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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. While COVID-19 vaccine distributions have proven to be a beacon of hope for the upcoming year, uncertainty will continue to impact the economy in the short and medium term.

Unemployment rates tend to be meaningful indicators. The *seasonally-adjusted unemployment rate* for the region in December 2020 remained unchanged from November 2020 at 5.8 percent and 2.6 percentage points above the December 2019 figure. The number unemployed in December 2020 increased by over 15,000 people from December 2019, while employment fell by over 24,000 over the same period.

Real estate indicators continued to be a bright spot for the region. *Single-family building permits* for the coastal counties improved 39 percent from December 2019 to December 2020. *Realtor® Active listings* for the coastal counties were down in December 2020, falling 44 percent from December 2019. *Single-family home sales* improved 37 percent in December 2020 over December 2019. *Median prices* for all three counties also increased by 13 to 30 percent during the same 12-month period.

Other indicators provided some mixed results for the hospitality and tourism economy:

- **Airport passenger activity** for December 2020 increased by 25 percent over November 2020, following the traditional seasonal pattern, but was 41 percent below the total for December 2019;

- November 2020 *seasonally-adjusted tourist tax revenues* were 18 percent lower than November 2019, as well as 14 percent below the October 2020 total;

- **Seasonally-adjusted taxable sales** rose 6 percent in October 2020 compared to October 2019.

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 Senior Economist John Shannon at reri@fgcu.edu. Stay well, and please observe masking and distancing guidelines in order to save lives.
**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.

As noted in previous reports, the COVID-19 pandemic is keeping both Floridians and non-Floridians at home. Total passenger traffic for the three airports amounted to 874,783 in December 2020, down 41 percent from December 2019, and up 25 percent over November 2020 following the seasonal pattern. While all three airports continue to improve from the dip in passenger activity experienced in April, a complete recovery to pre-pandemic levels is not anticipated in the short-term.

After the large decrease in activity observed in March and April 2020, the charts better reflect the historic seasonal pattern, albeit at a reduced level. Passenger traffic at RSW was 648,011 in December 2020, down 40 percent from December 2019, but 29 percent greater than November 2020 (see Chart 1). PGD’s passenger activity amounted to 107,658 in December 2020, a decrease of 35 percent from December 2019, but 12 percent above November 2020 (see Chart 2). Sarasota Bradenton served 119,114 passengers in December 2020, a 48-percent decrease from December 2019, albeit 12 percent above November 2020.

**Chart 1: SW Florida International Passenger Activity**

![Chart SW Florida International Passenger Activity](image-url)
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. Revenues for the coastal counties decreased to $5.6 million in November 2020 from $6.5 million in October 2020. Revenues were also more than $1.2 million (18 percent) behind November 2019.

Lee County’s seasonally-adjusted tourist tax revenues for November 2020 fell to $3.2 million, a 15-percent decline from November 2019, and 16 percent lower than October 2020. Collier County’s tourist tax revenues amounted to $2.0 million in November 2020, down 23 percent compared to November 2019, and 9 percent below the October 2020 figure. Seasonally-adjusted tourist tax revenues in Charlotte County declined to $417.4 thousand in November 2020, a decrease of 6 percent from November 2019 and a decline of 16 percent from October 2020.

Chart 4: Tourist Tax Revenues for the Coastal Counties

![Chart 4: Tourist Tax Revenues for the Coastal Counties](chart4)

Source: Local County Tourism, Tax, and Economic Development Reports
## 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 October 2020.

Seasonally-adjusted taxable sales for Southwest Florida totaled $2.549 billion in October 2020, an increase of 6 percent from October 2019, but 9 percent lower than September 2020 (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 $1.378 billion in October 2020, an increase of 6 percent over October 2019, but an 8 percent decline from September 2020. Collier County taxable sales were $859.8 million in October 2020, down 11 percent from September 2020, and 6 percent over the October 2019 total. Taxable sales in Charlotte County increased to $273.1 million in October 2020, compared to $250.1 million in October 2019 and to $289.4 million in September 2020.

Taxable sales in Hendry County declined to $33.3 million in October 2020, down 13 percent from September 2020, albeit 2 percent over the October 2019 total. Glades County taxable sales were $5.1 million in October 2020, down 8 percent from September 2020 and 10 percent below the October 2019 total. All cited data are seasonally adjusted.
Based on the data, taxable sales for the coastal counties (Lee, Collier, and Charlotte) fared better than those of the inland counties in the month of October 2020. However, all of the five counties in the region saw their taxable sales decline from their respective September 2020 totals, indicating less consumer spending.

