

McAllen Area ECONOMIC PULSE

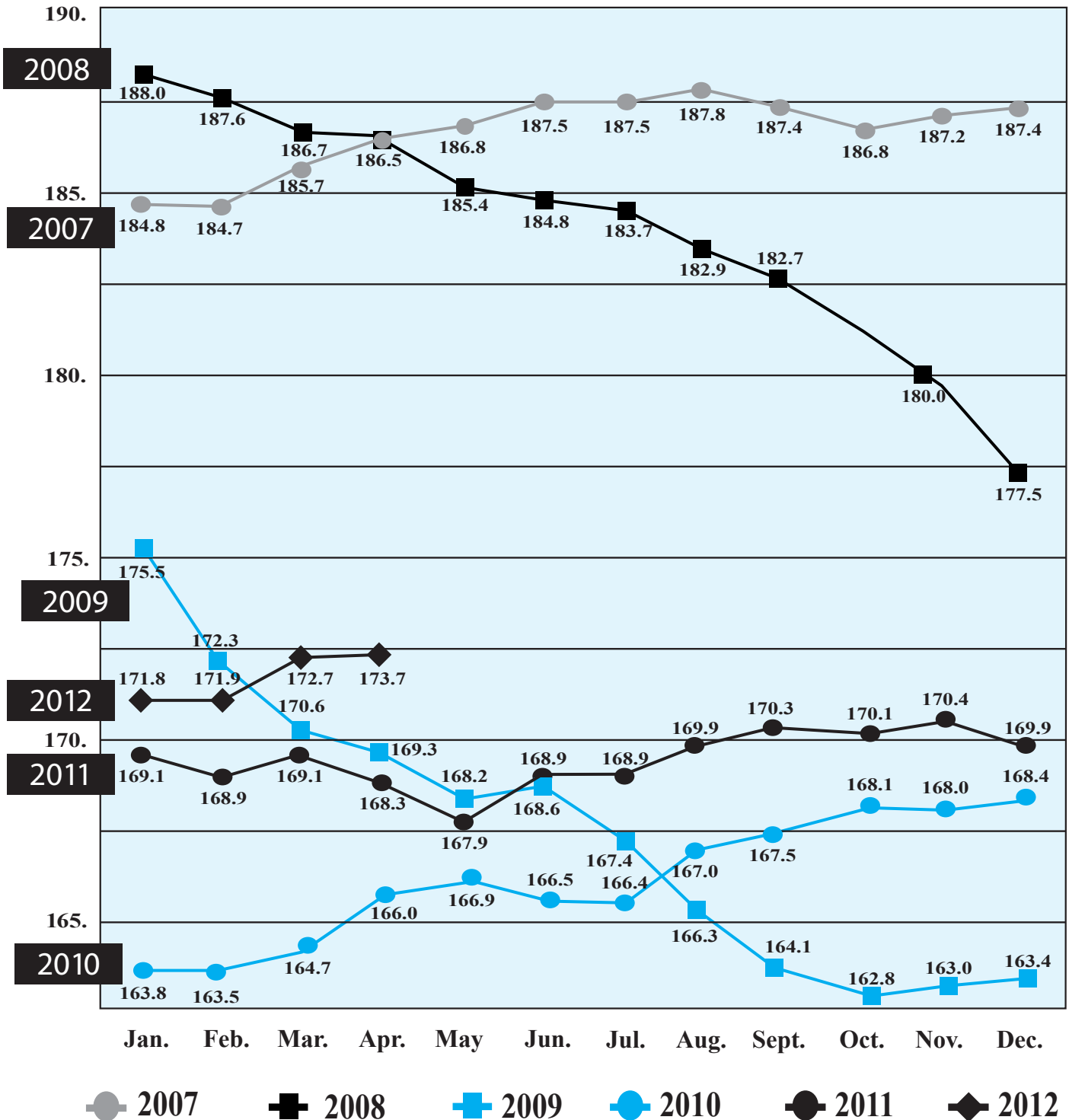
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April 2012 Economic Pulse

