

ECONOMIC INDICATORS*	THIS YEAR January 2017	LAST YEAR January 2016	% CHANGE 2016-2017
Retail Sales (January)	\$446,359,280	\$455,124,146	-1.9%
Retail Sales (Year-To-Date)	\$446,359,280	\$455,124,146	-1.9%
Dollars Spent on Auto Purchases (January)	\$130,905,191	\$124,942,760	4.8%
Dollars Spent on Auto Purchases (YTD)	\$130,905,191	\$124,942,760	4.8%
Lodging Tax Receipts (January)	\$331,030	\$341,006	-2.9%
Lodging Tax Receipts (YTD)	\$331,030	\$341,006	-2.9%
Airline Boardings (January)	28,225	27,681	2.0%
Airline Boardings (YTD)	28,225	27,681	2.0%
Value All Construction Permits (January)	\$67,293,147	\$69,327,829	-2.9%
Value All Construction Permits (YTD)	\$67,293,147	\$69,327,829	-2.9%
New Home Permits (January)	113	110	2.7%
New Home Permits (YTD)	113	110	2.7%
Home Sales (January)	173	173	0.0%
Home Sales (YTD)	173	173	0.0%
Average Home Sale Price (January)	\$142,331	\$133,925	6.3%
Average Home Sale Price (YTD)	\$142,331	\$133,925	6.3%
Dollar Volume of Home Sales (January in 1995\$)	\$24,623,269	\$23,621,861	4.2%
Dollar Volume of Home Sales (YTD)	\$24,623,269	\$23,621,861	4.2%
Hidalgo Bridge Crossings (January)	456,610	445,361	2.5%
Hidalgo Bridge Crossings (YTD)	456,610	445,361	2.5%
Peso Exchange Rate (January)	22.69	17.45	30.0%
Employment			
Wage & Salary Employment (January)	254,500	249,700	1.9%
Wage & Salary Employment (YTD Avg)	254,500	249,700	1.9%
Unemployment Rate (McAllen City - January)	5.9	5.3	11.3%
Unemployment Rate (YTD Average)	5.9	5.3	11.3%
INDEX - January (Base=100 January 1996)	187.3	184.4	1.6%

* With the exception of the average monthly home sale price, all economic indicators expressed in dollar form above are adjusted for inflation by restating prior periods in current dollars

- The January 2017 employment data for McAllen and other Texas metro areas was released on March 10 as a part of the annual data revision process that refines and revises monthly estimates for the prior two years (and in some cases further back than that). The revisions resulted in lowered employment estimates for McAllen in 2016, with monthly estimates revised downward by about 2,600 jobs on average for the year. The worst of the downward revisions occurred at year-end, with the November and December 2016 employment estimates revised downward by 3,300 and 3,100 jobs, respectively.
- Year-over-year employment growth rates suffered a downward revision as well, of course; the average monthly employment growth rate was a full point lower in 2016 per the revised data at 1.8%, compared to 2.8% per the original employment estimates. In short, while the McAllen metro area continued to enjoy job growth in 2016, that growth occurred at a slower pace than indicated by the original estimates.
- The McAllen Economic Index was updated to reflect the revised employment data, and the monthly index values were generally lowered in 2016. At year-end, the December 2016 MEI was lowered to 188.0 from the original MEI value of 189.4, an increase of 2.3% compared to the original 3.1%. For both the employment data and the McAllen Economic Index, the revisions set the benchmarks for the monthly analysis moving forward in 2017.
- The January 2017 McAllen Economic Index posted a decline compared to the revised December 2016 index value, dipping to 187.3 in January down from 188.0 in December, but still up 1.6% from the January 2016 revised MEI of 184.3. The peak in the index per the revised data was 188.5 in November 2016, and has now declined for two consecutive months.
- General spending by households and businesses in the McAllen metro area continues to trend downward, which in turn is placing downward pressure on the index, simply because it is a critical local economic indicator (one of the two most important, along with employment). Real (inflation-adjusted) spending per January sales tax receipts was down by nearly 2% compared to January of a year ago, which in turn was down by over 7% compared to January of the prior year. While it is difficult to know exactly how big a part it plays, the continued deterioration of the peso relative to the dollar is clearly affecting cross-border spending.
- Real auto spending was higher for the month, however, with inflation-adjusted spending on new and used motor vehicles up by nearly 5% in January compared to the January 2016 total.
- Estimated total employment in the McAllen metro area posted a 1.9% increase (about 4,800 jobs) compared to January of a year ago, which ranks 13th among Texas' 26 metro areas. The McAllen city unemployment rate was revised upward as a result of the revision process, adding more than a half-point to the estimates on average in 2016. The January 2017 unemployment rate is higher compared to year-ago levels at 5.9% for the month compared to 5.3% in January 2016.
- Building permit activity was down slightly compared to a strong total in January of a year ago; real permit valuations were down by about 3% compared to January 2016, which in turn was well more than double the monthly total in January of the prior year. The 113 new single-family residence permits issued is the highest for the month of January since 2010, and was up just slightly compared to January of a year ago.
- The number of existing homes sold was unchanged in January (compared to last year); the price of those sales was higher, however, at a stout 6.3% improved compared to the January 2016 monthly average. The inflation-adjusted total dollar volume of residential real estate sales activity was up by a solid 4.2% year-over-year.
- The McAllen Economic Index remains near its all-time high in early 2017, though the index has declined for two straight months and rates of year-over-year growth have narrowed over the last six months. On balance, however, there is simply very little to suggest the McAllen metro area economy will not continue to enjoy at least modest continued economic expansion in 2017.