

# McAllen Area ECONOMIC PULSE

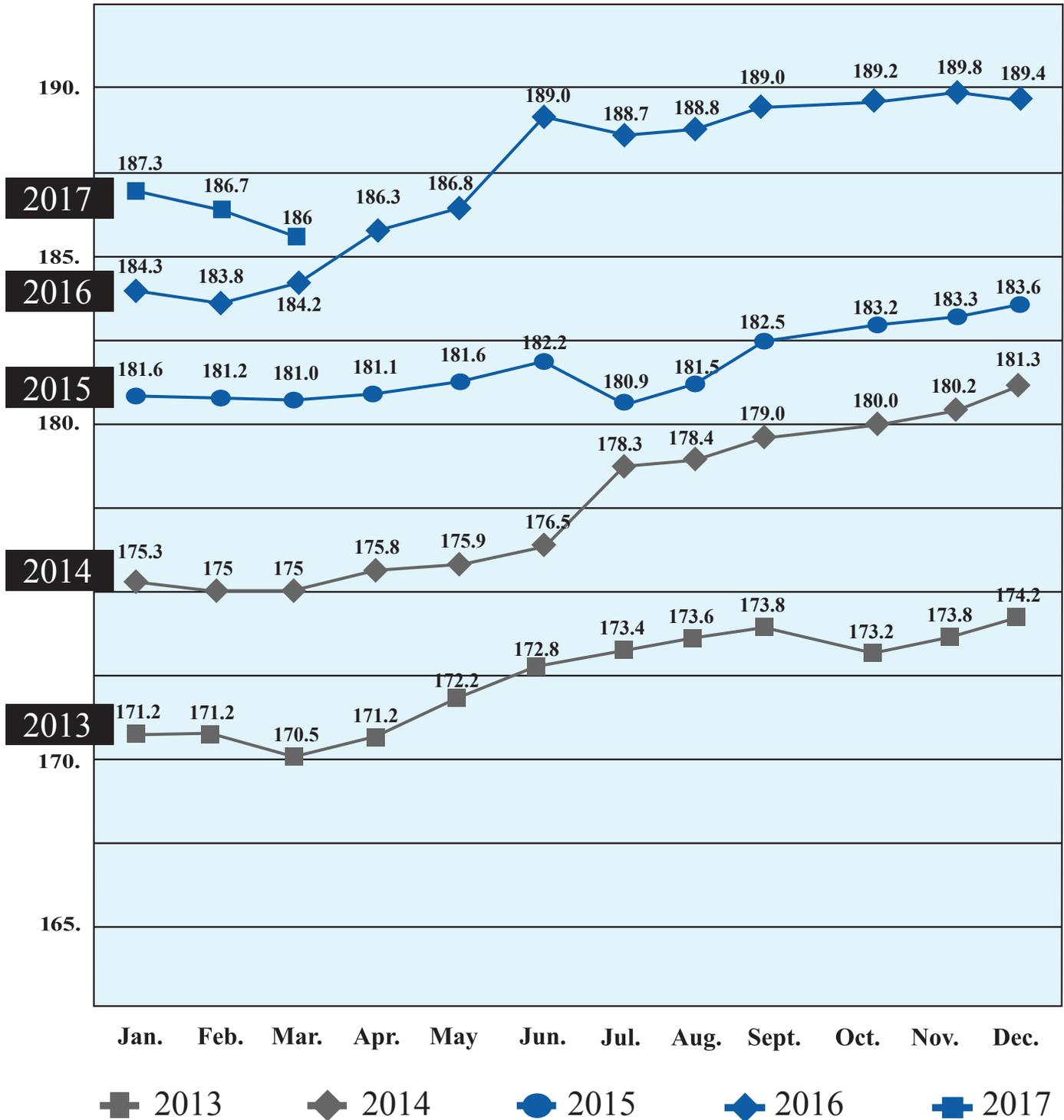
McAllen • Mission • Edinburg • Pharr

## March 2017 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 March 2017	LAST YEAR March 2016	% CHANGE 2016-2017
Retail Sales (March)	\$406,321,952	\$416,413,877	-2.4%
Retail Sales (Year-To-Date)	\$1,461,384,539	\$1,536,373,884	-4.9%
Dollars Spent on Auto Purchases (March)	\$142,949,786	\$169,208,109	-15.5%
Dollars Spent on Auto Purchases (YTD)	\$386,009,739	\$418,478,077	-7.8%
Lodging Tax Receipts (March)	\$361,278	\$406,648	-11.2%
Lodging Tax Receipts (YTD)	\$997,670	\$1,046,653	-4.7%
Airline Boardings (March)	28,347	30,926	-8.3%
Airline Boardings (YTD)	80,939	84,910	-4.7%
Value All Construction Permits (March)	\$54,271,076	\$45,309,259	19.8%
Value All Construction Permits (YTD)	\$168,857,920	\$150,003,235	12.6%
New Home Permits (March)	104	133	-21.8%
New Home Permits (YTD)	326	344	-5.2%
Home Sales (March)	264	221	19.5%
Home Sales (YTD)	582	568	2.5%
Average Home Sale Price (March)	\$152,577	\$133,718	14.1%
Average Home Sale Price (YTD)	\$151,359	\$134,604	12.4%
Dollar Volume of Home Sales (March in 1995\$)	\$40,280,253	\$30,184,029	33.4%
Dollar Volume of Home Sales (YTD)	\$88,257,901	\$78,188,966	12.9%
Hidalgo Bridge Crossings (March)	475,463	469,587	1.3%
Hidalgo Bridge Crossings (YTD)	1,352,262	1,357,751	-0.4%
Peso Exchange Rate (March)	19.27	17.65	9.2%
<b>Employment</b>			
Wage & Salary Employment (March)	257,700	252,200	2.2%
Wage & Salary Employment (YTD Avg)	256,565	251,035	2.2%
Unemployment Rate (McAllen City - March)	6.0	5.1	17.6%
Unemployment Rate (YTD Average)	6.0	5.17	16.8%
INDEX - February (Base=100 March 1996)	186.0	183.8	1.2%

\* 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 declined for the fourth straight month in March, falling to 186.0 down from a revised 186.8 in February, but still up 1.2% from the March 2016 MEI of 183.8. The all-time index record of 188.5 was achieved in November 2016, but the index has declined each month since then.
- The spending indicators are pressing the index downward, along with the travel & tourism numbers, new housing construction, and a rising unemployment rate. Total construction is higher for the month, however, and home sales and prices are sharply higher in March compared to year-ago levels. The metro area continues to add jobs at a modest but steady pace through the first quarter 2017.
