collier	Lee	Hendry	Glades
2008	166,112	339,128	631,733	40,208	11,256
2010	169,694	353,878	654,599	40,828	11,597
2020	195,899	455,288	852,005	46,678	12,556
2030	219,266	548,872	1,033,510	51,969	13,422

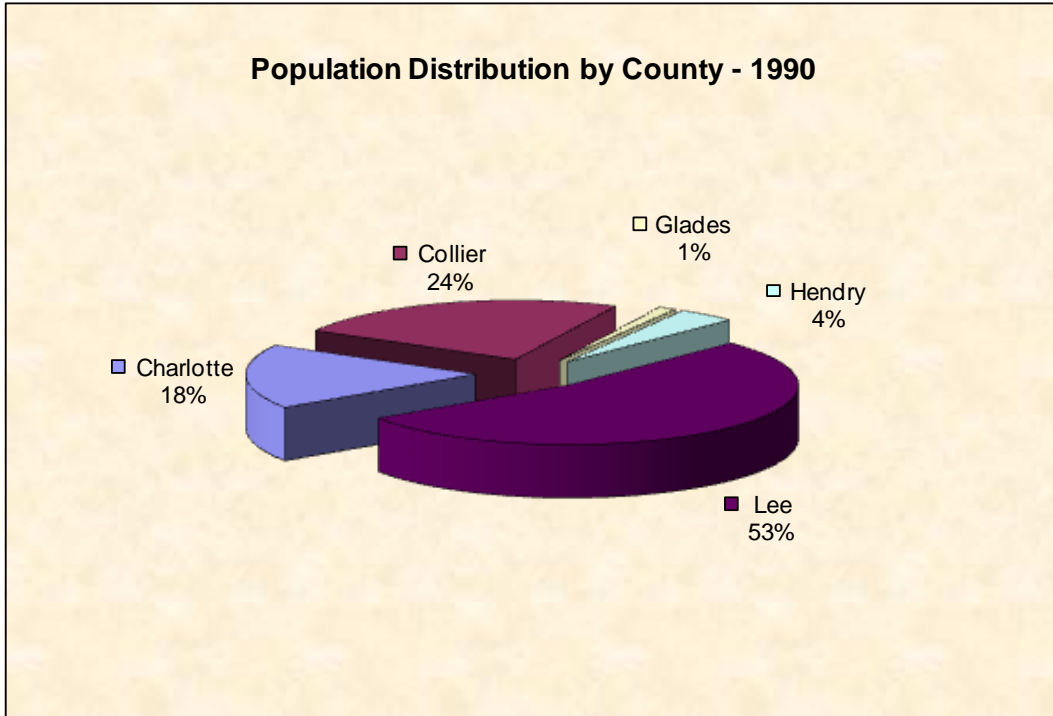
Source: Florida EDR: July 2008.

