

McAllen Area ECONOMIC PULSE

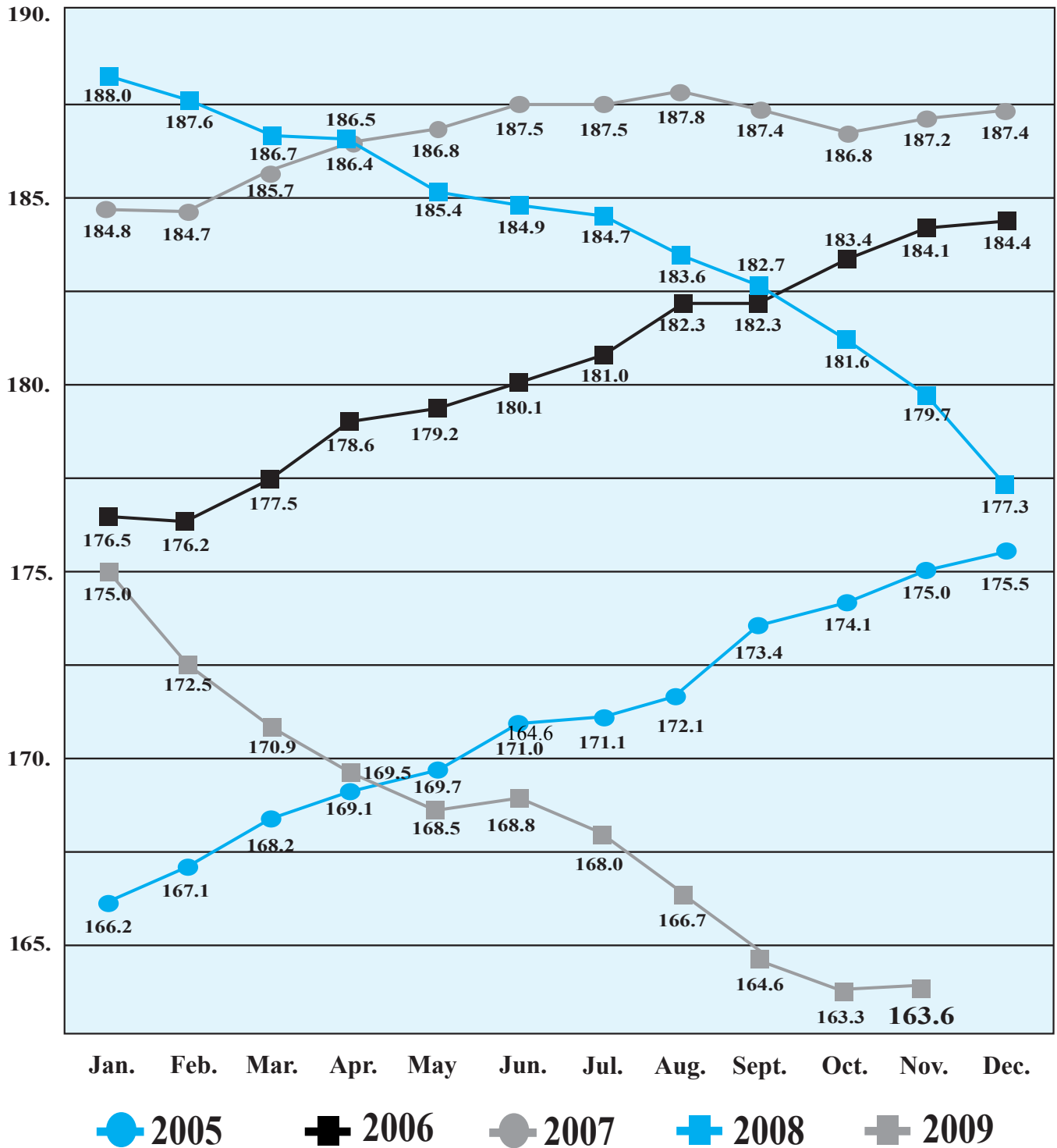
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November 2009 Economic Pulse

The McAllen Chamber of Commerce Economic Index

INDEX (Base=100 Jan 1996)

The economic indicators on pg. 2 are used to formulate the overall economic pulse.



