

McAllen Area ECONOMIC PULSE

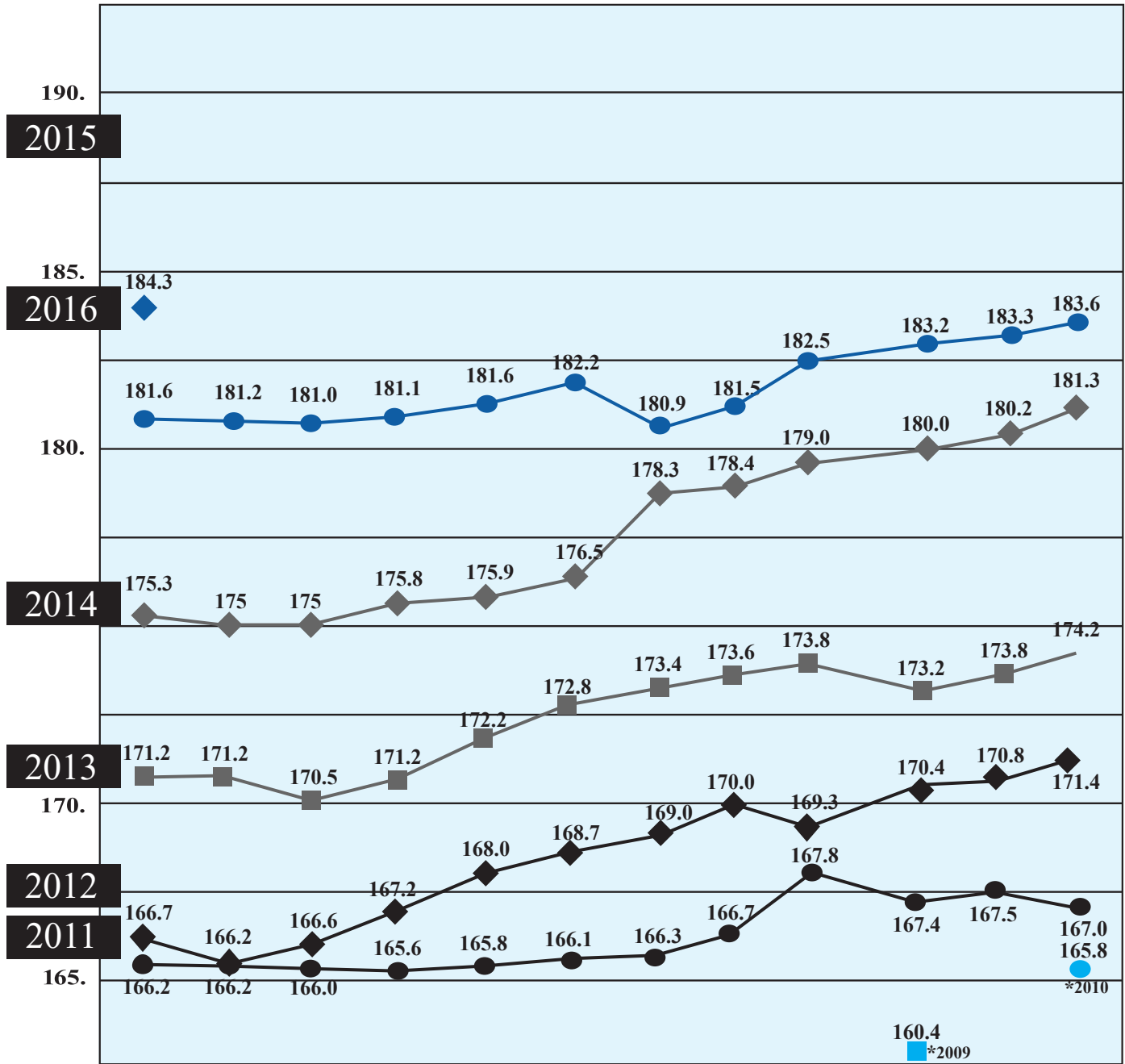
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January 2016 Economic Pulse

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.



Jan. Feb. Mar. Apr. May Jun. Jul. Aug. Sept. Oct. Nov. Dec.

