

The McAllen Area Economy

ECONOMIC INDICATORS	THIS YEAR January 2006	LAST YEAR January 2005	% CHANGE 01/05 - 12/06
Retail Sales (000's - Month in 1995\$)	\$239,383	\$234,085	2.3%
Retail Sales (000's - Year)	\$239,383	\$234,085	2.3%
Motor Vehicle Tax Receipts (Month)	\$80,351	\$65,915	21.9%
Motor Vehicle Tax Receipts (Year)	\$80,351	\$65,915	21.9%
Lodging Tax Receipts (Year)	\$183,442	\$199,866	-8.2%
Airline Boardings (Month)	30,236	28,131	7.5%
Airline Boardings (Year)	30,236	28,131	7.5%
Value All Construction Permits (Month)	\$54,531,926	\$37,006,120	47.4%
Value All Construction Permits (Year)	\$54,531,926	\$37,006,120	47.4%
New Home Permits (Month)	259	216	19.9%
New Home Permits (Year)	259	216	19.9%
Home Sales (Month)	148	154	-3.9%
Home Sales (Year)	148	154	-3.9%
Average Home Sale Price (Month)	\$111,385	\$99,668	11.8%
Average Home Sale Price (Year)	\$111,385	\$99,668	11.8%
Hidalgo Bridge Crossings (Month)	562,083	548,578	2.5%
Hidalgo Bridge Crossings (Year)	562,083	548,578	2.5%
Peso Exchange Rate (Month)	10.45	11.05	-5.4%
Employment			
Wage & Salary Employment (Month)	201,100	189,900	5.9%
Wage & Salary Employment (YTD Avg)	201,100	189,900	5.9%
Unemployment Rate (Month)	7.8	9.3	N/A
Unemployment Rate (YTD Average)	7.8	9.3	N/A
INDEX (Base=100 Jan 1996)	176.6	166.1	6.3%

Employment estimates for McAllen were revised upward for 2005 as a part of the Texas Workforce Commission annual employment data revisions for all Texas metro areas; at year-end (December) 2005, the jobs estimate was bumped up by some 3,700 jobs (most monthly estimates throughout the year were raised).

Solid employment growth (5.9% year-over-year in January) continues going into 2006, helping to push the January 2006 McAllen Economic Index to 176.6, up from the revised December 2005 index of 175.8, and up an impressive 6.3% from the January 2005 MEI of 166.1.

The McAllen metro area economy continues to exhibit an impressive combination of growth in the consumer sector (general retail activity and automobile sales) and employment growth, and that is the classic description of economic growth at the local level.

The construction numbers look positively fabulous -- the valuation of all projects for which permits were issued in January outpaced the January 2005 total by over 47%, and the number of new home permits issued by the four major cities (McAllen, Edinburg, Mission and Pharr) was nearly 20% improved over year-ago levels.

The unit number of existing homes sold dipped slightly compared to January 2005, but the increase in price led to a solid improvement in total dollar volume.

The metro area economy plainly kicks off 2006 with plenty of growth momentum, and there is little reason to suggest that will not continue to be the case for the balance of the year.

Key Points