

Southwest Florida Regional Economic Indicators

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Research Institute**

**Lutgert College of Business
10501 FGCU Blvd. South
Fort Myers, FL 33965
Phone 239-590-7370
fgcu.edu/cob/eri**

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Regional Economic Indicators is published monthly by the staff and students of the Regional Economic Research Institute at Florida Gulf Coast University.

Dr. Amir B. Ferreira Neto, Director, Regional Economic Research Institute

Phone: 239-590-7370 Email: aborgesferreiraneto@fgcu.edu

Mr. Jim Breitbach, Technical Support, Regional Economic Research Institute

Email: jbreitba@fgcu.edu

Mr. John Shannon, Economic Analyst, Regional Economic Research Institute

Phone: 239-590-1430 Email: jmshannon@fgcu.edu

RERI Students
Lily Hobson
Sydney Kiick
Andrea Santana

Introduction

As businesses and consumers both regionally and nationally continue to navigate a period of high inflation and changes in monetary policy, Southwest Florida also had to contend with the aftermath of Hurricane Ian in late September 2022. The immediate effects from the hurricane on the region can be seen in some economic indicators as October 2022 data becomes available.

For starters, **airport passenger activity** for the region slipped 29 percent in October 2022 compared to the same month last year. **Seasonally-adjusted unemployment rate** for Southwest Florida rose 1.3 percent from September to October 2022, while remaining 0.2 points below the October 2021 measure. This month-to-month rise in the unemployment rate was fueled by a dip in the number of employed workers (down 14,434) and rise in the number of unemployed workers (up 8,552), leading to an overall decline in labor force participation (down 5,882). All five counties experienced increases in the unemployment rate from September to October 2022, ranging between 0.4 and 1.7 percentage points.

Real estate indicators available continued to show a slowdown in sales and listings, likely a combination of both monetary policy and the aftermath of Hurricane Ian. **Single-family home sales** for the coastal counties decreased by 45 percent from October 2021 to October 2022, while **median prices** continued to rise, increasing between 15 to 23 percent over the same period. Coastal county **single-family building permits** also decreased from October 2021 to October 2022, dipping by 40 percent. **Realtor® Active listings** for the coastal counties had a decrease of 6 percent from September 2022 to October 2022, albeit remaining 82 percent above the October 2021 measure.

Some indicators in this report have not yet shown the effects of Hurricane Ian on Southwest Florida:

- **Seasonally-adjusted taxable sales** saw a year-to-year decline in September 2022, down 4 percent over September 2021.
- **Seasonally-adjusted tourist tax revenues** for the region were up 3 percent in August 2022 compared to August 2021, as well as 5 percent over the prior month.

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 rer@fgcu.edu.

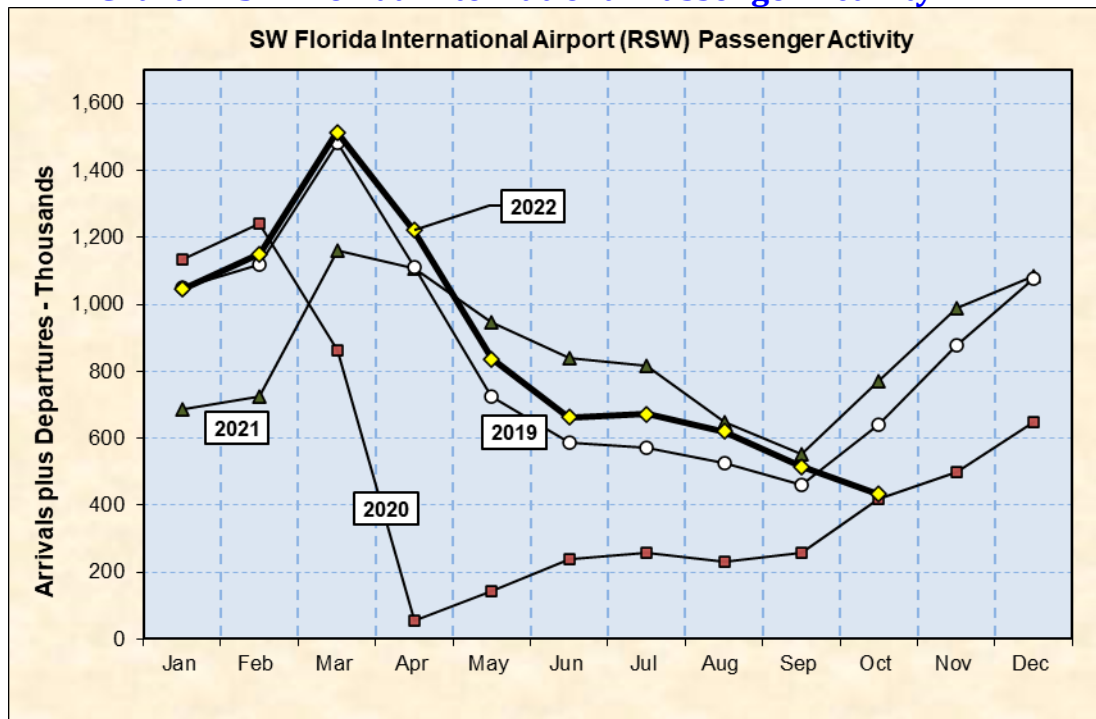
Airport Passenger Activity

Airport passenger activity is the sum of arrivals and departures for Southwest Florida International (RSW), Sarasota Bradenton International (SRQ), and Punta Gorda (PGD) airports. Peak seasonal activity usually occurs in February, March, and April, with significantly lower activity in the summer months. Charts 1, 2, and 3 illustrate the historic seasonality as well as the changes from year to year.

Total passenger traffic for the three airports amounted to 839,711 in October 2022, up 9 percent from September 2022 but 29 percent below October 2021. SRQ and PGD airports both saw increases in passenger traffic from the previous month while RSW experienced a decrease.

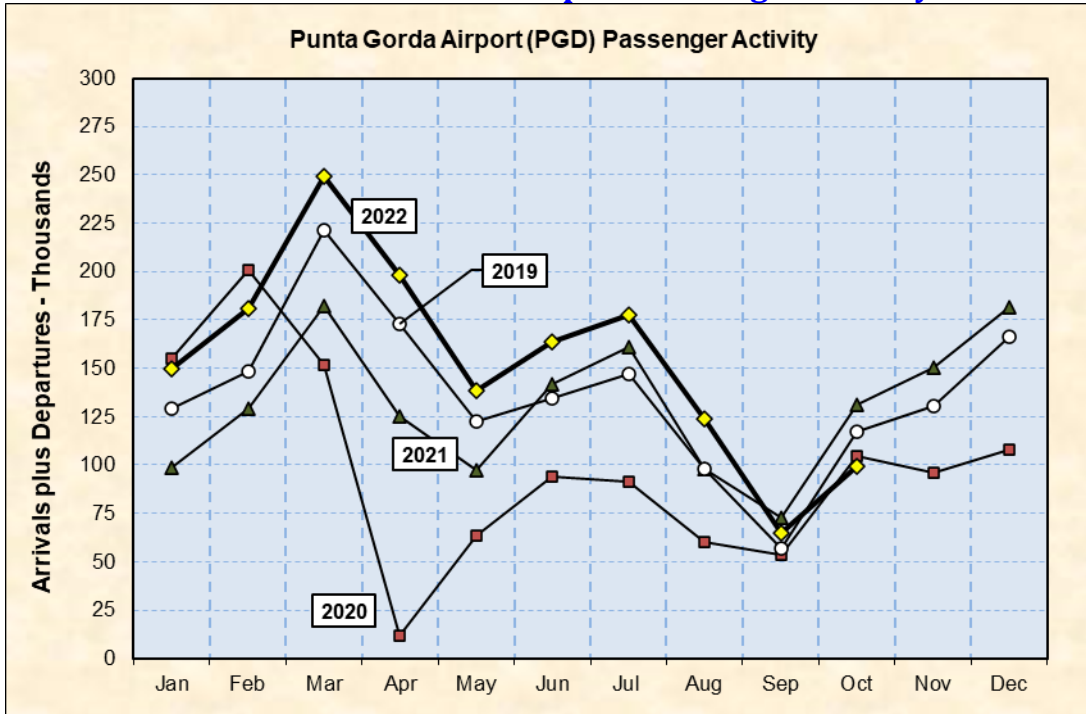
Passenger traffic at RSW was 432,667 in October 2022, down 16 percent from September 2022 and 44 percent below October 2021 (see Chart 1). PGD's passenger activity amounted to 99,092 in October 2022, an increase of 53 percent from September 2022 and a 25 percent decrease from October 2021 (see Chart 2). SRQ served 308,012 passengers in October 2022, a 62 percent increase from September 2022 and 12 percent above October 2021.

Chart 1: SW Florida International Passenger Activity



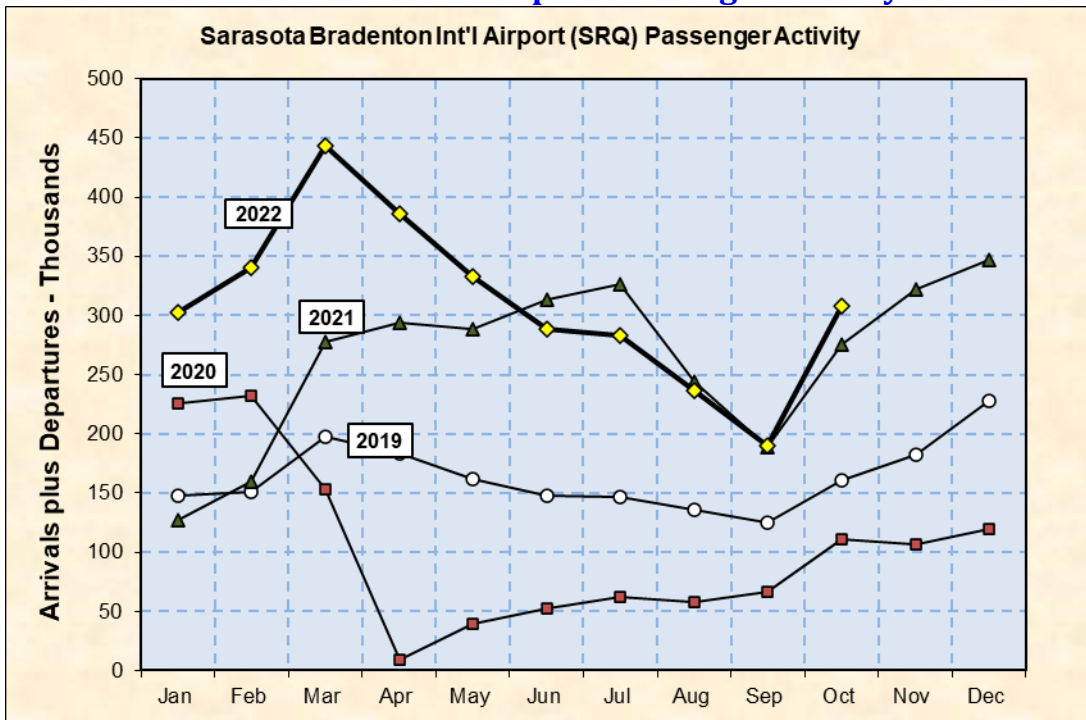
Source: Local Airport Authorities

Chart 2: Punta Gorda Airport Passenger Activity



Source: Local Airport Authorities

Chart 3: Sarasota Airport Passenger Activity



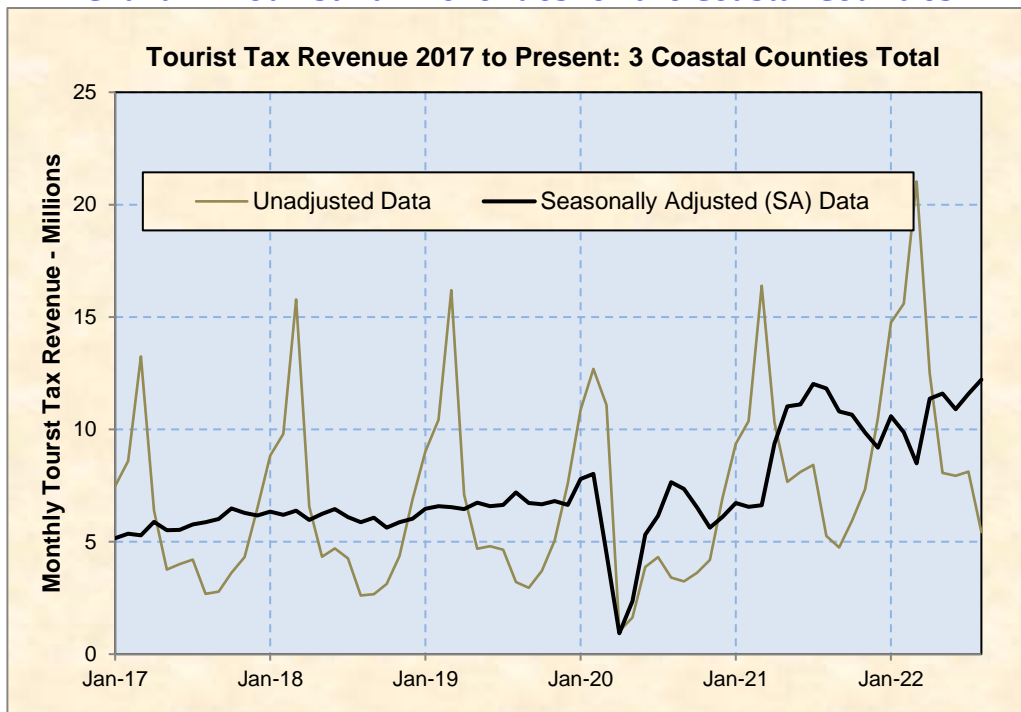
Source: Local Airport Authorities

Tourist Tax Revenues

Charts 4 and 5 show seasonally-adjusted tourist tax revenues by month of occupancy. Seasonally-adjusted tourist tax revenues for all the coastal counties increased to \$12.2 million in August 2022, 3 percent above August 2021 and 5 percent above the July 2022 revenue of \$11.6 million.

