

The McAllen Metro Area Economy

ECONOMIC INDICATORS	THIS YEAR June 2012	LAST YEAR June 2011	% CHANGE 2011 - 2012
Retail Sales (\$000's - June in 1995\$)	\$921,688	\$850,444	8.4%
Retail Sales (\$000's - Year-to-Date)	\$1,801,660	\$1,718,494	4.8%
Dollars Spent on Auto Purchases (\$000's - June in 1995\$)	\$326,194	\$295,775	10.3%
Dollars Spent on Auto Purchases (\$000's - YTD)	\$658,139	\$583,811	12.7%
Lodging Tax Receipts (June)	\$917,337	\$761,391	20.5%
Lodging Tax Receipts (YTD)	\$1,799,760	\$1,601,167	12.4%
Airline Boardings (June)	90,455	85,774	5.5%
Airline Boardings (YTD)	172,209	165,760	3.9%
Value All Construction Permits (June)	\$126,652,996	\$133,089,653	-4.8%
Value All Construction Permits (YTD)	\$246,952,512	\$265,815,054	-7.1%
New Home Permits (June)	324	313	3.5%
New Home Permits (YTD)	599	641	-6.6%
Home Sales (June)	605	473	27.9%
Home Sales (YTD)	1,081	928	16.5%
Average Home Sale Price (June)	\$122,419	\$131,839	-7.1%
Average Home Sale Price (YTD)	\$123,031	\$126,672	-2.9%
Hidalgo Bridge Crossings (June)	1,342,567	1,324,754	1.3%
Hidalgo Bridge Crossings (YTD)	2,641,373	2,617,305	0.9%
Peso Exchange Rate (June)	13.00	11.75	10.6%
Employment			
Wage & Salary Employment (June)	228,200	225,400	1.2%
Wage & Salary Employment (YTD Avg)	230,800	224,783	2.7%
Unemployment Rate (June)	12.0	13.0	-7.7%
Unemployment Rate (YTD Avg)	11.1	12.3	-9.8%
INDEX - June (Base=100 Jan 1996)	174.8	170.6	2.5%

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	Export Sales of Total Sales
June 2012	\$25,786	\$476,668	5.4%
YTD	\$132,506	\$2,515,036	5.3%

- The McAllen Economic Index increased for the fifth straight month in June rising to 174.8 up from 174.7 in May, and up 2.5% from the June 2011 MEI of 170.6. The rate of employment growth has slowed in recent months, but the spending indicators continue to fuel growth in the index, and in the McAllen area economy.

- As June represents the end of a quarter, the table of economic indicators for the month contains largely 2nd quarter totals/averages along with the year-to-date totals/averages, with the exception of the employment data which continue to reflect June monthly estimates.

- General real (inflation-adjusted) spending per sales tax receipts was up by a stout 8.4% in the 2nd quarter (year-over-year), and represents a record total for the 2nd quarter in any prior year. Real spending for the year-to-date is up by about 4.8% compared to the first six months of a year ago, but remains down just slightly compared to the prior peak year of 2008 by a slight .5%, and the gap compared to the pre-recession spending peak continues to narrow.

- The auto sector continues to post double-digit rates of growth with inflation-adjusted spending on new and used automobiles up 10.3% in the 2nd quarter compared to the 2nd quarter 2011, and the total for the YTD through June is up by 12.7% compared to the first six months of 2011. And again, both the quarterly and year-to-date totals have now surpassed all prior levels.

- Rates of year-over-year employment growth, which were well above 3% in the 1st quarter dipped well below 2% in the 2nd quarter; in fact, the June estimate was up by only about 1.2% compared to June of a year ago, which represents the addition of about 2,800 jobs over the 12 months ending June 2012.

- Hotel/motel tax receipts were up sharply in the 2nd quarter, increasing by over 20% compared to the 2nd quarter of 2011. For the year-to-date, hotel motel activity in McAllen is up by over 12% compared to the first six months of a year ago.

- Construction activity was down a bit compared to year-ago levels with building permit valuations down about 4.8% year-over-year, and down about 7% for the year-to-date. Housing construction was higher in the 2nd quarter compared to 2011, but generally continues its several-year downward trend. The number of new single-family residence permits issued in the first six months of 2012 is the lowest January-June total dating back to at least 1995, the year data collection began for the McAllen Economic Pulse.

- Existing home sales were up by nearly 28% in the 2nd quarter year-over-year; however, the 2nd quarter 2011 total was down by over 30% compared the prior year so sales levels mostly simply recovered most of what was lost in the 2nd quarter 2011. YTD sales are up by over 16% compared to the first six months of 2011; again, though, the YTD through June total was down by 25% in 2011 compared to the prior year.

- The average home sale price was down by nearly 8% in the 2nd quarter, pulling the year-to-date average down by about 2.9% compared to the first six months of 2011. The 2nd quarter decline is most likely an anomaly as there is little reason to believe housing prices and values would be declining in McAllen at this point.

McAllen Area ECONOMIC PULSE

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June 2012 Economic Pulse

The McAllen Chamber of Commerce Economic Index

INDEX (Base=100 Jan 1996)

The economic indicators on pg. 2 are used to formulate the overall economic pulse.

