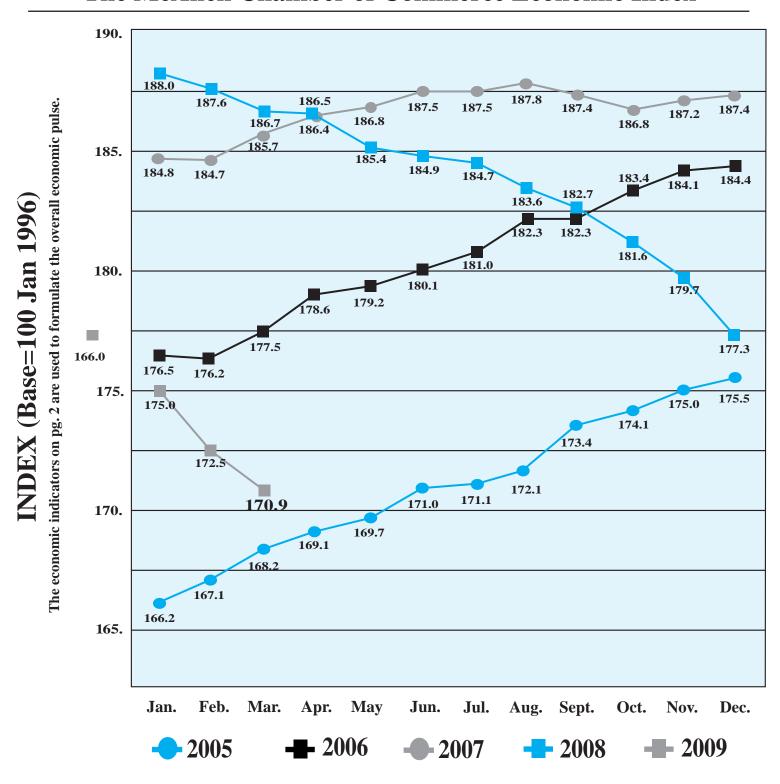
McAllen • Mission • Edinburg • Pharr



March 2009 Economic Pulse



The McAllen Chamber of Commerce Economic Index



| Retail Sales (000's - Month in 1995\$) \$298,673 \$335,838 -11.1% Retail Sales (000's - Year) \$798,727 \$856,428 -6.7% Motor Vehicle Tax Receipts (Month) \$84,575 \$111,361 -24.1% Motor Vehicle Tax Receipts (Year) \$230,238 \$313,937 -26.7% Lodging Tax Receipts (Year) \$854,078 \$1,013,574 -15.7% Airline Boardings (Month) 28,965 37,605 -23.0% Airline Boardings (Year) 80,869 105,082 -23.0% Value All Construction Permits (Month) \$29,26,419 \$42,264,619 -30.1% Value All Construction Permits (Year) \$75,755,025 \$205,882,931 -63.2% New Home Permits (Month) 283 385 -26.5% New Home Permits (Year) 283 385 -26.5% Home Sales (Year) 226 304 -25.7% Home Sales (Year) \$122,185 \$110,376 10.7% Average Home Sale Price (Year) \$199,988 \$110,716 -0.7% Average Home Sale Price (Year) \$1,443,685 <td< th=""><th colspan="2">ECONOMIC INDICATORS</th><th>THIS YEAR March 2009</th><th></th><th>LAST YI March 2</th><th></th><th>% CHANGE 03/08 - 03/09</th></td<> | ECONOMIC INDICATORS | | THIS YEAR March 2009 | | LAST YI March 2 | | % CHANGE 03/08 - 03/09 |
|---|---|------------|-------------------------|-----------|--------------------|---------------------------------------|---------------------------|
| Retail Sales (000's - Year) \$798,727 \$856,428 -6.7% | Retail Sales (000's - Month in 1995\$) | | \$298,6 | 573 | \$3 | 335,838 | -11.1% |
| Motor Vehicle Tax Receipts (Month) \$84,575 \$111,361 -24.1% | · · · · · · · · · · · · · · · · · · · | | \$798,7 | 27 | | · · · · · · · · · · · · · · · · · · · | -6.7% |
| Motor Vehicle Tax Receipts (Year) | | | | | | | -24.1% |
| Lodging Tax Receipts (Year) | * ` ′ | | | | | | -26.7% |
| Airline Boardings (Year) Value All Construction Permits (Month) Value All Construction Permits (Year) Value All Construction Permits (Year) New Home Permits (Month) New Home Permits (Year) New Home Sales (Month) 1226 304 -25.7% 126 304 -25.7% 107 Average Home Sale Price (Month) Average Home Sale Price (Year) Average Home Sale Price (Year) Hidalgo Bridge Crossings (Month) Hidalgo Bridge Crossings (Year) Peso Exchange Rate (Month) 14.75 10.90 14.75 10.90 35.3% Employment Wage & Salary Employment (Month) Wage & Salary Employment (YTD Avg) Unemployment Rate (Month) 220,300 220,300 220,300 0.0% N/A N/A INDEX (Base=100 Jan 1996) In January 2004 the Texas Comptroller's Office began tracking "Manifiestos" requests for sales tax refunds on items purchased by Mexican citizens or VXID 2009 \$79,400 \$111,793 7,1% | | | \$854,0 | 78 | | | -15.7% |
| Airline Boardings (Year) Value All Construction Permits (Month) Value All Construction Permits (Year) Value All Construction Permits (Year) New Home Permits (Month) New Home Permits (Year) New Home Sales (Month) 1226 304 -25.7% 126 304 -25.7% 107 Average Home Sale Price (Month) Average Home Sale Price (Year) Average Home Sale Price (Year) Hidalgo Bridge Crossings (Month) Hidalgo Bridge Crossings (Year) Peso Exchange Rate (Month) 14.75 10.90 14.75 10.90 35.3% Employment Wage & Salary Employment (Month) Wage & Salary Employment (YTD Avg) Unemployment Rate (Month) 220,300 220,300 220,300 0.0% N/A N/A INDEX (Base=100 Jan 1996) In January 2004 the Texas Comptroller's Office began tracking "Manifiestos" requests for sales tax refunds on items purchased by Mexican citizens or VXID 2009 \$79,400 \$111,793 7,1% | | | 28,9 | 065 | | | -23.0% |
