

# McAllen Area ECONOMIC PULSE

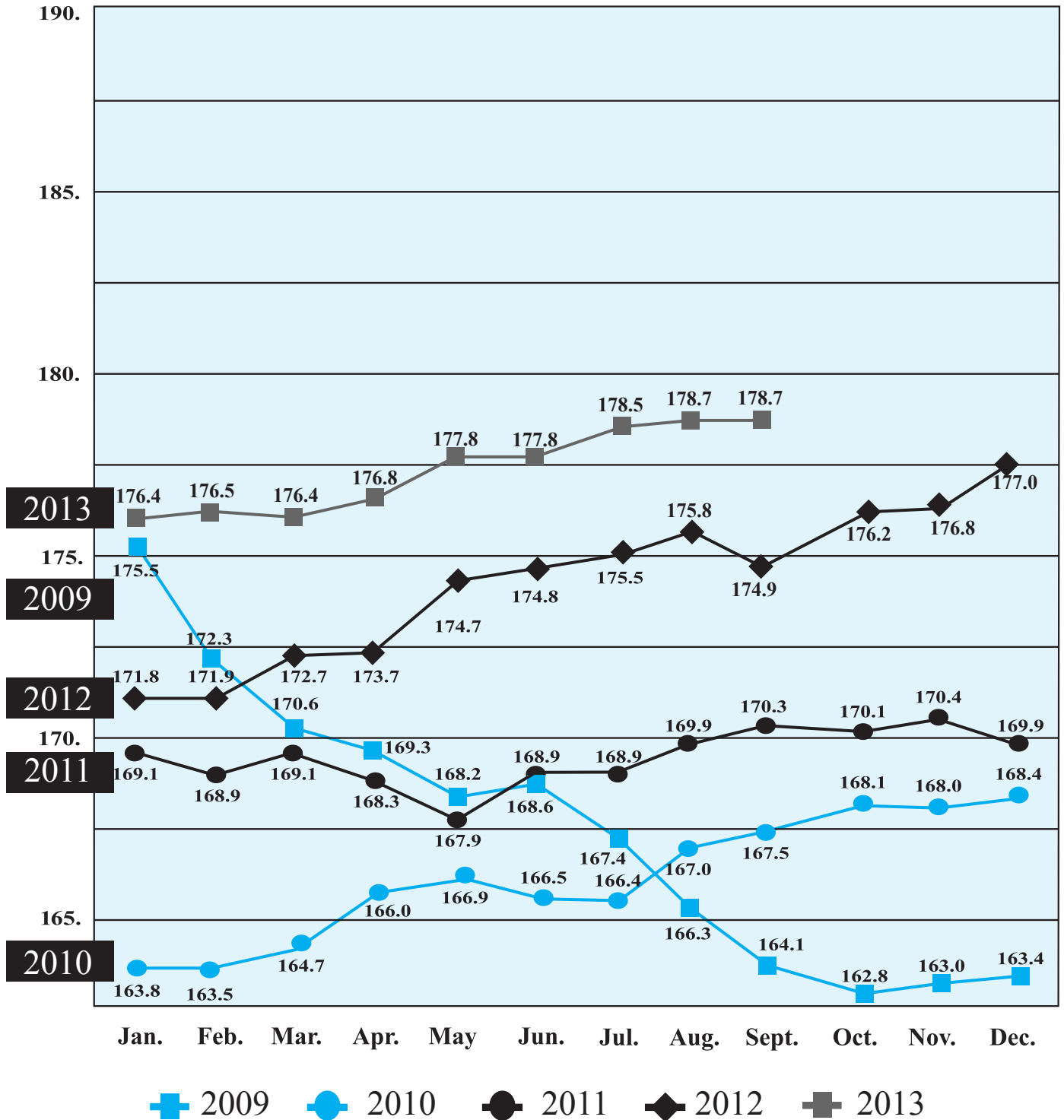
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## September 2013 Economic Pulse

