Table of Contents

Introduction: Regional and National Background ................................................................. 4

Airport Passenger Activity ........................................................................................................ 5
  Chart 1: SW Florida International Passenger Activity .......................................................... 5
  Chart 2: Punta Gorda Airport Passenger Activity ................................................................. 6
  Chart 3: Sarasota Airport Passenger Activity ...................................................................... 6

Tourist Tax Revenues .............................................................................................................. 7
  Chart 4: Tourist Tax Revenues for the Coastal Counties ...................................................... 7
  Chart 5: Coastal County Tourist Tax Revenues .................................................................. 8

Taxable Sales ............................................................................................................................ 8
  Chart 6: Taxable Sales for 5 County Region ............................................................................. 9
  Chart 7: Taxable Sales for Coastal Counties ....................................................................... 9
  Chart 8: Taxable Sales for Inland Counties ........................................................................ 10

Workforce – Labor Force, Employment and Unemployment .................................................. 10
  Chart 9: Lee County Labor Force and Unemployment ........................................................ 11
  Chart 10: Collier County Labor Force and Unemployment ................................................. 11
  Chart 11: Charlotte County Labor Force and Unemployment ............................................ 12
  Chart 12: Hendry County Labor Force and Unemployment ............................................... 12
  Chart 13: Glades County Labor Force and Unemployment ................................................ 13

Single-Family Building Permits .............................................................................................. 13
  Chart 14: Single-Family Building Permits for Lee County ................................................ 14
  Chart 15: Single-Family Building Permits for Collier County .......................................... 14
  Chart 16: Single-Family Building Permits for Charlotte County ....................................... 15

Existing Single-Family Home Sales and Median Prices ......................................................... 15
  Chart 17: Existing Single-Family Home Sales for Lee County ............................................ 16
  Chart 18: Existing Single-Family Home Sales for Collier County ..................................... 16
  Chart 19: Existing Single-Family Home Sales for Charlotte County .................................. 17
Consumer Sentiment Index ..................................................................................................................17
Chart 20: U.S. Index of Consumer Sentiment ....................................................................................18
Chart 21: Florida Consumer Sentiment Index ...................................................................................18
Consumer Price Index ........................................................................................................................19
Chart 22: CPI Annual Percentage Change ........................................................................................19
Chart 23: Miami-Fort Lauderdale CPI Component Percentage Change .............................................20
Chart A1: Coastal Counties Population, 1990 to 2045 ................................................................21
Chart A2: Inland Counties Population, 1990 to 2045 ................................................................21
Chart A3: Historic and Projected GDP Growth, 2006 to Long Run ..................................................22
Chart A4: Historic and Projected Unemployment, 2006 to Long Run ..............................................23
Chart A5: Industry Diversification Index, 2000 to 2017 .................................................................24
**Introduction: Regional and National Background**

Southwest Florida showed signs of robust growth consistent with the beginning of the tourism and seasonal resident seasons, which generally runs from November through March. These signs included a 78-percent rebound in airport passenger activity from September 2017 to October 2017, and a 10-percent rise in seasonally-adjusted tourist tax revenues from September 2017 to October 2017. Nonetheless, the region also experienced a 12-percent decrease in taxable sales from August 2017 to September 2017.

Southwest Florida’s unemployment rate rose to 3.9 percent in November 2017 from 3.6 percent in October. The region’s unemployment rate was a bit above the state of Florida’s 3.6 percent and below the national rate of 4.1 percent.

Other highlights in the report include:

- **Single-family building permits** for the three coastal counties declined by 12 percent from October 2017 to November 2017, but increased 26 percent from November 2016.

- **Single-family home sales** for the three coastal counties fell in November 2017, when compared to both October 2017 (down 2 percent) and November 2016 (down 8 percent).

- All three coastal counties had increases in **single-family median prices** from November 2016 to November 2017.

In addition, new population estimates are now available in the appendix of the current issue of *Regional Economic Indicators*. Southwest Florida had a population of 1,252,608 in 2016, increasing 2.7 percent each year from 1990 to 2016. The regional population is expected to grow by approximately 1.4 percent each year from 2017 to 2045, with an estimated population of 1,877,250 in 2045.

The RERI staff extends its sincere thanks and appreciation to the dedicated individuals and organizations who contribute to this report. These include FGCU student workers affiliated with the RERI, 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 Collier, Lee, and Charlotte counties, the University of Florida Survey Research Center, and the county and city permit offices.

