

Southwest Florida Regional Economic Indicators

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Regional Economic Research Institute

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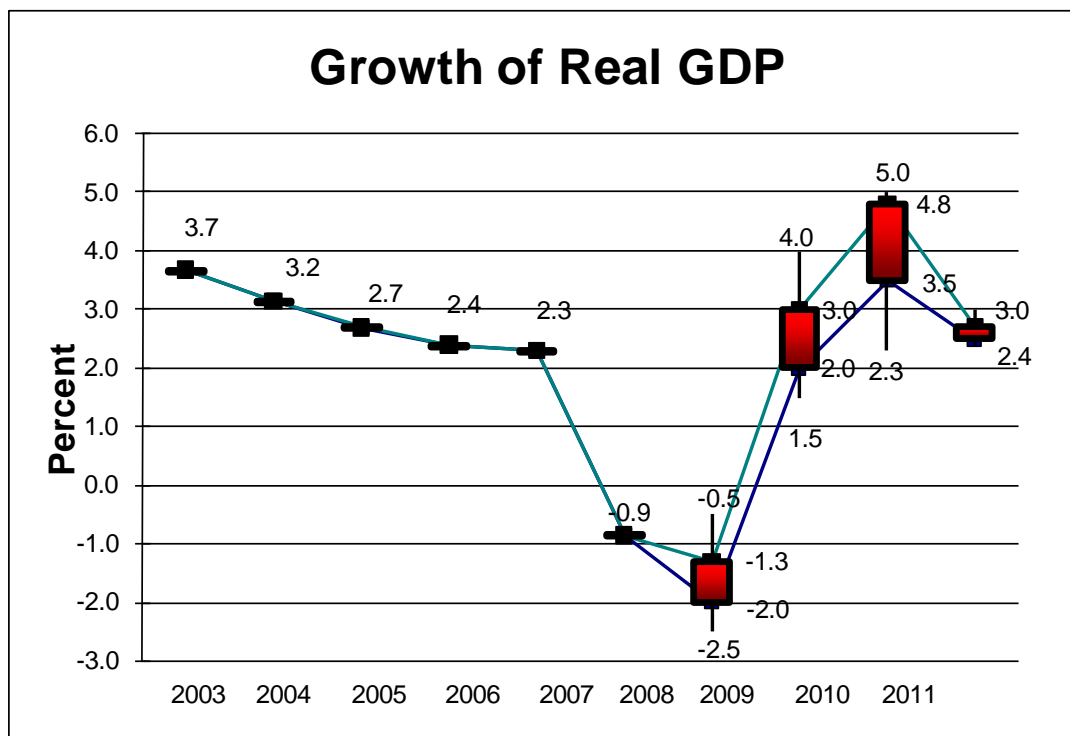
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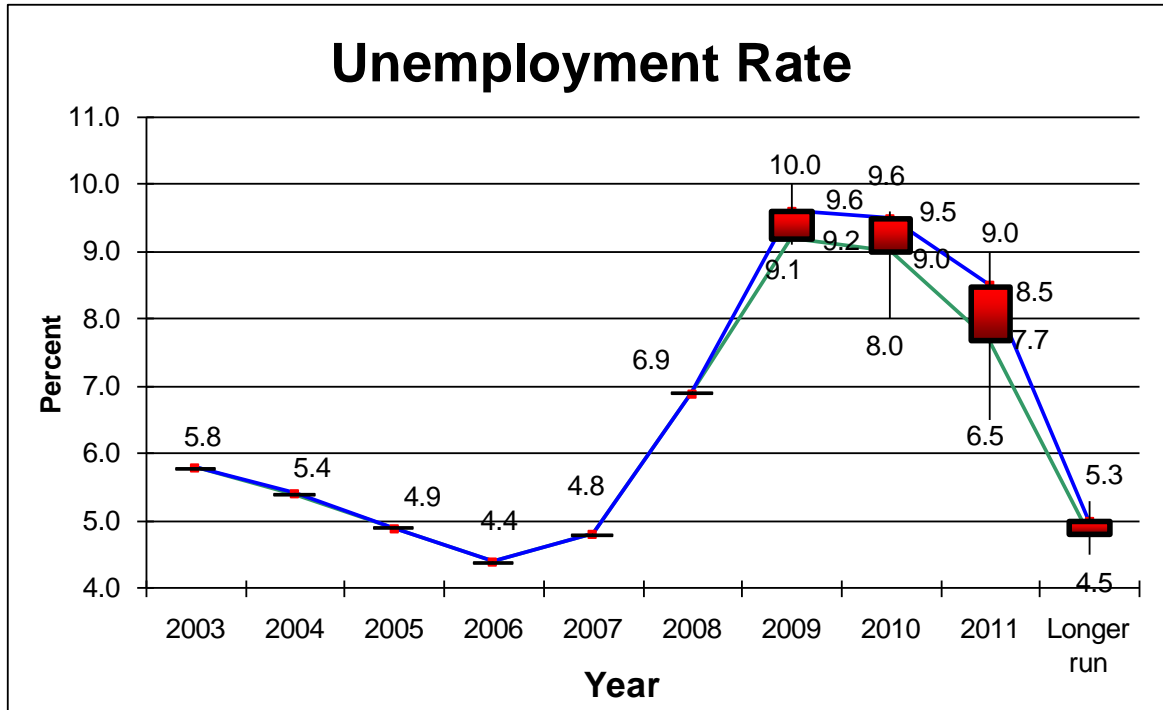
Introduction

The Federal Reserve Open Market Committee met on April 28-29, 2009, and provided a new national forecast of the economy. It forecasts that a recovery in sales and production is expected to begin during the second half of 2009. The recovery is expected to be gradual and it is anticipated that unemployment will remain high through 2011. The forecasts are shown in the following "box and whiskers" charts. The red boxes are the central tendency forecast and the full range of uncertainty is reflected in the whiskers or vertical lines. The next meeting of the Open Market Committee is planned for June 23 and 24, 2009.



Source: Minutes of the Federal Open Market Committee, April 28-29, 2009.

Real GDP has declined in 2009 and the chart shows a recovery in 2010 but it will be several years before the economy returns to a more normal long-run trend. In 2010 and 2011, real GDP is forecast to have a fairly rapid recovery followed by more normal long-term economic growth of around two and one-half to three percent.



Source: Minutes of the Federal Open Market Committee, April 28-29, 2009.

The national unemployment rate is expected to rise in 2009 to 9.4 percent and continue at a slightly lower but high rate in 2010. In 2011, the unemployment rate is expected to continue to be around eight percent before finally declining to a more long-run rate of around five percent. The projections for unemployment are for the fourth quarter of each year.

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 12.3 percent in March and fell back to 11.9 percent in April. This fall reflects a decline in the number of individuals reported as unemployed. The number of employed in Lee County actually fell slightly from March to April so that the unemployment rate decline reflects fewer unemployed people actively looking for work. Airport passenger traffic at Regional Southwest(RSW) is off by four percent from last March. March tourism revenues are down for Lee and Collier Counties.

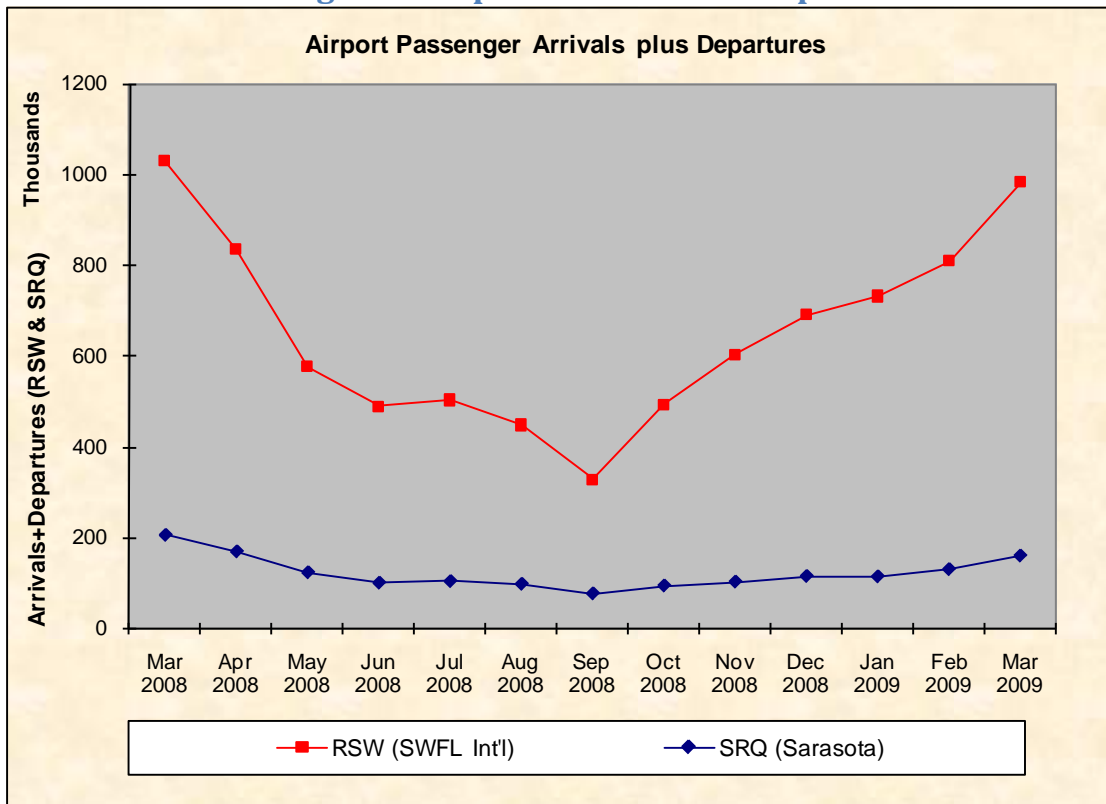
The Regional Economic Research Institute (RERI) is continuing to develop the regional economic database, and this report, as a way to support its mission and assist the region. The Institute thanks its many partners for assistance in obtaining the data, including the Southwest Florida Regional Planning 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 and Sarasota airports and is shown in Chart 1. 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.