- General real (inflation-adjusted) spending per metro area sales tax receipts (McAllen, Edinburg, Mission, and Pharr) declined for the sixth straight month in March, down by 2.4% compared to the March 2016 total. General real spending per first quarter sales tax receipts was down by nearly 5% compared to the first quarter 2016, which in turn was down by 3.8% compared to the first quarter of the prior year. This measure of consumer and business spending was last strong in 2014 (3.6% growth), then flattened in 2015 and declined in 2016.
- Auto sales activity was down in March compared to a big number in March 2016; inflation-adjusted spending on new and used motor vehicles in March 2017 was down by over 15% compared to March of a year ago, which in turn was up by 26% compared to the prior year. That pulled the quarterly total into negative year-over-year territory, off by nearly 8% compared to the first quarter of last year.
- The first quarter building permit total was the highest for the first quarter since 2008, and was up by over 12% compared to the March 2016 total, which in turn was up by 43% compared to the prior year. New single-family housing construction posted its third straight quarterly decline, however, down by 5% year-over-year thanks to a 22% decline in the month of March.
- Existing home sales set a record for the month of March with 264 closed sales, an increase of 20% compared to the March 2016 sales total. First quarter housing sales were up by a modest 2.5%, but that represents the highest first quarter total since 2008. The price of those sales is sharply higher, up by over 14% in March and 12% for the quarter compared to year-ago levels. That was sufficient to press the total inflation-adjusted dollar volume of residential sales activity to near record territory, up by 33% in March (which is indeed a record) and 13% for the first quarter, which comes up just short of the total for the first quarter 2007.
- The pace of employment growth has ticked upward thus far in 2017 at about 2.2% year-over-year, compared to an average 1.8% in 2016. An estimated 5,500 jobs were added to the metro area economy over the last 12 months. The McAllen city unemployment rate remains on the rise, however, as it was throughout 2016, at 6.0% in March compared to 5.1% in March of a year ago.