



ECONOMIC INDICATORS*	THIS YEAR March 2019	LAST YEAR March 2018	% CHANGE 2018-2019
Retail Sales (March)	\$ 475,082,915	\$ 450,799,465	5.4%
Retail Sales (1st Quarter)	\$ 1,699,111,786	\$ 1,557,786,817	9.1%
Dollars Spent on Auto Purchases (March)	\$ 145,111,148	\$ 144,305,762	0.6%
Dollars Spent on Auto Purchases (1st Quarter)	\$ 435,386,089	\$ 406,067,508	7.2%
Lodging Tax Receipts (March)	\$ 402,252	\$ 363,649	10.6%
Lodging Tax Receipts (1st Quarter)	\$ 1,108,106	\$ 917,751	20.7%
Airline Boardings (March)	35,860	30,512	17.5%
Airline Boardings (1st Quarter)	93,682	82,185	14.0%
Value All Construction Permits (March)	\$ 33,631,106	\$ 92,270,633	-63.6%
Value All Construction Permits (1st Quarter)	\$ 122,879,955	\$ 190,159,384	-35.4%
New Home Permits (March)	87	114	-23.7%
New Home Permits (1st Quarter)	319	303	5.3%
Home Sales (March)	276	258	7.0%
Home Sales (1st Quarter)	711	662	7.4%
Average Home Sale Price (March)	\$ 164,640	\$ 153,491	7.3%
Average Home Sale Price (1st Quarter)	\$ 159,515	\$ 155,265	2.7%
Dollar Volume of Home Sales (March in 1995\$)	\$ 45,440,602	\$ 40,583,549	12.0%
Dollar Volume of Home Sales (1st Quarter)	\$ 113,629,002	\$ 105,554,697	7.6%
Hidalgo Bridge Crossings (March)	454,834	470,765	-3.4%
Hidalgo Bridge Crossings (1st Quarter)	1,288,723	1,272,496	1.3%
Peso Exchange Rate (March)	19.25	18.62	3.4%
<b>Employment</b>			
Wage & Salary Employment (March)	271,000	264,800	2.3%
Wage & Salary Employment (1st Quarter Avg)	268,835	263,000	2.2%
Unemployment Rate (McAllen City - March)	4.1	4.9	-16.3%
Unemployment Rate (1st Quarter Average)	4.6	5.0	-8.0%
 INDEX - January (Base=100 January 1996)	 190.3	 185.3	 2.7%

\* 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 second straight month to finish the first quarter of the year at 190.3 in March, down from 191.2 in February and the all-time index peak of 191.3 in January, but still up 2.7% from the March 2018 MEI of 185.3. The construction indicators are the chief offenders in the March monthly drop with deep year-over-year declines in the valuation of all building permits issued and the number of new single-family housing construction permits.

Elsewhere on the table of economic indicators the numbers are generally solid with impressive increases in general spending, travel and tourism, and the residential real estate market. Jobs continue to be added across the metro area and the McAllen city unemployment rate continues to plunge to historic low levels.

The general health and condition of the metro area cyclical economy is best represented by general taxable spending (adjusted for inflation) and the metro area employment situation. Both are on solid ground through the first three months of the year. General real spending is up by 5.4% per March sales tax receipts (in McAllen, Edinburg, Mission, and Pharr) compared to March of a year ago, and the year-to-date spending total is up by an impressive 9.1% compared to the first three months of 2018.

An estimated 6,200 jobs have been added to the McAllen metro area economy over the last 12 months with March payroll employment up by 2.3% compared to the March 2018 employment estimate. Employment growth averaged 2.2% in the first quarter. The McAllen city unemployment rate dropped significantly over the last year as well with the March unemployment rate at 4.1% compared to 4.9% in March 2018.

The big-ticket auto sales sector remains strong with inflation-adjusted spending on new and used motor vehicles up by over 7% in the first quarter compared to the first three months of a year ago, though auto spending was generally flat for the month of March.

Hotel/motel occupancy taxes are up sharply thus far in 2019, posting a year-over-year increase of over 20% in the first quarter, and over 10% in March. Airline passenger enplanements at McAllen International Airport are impressively higher as well, up by 14% in the first quarter and nearly 18% in March compared to year-ago levels.

Adjusted for inflation, the monthly building permit valuation total was the lowest for the month of March since 1996 and was down by over 60% compared to the March 2018 total. The first quarter real permit valuation total was the lowest since 2015 and was down by over 35% compared to the first three months of a year ago. The 87 new single-family residence construction permits were the lowest March monthly total over the entire history of the McAllen Economic Index dating back to 1996, though the number of permits issued in the first quarter was up by about 5% year-over-year.

The residential real estate market, on the other hand, is faring very well through the first quarter of the year with record numbers of sales at record prices. The number of closed sales is up by over 7% for the month and quarter compared to year-ago levels, and the average price of those sales is up by 7.3% and 2.7% for the month and first quarter, respectively.

The inflation-adjusted total dollar volume of housing sales is deep into record territory with year-over-year increases of 12% in March and 7.6% in the first quarter.

Even though the index has moderated slightly since peaking in January it is safe to say the McAllen metro area economy remains in general expansion mode through the first quarter 2019 and beyond, again as evidenced primarily by the benchmark indicators of general spending and employment.