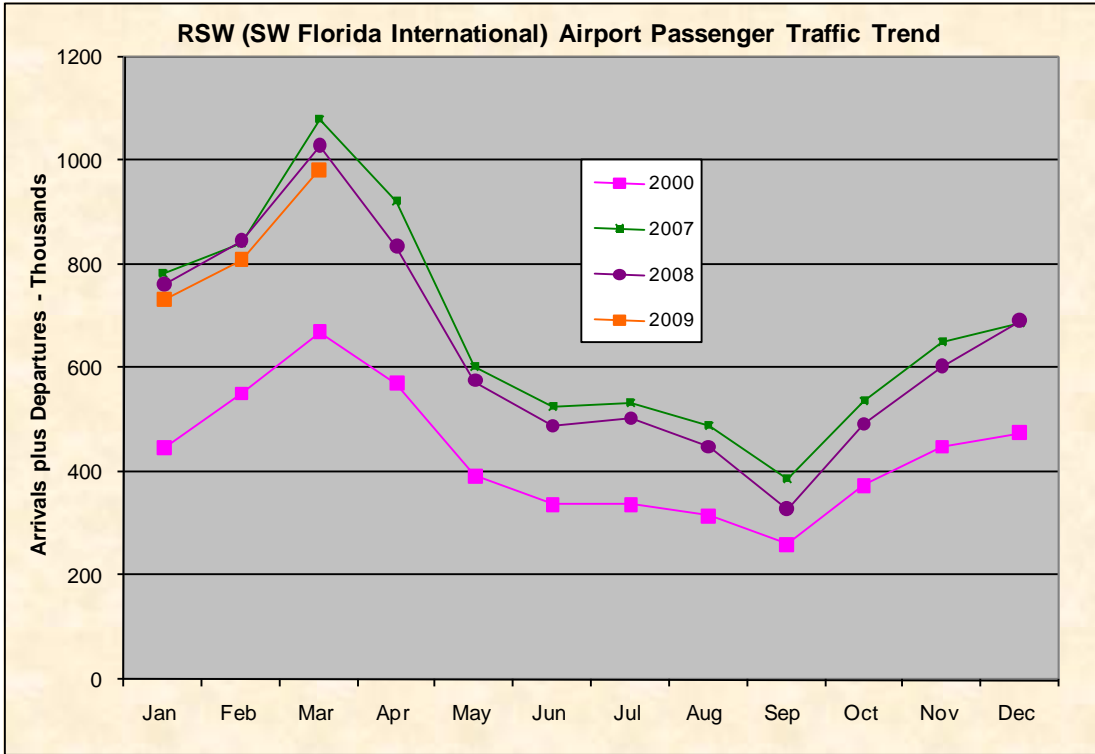
Regional Southwest Florida (RSW) airport located in Lee County is ranked as one of the fifty busiest airports in the nation. The 2008 passenger activity peaked in March at 1,030,151 and as expected, activity levels fell over the slower summer months, as shown in Chart 1. The March 2009 passenger level was 985,267 which is four percent lower than the March 2008 level, and as expected is 22 percent higher than February 2009. Sarasota (SRQ) passenger activity was 160,773 in March 2009 or approximately 22 percent lower than March 2008, and up 23 percent from February 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



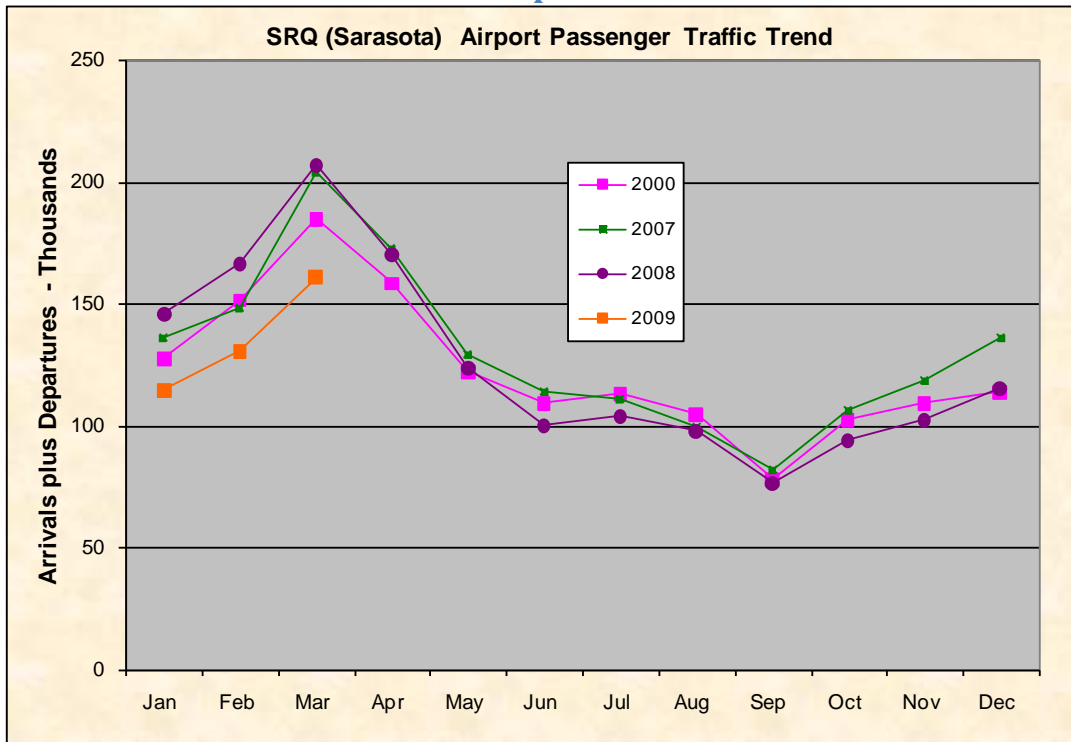
Source: Local Airport Authorities

Chart 2: RSW Traffic Trend



Source: Local Airport Authorities

Chart 3: Sarasota Airport Traffic Trend

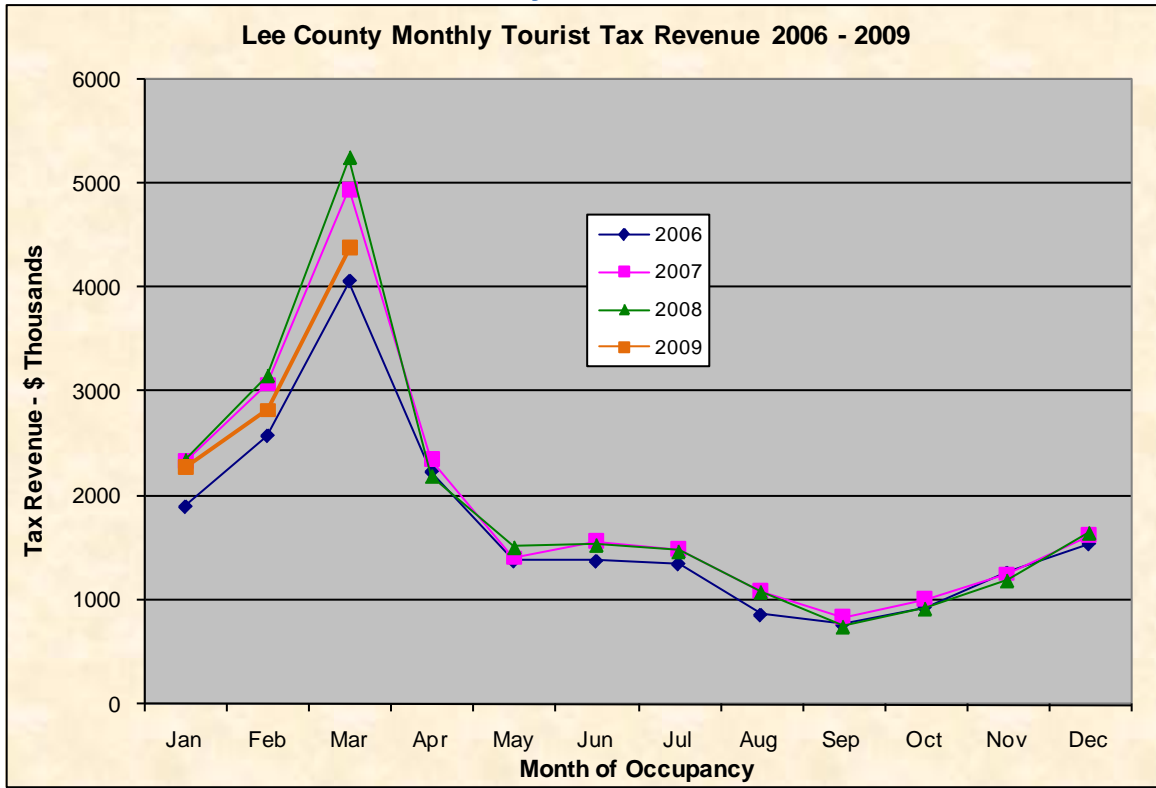


Source: Local Airport Authorities

Tourism Tax Revenues

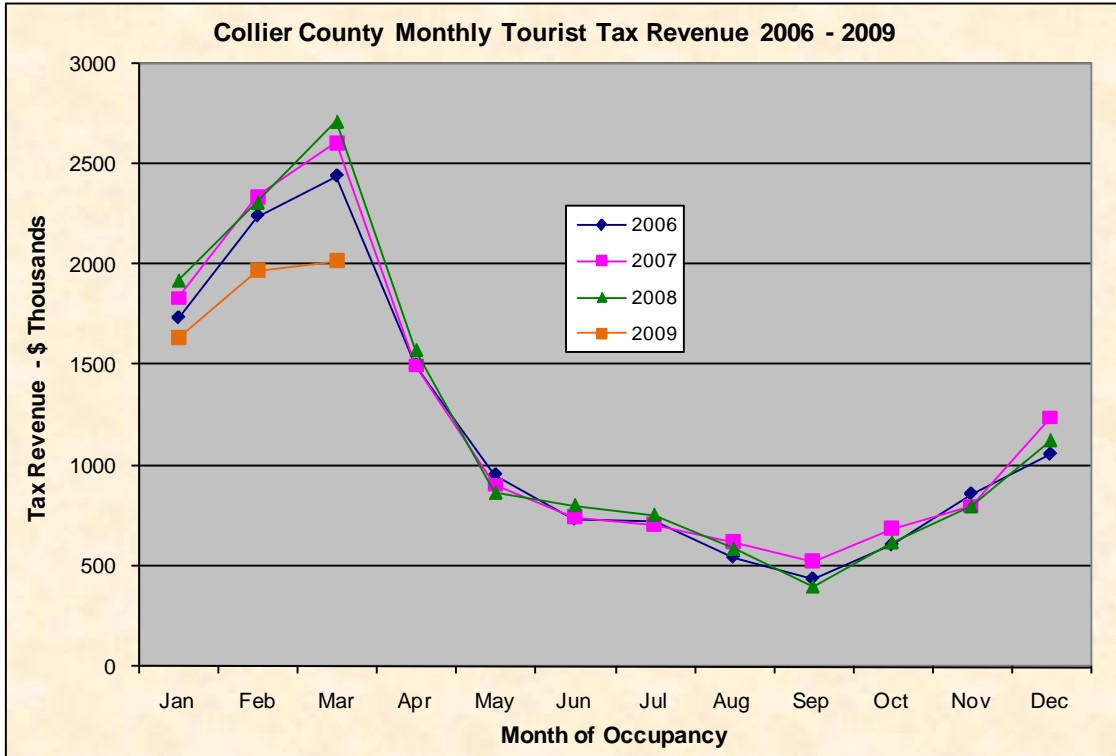
Tourism tax revenues for the region are shown in Charts 4, 5, and 6, and are based on month of occupancy. The charts show that tourism tax revenues were down 16 percent in March for Lee and 25 percent for Collier compared to March 2008. Charlotte County's March data was not available at the time of publication.