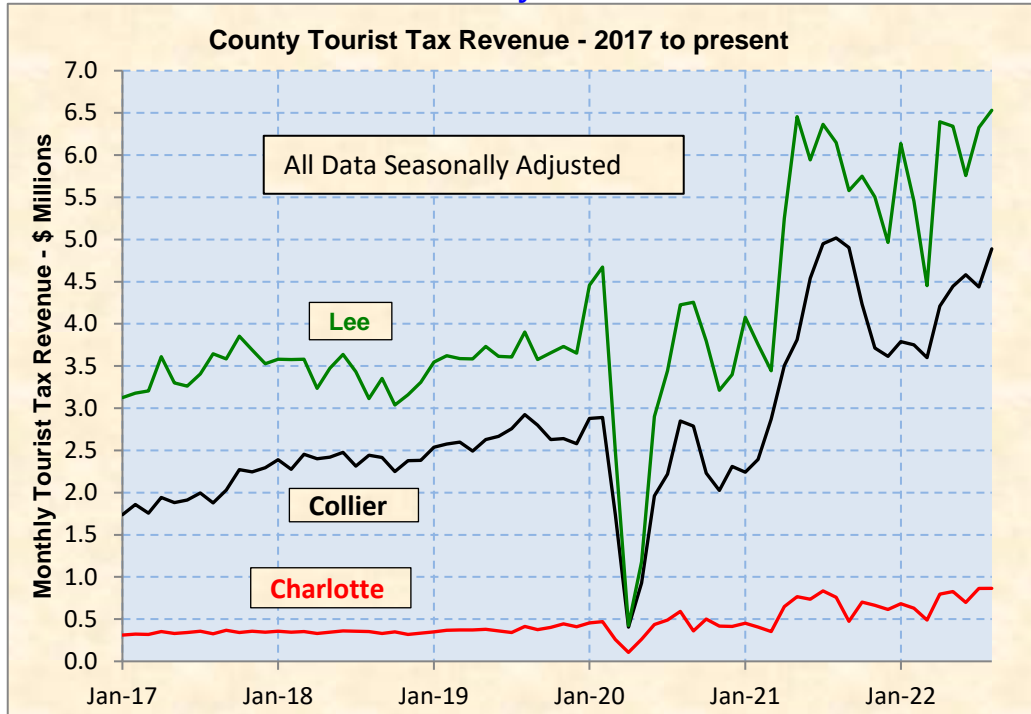
Lee County's seasonally-adjusted tourist tax revenues totaled \$6.5 million in August 2022, a 6 percent increase from August 2021 and 3 percent above July 2022 (\$6.3 million). Collier County's tourist tax revenues amounted to \$4.9 million in August 2022, down 3 percent compared to August 2021, but up by 10 percent compared to the \$4.4 million in July 2022. Seasonally-adjusted tourist tax revenues in Charlotte County totaled \$863.3 thousand in August 2022, up 14 percent from the August 2021 measure, but no significant change compared to the prior month's measure of \$864.0 thousand.

Chart 4: Tourist Tax Revenues for the Coastal Counties



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

Chart 5: Coastal County Tourist Tax Revenues



Source: Local County Tourism, Tax, and Economic Development Reports and seasonal adjustment by RERI

Taxable Sales

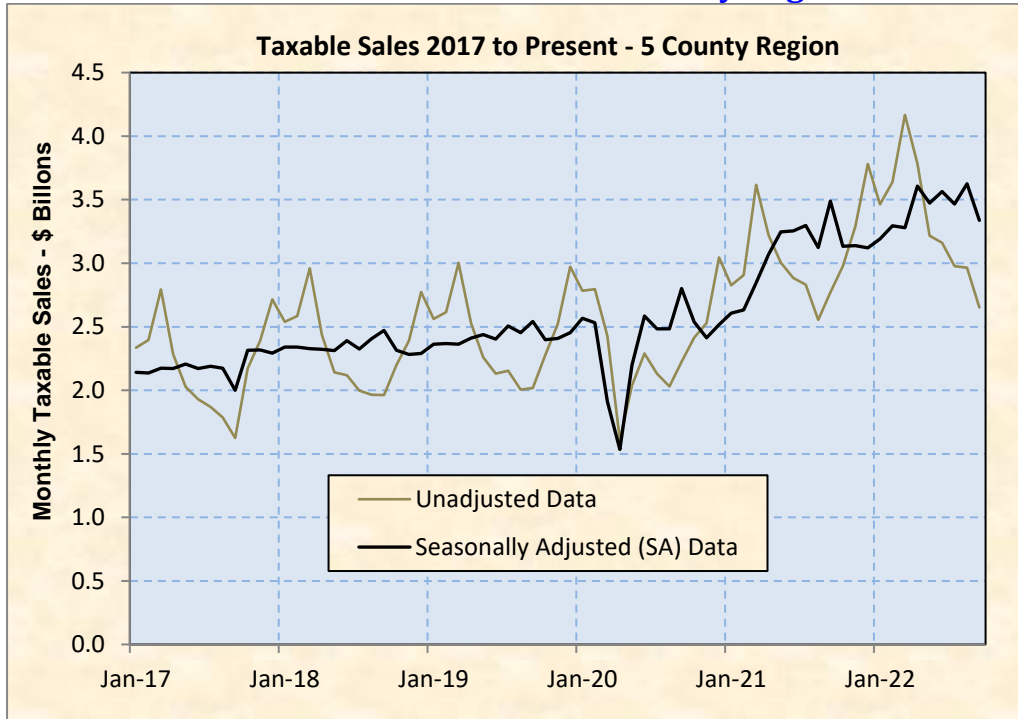
Taxable sales data provided by the Florida Department of Revenue (DOR) tracks consumer spending based on the latest month of merchant collections. The RERI adjusts the DOR data to the month of transaction by lagging the data one month. Therefore, taxable sales transaction data is now available through September 2022.

Seasonally-adjusted taxable sales for Southwest Florida totaled \$3.338 billion in September 2022, a decrease of 4 percent from September 2021 and 8 percent below the August 2022 measure (see Chart 6).

Results for the coastal and inland counties are shown in Charts 7 and 8, respectively. Lee County's seasonally-adjusted taxable sales were \$1.767 billion in September 2022, a decrease of 6 percent over September 2021 and 11 percent below the previous month. Collier County taxable sales were \$1.192 billion in September 2022, down 2 percent from September 2021 and no significant change from the August 2022 total. Taxable sales in Charlotte County totaled \$331.9 million in September 2022, compared to \$345.8 million in September 2021 and \$374.8 million in August 2022.

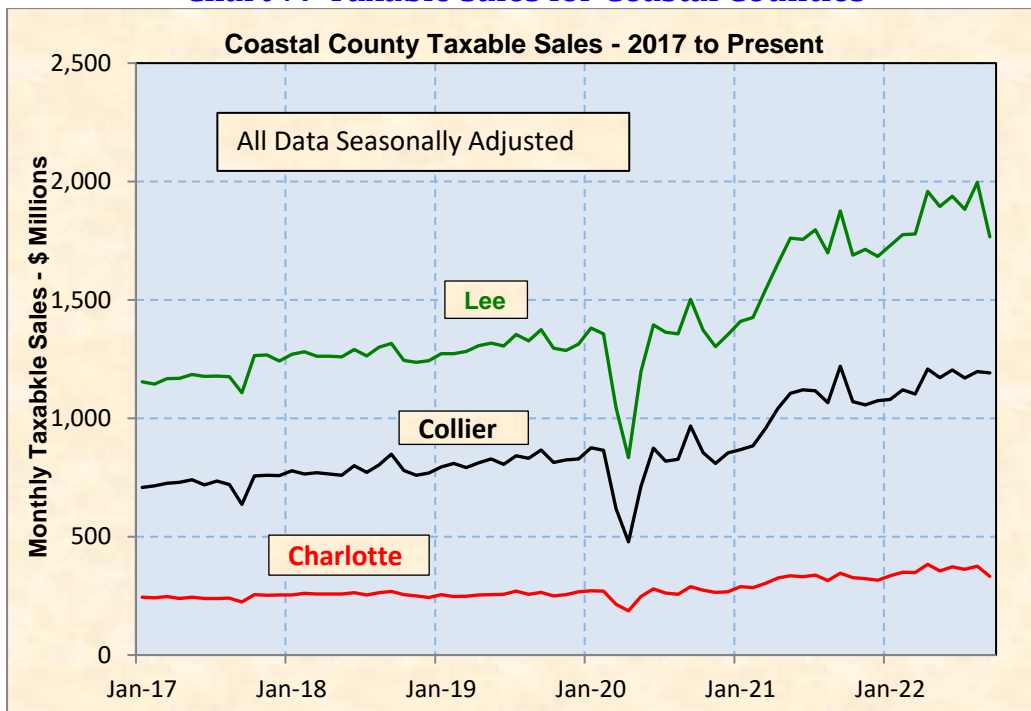
Taxable sales in Hendry County totaled \$46.8 million in September 2022, up 4 percent from September 2021 and 3 percent below the August 2022 total. Glades County taxable sales amounted to \$7.6 million in September 2022, up 8 percent from September 2021 and down 9 percent over August 2022. All cited data are seasonally adjusted.

Chart 6: Taxable Sales for 5 County Region



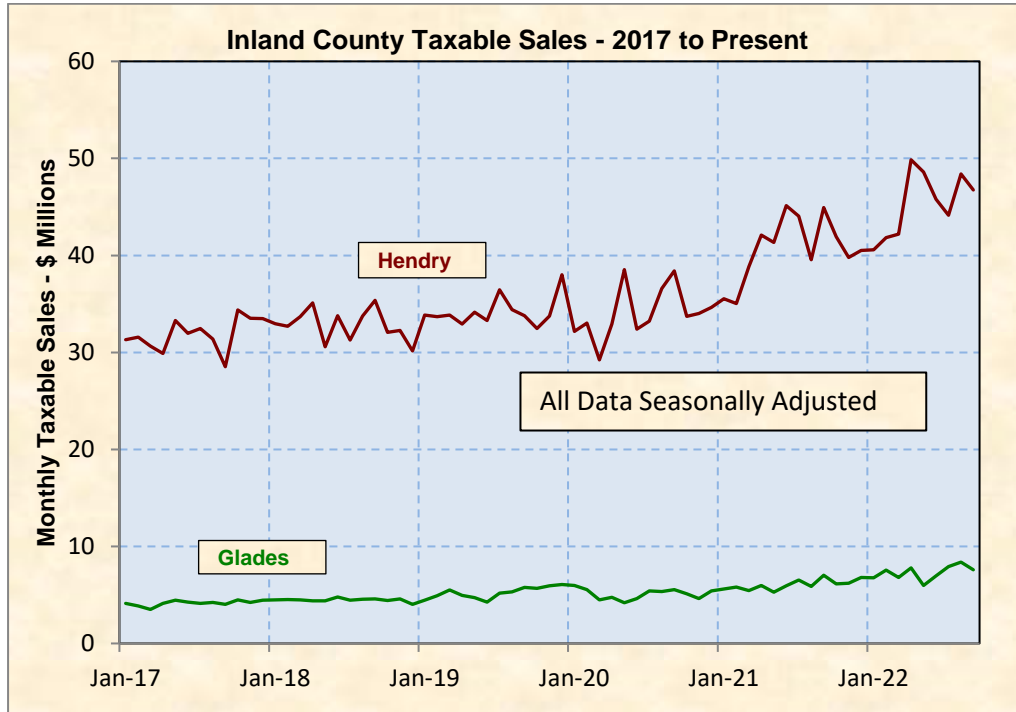
Source: Florida Department of Revenue, Office of Tax Research

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 October 2022. Between September and October 2022, the number of employed persons in Southwest Florida decreased by 14,434 while the number of unemployed persons increased by 8,552. The region's seasonally-adjusted unemployment rate was 3.9 percent in October 2022, up 1.3 percent from September 2022. Seasonally-adjusted employed workers for the region were up by over 11,000 compared to October 2021, while the number of unemployed was down by 767. The total labor force increased by 10,980 from October 2021 to October 2022, with growth occurring in Charlotte and Lee counties.

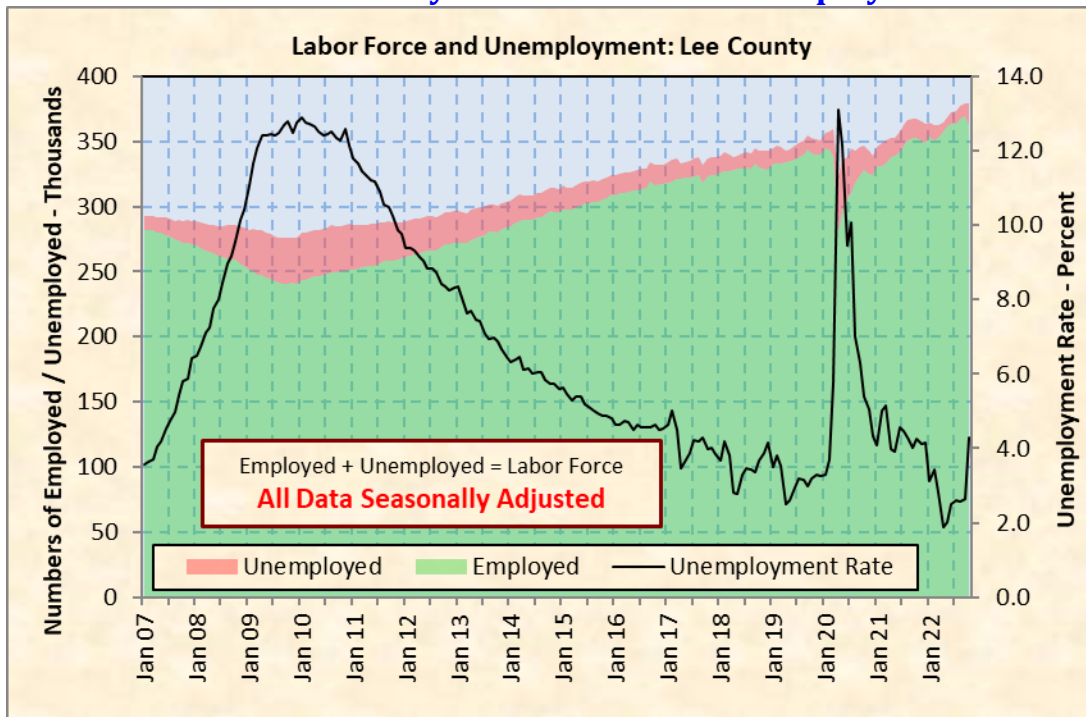
Lee County's seasonally-adjusted unemployment rate was 4.3 percent in October 2022, up 1.7 percent since September 2022, and unchanged compared to October 2021 (Chart 9). The unemployment rate in Collier County was 3.0 percent in October 2022, up 0.6 percent from the prior month, and down 0.5 percentage points compared to October 2021 (Chart 10). Charlotte County's unemployment rate was 4.4 percent in September 2022, up 1.4 percentage points from the prior month, and down 0.1 percentage points compared to October 2021 (Chart 11).