To all of you, our readers and friends, we extend best wishes for the Holiday Season and for a very Happy New Year.
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 this seasonality as well as the changes from year to year.

Passenger activity for the three airports rebounded to 783,088 in October 2017, representing an increase of 78 percent over the hurricane-impacted figures for September 2017, and an 8-percent increase over October 2016. RSW recorded 581,317 passengers in October 2017, up 6 percent from October 2016 (see Chart 1). Passenger activity at Punta Gorda rose to 114,113 in October 2017, a 28-percent increase from October 2016 (Chart 2). Sarasota Bradenton’s passenger activity amounted to 87,658 in October 2017, a dip of 1 percent from October 2016 (Chart 3).

Chart 1: SW Florida International Passenger Activity

Source: Local Airport Authorities
Chart 2: Punta Gorda Airport Passenger Activity

Punta Gorda Airport (PGD) Passenger Activity

Source: Local Airport Authorities

Chart 3: Sarasota Airport Passenger Activity

Sarasota Bradenton Int’l Airport (SRQ) Passenger Activity

Source: Local Airport Authorities
Tourist Tax Revenues

Seasonally-adjusted tourist tax revenues, shown in Charts 4 and 5, are based on month of occupancy. Total revenues for the three coastal counties rose to $6,640,342 in October 2017, an increase of 16 percent over October 2016, and 10-percent higher than the hurricane-impacted month of September 2017 (Chart 4). All three counties experienced increases in October 2017 compared to October 2016 (Chart 5).

In Lee County, October 2017 seasonally-adjusted revenues increased to $4,049,807, up 17 percent over the October 2016 figure. Collier County’s seasonally-adjusted tourist tax revenues were $2,213,219 in October 2017, a 17-percent increase from October 2016. In Charlotte County, tourist tax revenues rose to $379,447 in October 2017, an increase of 10 percent over October 2016.

Chart 4: Tourist Tax Revenues for the Coastal Counties
Taxable Sales

Taxable sales data track consumer spending based on the latest month of merchant collections. This data lags one month before the Florida Department of Revenue’s usual reporting month. This data is now current through September 2017, and therefore reflects some impact from Hurricane Irma.

Both seasonally-adjusted and unadjusted taxable sales for the region are shown in Chart 6. Total seasonally-adjusted taxable sales in September 2017 were $1.936 billion, down 12 percent from August 2017 and down 13 percent from September 2016.

Charts 7 and 8 show seasonally-adjusted taxable sales for the coastal and inland counties, respectively. Lee County’s taxable sales decreased to $1.077 billion in September 2017, down 10 percent from September 2016. Collier County’s taxable sales declined from $734.5 million in September 2016 to $603.0 million in September 2017, a drop of 18 percent. Charlotte County taxable sales amounted to $221.8 in September 2017, down 14 percent from September 2016.

Taxable sales in Hendry County totaled $28.5 million in September 2017, compared to $34.9 million in September 2016, a decrease of 18 percent. Glades County taxable sales were $3.74 million in September 2017, only slightly below the $3.75 million figure of September 2016. All cited data are seasonally-adjusted.
Chart 6: Taxable Sales for 5 County Region

Chart 7: Taxable Sales for Coastal Counties

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

Charts 9-13 show total persons employed and unemployed, and the unemployment rate, all seasonally-adjusted by the RERI, for each county from January 2005 through November 2017. The unemployment rate for the five-county region increased to 3.9 percent in November 2017, up from the October 2017 figure of 3.6 percent, but still one percentage point below the November 2016 rate. The increase in the seasonally-adjusted unemployment rate from October 2017 occurred as employment declined by 1,360 people and unemployment rose by 1,962.

Lee County’s seasonally-adjusted unemployment rate rose to 3.7 percent in November 2017, an increase of 0.3 points from October 2017, as depicted in Chart 9. Collier County’s unemployment rate rose from 3.6 percent in October 2017 to 3.9 percent in November 2017 (Chart 10). The unemployment rate in Charlotte County increased from 3.8 percent in October 2017 to 4.1 percent in November 2017 (Chart 11).

Hendry County’s November 2017 unemployment rate increased to 7.3 percent from 6.9 percent in October 2017 (Chart 12). Similarly, the unemployment rate for Glades County was 5.1 percent in November 2017, up from 4.8 percent in October 2017 (Chart 13).

