

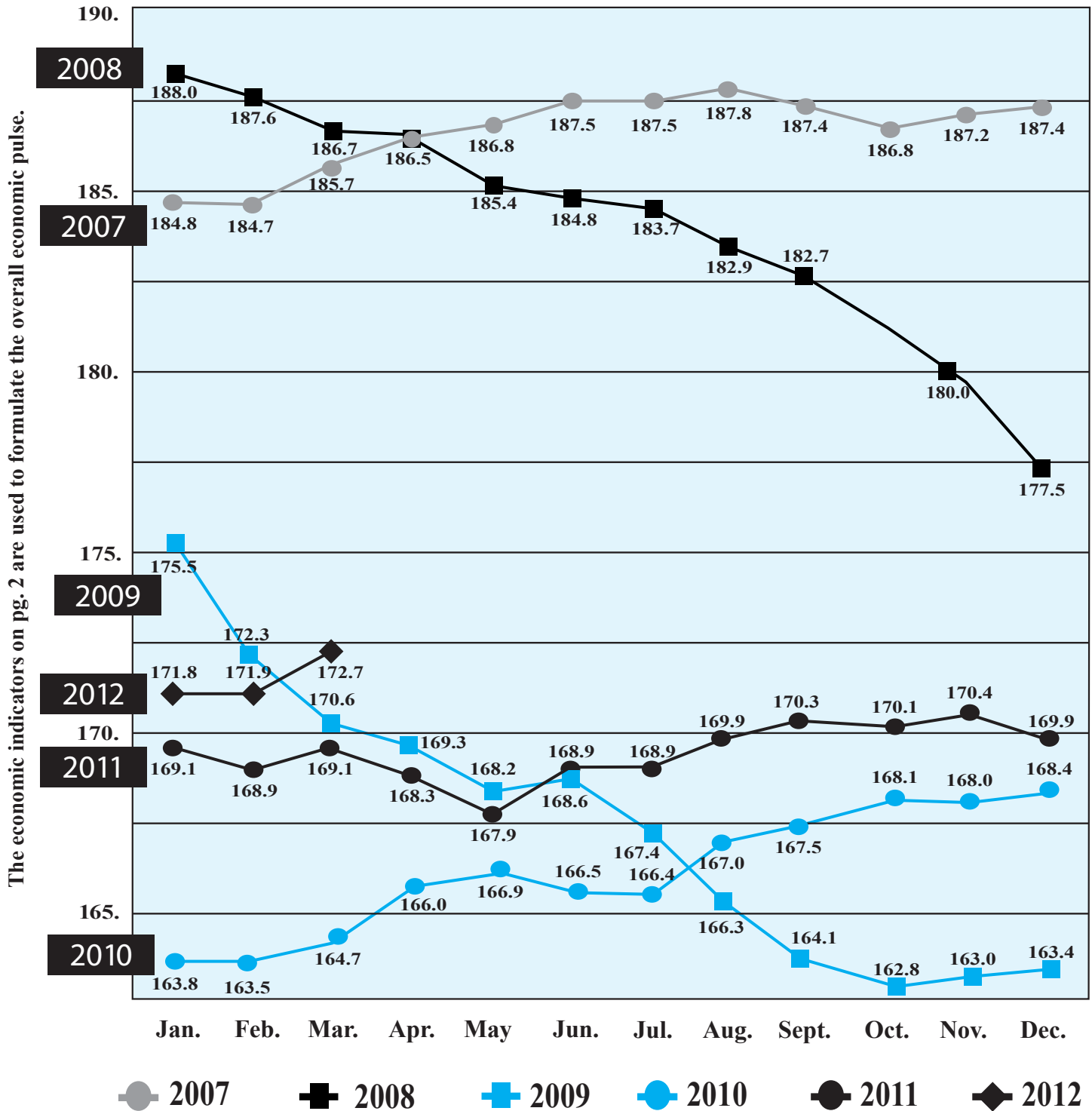
McAllen Area ECONOMIC PULSE

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March 2012 Economic Pulse

The McAllen Chamber of Commerce Economic Index

INDEX (Base=100 Jan 1996)