Chart 4: Lee County Tourism Tax Revenues



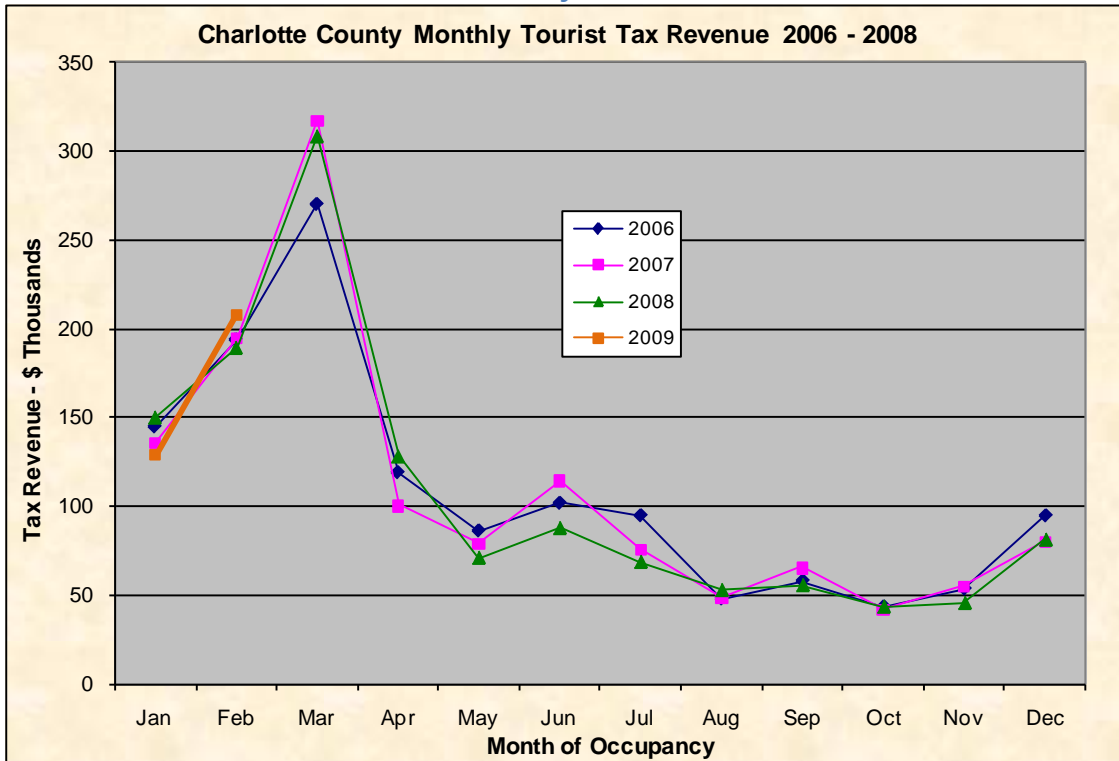
Source: Local County Tourism, Tax, and Economic Development Reports

Chart 5: Collier County Tourism Tax Revenues



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

Chart 6: Charlotte County Tourism Tax Revenues

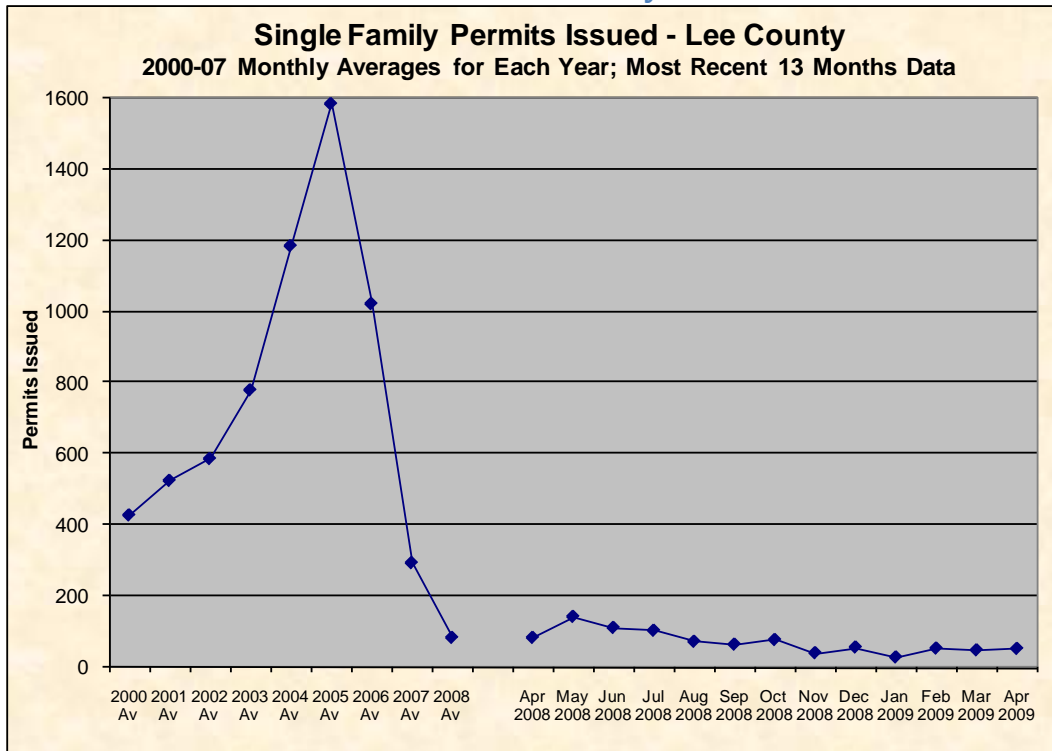


Source: Local County Tourism, Tax, and Economic Development Reports

Single-Family Building Permits

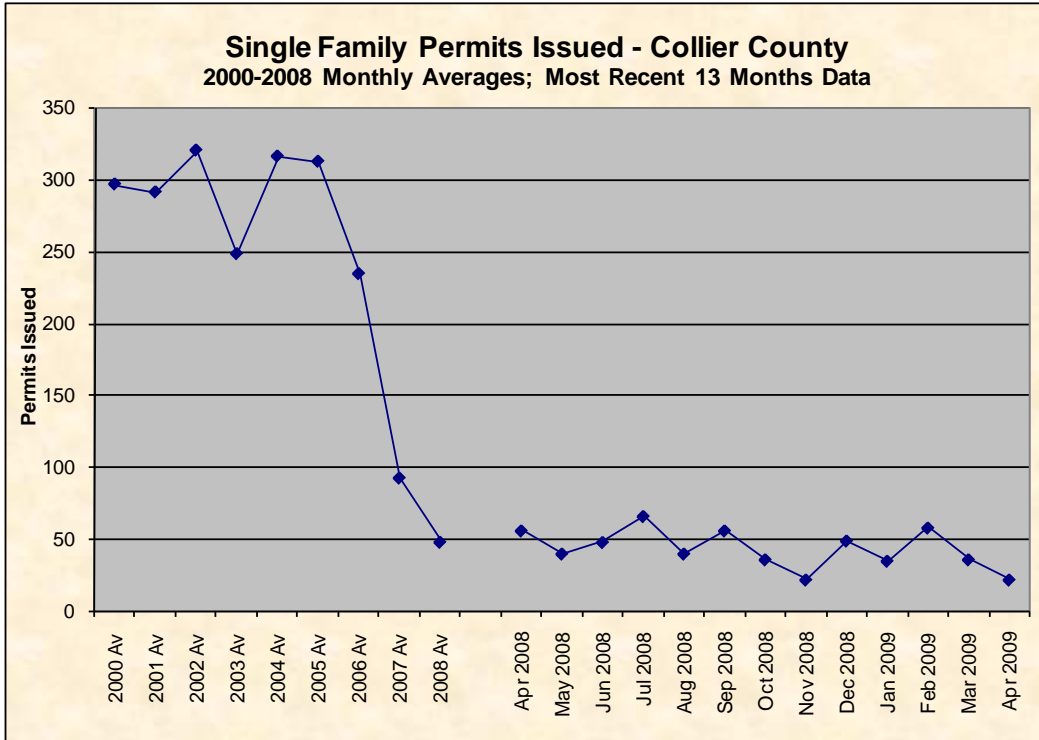
Single-family home permits issued remained low for the region as the economy's recession and a large inventory of homes continued to put downward pressure on housing prices. The April single-family permitting in Lee County increased to 54 from 50 in March, as shown in Chart 7; one year ago, the figure was 85. Single-family permits for Collier County decreased from 36 in March to 22 in April, as shown in Chart 8. This fell short of the Collier County total of 56 in April 2008. In Charlotte County, 47 permits were issued in April 2009 compared to 29 in March 2009 and 72 in April 2008, as depicted in Chart 9.