Hendry's unemployment rate was 4.6 percent in October 2022, up 0.6 percentage points from the previous month, and down 1.8 percentage points from the October 2021 measure (Chart 12).

Glades County had an unemployment rate of 3.1 percent in October 2022, up 0.4 percentage points from the previous month and 0.7 percentage points below October 2021 (Chart 13).

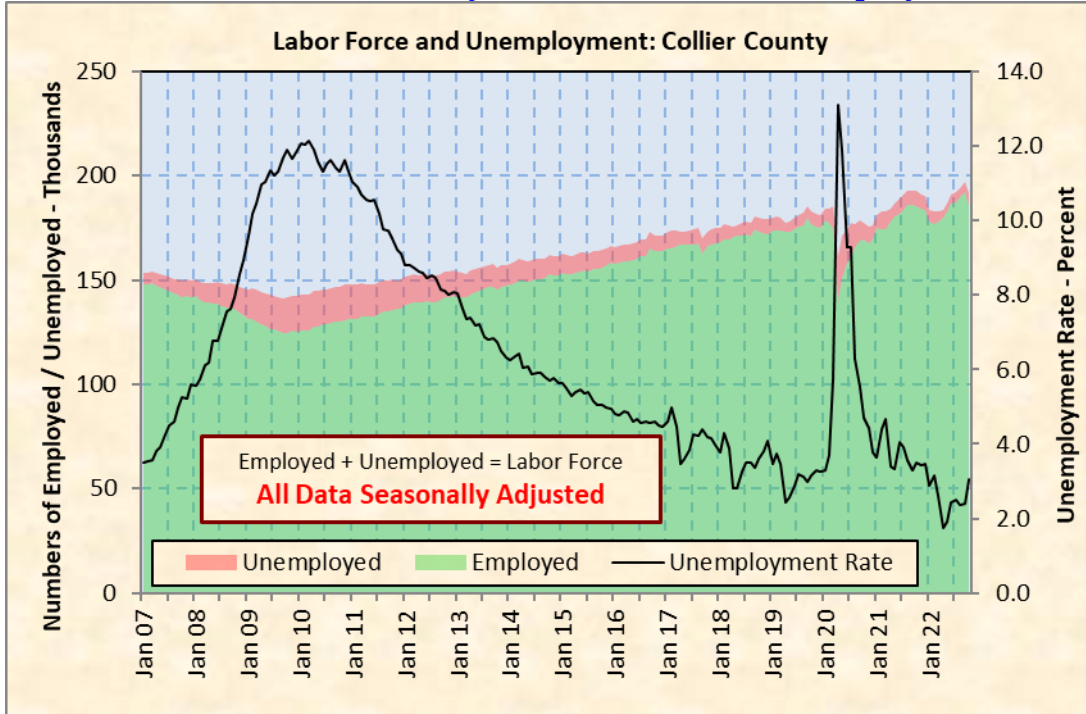
The state of Florida’s seasonally adjusted unemployment rate was 2.7 percent in October 2022, up 0.2 percentage points from the September 2022 rate, and down 1.0 percentage points from October 2021. The United States unemployment rate was 3.7 percent in October 2022, up 0.2 percent from September 2022, and down 0.9 percentage points from October 2021. Both Florida and United States employment figures are seasonally adjusted by the U.S. Bureau of Labor Statistics.

Chart 9: Lee County Labor Force and Unemployment



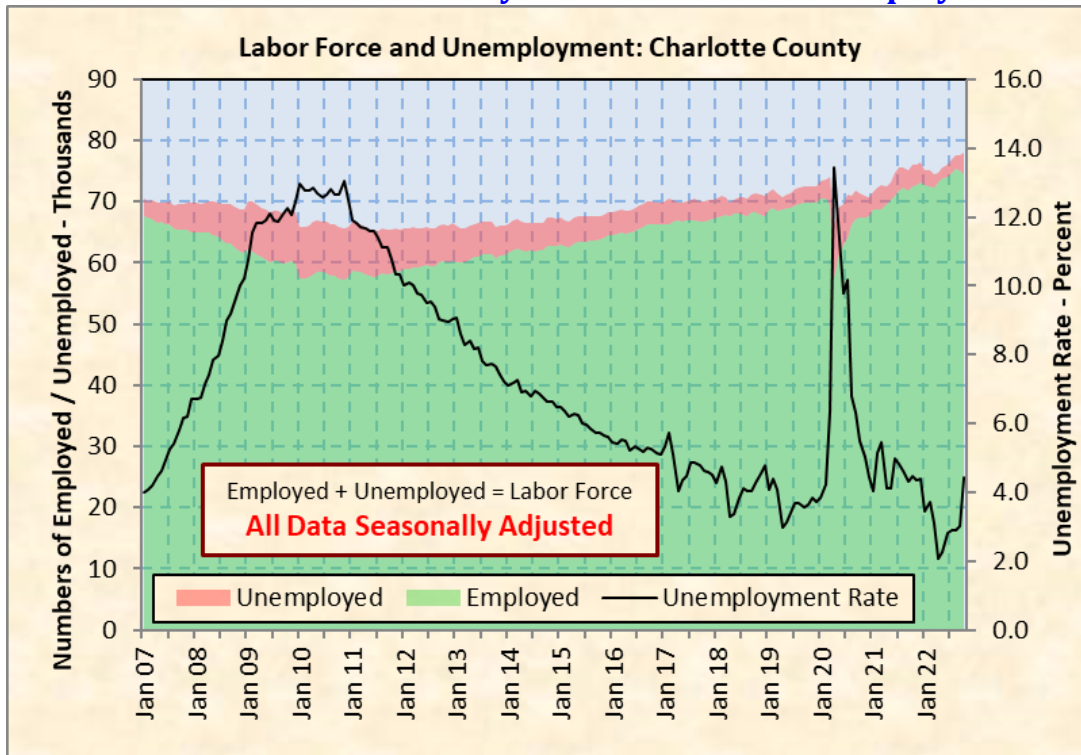
Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI

Chart 10: Collier County Labor Force and Unemployment



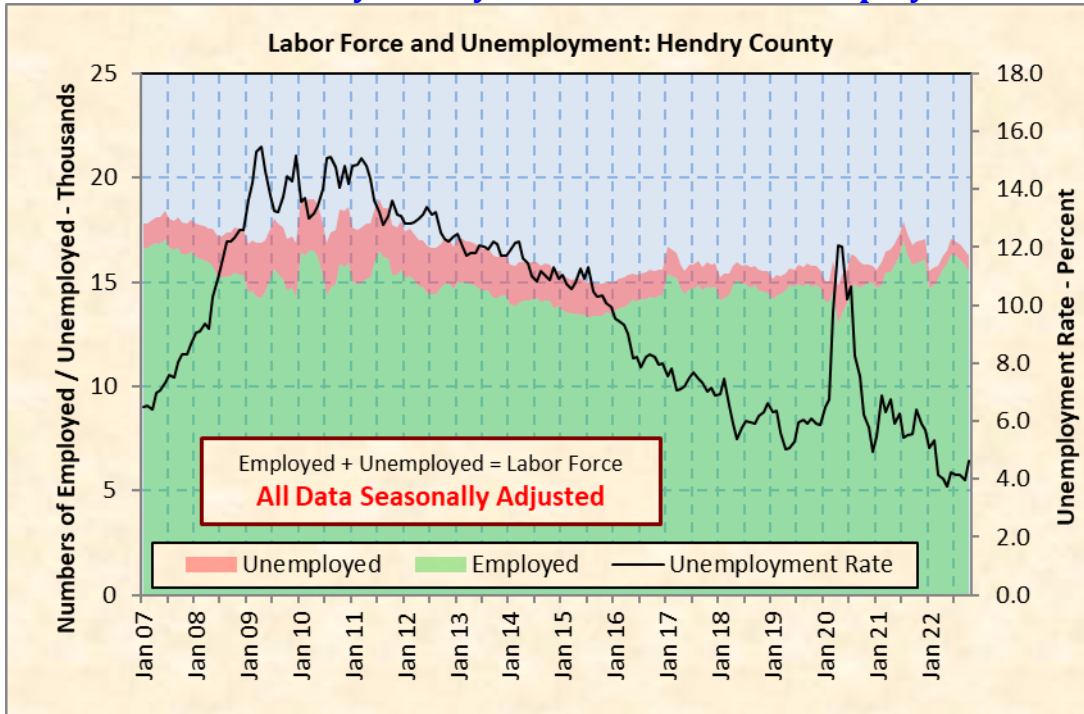
Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI

Chart 11: Charlotte County Labor Force and Unemployment



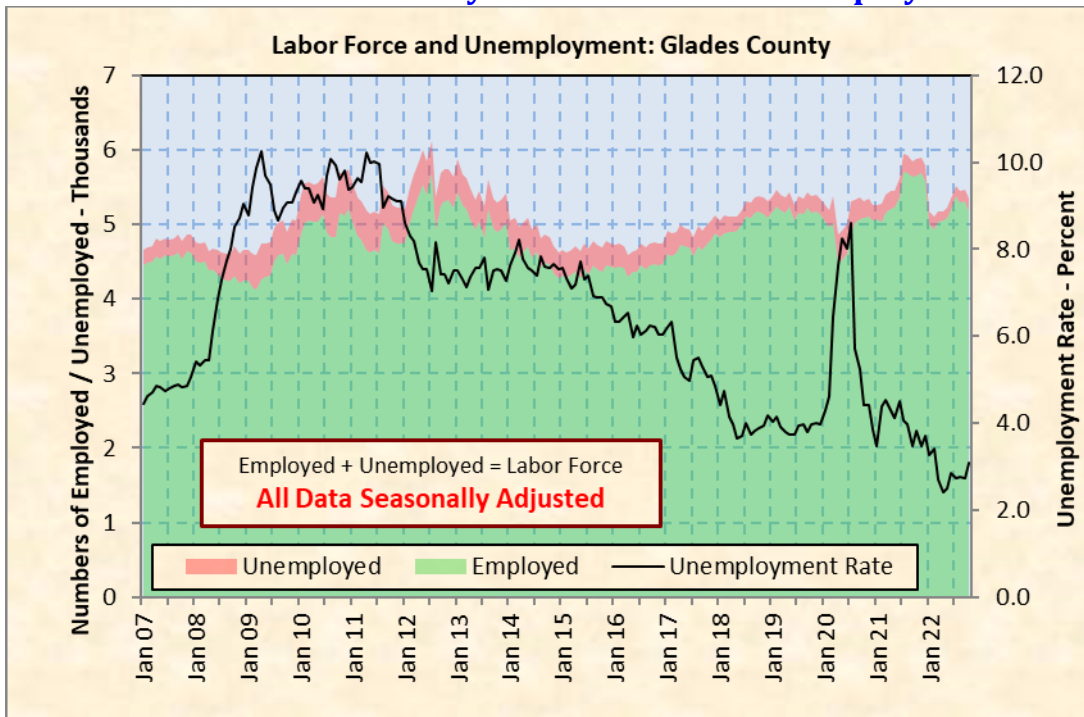
Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI

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



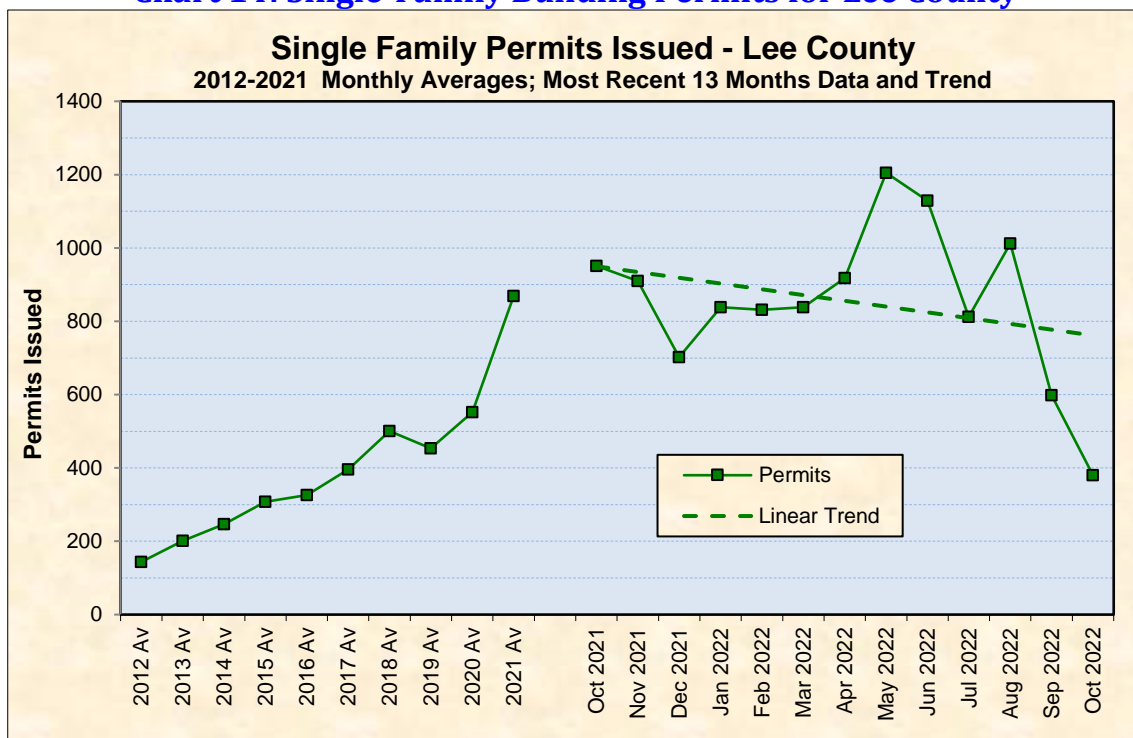
Source: Florida Department of Economic Opportunity and seasonal adjustment by RERI

Single-Family Building Permits

The Southwest Florida coastal counties issued 903 single-family building permits in October 2022, a decrease of 40 percent from October 2021 and 15 percent below September 2022. Lee County issued 380 permits in October 2022, down from both the previous year (60 percent) and previous month (37 percent; see Chart 14). In Collier County, 279 permits were issued in October 2022, down 15 percent from October 2021 but up 19 percent from September 2022 (see Chart 15). Charlotte County recorded 244 permits issued in October 2022, up 10 percent from October 2021 as well as a 5 percent increase from September 2022 (see Chart 16).