The McAllen Area Economy

ECONOMIC INDICATORS	THIS YEAR November 2009	LAST YEAR November 2008	% CHANGE 11/08 - 11/09
Retail Sales (\$000's - November in 1995\$) *	\$264,057	\$265,950	-0.7%
Retail Sales (\$000's - Year-To-Date) *	\$2,839,490	\$3,082,189	-7.9%
Dollars Spent on Auto Purchases (\$000's - Nov. in 1995\$)	\$54,764	\$58,279	-6.0%
Dollars Spent on Auto Purchases (\$000's - YTD)	\$758,298	\$1,034,383	-26.7%
Lodging Tax Receipts (November)	\$362,171	\$347,243	4.3%
Lodging Tax Receipts (YTD)	\$3,156,701	\$3,689,374	-14.4%
Airline Boardings (November)	28,331	28,552	-0.8%
Airline Boardings (YTD)	339,118	353,155	-4.0%
Value All Construction Permits (November)	\$20,241,810	\$22,227,832	-8.9%
Value All Construction Permits (YTD)	\$302,578,954	\$542,970,855	-44.3%
New Home Permits (November)	95	76	25.0%
New Home Permits (YTD)	1,124	1,202	-6.5%
Home Sales (November)	196	135	45.2%
Home Sales (YTD)	2,075	2,429	-14.6%
Average Home Sale Price (November)	\$126,079	\$122,616	2.8%
Average Home Sale Price (YTD Avg)	\$119,460	\$120,877	-1.2%
Hidalgo Bridge Crossings (November)	515,617	528,982	-2.5%
Hidalgo Bridge Crossings (YTD)	5,479,836	5,888,825	-6.9%
Peso/US Dollar Exchange Rate (November)	13.20	14.25	-7.4%
Employment			
Wage & Salary Employment (November)	223,300	221,100	1.0%
Wage & Salary Employment (YTD Avg)	219,800	218,300	0.7%
Unemployment Rate (November)	11.2	7.9	N/A
Unemployment Rate (YTD Average)	10.5	7.2	N/A
INDEX - November (Base=100 Jan 1996)	163.6	179.7	-9.0%

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
November 2009	\$27,922	\$373,043	7.5%
YTD 2009	\$286,280	\$3,989,579	7.2%

The McAllen Economic Index increased from October to November, only the second month-to-month increase in the last 22 months. The November index increased to 163.6, up from 163.3 in October, but remains significantly lower compared to year-ago levels, down 9.0% from the November '08 economic index value of 179.7.

The housing sector gets the credit for the increase in November, with sizable gains in both housing construction (the issuance of new single-family residence permits) and existing home sales, up 25% and 45%, respectively, compared to November '08 totals.

Housing permits have increased steadily, posting year-over-year gains for six of the last seven months, but remain lower for the year-to-date; existing home sales rose in November (year-over-year) for just the second time in 2009, and the YTD through November total is down about 15% compared to the same period in '08.

The consumer spending indicators remain in negative territory, but by considerably smaller margins compared to previous months. Inflation-adjusted general retail sales were down by less than one percent compared to November '08, but are down about 8% for the YTD. The auto sector (inflation-adjusted spending on new and used automobiles in Hidalgo County) was down about 6% in November, as opposed to the double-digit percentage declines suffered through most of the year.

Current employment data continues to indicate modest gains in payroll employment -- about 1% (an estimated 2,200 jobs) over the last 12 months; the unemployment rate remains above 11%, however, compared to under 8% in November 2008, and about 6% in November 2007, the lowest November unemployment rate posted in the history of the Pulse analysis (which dates back to January 1996).

Key Points