

Southwest Florida Regional Economic Indicators

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Introduction: Regional and National Background

The latest economic indicators continued to show improvements for the Southwest Florida economy. Improvements include a 30 percent increase in **seasonally-adjusted taxable sales** in November 2021 compared to November 2020, as well as a 64 percent increase in **airport passenger activity** between January 2021 and January 2022.

Indicators relating to the real estate industry continued to reflect the surge in demand for single-family homes:

- Coastal county **single-family building permits** increased by 15 percent between January 2021 and January 2022;
- **Realtor® Active listings** for the coastal counties were down in January 2022, falling 60 percent from January 2021; and
- Despite a 10 percent slip in **single-family home sales** from January 2021 to January 2022, **median prices** continued to rise for the coastal counties, increasing between 26 to 28 percent over the same period.

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 Economic Analyst John Shannon at rerj@fgcu.edu.

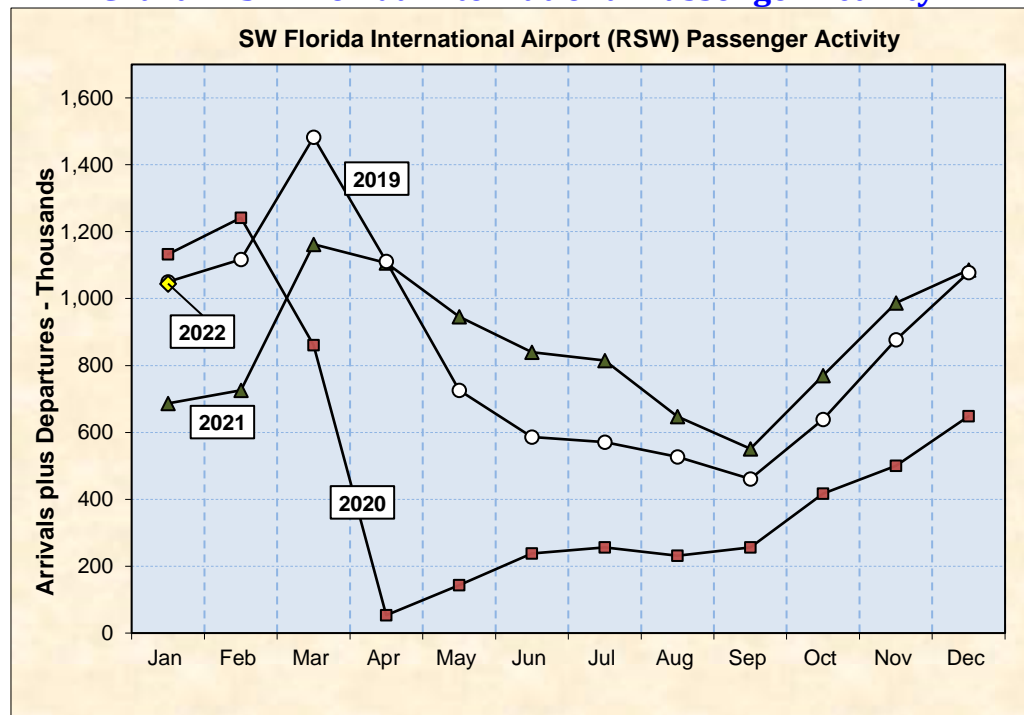
Airport Passenger Activity

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.

Total passenger traffic for the three airports amounted to 1,496,714 in January 2022, down 7 percent from December 2021 and up 64 percent over January 2021. While all three airports saw a decrease in activity from the prior month, the region continues to improve from the dip in passenger activity experienced in April 2020.

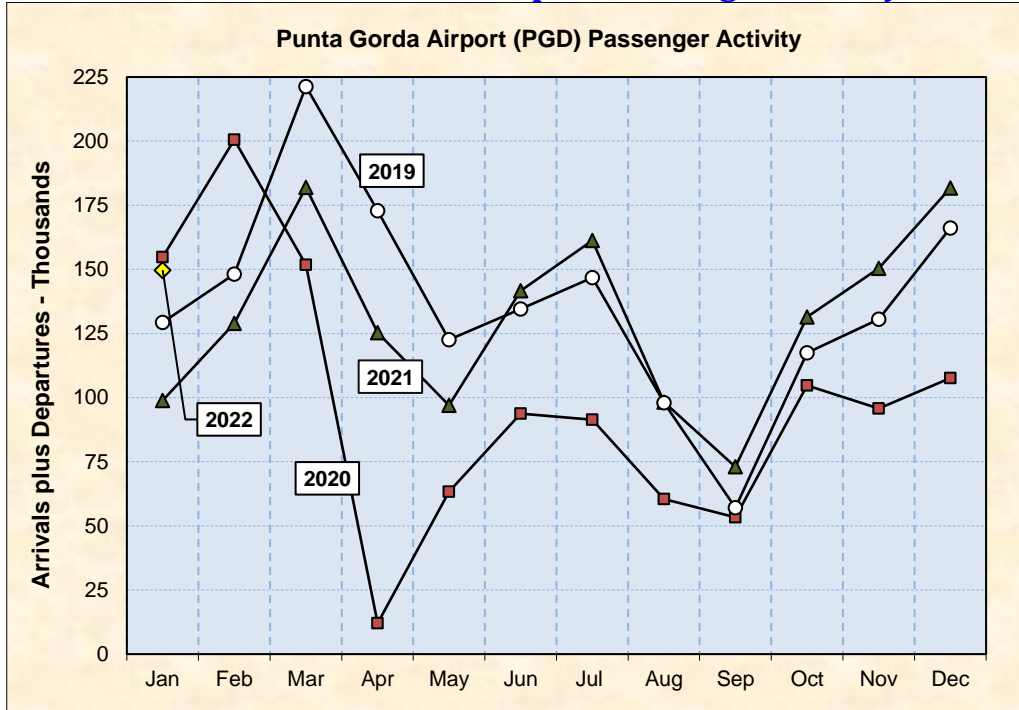
Passenger traffic at RSW was 1,044,816 in January 2022, down 4 percent from December 2021 and 52 percent greater than January 2021 (see Chart 1). PGD's passenger activity amounted to 149,709 in January 2022, a decrease of 18 percent from December 2021 and 51 percent above January 2021 (see Chart 2). SRQ served 302,189 passengers in January 2022, a 7 percent decrease from December 2021 and 138 percent above January 2021.

Chart 1: SW Florida International Passenger Activity



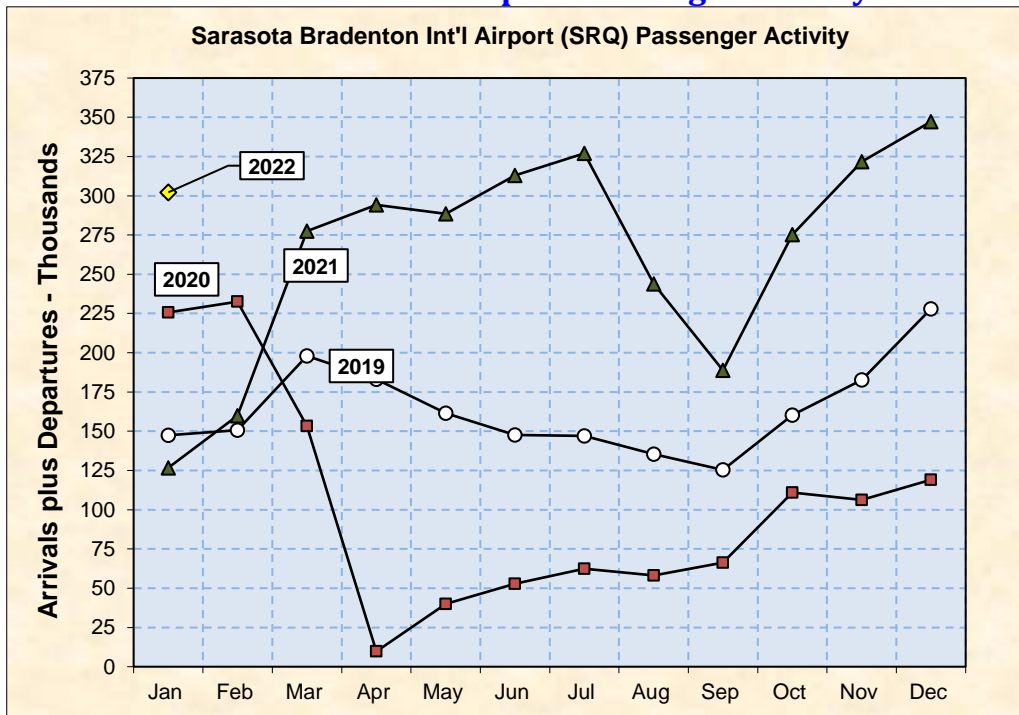
Source: Local Airport Authorities

Chart 2: Punta Gorda Airport Passenger Activity



Source: Local Airport Authorities

Chart 3: Sarasota Airport Passenger Activity



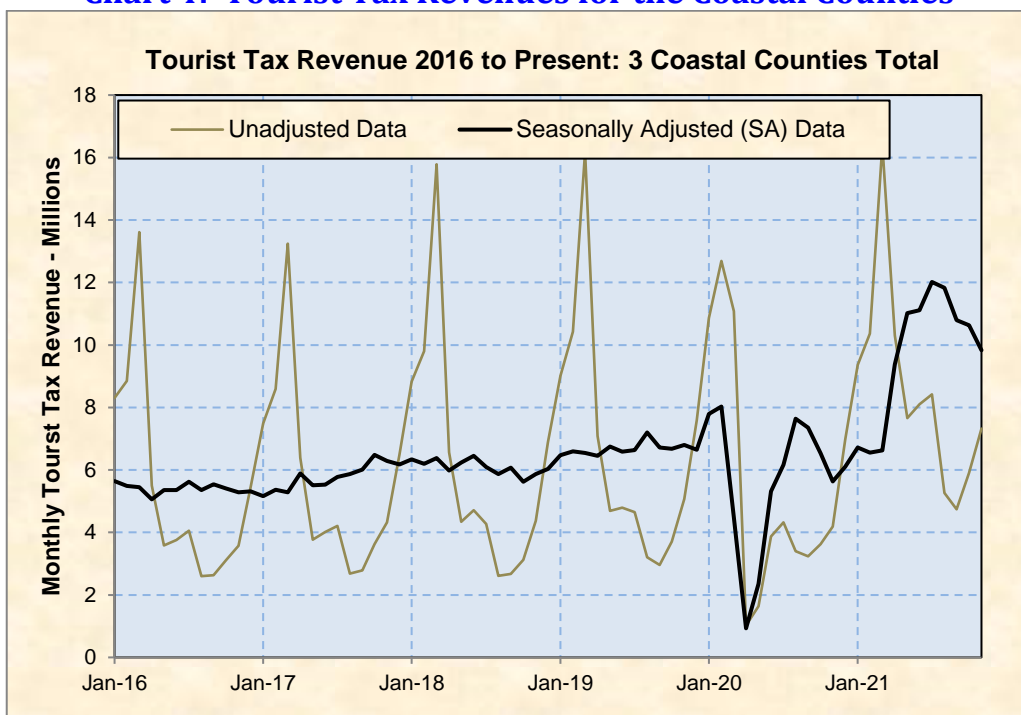
Source: Local Airport Authorities

Tourist Tax Revenues

Charts 4 and 5 show seasonally-adjusted tourist tax revenues by month of occupancy. Updated information was not available at the time of publication. As reported last month, seasonally-adjusted tourist tax revenues for the coastal counties continued to drop for the fourth consecutive month, dipping to \$9.8 million in November 2021 (down 8 percent from the prior month). Despite the month-to-month decline, revenues remained 75 percent above November 2020.

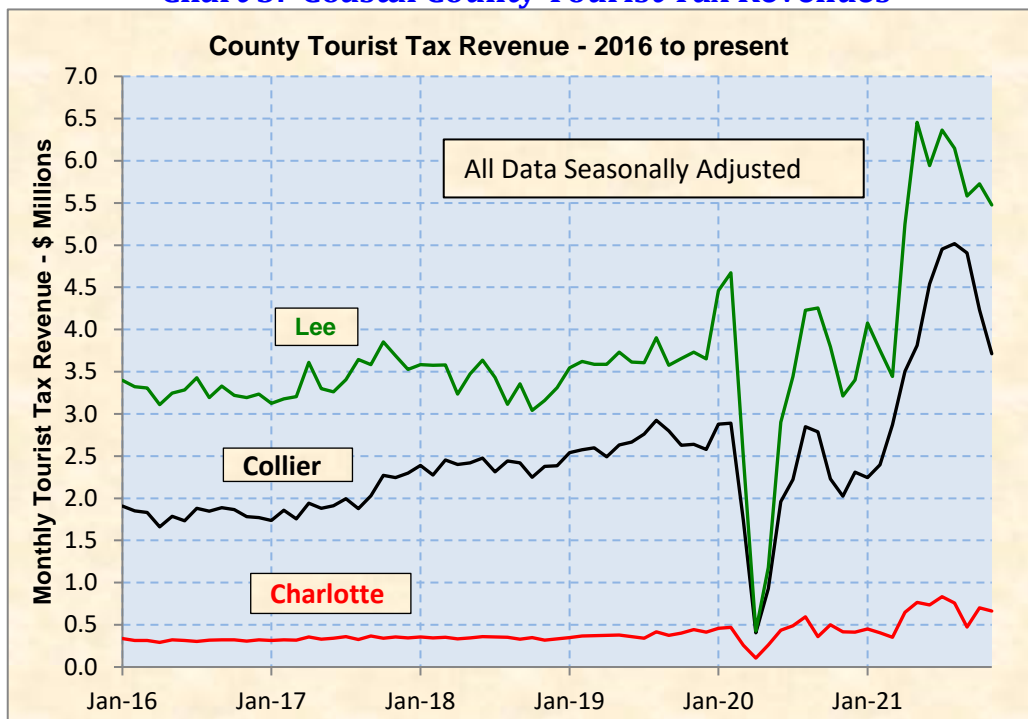
Lee County's seasonally-adjusted tourist tax revenues totaled \$5.5 million in November 2021, a 70 percent increase from November 2020, but 4 percent below October 2021. Collier County's tourist tax revenues amounted to \$3.7 million in November 2021, up by 83 percent compared to November 2020, but down 12 percent from the prior month. Seasonally-adjusted tourist tax revenues in Charlotte County grew to \$664.9 thousand in November 2021, up 59 percent from the November 2020 measure, but 5 percent below the prior month's measure.

