Southwest Florida Regional Economic Indicators

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Regional Economic Research Institute
Lutgert College Of Business
10501 FGCU Blvd. South
Fort Myers, FL 33965
Phone 239-590-7090
www.fgcu.edu/cob/leri
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Introduction: Regional and National Background

Southwest Florida’s economy continued to exhibit strong growth, with seasonally-adjusted regional taxable sales up 8 percent in October 2015 over October 2014. Seasonally-adjusted tourist tax revenues for the coastal counties climbed 8 percent in November 2015 compared to November 2014. Passenger activity for the three Southwest Florida airports was 8 percent higher in November 2015 than November 2014. Meanwhile, the seasonally-adjusted unemployment rate for the five-county region was 4.9 percent in December—an improvement over the 5.6 percent figure for December 2014. Similar patterns were observed for the state of Florida.

The Bureau of Labor Statistics Establishment Survey reported that national nonfarm payroll employment increased by 292,000 in December 2015, a 16-percent increase from the previous month and an 11-percent decrease from December 2014. The December figure is well above the average monthly job growth for the previous 12 months (221,000). On the state level, Florida ranked third in the nation with a month-over-month increase in employment of 21,900, or over 7 percent of the national figure, behind California’s 60,400 jobs and Texas’ 24,900 jobs. The largest decreases in employment occurred in Illinois (-16,300), Oklahoma (-5,100), and North Dakota (-4,000). Florida’s over-the-year job growth was 233,100, ranking the state second behind California (459,400) but well ahead of Texas (166,900), which ranked third.

Professional and business services gained the most jobs in Florida (51,100, 4.3 percent) comparing December 2015 from December 2014. Other industries gaining jobs during the same time period included education and health services (44,700, 3.8 percent), leisure and hospitality (43,800, 3.9 percent), trade transportation, and utilities (39,600, 2.4 percent), and construction (28,500, 7.0 percent). Two industries lost jobs during this time period: information (-1,900, -1.4 percent) and government (-5,800, -0.5 percent). This state-level data, collected by the Florida Department of Economic Opportunity, is seasonally adjusted.

Lee County recorded an employment increase of 6,449 in December 2015 compared to December 2014, or 2.1 percent. Collier County reported an employment increase of 341, or 0.2 percent. Charlotte County reported an employment increase of 541 or 0.9 percent. While Glades County reported an employment decrease of 193, or 4.0 percent, Hendry County reported an increase of 375, or 2.4 percent. For comparison, the state of Florida reported an increase in overall employment of 0.9 percent from December 2014 to December 2015. This employment data is seasonally adjusted by the RERI.

Lee and Collier counties recorded increases in single-family building permits in December 2015 compared to December 2014. Although existing single family home sales by a Realtor® decreased by 3 percent for those counties during the same time period, there were substantial increases in median prices.
The Florida consumer sentiment index showed an increase over the prior year, albeit a dip from the previous month.

The Federal Open Market Committee met on January 26th and 27th and decided to maintain the current target range for the federal funds rate at 0.25 to 0.5 percent. At its December 2015 meeting, Fed officials forecast a federal funds target of 1.375 percent for the end of 2016, which suggests four quarter-point increases in its target this year. If the Fed follows through with this plan, it is expected to increase the federal funds target at every other FOMC meeting scheduled for 2016, starting with the March 2016 meeting.

The director and staff of RERI extend their sincere thanks and appreciation to the dedicated individuals and organizations who contribute to this report. These include the Southwest Florida Regional Planning Council, the Economic Development Organizations of Charlotte, Collier, and Lee Counties, the Convention and Visitors Bureaus of Charlotte, Collier and Lee Counties, the regional airport authorities, the Realtors® of Lee and Collier County, the University of Florida Survey Research Center, and the county and city permit offices.
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 occurs in February, March, and April, with significantly lower activity in the summer months. Charts 1, 2, and 3 illustrate the seasonality of airport passenger traffic and the changes from year to year.