**Chart 6: Taxable Sales for 5 County Region**

Source: Florida Department of Revenue, Office of Tax Research
Chart 7: Taxable Sales for Coastal Counties

Coastal County Taxable Sales - 2015 to Present

Monthly Taxable Sales - $ Millions

Lee
Collier
Charlotte
All Data Seasonally Adjusted

Source: Florida Department of Revenue, Office of Tax Research

Chart 8: Taxable Sales for Inland Counties

Inland County Taxable Sales - 2015 to Present

Monthly Taxable Sales - $ Millions

Hendry
Glades
All Data Seasonally Adjusted

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 December 2020. The number of employed persons in the Southwest Florida region increased by 1,034 between November 2020 and December 2020, while the number of unemployed declined by 62 over the same period. Despite the increase in employment, the region’s seasonally-adjusted unemployment rate remained at 5.8 percent in December 2020, unchanged from the prior month. Compared to a year ago, the seasonally-adjusted number of employed workers is down by over 24,000, while the number of unemployed were over 15,000 higher. The total labor force declined by 9,371 from December 2019 to December 2020, mainly in Collier and Lee counties.

Lee County’s seasonally-adjusted unemployment rate declined from 6.1 percent in November 2020 to 6.0 percent in December 2020, compared to 3.1 percent in December 2019 (Chart 9). Lee’s employment fell by 799 from the prior month, while unemployment fell by 121. Collier County’s unemployment rate rose from 3.1 percent in December 2019 to 5.2 percent in November 2020 and to 5.1 percent in December 2020 (Chart 10). Charlotte County’s unemployment rate was 5.8 percent in December 2020, up 0.1 points from the previous month, and 2.2 points higher than December 2019 (Chart 11).

Hendry’s unemployment rate was 7.1 percent in December 2020, unchanged from the previous month, but 1.4 points above the December 2019 measure, as depicted in Chart 12. The corresponding figures for Glades County are 3.9 percent in December 2019, 4.8 percent in November 2020, and 4.8 percent in December 2020 (Chart 13). Both inland counties show only modest changes in workforce size.

The State of Florida’s seasonally adjusted unemployment rate was 6.1 percent in December 2020, down 0.2 points from the revised November 2020 rate, and up 3.2 percentage points from December 2019. The United States unemployment rate was 6.7 percent in December 2020, up from 3.6 percent in December 2019, and unchanged from the revised 6.7 percent figure for November 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

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**

The Southwest Florida coastal counties issued 1,205 single-family building permits in December 2020, an increase of 337 permits (39 percent) over December 2019, and up 155 permits from November 2020. Lee County issued 697 permits in December 2020, up from 460 in December 2019, and slightly over the 636 permits issued in November 2020 (Chart 14). In Collier County, 314 permits were issued in December 2020, an increase of 132 permits (73 percent) from December 2019 and 70 more than November 2020 (see Chart 15). Charlotte County recorded 194 permits issued in December 2020, a decrease from the 226 permits issued in December 2019, but 24 more permits than November 2020 (as depicted in Chart 16).

Hendry County issued 317 single-family building permits in 2020, compared to 208 issued during all of 2019, a 52 percent increase.
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
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 single-family homes in the three coastal counties again rose substantially compared to the same month of the prior year. Totals for December 2020 were 2,931, an increase of 37 percent over December 2019, as well as 17 percent above November 2020. All three counties experienced meaningful increases in median prices from one year ago, ranging from 13 to 30 percent. The sales and median price trend lines for all three counties continue to be positive.

Single-family home sales in Lee County rose to 1,648 units in December 2020, an increase of 425 units (35 percent) from December 2019, while Lee’s median price rose from $262,000 to $315,000 over the same period (Chart 17). Collier County single-family home sales improved to 754 units in December 2020, an increase of 238 (46 percent) over December 2019. The median price in Collier County rose substantially by $133,500 thousand from $450,000 in December 2019 to $583,500 in December 2020, (Chart 18). Charlotte County reported 529 existing single-family home sales for December 2020, up 33 percent from the 398 units sold in December 2019. The median price in Charlotte County was $265,000 in December 2020, up $30,000 (13 percent) over the same month last year (Chart 19).
Chart 17: Existing Single-Family Home Sales for Lee County

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

Source: Florida Realtors® Cape Coral-Fort Myers MSA

Source: Florida Realtors® Naples-Immokalee-Marco Island, 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 three coastal counties continued to fall in December 2020. The coastal counties had 9,797 residential properties listed for sale, down 7 percent from November 2020, as well as a 44-percent decline from December 2019.

Active listings in Lee County dipped to 4,045 units in December 2020, a 16-percent decrease from November 2020, and a 52-percent fall from December 2019 (Chart 20). Collier County reported 4,527 units listed for sale in December 2020, down from both the previous month (4 percent) and same month last year (35 percent) (Chart 21). Charlotte County active listings fell to 1,225 units in December 2020, a decrease of 7 percent from November 2020, and a 41-percent slip from December 2019 (Chart 22).
Consumer Sentiment Index

Charts 23 and 24 show 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 January 2021, falling 1.7 points from the previous month to 79.0. Richard Curtin, chief economist for the Surveys of Consumers, noted that while sentiment levels in January were slightly below the 2020 average (81.5), the index has shown small variations since the pandemic began in April. “The overall stability of consumer confidence has benefitted from wearing masks and social distancing, the quick substitution of home for office work, and the prompt distribution of generous federal benefits. These factors helped to absorb the pandemic’s negative impact on the economy as well as on personal finances. Although the nation is still being ravished by the pandemic, and the nation’s cooperative reactions have been far from perfect, consumers have helped to dissipate the potential for further harm,” noted Curtin.

