

ECONOMIC INDICATORS*	THIS YEAR June 2018	LAST YEAR June 2017	% CHANGE 2017-2018
Retail Sales (June)	\$ 451,148,262	\$ 441,230,409	2.2%
Retail Sales (2nd Quarter)	\$ 1,459,275,044	\$ 1,385,984,639	5.3%
Retail Sales (Year-to-Date)	\$ 2,991,172,805	\$ 2,881,821,709	3.8%
Dollars Spent on Auto Purchases (June)	\$ 132,299,415	\$ 139,208,916	-5.0%
Dollars Spent on Auto Purchases (2nd Qtr)	\$ 454,734,373	\$ 427,218,301	6.4%
Dollars Spent on Auto Purchases (YTD)	\$ 857,193,390	\$ 811,832,561	5.6%
Lodging Tax Receipts (June)	\$ 338,465	\$ 282,799	19.7%
Lodging Tax Receipts (2nd Qtr)	\$ 961,904	\$ 937,970	2.6%
Lodging Tax Receipts (YTD)	\$ 1,871,767	\$ 1,942,517	-3.6%
Airline Boardings (June)	34,955	32,623	7.1%
Airline Boardings (2nd Qtr)	93,870	89,958	4.3%
Airline Boardings (YTD)	176,055	170,897	3.0%
Value All Construction Permits (June)	\$ 39,346,406	\$ 49,212,381	-20.0%
Value All Construction Permits (2nd Qtr)	\$ 121,142,755	\$ 156,075,552	-22.4%
Value All Construction Permits (YTD)	\$ 304,536,983	\$ 335,218,976	-9.2%
New Home Permits (June)	120	139	-13.7%
New Home Permits (2nd Qtr)	383	379	1.1%
New Home Permits (YTD)	686	705	-2.7%
Home Sales (June)	238	307	-22.5%
Home Sales (2nd Qtr)	821	816	0.6%
Home Sales (YTD)	1,517	1,398	8.5%
Average Home Sale Price (June)	159,966	160,381	-0.3%
Average Home Sale Price (2nd Qtr)	\$ 159,567	\$ 154,961	3.0%
Average Home Sale Price (YTD)	\$ 157,509	\$ 153,461	2.6%
Dollar Volume of Home Sales (June in 1995\$)	\$ 38,072,011	\$ 50,594,276	-24.8%
Dollar Volume of Home Sales (2nd Qtr)	\$ 131,289,307	\$ 130,193,981	0.8%
Dollar Volume of Home Sales (YTD)	\$ 240,162,447	\$ 221,501,675	8.4%
Hidalgo Bridge Crossings (June)	418,258	436,098	-4.1%
Hidalgo Bridge Crossings (2nd Qtr)	1,317,746	1,335,733	-1.3%
Hidalgo Bridge Crossings (YTD)	2,590,242	2,687,995	-3.6%
Peso Exchange Rate (June)	20.28	18.17	11.6%
Employment			
Wage & Salary Employment (June)	262,800	258,900	1.5%
Wage & Salary Employment (2nd Qtr Avg)	263,400	259,300	1.6%
Wage & Salary Employment (YTD Avg)	262,433	257,950	1.7%
Unemployment Rate (McAllen City - June)	5.1	5.4	-5.6%
Unemployment Rate (2nd Qtr Avg)	4.8	5.2	-7.1%
Unemployment Rate (YTD Average)	4.9	5.4	-9.8%
INDEX - February (Base=100 January1996)	186.6	185.8	0.5%

* With the exception of the average monthly home sale price, all economic indicators expressed in dollar form above are adjusted for inflation by restating prior periods in current dollars

The McAllen Economic Index increased for the fourth straight month in June, improving to 186.6 for the month up from 186.4 in May and up 0.5% compared to the June 2017 MEI of 185.8. The growth rate picture clearly changed for the better in the second quarter of the year with the annualized growth rate surging to 3.7% over the course of the quarter. The McAllen Economic Index in June 2018 remains down by 1.1% compared to the index peak of 188.7 achieved in November 2016.

- Midway through 2018 only hotel/motel activity and the construction indicators are lower compared to year-ago levels. General spending and auto spending posted solid gains in the second quarter and the first half of the year; home sales weakened in the second quarter, June in particular, but are higher for the year-to-date.

- The pace of job growth remains very steady if not terribly vibrant, hovering around 1.5-1.7% thus far in 2018. June payroll employment was up by 1.5% compared to June 2017, while employment growth average 1.6% in the second quarter and 1.7% for the first six months of the year compared to year-ago levels.

- General real (inflation-adjusted) taxable spending was up by only a modest 2.2% in June; however, second quarter spending was up by a stout 5.3%. Through the first six months of the year real taxable spending is up by a very respectable 3.8%. The gap is closing but general spending is not in record territory in 2018, as it climbs back from declines in 2016 and 2017.

- Real auto spending set a record in the second quarter even with a June monthly decline of 5% compared to June 2017. Midway through the year inflation-adjusted spending on new and used motor vehicles is up by 5.6% compared to the first six months of a year ago and is the second-highest January-June total on record behind the total through June 2016.

- Construction remains in a state of general decline, and that has been the case since a big year in 2016. Second quarter real permit valuations were down by over 22% (June posted a 20% year-over-year decline), and the total for the year-to-date is down by some 9% compared to the first six months of 2017. Housing construction remains in a state of mild decline as well with the number of new single-family residence permits issued down by 2.7% at midyear 2018.

- June existing home sales were down by over 22% compared to the record June monthly total from 2017; however, housing sales set new records for the second quarter and first half of the year, and the number of sales through June is up by 8.5% year-over-year. The average price of those sales was up by a healthy 3% in the second quarter and 2.6% for the year-to-date.

- Even with the June monthly decline the inflation-adjusted total dollar volume of residential real estate sales activity is at a record level thus far in 2018, posting an 8.4% increase over the first six months of 2017.

- The McAllen metro area general economy is slowly making its way back to its all-time record level. The road has been a bit rocky over the last year or so but gained some considerable momentum in the second quarter of 2018, which hopefully will carry forth for the balance of the year.