Chart 4: Tourist Tax Revenues for the Coastal Counties



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

Taxable Sales

Taxable sales data provided by the Florida Department of Revenue (DOR) tracks consumer spending based on the latest month of merchant collections. The RERI adjusts the DOR data to the month of transaction by lagging the data one month. Therefore, taxable sales transaction data is now available through November 2021.

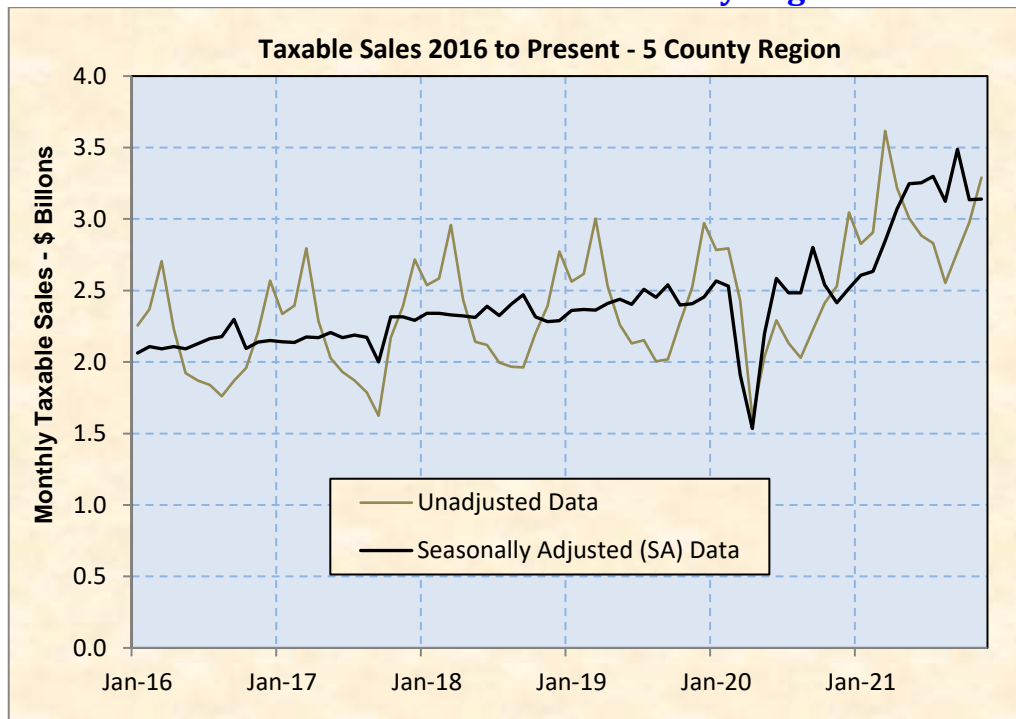
Seasonally-adjusted taxable sales for Southwest Florida totaled \$3.139 billion in November 2021, an increase of 30 percent from November 2020, and virtually no change from the October 2021 measure (see Chart 6).

Results for the coastal and inland counties are shown in Charts 7 and 8, respectively. Lee County's seasonally-adjusted taxable sales were \$1.713 billion in November 2021, an increase of 31 percent over November 2020 and only 1 percent above the previous month. Collier County taxable sales were \$1.056 billion in November 2021, up 31 percent from November 2020, however, 1 percent under the October 2021 total. Taxable sales in Charlotte County increased to \$322.9 million in November 2021, compared to \$264.1 million in November 2020 and \$327.2 million in October 2021.

Taxable sales in Hendry County totaled \$39.8 million in November 2021, up 17 percent from November 2020, but down 5 percent from the October 2021 total. Glades County taxable sales

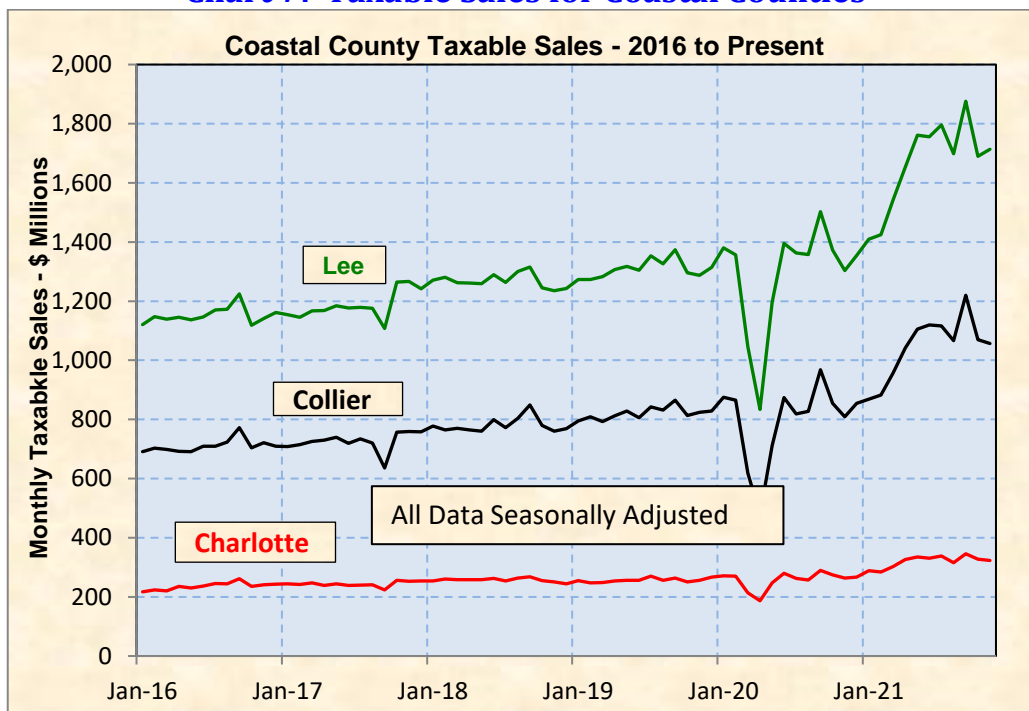
were \$6.2 million in November 2021, up 34 percent from November 2020, and up 1 percent from the October 2021 total. All cited data are seasonally adjusted.

Chart 6: Taxable Sales for 5 County Region



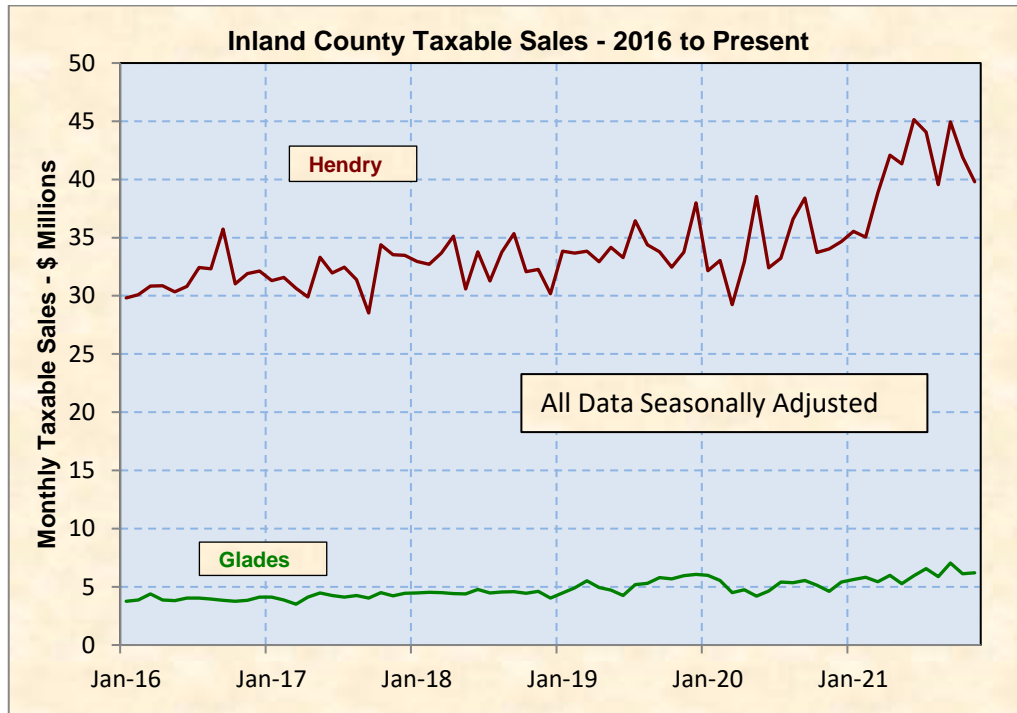
Source: Florida Department of Revenue, Office of Tax Research

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

January employment figures for the counties and the state were not published this month. It is expected that updated employment numbers will be included in the next issue of *Regional Economic Indicators*. The following narrative is taken from last month's *Regional Economic Indicators*.

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 December 2021. Between November and December 2021, the number of employed persons in Southwest Florida decreased while the number of unemployed persons increased, changing by 2,935 and 178 respectively. Despite the changes, the region's seasonally-adjusted unemployment rate remained the same in December 2021 at 4.0 percent. Seasonally-adjusted employed workers for the region was up by over 45,000 compared to December 2020, while the number of unemployed was up by over 800. The total labor force increased by 45,967 from December 2020 to December 2021, with growth mainly concentrated in the coastal counties.

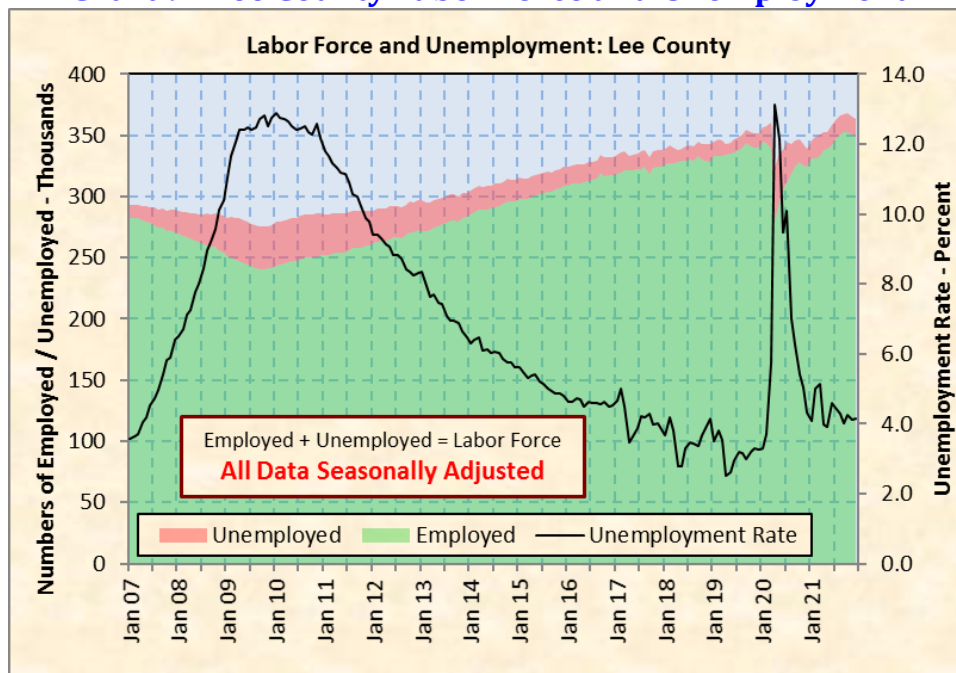
Lee County's seasonally-adjusted unemployment rate was 4.2 percent in December 2021, up 0.1 percentage points from November 2021, and down 0.1 percentage points from December 2020 (Chart 9). The unemployment rate in Collier County was 3.5 percent in December 2021, up 0.1 percentage points from the prior month, and down 0.3 percentage points compared to December

2020 (Chart 10). Charlotte County's unemployment rate was 4.4 percent in December 2021, unchanged from both the prior month and prior year, as depicted in Chart 11.