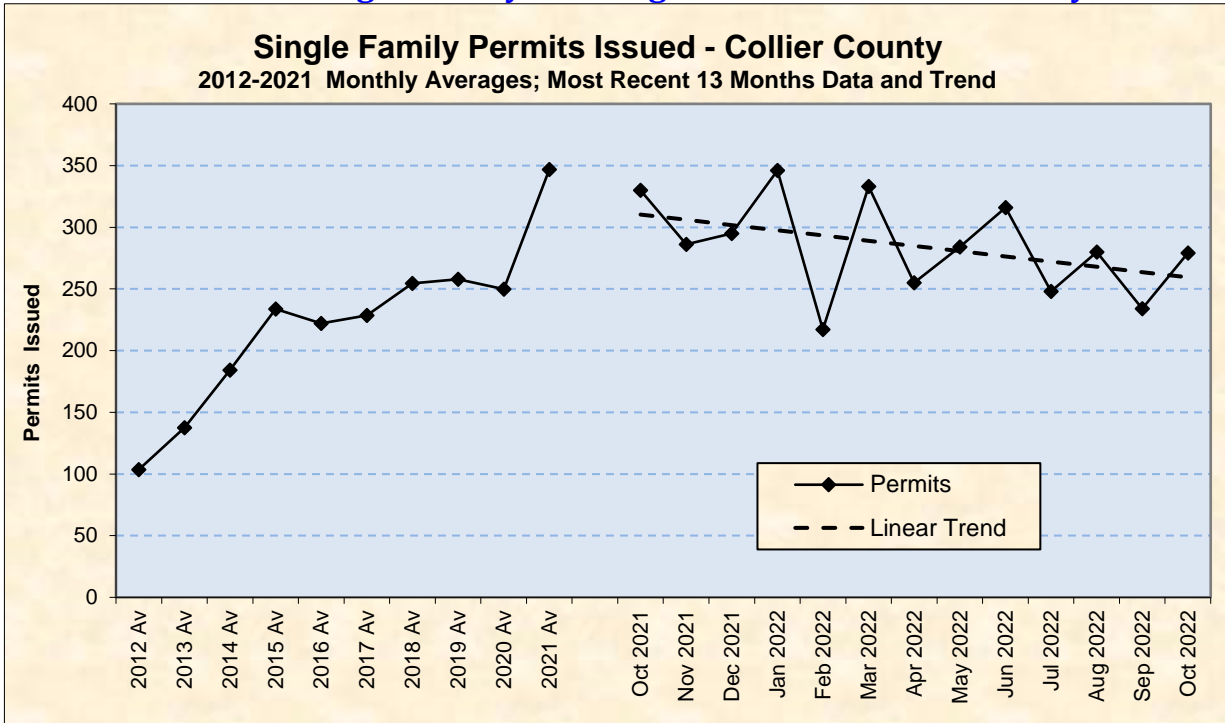
Hendry County issued 53 single-family building permits in October 2022, down 23 percent from October 2021. In the month of October 2022, the four-county total declined by 39 percent compared to October 2021 and dipped by 15 percent over September 2022.

Chart 14: Single-Family Building Permits for Lee County



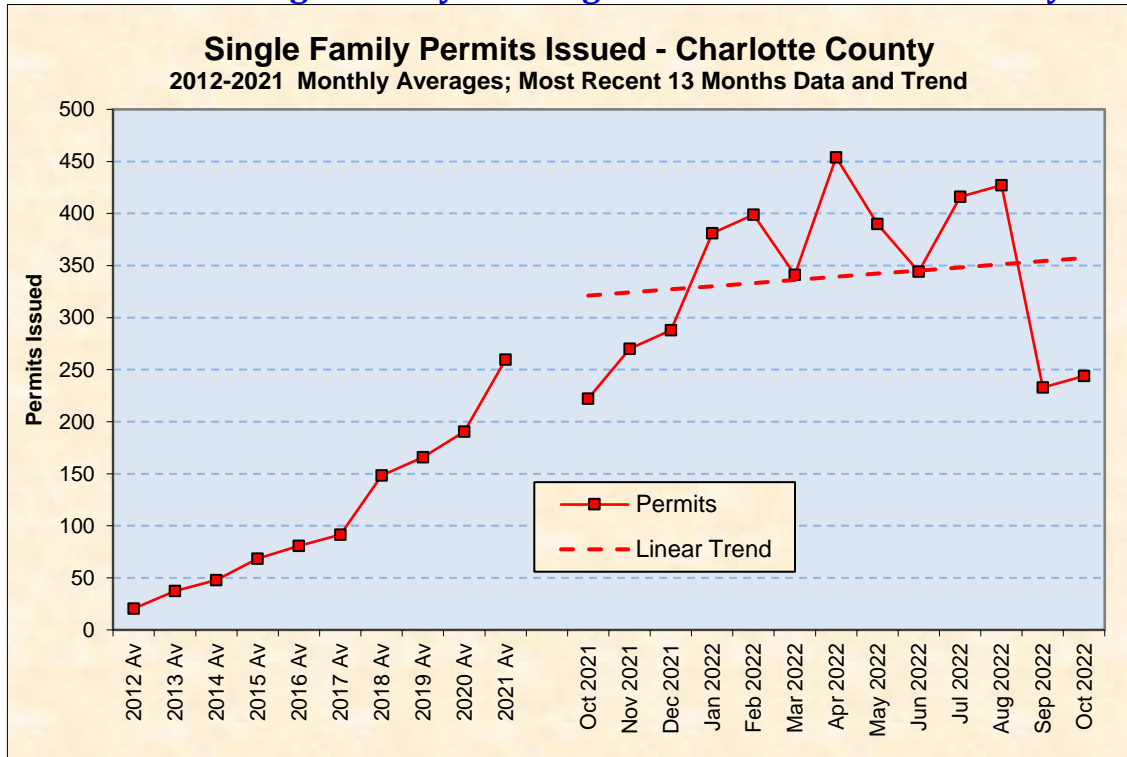
Source: Local Building and Zoning Departments, including Fort Myers, Cape Coral, and Unincorporated Lee County, Bonita Springs, Estero, and Fort Myers Beach permits

Chart 15: Single-Family Building Permits for Collier County



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

Chart 16: Single-Family Building Permits for Charlotte County



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

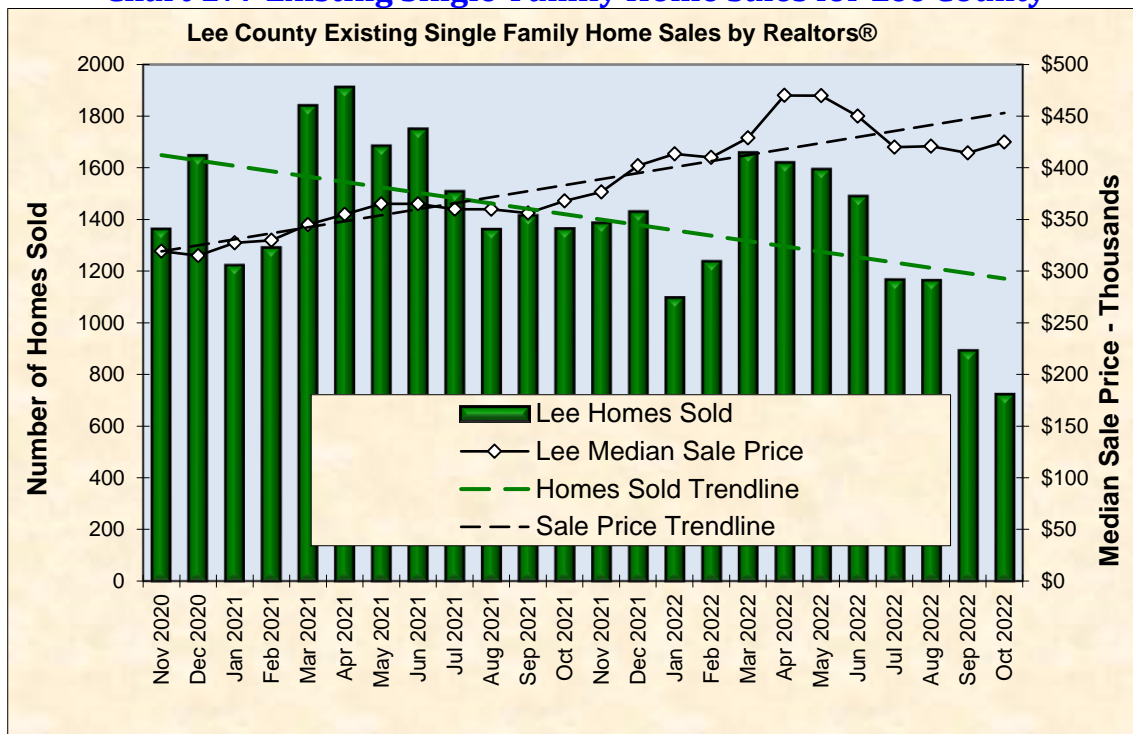
Existing Single-Family Home Sales and Median Prices

Charts 17-19 show existing single-family home sales by Realtors® for Lee, Collier, and Charlotte Counties. Each solid line represents median prices plotted against the scale on the right side, and the bars show the number of homes sold with the scale on the left side. The broken lines show the linear trends in numbers of homes sold and median prices.

The coastal counties had a total of 1,271 single-family home sales in October 2022, a decrease of 45 percent from October 2021 and a 14 percent decrease from September 2022. All three counties continued to see increases in median prices over the past year, with increases ranging between 15 and 23 percent.

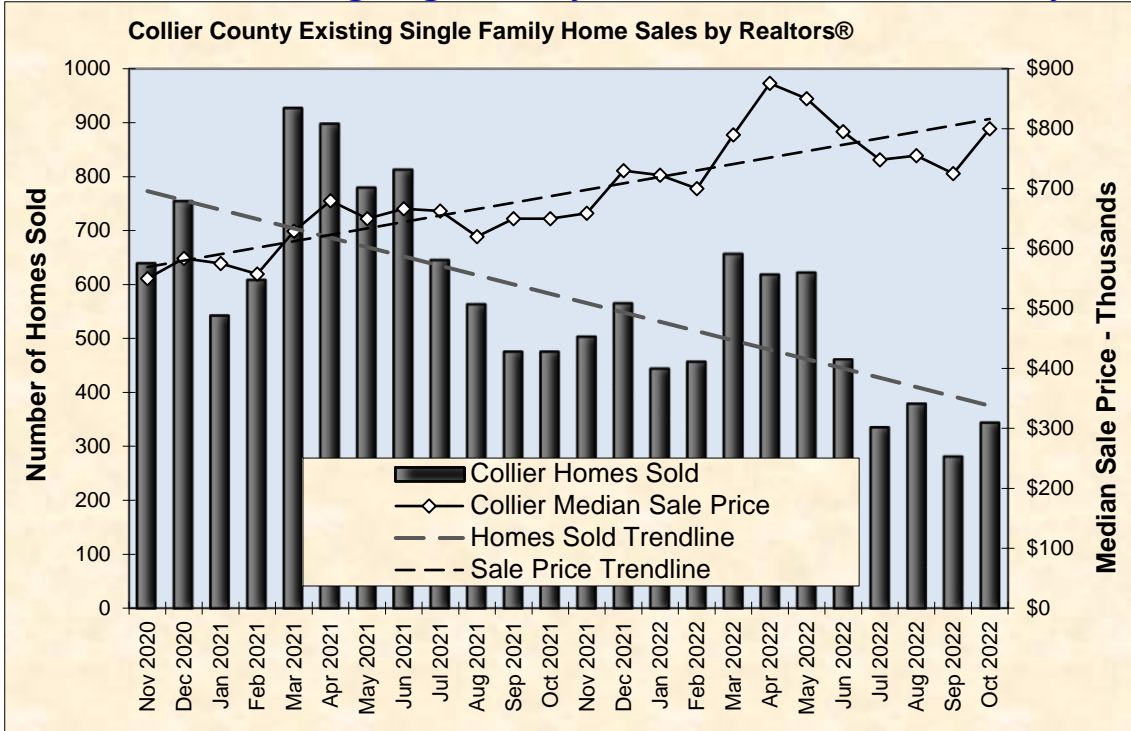
Single-family home sales in Lee County totaled 725 units in October 2022, a decrease of 640 units (47 percent) from October 2021. The median price in Lee County increased from \$368,000 to \$425,000 over the same period (see Chart 17). Collier County single-family home sales registered 344 units in October 2022, a decrease of 131 units (28 percent) compared to October 2021. The median price in Collier County rose by \$150,000 from \$650,000 in September 2021 to \$800,000 in October 2022 (see Chart 18). Charlotte County reported 202 existing single-family home sales for October 2022, down 57 percent from the 466 units sold in October 2021. The median price in Charlotte County was \$403,700 in October 2022, up \$73,750 (22 percent) over the same month last year (Chart 19).

