

ECONOMIC INDICATORS*	THIS YEAR December 2018	LAST YEAR December 2017	% CHANGE 2017-2018
Retail Sales (December)	\$ 524,446,288	\$ 433,838,537	20.9%
Retail Sales (4th Quarter)	\$ 1,590,208,702	\$ 1,390,209,641	14.4%
Retail Sales (Annual)	\$ 6,139,917,707	\$ 5,734,763,208	7.1%
Dollars Spent on Auto Purchases (December)	\$ 116,860,366	\$ 108,115,256	8.1%
Dollars Spent on Auto Purchases (4th Qtr)	\$ 402,150,009	\$ 355,413,414	13.1%
Dollars Spent on Auto Purchases (Annual)	\$ 1,731,753,336	\$ 1,558,930,952	11.1%
Lodging Tax Receipts (December)	\$ 312,212	\$ 299,956	4.1%
Lodging Tax Receipts (4th Qtr)	\$ 945,781	\$ 884,725	6.9%
Lodging Tax Receipts (Annual)	\$ 3,803,810	\$ 3,820,294	-0.4%
Airline Boardings (December)	\$ 31,623	\$ 30,364	4.1%
Airline Boardings (4th Qtr)	92,250	88,653	4.1%
Airline Boardings (Annual)	358,916	347,152	3.4%
Value All Construction Permits (December)	\$ 33,067,378	\$ 28,559,728	15.8%
Value All Construction Permits (4th Qtr)	\$ 125,864,415	\$ 147,612,161	-14.7%
Value All Construction Permits (Annual)	\$ 581,229,043	\$ 627,312,465	-7.3%
New Home Permits (December)	75	85	-11.8%
New Home Permits (4th Qtr)	321	305	5.2%
New Home Permits (Annual)	1,411	1,378	2.4%
Home Sales (December)	169	261	-35.2%
Home Sales (4th Qtr)	601	667	-9.9%
Home Sales (Annual)	2,842	2,863	-0.7%
Average Home Sale Price (December)	159,529	154,290	3.4%
Average Home Sale Price (4th Qtr)	\$ 158,523	\$ 150,954	5.0%
Average Home Sale Price (Annual)	\$ 159,671	\$ 153,640	3.9%
Dollar Volume of Home Sales (December in 1995\$)	\$ 26,960,401	\$ 41,292,450	-34.7%
Dollar Volume of Home Sales (4th Qtr)	\$ 95,493,998	\$ 103,457,471	-7.7%
Dollar Volume of Home Sales (Annual)	\$ 458,961,011	\$ 456,562,345	0.5%
Hidalgo Bridge Crossings (December)	497,570	484,446	2.7%
Hidalgo Bridge Crossings (4th Qtr)	1,379,490	1,340,900	2.9%
Hidalgo Bridge Crossings (Annual)	5,288,465	5,367,896	-1.5%
Peso Exchange Rate (December)	\$ 20.12	\$ 19.20	4.8%
Employment			
Wage & Salary Employment (December)	268,300	262,800	2.1%
Wage & Salary Employment (4th Qtr Avg)	266,735	261,500	2.0%
Wage & Salary Employment (Annual Avg)	262,750	257,760	1.9%
Unemployment Rate (McAllen City - December)	4.5	4.4	2.3%
Unemployment Rate (4th Qtr Avg)	4.2	4.4	-4.5%
Unemployment Rate (Annual Average)	4.7	5.1	-8.2%
INDEX - December (Base=100 January1996)	190.3	185.3	2.7%

* 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 economy finished the year 2018 on a high note with the McAllen Economic Index posting strong growth in the final quarter of the year, and achieving new all-time records in November and again in December. The McAllen Economic Index improved only slightly in December on the heels of a sizable November increase, rising to 190.3 for the month up from 190.2 in November, and up 2.7% from the December 2017 MEI of 185.3.

- The year-over-year growth rate of 3.2% reported for the November McAllen Economic Index was overstated as a result of an incorrect formula; the actual growth rate was 2.6%. That makes the 2.7% rate of growth in December 2018 the highest since November 2016.

- Growth and expansion in the McAllen metro area general economy was particularly stout in the fourth quarter with an annualized growth rate of 4.4% in the McAllen Economic Index in the final three months of the year.

- The spending indicators were particularly strong in 2018, and in the fourth quarter of the year. General real (inflation-adjusted) taxable spending per sales tax receipts in McAllen, Mission, Edinburg, and Pharr was up by over 7% for the year compared to the 2017 annual total, and fourth quarter spending was up by over 14% aided by a whopping 21% increase in December. Real auto spending was up by over 11% for the year, and 13% in the fourth quarter compared to year-ago levels.

- Employment growth moved back above 2% in December at 2.1%, indicating the addition of some 5,500 jobs in 2018, the ninth straight year of broad employment growth in the McAllen metro area. Rates of growth have been generally modest over that time, reaching or exceeding 3% a couple of times along the way, in 2011 and in early 2015. Since 2016 monthly year-over-year employment growth has averaged just under 2% and averaged 1.9% in 2018.

- Construction declined for the second straight year in 2018 following a strong showing in 2016. The real valuation of all building permits issued was off by 7.3% compared to the 2017 annual total, which in turn was down by 30% compared to the prior year. Housing construction was up only slightly, but the number of permits issued in 2018 exceeded 1,400 for the first time since 2010.

- Home sales dropped off sharply at year-end, flattening the annual sales total compared to year-ago levels. The average price of those sales was higher, however, averaging a healthy 3.9% for the year. Thanks to the price increases, the inflation-adjusted total dollar volume of residential real estate sales was slightly higher in 2018, which was sufficient to establish a new annual record.

- Revised monthly employment estimates for 2018 (and perhaps 2017) will be issued in early March; at that point we will have a clearer picture on the outcome for the McAllen metro area economy. However, it is safe to say at this point that the region enjoyed solid, broad-based economic growth in 2018, and achieved a new aggregate level of activity in the process.