| Value All Construction Permits (Month) \$29,526,419 \$42,264,619 -30.1% Value All Construction Permits (Year) \$75,755,025 \$205,882,931 -63.2% New Home Permits (Month) 93 126 -26.2% New Home Permits (Year) 283 385 -26.5% Home Sales (Month) 226 304 -25.7% Home Sales (Year) 557 702 -20.7% Average Home Sale Price (Month) \$122,185 \$110,376 10.7% Average Home Sale Price (Year) \$109,988 \$110,716 -0.7% Hidalgo Bridge Crossings (Month) 498,488 574,887 -13.3% Hidalgo Bridge Crossings (Year) 1,443,685 1,601,925 -9.9% Peso Exchange Rate (Month) 14.75 10.90 35.3% Employment Wage & Salary Employment (Month) 220,300 220,300 0.0% Wage & Salary Employment (YTD Avg) 220,100 219,700 0.2% Unemployment Rate (Month) 9.5 6.4 N/A In January 2004 the Texas | | | 80,8 | 369 | 1 | 105,082 | -23.0% |
| New Home Permits (Month) | | | \$29,526,4 | 19 | \$42,2 | 264,619 | -30.1% |
| New Home Permits (Month) | | | | | | | -63.2% |
| Home Sales (Month) | ` ' | | | | | 126 | -26.2% |
| Home Sales (Year) | ` ' | | 2 | 283 | | | -26.5% |
| Average Home Sale Price (Month) Average Home Sale Price (Year) Hidalgo Bridge Crossings (Month) Hidalgo Bridge Crossings (Month) Hidalgo Bridge Crossings (Year) Peso Exchange Rate (Month) Employment Wage & Salary Employment (Month) Wage & Salary Employment (YTD Avg) Unemployment Rate (Month) Unemployment Rate (YTD Average) INDEX (Base=100 Jan 1996) In January 2004 the Texas Comptroller's Office began tracking "Manifiestos" requests for sales tax refunds on items purchased by Mexican citizens or WYND 2000 **TUD 2000 **T | · · · · | | 2 | 226 | | 304 | -25.7% |
| Average Home Sale Price (Year) Hidalgo Bridge Crossings (Month) Hidalgo Bridge Crossings (Month) Hidalgo Bridge Crossings (Year) Peso Exchange Rate (Month) Employment Wage & Salary Employment (Month) Wage & Salary Employment (YTD Avg) Unemployment Rate (Month) INDEX (Base=100 Jan 1996) Average Home Sale Price (Year) \$10,908 \$110,716 -0.7% 498,488 574,887 -13.3% 1,601,925 -9.9% 220,300 220,300 220,300 220,300 219,700 0.2% N/A N/A INDEX (Base=100 Jan 1996) Average Home Sale Price (Year) \$1,443,685 1,601,925 -9.9% 220,300 220,300 219,700 0.2% N/A N/A INDEX (Base=100 Jan 1996) Average Home Sale Sper Manifiestos Export Sales For Total Retail Sales Total Sales | · · · · · · · · · · · · · · · · · · · | | 5 | 557 | | 702 | -20.7% |
| Hidalgo Bridge Crossings (Month) | | | \$122,1 | .85 | \$1 | 110,376 | 10.7% |
| Hidalgo Bridge Crossings (Year) | · , , , | | \$109,9 | 88 | \$1 | 110,716 | -0.7% |
| Peso Exchange Rate (Month) Employment Wage & Salary Employment (Month) Wage & Salary Employment (YTD Avg) Unemployment Rate (Month) Unemployment Rate (YTD Average) INDEX (Base=100 Jan 1996) In January 2004 the Texas Comptroller's Office began tracking "Manifiestos" requests for sales tax refunds on items purchased by Mexican citizens or Employment 220,300 220,300 219,700 | , , , | | 498,4 | 88 | | 574,887 | -13.3% |
