

McAllen Area ECONOMIC PULSE

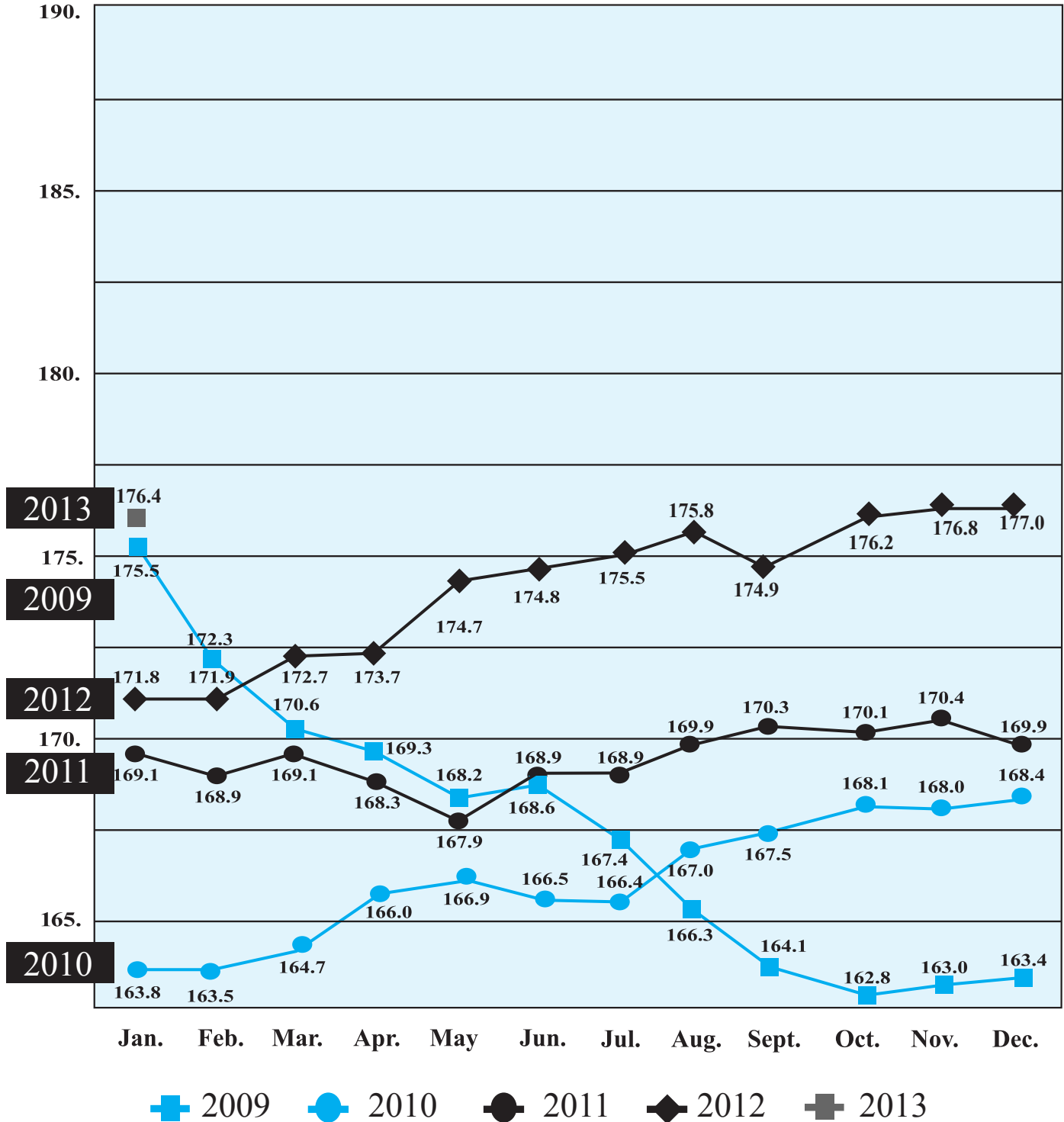
McAllen • Mission • Edinburg • Pharr

January 2013 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.



