

Southwest Florida Regional Economic Indicators

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Introduction: Regional and National Background

The latest economic indicators continued to show mixed results for the Southwest Florida economy, as some indicators improved while others declined. All of the indicators have surpassed the one-year mark from April 2020, which represented the peak of the Covid-19 economic impact. Thus, although we point this out throughout the text we caution the reader on the year-to-year analysis.

The **seasonally-adjusted unemployment rate** for the region was 3.9 percent in September 2021, down 0.2 percentage points from the prior month and 2.2 percentage points below the Covid-impacted September 2020 figure. A month-to-month increase in total employed, coupled with a decrease in unemployed workers in September 2021 (up 3,055 and down 1,550, respectively) resulted in a decrease in the unemployment rate.

Real estate indicators continued to be a bright spot for the region. **Single-family building permits** for the coastal counties improved by 16 percent from September 2020 to September 2021. **Single-family home sales** slipped 10 percent in September 2021 over September 2020, but **median prices** for all three counties rose between 21 to 32 percent during the same period. **Realtor® Active listings** for the coastal counties were down in September 2021, falling 65 percent from September 2020. Steady increase in discretionary spending associated with supply-chain disruptions have create some inflationary pressure across the country and the region.

Other indicators provided positive results for the hospitality and tourism economy:

- **Airport passenger activity** for September 2021 decreased by 18 percent from August 2021, following the traditional seasonal pattern. Activity was 116 percent above the Covid-impacted September 2020, as well as 26 percent above September 2019;
- August 2021 **seasonally-adjusted tourist tax revenues** were up 54 percent compared to August 2020, and 64 percent above the same month in 2019; and
- **Seasonally-adjusted taxable sales** rose 31 percent in August 2021 compared to August 2020, and decreased by 2 percent under the July 2021 measure.

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 leri@fgcu.edu.

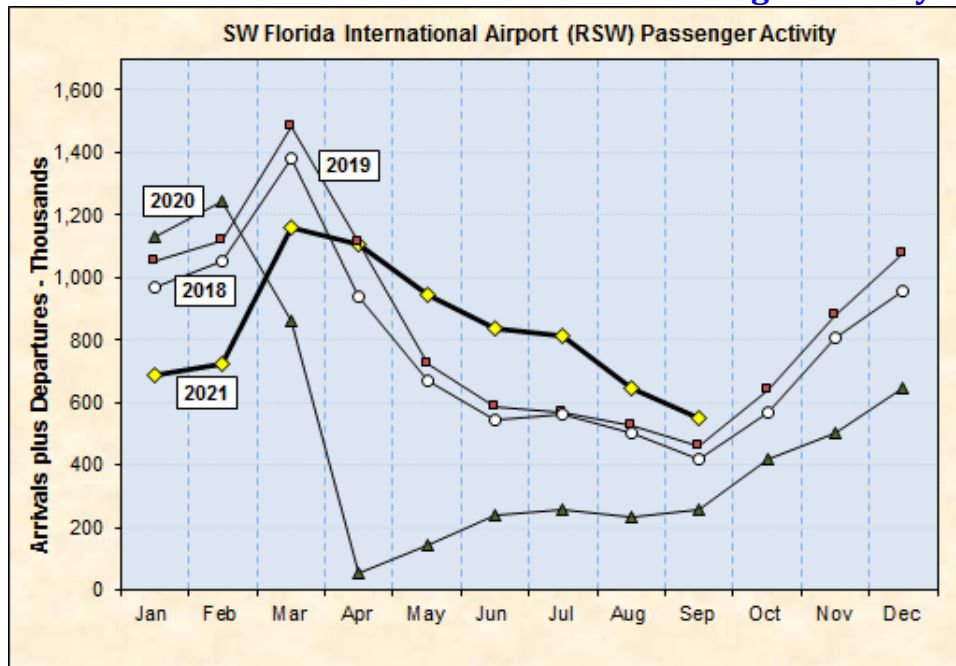
Airport Passenger Activity

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. Note that data from September 2020 was affected by the initial impact of Covid-19 and the following stay-at-home orders issued throughout the nation, so year-to-year comparisons may be much larger than normal.

Total passenger traffic for the three airports amounted to 812,857 in September 2021, down 18 percent from August 2021 and up 116 percent over September 2020. While all three airports saw a decline in activity from the prior month, the region continues to improve from the dip in passenger activity experienced in April 2020.

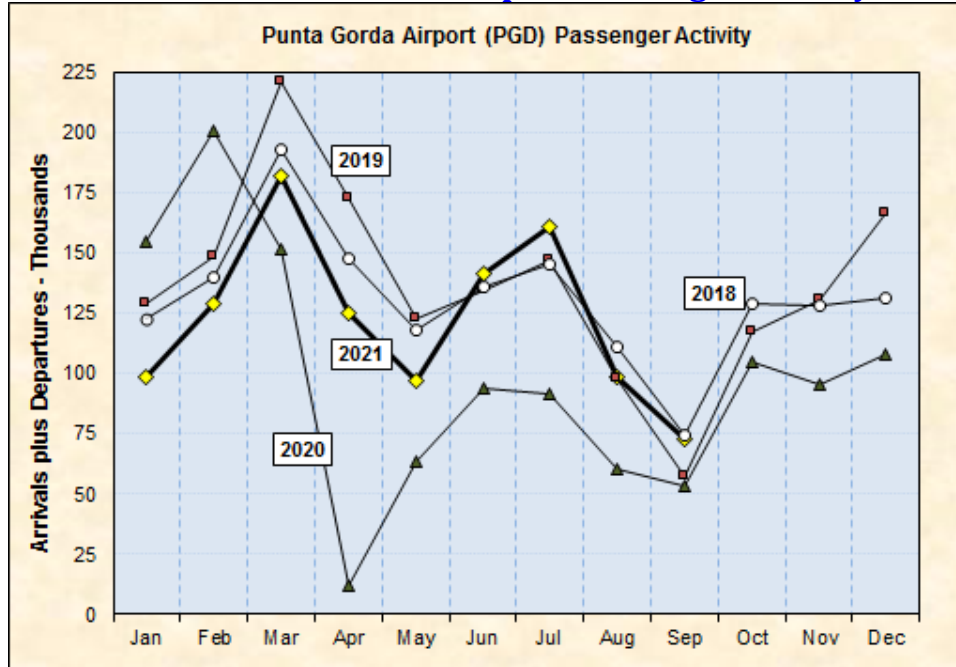
Passenger traffic at RSW was 551,041 in September 2021, down 15 percent from August 2021, but 115 percent greater than September 2020 (see Chart 1). PGD's passenger activity amounted to 73,000 in September 2021, a decrease of 26 percent from August 2021, and 37 percent above September 2020 (see Chart 2). SRQ served 188,816 passengers in September 2021, a 24-percent decrease from August 2021, and 185 percent above September 2020. All three airports continued to outpace passenger levels observed in September 2019.

Chart 1: SW Florida International Passenger Activity



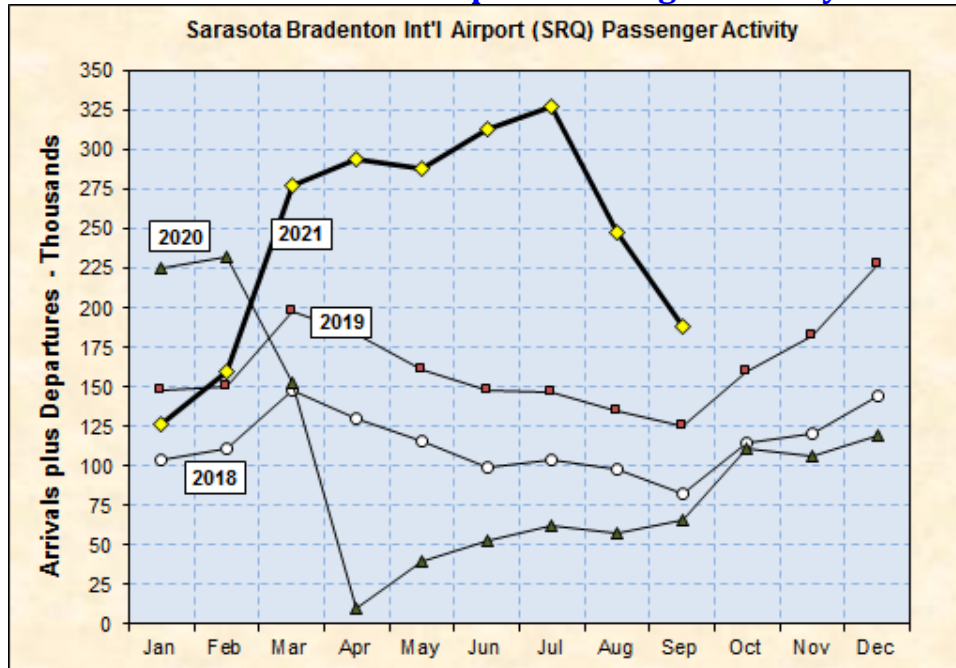
Source: Local Airport Authorities

Chart 2: Punta Gorda Airport Passenger Activity



Source: Local Airport Authorities

Chart 3: Sarasota Airport Passenger Activity



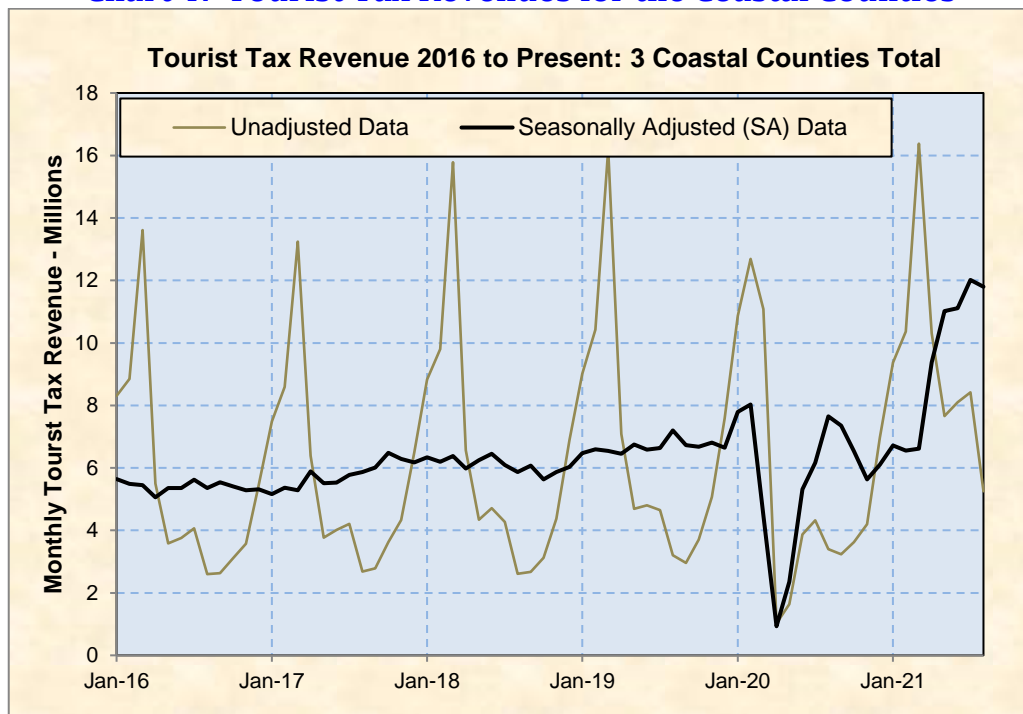
Source: Local Airport Authorities

Tourist Tax Revenues

Charts 4 and 5 show seasonally-adjusted tourist tax revenues by month of occupancy. Seasonally-adjusted tax revenues for the coastal counties as a total slipped in August 2021, dipping to \$11.8 million (down 2 percent). Despite the month-to-month declines, revenues remained 54 percent above August 2020.