Florida’s seasonally-adjusted unemployment rate held steady at 3.6 percent in November 2017, down 1.3 points below the November 2016 figure. Nationally, the seasonally adjusted national unemployment rate for November 2017 also remained unchanged from the previous month at 4.1 percent, a decrease from the 4.6 percent rate of November 2016.
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

Six-hundred eighty-eight single-family building permits were issued by the three coastal counties in November 2017, a 26-percent increase from November 2016, albeit 12-percent below October 2017. Lee County issued 427 permits in November 2017, a 45-percent increase over November 2016, but 8-percent fewer than October 2017 (Chart 14). In Collier County, 163 permits were issued in November 2017, the same number as November 2016 and 19 percent fewer than October 2017 (Chart 15). Charlotte County issued 98 permits in November 2017, an increase of eight from November 2016 and 20 fewer than October 2017, as depicted in Chart 16. All trend lines continue to be positive.

Hendry County issued 11 more permits in November 2017, bringing its year-to-date total to 79. This compares favorably with the 51 permits issued through November 2016.
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: Local Building and Zoning Departments, includes unincorporated Collier County permits only
**Existing Single–Family Home Sales and Median Prices**

Charts 17-19 summarize existing single-family home sales by a Realtor® for Lee, Collier, and Charlotte Counties. The solid lines represent 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. The broken lines show the trends in numbers of homes sold and median prices; they remain positive.

Total Realtor® sales of single-family homes in the three counties declined to 1,432 in November 2017, a 2-percent decline from October 2017, and 8 percent below November 2016. However, median prices in all three counties were higher in November 2017, when compared to the previous month.

Lee County single-family home sales dipped to 837 units in November 2017, down 2 percent from October 2017, and 12 percent below November 2016. The median price increased from $233,350 to $245,000 over the same 12-month period. Charlotte County recorded 324 single-family homes sold in November 2017, up 6 percent over October 2017, but 1 percent below November 2016. Charlotte’s median price was $208,500 in November 2017, up more than $19,000 from the year before. Collier County single-family home sales in November 2017 amounted to 271 units, a decrease of 10 percent from October 2017, but 1 percent higher than November 2016. Collier’s median price increased from $397,000 in November 2016 to $433,000 in November 2017.
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

Charts 20 and 21 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 national ICS continued to move downward in December, declining from 98.5 in November 2017 to 95.9 in December 2017. The comparable figure for December 2016 was 98.2, while the long-term trend continues to be positive. The latest of Survey of Consumers noted that “Consumer confidence continued to slowly sink in December, with most of the decline among lower income households. The extent of the decline was minor, with the December figure just below the average for 2017 (95.9 versus 96.8). Indeed, the average in 2017 was the highest since 2000, and only during the long expansions of the 1960's and 1990's was confidence significantly higher.”

The Florida CSI is not yet available for December. As previously reported, the Index rose to 96.7 in November 2017, up 1.9 points from the revised October 2017 figure of 94.8, and 6.4 points higher than the November 2016 figure. This data is depicted in Chart 21 below.
Chart 20: U.S. Index of Consumer Sentiment

U.S. Index of Consumer Sentiment

Past 13 Months

98.2  98.5  96.3  96.9  97.0  97.1  95.1  93.4  96.8  95.1  100.7  98.5  95.9

Dec-16  Jan-17  Feb-17  Mar-17  Apr-17  May-17  Jun-17  Jul-17  Aug-17  Sep-17  Oct-17  Nov-17  Dec-17

Past 6 Years

Source: Thomson Reuters/University of Michigan

Chart 21: Florida Consumer Sentiment Index

Florida Consumer Sentiment Index

Past 13 Months

90.3  97.3  97.3  93.8  99.2  95.7  94.3  96.2  97.7  96.1  95.8  94.8  96.7

Nov-16  Dec-16  Jan-17  Feb-17  Mar-17  Apr-17  May-17  Jun-17  Jul-17  Aug-17  Sep-17  Oct-17  Nov-17

Past 6 Years

Source: Bureau of Economic and Business Research, University of Florida
Consumer Price Index

Chart 22 shows year-to-year changes in consumer price indices (CPI) through October 2017. As reported last month, the rate of consumer price inflation is increasing, with all three depicted areas up by 2 percent or more over the prior October. The national index was up 2 percent from October 2016 to October 2017; during the previous 12-month period, the national CPI was up 1.6 percent. The U.S. Southern Region CPI also increased by 2 percent, compared to 1.5 percent between October 2015 and October 2016. The index for the Miami-Ft. Lauderdale area was 2.7 percent higher than October 2016, compared to 1.9 percent in the prior year.