| Employment Wage & Salary Employment (Month) Wage & Salary Employment (YTD Avg) Unemployment Rate (Month) Unemployment Rate (YTD Average) INDEX (Base=100 Jan 1996) In January 2004 the Texas Comptroller's Office began tracking "Manifiestos" requests for sales tax refunds on items purchased by Mexican citizens or Employment (YTD Average) 220,300 220,300 219,700 0.2% N/A N/A N/A INDEX (Base=100 Jan 1996) In January 2004 the Texas Comptroller's Office began tracking "Manifiestos" requests for sales tax refunds on items purchased by Mexican citizens or VIEW 2009 \$79,400 \$1,117,973 7,1% | | | 1,443,6 | 1,443,685 | | 501,925 | -9.9% |
| Wage & Salary Employment (Month) Wage & Salary Employment (YTD Avg) Unemployment Rate (Month) Unemployment Rate (YTD Average) In January 2004 the Texas Comptroller's Office began tracking "Manifiestos" requests for sales tax refunds on items purchased by Mexican citizens or VTD 2009 \$220,300 220,300 0.0% 0.2% 0.2% 0.2% 0.2% 0.2% 0.2% 0. | | | 14. | 14.75 | | 10.90 | 35.3% |
| Wage & Salary Employment (YTD Avg) Unemployment Rate (Month) Unemployment Rate (YTD Average) INDEX (Base=100 Jan 1996) In January 2004 the Texas Comptroller's Office began tracking "Manifiestos" requests for sales tax refunds on items purchased by Mexican citizens or VTD 2000 219,700 0.2% N/A N/A N/A N/A Export Sales per Manifiestos Total Retail Sales Total Sales | Employment | | | | | | |
| Unemployment Rate (Month) Unemployment Rate (YTD Average) INDEX (Base=100 Jan 1996) In January 2004 the Texas Comptroller's Office began tracking "Manifiestos" requests for sales tax refunds on items purchased by Mexican citizens or VYED 2000 9.5 6.4 N/A N/A 170.9 Export Sales per Manifiestos Retail Sales Total Retail Sales Total Sales | ± v | | 220,300 | | 220,300 | | 0.0% |
| Unemployment Rate (Month) Unemployment Rate (YTD Average) INDEX (Base=100 Jan 1996) In January 2004 the Texas Comptroller's Office began tracking "Manifiestos" requests for sales tax refunds on items purchased by Mexican citizens or VYED 2000 9.5 6.4 N/A N/A 170.9 Export Sales per Manifiestos Retail Sales Total Retail Sales Total Sales | | | | | 219,700 | | 0.2% |
| INDEX (Base=100 Jan 1996) In January 2004 the Texas Comptroller's Office began tracking "Manifiestos" requests for sales tax refunds on items purchased by Mexican citizens or In January 2004 the Texas Export Sales per Manifiestos Retail Sales Total Retail Sales Total Sales | | | 9.5 | | 6.4 | | N/A |
| In January 2004 the Texas Comptroller's Office began tracking "Manifiestos" requests for sales tax refunds on items purchased by Mexican citizens or Export Sales per Manifiestos Retail Sales Total Retail Sales Total Sales | Unemployment Rate (YTD Average) | | 9.7 | | 6.7 | | N/A |
| Comptroller's Office began per Manifiestos Retail Sales Total Sales tracking "Manifiestos" requests for sales tax refunds on items purchased by Mexican citizens or per Manifiestos Retail Sales Total Sales Total Sales \$417,855 7.2% | INDEX (Base=100 Jan 1996) | | 17 | 70.9 | | 186.7 | -8.5% |
| for sales tax refunds on items purchased by Mexican citizens or VED 2000 \$30,141 \$417,855 7.2% | Comptroller's Office began tracking "Manifiestos" requests for sales tax refunds on items | | | Re | | * | |
| YTD 2000 - X/9/100 - X111/9/3 - 7/10/ | | March 2009 | \$30,141 | \$ | 417,855 | 7. | 2% |
| for export fino inexico. | | YTD 2009 | \$79,400 | \$1 | \$1,117,973 | | 1% |