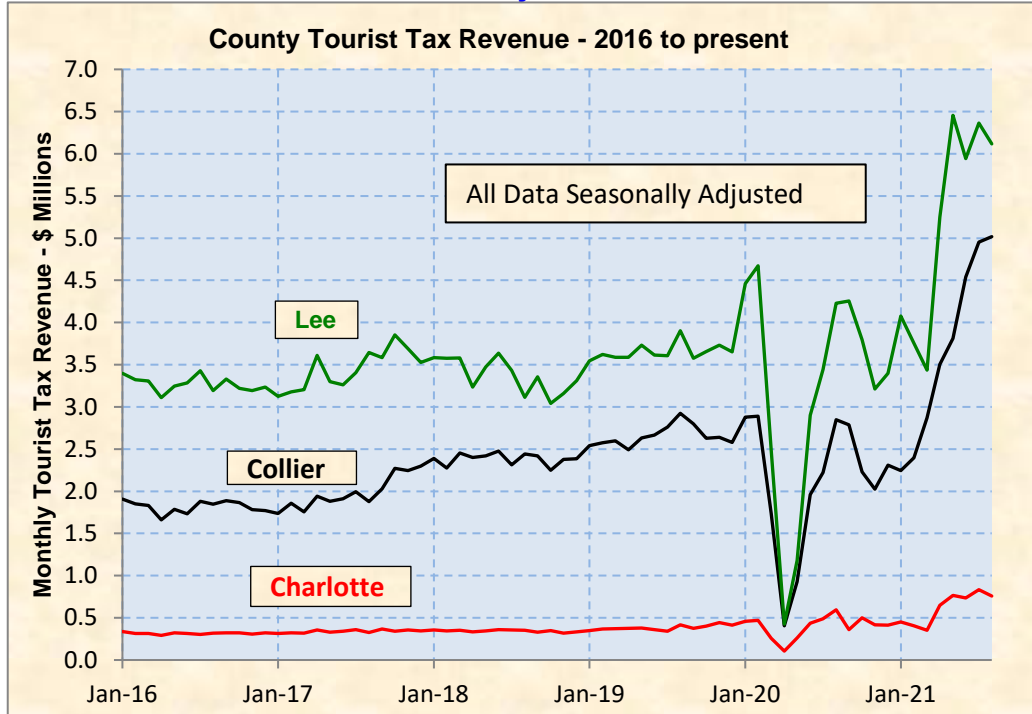
Lee County's seasonally-adjusted tourist tax revenues totaled to \$6.1 million in August 2021, a 45 percent increase from August 2020, but 4 percent below July 2021. Collier County's tourist tax revenues amounted to \$5.0 million in August 2021, up by 76 percent compared to August 2020. The county also experienced a 1 percent month-to-month increase in tourist tax revenues. Seasonally-adjusted tourist tax revenues in Charlotte County slipped to \$758.1 thousand in August 2021, down 9 percent from the prior month, but 28 percent above the August 2020 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

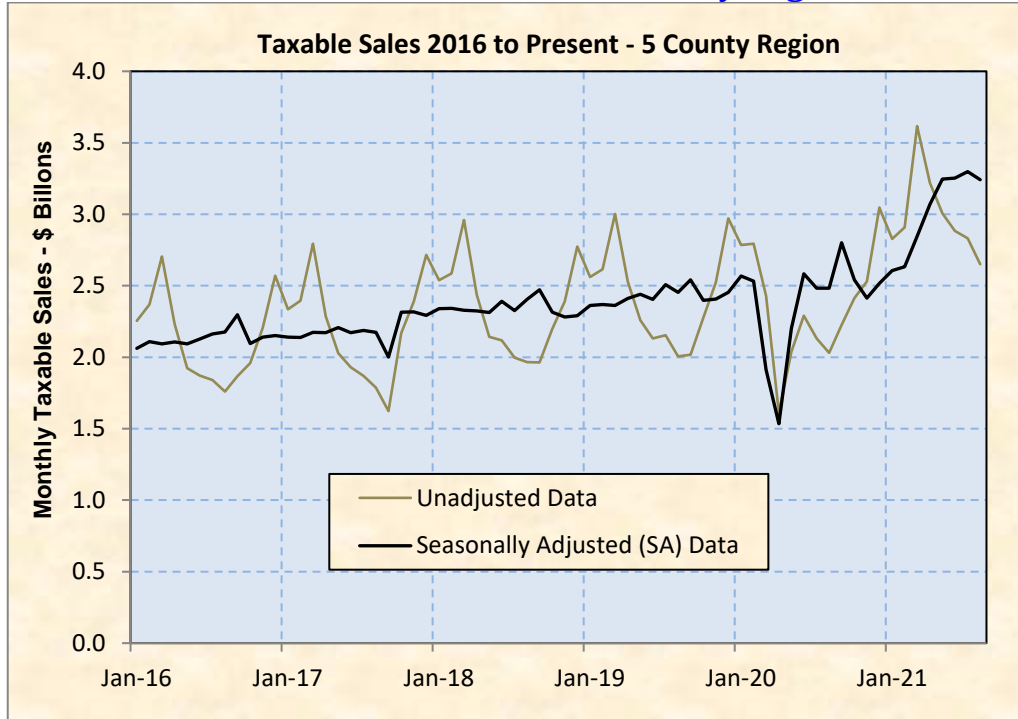
Taxable sales data track consumer spending based on the latest month of merchant collections. Data lag one month behind the Florida Department of Revenue’s reporting month and are now available through August 2021.

Seasonally-adjusted taxable sales for Southwest Florida totaled \$3.242 billion in August 2021, an increase of 31 percent from August 2020, but 2 percent lower than July 2021 (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 \$1.767 billion in August 2021, an increase of 30 percent over August 2020 but 2 percent below the previous month. Collier County taxable sales were \$1.097 billion in August 2021, up 33 percent from August 2020, and also 2 percent under the July 2021 total. Taxable sales in Charlotte County decreased to \$334.9 million in August 2021, compared to \$257.1 million in August 2020 and \$338.0 million in July 2021.

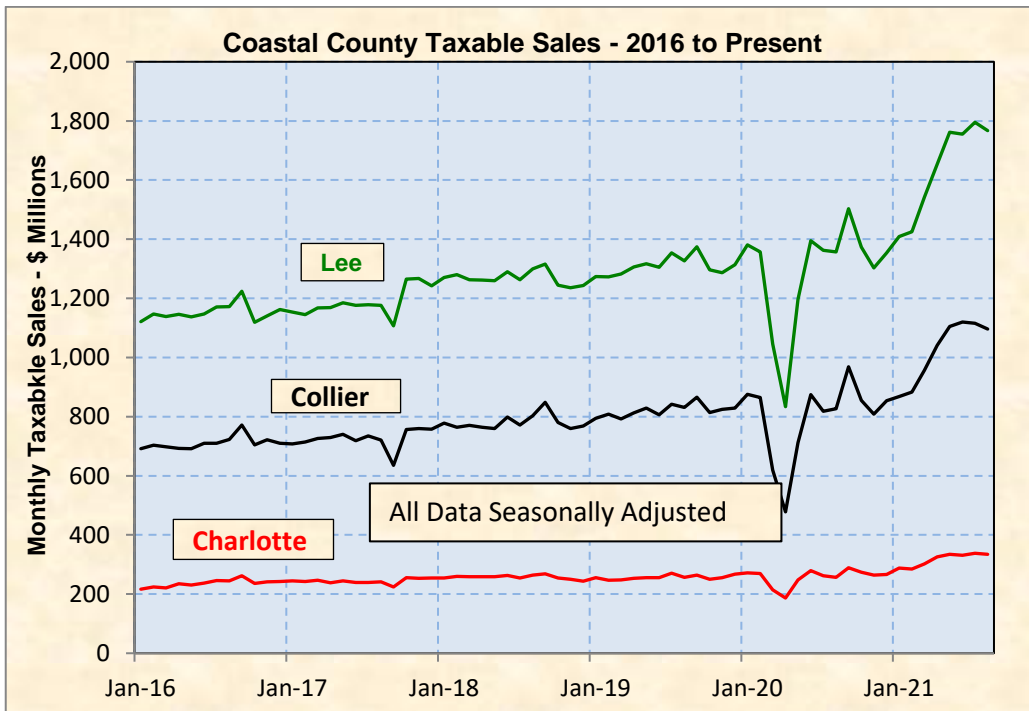
Taxable sales in Hendry County totaled \$39.6 million in August 2021, up 8 percent from August 2020, however, down 10 percent from the July 2021 total. Glades County taxable sales were \$5.9 million in August 2021, up 9 percent from August 2020 but also down 10 percent from the July 2021 total. All cited data are seasonally adjusted.

Chart 6: Taxable Sales for 5 County Region



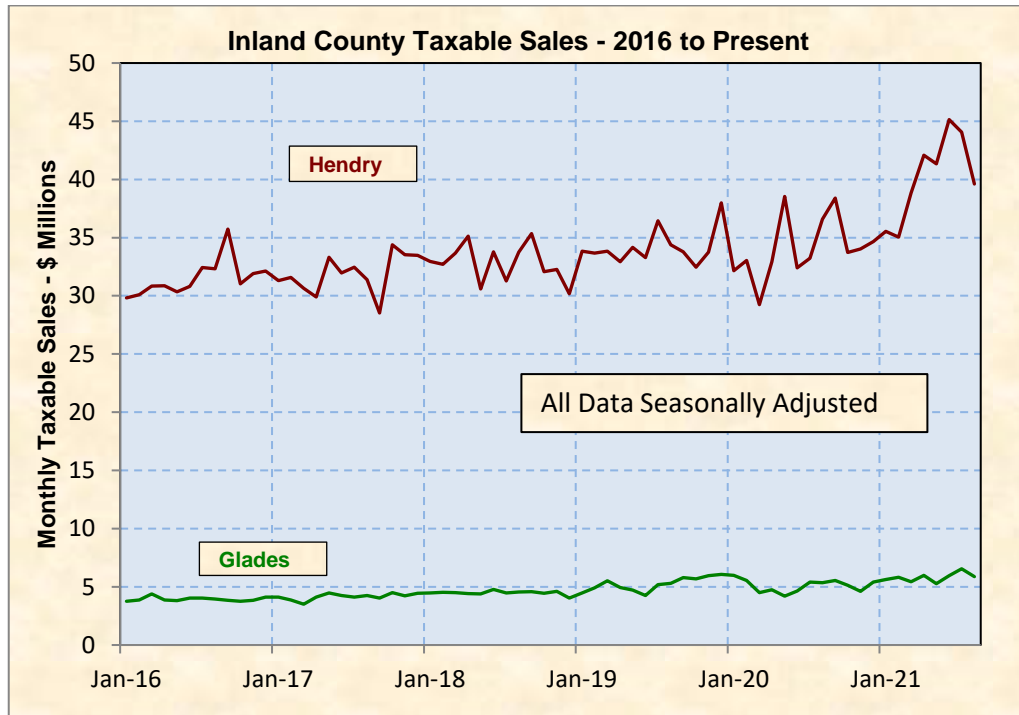
Source: Florida Department of Revenue, Office of Tax Research

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

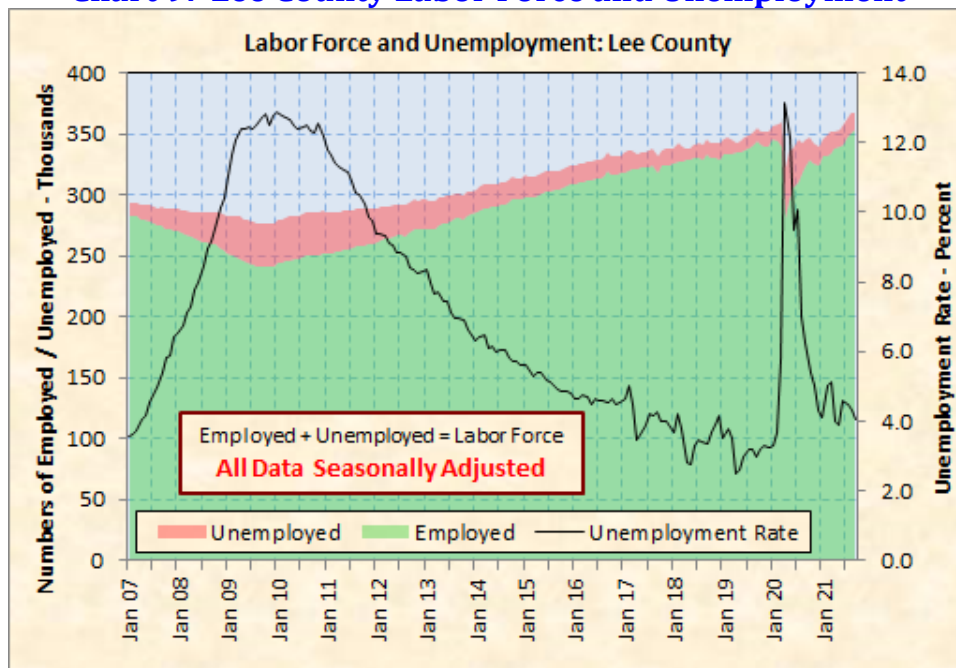
Charts 9-13 show total persons employed and unemployed, and the resulting unemployment rates seasonally adjusted by the RERI, for each county from January 2007 through September 2021. While the number of employed persons in the Southwest Florida region increased by 3,055 between August 2021 and September 2021, the number of unemployed people fell, decreasing by 1,550 over the same period. As a result, the region's seasonally-adjusted unemployment rate fell to 3.9 percent in September 2021, down 0.2 percentage point from the prior month. Compared to a year ago, the seasonally-adjusted number of employed workers is up by over 53,000, while the number of unemployed were down by over 11,000. The total labor force increased by 41,544 from September 2020 to September 2021, mainly in the coastal counties.