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



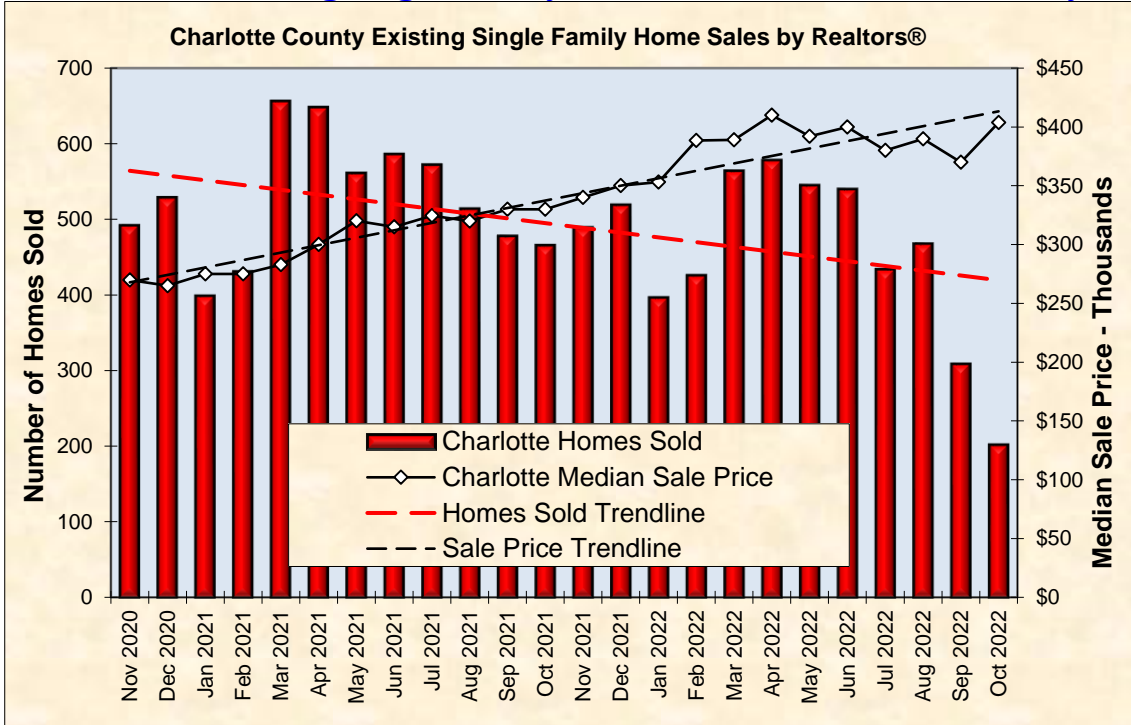
Source: Florida Realtors® Cape Coral-Fort Myers MSA

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

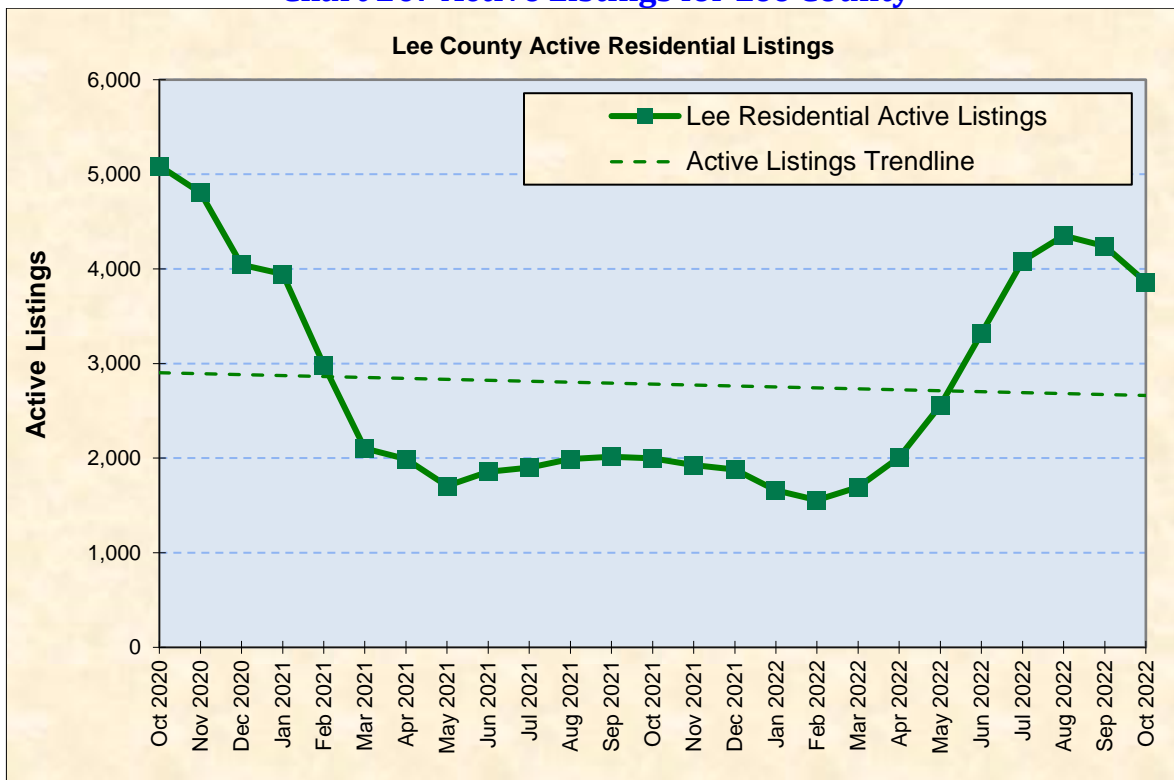
Realtor® Active Listings

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 7,405 residential properties listed for sale in October 2022. Listings in the area decreased by 6 percent from September 2022 but were 82 percent above the October 2021 measure.

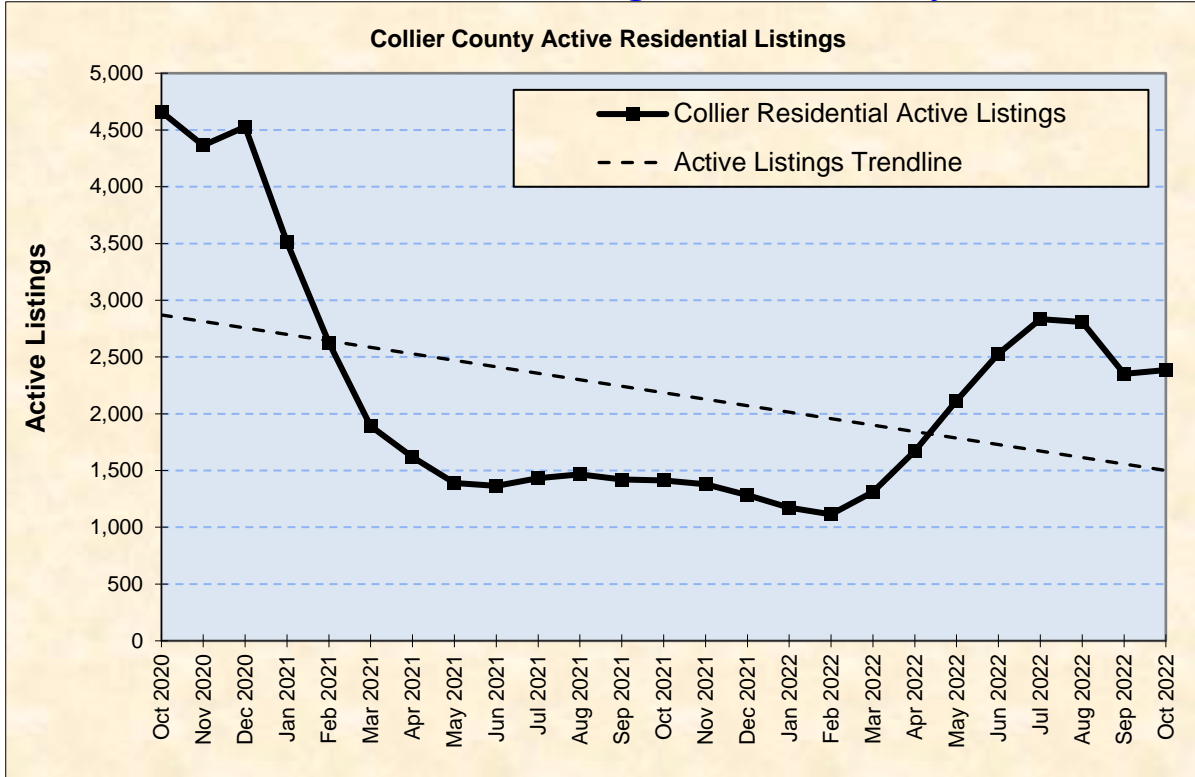
Active listings in Lee County reported 3,860 units in October 2022, a decrease of 9 percent from September 2022, and 93 percent above the October 2021 measure (Chart 20). Collier County reported 2,384 units listed for sale in October 2022, a 1 percent increase from the previous month, and 69 percent above the same month last year (Chart 21). Charlotte County active listings decreased to 1,161 units in October 2022, down 10 percent from the prior month and 75 percent above October 2021 (Chart 22).

Chart 20: Active Listings for Lee County



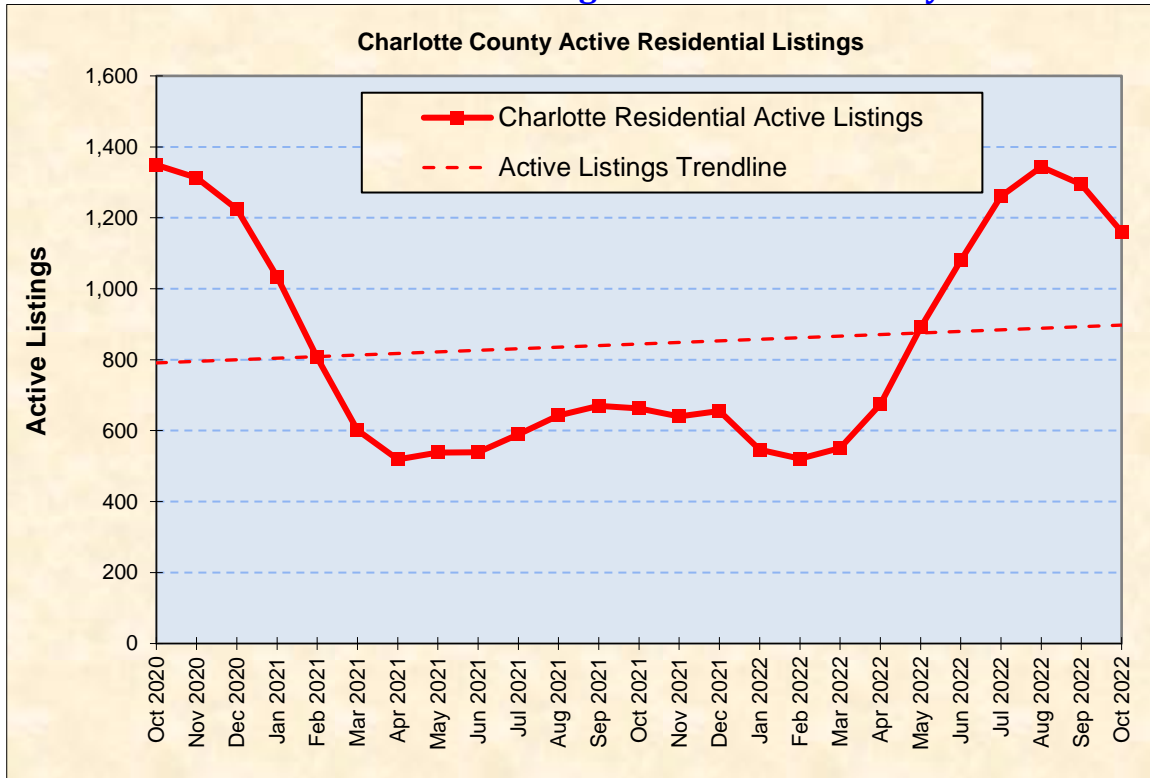
Source: Realtor.com residential listings database

