

Southwest Florida Regional Economic Indicators

November 2015



Regional Economic
Research Institute

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Introduction: Regional and National Background

Southwest Florida's economy continued to exhibit strong growth, with the seasonally-adjusted unemployment rate for the five-county region dropping to 5.0 percent in October—a significant improvement over the 5.8 percent figure of October 2014. Similar patterns were observed for the state of Florida, as noted on page 12 of this report. Seasonally-adjusted regional taxable sales were up 4 percent in August 2015 versus August 2014. Seasonally-adjusted tourist tax revenues for the coastal counties climbed 18 percent in September 2015 compared to September 2014. September 2015 passenger activity for the three Southwest Florida airports was 11 percent higher than the September 2014 figure.

The Bureau of Labor Statistics Establishment Survey reported that national nonfarm payroll employment increased by 271,000 in October 2015, an increase of almost 100 percent from the previous month and of one-fifth from October 2014. The October figure is well above the 2015 average monthly job growth of 206,000. On the state level, Florida added 35,200 jobs, or almost 13 percent of the national figure. In terms of job growth, Florida ranked second nationally, behind California's gain of 41,200, and Ohio's increase of 30,800. For the 12-month period ending in October 2015, Florida added 239,900 jobs, placing it second only to California (463,000), and ahead of Texas (203,900), which placed third.

Among goods-producing industries in Florida, Construction employment led all sectors with an increase of 19,500 jobs (4.7 percent) in October 2015 compared to October 2014. While Manufacturing employment increased by 5,000 jobs (1.5 percent) over the same period, Mining and Logging employment fell by 300 jobs (5.2 percent). However, these industries comprised only 9.5 percent of Florida's total nonagricultural employment. Among "Private Service Providing" employment, the Leisure and Hospitality led the state with a 4.5 percent increase in employment from October 2014 to October 2015, followed by Other Services (4.4 percent), Professional and Business Services (4.2 percent), and Education and Health Services (4.1 percent). Private Service Providing employment comprises 77 percent of Florida's total nonagricultural employment. This state-level data, collected by the Florida Department of Economic Opportunity, is seasonally adjusted.

Lee County recorded an employment increase of 4,562 in October 2015 compared to October 2014, or 1.5 percent. Collier County reported an employment increase of 76, or 0.05 percent. Charlotte County reported an employment increase of 336, or 0.5 percent. While Glades County reported an employment decrease of 235, or 4.5 percent, Hendry County reported an increase of 74, or 0.5 percent. For comparison, the state of Florida reported an increase in employment of 0.15 percent from October 2014 to October 2015, with 44 of 67 counties reporting net employment decreases.

The three coastal counties recorded a 15 percent increase in single-family building permits in October 2015 over October 2014, with all three counties reporting improvement over that time span. Existing single family home sales by a Realtor® increased 1 percent for those counties, with substantial increases in median prices in October 2015 over October 2014.

While the October national consumer sentiment index improved over the prior month by 2.8 points, the Florida index declined by 0.2 points. Both indices are higher than the October 2014 figures.

Beginning with this month's report, *Regional Economic Indicators* includes an Appendix containing datasets that are updated less frequently than monthly. These include population data for the Southwest Florida region, as well as the national income and unemployment projections calculated by the Federal Open Market Committee. While regional population data is updated on an annual basis, the FOMC's projections are made public quarterly. The most recent projections are from the September 17th meeting, and their accompanying "box and whiskers" charts, can be found in the Appendix, which begins on page 20 of this report. These charts will next be updated in our December 2015 report, following the next scheduled FOMC meeting on December 15th and 16th.

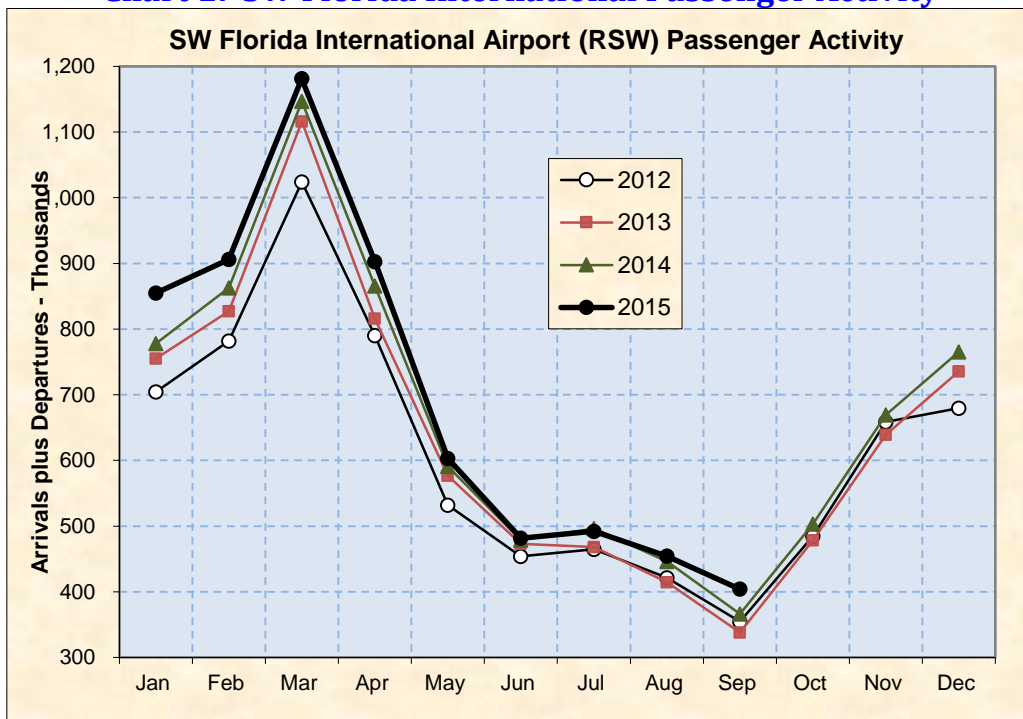
The director and staff of RERI extend their sincere thanks and appreciation to the dedicated individuals and organizations who contribute to this report. These include the Southwest Florida Regional Planning Council, the Economic Development Organizations of Charlotte, Collier, and Lee Counties, the 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.

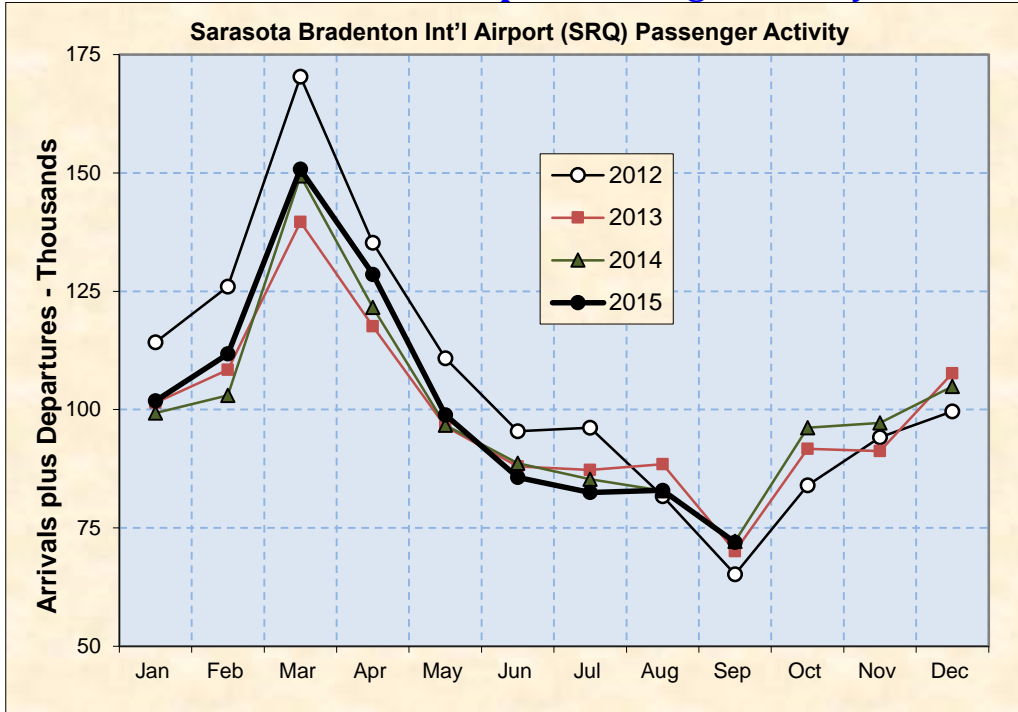
Total passenger activity for the three Southwest Florida airports amounted to 514,663 in September 2015, an 11 percent increase over September 2014. Regional year-to-date activity amounted to over 7.8 million in 2015, a 6 percent increase over 2014. Chart 1 depicts Southwest Florida International Airport passenger activity of 404,045 in September 2015, up 10 percent from September 2014. Sarasota Bradenton Airport recorded 71,925 passengers in September 2015 compared to 72,175 in September 2014, as shown in Chart 2. Punta Gorda passenger activity rose to 38,693 in September 2015, up 46 percent over September 2015, as shown in Chart 3.

