



# The McAllen Area Economy

ECONOMIC INDICATORS*	THIS YEAR September 2018	LAST YEAR September 2017	% CHANGE 2017-2018
Retail Sales (September)	\$ 486,589,507	\$ 452,697,831	7.5%
Retail Sales (3rd Quarter)	\$ 1,516,382,917	\$ 1,422,321,957	6.6%
Retail Sales (Year-to-Date)	\$ 4,525,998,726	\$ 4,321,912,432	4.7%
Dollars Spent on Auto Purchases (September)	\$ 131,984,657	\$ 116,329,299	13.5%
Dollars Spent on Auto Purchases (3rd Qtr)	\$ 453,562,008	\$ 374,708,074	21.0%
Dollars Spent on Auto Purchases (YTD)	\$ 1,308,758,735	\$ 1,184,649,631	10.5%
Lodging Tax Receipts (September)	\$ 306,932	\$ 257,506	19.2%
Lodging Tax Receipts (3rd Qtr)	\$ 984,854	\$ 991,458	-0.7%
Lodging Tax Receipts (YTD)	\$ 2,870,306	\$ 2,948,178	-2.6%
Airline Boardings (September)	26,412	24,957	5.8%
Airline Boardings (3rd Qtr)	90,611	87,602	3.4%
Airline Boardings (YTD)	266,666	258,499	3.2%
Value All Construction Permits (September)	\$ 32,800,447	\$ 35,220,011	-6.9%
Value All Construction Permits (3rd Qtr)	\$ 139,461,704	\$ 132,316,487	5.4%
Value All Construction Permits (YTD)	\$ 449,565,379	\$ 473,663,371	-5.1%
New Home Permits (September)	145	105	38.1%
New Home Permits (3rd Qtr)	404	368	9.8%
New Home Permits (YTD)	1,090	1,073	1.6%
Home Sales (September)	260	259	0.4%
Home Sales (3rd Qtr)	724	798	-9.3%
Home Sales (YTD)	2,241	2,196	2.0%
Average Home Sale Price (September)	159,288	150,633	5.7%
Average Home Sale Price (3rd Qtr)	\$ 165,154	\$ 156,198	5.7%
Average Home Sale Price (YTD)	\$ 159,979	\$ 154,456	3.6%
Dollar Volume of Home Sales (September in 1995\$)	\$ 41,414,880	\$ 40,047,513	3.4%
Dollar Volume of Home Sales (3rd Qtr)	\$ 119,779,610	\$ 128,245,323	-6.6%
Dollar Volume of Home Sales (YTD)	\$ 361,295,643	\$ 350,995,410	2.9%
Hidalgo Bridge Crossings (September)	423,811	440,884	-3.9%
Hidalgo Bridge Crossings (3rd Qtr)	1,318,733	1,339,001	-1.5%
Hidalgo Bridge Crossings (YTD)	3,908,975	4,026,996	-2.9%
Peso Exchange Rate (September)	19.02	17.82	6.7%
<b>Employment</b>			
Wage & Salary Employment (September)	261,900	256,100	2.3%
Wage & Salary Employment (2nd Qtr Avg)	259,267	253,633	2.2%
Wage & Salary Employment (YTD Avg)	261,422	256,511	1.9%
Unemployment Rate (McAllen City - September)	4.5	4.7	-4.3%
Unemployment Rate (3rd Qtr Avg)	4.8	5.2	-7.7%
Unemployment Rate (YTD Average)	4.8	5.3	-9.2%
<b>INDEX - February (Base=100 January1996)</b>	<b>188.2</b>	<b>185.2</b>	<b>1.6%</b>

\* 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

# Key Points

The McAllen Economic Index logged another solid increase in September improving to 188.2 for the month up from 187.5 in August, and up 1.6% from the September 2017 MEI of 185.2. Economic growth gained considerable momentum in the third quarter with the McAllen Economic Index increasing at a 3.3% annualized rate over the course of the quarter. Through September the index is a mere half-point below its all-time high of 188.7 achieved in November 2016.

The spending indicators are driving the recent improvement in the McAllen Economic Index, which has increased for six of the last seven months. New housing construction permits were sharply higher in September, along with hotel/motel activity, though compared to a low total from a year ago. Construction remains generally lower through the third quarter 2018 and border crossing activity is down slightly as well.

General spending continues to improve through the third quarter with real (inflation-adjusted) taxable spending per September sales tax receipts in McAllen, Edinburg, Mission, and Pharr up by 7.5% compared to September of a year ago. Third quarter spending is up by 6.6%, and the total for the year-to-date is some 4.7% higher compared to the first nine months of a year ago.

Third quarter real auto spending was up by a sharp 21% compared to the third quarter 2017 and is now over 10% higher for the year-to-date.

September and third quarter 2018 housing construction permits were the highest for those time periods since 2007, and are up by 38% and 10%, respectively, compared to year-ago levels.

Third quarter home sales were down compared to the record third quarter sales total in 2017, but the year-to-date total, while only modestly improved over the total through September of a year ago is a record for the first nine months of the year. The average price of those sales was up by a hefty 5.7% for both September and the third quarter.

Even though the monthly total was lower, the total inflation-adjusted dollar volume of home sales activity remains in record territory, logging a 3% increase over the first eight months of a year ago.

Employment growth continues like clockwork in the McAllen metro area with a year-over-year growth rate of 2.3% in September, representing an estimated 5,800 jobs were added over the last 12 months. The McAllen city unemployment rate remains on the decline at 4.5% in September down from 4.7% in September 2017 and in fact the lowest September unemployment rate on record.