Hendry's unemployment rate was 5.7 percent in December 2021, down from the previous month by 0.2 percentage points, and up 0.8 percentage points from the December 2020 measure (Chart 12). Glades County had an unemployment rate of 3.7 percent in December 2021, up from the previous month by 0.2 percentage points and 0.1 percentage points below December 2020 (Chart 13).

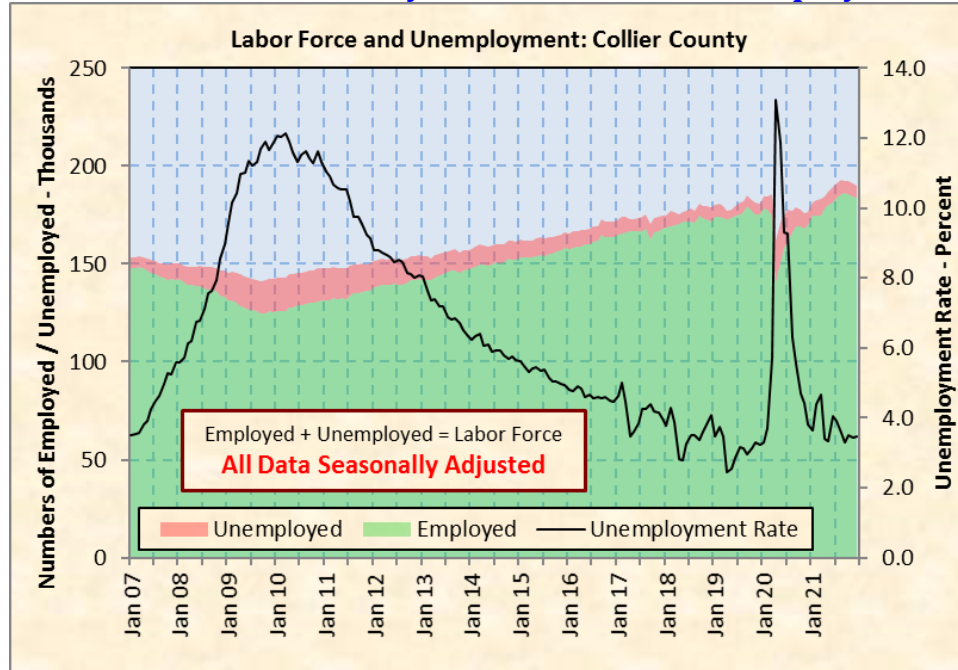
The state of Florida's seasonally adjusted unemployment rate was 4.4 percent in December 2021, down 0.1 points from the November 2021 rate, and down 0.7 percentage points from December 2020. The United States unemployment rate was 3.9 percent in December 2021, down 0.3 percentage points from the 4.2 percent measured in November 2021, and down 2.8 percentage points from December 2020.

Chart 9: Lee County Labor Force and Unemployment



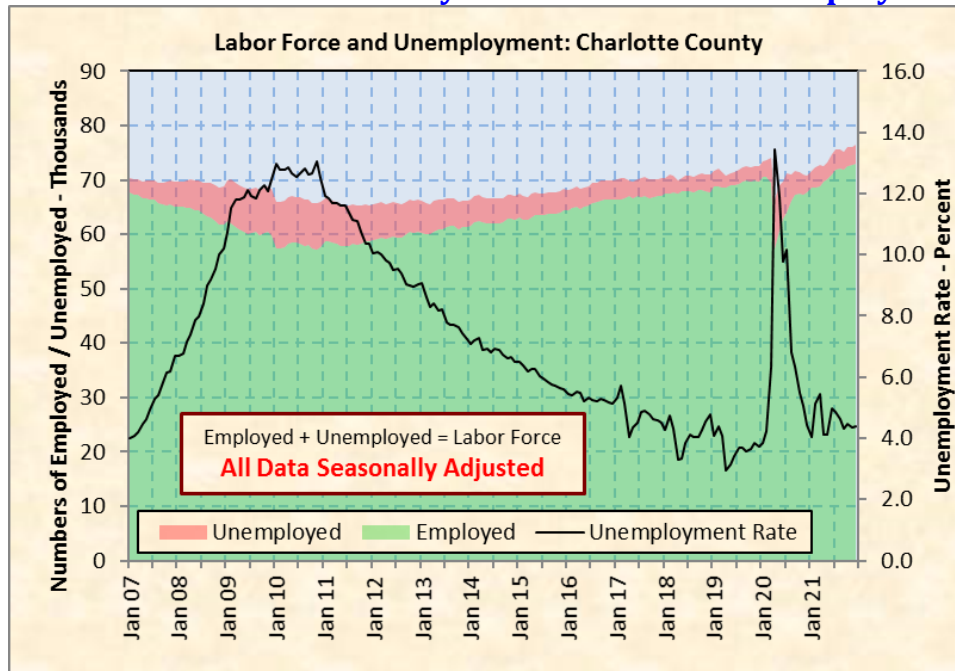
Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI

Chart 10: Collier County Labor Force and Unemployment



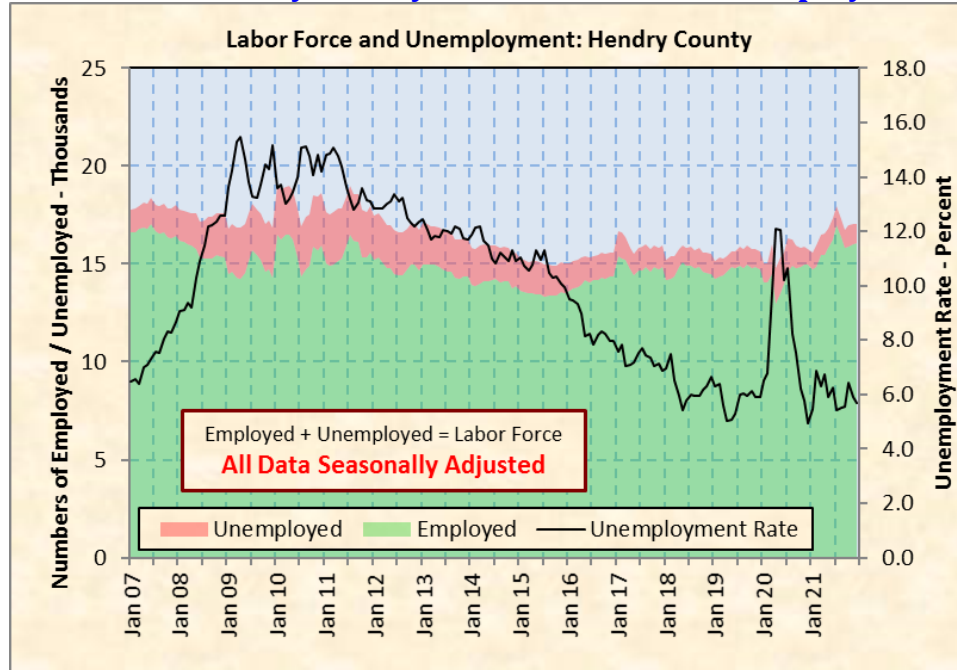
Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI

Chart 11: Charlotte County Labor Force and Unemployment



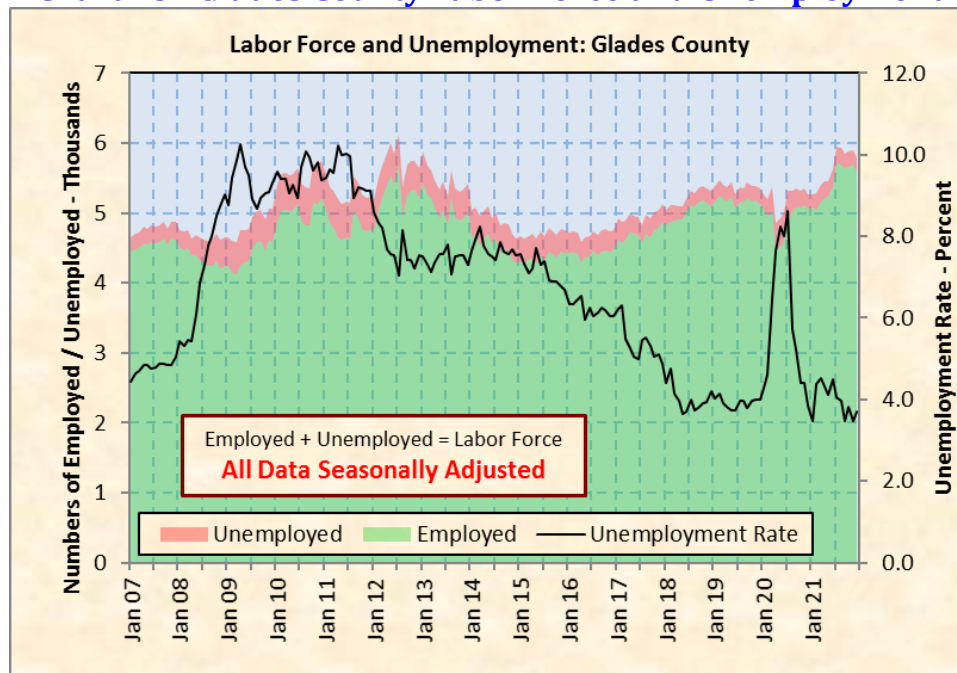
Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI

Chart 12: Hendry County Labor Force and Unemployment



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

Chart 13: Glades County Labor Force and Unemployment



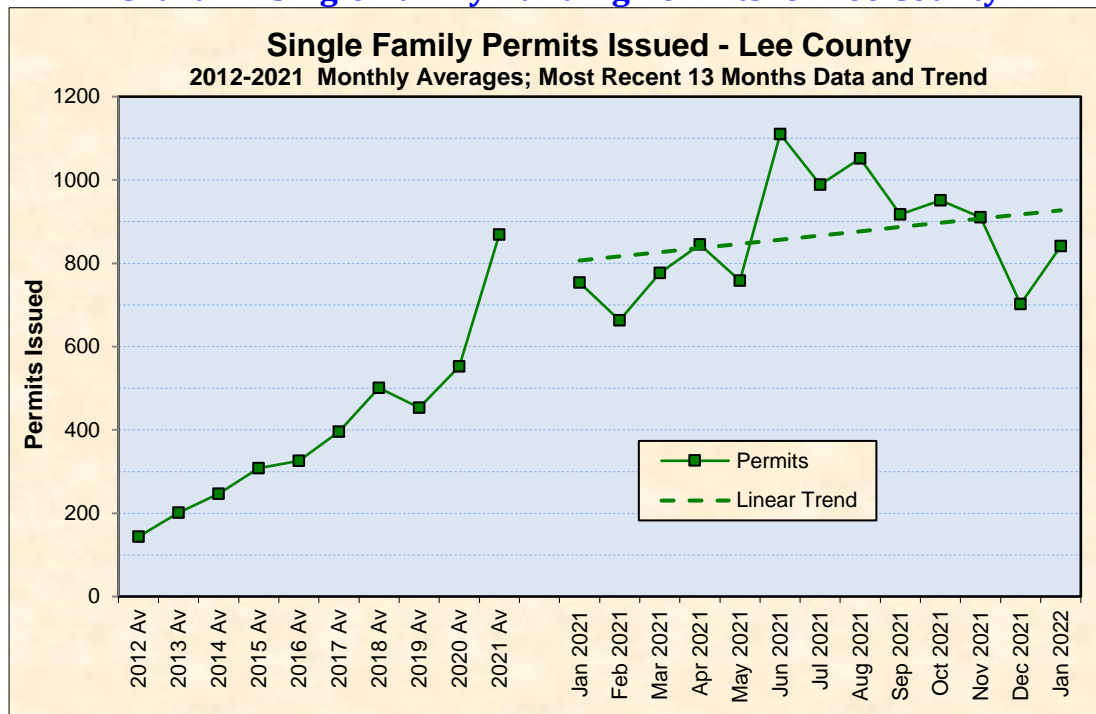
Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI

Single-Family Building Permits

The Southwest Florida coastal counties issued 1,568 single-family building permits in January 2022, an increase of 209 permits (15 percent) over January 2021, and up 283 permits (22 percent) from December 2021. Lee County issued 841 permits in January 2022, up from the 754 permits issued in January 2021, and up from the 702 permits issued in December 2021 (see Chart 14). In Collier County, 346 permits were issued in January 2022, a decline of 11 permits (3 percent) from January 2021, but up 51 permits (17 percent) from December 2021 (see Chart 15). Charlotte County recorded 381 permits issued in January 2022, an increase from the 248 permits issued in January 2021 and the 288 permits issued in December 2021 (see Chart 16).