Lee County's seasonally-adjusted unemployment rate was 4.1 percent in September 2021, down 0.2 percentage points from August 2021, and down 2.2 percentage points from September 2020 (Chart 9). The unemployment rate in Collier County was 3.3 percent in September 2021, down 0.3 percentage points from the prior month, and down 2.2 percentage points compared to September 2020 (Chart 10). Charlotte County's unemployment rate was 4.4 percent in September 2021, down 0.2 percentage point from the previous month, and 1.9 percentage points lower than September 2020 (Chart 11).

Hendry’s unemployment rate was 5.6 percent in September 2021, up from the previous month by 0.1 percentage points, and down 1.9 percentage points from the September 2020 measure, as depicted in Chart 12. Glades County had an unemployment rate of 3.5 percent in September 2021, down from the previous month by 0.5 percentage points, and a decrease of 1.7 percentage points from September 2020 (Chart 13).

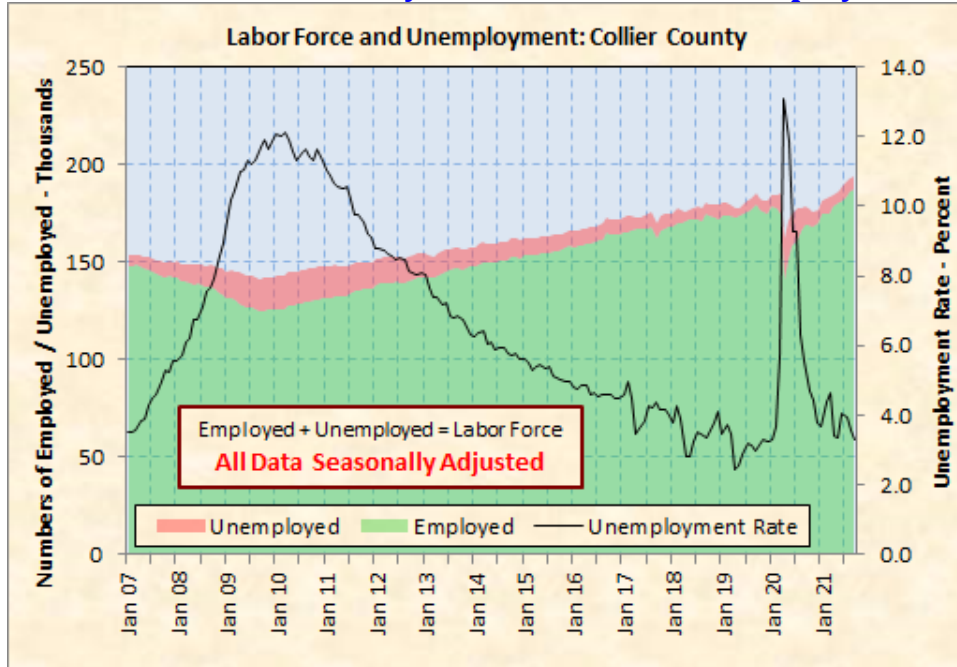
The State of Florida’s seasonally adjusted unemployment rate was 4.9 percent in September 2021, down 0.1 points from the August 2021 rate, and down 2.3 percentage points from September 2020. The United States unemployment rate was 4.8 percent in September 2021, down 0.4 percentage points from the 5.2 percent measured in August 2021, and down 3.0 percentage points from September 2020.

Chart 9: Lee County Labor Force and Unemployment



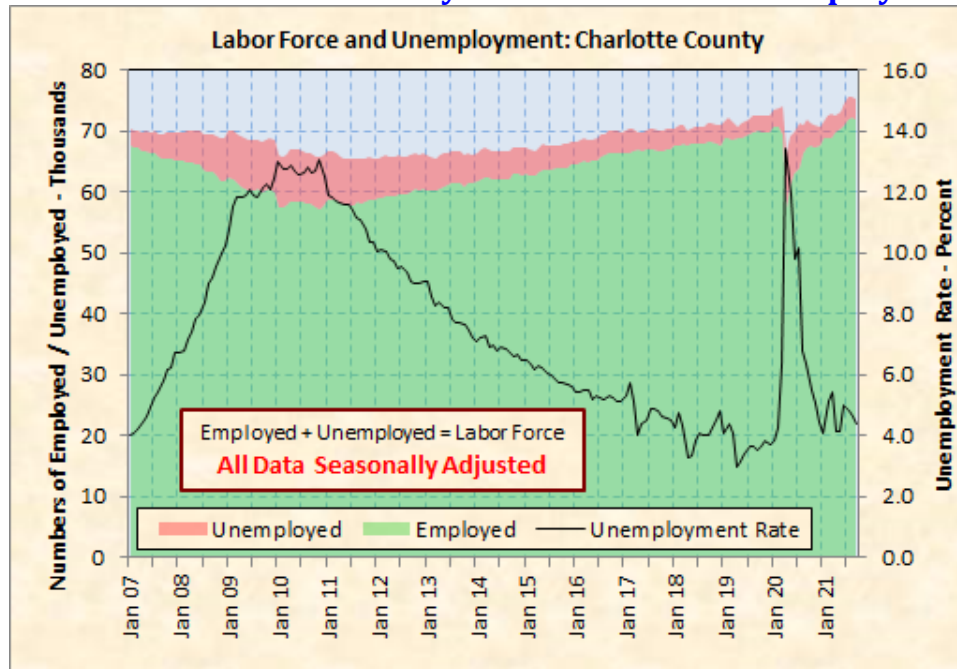
Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI

Chart 10: Collier County Labor Force and Unemployment



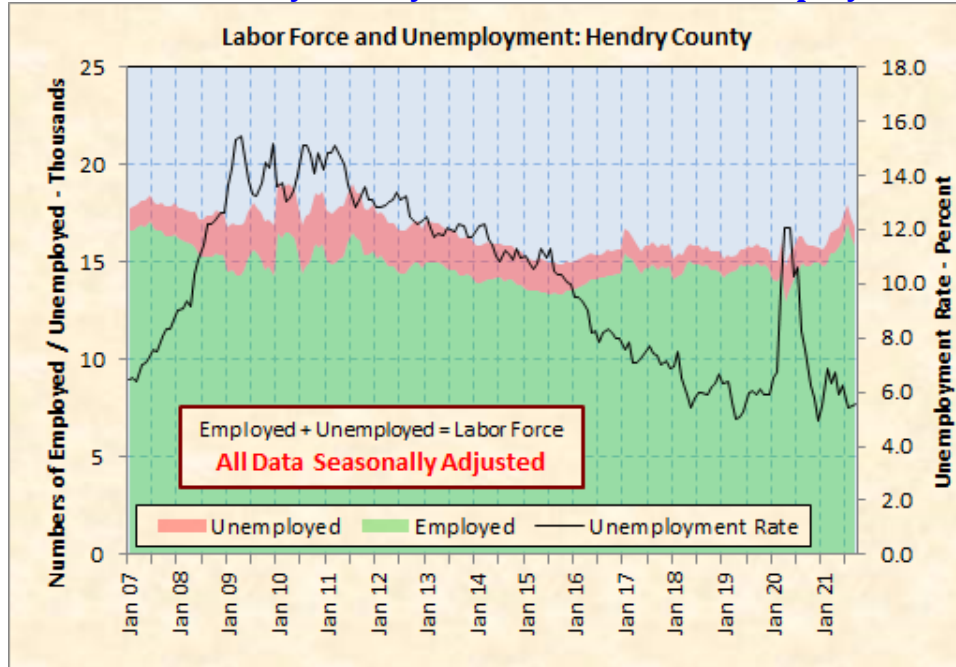
Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI

Chart 11: Charlotte County Labor Force and Unemployment



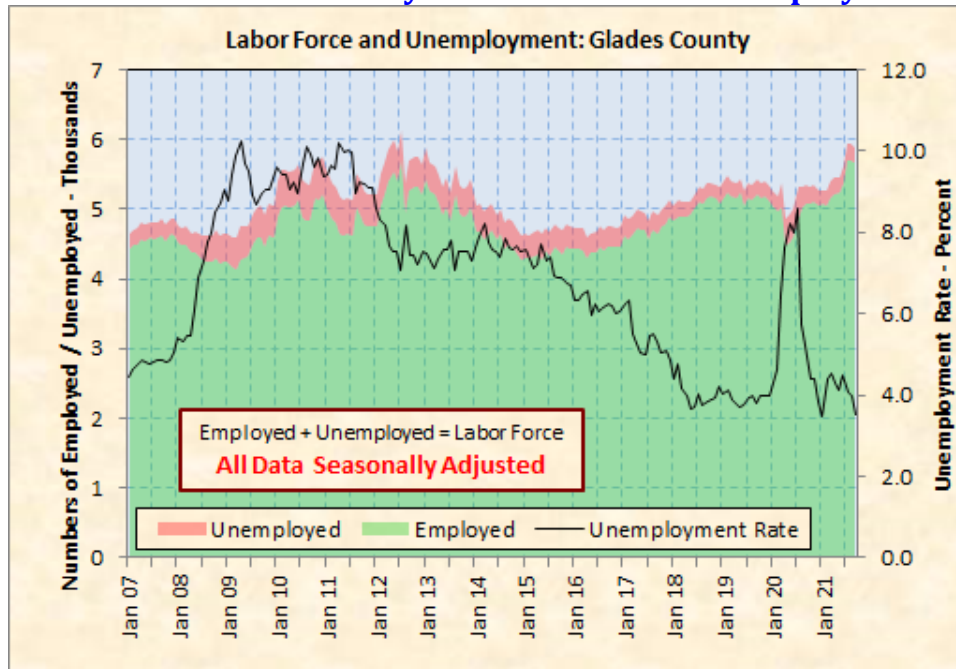
Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI

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



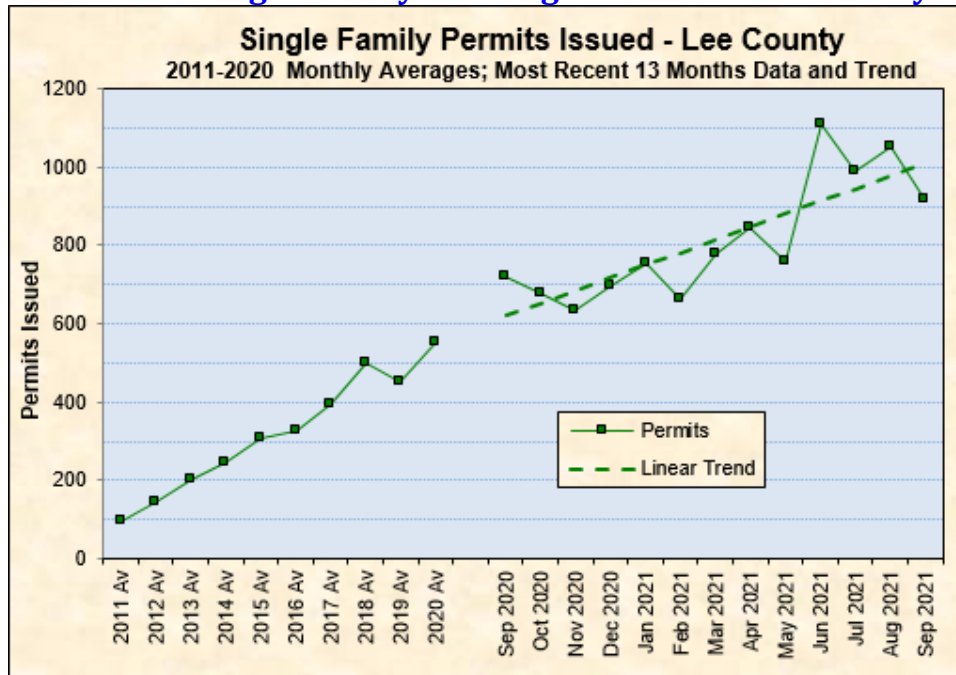
Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI

Single-Family Building Permits

The Southwest Florida coastal counties issued 1,374 single-family building permits in September 2021, an increase of 189 permits (16 percent) over September 2020, but down 407 permits (23 percent) from August 2021. Lee County issued 917 permits in September 2021, up from the 719 permits issued in September 2020 but down from the 1,052 permits issued in August 2021 (see Chart 14). In Collier County, 218 permits were issued in September 2021, a decrease of 30 permits (12 percent) from September 2020, and down 185 permits from August 2021 (see Chart 15). Charlotte County recorded 239 permits issued in September 2021, an increase from the 218 permits issued in September 2020, but down 87 permits from August 2021 (see Chart 16).