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 Metro Area Economy

ECONOMIC INDICATORS	THIS YEAR April 2012	LAST YEAR April 2011	% CHANGE 2011 - 2012
Retail Sales (\$000's - in 1995\$ *)	\$290,772	\$268,691	8.2%
Retail Sales (\$000's - 1st Qtr *)	\$1,170,744	\$1,136,741	3.0%
Dollars Spent on Auto Purchases (\$000's - April in 1995\$ *)	\$118,525	\$103,917	14.1%
Dollars Spent on Auto Purchases (\$000's - 1st Qtr *)	\$450,470	\$391,953	14.9%
Lodging Tax Receipts (April)	\$370,984	\$274,310	35.2%
Lodging Tax Receipts (1st Qtr)	\$1,253,408	\$1,114,086	12.5%
Airline Boardings (April)	29,274	26,605	10.0%
Airline Boardings (1st Qtr)	111,028	106,591	4.2%
Value All Construction Permits (April)	\$35,768,296	\$43,510,560	-17.8%
Value All Construction Permits (1st Qtr)	\$156,067,813	\$176,235,961	-11.4%
New Home Permits (April)	107	89	20.2%
New Home Permits (1st Qtr)	382	417	-8.4%
Home Sales (April)	168	148	13.5%
Home Sales (1st Qtr)	644	603	6.8%
Average Home Sale Price (April)	\$125,883	\$121,949	3.2%
Average Home Sale Price (1st Qtr Avg)	\$124,349	\$121,460	2.4%
Hidalgo Bridge Crossings (April)	454,709	451,023	0.8%
Hidalgo Bridge Crossings (1st Qtr)	1,753,515	1,743,574	0.6%
Peso Exchange Rate (April)	13.45	12.65	6.3%
Employment			
Wage & Salary Employment (April)	231,700	226,100	2.5%
Wage & Salary Employment (1st Qtr Avg)	231,525	224,250	3.2%
Unemployment Rate (April)	10.1	11.4	-11.4%
Unemployment Rate (1st Qtr Avg)	10.9	12.2	-10.7%
INDEX - April (Base=100 Jan 1996)	173.7	170.1	2.1%

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	Export Sales of Total Sales
April 2012	\$23,010	\$406,220	5.7%
YTD	\$85,461	\$1,634,076	5.2%

Key Points

- The McAllen Economic Index rose a full point in April, increasing to 173.7 up from 172.7 in March, and up 2.1% from the April 2011 index of 170.1. That represents the highest monthly index value since February 2009; however, the MEI remains down by some 8.5% compared to its peak of 189.8 achieved in January 2008.

- Most McAllen metro area economic indicators were higher in April (compared to April of a year ago), with the exception of building permits and the year-to-date housing construction permits. Spending and employment continue to improve, and the unemployment rate remains on the decline, and this combination of positive trends represents real economic growth and recovery.

- The April inflation-adjusted general spending total is the highest ever recorded for the month of April, and is up by over 8% compared to April of a year ago; the year-to-date total is up by 3% compared to the first four months of 2011, but remains down compared to its peak Jan-Apr total (in 2008) by less than a percent.

- McAllen metro area employment continues its move into record territory, up by 2.5% in April 2012 compared to April 2011, the highest April employment estimate on record. On average, employment is up by over 3% year-over-year through April, and the unemployment rate is down by about 50% compared to year-ago levels.

- Real (inflation-adjusted) auto spending was up by double-digit percentage points for the third time in the four months of 2012, up by over 14% for the month, and nearly 15% for the year-to-date.

- Building permit numbers were lower for the month, and are down over 11% thus far in 2012 compared to the first four months of 2011. The housing construction permit number for April was up by about 20% compared to April of a year ago -- however, the April 2011 total was down by over 45% compared to April of the prior year. And again, both total construction and housing construction remain significantly lower than the peak totals achieved in the prior decade.

- Housing sales were up for the fourth straight month in 2011, and by the largest margin, besting the April 2011 sales total by over 13%. Prices continue to rise as well, with the April average up by over 3% compared to April of a year ago. The year-to-date average is up by 2.4% year-over-year, and is the highest YTD through April average on record (not adjusted for inflation).

- The McAllen metro area economy has been slowly but steadily on the mend since late 2009, with the current expansion spanning some 30 months at this point, during which the McAllen Economic Index has declined from month-to-month only six times, sporadically over that 2 1/2 years. Growth rates have been generally low, however, as the region continues to await stronger stimulus from the broader US and global economies.

* Adjusted for inflation by restating in year 1995 dollars