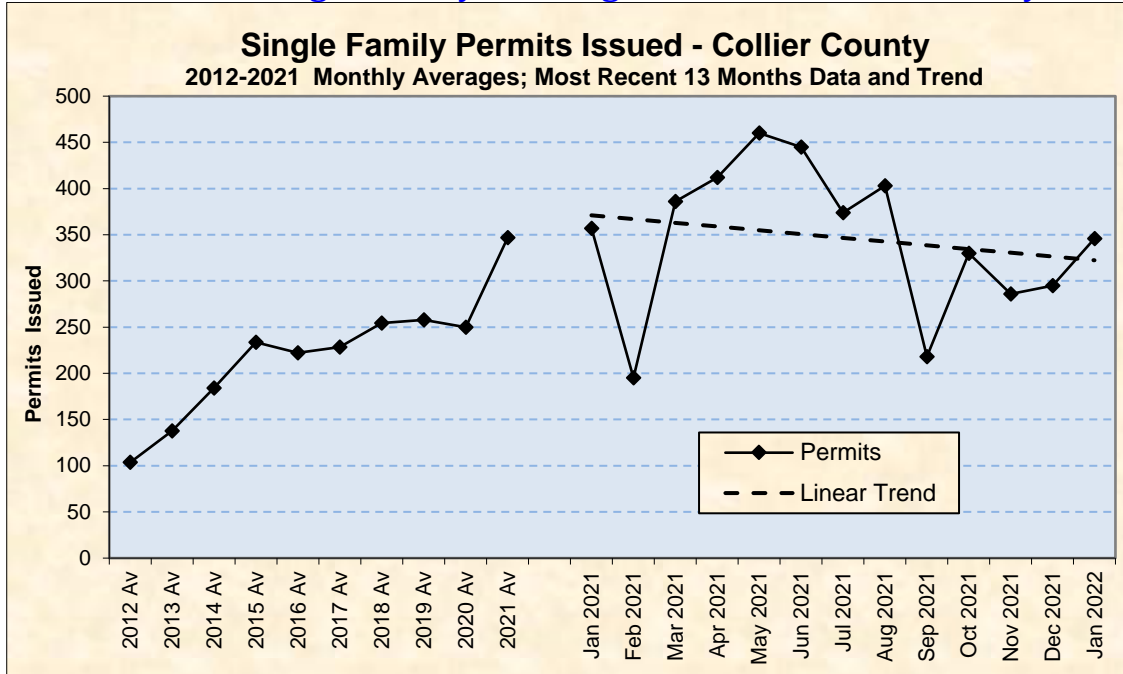
Hendry County issued 40 single-family building permits in January 2022, compared to 45 issued during January 2021. In the month of January 2022, the four-county total went up by 20 percent compared to December 2021.

Chart 14: Single-Family Building Permits for Lee County



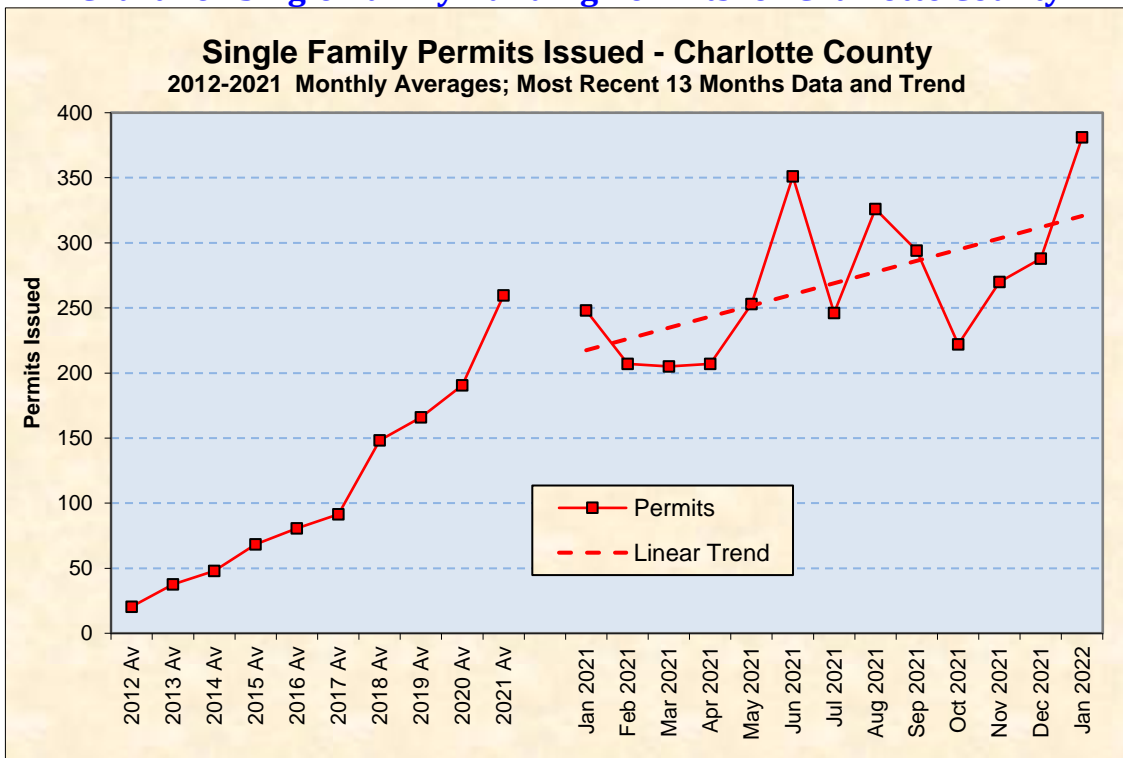
Source: Local Building and Zoning Departments, including Fort Myers, Cape Coral, and Unincorporated Lee County, Bonita Springs, Estero, and Fort Myers Beach permits

Chart 15: Single-Family Building Permits for Collier County



Source: Collier County Growth Management Department, includes unincorporated Collier County permits only

Chart 16: Single-Family Building Permits for Charlotte County



Source: Charlotte County Economic Development Organization, includes unincorporated Charlotte County permits only

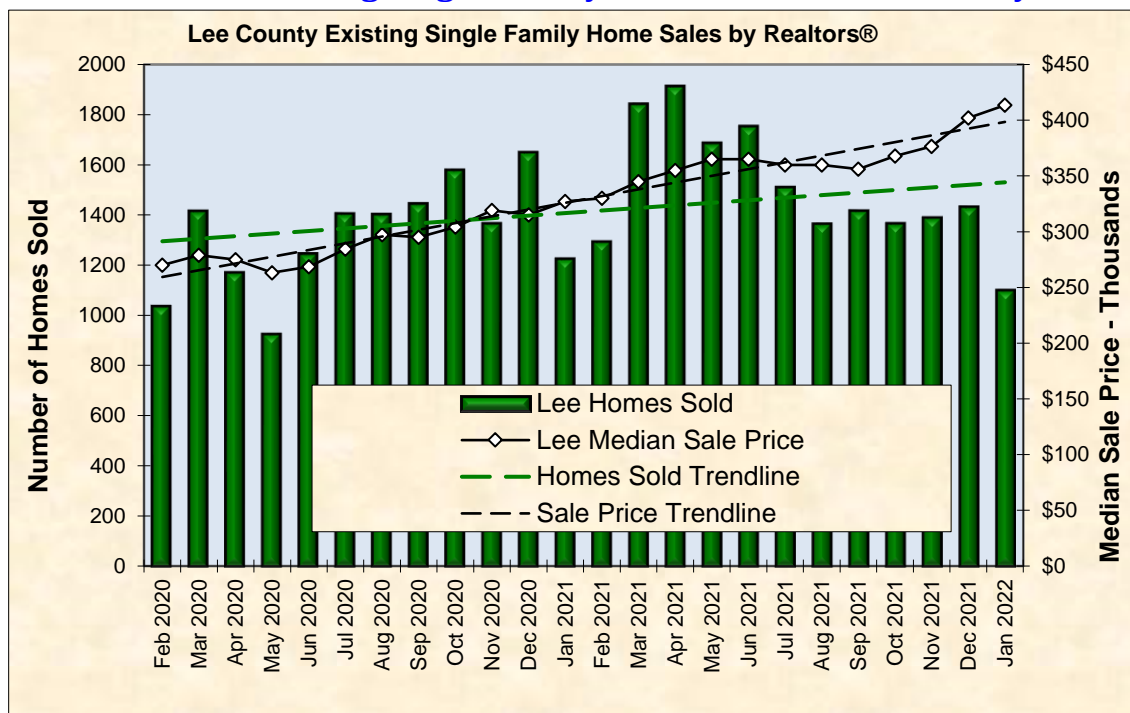
Existing Single-Family Home Sales and Median Prices

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.

The coastal counties had a total of 1,940 existing single-family home sales in January 2022, a decrease of 10 percent from January 2021 and 23 percent below December 2021. Despite the decline in total sales, all three counties continued to see significant increases in median prices over the past year, with increases ranging between 26 and 28 percent.

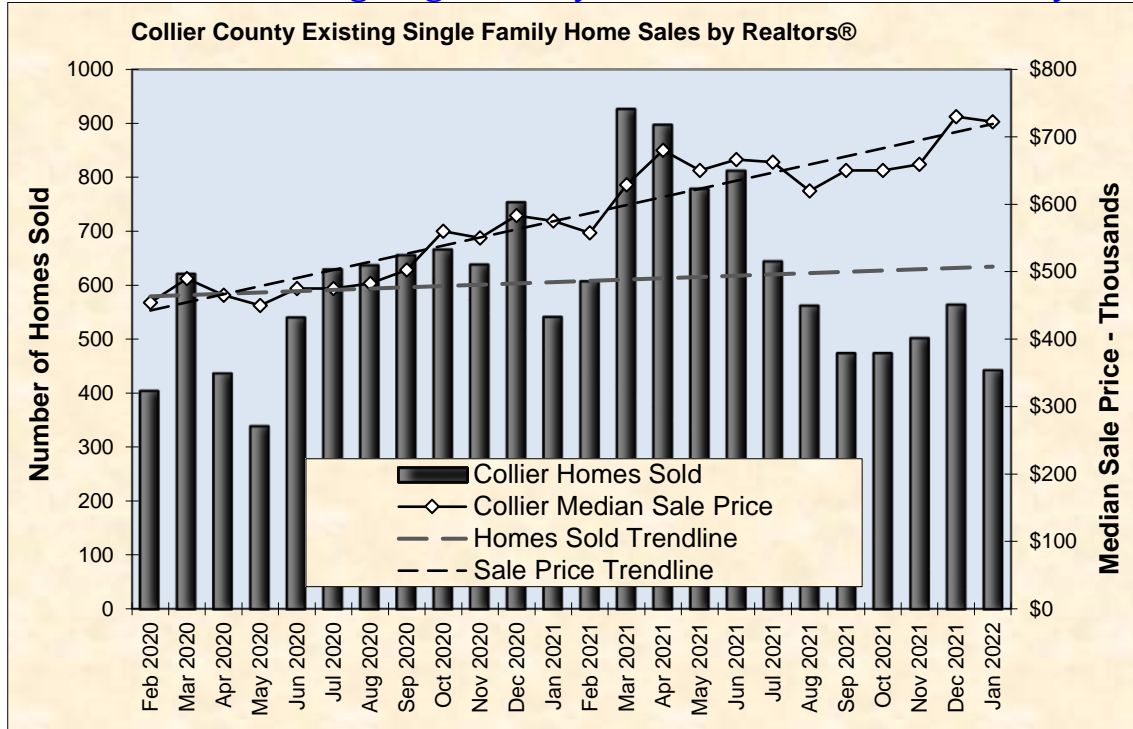
Single-family home sales in Lee County totaled 1,099 units in January 2022, a decrease of 125 units (10 percent) from January 2021. The median price in Lee County increased from \$327,250 to \$413,500 over the same period (see Chart 17). Collier County single-family home sales registered 444 units in January 2022, a decrease of 98 units (18 percent) compared to January 2021. The median price in Collier County rose substantially by \$147 thousand from \$575,000 in January 2021 to \$722,500 in January 2022 (see Chart 18). Charlotte County reported 397 existing single-family home sales for January 2022, down 1 percent from the 399 units sold in January 2021. The median price in Charlotte County was \$353,000 in January 2022, up \$78,000 (28 percent) over the same month last year (Chart 19).