Chart 21: Active Listings for Collier County



Source: Realtor.com residential listings database

Chart 22: Active Listings for Charlotte County



Source: Realtor.com residential listings database

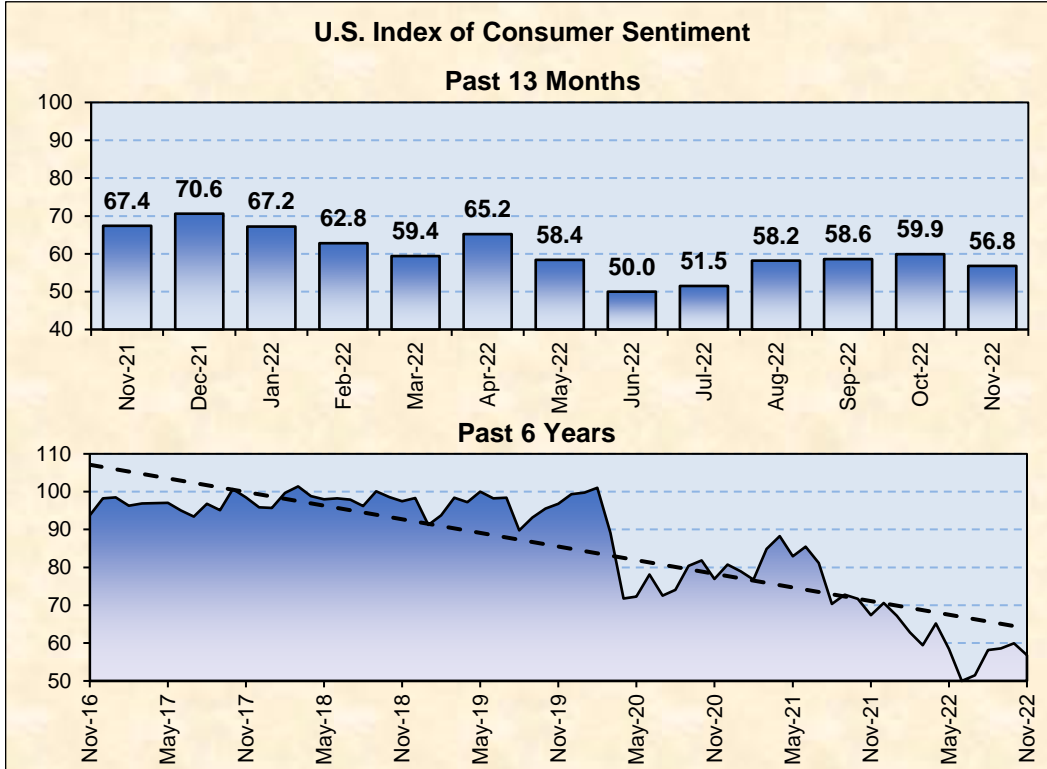
Consumer Sentiment Index

Charts 23 and 24 shows monthly data and linear trend lines over the last six years for both the Florida Consumer Sentiment Index (“CSI”) reported by the University of Florida Bureau of Economic and Business Research (BEBR) and for the United States Index of Consumer Sentiment (“ICS”) reported by Thomson Reuters/University of Michigan.

The U.S. Index of Consumer Sentiment declined in November 2022, slipping 3.1 points from the previous month to 56.8. “Consumer sentiment fell 5% below October, offsetting about one-third of the gains posted since the historic low in June. Along with the ongoing impact of inflation, consumer attitudes have also been weighed down by rising borrowing costs, declining asset values, and weakening labor market expectations,” noted Joanne Hsu, director of the University of Michigan Survey of Consumers. “Buying conditions for durables, which had markedly improved last month, decreased most sharply in November, falling back 19% to its September level on the basis of high interest rates and continued high prices. Long-term business conditions declined a more modest 6%, while short-term business conditions and personal finances were essentially unchanged.”

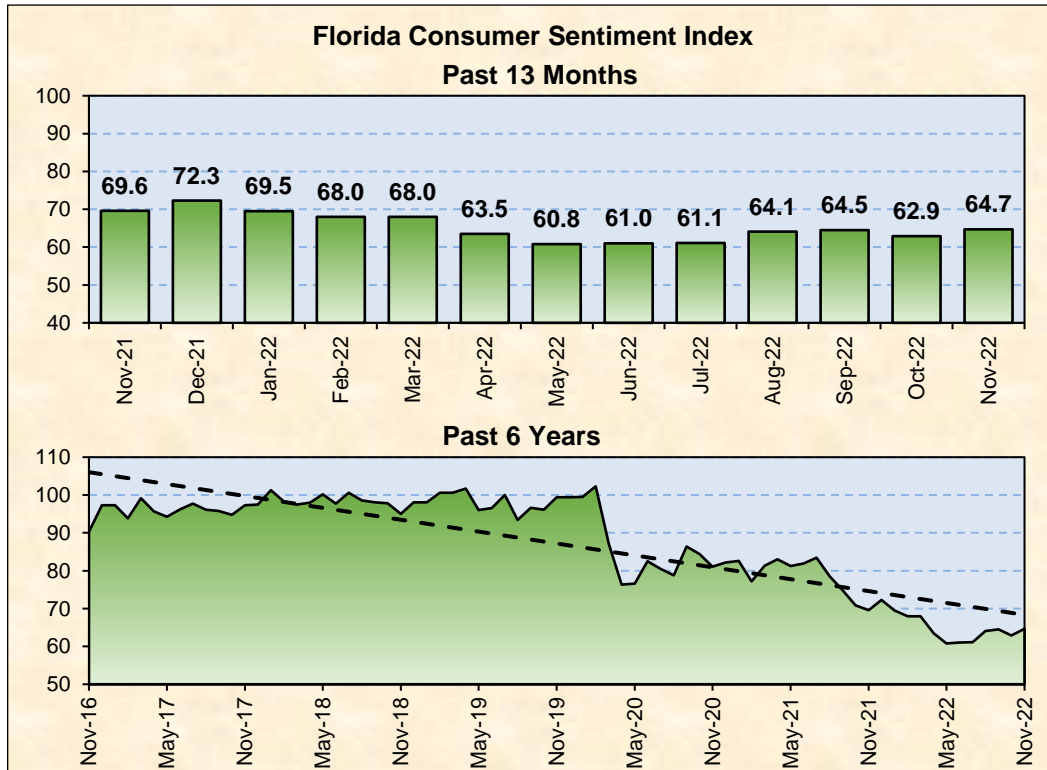
Florida’s Consumer Sentiment Index improved in November 2022, rising 1.8 points to 64.7 from October’s revised figure of 62.9. “Consumer confidence dropped following Hurricane Ian, which struck Southwest Florida in late September and caused significant damage. Six weeks later, Hurricane Nicole made landfall on Florida’s east coast, but its economic impacts were much less severe. Its effects on consumer confidence were not noticeable in this month’s reading,” Hector H Sandoval, director of the Economic Analysis Program at the University of Florida’s Bureau of Economic and Business Research, said in the November 29, 2022 edition of Florida Consumer Sentiment Index. “A strong labor market should contribute to improved economic prospects and increased consumer confidence and spending. However, Floridians’ budgets continue to be burdened by the persistently high inflation, which has depressed their economic prospects and kept consumer confidence at historically low levels.”

Chart 23: U.S. Index of Consumer Sentiment



Source: Thomson Reuters/University of Michigan

Chart 24: Florida Consumer Sentiment Index

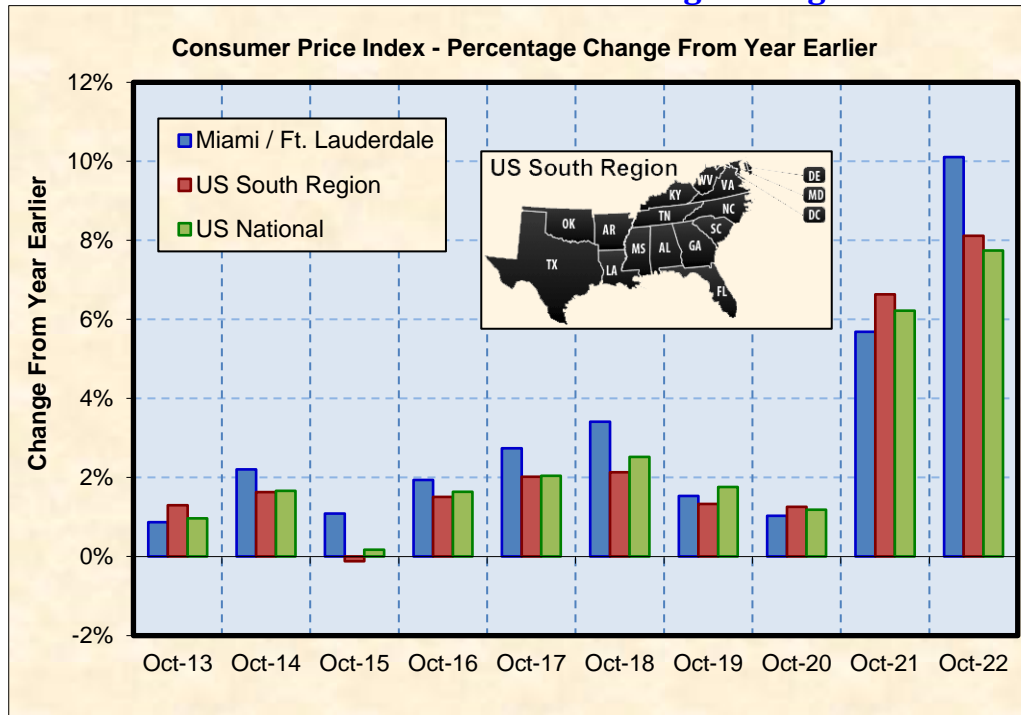


Source: Bureau of Economic and Business Research, University of Florida

Consumer Price Index

Chart 25 shows that year-to-year changes in consumer price indices (“CPI”) through October 2022 increased compared to a year ago. The Miami/Ft. Lauderdale CPI increased by 10.1 percent from October 2021 to October 2022, while the US South Region had an 8.1 percent increase over the same period. CPI for the nation increased by 7.7 percent in October 2022 compared to October 2021.

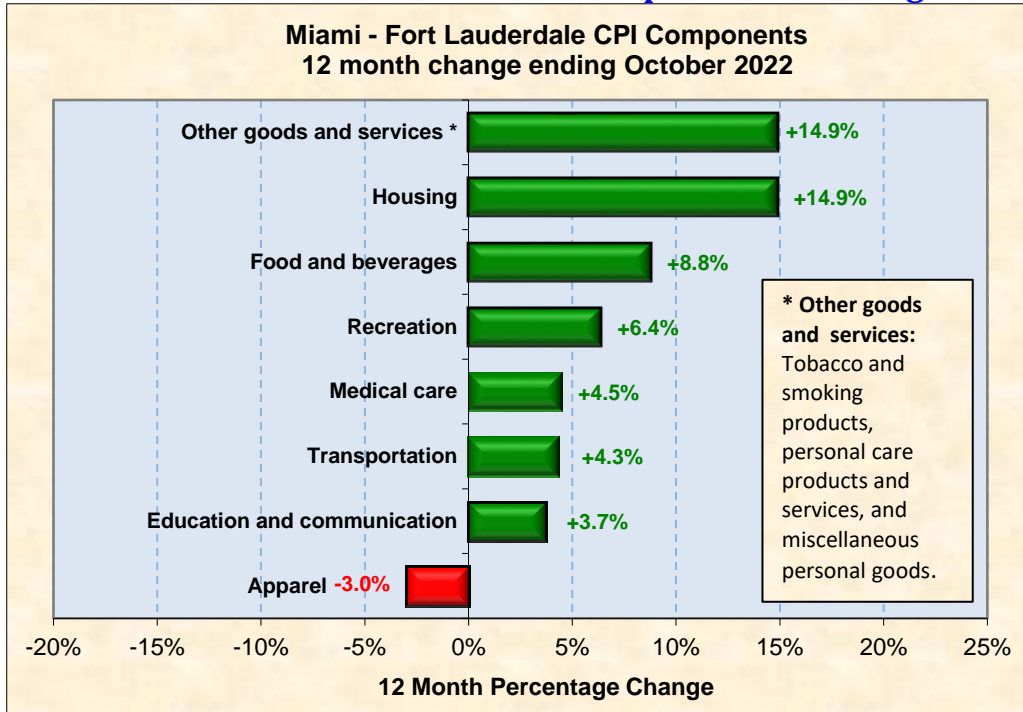
Chart 25: CPI Annual Percentage Change



Source: U.S. Bureau of Labor Statistics

Components of the Miami-Fort Lauderdale Consumer Price Index for the 12 months ending October 2022 are shown in Chart 26. Housing and other goods and services outpaced the rest of the components, each increasing by 14.9 percent from October 2021 to October 2022. The region also had significant increases in prices for food and beverages (8.8 percent increase in October 2022 over October 2021) and recreation (6.4 percent increase over the same period).

Chart 26: Miami-Fort Lauderdale CPI Component Percentage Change



Source: U.S. Bureau of Labor Statistics

Appendix

The data presented in this appendix are not released on a monthly basis. The first two charts, Charts A1 and A2, show historic population growth through 2021, 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

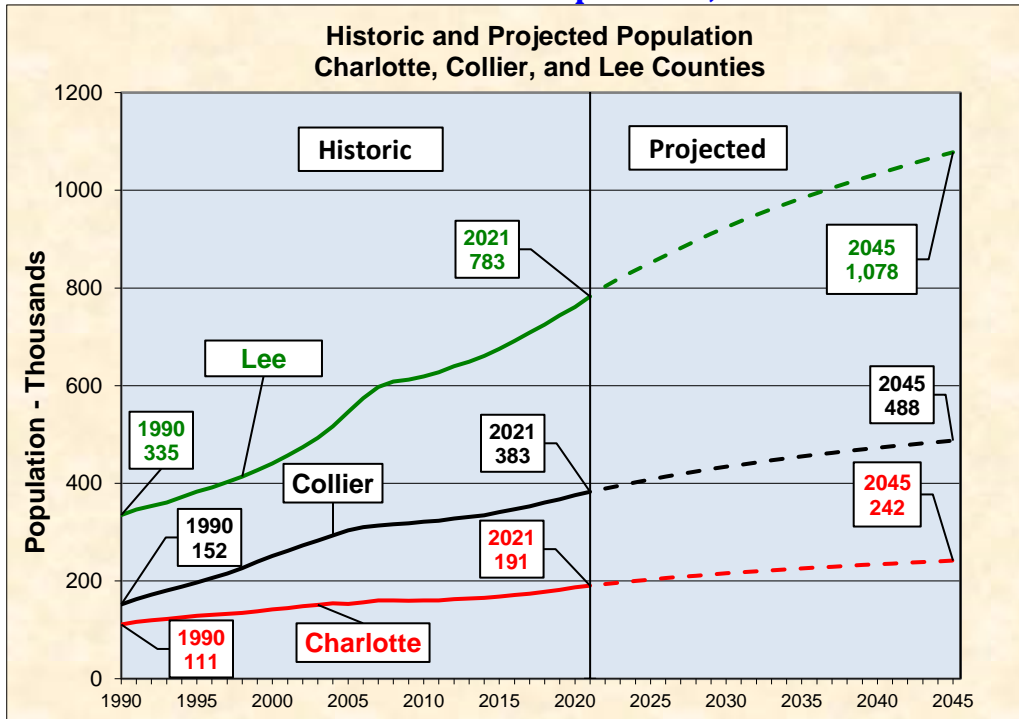
Last Updated: November 2022

From 1990 to 2021, regional population grew at a compound average rate of 2.5 percent per year. Over the 31 year period, the compound average annual rates of growth were 2.8 percent in Lee County, 3.0 percent in Collier County, 1.8 percent in Charlotte County, 1.5 percent in Glades County, and 1.4 percent in Hendry County.

