

**FGCU**

LUTGERT COLLEGE OF BUSINESS  
Regional Economic  
Research Institute

## **SOUTHWEST FLORIDA ECONOMIC OUTLOOK**



# **Regional Economic Indicators**

July 2024 Report

## 1st Quarter 2024 Outlook

The regional economy continued to track upward during the first quarter of 2024, as evidenced by the latest indicators available. Southwest Florida's three regional airports served 4.5 million passengers in the first quarter of 2024, up 18 percent from 2023 and higher than any of the other first quarters on record for the region. Year-to-date seasonally-adjusted tourist tax revenues also improved in February, increasing 14 percent from 2023 to 2024. Despite the improvement in tax revenues, total revenues generated so far in 2024 were still 21 percent below 2022. The labor market in Southwest Florida has shown minimal changes during this first quarter with seasonally-adjusted unemployment rates remaining relatively stable alongside a high labor force participation rate. At the state level, the Job Openings and Labor Turnover Survey (JOLTS) numbers suggest hires and quits seemingly cancelling each other out.

The supply of housing in Southwest Florida, measured by the residential active listings, has rebounded to pre-pandemic levels, suggesting a potential recovery from the effects of Covid-19 and a more balanced real estate market. The focus on the real estate market has shifted to housing attainability, particularly concerning rising insurance rates following Hurricane Ian which resulted in many insurers leaving the Florida market. While [more insurance companies are slated to enter the market](#), their effects will most likely not be felt in the short term. The number of single-family building permits in the region has increased by 18 percent since last year driven by increased construction and rebuilding efforts post-hurricane. Entering peak sales season, existing single-family home sales saw a 78 percent increase since the end of the fourth quarter of 2023.

The Consumer Price Index (CPI) for both Miami-Ft. Lauderdale-West Palm Beach and Tampa-St. Petersburg-Clearwater continued to track down during the first quarter of 2024. Nationally, CPI was measured at 3.5 percent in March 2024 and has remained in the 3 to 4 percent range for the past nine months. Recent sticky inflation may result in the Federal Open Market Committee (FOMC) not lowering the Federal Funds rate, leading to higher interest rates for an extended period of time. This negative outlook was reflected in the March Florida Consumer Sentiment, which ticked down for the first time in five months. The decrease in the Expectations of Personal Finances in the Future has led to the decline this past month. The pessimistic outlook of personal finances may be translating in the local taxable sales which remain low with a 5 percent month over month decrease from January to February 2024.

The SWFL Stock Market Index gained 4.3 percent during the first quarter of 2024, driven by Industrials and Financials, while improving from its prior year Q1 gain of 3.1 percent. The index underperformed the Dow Jones by 1.8 percent and the S&P 500 Equal Weight Index by 3.6 percent over the same period. First quarter 2024 earnings season kicked off in mid-April when Herc Holdings Inc. (HRI) reported EPS of \$2.36, beating estimates by 9.8 percent but flat year-over-year. We remain vigilant of Hertz Global Holdings (HTZ) as they are expected to report EPS losses of -\$0.45, which represents a -215 percent decline from the year prior.

Observations from the latest data include:

- Seasonally-adjusted passenger activity in Southwest Florida has total 7.4 million for the first five months of 2024, 14 percent higher than the first five months of 2023 and 6 percent above 2022.
- Seasonally-adjusted real tourist tax revenues in Southwest Florida totaled \$7.7 million in April 2024, up 13 percent from April 2023. Year-to-date values show revenues over the first four months were 13 percent above 2023, but 25 percent beneath 2022.
- The seasonally-adjusted unemployment rate for Southwest Florida was 3.2 percent in May 2024, down 0.6 percentage points from the prior month and up 0.1 percentage point since May 2023.
- Total jobs in Southwest Florida rose 2 percent in May 2024 compared to May 2023. The mining, lodging, and construction industry in Southwest Florida has seen a notable increase in employment, up 4 percent since May 2023.
- Residential active listings in Southwest Florida were up 85 percent from May 2023 to May 2024. For comparison, Florida was up 70 percent over the same period. Historical peaks would suggest active listings will continue the downward trend during the summer months.
- Existing single-family home sales in the region increased 4 percent in May 2024 from the same month last year. All the coastal counties' home sale numbers increased month-to-month, with Sarasota experiencing the greatest change.
- Single-family building permits in Southwest Florida were up 5 percent from April to May 2024, and 39 percent above the May 2023 measure. Historically, yearly highs occur in June, so permits can be expected to increase over the short term.
- The Tampa-St. Petersburg-Clearwater CPI increased by 1.8 percent from May 2023 to May 2024. CPI for Tampa has gradually declined since May 2022 and fell below 2 percent for the first time since July 2020.
- The Florida Consumer Sentiment rose by two-tenths of a point to 73.2 from May's revised figure of 73.0 in 2024. This contrasted U.S. Consumer Sentiment, which fell by 0.9 points from May 2024 to 68.2 in June 2024.

*More information for Southwest Florida, including interactive charts showing the latest regional economic indicators can be found on the RERI website at <https://www.fgcu.edu/reri/>*