Chart 7: Lee County



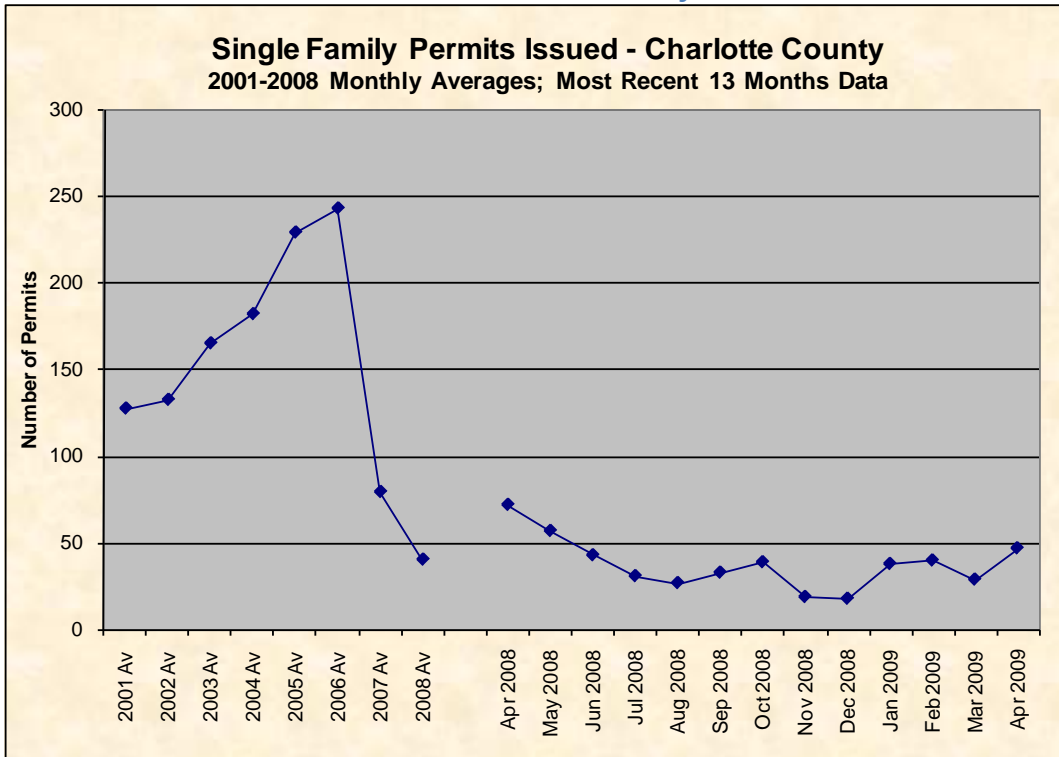
Source: Local Building and Zoning Departments, including Fort Myers, Cape Coral, and Unincorporated Lee County, Bonita Springs and Fort Myers Beach permits.

Chart 8: Collier County



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

Chart 9: Charlotte County



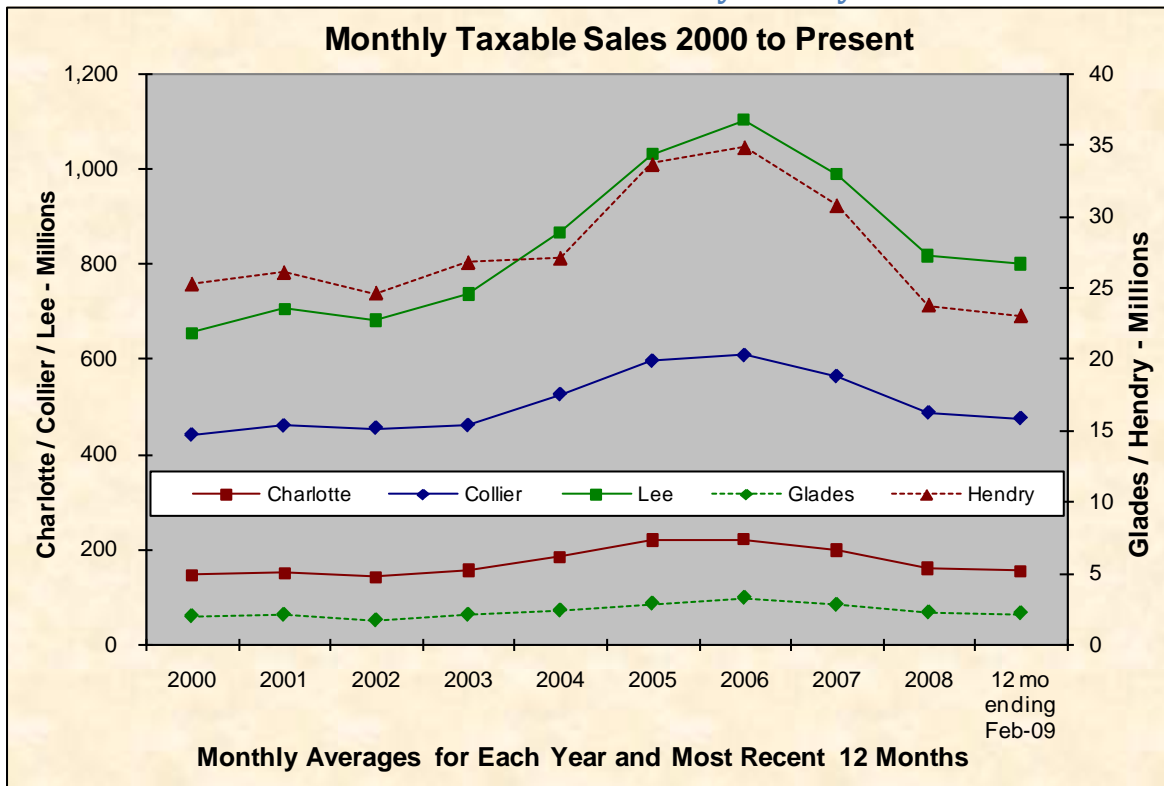
Source: Local Building and Zoning Departments, includes unincorporated Charlotte County permits only.

Taxable Sales

The taxable sales charts show month of collection by the merchant rather than the reporting month issued by the Florida Department of Revenue. This makes February 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 and the last 12-month average.

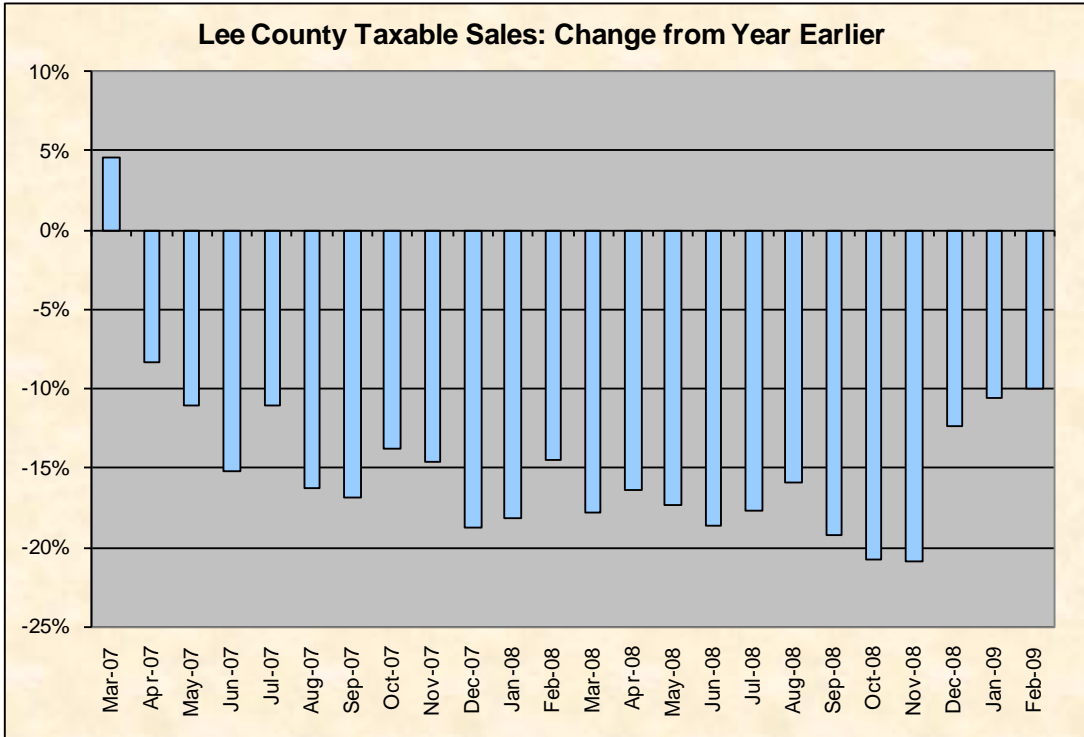
The local impact of the current recession is clearly visible in the year-to-year percentage drops in taxable sales. Lee County saw February 2009 taxable sales 10 percent below year earlier levels as shown in Chart 11. Collier and Charlotte Counties experienced year-to-year reductions of 12 and 14 percent, respectively, as shown in Charts 12 and 13. Hendry County's taxable sales (not charted) were off by 13 percent from a year earlier, while Glades (not charted) was down by 11 percent. Taxable sales for the five-county region declined by 11 percent between February 2008 and February 2009.