The right-hand sections of Charts A1 and A2 show projected population increases from 2022 to 2045, at substantially lower rates than those experienced between 1990 and 2021. Projected

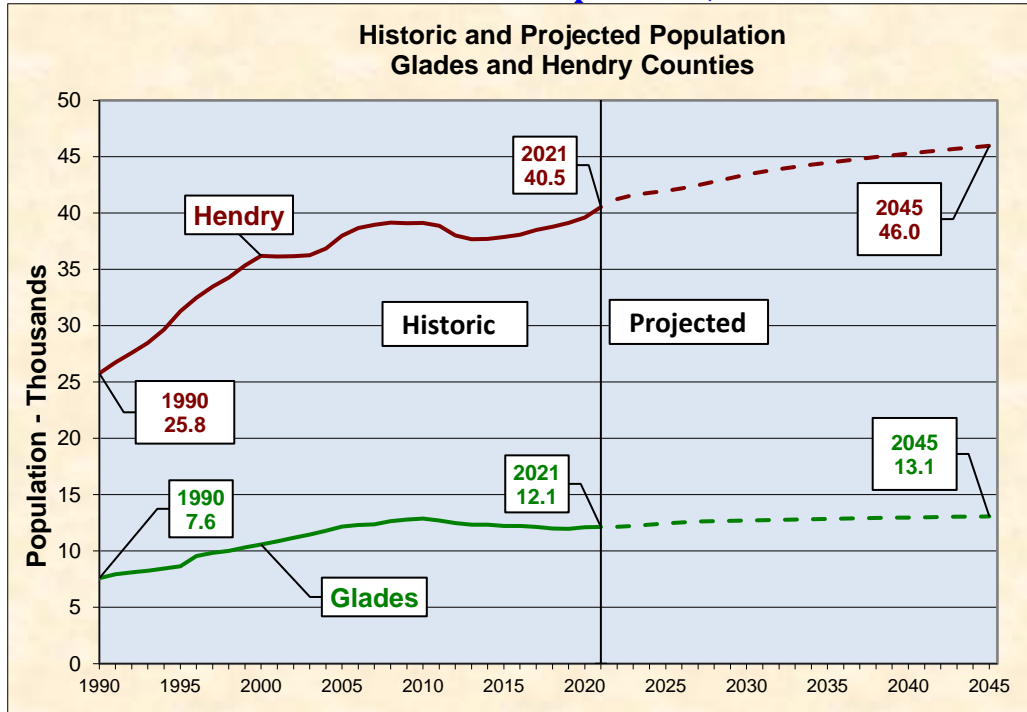
growth for the five-county region averages 1.3 percent per year, resulting in a population increase of 35.7 percent from 2022 to 2045. This would add over 491,000 residents to the region, and bring the total to 1,866,379. Lee County’s population is projected to grow an average of 1.5 percent per year, Collier County at 1.1 percent, and Charlotte County at 1.1 percent. Projected growth rates for the inland counties are substantially lower; the populations of Hendry and Glades County are projected to grow at an average of 0.6 and 0.3 percent per year between 2022 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 2022

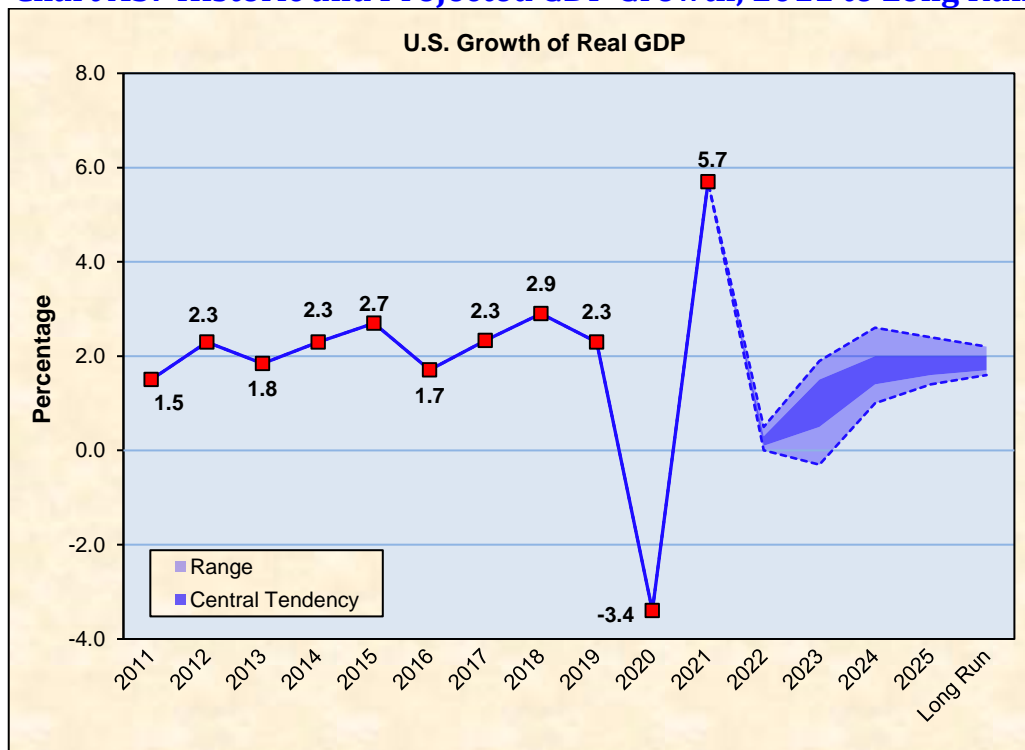
Charts A3 and A4 depict both historical trends and the Federal Open Market Committee’s projections for national Gross Domestic Product (“GDP”) and Unemployment. The FOMC’s projections are released quarterly and reflect the assessments of the Federal Reserve Board of Governors and of Federal Reserve District Bank presidents, with the August 2022 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 both historical GDP and GDP projections for the United States. The impact Covid-19 had on GDP can be seen in the chart, dropping to -3.4 percent in 2020 before rising to 5.7 percent in 2021. Both the ranges and central tendencies are projected to migrate toward the 2 percent level in the long-run (“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 overall high and low projections (shown as ranges below and denoted by the dotted lines) show that all members of the FOMC expecting GDP to decline in 2022, with expectations ranging between 0.0 and 0.5 percent. Furthermore, the board members believe that GDP growth will range from -0.3 to 1.9 percent in 2023, between 1.0 to 2.6 percent in 2024 and between 1.4 and

2.4 percent in 2025. In the long-run, GDP growth is expected to range somewhere between 1.6 percent and 2.2 percent.

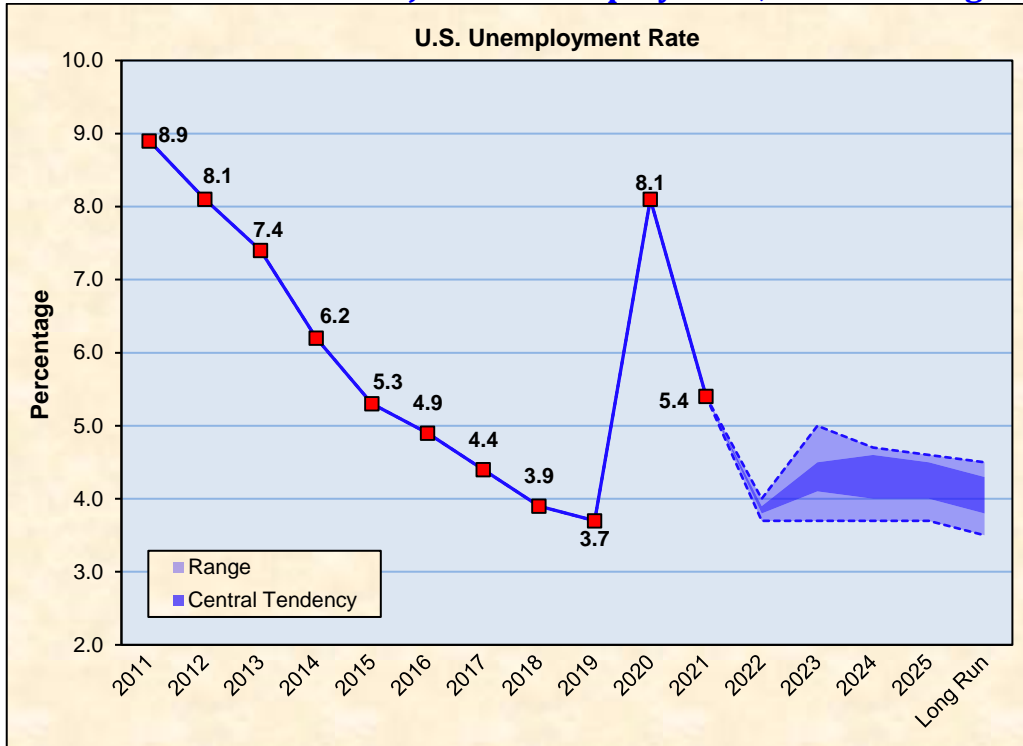
Chart A3: Historic and Projected GDP Growth, 2011 to Long Run



Source: Historical data obtained from Bureau of Economic Analysis. Projected data obtained from Federal Reserve Open Market Committee Meeting Statement, September 21, 2022.

Chart A4 depicts unemployment trends since 2011. The unemployment rate in 2021 was 5.4 percent, down 2.7 percentage points from 2020. FOMC members believe unemployment will continue to improve in 2022, with predictions ranging from 3.7 percent to 4.0 percent. In 2023, the FOMC members project that unemployment will range between 3.7 and 5.0 percent, as well as ranging between 3.7 and 4.7 percent in 2024. By 2025, the FOMC members projected unemployment with fall in the range of 3.7 to 4.6 percent, and 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, 2011 to Long Run



Source: Historical data obtained from Bureau of Economic Analysis. Projected data obtained from Federal Reserve Open Market Committee Meeting Statement, September 21, 2022.

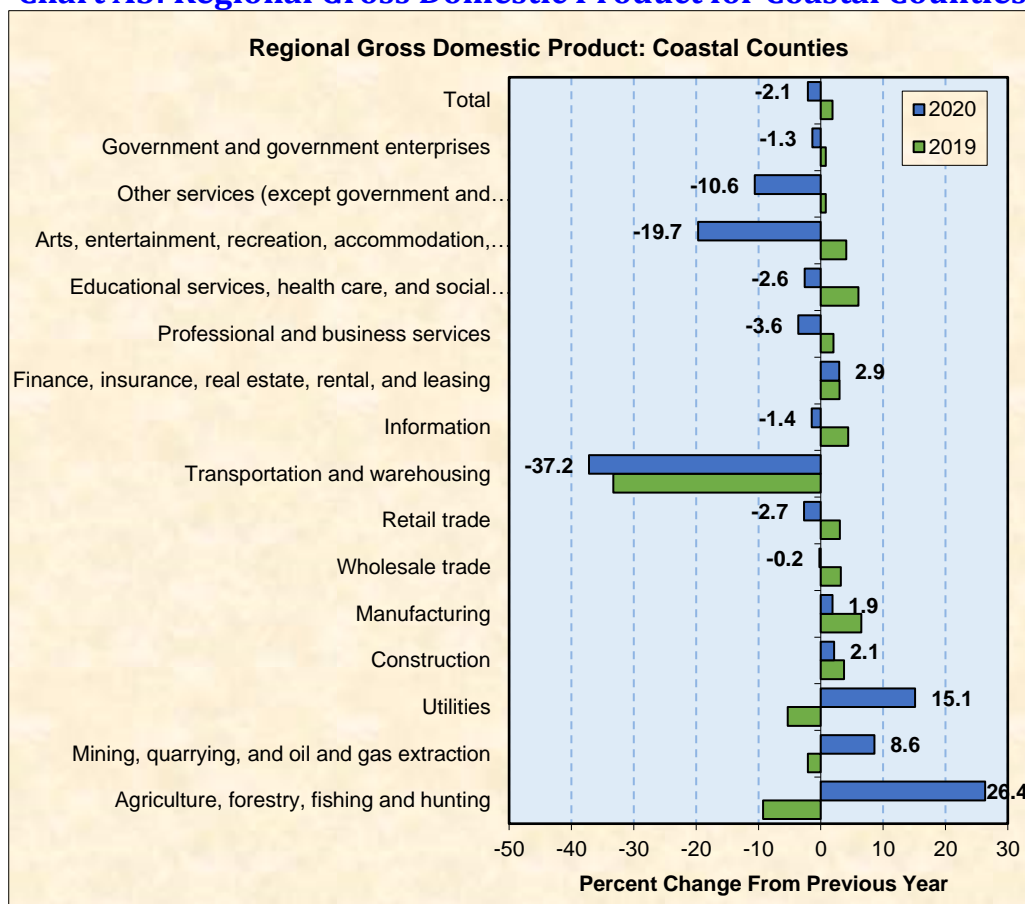
The next quarterly release of projections for GDP and Unemployment will be released following the FOMC meeting scheduled in December 2022. These projections will be updated in the January 2023 edition of *Regional Economic Indicators*.