The McAllen Area Economy

ECONOMIC INDICATORS	THIS YEAR January 2013	LAST YEAR January 2012	% CHANGE 2012 - 2013
Retail Sales (\$000's - January in 1995\$)	\$271,792	\$254,779	6.7%
Retail Sales (\$000's - Year-To-Date)	\$271,792	\$254,779	6.7%
Dollars Spent on Auto Purchases (\$000's - Jan in 1995\$)	\$120,986	\$101,747	18.9%
Dollars Spent on Auto Purchases (\$000's - YTD)	\$120,986	\$101,747	18.9%
Lodging Tax Receipts (Jan)	\$311,438	\$265,906	17.1%
Lodging Tax Receipts (YTD)	\$311,438	\$265,906	17.1%
Airline Boardings (Jan)	24,888	25,610	-2.8%
Airline Boardings (YTD)	24,888	25,610	-2.8%
Value All Construction Permits (Jan)	\$22,532,866	\$34,042,486	-33.8%
Value All Construction Permits (YTD)	\$22,532,866	\$34,042,486	-33.8%
New Home Permits (Jan)	67	92	-27.2%
New Home Permits (YTD)	67	92	-27.2%
Home Sales (Jan)	151	126	19.8%
Home Sales (YTD)	151	126	19.8%
Average Home Sale Price (Jan)	\$119,509	\$137,427	-13.0%
Average Home Sale Price (YTD Avg)	\$119,509	\$137,427	-13.0%
Hidalgo Bridge Crossings (Jan)	425,010	429,181	-1.0%
Hidalgo Bridge Crossings (YTD)	425,010	429,181	-1.0%
Peso/Dollar Exchange Rate (Jan)	12.35	12.65	-2.4%
Employment			
Wage & Salary Employment (Jan)	232,300	226,800	2.4%
Wage & Salary Employment (YTD Avg)	232,300	226,800	2.4%
Unemployment Rate (Jan)	11.6	11.8	-1.7%
Unemployment Rate (YTD Average)	11.6	11.8	-1.7%
INDEX - January (Base=100 Jan 1996)	176.4	171.1	3.1%

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
January 2013	\$28,040	\$385,910	7.3%
YTD 2013	\$28,040	\$385,910	7.3%

The pattern of general economic improvement continues in the McAllen metro area moving into 2013; however, the McAllen Economic Index declined slightly in January, retreating to 176.4 down from 177.0 in December, but up 3.1% from the January 2012 MEI of 171.1.

Increases in spending, employment, and home sales were offset by sharp year-over-year declines in construction activity, residential housing starts, and housing prices.

General real (inflation-adjusted) taxable spending was up by 6.7% in January compared to January of a year ago; however, the spending sector continues to claw its way into record territory and stay there -- the January 2013 real spending total is down compared to the January total in both 2009 and 2011.

Metro area employment is well into record territory, however, and continues to improve in early 2013 with the total number of payroll jobs up by some 2.4% (about 5,500 jobs) compared to January 2012. The unemployment rate declined slightly over the year, falling to 11.6% in January 2013 compared to 11.8% in January 2012.

Auto sales continue to post sharp improvement moving into 2013 with inflation-adjusted spending on new and used automobiles per January Hidalgo County motor vehicle sales tax receipts up by nearly 20% compared to January of a year ago, which in turn was up by about 16% compared to January of the prior year.

Construction activity declined sharply, however, with the value of all building permits issued down by about 34% compared to January of 2012; housing construction began the year on the decline as well with the number of new single-family residence building permits down by about 27% year-over-year.

Housing activity recovered nicely in 2012, and 2013 is beginning the year on the upswing as well with the number of existing home sales up by about 20% compared to January of a year ago. The January monthly average price was down 13% year-over-year; however, the January 2012 monthly average was abnormally high, spiking to over 23% higher than January of the prior year.

Key Points