Chart 10: Taxable Sales by County



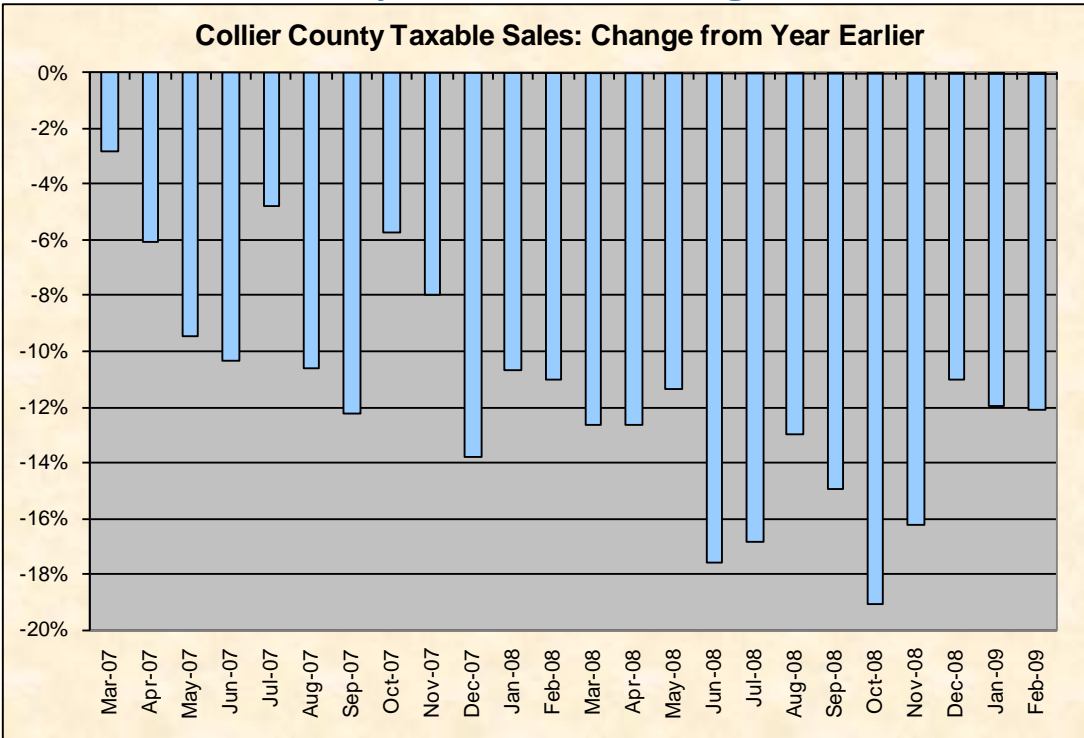
Source: Florida Department of Tax Research

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



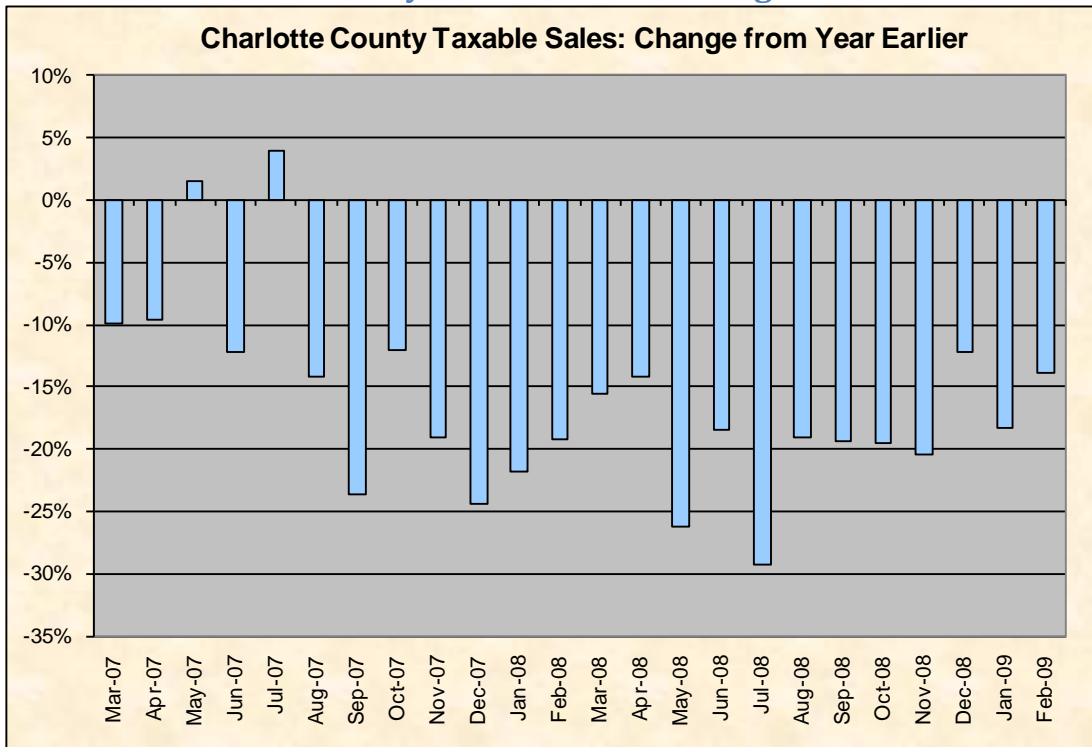
Source: Florida Department of Tax Research

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



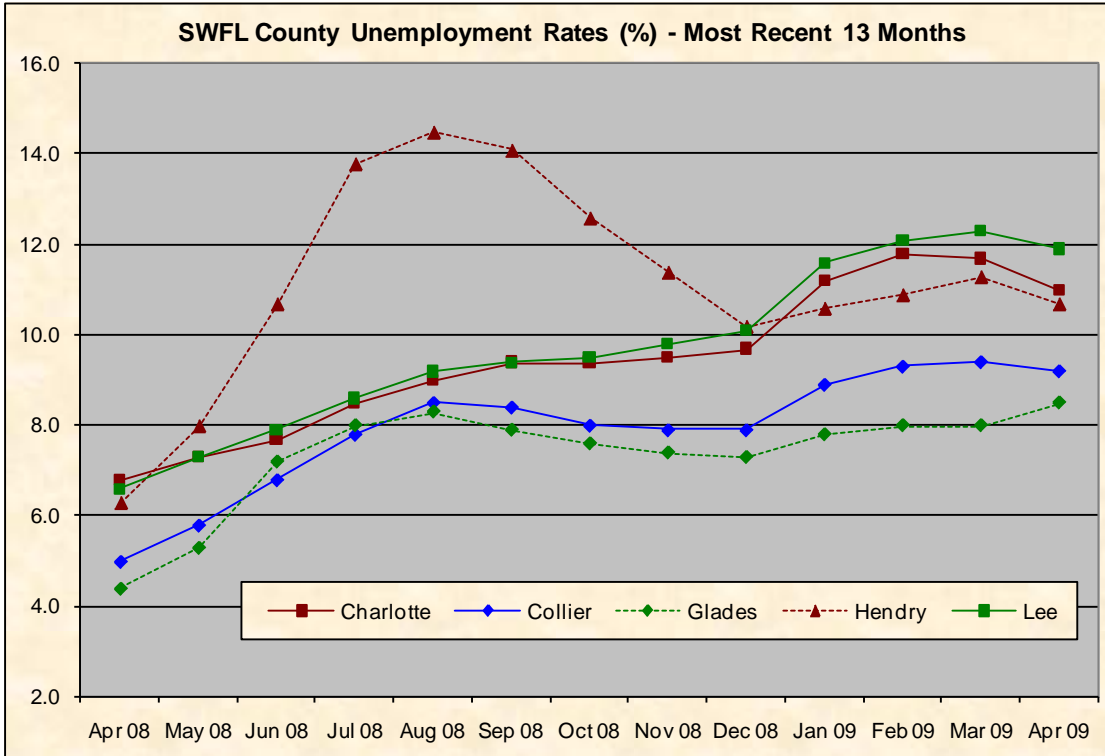
Source: Florida Department of Tax Research

Workforce - Unemployment

Although most counties had lower unemployment in April, unemployment levels in Southwest Florida remain high, as shown in April 2009, (Chart 14). The unemployment rates reported in this report are not seasonally adjusted. Lee County's unemployment rate declined from 12.3 percent in March 2009 to 11.9 percent in April. A closer look at the unemployment statistics shows that Lee County employment actually fell slightly and the reduction in the unemployment rate was due to a decline in the number of individuals reported as unemployed. The decline can in the number of unemployed can be due to discouraged workers who have left the workforce and are not actively looking for employment or to unemployed workers who have left the local area to seek employment elsewhere. Collier County's unemployment rate declined from 9.4 percent in March 2009 to 9.2 percent in April. Charlotte County's unemployment rate declined from 11.7 percent March to 11.0 percent in April 2009. Hendry County's unemployment decreased from 11.3 percent in March to 10.7 percent in April 2009. Glades County's unemployment increased from 8.0 percent in March 2009 to 8.5 percent in April. The Florida unemployment rate was 9.3 percent in April 2009 (not seasonally adjusted) and the national unemployment rate was 8.6 percent for April 2009 (not seasonally adjusted).

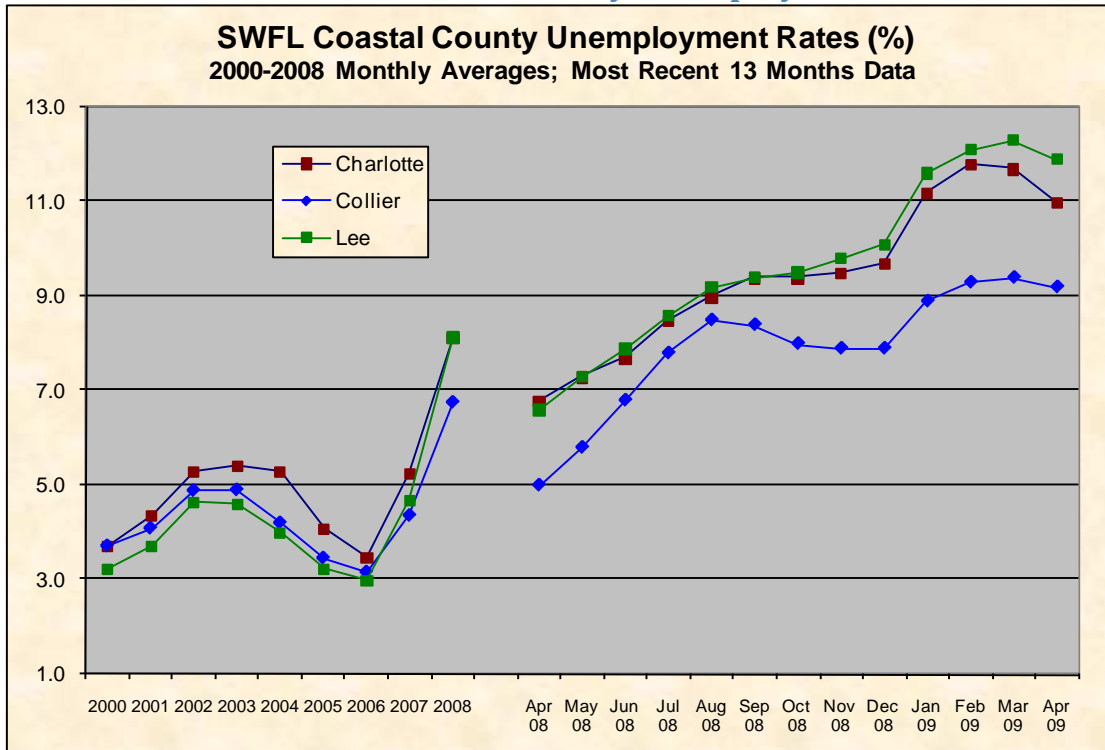
Charts 15 and 16 show the unemployment rates for our region and provide a longer term historical perspective from 2000 to 2008 and the latest 13 months. Unemployment rates above 5.0 percent reflect cyclical unemployment and a slowdown of the economy from long-run trends. Our region has been hit particularly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