Chart 1: SW Florida International Passenger Activity



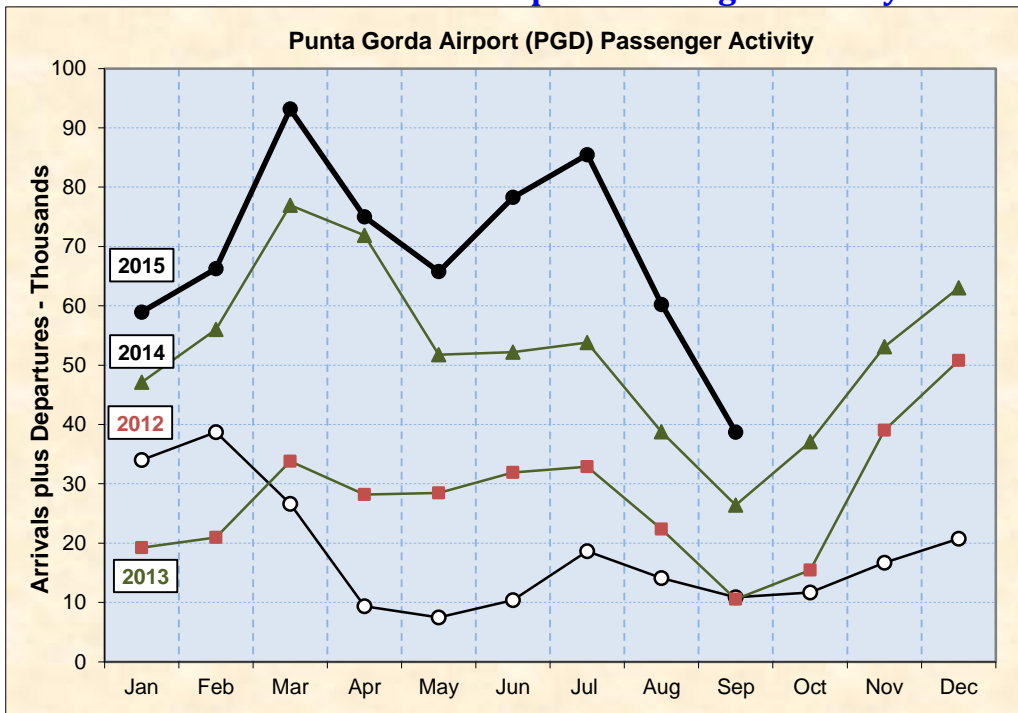
Source: Local Airport Authorities

Chart 2: Sarasota Airport Passenger Activity



Source: Local Airport Authorities

Chart 3: Punta Gorda Airport Passenger Activity

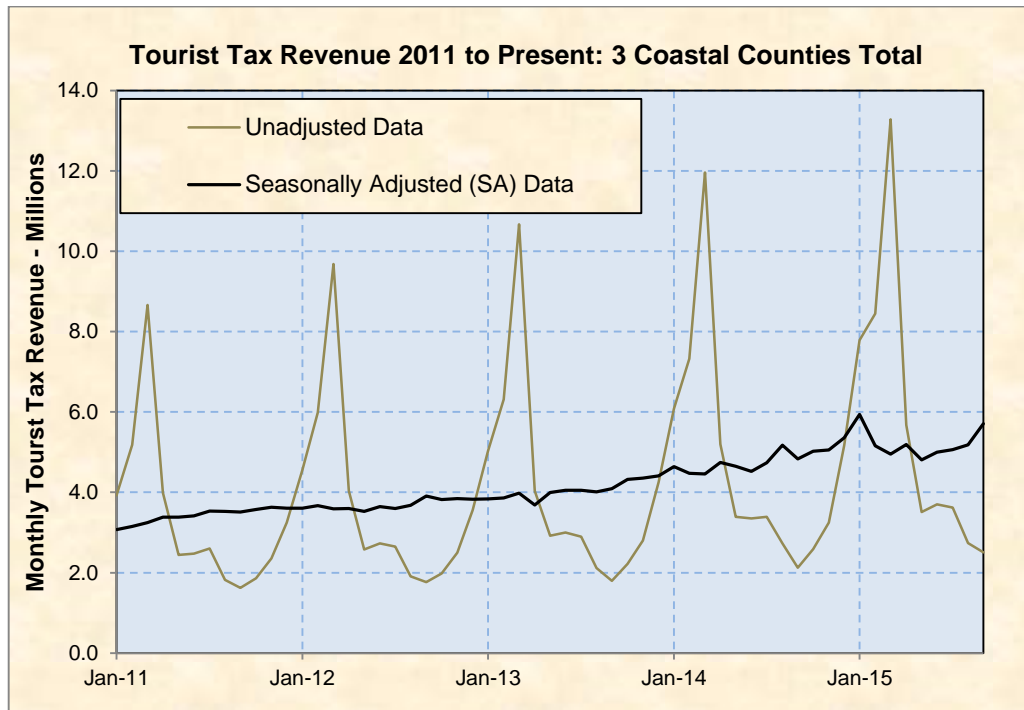


Source: Local Airport Authorities

Tourist Tax Revenues

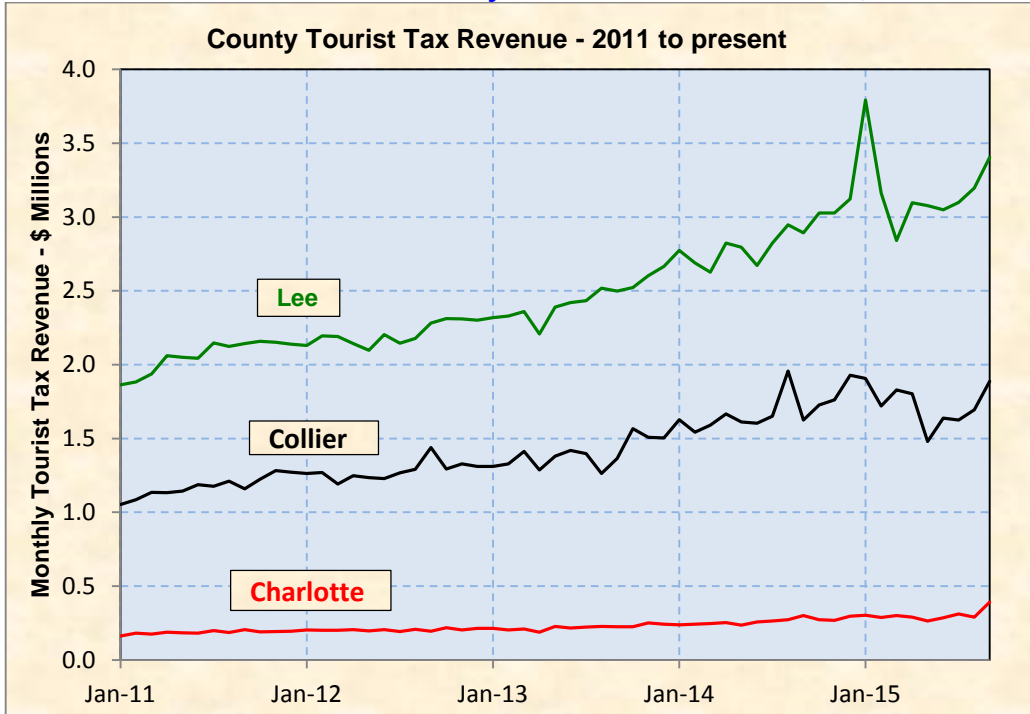
Seasonally-adjusted tourist tax revenues for the three coastal counties are shown in Charts 4 and 5, and are based on month of occupancy. All three counties showed double-digit gains over the prior year. Seasonally adjusted revenues for Charlotte County rose to \$391,195 in September 2015, up 30 percent over September 2014. Collier County's seasonally-adjusted tourist tax revenues increased to \$1,886,453, an increase of 16 percent from September 2014. Lee County's seasonally-adjusted revenues amounted to \$3,403,651 in September 2015, up 18 percent over September 2014. Regional totals were up to more than \$5.7 million, and 18 percent increase over September 2014.