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



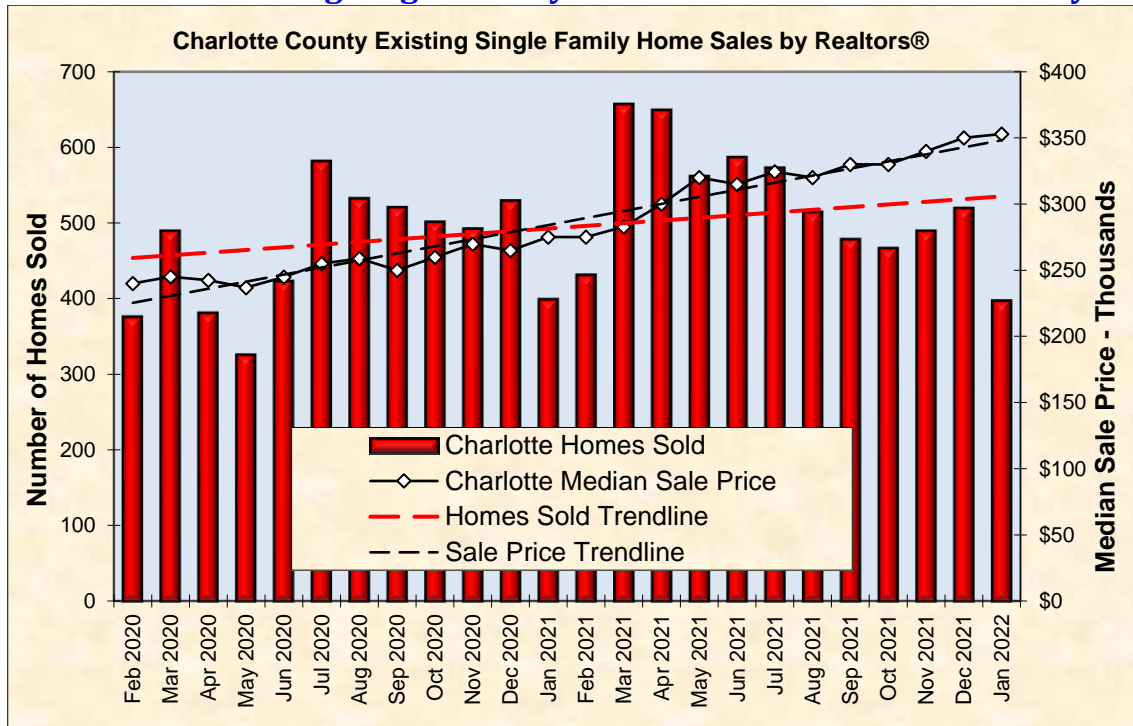
Source: Florida Realtors® Cape Coral-Fort Myers MSA

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



Source: Florida Realtors® Naples-Immokalee-Marco Island, Florida MSA

Chart 19: Existing Single-Family Home Sales for Charlotte County



Source: Florida Realtors® Punta Gorda, Florida MSA

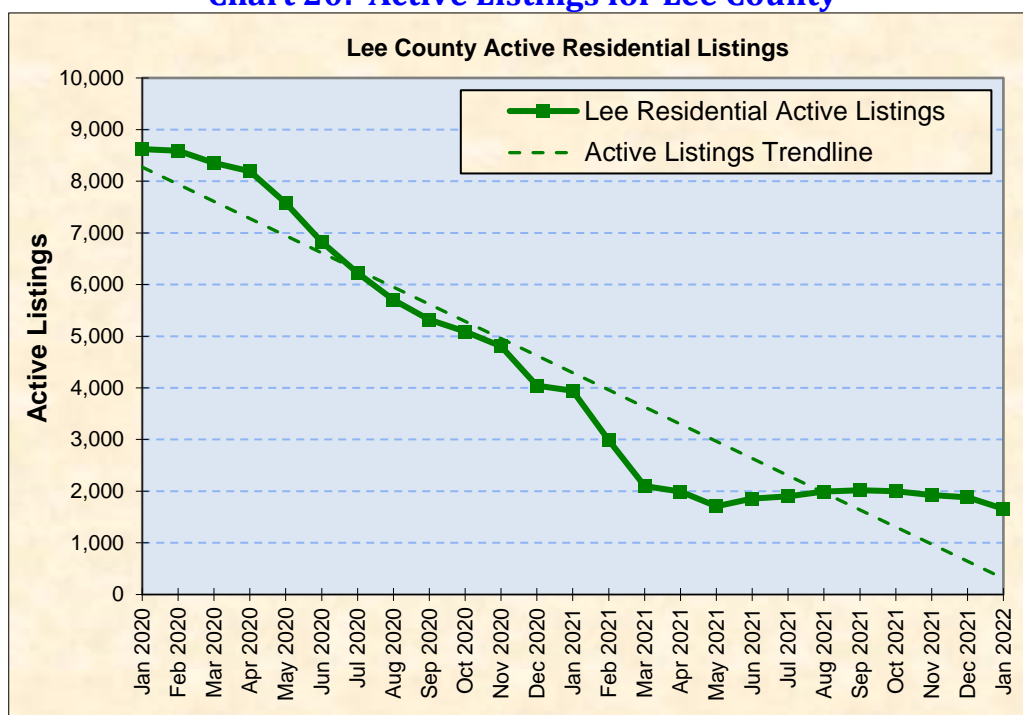
Realtor® Active Listings

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 coastal counties reported 3,377 residential properties listed for sale in January 2022. Listings had a decline of 12 percent from December 2021 and were 60 percent down from January 2021.

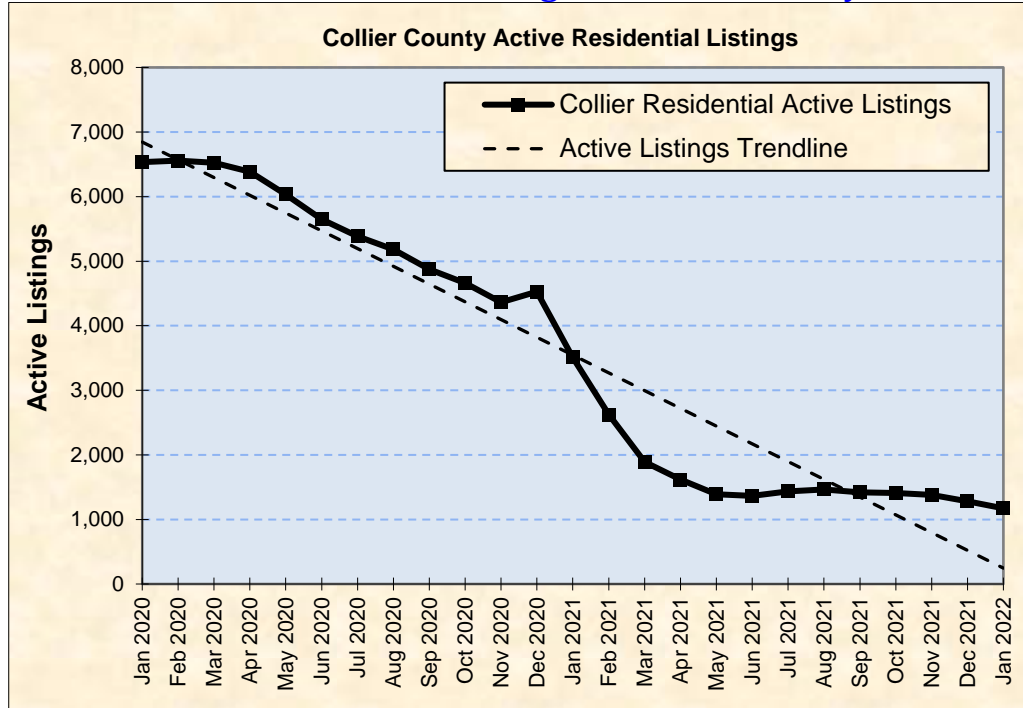
Active listings in Lee County declined to 1,659 units in January 2022, down 12 percent from December 2021 and 58 percent below the January 2021 measure (Chart 20). Collier County reported 1,172 units listed for sale in January 2022, down from both the previous month (9 percent) and the same month last year (67 percent; Chart 21). Charlotte County active listings decreased to 546 units in January 2022, down 17 percent from the prior month and 47 percent below January 2021 (Chart 22).

Chart 20: Active Listings for Lee County



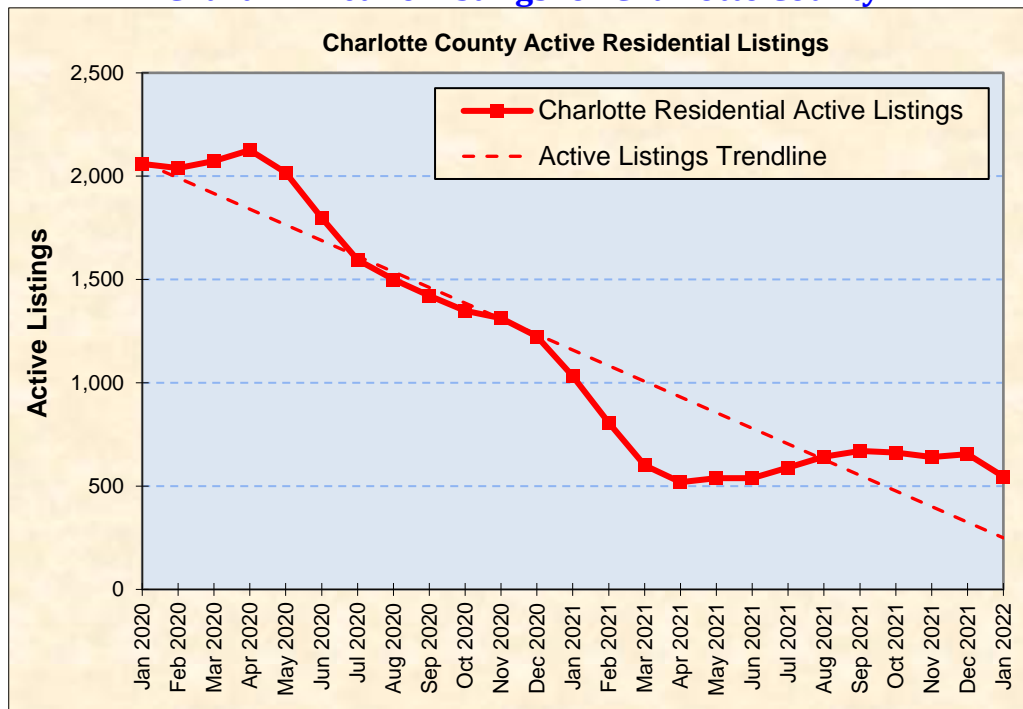
Source: Realtor.com residential listings database

Chart 21: Active Listings for Collier County



Source: Realtor.com residential listings database

Chart 22: Active Listings for Charlotte 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 slipped in February 2022, declining 4.4 points from the previous month to 62.8. Richard Curtin, chief economist for the Surveys of Consumers, noted that the index was at its lowest level in the past decade. "The February descent resulted from inflationary declines in personal finances, a near universal awareness of rising interest rates, falling confidence in the government's economic policies, and the most negative long term prospects for the economy in the past decade," Curtin said. "Virtually all interviews were conducted prior to the Russian invasion so its impact is yet to be felt by consumers. The most likely linkage to the domestic economy is through rising energy prices, with the size and length of the potential increases subject to substantial uncertainty. This will complicate the Fed's policy actions, tilting their objectives to focus more on inflation at the cost of slower growth and higher unemployment."

Florida's Consumer Sentiment Index declined in February 2022, slipping 1.1 points to 68.4 from January's revised figure of 69.5. "Floridians' views regarding their current economic situation deteriorated in February. Particularly, opinions about personal finances now compared with a year ago have fallen to the lowest level in the past eight years. This is not surprising given that consumers are paying more for necessities such as food, energy, and housing," 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 1, 2022 edition of Florida Consumer Sentiment Index. "Last month, the annual rate of inflation reached a four-decade high of 7.5%. While job creation has been strong and wages have risen due to a tight labor market, higher consumer prices are absorbing some these gains."

