

The McAllen Area Economy

ECONOMIC INDICATORS	THIS YEAR April 2006	LAST YEAR April 2005	% CHANGE 04/05 - 04/06
Retail Sales (000's - Month in 1995\$)	\$265,618	\$229,334	15.8%
Retail Sales (000's - Year)	\$1,084,758	\$1,011,115	7.3%
Motor Vehicle Tax Receipts (Month)	\$90,300	\$83,971	7.5%
Motor Vehicle Tax Receipts (Year)	\$357,617	\$313,450	14.1%
Lodging Tax Receipts (Year)	\$1,140,941	\$1,061,377	7.5%
Airline Boardings (Month)	33,510	28,384	18.1%
Airline Boardings (Year)	134,336	120,010	11.9%
Value All Construction Permits (Month)	\$66,735,831	\$53,195,500	25.5%
Value All Construction Permits (Year)	\$253,018,164	\$251,394,309	0.6%
New Home Permits (Month)	341	359	-5.0%
New Home Permits (Year)	1,164	1,177	-1.1%
Home Sales (Month)	209	169	23.7%
Home Sales (Year)	734	645	13.8%
Average Home Sale Price (Month)	\$127,952	\$111,570	14.7%
Average Home Sale Price (Year)	\$120,718	\$111,192	8.6%
Hidalgo Bridge Crossings (Month)	575,621	575,639	0.0%
Hidalgo Bridge Crossings (Year)	2,252,349	2,230,538	1.0%
Peso Exchange Rate (Month)	11.20	11.25	-0.4%
Employment			
Wage & Salary Employment (Month)	203,300	196,000	3.7%
Wage & Salary Employment (YTD Avg)	202,700	192,900	5.1%
Unemployment Rate (Month)	7.0	7.4	N/A
Unemployment Rate (YTD Average)	7.4	8.5	N/A
INDEX (Base=100 Jan 1996)	179.0	169.1	5.9%

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 2006	\$25,795	\$348,167	7.4%
Year-to-date	\$104,616	\$1,417,117	7.4%

The McAllen metro area economy continues to flourish, with the April McAllen Economic Index taking a big jump upward to 179.0, up from the March index of 177.8, and up 5.9% from the April 2005 MEI of 169.1.

Growth is broad-based, and spread throughout most sectors of the McAllen area economy -- the homebuilding sector is the only year-to-date negative on the table of economic indicators, and the decline is marginal, down just over 1% from year-ago levels.

And existing home sales are filling that gap with the number of homes sold up nearly 24% in April compared to April of a year ago, and up 13.8% YTD; prices are steadily on the rise as well, and the total dollar volume of residential real estate activity is up over 23% compared to the first four months of 2005.

Construction activity in the metro area is high -- the value of permitted projects is only slightly improved over year-ago levels, but the \$253 million in valuations through April 2006 is a new record for the January-April period.

Consumer spending continues to be the primary driving force behind local economic growth, with inflation-adjusted retail spending up nearly 16% in April compared to April 2005, and year-to-date growth of a very stout 7.3%; automobile sales are strongly on the rise as well -- inflation-adjusted spending on new and used autos is over 14% improved over the first four months of 2005.

The rate of job growth has slowed a bit, but most Texas metro areas would happily trade for the current 3.7% year-over-year employment growth; the job growth average through April remains above 5%, and the unemployment rate continues to decline (the monthly unemployment rate of 7% is a record low for the month of April).

Key Points