● 2011 ◆ 2012 ■ 2013 ◆ 2014 ● 2015 ◆ 2016

ECONOMIC INDICATORS	THIS YEAR January 2016	LAST YEAR January 2015	% CHANGE 2015 - 2016
Retail Sales (January) *	\$444,029,335	\$479,086,915	-7.3%
Retail Sales (YTD)*	\$444,029,335	\$479,086,915	-7.3%
Dollars Spent on Auto Purchases (January) *	\$126,054,373	\$142,074,617	-11.3%
Dollars Spent on Auto Purchases (YTD) *	\$126,054,373	\$142,074,617	-11.3%
Lodging Tax Receipts (January)	\$332,706	\$448,530	-25.8%
Lodging Tax Receipts (YTD)	\$332,706	\$448,530	-25.8%
Airline Boardings (January)	27,523	30,293	-9.1%
Airline Boardings (YTD)	27,523	30,293	-9.1%
Value All Construction Permits (January)	\$69,908,587	\$31,705,634	120.5%
Value All Construction Permits (YTD)	\$69,908,587	\$31,705,634	120.5%
New Home Permits (January)	110	90	22.2%
New Home Permits (YTD)	110	90	22.2%
Home Sales (January)	173	176	-1.7%
Home Sales (YTD)	173	176	-1.7%
Average Home Sale Price (January)	\$133,925	\$133,498	0.3%
Average Home Sale Price (YTD Avg)	\$133,925	\$133,498	0.3%
Dollar Volume Of Home Sales (January in 1995\$) *	\$23,168,971	\$23,967,169	-3.3%
Dollar Volume of Home Sales (YTD)	\$23,168,971	\$23,967,169	-3.3%
Hidalgo Bridge Crossings (January)	445,361	422,970	5.3%
Hidalgo Bridge Crossings (YTD)	445,361	422,970	5.3%
Peso/Dollar Exchange Rate (January)	17.45	13.85	2.2%
Employment			
Wage & Salary Employment (January)	251,600	245,700	2.4%
Wage & Salary Employment (YTD Avg)	251,600	245,700	2.4%
Unemployment Rate (January)	4.7	5.2	-9.6%
Unemployment Rate (YTD Average)	4.7	5.2	-9.6%
INDEX - January (Base=100 Jan 1996)	184.3	181.6	1.5%

*Adjusted for Inflation by Re-Statement in Year 1995 Dollars

- The McAllen Economic Index was revised in January to reflect updated monthly payroll employment estimates for 2014 and 2015, which were released in March of this year along with the January 2016 employment estimates. Employment estimates were revised downward in 2015 by about 1,000 jobs per month on average, but were revised downward by over 3,000 jobs per month in the last four months of 2015. Employment estimates were also revised modestly downward in 2014. The monthly McAllen Economic Index has been revised to reflect the updated employment data.

- The index was further revised in January over all of its history to reflect improvements in the methodology used to calculate it. Now, all components of the McAllen Economic Index that are expressed in dollar form are adjusted for inflation over the entire history of the index, including building permit valuations and hotel/motel tax receipts. Prior to the revision in methodology only retail sales, auto sales, and the dollar volume of residential real estate sales activity were adjusted for inflation. (*Note - on the monthly table of economic indicators, the monthly average housing price is stated in "nominal", or unadjusted for inflation, terms, though the calculation of the index itself is fully inflation-adjusted.)

- The end result was to lower the McAllen Economic Index monthly values, particularly in 2015 as employment data was revised downward as well. Under the new employment data benchmarks and revised methodology, the McAllen Economic Index finished the year 2015 at 183.6, up 1.3% from the December 2014 revised MEI of 181.3. The reworked McAllen Economic Index peaked at 186.8 in January 2008.

- The index improved in January 2016, increasing to 184.3 for the month, up from the revised December MEI of 183.6, and up 1.5% from the January 2015 index of 181.6. That remains slightly below the all-time index peak of 186.8, again achieved in January 2008. A sharp year-over-year increase in construction activity helped to push the index upward for the month, along with new home construction and employment. However, the spending indicators were lower for the month, and hotel/motel activity was down significantly compared to January 2015.

- Again, employment levels and growth rates were revised downward for 2015, especially in the latter part of the year, finishing 2015 at a growth rate of about 1.3%. However, the growth rate per the preliminary January employment estimate increased to 2.4%, reflecting the addition of nearly 6,000 jobs over that 12-month period of time.

- Real (inflation-adjusted) general taxable spending was down per January sales tax receipts, however, logging a 7.3% decline compared to January of a year ago. Auto sales activity was down as well with inflation-adjusted spending on new and used automobiles down by over 11% compared to January 2015.

- Building permit activity in January was the highest for the month of January since 2011, and was up by 120% compared to January 2015. New housing construction was higher as well with the number of new single-family residence permits up by over 20% (20 additional permits in January 2016 compared to January 2015).

- Existing home sales were down only slightly compared to January of a year ago, which in turn was up by over 25% compared to January of the prior year. The monthly average price of those sales was essentially flat compared to the January 2015 monthly average.