

ECONOMIC INDICATORS*	THIS YEAR August 2017	LAST YEAR August 2016	% CHANGE 2016-2017
Retail Sales (August)	\$501,636,827	\$536,175,289	-6.4%
Retail Sales (Year-To-Date)	\$3,782,975,439	\$3,978,610,144	-4.9%
Dollars Spent on Auto Purchases (August)	\$134,994,461	\$148,023,460	-8.8%
Dollars Spent on Auto Purchases (YTD)	\$1,065,032,675	\$1,139,821,948	-6.6%
Lodging Tax Receipts (August)	\$304,313	\$321,295	-5.3%
Lodging Tax Receipts (YTD)	\$2,655,750	\$2,729,045	-2.7%
Airline Boardings (August)	28,868	30,338	-4.8%
Airline Boardings (YTD)	233,925	246,670	-5.2%
Value All Construction Permits (August)	\$48,448,985	\$63,232,558	-23.4%
Value All Construction Permits (YTD)	\$411,293,944	\$579,125,302	-29.0%
New Home Permits (August)	125	122	2.5%
New Home Permits (YTD)	968	968	0.0%
Home Sales (August)	273	186	46.8%
Home Sales (YTD)	1,937	1,624	19.3%
Average Home Sale Price (August)	\$157,993	\$159,452	-0.9%
Average Home Sale Price (YTD)	\$154,967	\$143,240	8.2%
Dollar Volume of Home Sales (August in 1995\$)	\$43,132,138	\$30,406,099	41.9%
Dollar Volume of Home Sales (YTD)	\$302,240,327	\$239,667,948	26.1%
Hidalgo Bridge Crossings (August)	443,125	474,894	-6.7%
Hidalgo Bridge Crossings (YTD)	3,586,112	3,723,954	-3.7%
Peso Exchange Rate (August)	17.80	18.47	-3.7%
Employment			
Wage & Salary Employment (August)	254,300	249,800	1.8%
Wage & Salary Employment (YTD Avg)	256,713	251,200	2.2%
Unemployment Rate (McAllen City - August)	5.5	5.9	-6.8%
Unemployment Rate (YTD Average)	5.7	5.4	5.3%
INDEX - February (Base=100 August 1996)	185.9	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 August for the second straight month increasing to 185.9, up from 185.8 in July but still down 1.0% from the August 2016 MEI of 187.7.

- If not for the residential real estate sector of the McAllen metro area economy the index would almost certainly be in decline as most components of the index continue to register year-over-year weakness moving through the third quarter of 2017. However, existing home sales and prices, along with modest employment gains are propping up the index at present -- but it may not last.

- Home sales were sharply higher again in August with the number of closed sales up by 47% compared to August of a year ago up by 19% for the year-to-date. Both the August monthly and year-to-date sales totals are records for those time periods. The August monthly average price was down slightly compared to August of a year ago, which in turn was up by over 12% year-over-year. The average through August, however, is over 8% higher than the average price through August of a year ago.

- The real (inflation-adjusted) total dollar volume of residential real estate activity is also at record levels in August and through the first eight months of the year, posting 42% and 26% year-over-year increases, respectively.

- The metro area continues to add jobs at a modest pace according to current Texas Workforce Commission estimates with payroll employment up by 1.8% in August compared to August of a year ago, reflecting the addition of an estimated 4,500 jobs over the last 12 months. Of that net job growth, 2,900 were added to the "education and health services" category, which likely means largely health services jobs (public education jobs are considered "state government" employment).

- Elsewhere, however, most other components of the McAllen Economic Index continue to post year-over-year negatives. General real spending per August sales tax receipts in McAllen, Edinburg, Mission, and Pharr down by over 6% year-over-year; for the year-to-date real taxable spending is off by nearly 5% compared to the first eight months of 2016.

- Auto sales activity is on the wane as well with inflation-adjusted spending on new and used motor vehicles down by 8.8% for the month and 6.6% for the year-to-date.

- Construction activity per monthly building permit valuations was down by double-digit percentage points in August for the fifth straight month compared to huge numbers from a year ago. August real permit valuations were down by 23% compared to August of a year ago, which in turn was up by 36% compared to August of the previous year, and the total for the year-to-date was down by 29% compared to the first eight months of a year ago, which in turn was up by over 90% compared to the prior year.

- Single-family housing construction is faring some better with the number of new permits issued in the four cities unchanged through August 2017 compared to year-ago levels, and up very slightly for the month of August.