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, SA

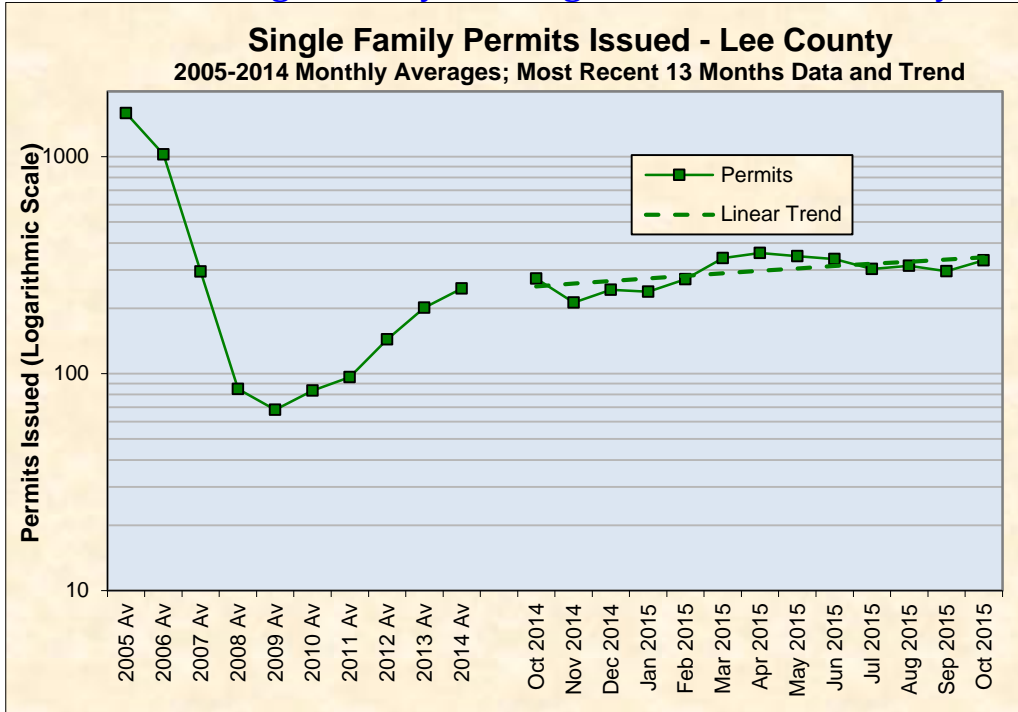


Source: Local County Tourism, Tax, and Economic Development Reports

Single-Family Building Permits

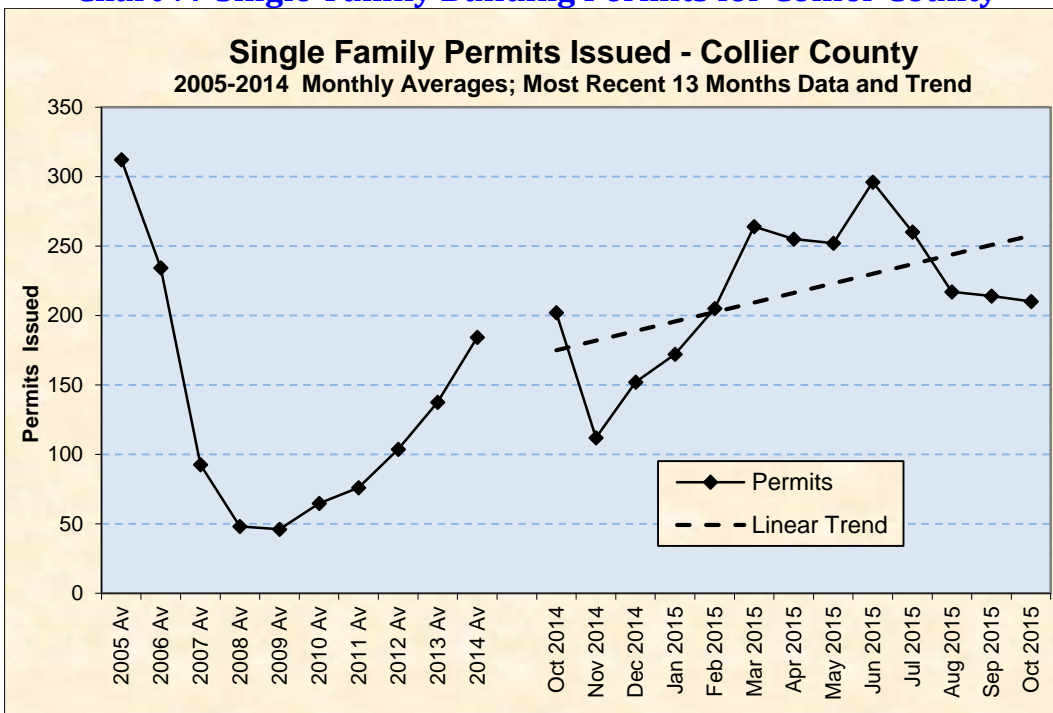
Southwest Florida trends continue to be positive. Six hundred seventeen single-family building permits were issued in the three coastal counties in October 2015, an increase of 82 (15 percent) over October 2014, and 27 more than September 2015. Lee County issued 332 permits in October 2015, up 21 percent over October 2014, as shown in Chart 6. In October 2015, Collier County reported issuing 210 permits, 4 percent more than October 2014, as shown in Chart 7. Charlotte County issued 75 permits in October 2015, an increase of 27 percent over October 2014, as shown in Chart 8. Hendry County has issued 15 permits through October 2015, the same as the first 10 months of 2014.

Chart 6: Single-Family Building Permits for Lee County



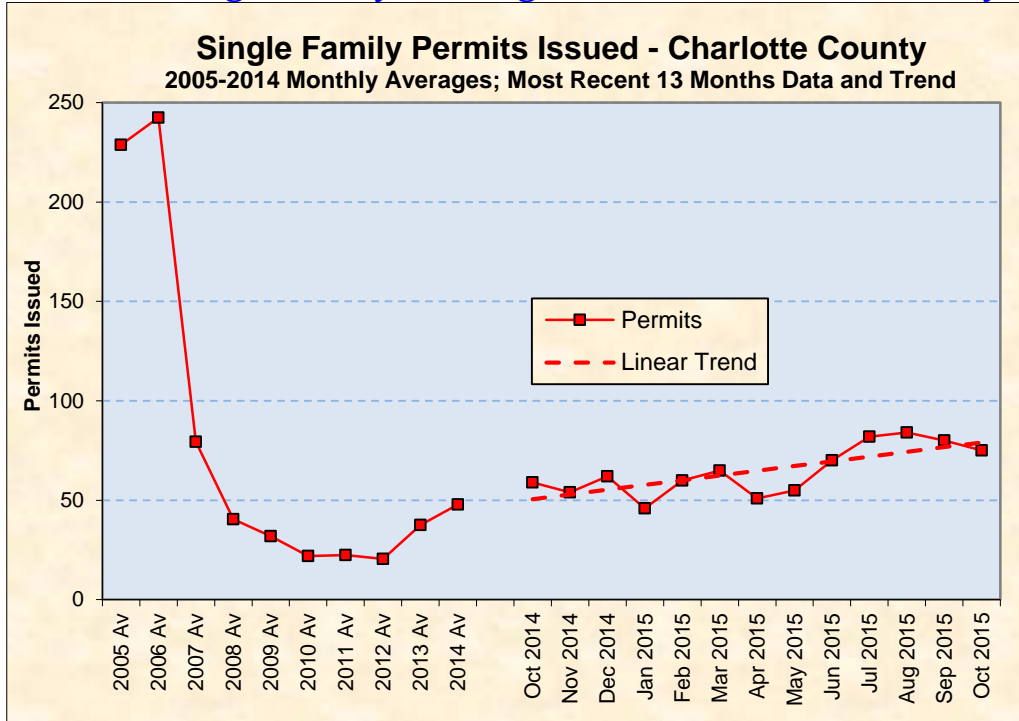
Source: Local Building and Zoning Departments, including Fort Myers, Cape Coral, and Unincorporated Lee County, Bonita Springs and Fort Myers Beach permits.

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

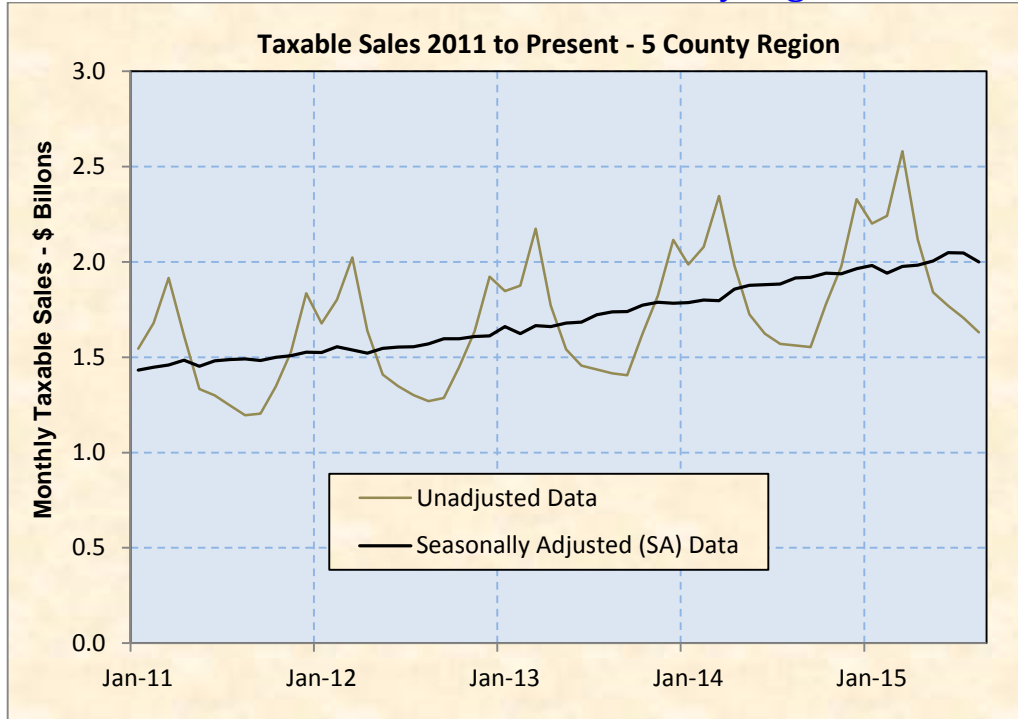
Taxable sales data track consumer spending based on the latest month of merchants’ collections. As a result, this data is reported one month earlier than the reporting month issued by the Florida Department of Revenue.

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 \$2.0 billion in August 2015, an increase of 4 percent (or \$83.7 million) over August 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 \$1.036 billion in August 2014 to \$1.086 billion in August 2015, a 5 percent increase. Collier County’s taxable sales increased from \$656.0 million to \$676.3 million, up 3 percent over the same month last year. Charlotte County’s taxable sales grew by 6 percent from \$196.0 million in August 2014 to \$206.8 million in August 2015.