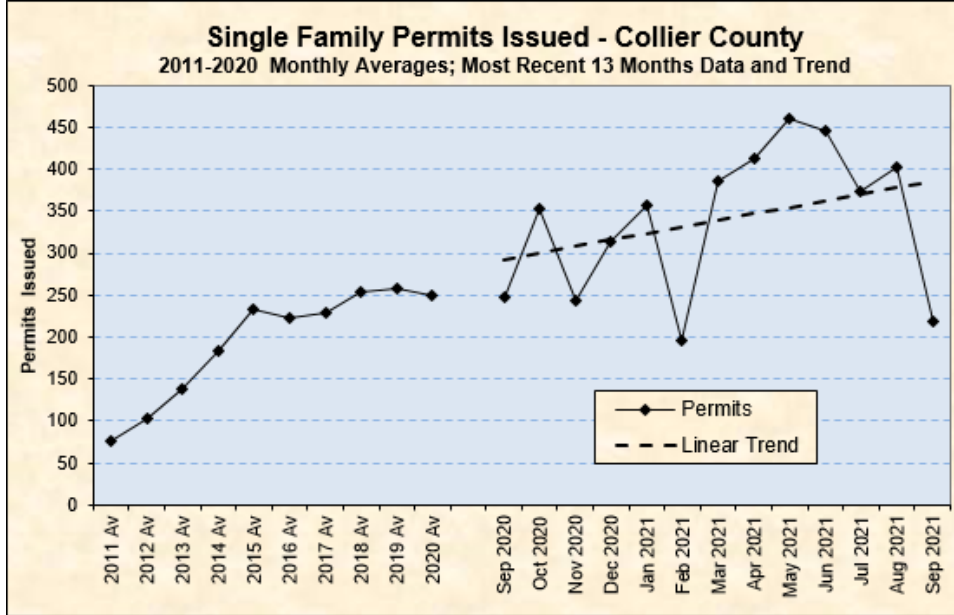
Hendry County issued 80 single-family building permits in September 2021, compared to 29 issued during September 2020. In the month of September 2021, the four-county total went up by 48 percent compared to August 2021.

Chart 14: Single-Family Building Permits for Lee County



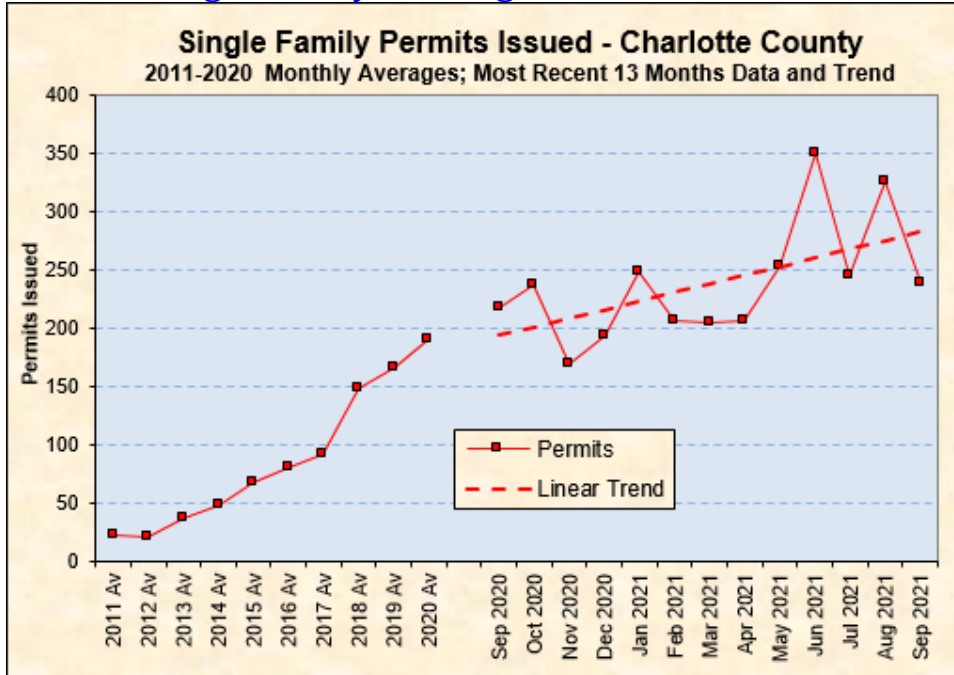
Source: Local Building and Zoning Departments, including Fort Myers, Cape Coral, and Unincorporated Lee County, Bonita Springs, Estero, and Fort Myers Beach permits

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

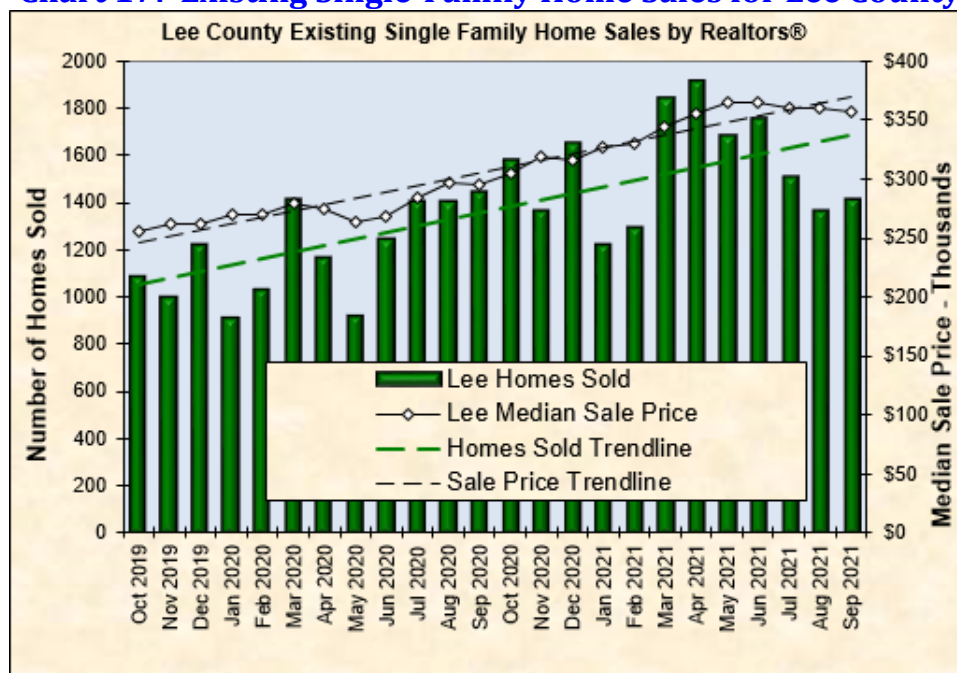
Existing Single-Family Home Sales and Median Prices

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.

Realtor® sales of existing single-family homes in two out of the three coastal counties showed a decline compared to one month ago, as well as all three experiencing a decline compared to the same month of the prior year. Home sales for the coastal counties in September 2021 were 2,369, a decrease of 10 percent since September 2020, and 3 percent below August 2021. All three counties experienced significant increases in median prices from one year ago, ranging from 21 to 32 percent.

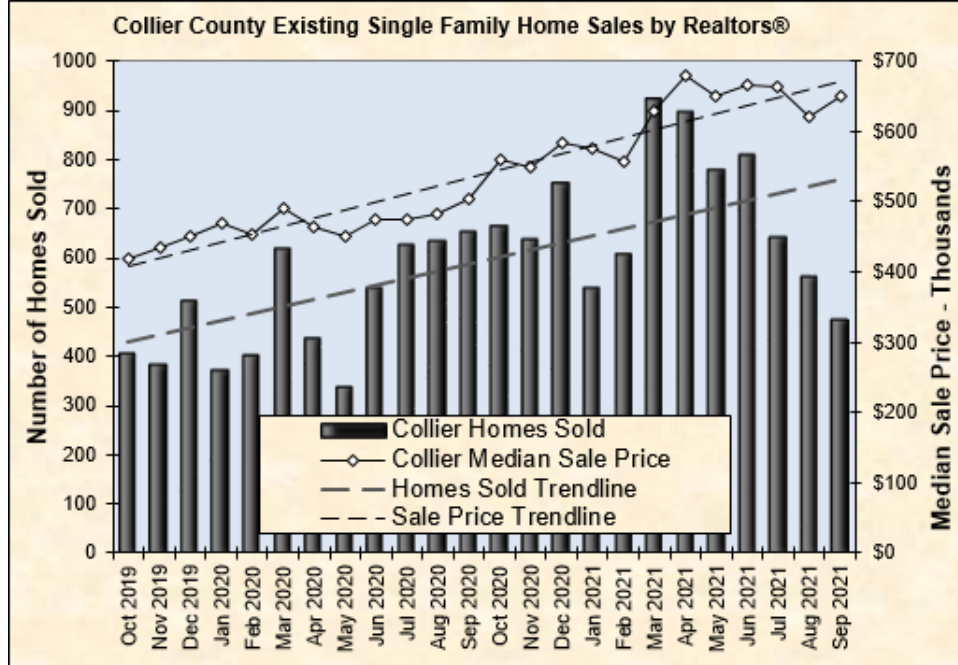
Single-family home sales in Lee County totaled 1,416 units in September 2021, a decrease of 28 units (2 percent) from September 2020, while Lee’s median price showed an increase from \$295,000 to \$356,250 over the same period (see Chart 17). Collier County single-family home sales registered 475 units in September 2021, a decrease of 181 units (28 percent) compared to September 2020. The median price in Collier County rose substantially by \$147.5 thousand from \$502,500 in September 2020 to \$650,000 in September 2021 (see Chart 18). Charlotte County reported 478 existing single-family home sales for September 2021, down eight percent from the 520 units sold in September 2020. The median price in Charlotte County was \$330,000 in September 2021, up \$80,000 (32 percent) over the same month last year (Chart 19).