Chart 14: Regional Unemployment



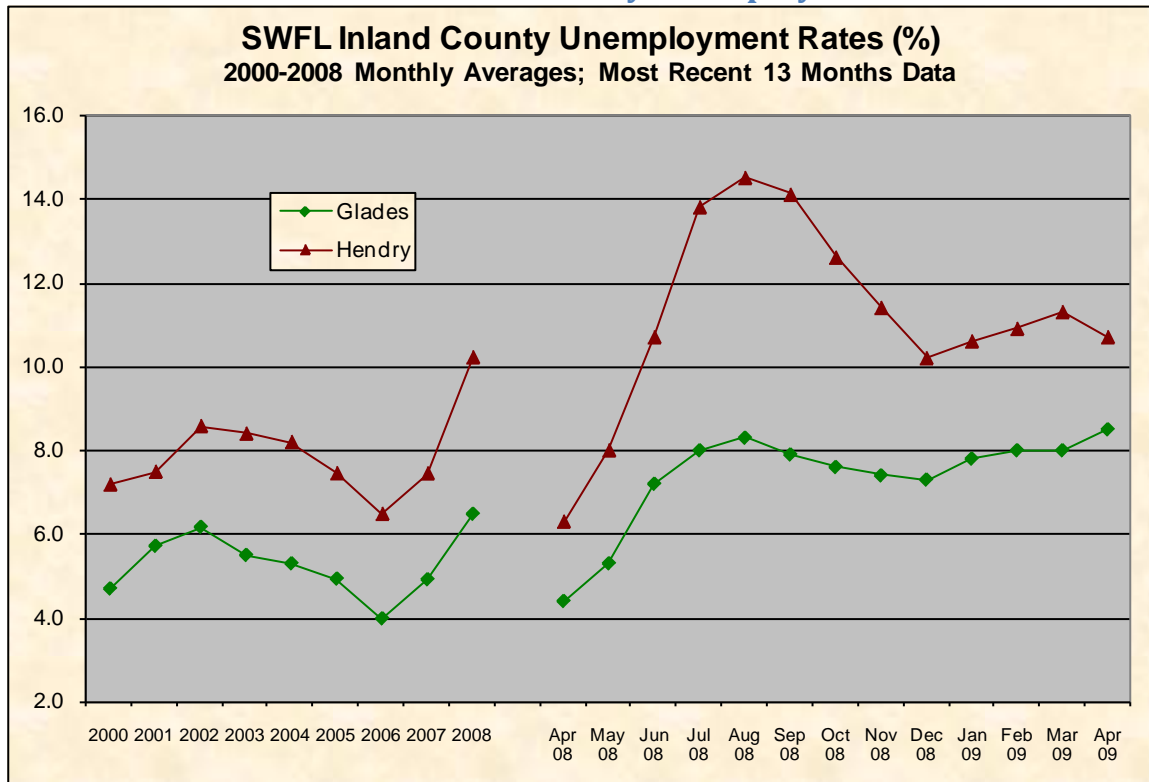
Source; AWI

Chart 15: Coastal County Unemployment



Source AWI

Chart 16: Inland County Unemployment

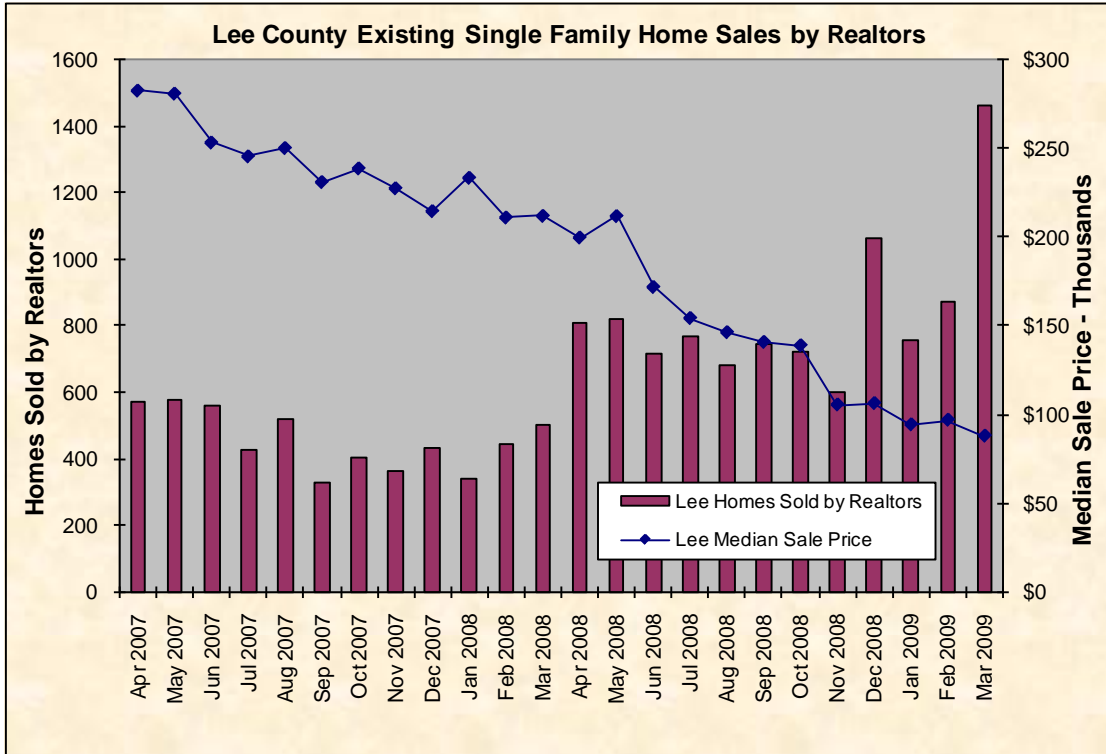


Source AWI

Sales of Single-Family Existing Homes and Median Sales Price

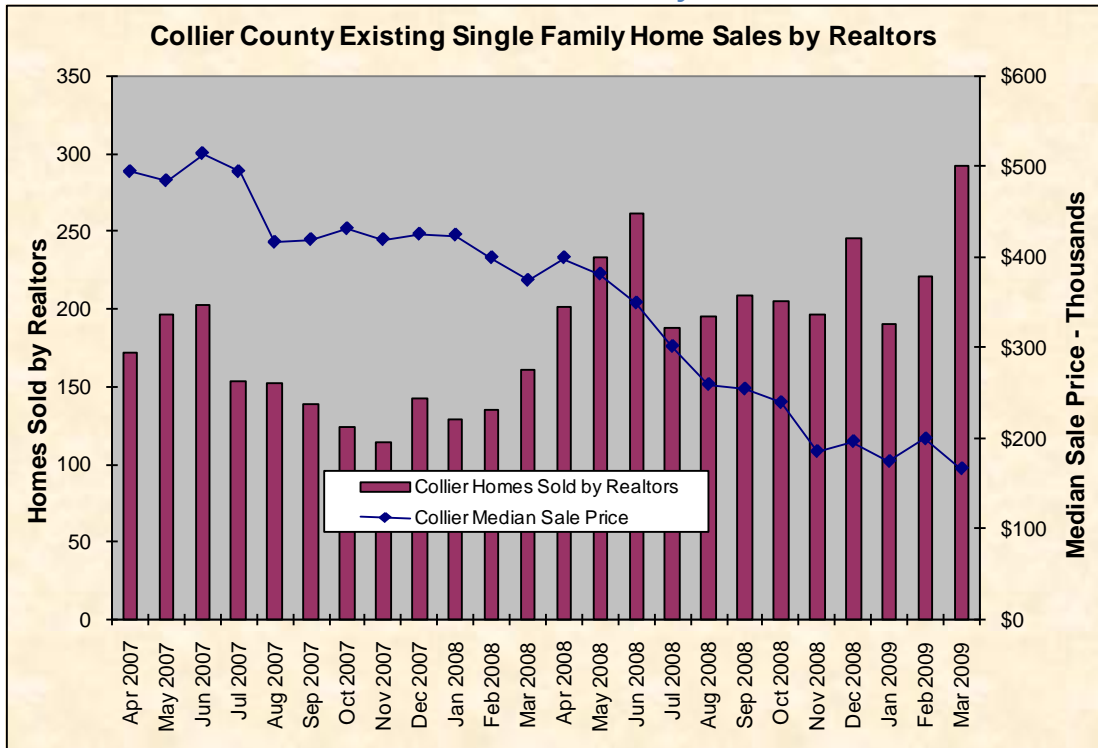
The number of existing single-family homes sold by Realtors in March 2009 again showed a significant increase from the prior month in Lee County. Collier and Charlotte County sales also rose in March. Lee County sales increased from 875 in February 2009 to 1,464 in March, as shown in Chart 17. The median sales price for Lee County decreased from \$97,500 to \$88,500. Collier County sales increased from 221 to 292 with the median price decreasing to \$167,000 from \$200,000 in February as shown in Chart 18. Charlotte County sales increased from 216 in February to 295 in March, with the median sales price decreasing from \$96,400 to \$92,200, as shown in Chart 19.