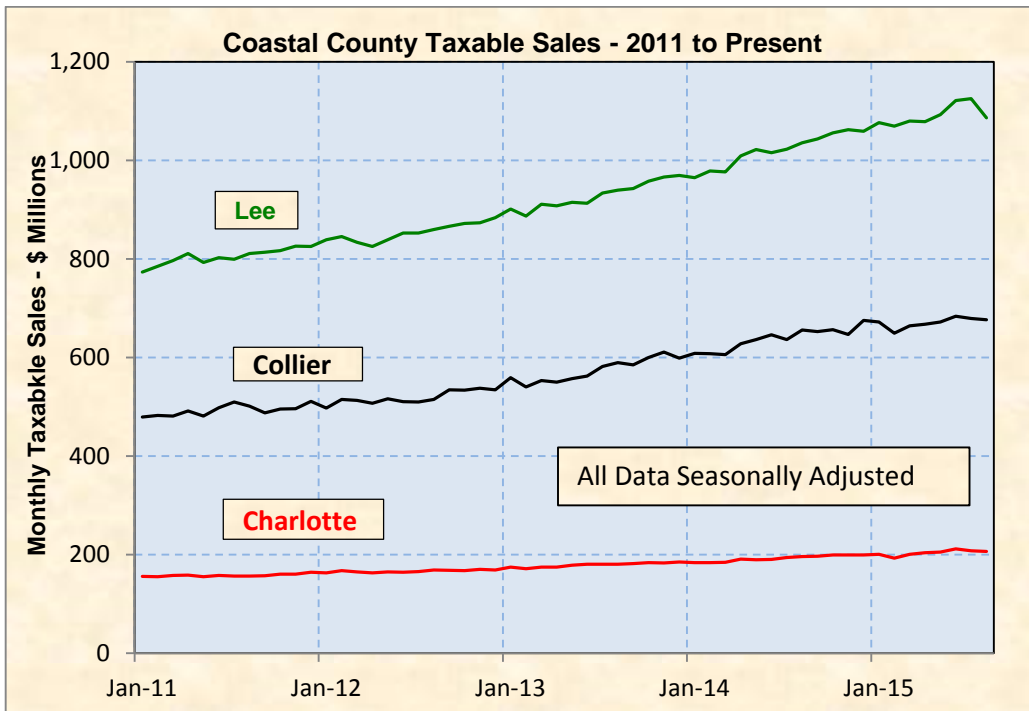
Hendry County’s taxable sales were up 4 percent from \$27.0 million in August 2014 to \$28.0 million in August 2015. Taxable sales in Glades County also rose, increasing 10 percent from \$3.2 million in August 2014 to \$3.5 million in August 2015. All cited data are seasonally-adjusted.

Chart 9: Taxable Sales for 5 County Region



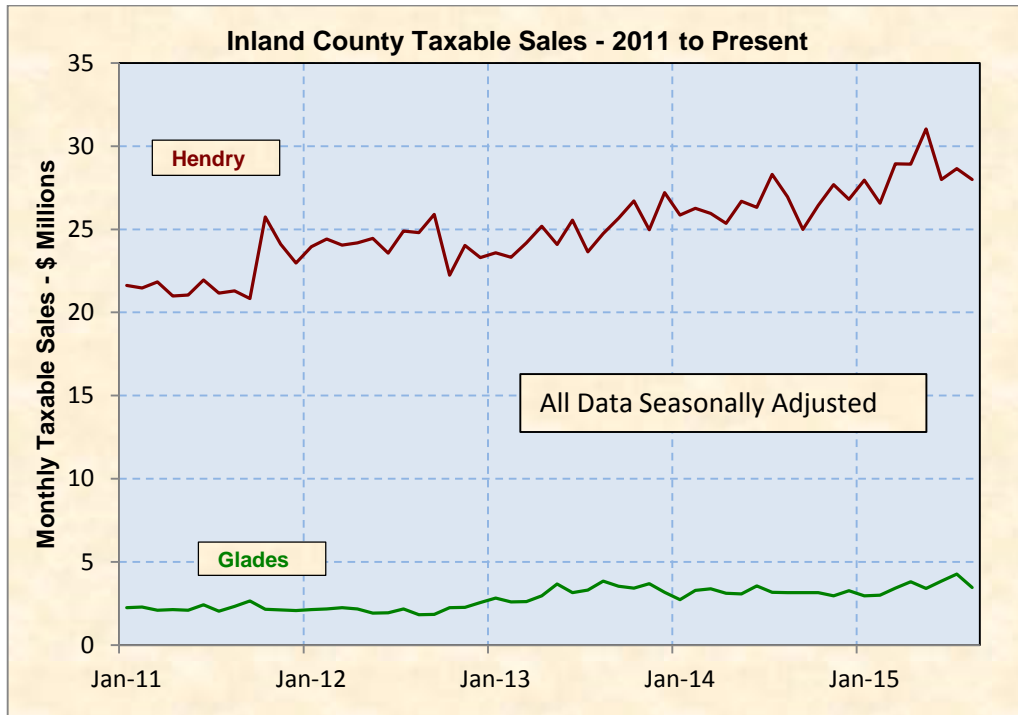
Source: Florida Department of Revenue, Office of Tax Research

Chart 10: Taxable Sales for Coastal Counties



Source: Florida Department of Revenue, Office of Tax Research

Chart 11: Taxable Sales for Inland Counties



Source: Florida Department of Revenue, Office of Tax Research

Workforce – Labor Force, Employment and Unemployment

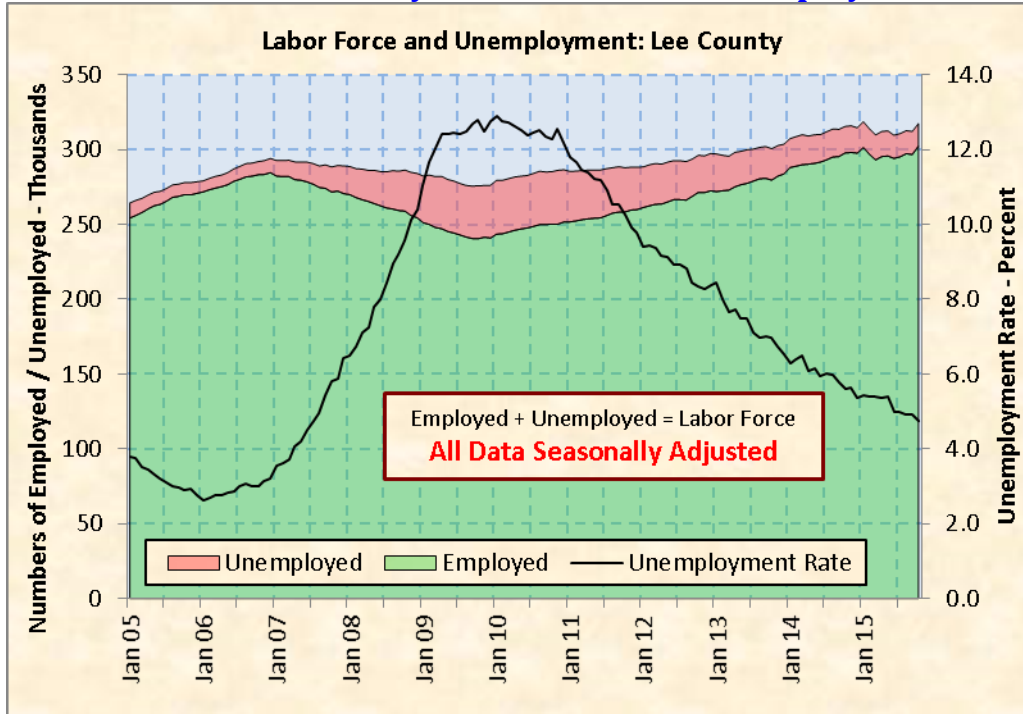
Charts 12-16 show total persons employed and unemployed, and the unemployment rate, for each county from January 2005 to October 2015, on a seasonally-adjusted basis. The seasonally-adjusted unemployment rate for our five-county region was 5.0 percent in October 2015, the lowest it has been since August 2007. National and regional unemployment rates were down from the prior October by 0.7 and 0.8 percentage points, respectively.

Lee County’s seasonally-adjusted unemployment rate dropped to 4.7 percent in October 2015, down from 5.6 percent in October 2014, as shown in Chart 12. Collier County’s unemployment rate was 5.0 percent in October 2015, the same as September 2015 and down from 5.6 percent in October 2014, as shown in Chart 13. The seasonally-adjusted unemployment rate in Charlotte County was 5.6 percent in October 2015, down from 6.5 percent in October 2014, as shown in Chart 14. All three coastal counties showed increases in the number employed and decreases in the number unemployed.

Hendry County’s October 2015 unemployment rate was 8.9 percent, down from 10.1 percent October 2014, and from 9.4 percent in September 2015, as shown in Chart 15. The seasonally-adjusted unemployment rate in Glades County amounted to 6.5 percent in October 2015, compared to 7.0 percent in October 2014 and 6.6 percent in September 2015, as shown in Chart 16.

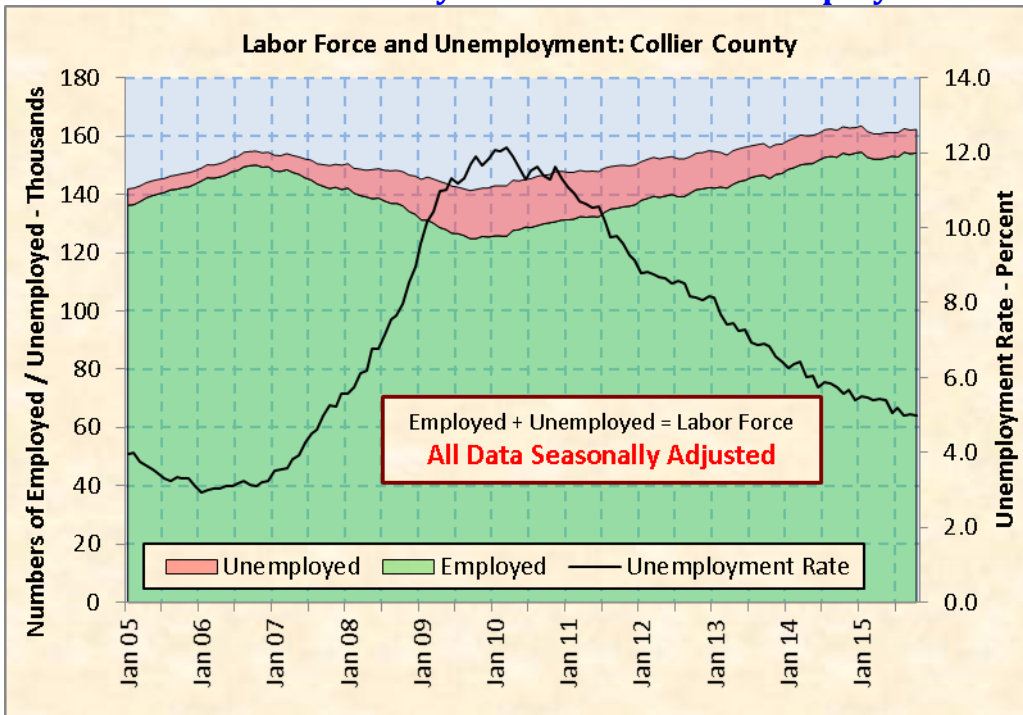
Florida’s seasonally-adjusted unemployment rate declined to 5.1 percent in October 2015 from 5.2 percent in September, down 0.7 points from October 2014. The seasonally-adjusted national unemployment rate in October 2015 was reported as 5.0 percent, down from 5.7 percent in October 2014.