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



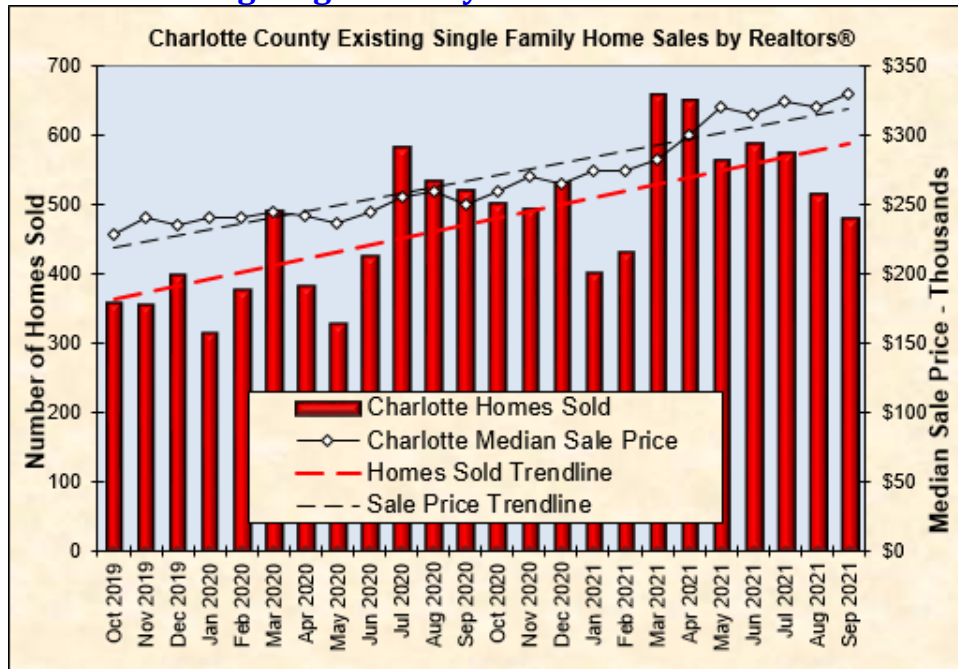
Source: Florida Realtors® Cape Coral-Fort Myers MSA

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

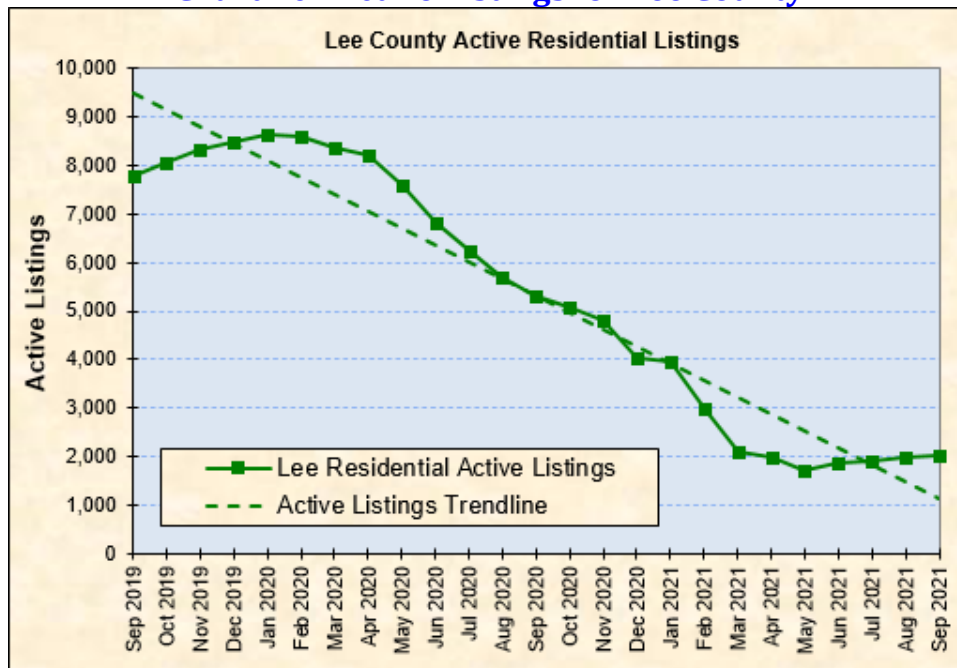
Realtor® Active Listings

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 4,107 residential properties listed for sale in September 2021. Listings were constant from August 2021, but 65 percent down from September 2020.

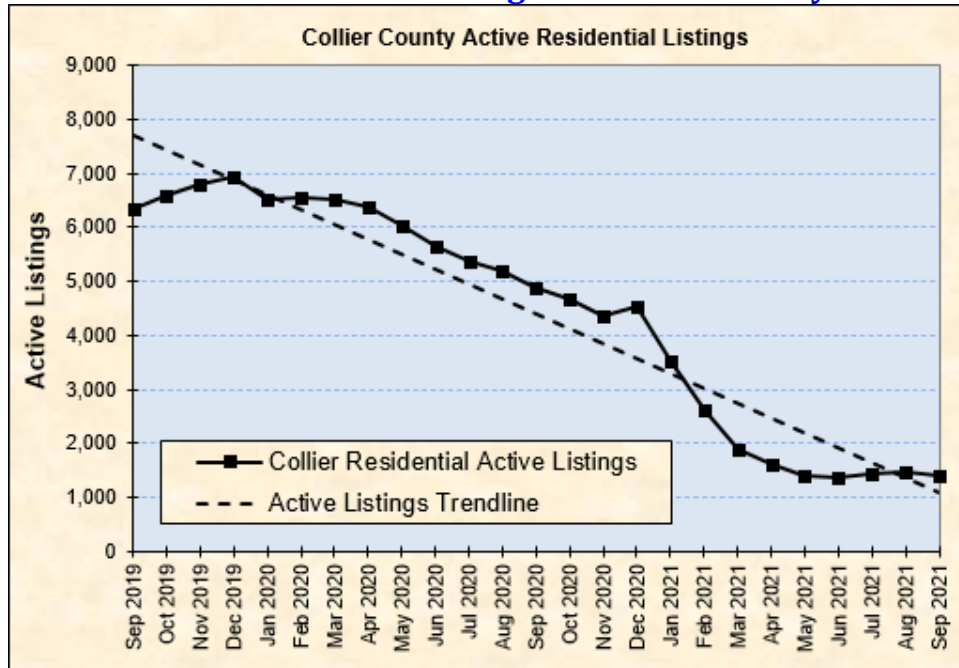
Active listings in Lee County rose to 2,016 units in September 2021, up 1 percent from August 2021, but 62 percent below the September 2020 measure (Chart 20). Collier County reported 1,421 units listed for sale in September 2021, down from the previous month (3 percent), and down from the same month last year (71 percent; Chart 21). Charlotte County active listings increased to 670 units in September 2021, up 4 percent from the prior month but down 53 percent from September 2020 (Chart 22).

Chart 20: Active Listings for Lee County



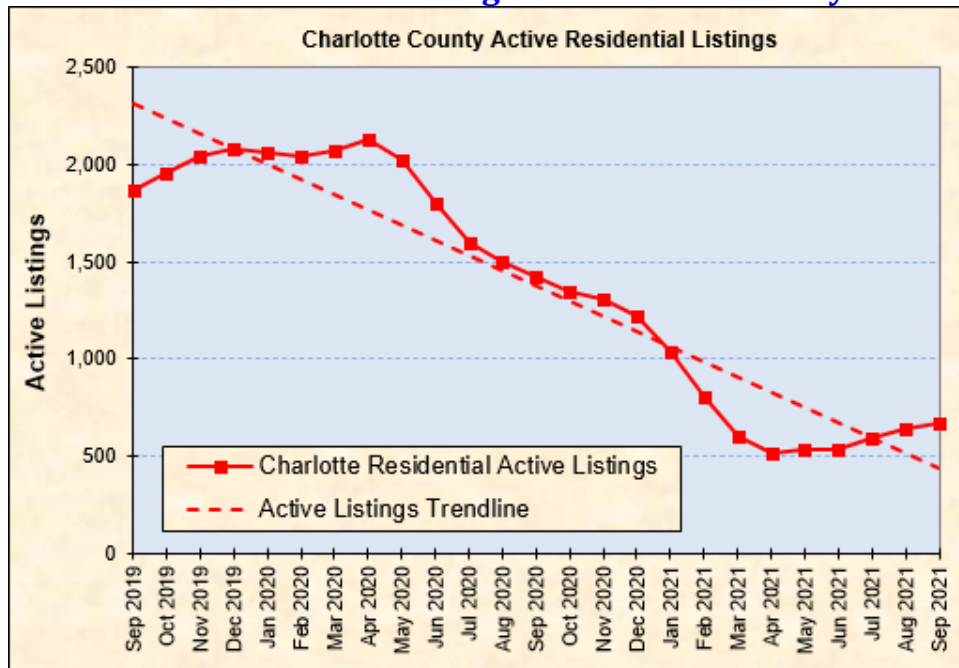
Source: Realtor.com residential listings database

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

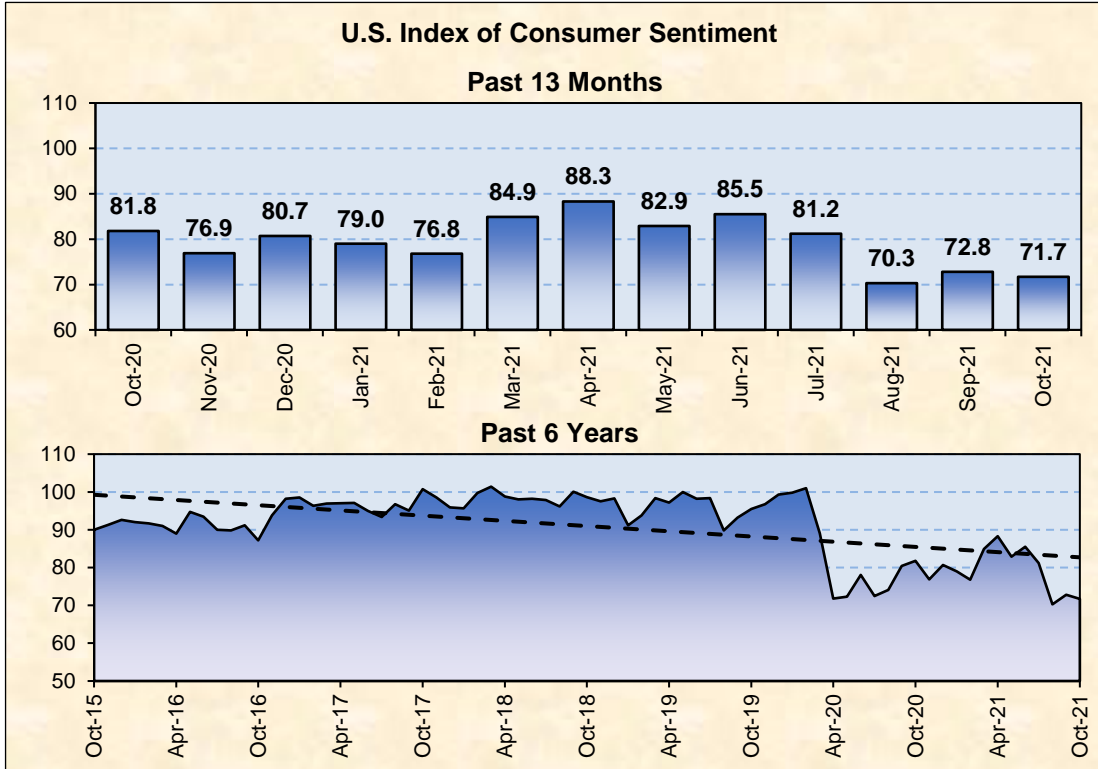
Consumer Sentiment Index

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 October 2021, declining 1.1 points from the previous month to 71.7. Richard Curtin, chief economist for the Surveys of Consumers, noted that positive gains from income expectations and the receding coronavirus were offset by both higher inflation and lack of confidence in government economic policy. “Consumers not only anticipated the highest year-ahead inflation rate since 2008 in the October survey, consumers also expressed greater uncertainty about the year-ahead inflation rate than anytime in nearly forty years,” Curtin said. “Note that this was the first major spike in inflation uncertainty recorded outside of a recession. Even uncertainty about the long-term inflation rate was the highest in more than a decade.”