Chart 17: Lee County



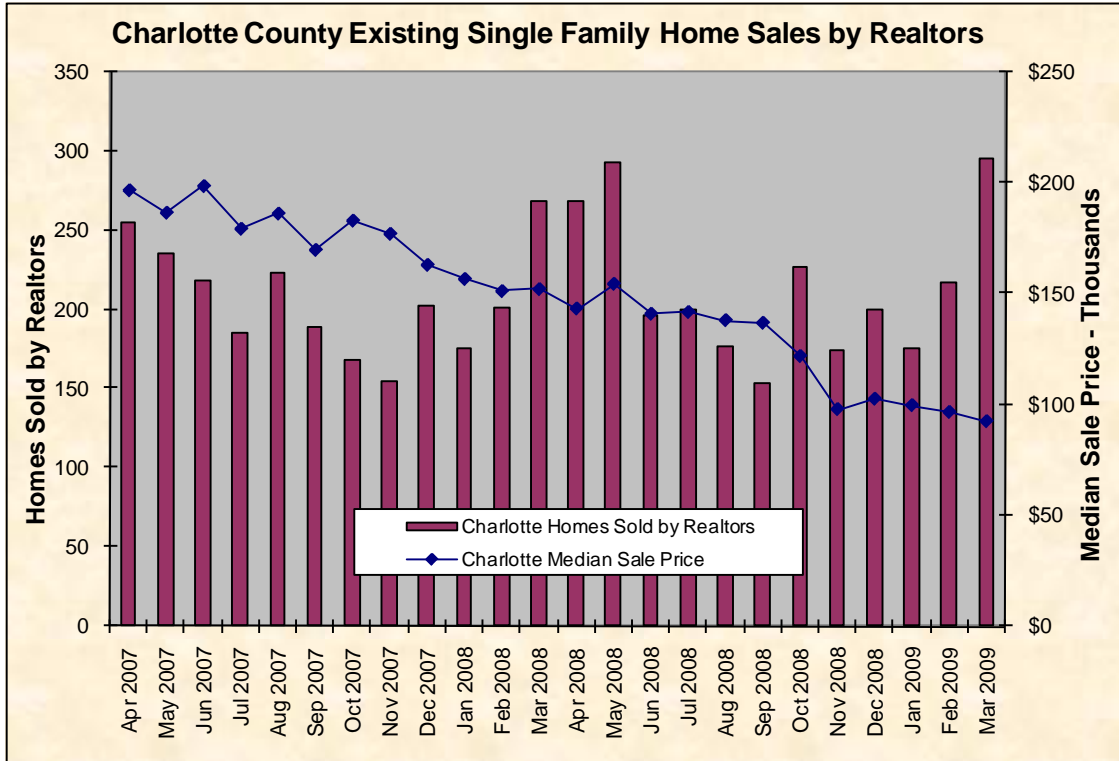
Source: Florida Association of Realtors® Fort Myers – Cape Coral MSA <http://media.living.net/statistics/statisticsfull.html>

Chart 18: Collier County



Source: Naples Area Board of Realtors® (NABOR) www.naplesarea.com

Chart 19: Charlotte County



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

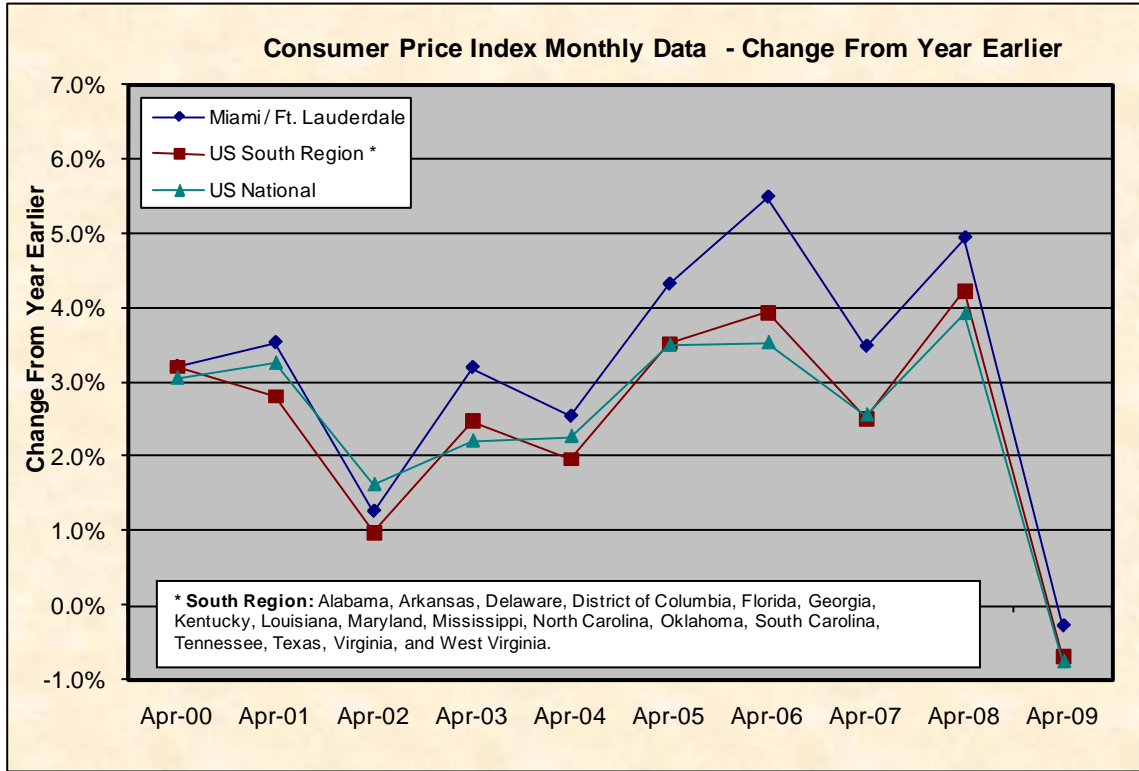
Consumer Price Index

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 April 2009, it has decreased by 0.3 percent, as shown in Chart 20. The overall Miami-Fort Lauderdale CPI index for the last 12 months ending April 2009 can be broken down into the following component parts:

- Food and beverages rose 3.7 percent; ↑
- Housing rose 2.4 percent; ↑
- Apparel fell 11.3 percent; ↓
- Transportation fell 12.2 percent; ↓
- Medical care rose 5.5 percent; ↑
- Recreation rose 4.3 percent; ↑
- Education and communication fell 0.8 percent; and ↓
- Other goods and services rose 6.4 percent. ↑

Medical care, recreation, and other goods and services costs have risen substantially over the last year.

Chart 20: CPI Annual Percentage Change

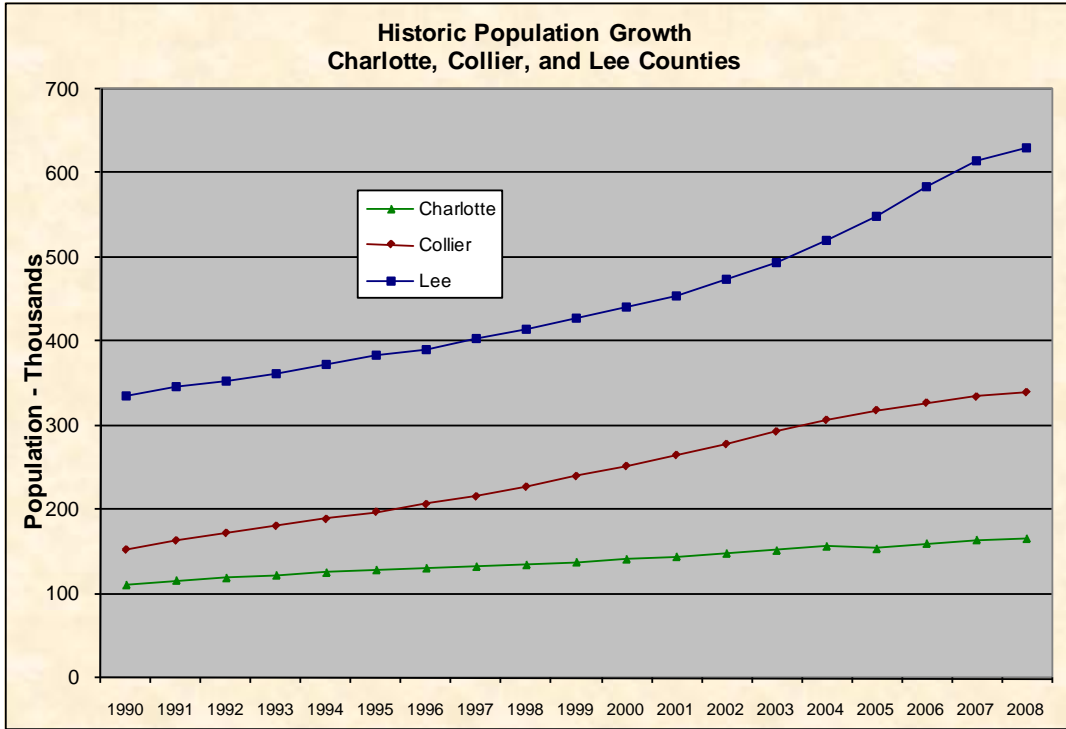


Source: BLS

Population

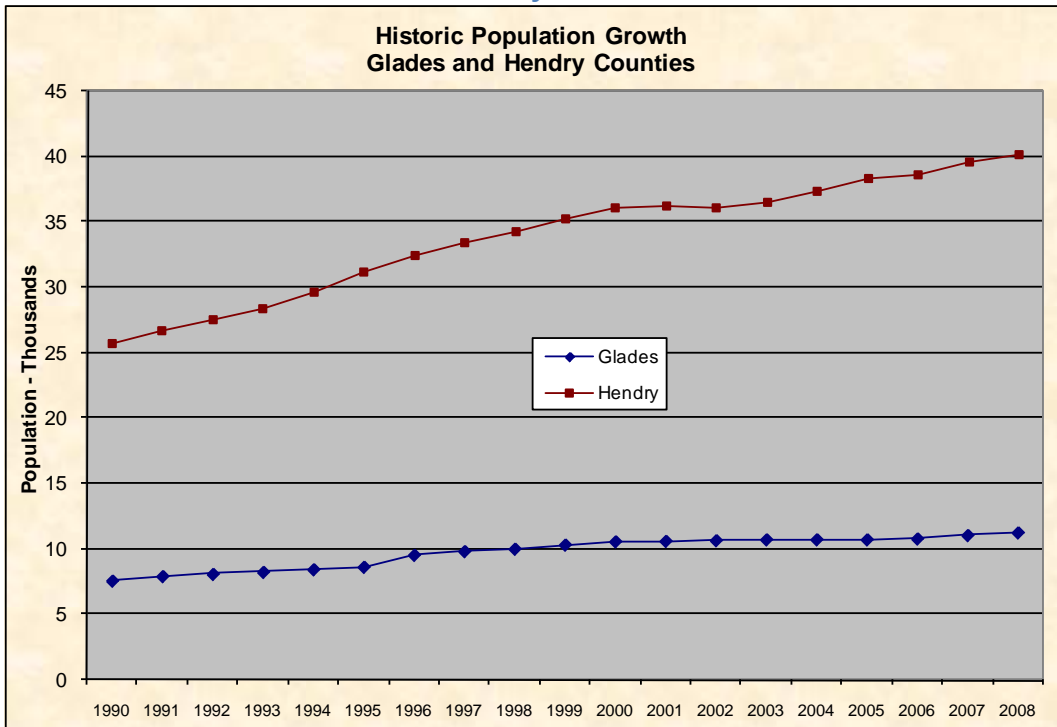
The length and severity of the current global recession is expected to slow regional and state population growth for the next few years. A Florida Demographic Estimating Conference was held in July 2008 and their forecasts are included in this report. Charts 21 and 22 show the historic population growth 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