Total passenger activity for the three Southwest Florida airports grew to 889,319 in November 2015, an 8-percent increase over November 2014, and a 28-percent jump from the prior month of October 2015. Chart 1 shows Southwest Florida International Airport passenger activity of 720,556 in November 2015, up 8 percent from November 2014. Sarasota-Bradenton’s traffic of 97,738 was 1 percent higher than November 2014, as shown in Chart 2. Punta Gorda passenger activity rose to 71,025 in November 2015, a 34-percent increase over November 2014, as shown in Chart 3.

![Chart 1: SW Florida International Passenger Activity](chart1.png)

Source: Local Airport Authorities
Chart 2: Sarasota Airport Passenger Activity

Sarasota Bradenton Int’l Airport (SRQ) Passenger Activity

Source: Local Airport Authorities

Chart 3: Punta Gorda Airport Passenger Activity

Punta Gorda Airport (PGD) Passenger Activity

Source: Local Airport Authorities
Tourist Tax Revenues

Seasonally-adjusted tourist tax revenues for the three coastal counties are shown in Charts 4 and 5, and are based on month of occupancy. All three counties continued to show gains over the prior year. Seasonally adjusted revenues for Charlotte County rose to $329,012 in November 2015, up 22 percent over November 2014. Collier County’s seasonally-adjusted tourist tax revenues amounted to $1,884,337, an increase of 7 percent from November 2014. Lee County’s seasonally-adjusted revenues increased to $3,278,774 in November 2015, up 8 percent over November 2014. Totals for the coastal counties were up to $5.48 million, 8 percent over November 2014.

Chart 4: Tourist Tax Revenues for the Coastal Counties

Source: Local County Tourism, Tax, and Economic Development Reports
Single-Family Building Permits

Southwest Florida long-term trends continue to be positive. Single-family building permits issued by Lee County in December 2015 amounted to 319, an increase of 76 (31 percent) over December 2014, as shown in Chart 6. Collier County’s total for December 2015 was 257, up 105 (69 percent) from December 2014, as shown in Chart 7. Charlotte County building permit information for December was not available at the time of this report. Chart 8 shows Charlotte activity through November 2015.

For the full year, Lee County issued 3,695 single-family building permits, up 25 percent over 2014. Collier County’s total for 2015 amounted to 2,804, an increase of 594 (27 percent) over 2014. Hendry County issued 18 permits during 2015 compared to 17 in 2014.
Chart 6: Single-Family Building Permits for 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 7: Single-Family Building Permits for Collier County

Source: Local Building and Zoning Departments, includes unincorporated Collier County permits only.
Chart 8: Single-Family Building Permits for Charlotte County

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

Taxable Sales

Taxable sales data track consumer spending based on the latest month of merchants’ collections. As a result, this data is reported for the month prior to the reporting month issued by the Florida Department of Revenue.

Chart 9 shows both seasonally-adjusted and unadjusted taxable sales for the region. The five Southwest Florida counties had total seasonally-adjusted taxable sales of $2.1 billion in October 2015, an increase of 8 percent (or $147.8 million) over October 2014, albeit 2 percent below the prior month.

Charts 10 and 11 show seasonally-adjusted taxable sales for the coastal and inland counties, respectively. Lee County’s taxable sales increased from $1.056 billion in October 2014 to $1.149 billion in October 2015, a 9-percent increase. Collier County’s taxable sales rose from $656.2 million to $689.4 million, up 5 percent over the same month last year. Charlotte County’s taxable sales grew by 9 percent, from $199.2 million in October 2014 to $217.1 million in October 2015.

Hendry County’s taxable sales were up 12 percent from $26.4 million in October 2014 to $29.6 million in October 2015. Taxable sales in Glades County also rose by 12 percent, increasing from $3.1 million in October 2014 to $3.5 million in October 2015. All cited data are seasonally-adjusted.
**Chart 9: Taxable Sales for 5 County Region**

Source: Florida Department of Revenue, Office of Tax Research

**Chart 10: Taxable Sales for Coastal Counties**

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

Charts 12-16 show total persons employed and unemployed, and the unemployment rate, for each county from January 2005 to December 2015, on a seasonally-adjusted basis. The seasonally-adjusted unemployment rate for our five-county region was 4.9 percent in December 2015, unchanged from November 2015, but down 0.7 points from December 2014. Employment in the region has increased by 7,498 since December 2014, while the number of unemployed has dropped by 3,917. National and state unemployment rates were down from the prior December by 0.7 and 0.6 percentage points, respectively.