Chart 12: Lee County Labor Force and Unemployment



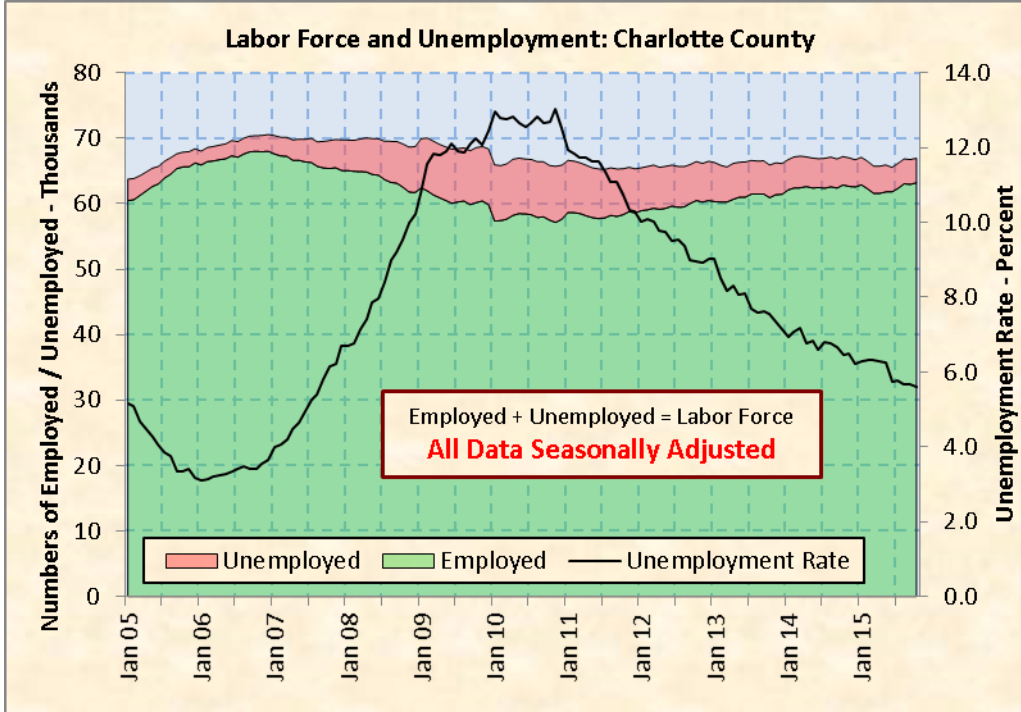
Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI

Chart 13: Collier County Labor Force and Unemployment



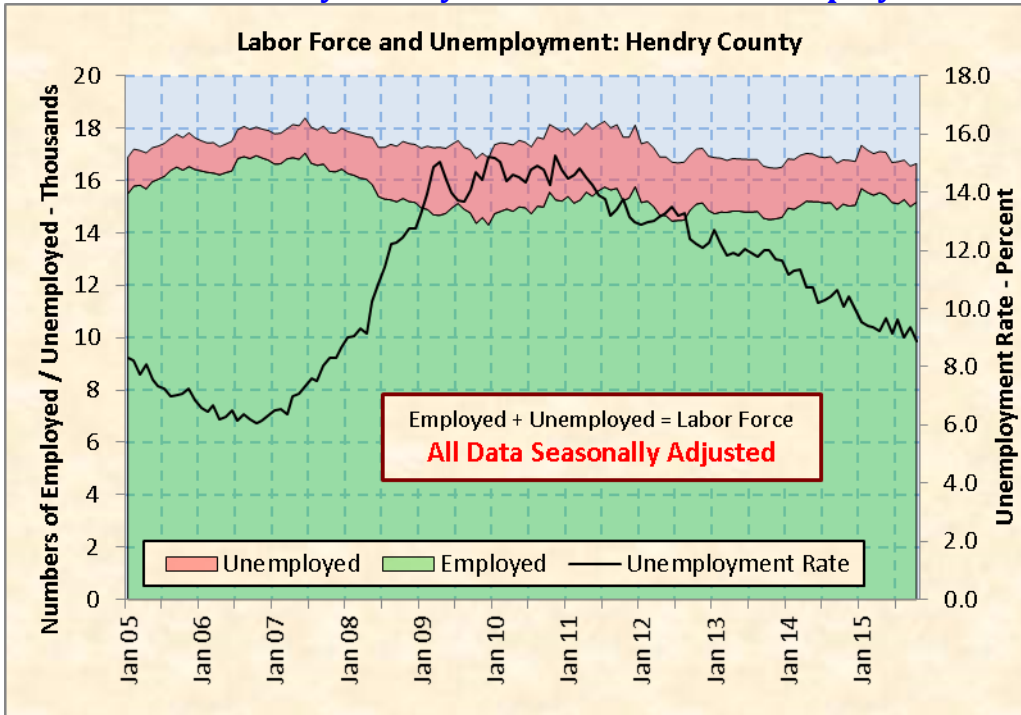
Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI

Chart 14: Charlotte County Labor Force and Unemployment



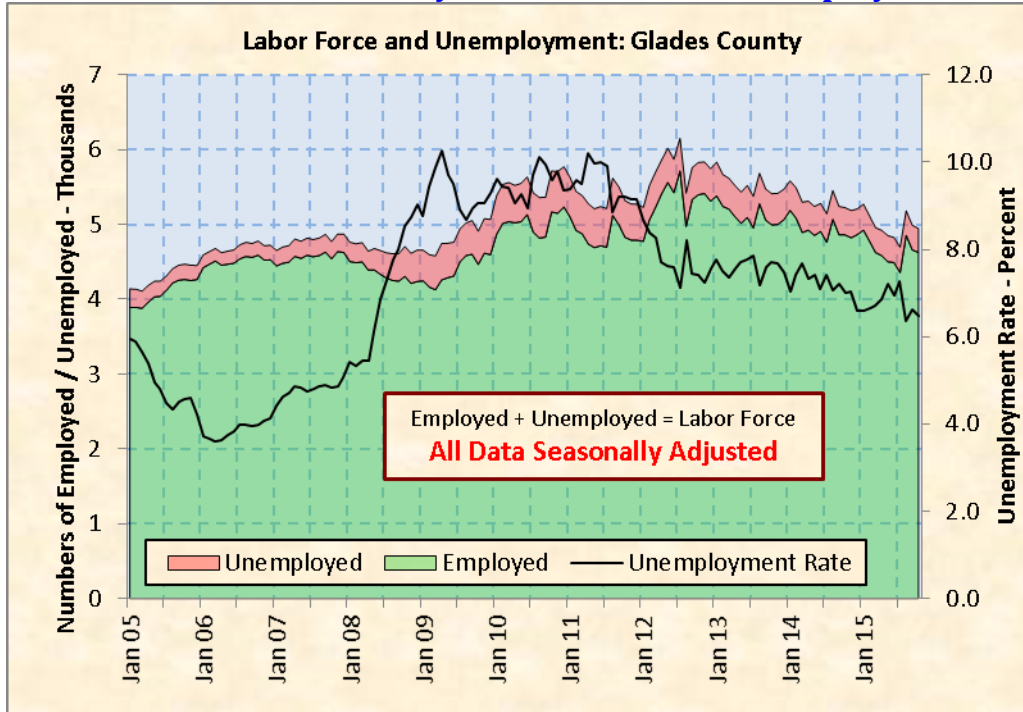
Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI

Chart 15: Hendry County Labor Force and Unemployment



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

Chart 16: Glades County Labor Force and Unemployment



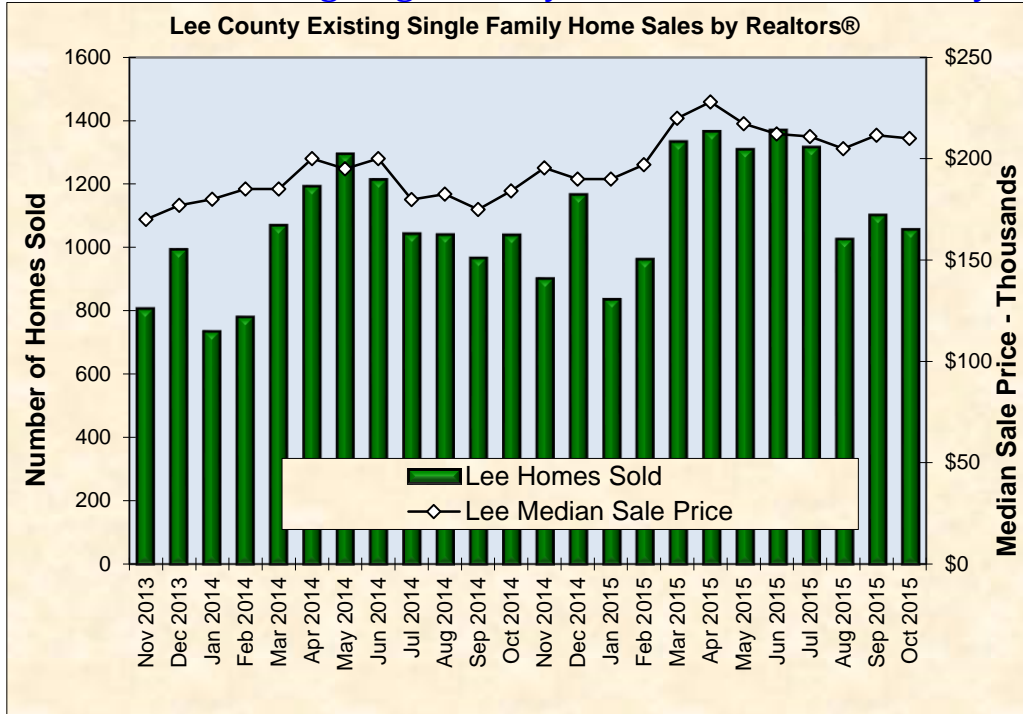
Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI

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. In the three coastal counties, 1,763 single-family homes were sold in October 2015, an increase of 1 percent over October 2014, and 6 percent below September 2015. Median prices were substantially higher than a year ago.

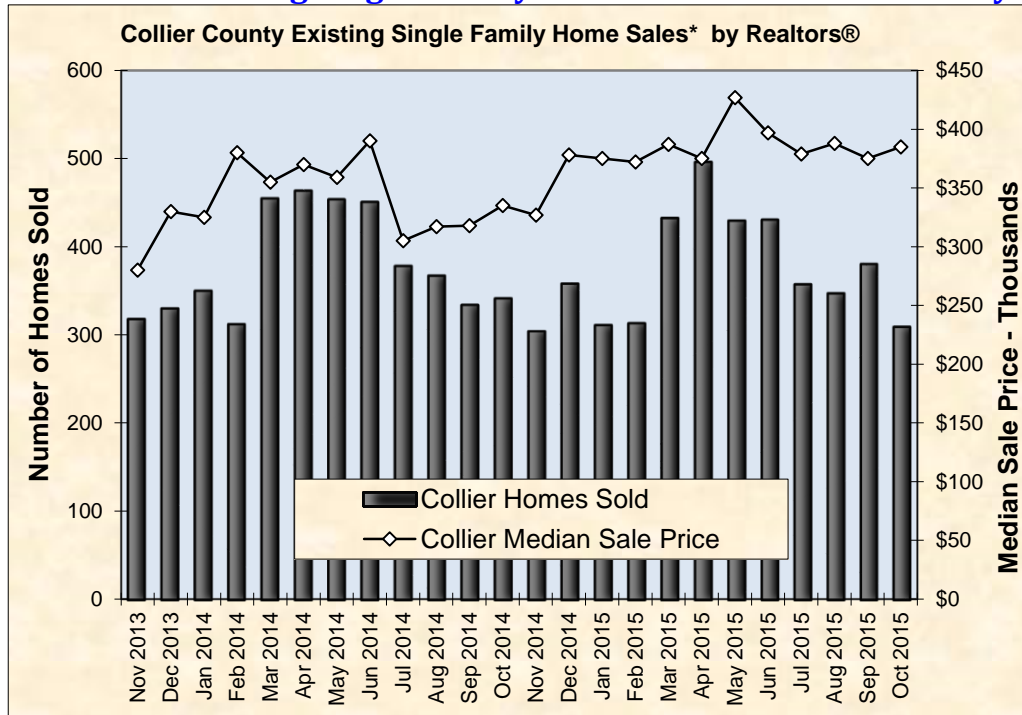
Lee County sales equaled 1,055 units in October 2015, an increase of 2 percent over October 2014, along with an increase in the median price from \$184,175 to \$210,000 over the same period. Collier County single-family home sales dipped to 310 units in October 2015, down from 342 in October 2014 and from 381 in September 2015. The median price in Collier County rose to \$385,000 in October 2015, compared to \$335,000 in October 2014 and \$375,000 in September 2015. Charlotte County reported 398 single-family homes sold in October 2015, up 7 percent over October 2014, as well as a 21 percent increase in the median price (to \$175,000) over the same period.

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



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

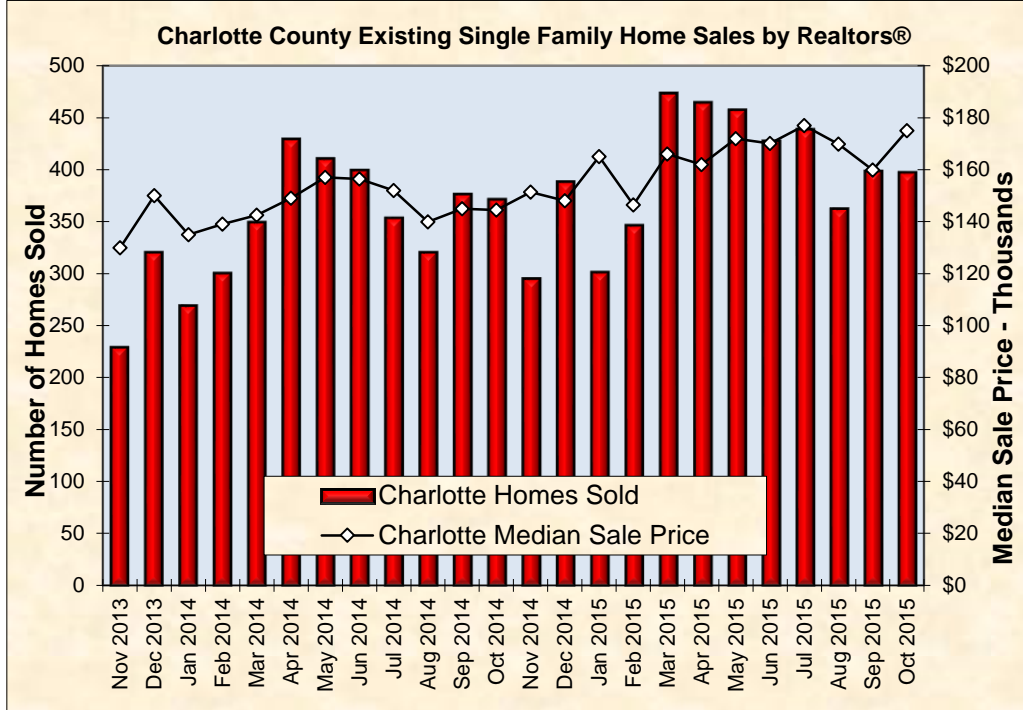
Chart 18: Existing Single-Family Home Sales for Collier County



* Does not include Marco Island.

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

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



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

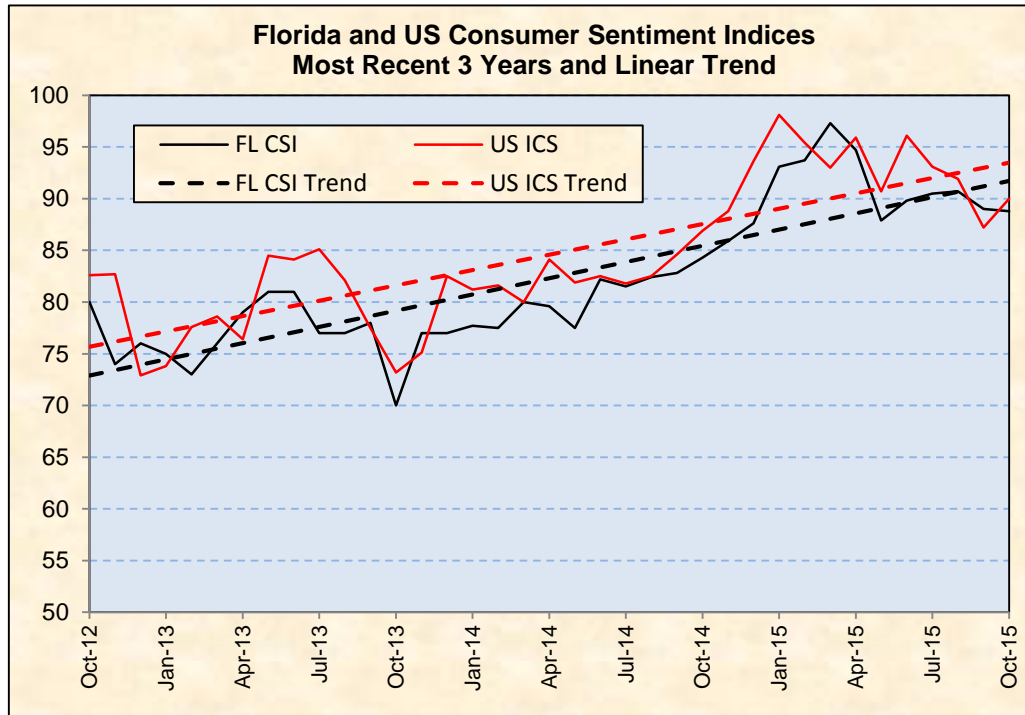
Consumer Sentiment Index

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 above their prior year levels.

