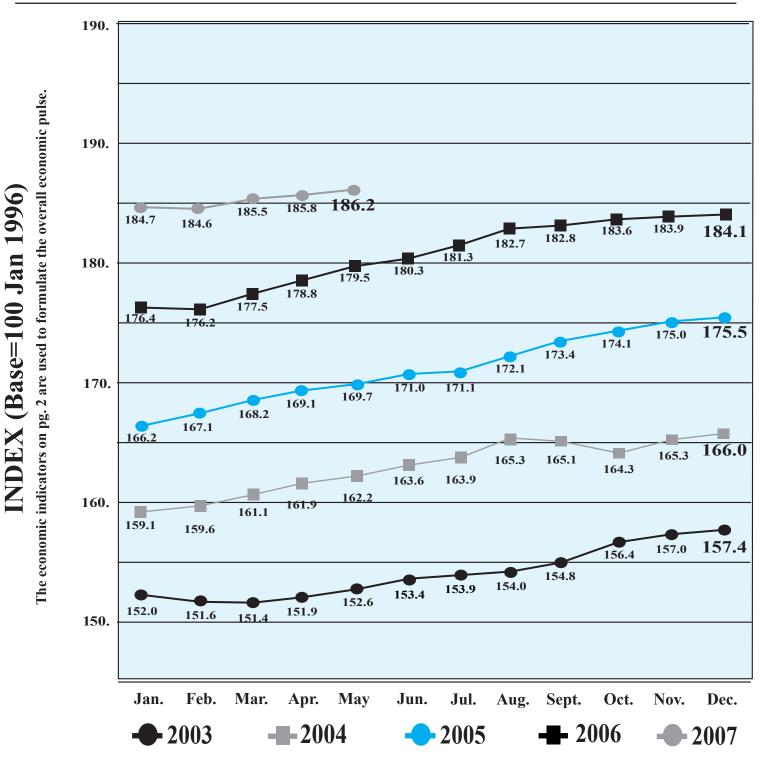


May 2007 Economic Pulse

The McAllen Chamber of Commerce Economic Index



ECONOMIC INDICATORS		THIS YEAR May 2007	LAST Y May 20		% CHANGE 05/06 - 05/07
Retail Sales (000's - Month in 1995\$)		\$270,03	4 \$	\$257,028	
Retail Sales (000's - Year)		\$1,401,44		\$1,341,785	
Motor Vehicle Tax Receipts (Month)		\$105,23	· · · · · · · · · · · · · · · · · · ·	\$89,041	
Motor Vehicle Tax Receipts (Year)		\$535,83		\$446,219	
Lodging Tax Receipts (Year)		\$1,601,89		\$1,429,536	
Airline Boardings (Month)		34,26		33,098	
Airline Boardings (Year)		172,78		167,434	
Value All Construction Permits (Month)		\$59,835,04		\$60,092,423	
Value All Construction Permits (Year)		\$341,773,37	\$313,	\$313,110,587	
New Home Permits (Month)		23	4	316	
New Home Permits (Year)		1,13	0	1,480	
Home Sales (Month)		22	6	184	
Home Sales (Year)		1,03	2	918	
Average Home Sale Price (Month)		\$122,73	5 \$	\$128,718	
Average Home Sale Price (Year)		\$126,40	7 \$	\$122,318	
Hidalgo Bridge Crossings (Month)		567,81	1	566,350	
Hidalgo Bridge Crossings (Year)		2,737,43	0 2,	2,818,699	
Peso Exchange Rate (Month)		11.2	0	11.65	
Employment					
Wage & Salary Employment (Month)		209,10		203,000	
Wage & Salary Employment (YTD Avg)		208,10		202,500	
Unemployment Rate (Month)		5.		7.2	
Unemployment Rate (YTD Average)		6.	.7	7.6	
INDEX (Base=100 Jan 1996)		186	.2	179.5	3.7%
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		
	May 2007	\$27,245	\$361,758	\$361,758 7.5	
	Year-to-date	\$142,034	\$1,865,184	51,865,184 7.69	

Growth rates continue to moderate in the McAllen metro area economy, but more importantly, the economy IS growing steadily, if at a somewhat slower pace than has historically been the case. Continued steady growth at a more moderate pace of year-over-year increase is the likely result of the ongoing maturation in the area economy.

The May 2007 McAllen Economic Index increased to 186.2 in May, up from 185.8 in April, and up 3.7% from the May 2006 MEI of 179.5.

Consumers remain the driving force behind current growth with May retail sales (adjusted for inflation) up 5.1% over May of a year ago, and the year-to-date retail figure up a solid 4.4% compared to the first five months of 2006.

Auto sales activity remains one of the boom sectors of the local economy, with inflation-adjusted spending on new and used automobiles up over 18% in May compared to May of last year, and over 20% year-to-date. These increases in 2007 come on top of double-digit growth a year ago -- auto sales spending in May of last year was over 19% higher than the prior year, and YTD through May auto sales last year were some 15% higher than the same period in '05.

Construction across the metro area is booming as well; the valuation of building permits issued in McAllen, Edinburg, Mission and Pharr total a record \$341.8 million through May 2007, up over 9% from the year-ago total. May permit valuations are down less than 1% compared to May of a year ago, but the May '06 total was a big one, up over 43% compared to May of 2005.

The freefall in the homebuilding sector continues, though, with the number of new home permits issued by the four cities down about 26% (year-over-year) in May, and 24% for the year-to-date.

A record number of existing homes have traded hands thus far in 2007, though, with May home sales up nearly 23%, and YTD '07 homes sales outpacing January-May '06 by over 12%; price growth is steady at just over 3%.

Year-over-year job growth achieved 3% in May for the first time this year, with the addition of an estimated 6,100 jobs over the last 12 months; the unemployment rate continues its steady decline, dipping below 6% for the first time in modern history.

Key Points