Regional GDP

Last Updated: February 2022

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

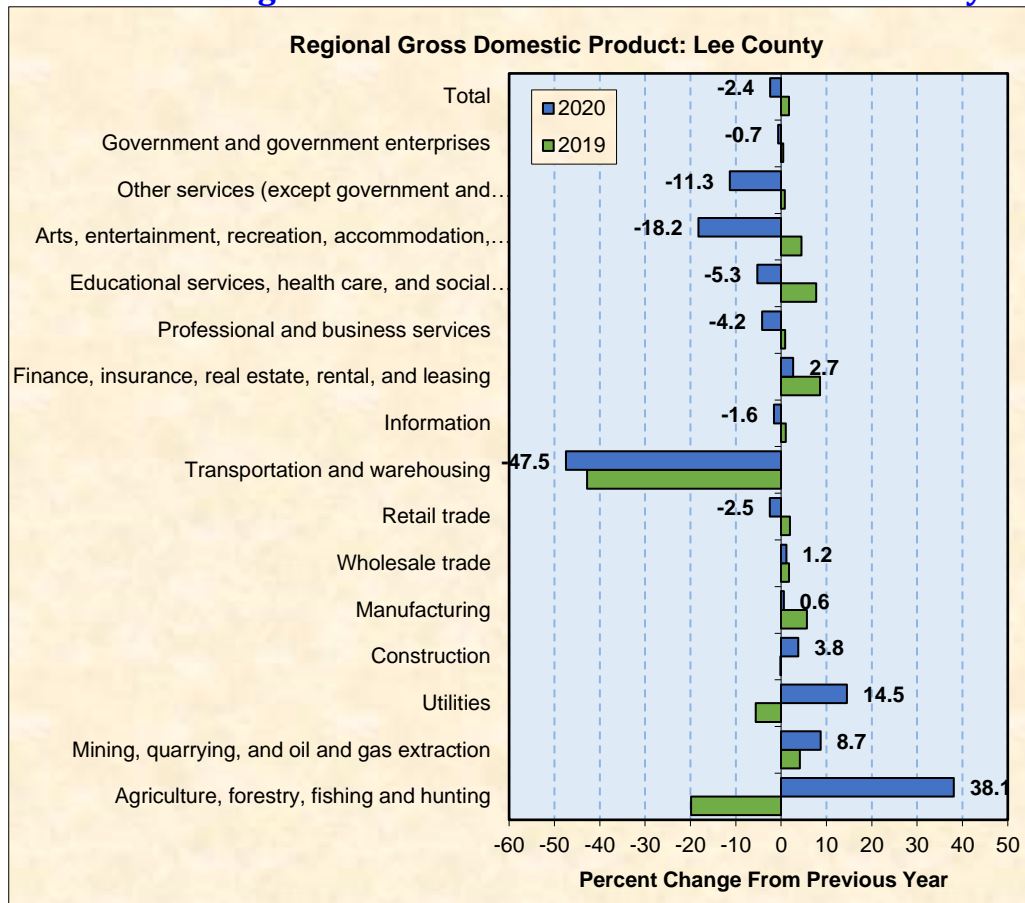
Chart A5: Regional Gross Domestic Product for Coastal Counties



Source: U.S. Bureau of Economic Analysis

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

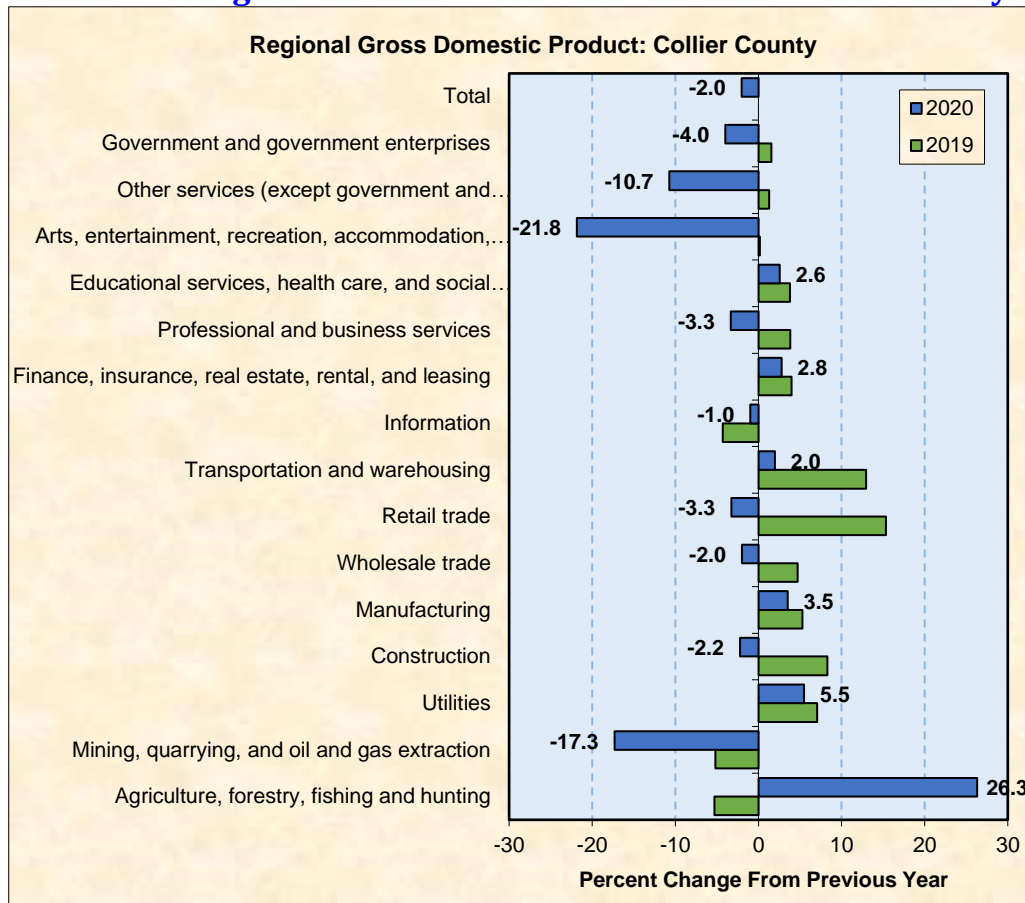
Chart A6: Regional Gross Domestic Product for Lee County



Source: U.S. Bureau of Economic Analysis

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

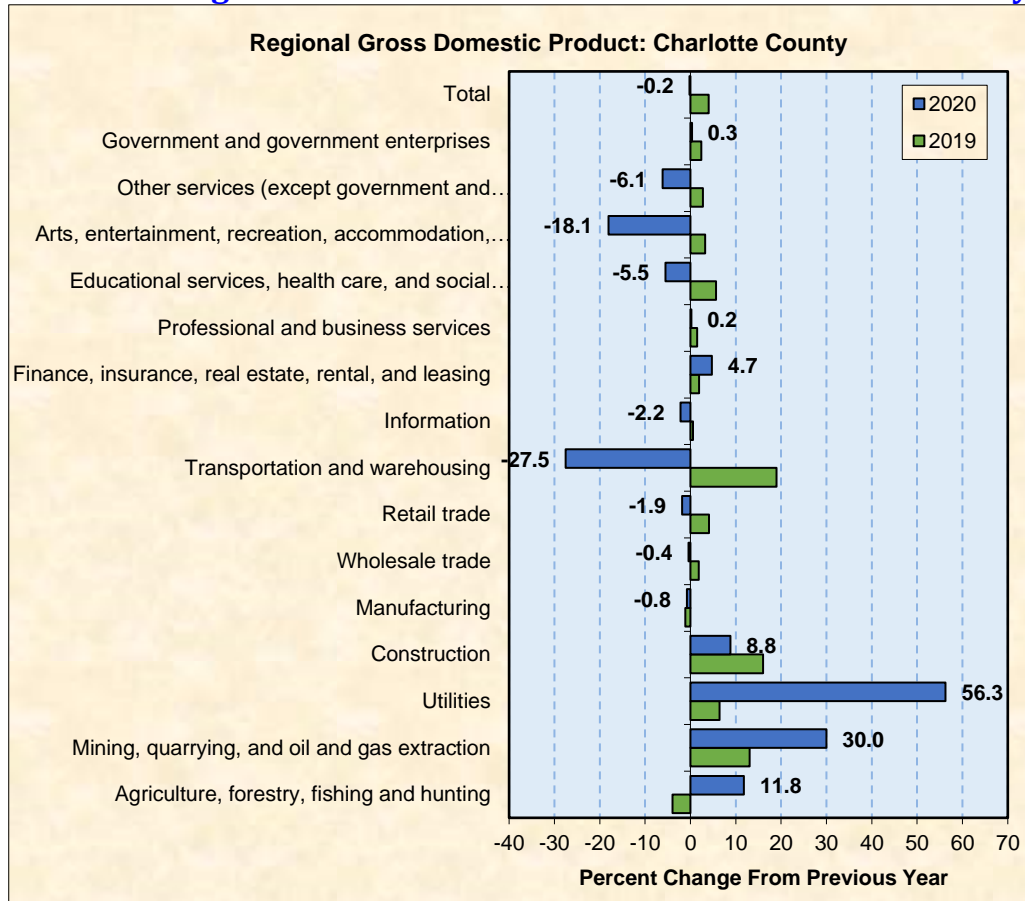
Chart A7: Regional Gross Domestic Product for Collier County



Source: U.S. Bureau of Economic Analysis

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

Chart A8: Regional Gross Domestic Product for Charlotte County



Source: U.S. Bureau of Economic Analysis

Industry Diversification Index

Last Updated: October 2022

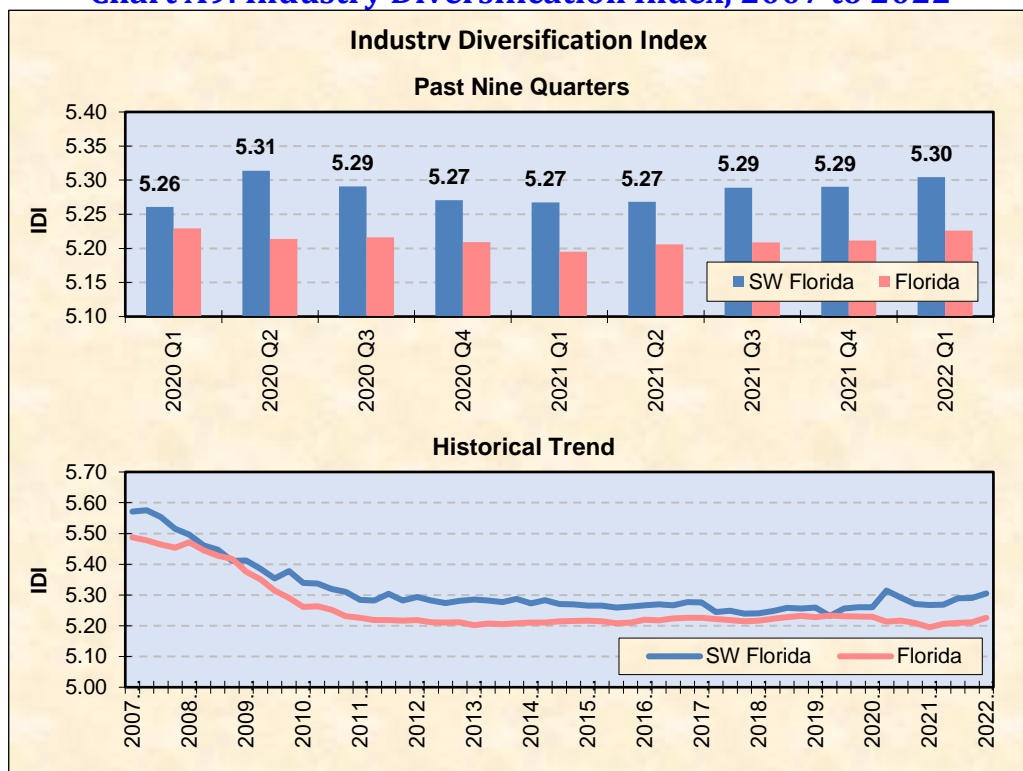
The FGCU *Industry Diversification Index (IDI)* measures the degree to which a region’s workforce is concentrated in few industries or dispersed into many. The *IDI* is computed quarterly by the Regional Economic Research Institute’s Industry Diversification Project, which tracks industry

diversification by Metropolitan Statistical Area, workforce region, and state. (For more details, please go to fgcu.edu/cob/reri/idp).

The *IDI* can be between 0 and 10, with a higher index denoting a more industrially diverse workforce and a lower one denoting a less industrially diverse workforce. Industry diversification is an important factor explaining our state and region’s tendency to overheat during expansions in the business cycle and overcorrect during contractions in the business cycle. The *IDI* is then seasonally adjusted to get a better understanding on how the region is trending over a period of time. All values below were seasonally adjusted by the RERI using the X-13ARIMA-SEATS seasonal adjustment software from the U.S. Census Bureau.

Chart A9 shows the industry diversification index for the Southwest Florida workforce region and the state of Florida. During the first quarter of 2022, the seasonal *IDI* for Southwest Florida measured at 5.30 ranking it as the 9th most industrially diverse workforce region in the state of Florida (out of 24). Meanwhile, the state of Florida had a seasonal *IDI* of 5.23, ranking Florida as the 30th highest state in the nation in industry diversification, although below the national average of 5.32.

Chart A9: Industry Diversification Index, 2007 to 2022



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