The national ICS was up 2.8 points to 90.0 in October 2015 from 87.2 in September 2015, and from 86.9 in October 2014. In the October 30, 2015 Survey of Consumers, Chief Economist Richard Curtin noted that “The most impressive aspect has been a newfound resilience by consumers to a host of negative developments. Confidence has remained at quite favorable levels despite volatile financial and commodity markets, pressures on employment from less competitive exports, the likelihood of higher rates on credit, the need for higher federal debt limits, just to name a few events that have caused a plunge in confidence in the past. How could consumers remain confident? Gains in employment, a near zero inflation rate, and less pressing material aspirations have provided consumers with a renewed sense of optimism about their future financial situation.”

Conversely, the Florida Consumer Sentiment Index declined by 0.2 points from September 2015 to 87.9 in October 2015. Nevertheless, this was 4.5 points higher than the October 2014 figure. In the Florida Consumer Sentiment Index of October 30, 2015, Hector H. Sandoval, director of the Economic Analysis Program at UF’s Bureau of Economic and Business Research noted that “The greatest decline in the consumer sentiment index was among those with household incomes less than \$50,000 per year, while the biggest increase came from those with incomes above that mark.”

Chart 20: Consumer Sentiment Index

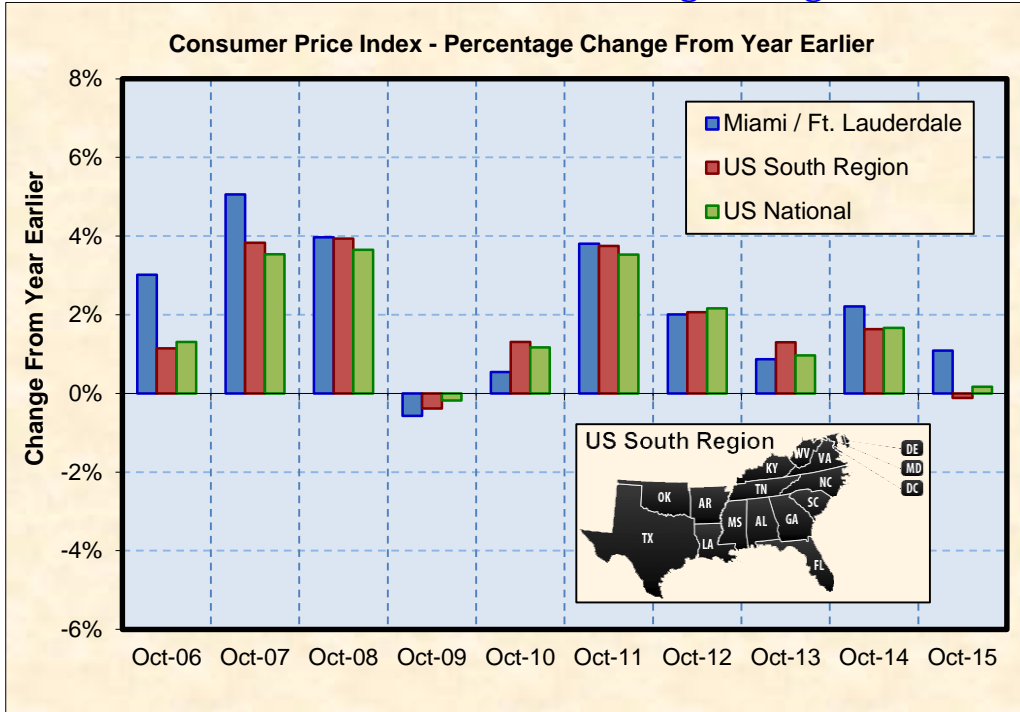


Source: Bureau of Economic and Business Research, University of Florida and Thompson Reuters/University of Michigan

Consumer Price Index

Chart 21 shows year-to-year changes in consumer price indices (CPI) through October 2015. The data show that consumer price inflation continues to moderate noticeably. The October 2015 National CPI was only 0.2 percent above the October 2014 figure, while the U.S. Southern Region CPI actually decreased by 0.1 percent over that same 12-month period. The Miami-Ft. Lauderdale CPI increased by 1.1 percent between October 2014 and October 2015.

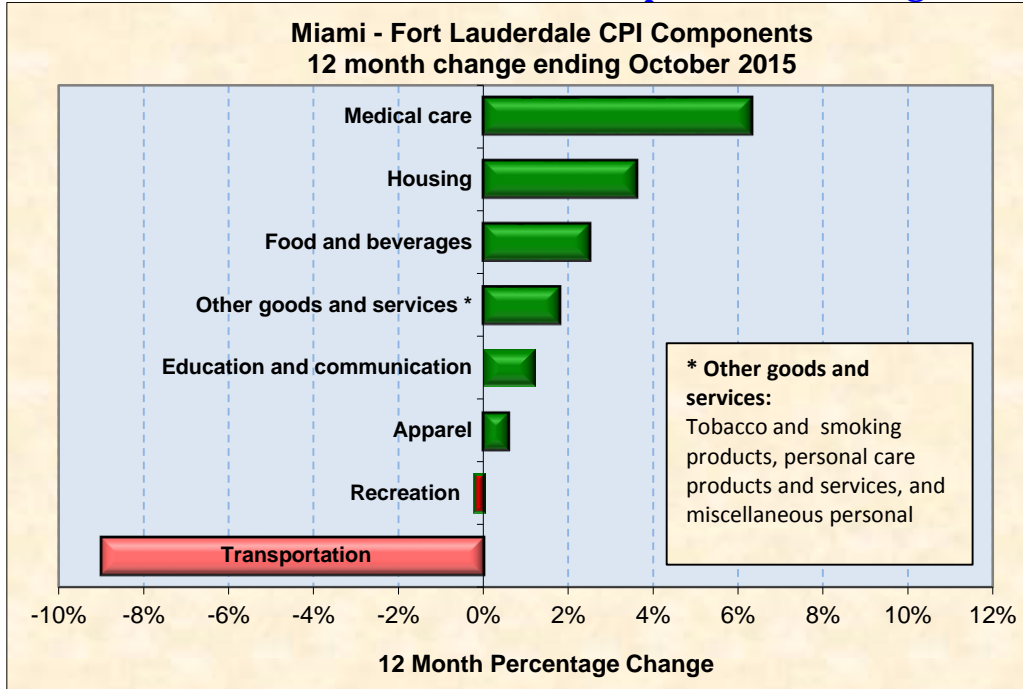
Chart 21: CPI Annual Percentage Change



Source: BLS

Chart 22 shows the components of the Miami-Fort Lauderdale Consumer Price Index for the 12 months ending August 2015. The largest increases since August 2014 were in medical care (6.3 percent), housing (3.6 percent), and food and beverages (2.5 percent). Lower gasoline prices were a major factor in keeping Miami-Fort Lauderdale’s index at 1.1 percent, with the transportation segment reporting a decrease of 9.0 percent.

Chart 22: Miami-Fort Lauderdale CPI Component Percentage Change



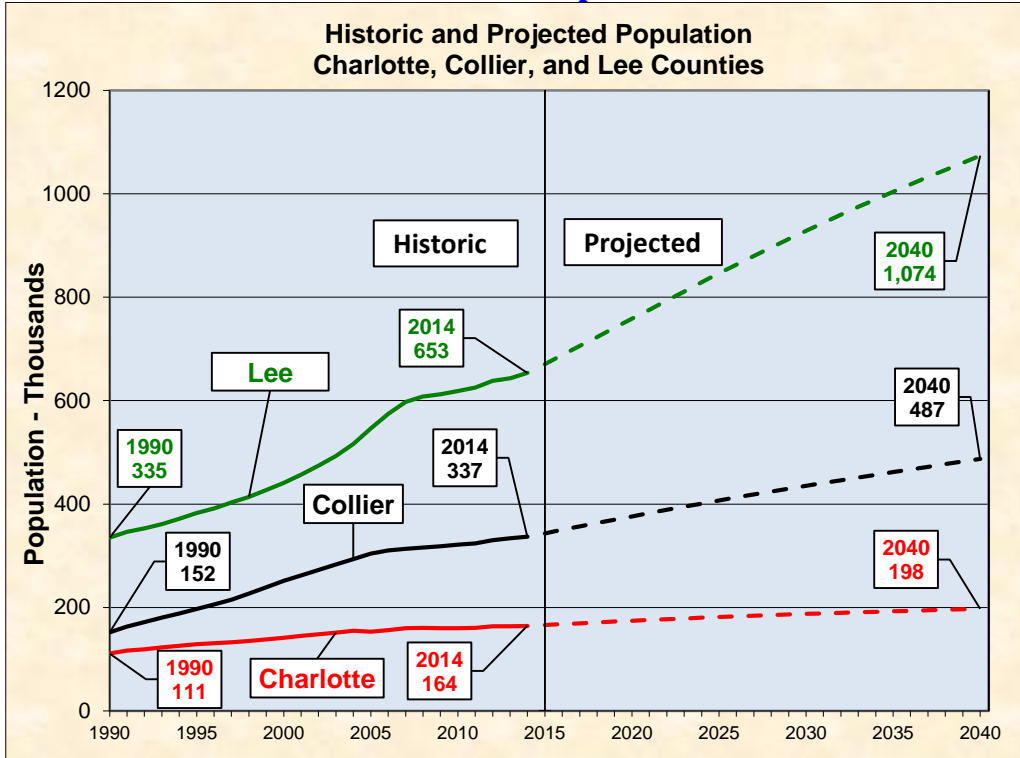
Source: BLS

Appendix: Trends in Regional Population, U.S. GDP, and U.S. Unemployment

The data presented in this appendix are not released on a monthly basis, with the first two charts, Charts A1 and A2, showing historic population growth through 2014, as well as projections recently updated by the state of Florida’s Office of Economic and Demographic Research (EDR), working in conjunction with the University of Florida’s Bureau of Economic and Business Research (BEBR). Regional population growth from 1990 to 2014 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.