Florida’s Consumer Sentiment Index improved in December 2020, rising 1.1 points to 82.2 from the revised figure of 81.1 in November 2020. “The gain in December’s consumer sentiment reading comes from Floridians’ expectations about their personal finances a year from now and expectations about the economy in five years. However, the pessimism coming from consumers’ opinions about the national economic outlook in the next year suggests that Floridians anticipate
gloomy economic prospects ahead in 2021,” Hector H Sandoval, director of the Economic Analysis Program at the University of Florida’s Bureau of Economic and Business Research, said in the January 5, 2021 edition of Florida Consumer Sentiment Index. “Looking ahead, as vaccination efforts are rolled out to put an end to the pandemic, January’s consumer sentiment reading will be important to gauge Floridians’ views about their economic prospects for 2021. Nonetheless, we expect consumer confidence to recover slowly in the year ahead.”

Chart 23: U.S. Index of Consumer Sentiment

Source: Thomson Reuters/University of Michigan
Chart 24: Florida Consumer Sentiment Index

Consumer Price Index

Chart 25 shows that year-to-year changes in consumer price indices (“CPI”) through December 2020 continue to be lower than a year ago. All three measures remained below 1.5 percent. The Miami/Ft. Lauderdale CPI increased by 1.1 percent from December 2019 to December 2020, while the US South Region had a 1.4 percent increase over the same period. CPI for the nation increased by 1.4 percent in December 2020 compared to December 2019.
Components of the Miami-Fort Lauderdale Consumer Price Index for the 12 months ending December 2020 are shown in Chart 26. Increases in food and beverage and housing costs could be considered an expected outcome of this pandemic. Similarly, decreases in transportation expenses are largely due to quarantining and working-at-home scenarios.
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 2019, 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. These data have been revised since our last report. 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: August 2020

From 1990 to 2019, regional population grew at a compound average rate of 2.6 percent per year. The compound average annual rates of growth were 2.8 percent in Lee County, 3.2 percent in Collier County, 1.7 percent in Charlotte County, 1.9 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 2020 to 2045, at substantially lower rates than those experienced between 1990 and 2019. Projected growth for the five-county region averages 1.3 percent per year, resulting in a population increase of 38.6 percent from 2019 to 2045. This would add over 520,000 residents to the region, and bring the total to 1,867,600. 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 1.0 percent. Projected growth rates for the inland counties are substantially lower; Hendry County’s population is projected to grow at an average of 0.6 percent per year and Glades County at 0.3 percent per year.

![Chart A1: Coastal Counties Population, 1990 to 2045](image-url)

Source: Office of Economic and Demographic Research
National GDP and Unemployment

Last Updated: January 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 December 2020 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 2019 measured 2.2 percent, a decline from the 3.0 percent measured in 2018. The overall high and low projections (shown as ranges below and denoted by the dotted lines) for 2020 show that all members of the FOMC expecting GDP to fall, with some members predicting GDP to fall as much as 5.5 percent. While FOMC members project that 2021 will show an improvement in GDP growth, uncertainty surrounding the pandemic makes it difficult to project precisely where GDP growth will be next year, resulting in projections that predict GDP will fall...
somewhere between 0.5 and 5.5 percent. In 2022, the board members believe that GDP growth will range from 2.5 to 4.0 percent, and project that in the long-run, GDP growth will remain somewhere between 1.6 percent and 2.2 percent.

Chart A3: Historic and Projected GDP Growth, 2009 to Long Run

![Chart A3: Historic and Projected GDP Growth, 2009 to Long Run](image)


Chart A4 depicts unemployment trends since 2009. Unemployment expectations from FOMC board members were tempered in the latest projections, ranging between 6.6 and 6.9 percent for 2020. FOMC members believe unemployment will continue to improve in 2021, with predictions ranging from 4 percent to 6.8 percent. Unemployment in 2022 is projected to range somewhere between 3.5 percent and 5.8 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.
The next quarterly release of projections for GDP and Unemployment will be released following the FOMC meeting scheduled in March 2020. These projections will be updated in the April 2021 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**

![Graph showing the percentage change in regional GDP for various industries in Collier County from 2018 to 2019.](image)

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**

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 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 A9 shows the industry diversification index for the Southwest Florida workforce region and the state of Florida. During the second quarter of 2020, the IDI for Southwest Florida measured at 5.36, 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 5.24, ranking Florida as the 20th highest state in the nation in industry diversification, although below the national average of 5.27.

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