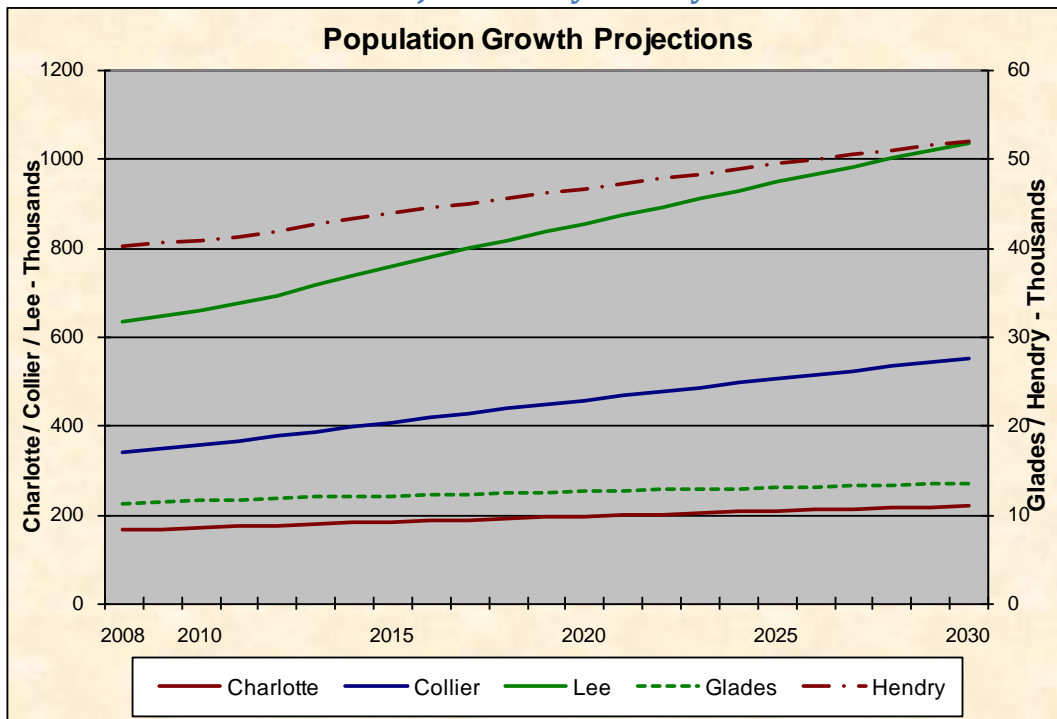
Source: Florida EDR: July 2008.

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

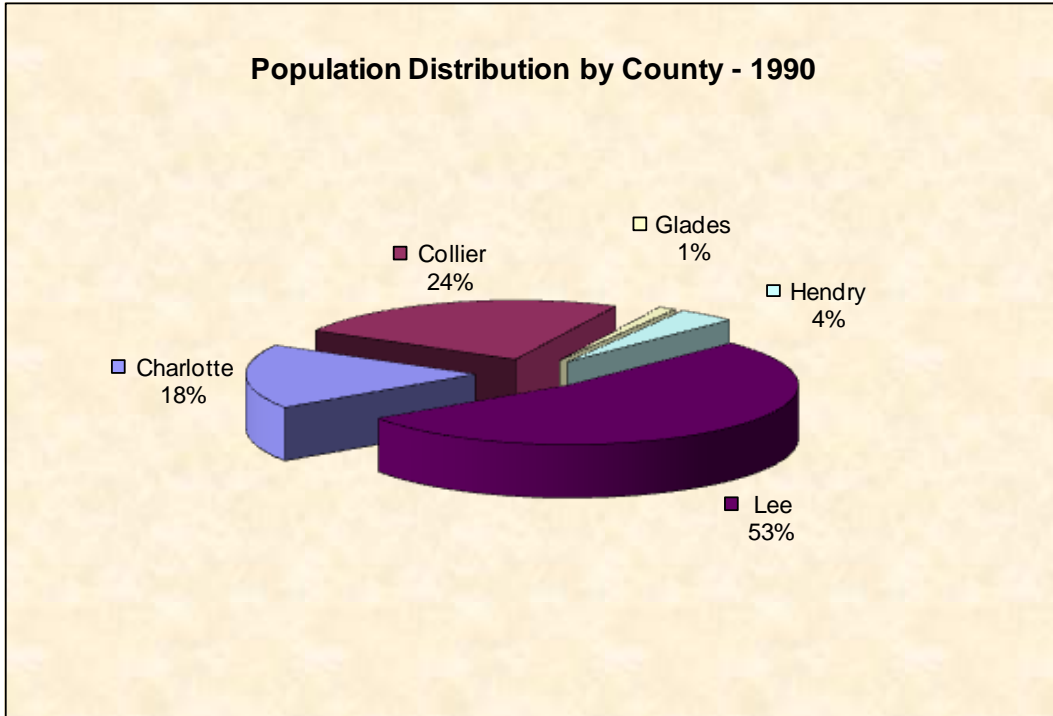
Source: Florida EDR: July 2008.

Chart 23: Projections by County



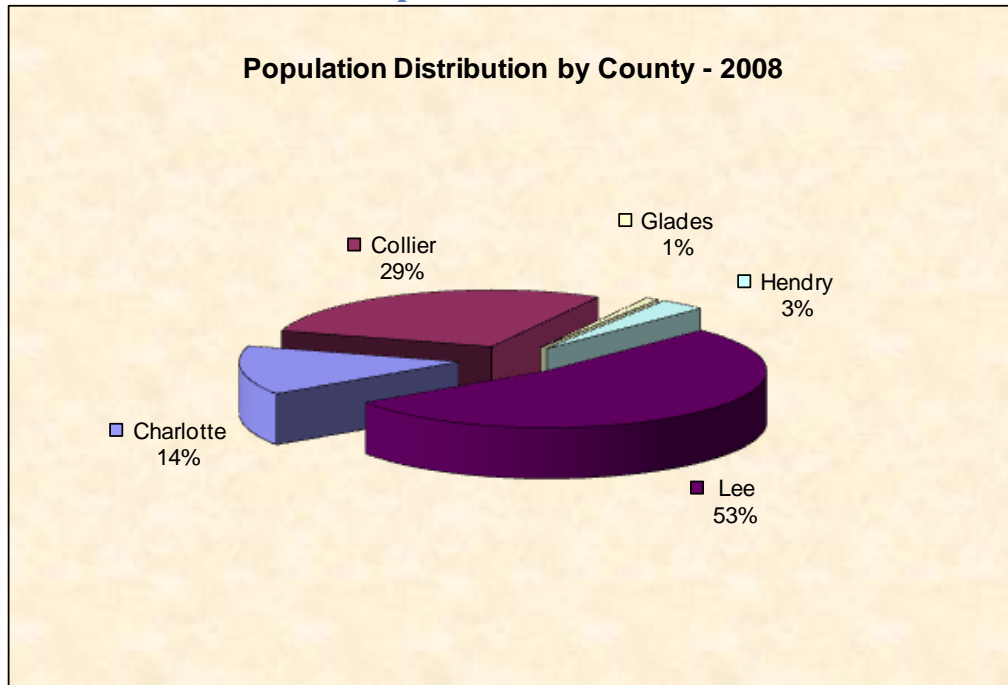
Source: Florida EDR: July 2008.

Chart 24: Population Distribution 1990



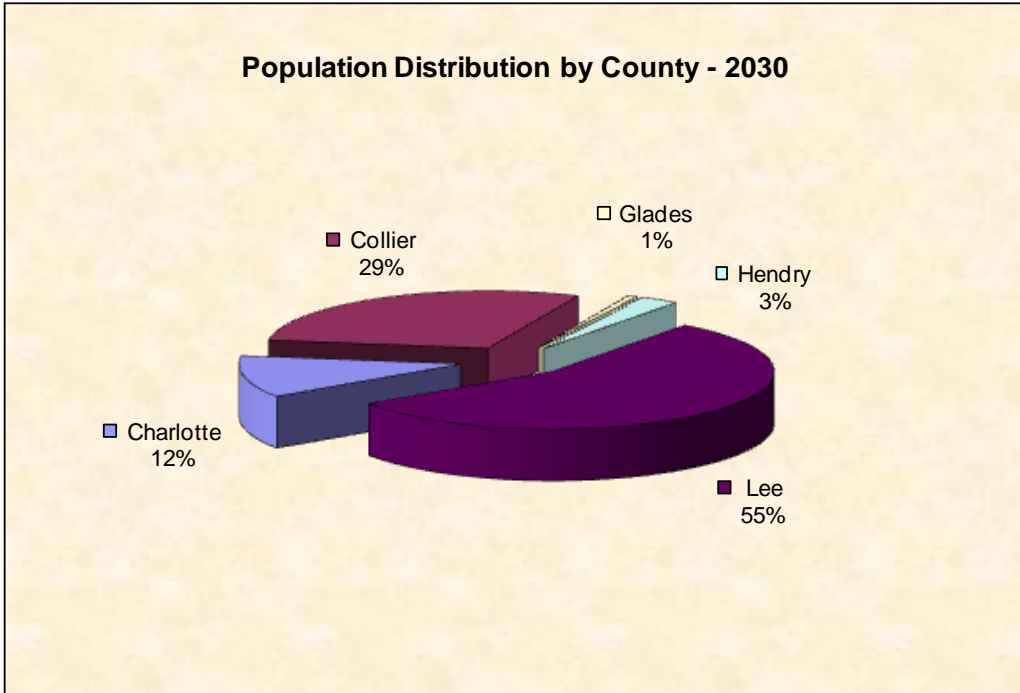
Source: Florida EDR: July 2008.

Chart 25: Population Distribution 2008



Source: Florida EDR: July 2008.

Chart 26: Population Distribution 2030



Source: Florida EDR: July 2008.