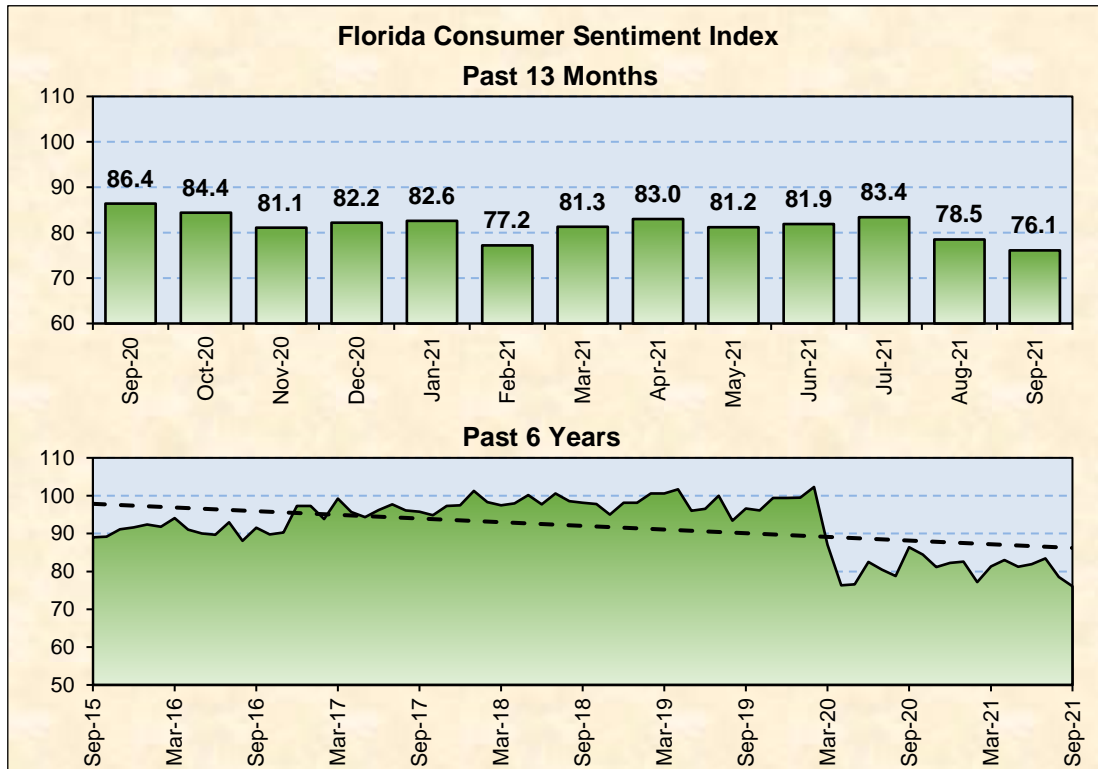
Florida’s Consumer Sentiment Index continued to slip in September 2021, falling 2.4 points to 76.1 from the revised figure of 78.5 in August. These levels of confidence have not been observed since October 2013, when the sentiment index was measured at 69.9. “The drop in consumer confidence is consistent with the current economic outlook. The economic recovery slowed as supply-chain bottlenecks continued to hamper economic activity and to drive up prices,” Hector H Sandoval, director of the Economic Analysis Program at the University of Florida’s Bureau of Economic and Business Research, said in the September 28, 2021 edition of Florida Consumer Sentiment Index. “Moreover, the spread of the Delta variant dented consumer demand for some services and stalled the long-anticipated increase in business travels, which is one of the largest sources of revenue for the hotel industry.”

Chart 23: U.S. Index of Consumer Sentiment



Source: Thomson Reuters/University of Michigan

Chart 24: Florida Consumer Sentiment Index

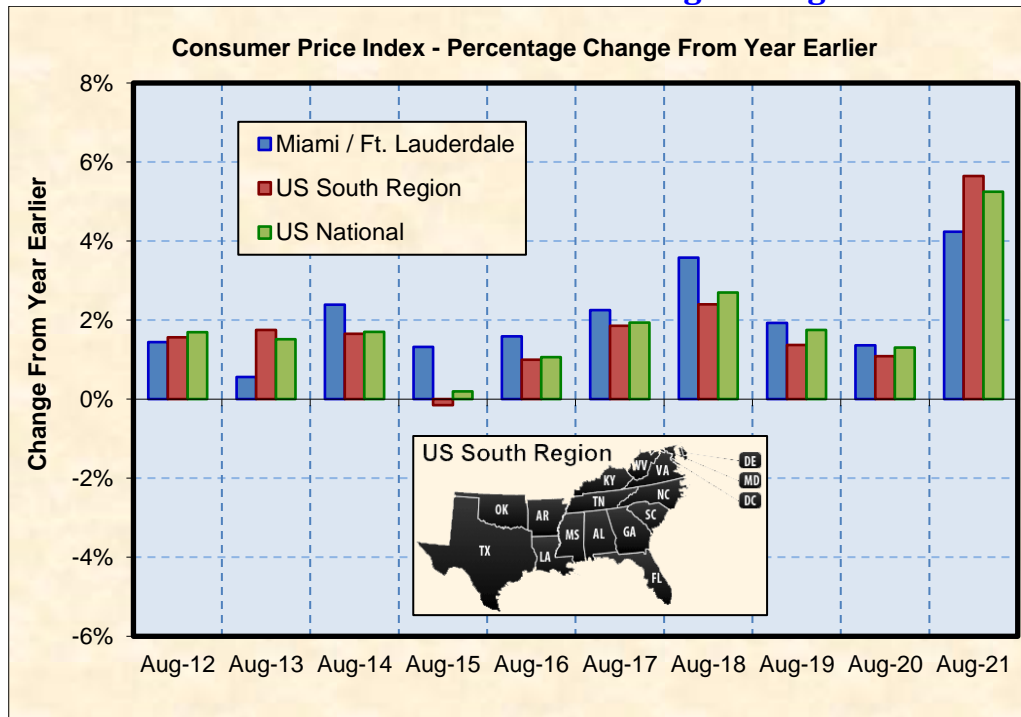


Source: Bureau of Economic and Business Research, University of Florida

Consumer Price Index

Chart 25 shows that year-to-year changes in consumer price indices (“CPI”) through August 2021 increased compared to a year ago. As reported last month, the Miami/Ft. Lauderdale CPI increased by 4.2 percent from August 2020 to August 2021, while the US South Region had a 5.6 percent increase over the same period. CPI for the nation increased by 5.3 percent in August 2021 compared to August 2020.

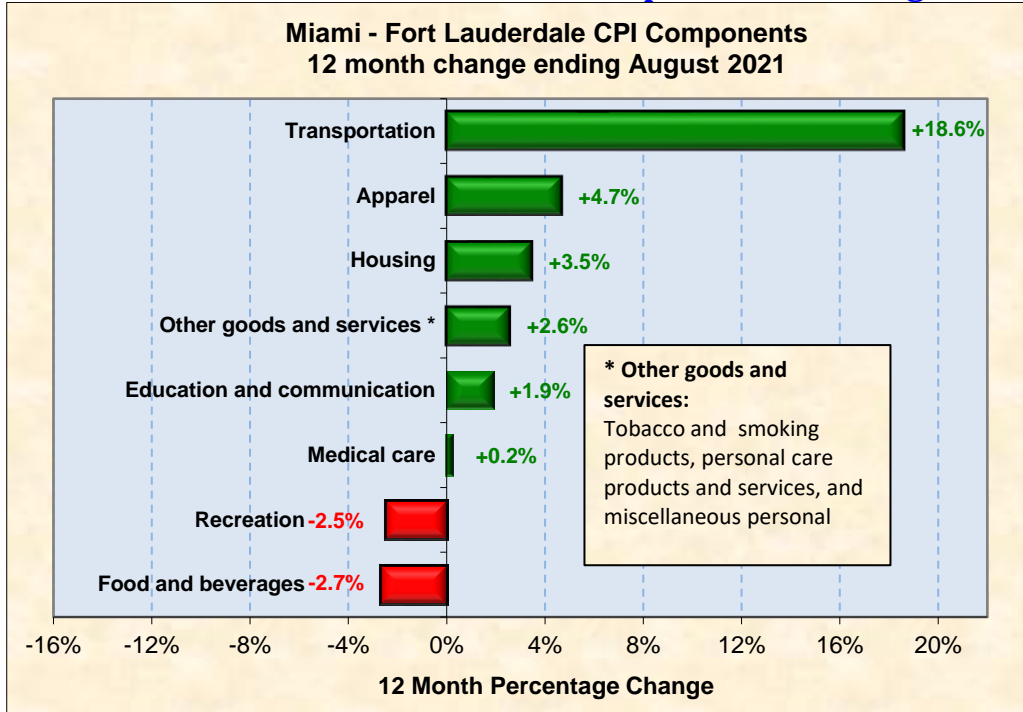
Chart 25: CPI Annual Percentage Change



Source: U.S. Bureau of Labor Statistics

Components of the Miami-Fort Lauderdale Consumer Price Index for the 12 months ending August 2021 are shown in Chart 26. Increases in transportation continue to outpace the rest of the components, increasing by 18.6 percent from August 2020 to August 2021. The increase in transportation costs is largely due to the stay-at-home orders enacted in April 2020, which resulted in a lot less travel and, as a result, demand for transportation goods. The region also saw a moderate increases in prices for both apparel (4.7 percent increase in August 2021 over August 2020) and housing (3.5 percent increase over the same period). Recreation and food and beverages both had a decline in price compared to last year.

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

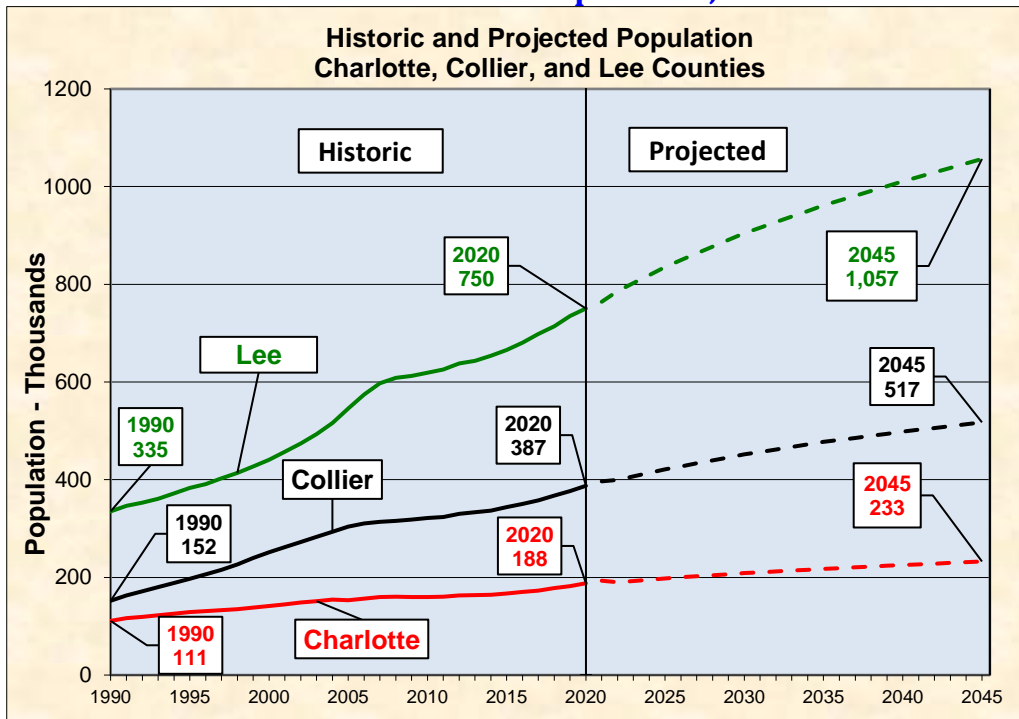
Last Updated: September 2021

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

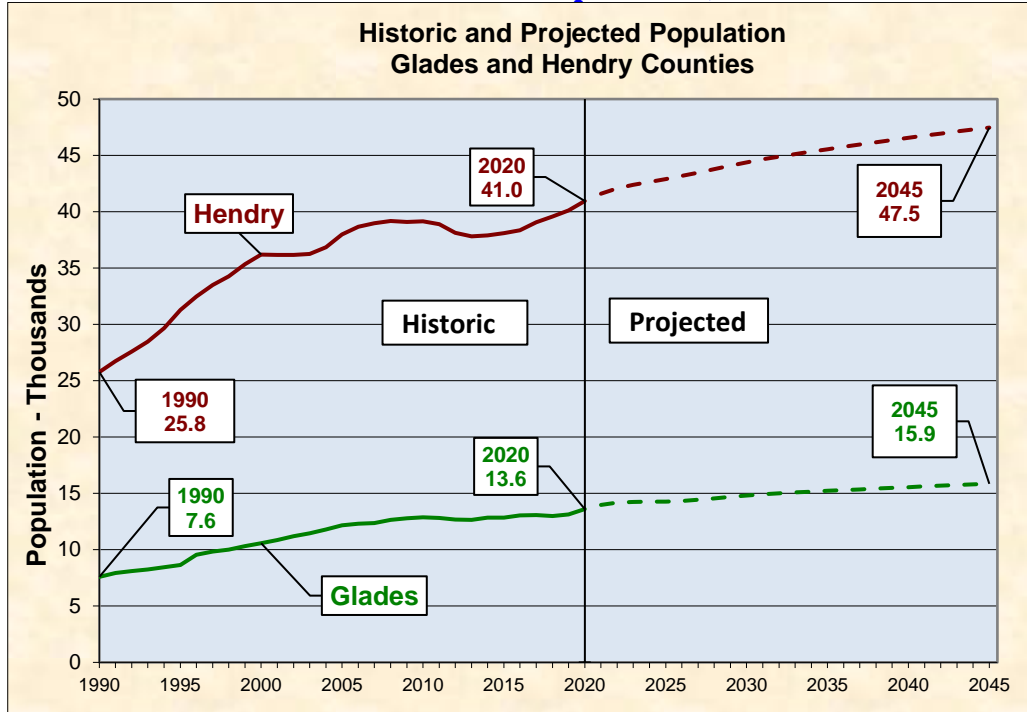
growth for the five-county region averages 1.2 percent per year, resulting in a population increase of 35.5 percent from 2020 to 2045. This would add over 489,000 residents to the region, and bring the total to 1,869,848. Lee County's population is projected to grow an average of 1.4 percent per year, 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