The McAllen metro area economy continues to contract through the first quarter of 2009, with the McAllen Economic Index dipping sharply again to 170.9 in March, down from 172.5 in February, and down 8.5% from the March 2009 MEI of 186.7.

Local consumer activity remains on the decline, with inflation-adjusted general retail sales down over 11% in March (compared to March of last year), and is now down 6.7% for the year-to-date compared to the first three months of 2008.

The big-ticket auto sector in McAllen (and all across the country) continues to reel, with inflation-adjusted spending on new and used automobiles down some 25% year-over-year through the first quarter of '09.

The employment situation continues to worsen; job growth has narrowed, and is now level with year-ago numbers (and will likely go negative in the coming months) while the metro area unemployment rate is over three full points higher than the March 2008 unemployment rate.

The ever-important travel and tourism sector is on the wane as well, with airline activity and hotel/motel tax receipts down by double-digit percentage points compared to the first quarter of a year ago.

Construction activity is down sharply; the value of bulding permits issued in the first quarter is off by over 60% compared to year-ago totals, and homebuilding in McAllen and elsewhere continues to decrease, with local permits for new single-family homes falling by over 25% over the last 12 months.

Existing home sales are down as well, but importantly, prices continue to suggest that there has not yet been any sign of erosion in local residential real estate values.