

ECONOMIC INDICATORS	THIS YEAR February 2011	LAST YEAR February 2010	% CHANGE 02/10 - 02/11
Retail Sales (\$000's - February in 1995\$)	\$241,086	\$241,787	-0.3%
Retail Sales (\$000's - Year-To-Date)	\$507,855	\$473,364	7.3%
Dollars Spent on Auto Purchases (\$000's - Feb in 1995\$)	\$82,262	\$75,276	9.3%
Dollars Spent on Auto Purchases (\$000's - YTD)	\$169,830	\$142,620	19.1%
Lodging Tax Receipts (Feb)	\$288,782	\$215,290	34.1%
Lodging Tax Receipts (YTD)	\$528,877	\$511,593	3.4%
Airline Boardings (Feb)	23,875	25,627	-6.8%
Airline Boardings (YTD)	50,639	52,847	-4.2%
Value All Construction Permits (Feb)	\$21,225,691	\$23,412,960	-9.3%
Value All Construction Permits (YTD)	\$91,890,661	\$58,931,118	55.9%
New Home Permits (Feb)	91	110	-17.3%
New Home Permits (YTD)	190	282	-32.6%
Home Sales (Feb)	146	146	0.0%
Home Sales (YTD)	270	291	-7.2%
Average Home Sale Price (Feb)	\$131,066	\$114,863	14.1%
Average Home Sale Price (YTD Avg)	\$124,855	\$114,803	8.8%
Hidalgo Bridge Crossings (Feb)	397,229	451,934	-12.1%
Hidalgo Bridge Crossings (YTD)	838,261	953,074	-12.0%
Peso/Dollar Exchange Rate (Feb)	12.45	13.35	-6.7%
Employment			
Wage & Salary Employment (Feb)	223,600	218,800	2.2%
Wage & Salary Employment (YTD Avg)	223,150	218,700	2.0%
Unemployment Rate (Feb)	12.2	11.8	3.4%
Unemployment Rate (YTD Average)	12.5	12.0	4.2%
INDEX - February (Base=100 Jan 1996)	168.9	163.5	3.3%

In January 2004 the Texas Comptroller's Office began tracking "Manifestos" -- requests for sales tax refunds on items purchased by Mexican citizens or for export into Mexico.

	Export Sales per Manifestos	Total Retail Sales (Not adjusted for inflation)	Percent Export Sales of Total Sales
February 2011	\$17,729	\$345,574	5.1%
YTD 2011	\$44,576	\$727,444	6.1%

The McAllen Economic Index dipped slightly for the first time in three months, slipping to 168.9 down from 169.1 in January, but up 3.3% compared to the February 2010 MEI of 163.5. Weaker spending in February, along with lower housing construction and bride crossing numbers combined to put a bit of downward pressure on the index in February.

February real general spending was down slightly in February compared to February of a year ago, and in fact, is the lowest February figure since 2005. The year-to-date through February total is improved over the last couple of years, but remains down compared to 2007 and 2008.

Auto sales in the metro area - inflation-adjusted spending on new and used automobiles per Hidalgo County motor vehicle sales tax receipts - increased by over 9% for the month and nearly 20% for the year-to-date. Sales plunged in 2009 and 2010, so the increases thus far in 2011 do not yet reflect a return to pre-downturn highs established in 2007 and 2008, but are in the process of catching up fairly impressively.

Building permits are posting solid increases thus far into early 2011, but remain well behind the high totals enjoyed over the latter half of the previous decade, 2005-2008 in particular. Again, though, building activity is moving in the right direction for the 2nd straight year, and is well on the path to recover should these trends continue throughout 2011.

Not so for homebuilding, however -- not in McAllen and not in most other metro locations around Texas and the US. The number of new single-family residence permits is down compared to year-ago numbers and down compared to most of the 15-year history of the McAllen Economic Index. Again, though, most Texas metro areas are experiencing a similar long cyclical slowdown in housing construction, and the recovery in homebuilding may yet be some time off.

Existing home sales in February were exactly level with year-ago sales, and are down by some 7% through February compared to the first two months of 2010. Housing sales remain generally sluggish compared to the last few years, though prices continue to be well-supported, hovering near all-time nominal (not adjusted for inflation) highs.