Source: Office of Economic and Demographic Research

Chart A2: Inland Counties Population, 1990 to 2045



Source: Office of Economic and Demographic Research

National GDP and Unemployment

Last Updated: October 2021

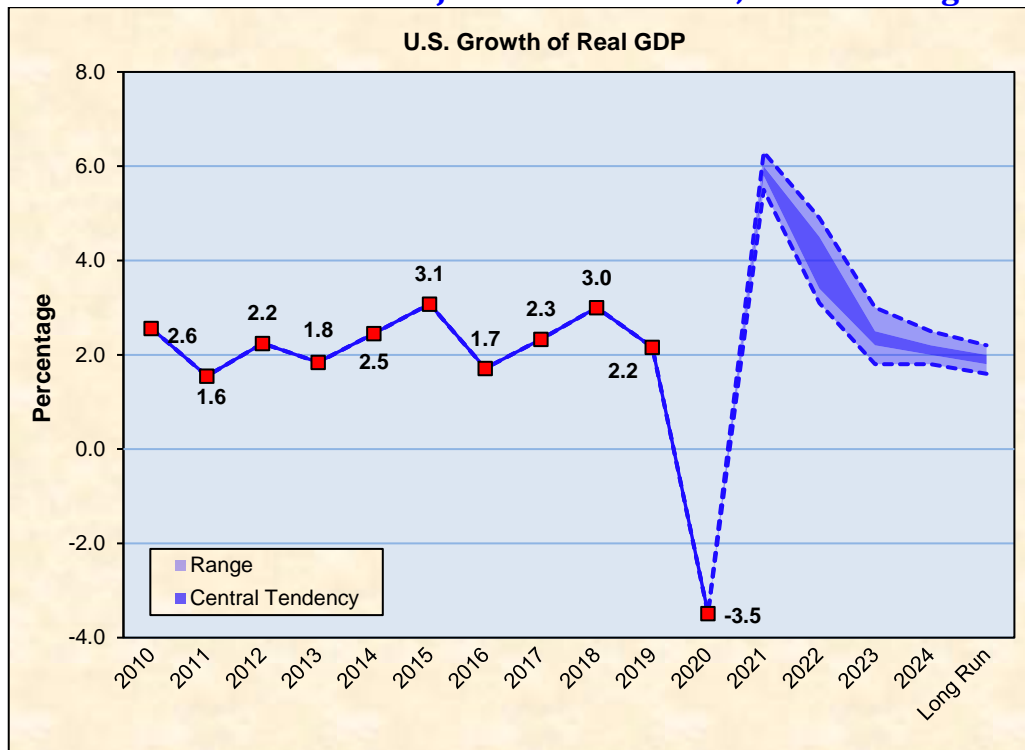
Charts A3 and A4 depict both historical trends and the Federal Open Market Committee’s projections for national Gross Domestic Product (“GDP”) and Unemployment. The FOMC’s projections are released quarterly and reflect the assessments of the Federal Reserve Board of Governors and of Federal Reserve District Bank presidents, with the September 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 2020 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 a range of 5.5 to 6.3 percent and a central tendency of 5.8 to 6.0 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 3.1 to 4.9 percent in 2022, between 1.8 and

3.0 percent in 2023, and between 1.8 and 2.5 percent by 2024. In the long-run, GDP growth is expected to range somewhere between 1.6 percent and 2.2 percent.

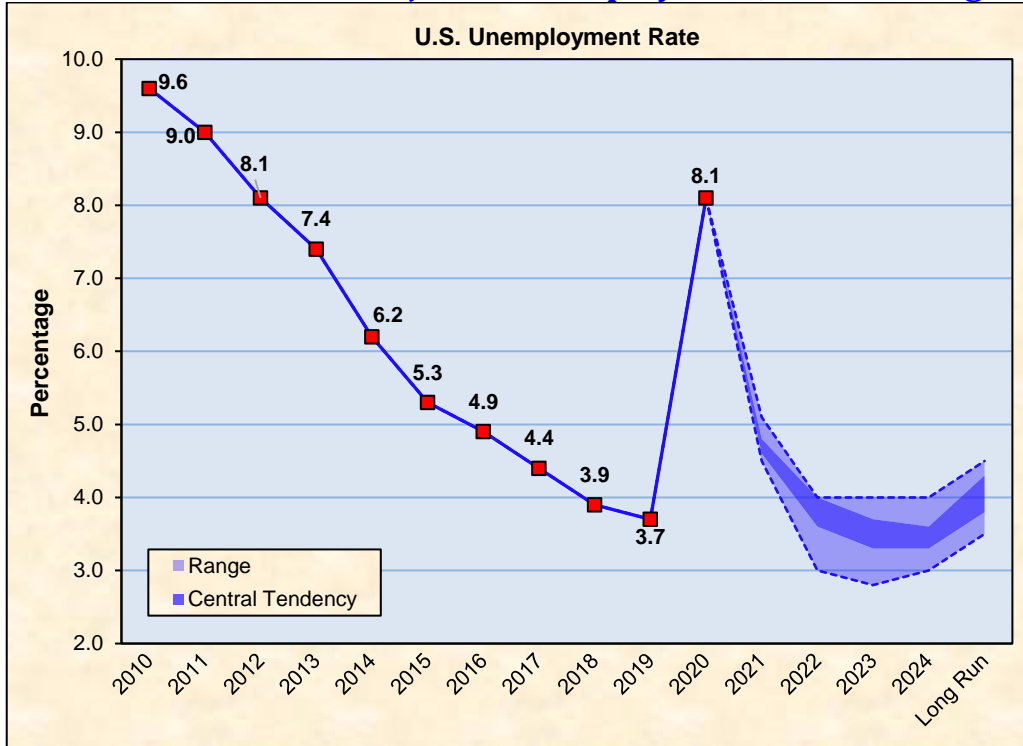
Chart A3: Historic and Projected GDP Growth, 2010 to Long Run



Source: Historical data obtained from Bureau of Economic Analysis. Projected data obtained from Federal Reserve Open Market Committee Meeting Statement, September 22, 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 4.5 percent to 5.1 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 3.0 and 4.0 percent by 2024. In the long run, the unemployment rate is expected to range between 3.5 percent and 4.5 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, September 22, 2021.

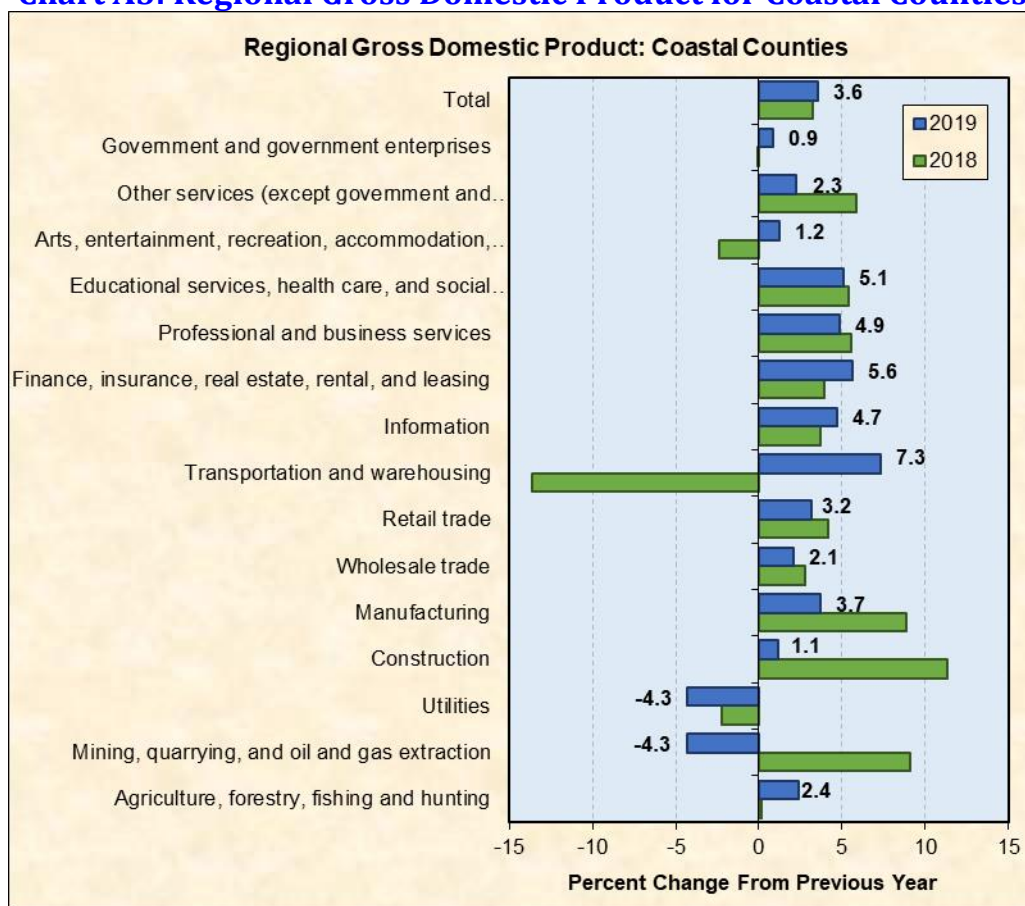
The next quarterly release of projections for GDP and Unemployment will be released following the FOMC meeting scheduled in December 2021. These projections will be updated in the January 2022 edition of *Regional Economic Indicators*.

Regional GDP

Last Updated: January 2021

Charts A5 shows GDP growth by industry for the Southwest Florida coastal counties. Most industries in the coastal counties continued to grow in 2019, with the transportation and warehousing industry (7.3 percent increase from 2018 to 2019), finance, insurance, real estate, rental and leasing industry (5.6 percent increase), educational services, health care, and social assistance industry (5.1 percent increase), and professional and business services industry (4.9 percent increase) making the largest gains. Mining, quarrying, and oil and gas extraction (4.3 percent decline), and utilities (4.3 percent decline) were the only industries to retract from 2018 to 2019.