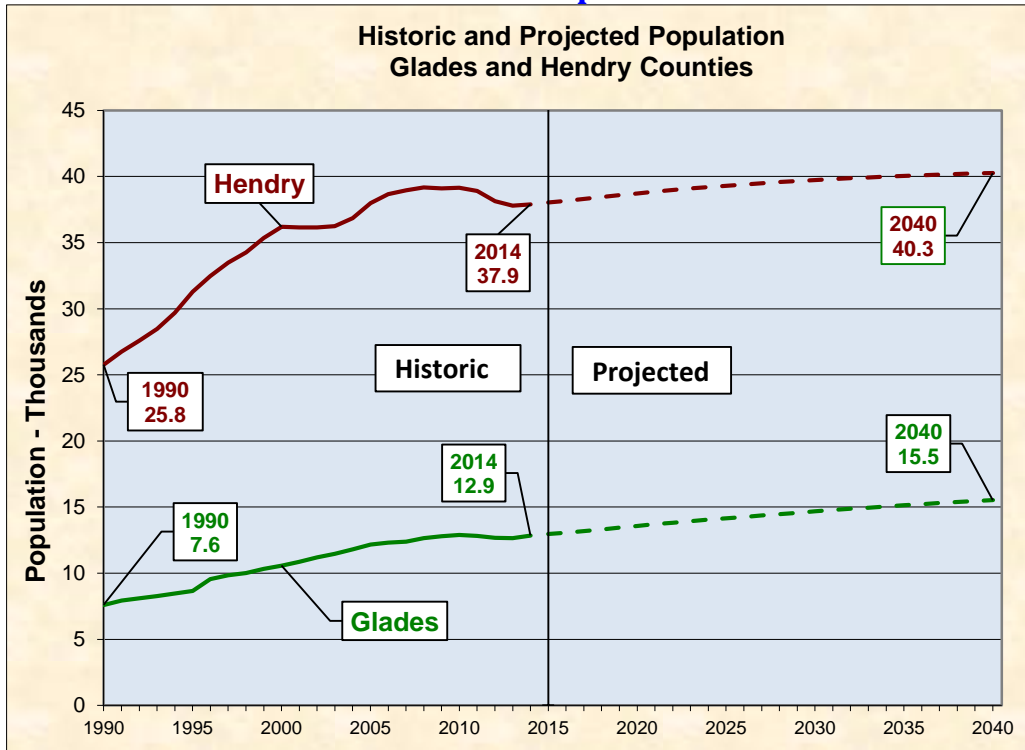
The right-hand sections of Charts A1 and A2 show projected population increases from 2015 to 2040. The rates of increase are lower than the historic growth rates of 1990 to 2014. The regional projected population growth averages 1.6 percent per year, resulting in a population increase of 51 percent for 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



Source: Office of Economic and Demographic Research.

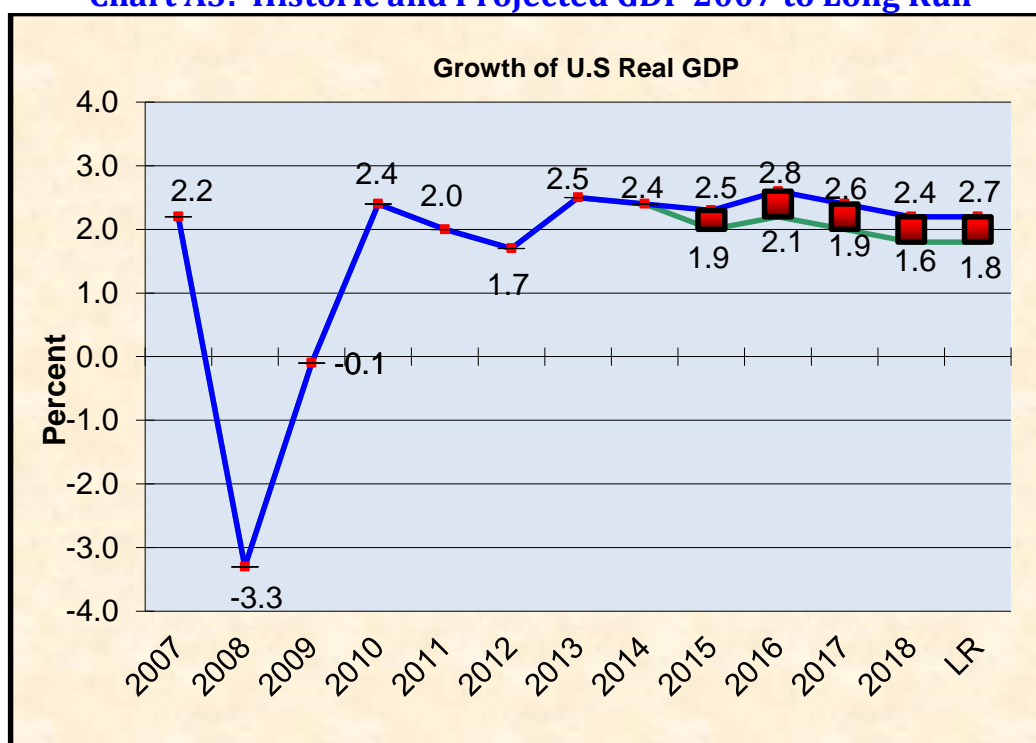
Chart A2: Inland Counties Population 1990 to 2040



Source: Office of Economic and Demographic Research.

Charts A3 and A4 depict the historical trends as well as the Federal Open Market Committee’s projections of national GDP and Unemployment. The FOMC’s projections are released quarterly, with the most recent figures released on September 17, 2015, as 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 September forecast was very similar to the June forecast but reflects slightly less optimistic growth and unemployment estimates for 2015. 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 2015, the overall projected range is 1.9 to 2.5 percent with a central tendency range of 2.0 to 2.3 percent. For 2016, the overall projected range is 2.1 to 2.8 percent with a central tendency range of 2.2 to 2.6 percent. For 2017, the overall projected range is 1.9 to 2.6 percent with a central tendency range of 2.0 to 2.4 percent. For 2018, the overall projected range is 1.6 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 2.7 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.

Chart A3: Historic and Projected GDP 2007 to Long Run

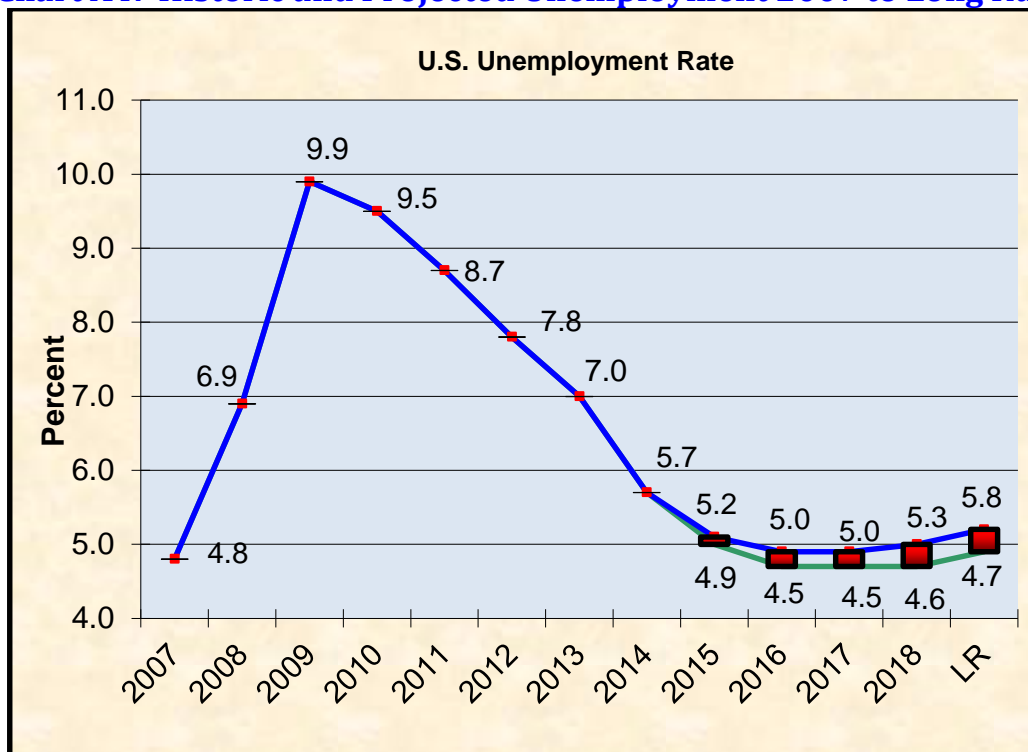


Source: Federal Reserve Open Market Committee Meeting Statement, September 17, 2015.

As shown in Chart A4, the U.S. unemployment rate has continued to decline. For 2015, the projected range for the unemployment rate is 4.9 to 5.2 percent with a central tendency range of 5.0 to 5.1 percent. For 2016, the projected range for the unemployment rate is 4.5 to 5.0 percent with a central tendency range of 4.7 to 4.9 percent. For 2017, the projected range for the unemployment rate is 4.5 to 5.0 percent with

a central tendency range of 4.7 to 4.9 percent. For 2018, the projected range for the unemployment rate is 4.6 to 5.3 percent with a central tendency range of 4.7 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 4.9 to 5.2 percent. The projections for unemployment are for the fourth quarter of each year.

Chart A4: Historic and Projected Unemployment 2007 to Long Run



Source: Federal Reserve Open Market Committee Meeting Statement, September 17, 2015.

The next quarterly release of projections for GDP and Unemployment will be released following the FOMC meeting scheduled in December. These projections will be updated in the December 2015 edition of *Regional Economic Indicators*.