Chart 23: U.S. Index of Consumer Sentiment

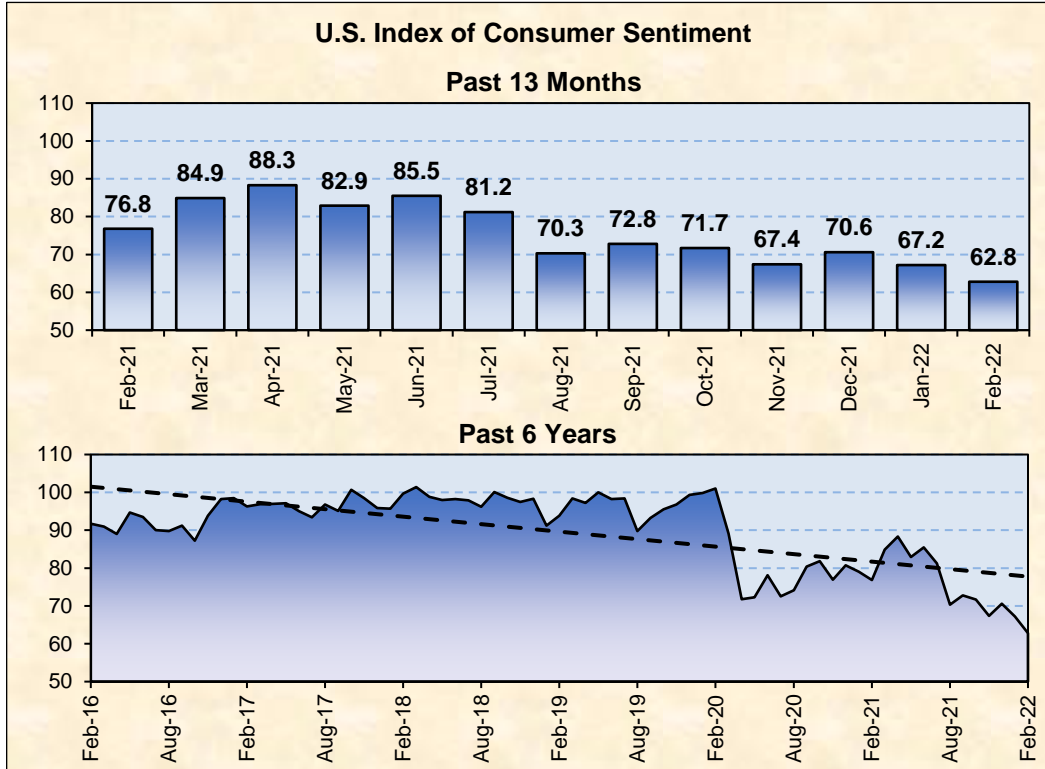
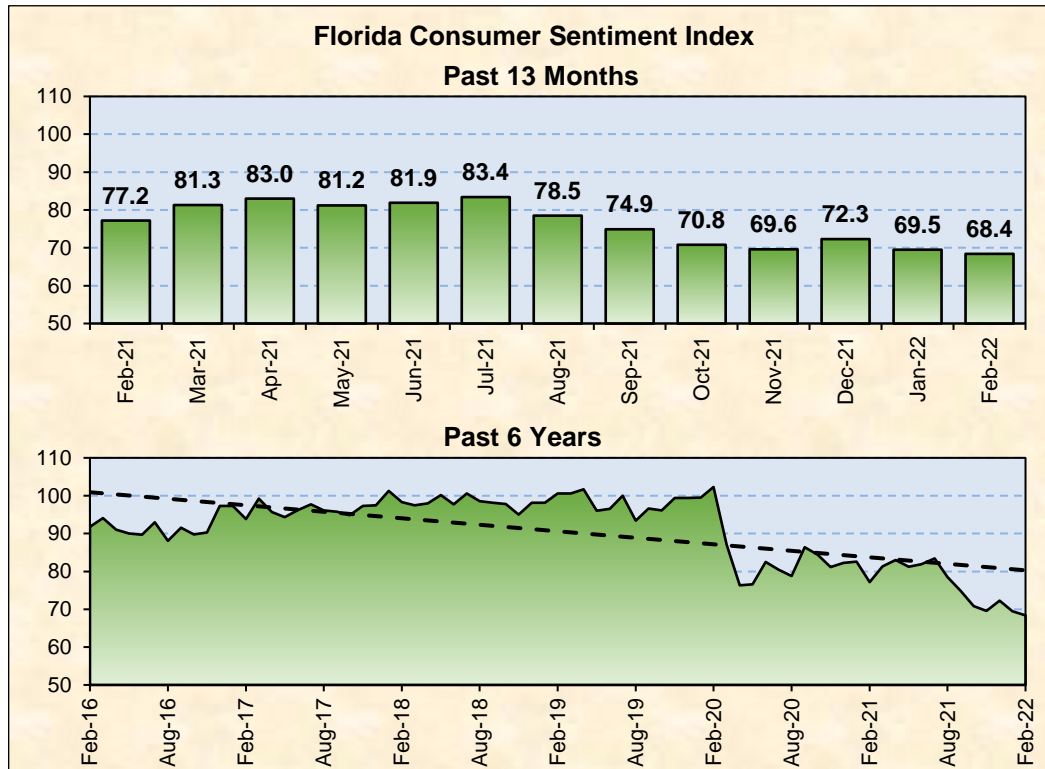


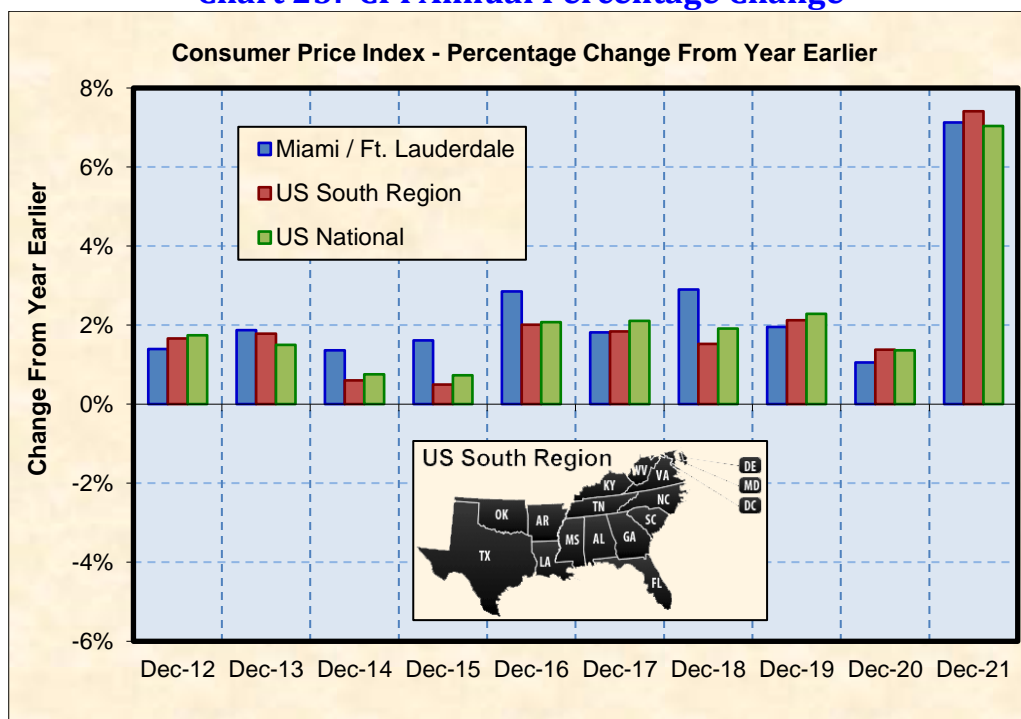
Chart 24: Florida Consumer Sentiment Index



Consumer Price Index

Chart 25 shows that year-to-year changes in consumer price indices (“CPI”) through December 2021 increased compared to a year ago. The Miami/Ft. Lauderdale CPI increased by 7.1 percent from December 2020 to December 2021, while the US South Region had a 7.4 percent increase over the same period. CPI for the nation increased by 7.0 percent in December 2021 compared to December 2020.

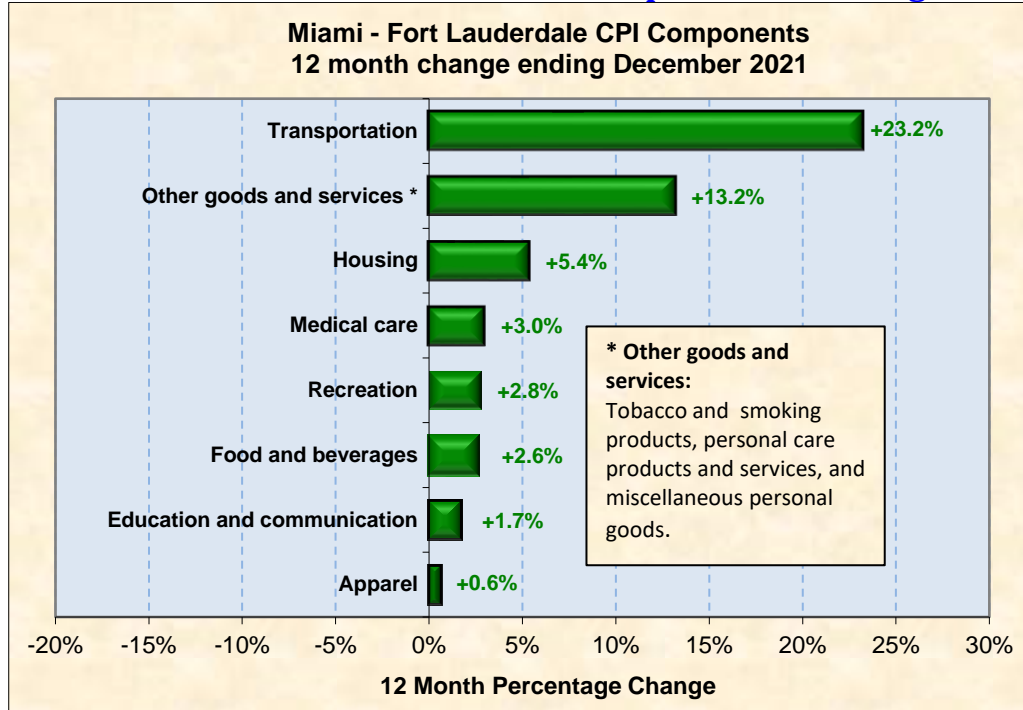
Chart 25: CPI Annual Percentage Change



Source: U.S. Bureau of Labor Statistics

Components of the Miami-Fort Lauderdale Consumer Price Index for the 12 months ending December 2021 are shown in Chart 26. Increases in transportation continue to outpace the rest of the components, increasing by 23.2 percent from December 2020 to December 2021. The region also saw increases in prices for both other goods and services (13.2 percent increase in December 2021 over December 2020) and housing (5.4 percent increase over the same period).

Chart 26: Miami-Fort Lauderdale CPI Component Percentage Change



Source: U.S. Bureau of Labor Statistics

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 2020, 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, 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: September 2021

From 1990 to 2020, regional population grew at a compound average rate of 2.6 percent per year. Over the 30 year period, the compound average annual rates of growth were 2.7 percent in Lee County, 3.2 percent in Collier County, 1.8 percent in Charlotte County, 2.0 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 2020 to 2045, at substantially lower rates than those experienced between 1990 and 2020. Projected

growth for the five-county region averages 1.2 percent per year, resulting in a population increase of 35.5 percent from 2020 to 2045. This would add over 489,000 residents to the region, and bring the total to 1,869,848. 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 0.9 percent. Projected growth rates for the inland counties are substantially lower; the population in both Hendry and Glades County are projected to grow at an average of 0.6 percent per year between 2020 and 2045.

Chart A1: Coastal Counties Population, 1990 to 2045

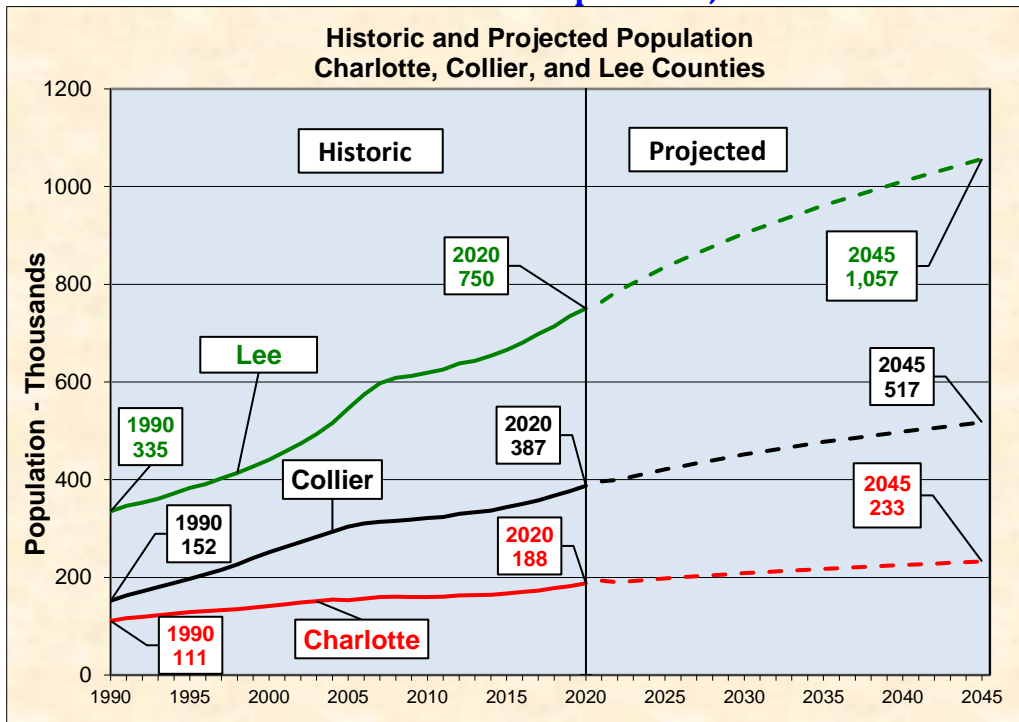
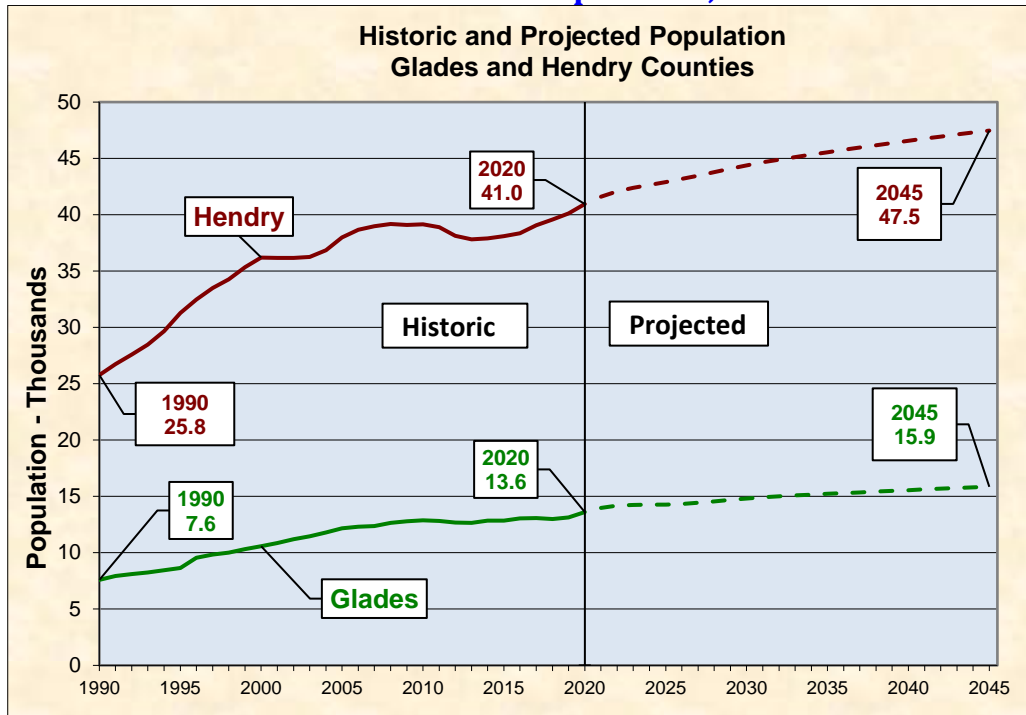