Lee County’s seasonally-adjusted unemployment rate dropped to 4.6 percent in December 2015, down from 5.4 percent in December 2014, as shown in Chart 12. Collier County’s unemployment rate dipped to 4.8 percent in December 2015, down from 5.4 percent in December 2014, as shown in Chart 13. The seasonally-adjusted unemployment rate in Charlotte County was 5.4 percent in December 2015, a decrease from 6.2 percent in December 2014, as shown in Chart 14.

Hendry County’s December 2015 unemployment rate was 8.6 percent, down from 10.0 percent December 2014, as shown in Chart 15. The seasonally-adjusted unemployment rate in Glades County amounted to 6.0 percent in December 2015, compared to 6.6 percent in December 2014, as shown in Chart 16.

Florida’s seasonally-adjusted unemployment rate declined to 5.0 percent in December 2015 from a revised 5.1 percent in November 2015, and from 5.7 percent in December 2014. The seasonally-adjusted national unemployment rate in December 2015 was steady at 5.0 percent, down from 5.6 percent in December 2014.
Chart 12: Lee County Labor Force and Unemployment

[Graph showing the labor force and unemployment for Lee County, with data points and seasonal adjustment notes.]

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

Chart 13: Collier County Labor Force and Unemployment

[Graph showing the labor force and unemployment for Collier County, with data points and seasonal adjustment notes.]

Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI
Chart 14: Charlotte County Labor Force and Unemployment

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

Chart 15: Hendry County Labor Force and Unemployment

Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI
**Sales of Existing Single-family Homes and Median Sales Prices**

Existing single-family home sales by a Realtor® for Lee, Collier, and Charlotte Counties are shown in Charts 17-19. The line represents median prices plotted against the scale on the right side, and the bars represent the number of homes sold with the scale on the left side. A total of 1,872 single-family homes were sold in the three coastal counties in December 2015, down 3 percent from December 2014 but 35 percent higher than the previous month of November 2015. Median prices were substantially higher than a year ago (up 22 percent in Lee and Charlotte Counties, up 10 percent in Collier County).

Lee County sold 1,132 units in December 2015, a decrease of 3 percent from December 2014. Collier County single-family home sales declined to 340 units in December 2015 from 384 units in December 2014, down 11 and a half percent. Charlotte County reported 400 single-family homes sold in December 2015, up 3 percent from December 2014.
**Chart 17: Existing Single-Family Home Sales for Lee County**

![Graph showing Lee County Existing Single Family Home Sales by Realtors®](image1)

Source: Realtor® Association of Greater Fort Myers and the Beach, Inc.

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

![Graph showing Collier County Existing Single Family Home Sales* by Realtors®](image2)

* Does not include Marco Island.

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

Chart 20 shows monthly data and linear trend lines over the last three 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. Both indices continue to run above their prior year levels.

The national ICS rose from 91.3 in November 2015 to 92.6 in December 2015, albeit 1 point below the December 2014 figure. The December 23, 2015 Survey of Consumers noted that “Consumer confidence rose to its highest level since July, with the December reading nearly equal to the 2015 average of 92.9— which was the highest since 2004. The December gain was largely due to lower inflation, which bolstered real incomes and brightened buying plans for household durables. Indeed, there have been only three surveys in more than the past half century in which a higher proportion mentioned the availability of price discounts for durables.”

Conversely, the Florida Consumer Sentiment Index dipped 0.9 points from November 2015 to 90.2 in December 2015; this was 2.6 points higher than the December 2014 figure. Hector Sandoval, director of the Economic Analysis Program at UF’s Bureau of Economic and Business Research noted in the Florida Consumer Sentiment Index of December 23, 2015, that “[t]he declines in perceptions of personal finance and the expectation of U.S. economic conditions over the next year possibly reflect the potential increase in the cost of borrowing in the medium and long run as a consequence of the announced raising of interest rates by the Federal Reserve.”
**Consumer Price Index**

Chart 21 shows year-to-year changes in consumer price indices (CPI) through December 2015. The data show that consumer price inflation continues at a moderate level. The December 2015 National CPI was only 0.7 percent above the December 2014 figure, while the U.S. Southern Region CPI increased only 0.5 percent over that same 12-month period. Consumer price inflation was higher in the Miami-Ft. Lauderdale area, as that index increased by 1.6 percent between December 2014 and December 2015.
Chart 22 shows the components of the Miami-Fort Lauderdale Consumer Price Index for the 12 months ending December 2015. The largest increases since December 2014 were in medical care (6.5 percent) and housing (3.5 percent). Lower gasoline prices contributed to a 3.7 percent decrease in the transportation segment, while the apparel segment declined by 5.6 percent.