### 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.



ECONOMIC INDICATORS	THIS YEAR September 2013	LAST YEAR September 2012	% CHANGE 2012 - 2013
Retail Sales (\$000's - 3rd Quarter in 1995\$)	\$881,198	\$900,909	-2.2%
Retail Sales (\$000's - Year-To-Date)	\$2,678,731	\$2,702,569	-0.9%
Dollars Spent on Auto Purchases (\$000's - 3rd Qtr in 1995\$)	\$370,036	\$337,945	9.5%
Dollars Spent on Auto Purchases (\$000's - YTD)	\$1,060,897	\$996,097	6.5%
Lodging Tax Receipts (3rd Quarter)	\$975,650	\$854,536	14.2%
Lodging Tax Receipts (YTD)	\$2,844,889	\$2,654,296	7.2%
Airline Boardings (3rd Qtr)	93,653	83,371	12.3%
Airline Boardings (YTD)	268,337	255,580	5.0%
Value All Construction Permits (3rd Qtr)	\$112,404,718	\$108,276,063	3.8%
Value All Construction Permits (YTD)	\$394,205,625	\$355,228,575	11.0%
New Home Permits (3rd Qtr)	297	276	7.6%
New Home Permits (YTD)	848	875	-3.1%
Home Sales (3rd Qtr)	547	580	-5.7%
Home Sales (YTD)	1,694	1,661	2.0%
Average Home Sale Price (3rd Qtr)	\$139,019	\$128,848	7.9%
Average Home Sale Price (YTD)	\$131,696	\$125,062	5.3%
Hidalgo Bridge Crossings (3rd Qtr)	1,332,007	1,349,298	-1.3%
Hidalgo Bridge Crossings (YTD)	3,960,384	3,990,671	-0.8%
Peso Exchange Rate (September)	\$13.25	\$12.70	4.3%
<b>Employment</b>			
Wage & Salary Employment (September)	229,600	227,300	1.0%
Wage & Salary Employment (YTD Avg)	231,100	227,300	1.7%
Unemployment Rate (September)	10.7	10.5	1.9%
Unemployment Rate (YTD Average)	11.0	11.3	-2.4%
<b>INDEX - September (Base=100 Jan 1996)</b>	<b>178.7</b>	<b>174.8</b>	<b>2.2%</b>

\* Adjusted for inflation by restating in year 1995 dollars

In January 2004 the Texas Comptroller's Office began tracking "Manifiestos" -- requests for sales tax refunds on items purchased by Mexican citizens or for export into Mexico.

	Export Sales per Manifiestos	Total Retail Sales	Export Sales of Total Sales
<b>September 2013</b>	\$27,066	\$427,007	6.3%
<b>YTD 2013</b>	\$264,961	\$3,829,871	6.9%

-The McAllen Economic Index was unchanged from August to September at 178.7, and is up 2.2% from the September 2012 MEI of 174.8. The index -- a reflection of the health of the general economy of the McAllen metro area -- was modestly improved for the quarter. The index was improved by about .46% for the quarter, which translates to an annualized growth rate of about 1.8% in the third quarter. The index remains down compared to its pre-recession peak level by 5.9%.

- McAllen metro area economic indicators are mixed in the third quarter; general spending per sales tax receipts is lower compared to year-ago levels, while auto spending is up for the quarter. Employment remains positive, but by smaller margins. Hotel/motel spending and airport activity is up compared to year-ago levels, and construction is moderately improved as well. Home building was also higher in the third quarter; existing home sales were down compared to the third quarter 2012, but prices were up significantly.

- General real (inflation-adjusted) taxable spending in the McAllen metro area was down by about 2.2% in the third quarter compared to the third quarter of a year ago; however, the third quarter 2012 total was strongly improved, up by 8.3% compared to the third quarter 2012. Spending for the year-to-date has flattened as well, now down by about a percent compared to the first nine months of 2012, which in turn was up by 6% compared to the same period in 2011.

- Auto spending continues to improve with inflation-adjusted spending on new and used automobiles up by 9.5% in the third quarter, and up by a solid 6.5% for the year-to-date. And again, unlike some other segments of the local economy, auto spending is well into record territory at this point.

- Employment is also at record levels in the McAllen metro area, though the rate of year-over-year job growth has narrowed to around 1.0% now, the lowest margin of improvement thus far in 2013. The decline in the metro area unemployment rate has stalled as well, and is slightly higher in September compared to September of a year ago.

- Construction activity was moderately higher for the quarter with building permit valuations up by 3.8% compared to the third quarter 2012. For the year-to-date, building permit activity is up by a respectable 11% compared to the first three quarter of a year ago. Housing construction remains somewhat depressed, though the third quarter total of new single-family residence construction permits is up compared to a very low level in the third quarter 2012.

- Home sales dropped below year-ago levels in the third quarter for the first time in 2013, down by about 5.7% compared to the number of closed sales in the third quarter 2012. Home sales are up slightly for the year-to-date compared to strong numbers through September of a year ago. Prices continues to increase fairly sharply, with the September average home sale price up by nearly 8% for the quarter, and 5.3% for the year-to-date.