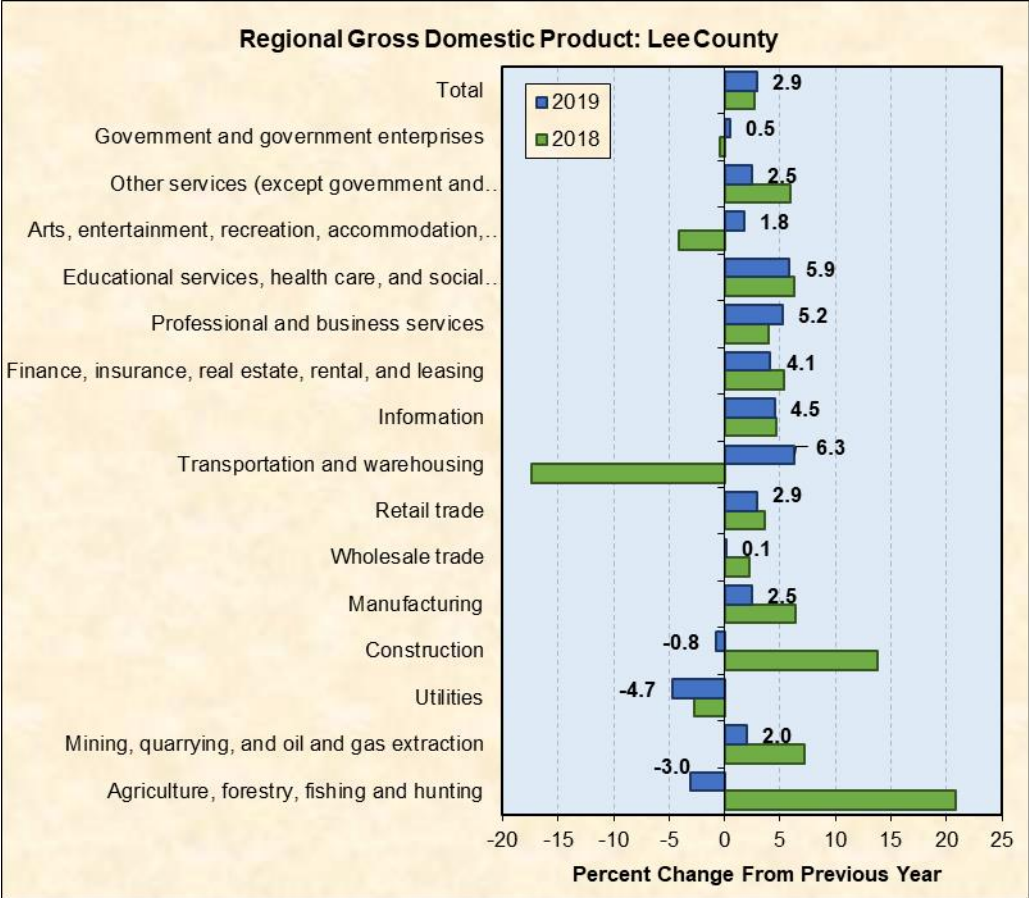
Chart A5: Regional Gross Domestic Product for Coastal Counties



Source: U.S. Bureau of Economic Analysis

Charts A6 shows GDP by industry for Lee County. The transportation and warehousing industry (6.3 percent increase from 2018 to 2019), educational services, health care, and social assistance industry (5.9 percent increase), professional and business services industry (5.2 percent increase), and information industry (4.5 percent increase) made the largest gains over the 12-month period. Meanwhile, utilities (4.7 percent decline), agriculture, forestry, fishing and hunting (3 percent decline), and construction (0.8 percent decline) all retracted over the same period.

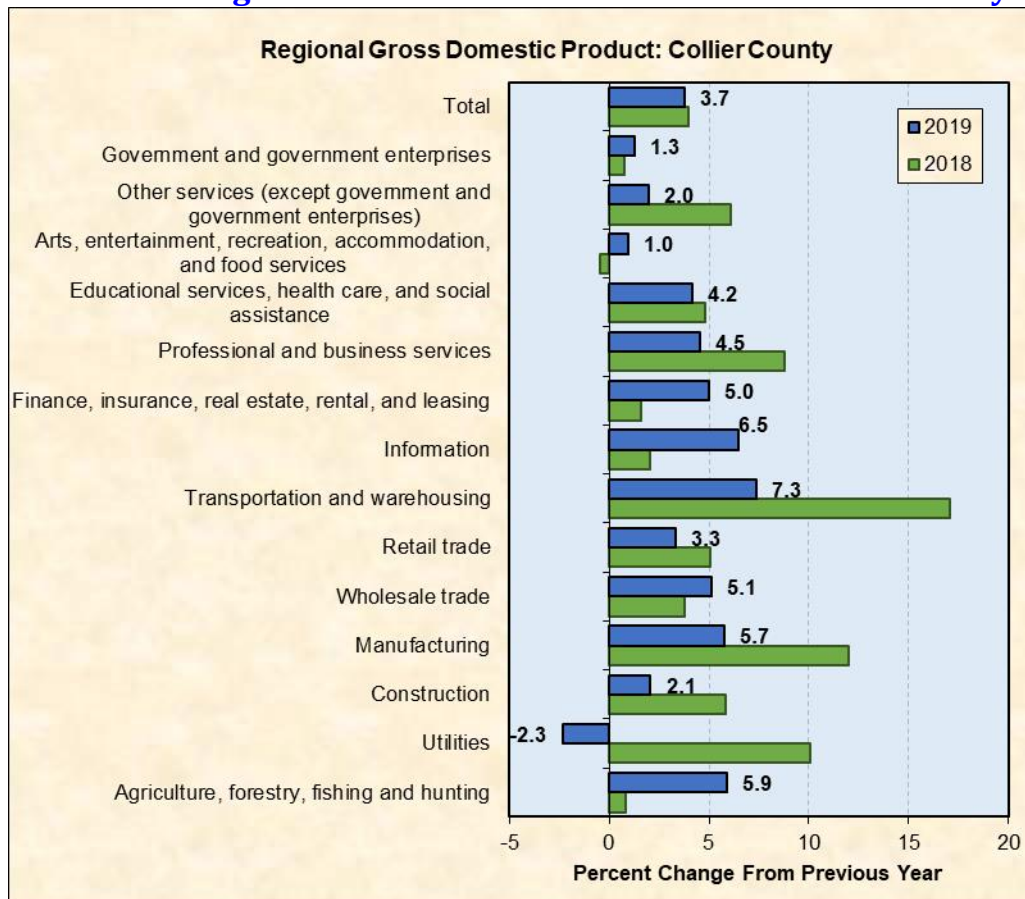
Chart A6: Regional Gross Domestic Product for Lee County



Source: U.S. Bureau of Economic Analysis

Charts A7 shows GDP by industry for Collier County. The transportation and warehousing industry (7.3 percent increase from 2018 to 2019), information industry (6.5 percent increase), agriculture, forestry, fishing and hunting industry (5.9 percent increase), and manufacturing industry (5.7 percent increase) made the largest gains over the 12-month period. Meanwhile, mining, quarrying, and oil and gas extraction (45.4 percent decline) and utilities (2.3 percent decline) were the only industries to retract over the same period.

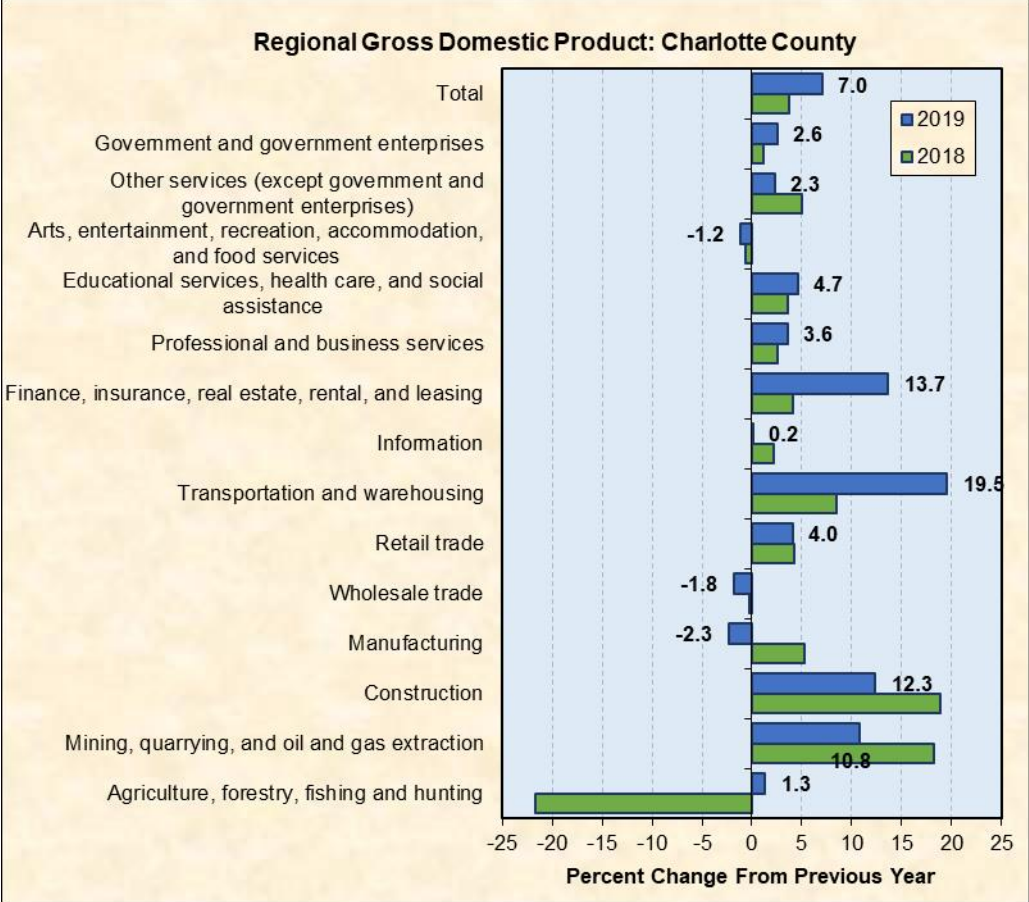
Chart A7: Regional Gross Domestic Product for Collier County



Source: U.S. Bureau of Economic Analysis

Charts A8 shows GDP by industry for Charlotte County. The transportation and warehousing industry (19.5 percent increase from 2018 to 2019), finance, insurance, real estate, rental and leasing industry (13.7 percent increase), construction industry (12.3 percent increase), and mining, quarrying, and oil and gas extraction industry (10.8 percent increase) made the largest gains over the 12-month period. Meanwhile, manufacturing (2.3 percent decline), wholesale trade (1.8 percent decline), and arts, entertainment, recreation, accommodation, and food services (1.2 percent decline) all declined over the same period.

Chart A8: Regional Gross Domestic Product for Charlotte County



Source: U.S. Bureau of Economic Analysis

Industry Diversification Index

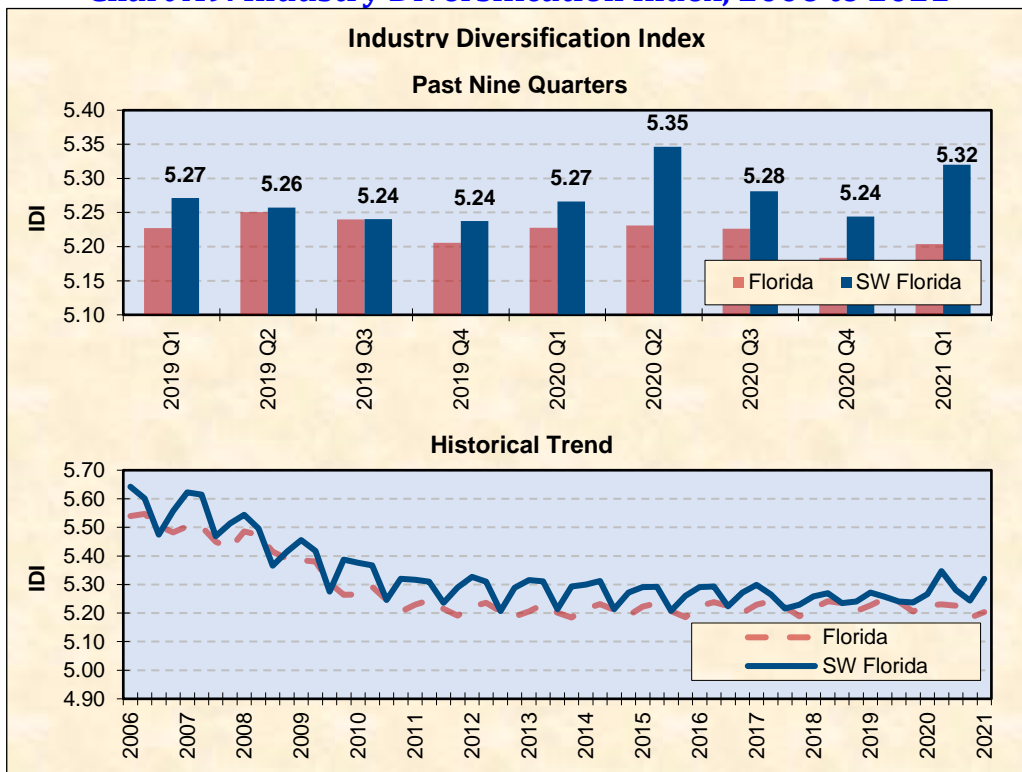
Last Updated: October 2021

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 first quarter of 2021, the *IDI* for Southwest Florida measured at 5.32 ranking it as the 9th most industrially diverse workforce region in the state of Florida (out of 24). Meanwhile, the state of Florida had an *IDI* of 5.20, ranking Florida as the 19th highest state in the nation in industry diversification, although below the national average of 5.24.

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