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 2014, 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. The second two charts, Charts A3 and A4, show historic measures of U.S. GDP growth rates and unemployment as well as projections by the Federal Reserve’s Federal Open Market Committee.

Regional Population

From 1990 to 2014, regional population growth averaged 2.7 percent per year. The compound average annual rate of growth for 1990 to 2014 was 2.8 percent in Lee County, 3.4 percent in Collier County, 1.7 percent in Charlotte County, 2.2 percent in Glades County, and 1.6 percent in Hendry County. The right-hand sections of Charts A1 and A2 show projected population increases from 2015 to 2040. These projected rates of increase are lower than the historic growth rates of 1990 to 2014. The regional projected population growth averages 1.6 percent per year, resulting in a population increase of 51 percent for the five-county region from 2014 to 2040, bringing the total to 1,814,478. This represents nearly 609,000 additional residents. Lee County’s population is projected to grow an average of 1.9 percent per year, Collier County at 1.4 percent, and Charlotte County at 0.7 percent per year. Hendry County’s population is projected to grow at an average of 0.2 percent per year and Glades County at 0.7 percent per year.
Chart A1: Coastal Counties Population, 1990 to 2040

Historic and Projected Population
Charlotte, Collier, and Lee Counties

Source: Office of Economic and Demographic Research.

Chart A2: Inland Counties Population, 1990 to 2040

Historic and Projected Population
Glades and Hendry Counties

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

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, with the most recent figures shown in the following “box and whiskers” charts. The blue line depicts the highest projection, the green line shows the lowest projection, and the vertical lines (or whiskers) depict the absolute highest and lowest projections for each year made by Fed economists—the space between them reflect the full range of uncertainty—while the red boxes depict the central tendency forecast within those projections.

The December forecast was very similar to the September forecast but reflected slightly more optimistic growth and unemployment estimates for 2016, followed by slightly reduced growth in the years that follow. None of the projections achieve the 3 percent GDP measure that economists generally associate with an economy operating with a full employment of resources.

Chart A3 shows the recovery in GDP growth following the most recent recession, and current projections close to the normal long-run trend (“LR”). For 2016, the overall projected range is 2.0 to 2.7 percent with a central tendency range of 2.3 to 2.5 percent. For 2017, the overall projected range is 1.8 to 2.5 percent with a central tendency range of 2.0 to 2.3 percent. For 2018, the overall projected range is 1.7 to 2.4 percent with a central tendency range of 1.8 to 2.2 percent. The long-run trend for real GDP has a range of 1.8 to 2.3 percent growth with a central tendency range of 1.8 to 2.2 percent. Real GDP growth rates are based on the change from the fourth quarter of one year to the fourth quarter of the next year.

As shown in Chart A4, the U.S. unemployment rate has continued to decline. By the end of 2015, the seasonally adjusted unemployment rate had dropped to 5.0 percent. For 2016, the projected range for the unemployment rate is 4.3 to 4.9 percent with a central tendency range of 4.6 to 4.8 percent. For 2017, the projected range for the unemployment rate is 4.5 to 5.0 percent with a central tendency range of 4.6 to 4.8 percent. For 2018, the projected range for the unemployment rate is 4.5 to 5.3 percent with a central tendency range of 4.6 to 5.0 percent. Long-run unemployment is expected to be in a range of 4.7 to 5.8 percent with a central tendency of 4.8 to 5.0 percent. The projections for unemployment are for the fourth quarter of each year.

**Chart A4: Historic and Projected Unemployment, 2007 to Long Run**


The next quarterly release of projections for GDP and Unemployment will be released following the FOMC meeting scheduled in March. These projections will be updated in the March 2016 edition of *Regional Economic Indicators*. 