**Chart 23: Projections by County**



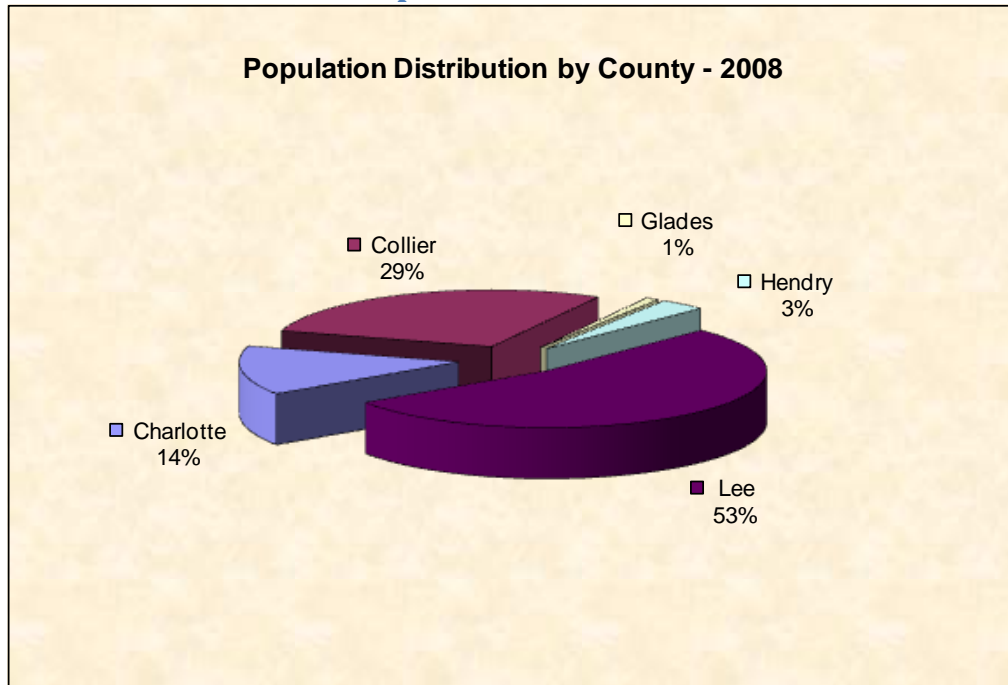
Source: Florida EDR: July 2008.

**Chart 24: Population Distribution 1990**



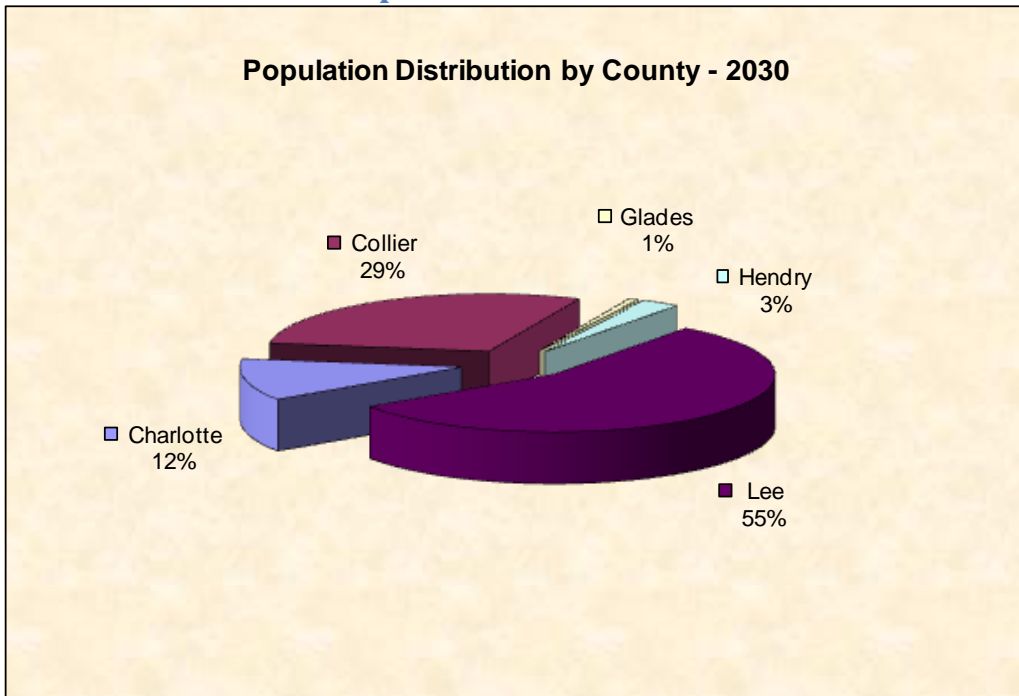
Source: Florida EDR: July 2008.

**Chart 25: Population Distribution 2008**



Source: Florida EDR: July 2008.

**Chart 26: Population Distribution 2030**



Source: Florida EDR: July 2008.