



ECONOMIC INDICATORS*	THIS YEAR July 2017	LAST YEAR July 2016	% CHANGE 2016-2017
Retail Sales (July)	\$445,802,249	\$447,408,665	-0.4%
Retail Sales (Year-To-Date)	\$3,277,122,482	\$3,438,011,735	-4.7%
Dollars Spent on Auto Purchases (July)	\$123,346,688	\$133,478,237	-7.6%
Dollars Spent on Auto Purchases (YTD)	\$931,155,184	\$992,989,632	-6.2%
Lodging Tax Receipts (July)	\$421,251	\$390,903	7.8%
Lodging Tax Receipts (YTD)	\$2,357,806	\$2,414,272	-2.3%
Airline Boardings (July)	34,160	36,230	-5.7%
Airline Boardings (YTD)	205,057	216,182	-5.1%
Value All Construction Permits (July)	\$42,484,445	\$48,239,280	-11.9%
Value All Construction Permits (YTD)	\$361,725,764	\$514,277,508	-29.7%
New Home Permits (July)	138	109	26.6%
New Home Permits (YTD)	843	846	-0.4%
Home Sales (July)	266	233	14.2%
Home Sales (YTD)	1,664	1,438	15.7%
Average Home Sale Price (July)	\$159,774	\$142,888	11.8%
Average Home Sale Price (YTD)	\$154,470	\$141,143	9.4%
Dollar Volume of Home Sales (July in 1995\$)	\$42,499,795	\$34,110,280	24.6%
Dollar Volume of Home Sales (YTD)	\$258,523,944	\$208,789,999	23.8%
Hidalgo Bridge Crossings (July)	454,992	485,847	-6.4%
Hidalgo Bridge Crossings (YTD)	3,142,987	3,249,060	-3.3%
Peso Exchange Rate (July)	17.84	18.59	-4.1%
<b>Employment</b>			
Wage & Salary Employment (July)	253,700	246,400	3.0%
Wage & Salary Employment (YTD Avg)	257,055	251,400	2.2%
Unemployment Rate (McAllen City - July)	5.2	6.0	-13.3%
Unemployment Rate (YTD Average)	5.7	5.3	7.2%
INDEX - February (Base=100 July 1996)	185.8	187.7	-1.0%

\* 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 McAllen Economic Index improved slightly in July rising to 185.8 for the month up from 185.5 in June, but down 1.0% from the July 2016 MEI of 187.7. The modest July increase comes on the strength of the housing market and employment growth, even as the spending indicators continue to decline along with total construction and bridge crossings.

- Current employment estimates suggest strong job growth in the McAllen metro area and in fact the 3.0% year-over-year rate of growth in July is the highest since March 2015. The unemployment rate remains lower compared to its year-ago level as well at 5.2% in July down from 6.0% in July 2016.

- General spending continues to trend downward, however; the July year-over-year decline was slight, but it marks the 12th straight month in which inflation-adjusted taxable spending has been down compared to the prior year. And for the year-to-date through July general real spending is off by about 4.7% compared to the first seven months of a year ago.

- Auto sales activity was down again in July as well with inflation-adjusted spending on new and used motor vehicles posting a 7.6% year-over-year decline; thus far in 2017 real auto spending is down by over 6% compared to the January-July 2016 total.

- The housing indicators fared much better, however, with improvements in both new housing construction and existing home sales. The number of new single-family residence permits logged a 26% increase compared to July of a year ago; however, the July 2016 total was down by 24% compared to July of the prior year.

- The residential real estate market continues to put up some stout numbers with the number of existing homes sold up by double-digit percentage points for the third straight month at 14% improved over the July 2016 sales total. Through the month of July the number of closed sales is up by 15% compared to the first seven months of last year. The average price of those sales is sharply higher in July, posting a 12% year-over-year increase for the month, and a 9.4% increase for the year-to-date.

- Construction activity continues to post deep declines compared to the huge totals from 2016; the July monthly total real building permit valuation was down by about 12% compared to July of a year ago, and the total through the first seven months of the year is now off by close to 30%. Again, though, the 2016 construction numbers were at near-record levels and the total through July 2016 was more than double the total from the previous year.

- Even though the McAllen Economic Index improved slightly in July, the various local economic indicators continue to offer mixed results with lower spending and improving rates of employment growth -- and these two mainstay indicators of the general health of the metro area economy do not typically move in opposite directions for long periods of time. Either general spending may improve, or rates of employment growth may begin to slow (or current estimates may be revised downward at some future point).