The McAllen Metro Area Economy

ECONOMIC INDICATORS	THIS YEAR March 2012	LAST YEAR March 2011	% CHANGE 2011 - 2012
Retail Sales (\$000's - in 1995\$ *)	\$345,465	\$336,007	2.8%
Retail Sales (\$000's - 1st Qtr *)	\$879,972	\$868,050	1.4%
Dollars Spent on Auto Purchases (\$000's - March in 1995\$ *)	\$128,806	\$118,133	9.0%
Dollars Spent on Auto Purchases (\$000's - 1st Qtr *)	\$331,945	\$288,036	15.2%
Lodging Tax Receipts (March)	\$330,606	\$310,898	6.3%
Lodging Tax Receipts (1st Qtr)	\$882,424	\$839,775	5.1%
Airline Boardings (March)	31,193	29,347	6.3%
Airline Boardings (1st Qtr)	81,754	79,986	2.2%
Value All Construction Permits (March)	\$61,482,839	\$40,834,740	50.6%
Value All Construction Permits (1st Qtr)	\$120,299,517	\$132,725,401	-9.4%
New Home Permits (March)	111	138	-19.6%
New Home Permits (1st Qtr)	275	328	-16.2%
Home Sales (March)	191	185	3.2%
Home Sales (1st Qtr)	476	455	4.6%
Average Home Sale Price (March)	\$123,574	\$120,123	2.9%
Average Home Sale Price (1st Qtr Avg)	\$123,808	\$121,301	2.1%
Hidalgo Bridge Crossings (March)	462,839	454,290	1.9%
Hidalgo Bridge Crossings (1st Qtr)	1,298,806	1,292,551	0.5%
Peso Exchange Rate (March)	12.35	12.00	2.9%
Employment			
Wage & Salary Employment (March)	232,800	224,900	3.5%
Wage & Salary Employment (1st Qtr Avg)	231,467	223,633	3.5%
Unemployment Rate (March)	10.7	12.0	-10.8%
Unemployment Rate (1st Qtr Avg)	11.2	12.4	-9.7%
INDEX - March (Base=100 Jan 1996)	172.7	170.6	1.2%

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
March 2012	\$22,469	\$481,705	4.7%
YTD	\$62,451	\$1,224,856	5.1%

- The McAllen Economic Index was revised over all of its history with the release of the March Pulse to reflect a more accurate inflation adjustment for general spending in McAllen, and to employ the use of seasonally adjusted employment data for the purpose of calculating the monthly index. The revisions do not result in any significant change to the trends in the metro area economy over that time as represented by the index.

- The revised McAllen Economic Index was improved in March 2012 compared to January and February, and was unchanged compared to the December 2011 MEI at the end of the fourth quarter. The index rose to 172.7 in March, up from 171.9 in February (and 171.8 in January), and is up over the last year, about 1.2% improved over the March 2011 index of 170.6.

- The area economy continues to post solid job growth, with payroll employment up by an estimated 3.5% compared to year-ago levels, the addition of an estimated 7,900 jobs over the last 12 months. The unemployment rate continues to come down as well, dipping to its lowest level since 2009.

- The rate of general spending growth slowed in March after a strong February, with inflation-adjusted taxable spending up by 2.8% year-over-year; first quarter total real spending was up by a slight 1.4% compared to the first three months of 2011. The first quarter 2012 total remains down compared to the pre-recession peak spending levels achieved in 2007 and 2008.

- Auto spending has surpassed all prior levels, however, and continues to improve in the first quarter 2012 with inflation-adjusted spending on new and used automobiles up by over 15% compared to the first quarter 2011. March real auto spending is up by about 9% compared to March of a year ago.

- The March building permit total was the highest for the month of March since 2007, and was up by some 50% compared to March of a year ago. First quarter total building permit valuations were down compared to year-ago levels by about 9%, and remain well below peak levels achieved in 2007-2008. Home building is down for the month and quarter compared to year-ago levels, which in turn were down sharply compared to the prior year.

- Existing home sales were up modestly for the month and quarter compared to year-ago levels; in McAllen and most other Texas metro areas home sales have not returned to peak levels of the prior decade. Prices continue to generally register improvement, and are up by nearly 3% in March compared to last year, and are up by 2.1% in the first quarter compared to Q1 2011, which in turn was up by 6% compared to the first quarter 2010.

* Adjusted for inflation by restating in year 1995 dollars

Key Points