

ECONOMIC INDICATORS	THIS YEAR February 2010	LAST YEAR February 2009	% CHANGE 02/09 - 02/10
Retail Sales (\$000's - February in 1995\$)	\$241,787	\$242,568	-0.3%
Retail Sales (\$000's - Year-To-Date)	\$473,364	\$500,054	-5.3%
Dollars Spent on Auto Purchases (\$000's - Feb in 1995\$)	\$75,276	\$75,073	0.3%
Dollars Spent on Auto Purchases (\$000's - YTD)	\$142,620	\$146,346	-2.5%
Lodging Tax Receipts (Feb)	\$215,290	\$237,959	-9.5%
Lodging Tax Receipts (YTD)	\$511,593	\$573,866	-10.9%
Airline Boardings (Feb)	25,627	24,925	2.8%
Airline Boardings (YTD)	52,847	51,904	1.8%
Value All Construction Permits (Feb)	\$23,412,960	\$18,947,200	23.6%
Value All Construction Permits (YTD)	\$58,931,118	\$46,228,606	27.5%
New Home Permits (Feb)	110	102	7.8%
New Home Permits (YTD)	282	190	48.4%
Home Sales (Feb)	146	169	-13.6%
Home Sales (YTD)	291	331	-12.1%
Average Home Sale Price (Feb)	\$114,863	\$105,969	8.4%
Average Home Sale Price (YTD Avg)	\$114,803	\$105,969	8.3%
Hidalgo Bridge Crossings (Feb)	451,934	441,175	2.4%
Hidalgo Bridge Crossings (YTD)	953,074	945,197	0.8%
Peso/Dollar Exchange Rate (Feb)	13.35	15.50	-13.9%
Employment			
Wage & Salary Employment (Feb)	218,600	217,900	0.3%
Wage & Salary Employment (YTD Avg)	218,200	218,300	-0.05%
Unemployment Rate (Feb)	11.8	9.9	19.2%
Unemployment Rate (YTD Average)	12.0	10.0	20.0%
INDEX - February (Base=100 Jan 1996)	163.2	172.3	-5.3%

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 (Not adjusted for inflation)	Percent Export Sales of Total Sales
February 2010	\$24,114	\$342,523	7.0%
YTD 2010	\$53,717	\$670,234	8.0%

After increasing for three consecutive months, the McAllen Economic Index declined slightly -- 1/10 of a point -- in February to 163.2, down from 163.3 in January. The margin of year-over-year decline continues to narrow, however, at 5.3% in February, after peaking at 10.9% in October of last year, and that improvement suggests the McAllen metro economy is indeed in the early stages of recovery.

The spending indicators remain generally sluggish with inflation-adjusted taxable retail spending down slightly compared to February 2009, and the YTD through February total down by over 5% compared to the first two months of a year ago. Inflation-adjusted spending on new and used automobiles posted a very slight increase in February, and is down just over 2% for the year-to-date.

Employment growth is flat as well adding about 700 jobs over the last 12 months (a slight .3% gain) though the McAllen MSA (Metropolitan Statistical Area) remains one of the few Texas metro areas that is positive at all in terms of year-over-year job growth. The unemployment rate remains high compared to year-ago levels, but will typically be one of the last local economic indicators to begin to improve in the recovery process.

Construction activity continues to outpace year-ago levels; however, last year's January and February numbers were extraordinarily low, and save for last year, the January-February 2010 totals are the lowest since 1999. Housing construction is up by nearly 50% through February, but again, that comes on the heels of three years of sharp decline.

Existing home sales are lower thus far in 2010 in terms of the number of closed sales, but prices have increased significantly, up over 8% in February (compared to February of a year ago), and some 10.5% for the year-to-date.

The balance of 2010 should begin to bring greater evidence of economic recovery in the McAllen metro area, characterized by a return to growth in the spending sector and an improving employment scenario as the year progresses.