Chart A2: Inland Counties Population, 1990 to 2045



Source: Office of Economic and Demographic Research

National GDP and Unemployment

Last Updated: January 2022

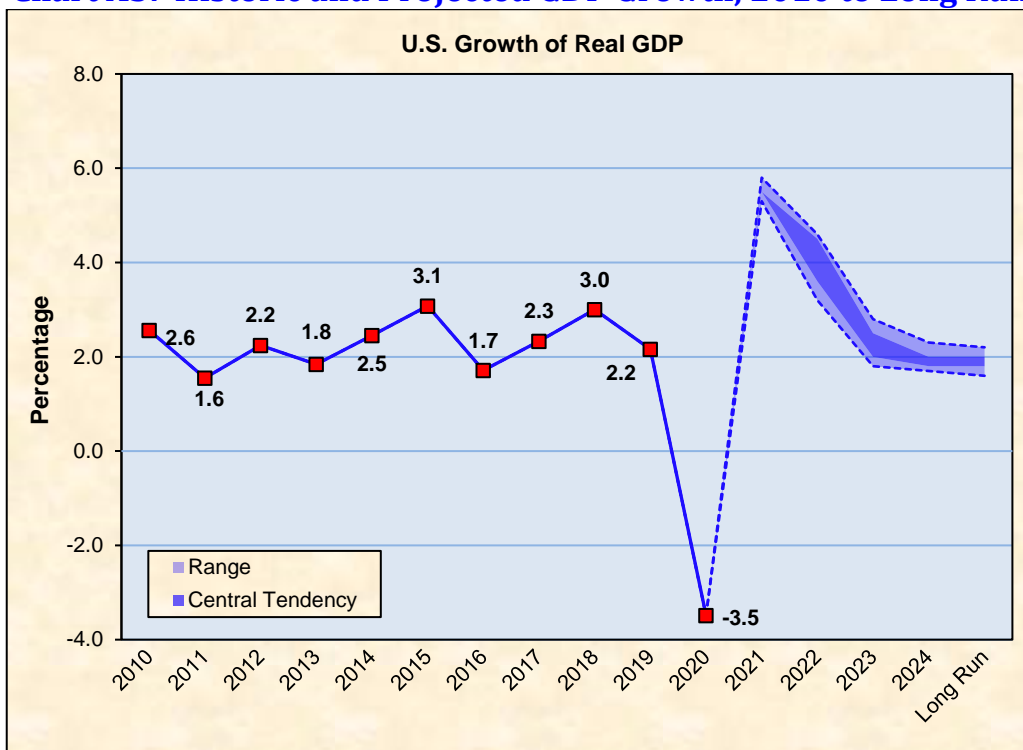
Charts A3 and A4 depict both historical trends and the Federal Open Market Committee's projections for national Gross Domestic Product ("GDP") and Unemployment. The FOMC's projections are released quarterly and reflect the assessments of the Federal Reserve Board of Governors and of Federal Reserve District Bank presidents, with the December 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 2021 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 negative 3.5 percent, compared to the positive 2.2 percent GDP growth 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 in 2021, with the range of 5.3 to 5.8 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 3.2 to 4.6 percent in 2022, between 1.8 and 2.8 percent in 2023, and between 1.7 and

2.3 percent by 2024. In the long-run, GDP growth is expected to range somewhere between 1.6 percent and 2.2 percent.

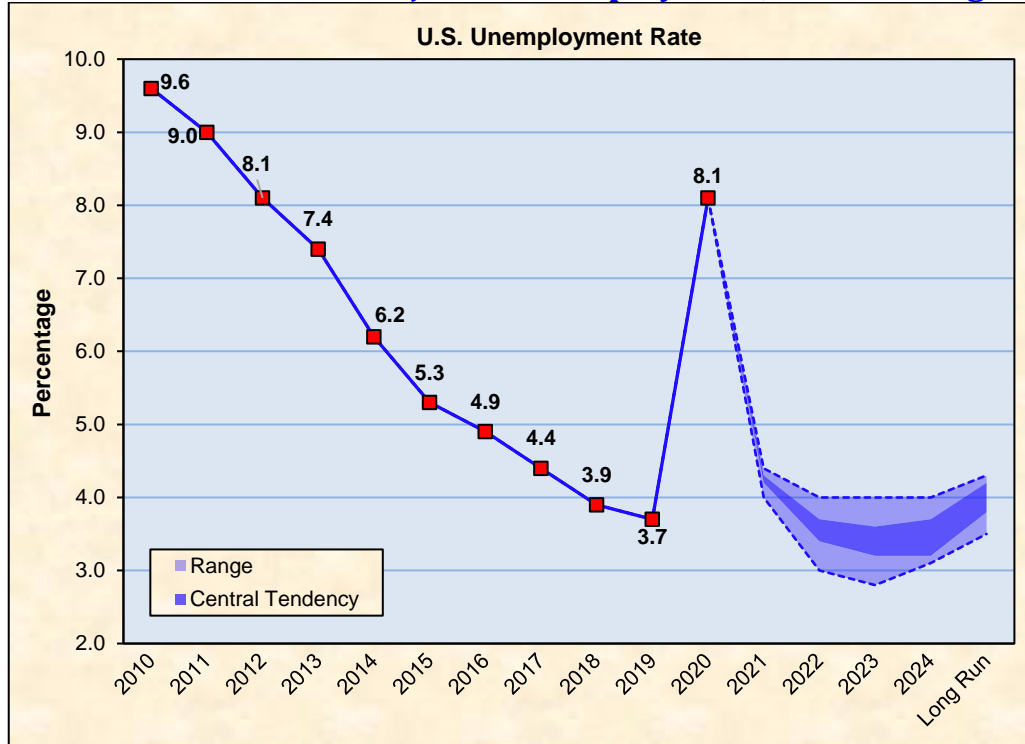
Chart A3: Historic and Projected GDP Growth, 2010 to Long Run



Source: Historical data obtained from Bureau of Economic Analysis. Projected data obtained from Federal Reserve Open Market Committee Meeting Statement, December 15, 2021.

Chart A4 depicts unemployment trends since 2010. 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 4.4 percent. Unemployment in 2022 is projected to range somewhere between 3.0 percent and 4.0 percent, between 2.8 and 4.0 percent in 2023, and 3.1 and 4.0 percent by 2024. In the long run, the unemployment rate is expected to range between 3.5 percent and 4.3 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



Source: Historical data obtained from Bureau of Economic Analysis. Projected data obtained from Federal Reserve Open Market Committee Meeting Statement, December 15, 2021.

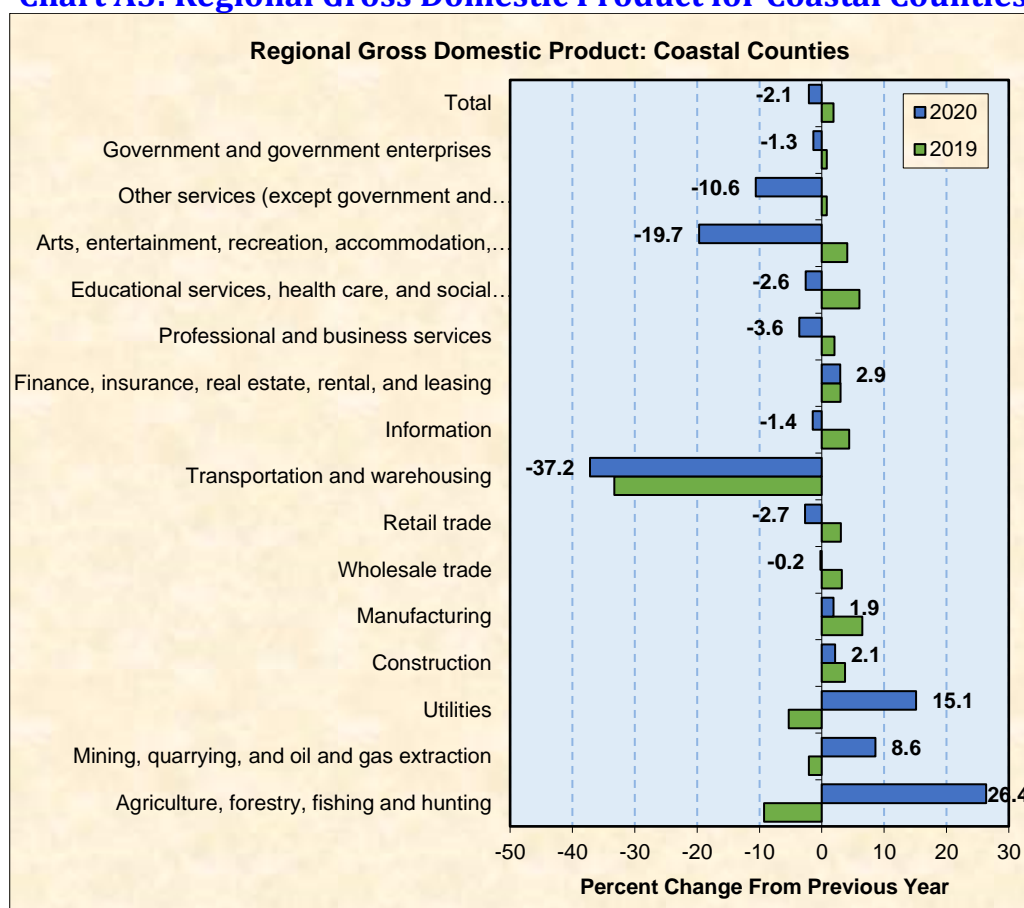
The next quarterly release of projections for GDP and Unemployment will be released following the FOMC meeting scheduled in March 2022. These projections will be updated in the April 2022 edition of *Regional Economic Indicators*.

Regional GDP

Last Updated: February 2022

Charts A5 shows Chained GDP growth by industry for the Southwest Florida coastal counties. The Covid-19 pandemic hit a number of industries in the region, with declines in transportation and warehousing (37.2 percent decrease from 2019 to 2020), arts, entertainment, recreation, accommodation and food services (19.7 percent decrease), other services (10.6 percent decrease), professional and business services (3.6 percent decrease) and retail trade (2.7 percent decrease). Industries such as agriculture, forestry, fishing and hunting (26.4 percent increase), utilities (15.1 percent increase) and mining, quarrying, and oil and gas extraction (8.6 percent increase) saw improvements over the year.