Components of the Miami-Fort Lauderdale Consumer Price Index for the 12 months ended October 2017 are shown in Chart 23. The costs of medical care were up by 8.8 percent over the prior October, followed by an increase of 4.7 percent in housing costs. Transportation as well as Education and Communication prices showed noticeable declines, consistent with previous trends.

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 2016, 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, while Chart A5 depicts the FGCU Industry Diversification Index for Southwest Florida and the state. Charts A3, A4, and A5 are updated quarterly.

Regional Population

From 1990 to 2016, regional population growth compounded average was 2.7 percent per year. The compound average annual rate of growth for 1990 to 2016 was 2.8 percent in Lee County, 3.3 percent in Collier County, 1.7 percent in Charlotte County, 2.1 percent in Glades County, and 1.5 percent in Hendry County. The right-hand sections of Charts A1 and A2 show projected population increases from 2017 to 2045. All projected rates of increase are substantially lower than the aforementioned historic growth rates of 1990 to 2016. Projected growth for the five-county region averages 1.4 percent per year, resulting in a population increase of 47 percent from 2017 to 2045, adding over 598,000 residents and bringing the total to 1,877,250. Lee County’s population is projected to grow an average of 1.6 percent per year, Collier
County at 1.3 percent, and Charlotte County at 0.9 percent per year. Hendry County’s population is projected to grow at an average of 0.3 percent per year and Glades County at 0.5 percent per year.

**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

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 most recent 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 shows the recovery in GDP growth following the most recent recession, and current projections close to the normal 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.

The December 2017 forecast projects GDP growth for the remainder of 2017 in the 2.5 percent range, which is an improvement over the 1.6 percent recorded for 2016. The overall high and low projections (shown as ranges below) for the 2018, 2019, 2020, and the long run showed little change from the projections made in the September 2017 forecast, with the central tendency forecast rising slightly to the 2.5 percent range before falling sometime in 2018. None of the projections achieves the 3 percent GDP measure that economists generally associate with an economy operating with a full employment of resources. Although GDP figures for the second and third quarters of 2017 came in at 3.1 and 3.3 percent, respectively, at the time of this writing, the Fed consensus is that these growth levels are unlikely to persist.

Chart A3: Historic and Projected GDP Growth, 2006 to Long Run

Source: Historical data obtained from Bureau of Economic Analysis. Projected data obtained from Federal Reserve Open Market Committee Meeting Statement, December 13, 2017.
Chart A4 depicts the decline in unemployment following the 2008 recession to levels, beginning in 2016, more closely associated with natural rates of unemployment. 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.

The December forecast projects continued declines in unemployment through 2019, with an average central tendency forecast close to 3.9 percent for 2018, 2019, and 2020, and then rising in the long run. The lower range forecast fell lower than the September 2017 forecast but then rises by 2020 into the long run. If the U.S. economy avoids falling into a recession past the summer of 2019—an outcome consistent with the Fed’s projections—then the current expansion will be the longest one observed in 150 years.

**Chart A4: Historic and Projected Unemployment, 2006 to Long Run**

![Chart A4: Historic and Projected Unemployment, 2006 to Long Run](chart.png)

The next quarterly release of projections for GDP and Unemployment will be released following the FOMC meeting scheduled in March 2018. These projections will be updated in the April 2018 edition of *Regional Economic Indicators*.

**Industry Diversification Index**

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 lutgert.fgcu.edu/IDI).
The IDI can be between 0 and 10, with a higher index denoting a more diverse workforce and a lower one denoting a less 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 A5 shows the industry diversification index for the Southwest Florida workforce region and the state of Florida. Southwest Florida shows an increase in industry diversification from the fourth quarter of 2006 to the 3rd quarter of 2008. After 2008, the Southwest Florida workforce region exhibits a seasonal trend, mainly due to the stronger influence of tourism and seasonal residents that visit Southwest Florida during the winter season, increasing the demand for retail trade and accommodation and food service jobs.

During the second quarter of 2017, the IDI for Southwest Florida measured at 8.44, and ranked as the 10th most industrially diverse workforce region in the state of Florida (out of 24). Meanwhile, the state of Florida had an IDI of 8.56, ranking Florida as the 20th highest state in the nation in industry diversification.

![Chart A5: Industry Diversification Index, 2000 to 2017](source: lutgert.fgcu.edu/IDP)