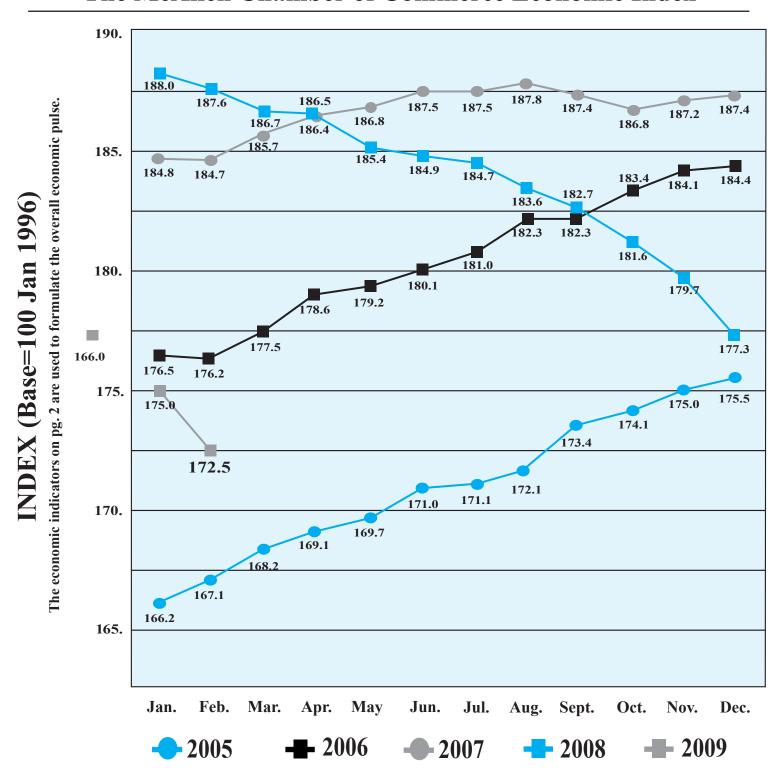
McAllen • Mission • Edinburg • Pharr



February 2009 Economic Pulse



The McAllen Chamber of Commerce Economic Index



ECONOMIC INDICATORS		THIS YEAR February 200		LAST YI February		% CHANGE 02/08 - 02/09
Retail Sales (000's - Month in 1995\$)		\$242,5	68	\$2	263,697	-8.0%
Retail Sales (000's - Year)		\$500,0			520,590	-3.9%
Motor Vehicle Tax Receipts (Month)		\$74,6			\$97,651	-23.6%
Motor Vehicle Tax Receipts (Year)		\$145,6			202,576	-28.1%
Lodging Tax Receipts (Year)		\$573,8	666		697,175	-17.7%
Airline Boardings (Month)		24,9	25		33,766	-26.2%
Airline Boardings (Year)	51,9	04		67,477	-23.1%	
Value All Construction Permits (Month	\$18,947,2	00	\$66,499,20		-71.5%	
Value All Construction Permits (Year)	\$46,228,6	06	\$163,618,312		-71.7%	
New Home Permits (Month)	1	02	131		-22.1%	
New Home Permits (Year)	1	90	259		-26.6%	
Home Sales (Month)		1	69	20		-18.0%
Home Sales (Year)		3	31	398		-16.8%
Average Home Sale Price (Month)		\$105,9	69	\$110,825		-4.4%
Average Home Sale Price (Year)		\$103,8	90	\$110,886		-6.3%
Hidalgo Bridge Crossings (Month)		441,1	75	520,679		-15.3%
Hidalgo Bridge Crossings (Year)		945,1	97	1,0	027,038	-8.0%
Peso Exchange Rate (Month)		15.	.50		11.05	40.3%
Employment						
Wage & Salary Employment (Month)		220,000		2	219,900 0.0%	
Wage & Salary Employment (YTD Avg)		220,000			219,400	0.3%
Unemployment Rate (Month)		9.6		6.6 N/A		N/A
Unemployment Rate (YTD Average)		9	9.9		6.9	N/A
INDEX (Base=100 Jan 1996)		17	72.5		187.6	-8.0%
In January 2004 the Texas Comptroller's Office began tracking "Manifiestos" requests for sales tax refunds on items purchased by Mexican citizens or for export into Mexico.		Export Sales per Manifiestos]	Total Retail Sales	Export Sales of Total Sales	
	February 2009	\$23,665		\$339,108	7.0%	
	YTD 2009	\$49,259		\$699,117	7.	7.0%

The McAllen Economic Index declined for the 13th consecutive month in February '09, falling sharply to 172.5, down from 175.0 in January, and down 8.0% from the February 2009 index of 187.6.

All economic indicators used to calculate the McAllen Economic Index are negative compared to year-ago numbers -- many of them sharply negative -- except for payroll employment, which is flat compared to February '08; employment growth margins have narrowed considerably in recent months, and may well go negative in the near future.

Inflation-adjusted retail spending fell by 8% in February (year-over-year), pulling the year-to-date total to about 4% below the total for the first two months of 2008. Inflation-adjusted spending on new and used autos was down over 23% in February, and some 28% for the year-to-date.

Employment estimates have narrowed, and are now flat compared to year-ago levels. The unemployment rate has risen considerably over the last 12 months, suggesting that payroll employment levels are likely to go negative in the coming months.

Construction is off by 70% compared to year-ago levels; homebuilding and existing home sales are down by significant amounts, and home prices are beginning to retreat a bit as well. Bridge crossings have declined, and the exchange rate has worsenened notably in recent months.