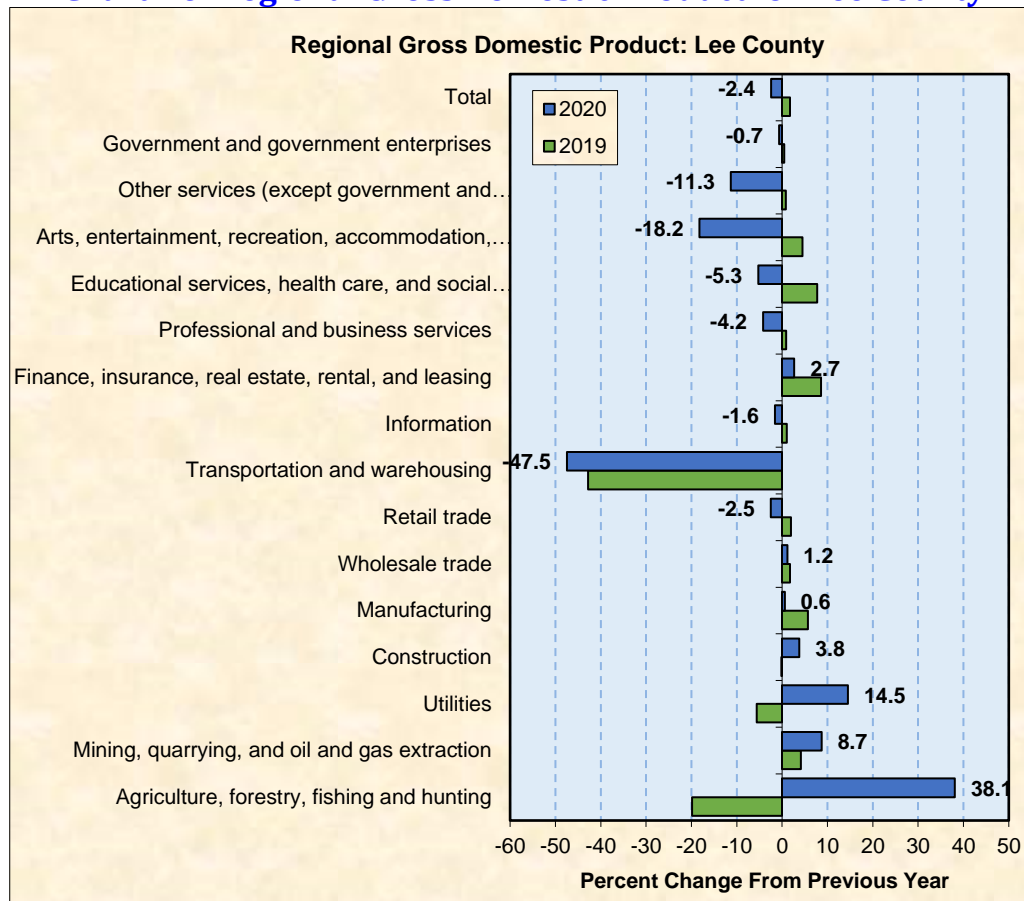
Chart A5: Regional Gross Domestic Product for Coastal Counties



Source: U.S. Bureau of Economic Analysis

Charts A6 shows Chained GDP by industry for Lee County. Several industries were impacted by Covid-19 in 2020, with the largest GDP declines being experienced by transportation and warehousing (47.5 percent decrease), arts, entertainment, recreation, accommodation and food services (18.2 percent decrease), other services (11.3 percent decrease), educational services, health care and social assistance (5.3 percent decrease) and professional and business services (4.2 percent decrease). The industries that saw the largest growth in 2020 include agriculture, forestry, fishing and hunting (38.1 percent increase), utilities (14.5 percent increase), mining quarrying, and oil and gas extraction (8.7 percent increase), construction (3.8 percent increase), and finance, insurance, real estate, rental and leasing (2.7 percent increase).

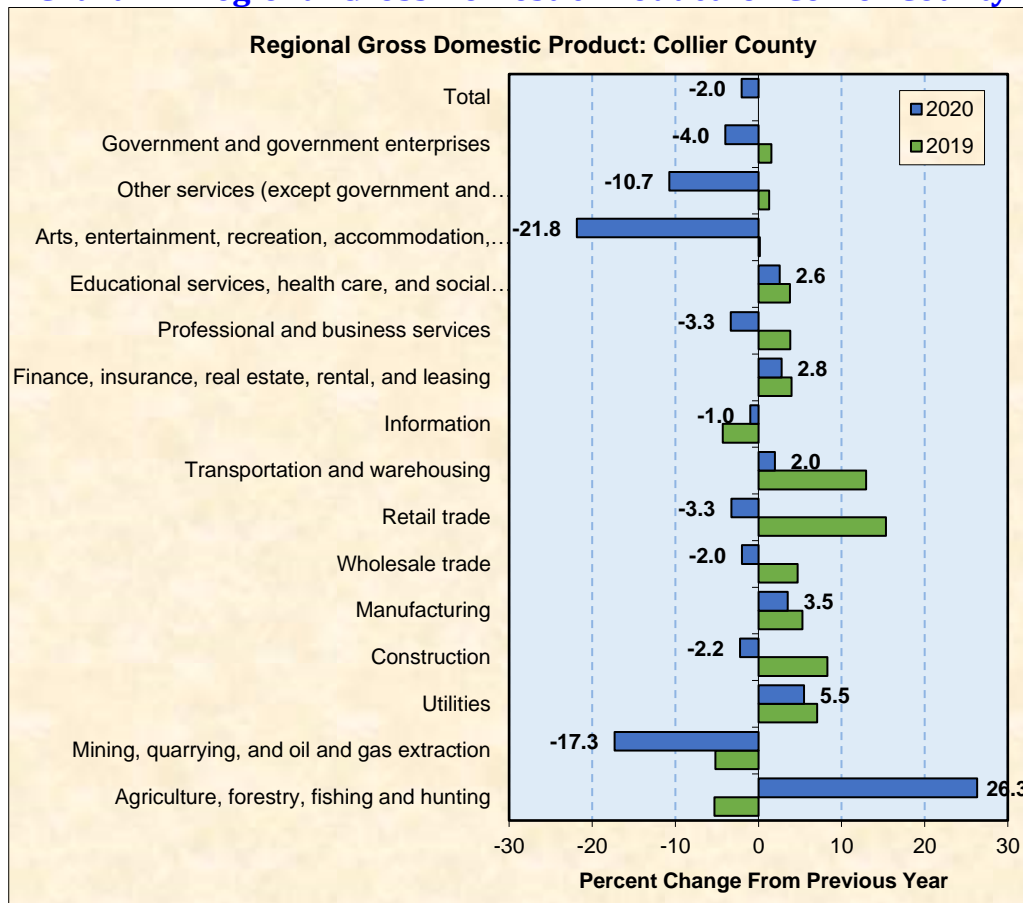
Chart A6: Regional Gross Domestic Product for Lee County



Source: U.S. Bureau of Economic Analysis

Charts A7 shows Chained GDP by industry for Collier County. From 2019 to 2020, the industries with the largest declines in GDP include arts, entertainment, recreation, accommodation and food services (21.8 percent decrease), mining, quarrying, and oil and gas extraction (17.3 percent decrease), other services (10.7 percent decrease), government and government enterprises (4.0 percent decrease) and professional and business services (3.3 percent decrease). Over the same period, industries that grew the most include agriculture, forestry, fishing and hunting (26.3 percent increase), utilities (5.5 percent increase), manufacturing (3.5 percent increase), finance, insurance, real estate, rental and leasing (2.8 percent increase), and educational services, health care and social assistance (2.6 percent increase).

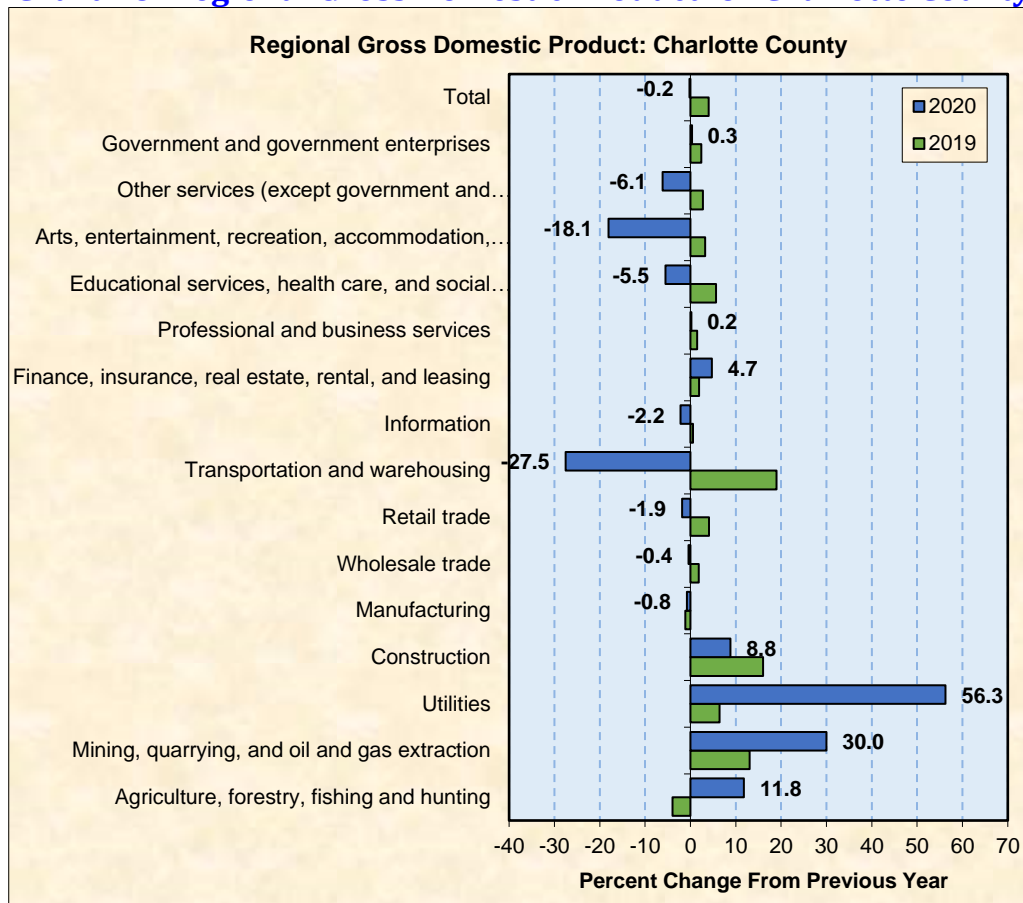
Chart A7: Regional Gross Domestic Product for Collier County



Source: U.S. Bureau of Economic Analysis

Charts A8 shows Chained GDP by industry for Charlotte County. From 2019 to 2020, industries that saw the largest impact in GDP growth include transportation and warehousing (27.5 percent decrease), arts, entertainment, recreation, accommodation and food services (18.1 percent decrease), other services (6.1 percent decrease), educational services, health care and social assistance (5.5 percent decrease) and information (2.2 percent decrease). Over the same period, the industries with the largest increases in GDP include utilities (56.3 percent increase), mining, quarrying, and oil and gas extraction (30.0 percent increase), agriculture, forestry, fishing and hunting (11.8 percent increase), construction (8.8 percent increase), and finance, insurance, real estate, rental and leasing (4.7 percent increase).

Chart A8: Regional Gross Domestic Product for Charlotte County



Source: U.S. Bureau of Economic Analysis

Industry Diversification Index

Last Updated: January 2022

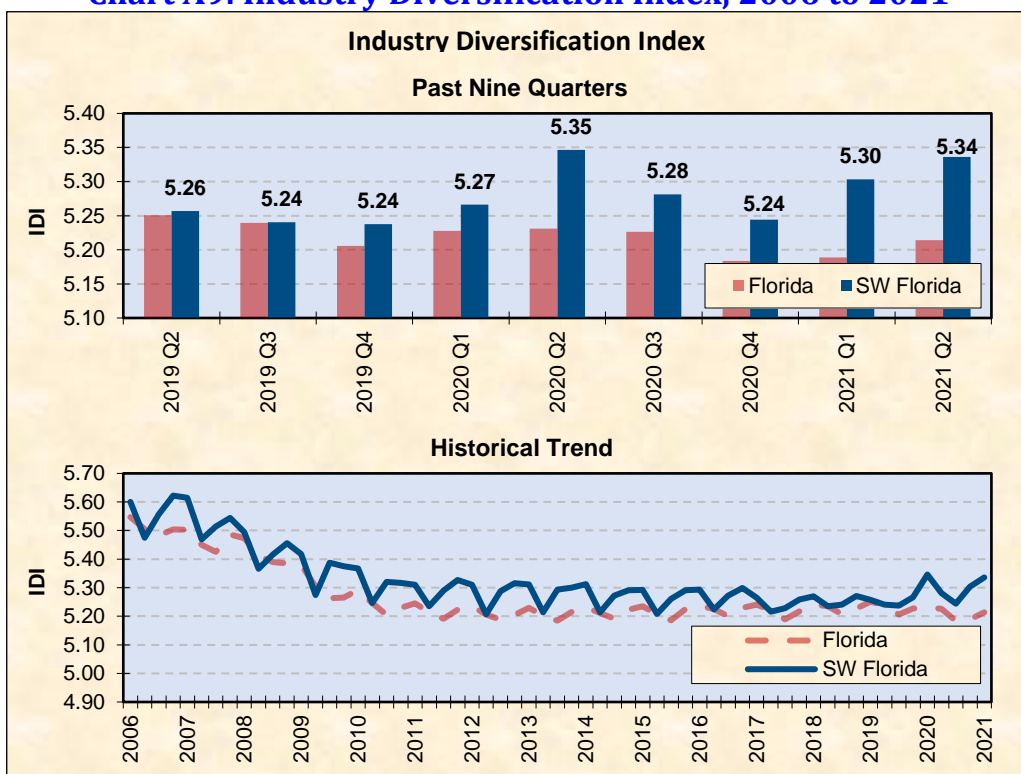
The FGCU *Industry Diversification Index (IDI)* measures the degree to which a region's workforce is concentrated in few industries or dispersed into many. The *IDI* is computed quarterly by the Regional Economic Research Institute's Industry Diversification Project, which tracks industry

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 industrially diverse workforce and a lower one denoting a less industrially 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 second quarter of 2021, the *IDI* for Southwest Florida measured at 5.34 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 5.21, ranking Florida as the 21st highest state in the nation in industry diversification, although below the national average of 5.30.

Chart A9: Industry Diversification Index, 2006 to 2021



Source: FGCU Industry Diversification Project, Calculated by the RERI, using data from the Quarterly Census of Employment and Wages