

# McAllen Area ECONOMIC PULSE

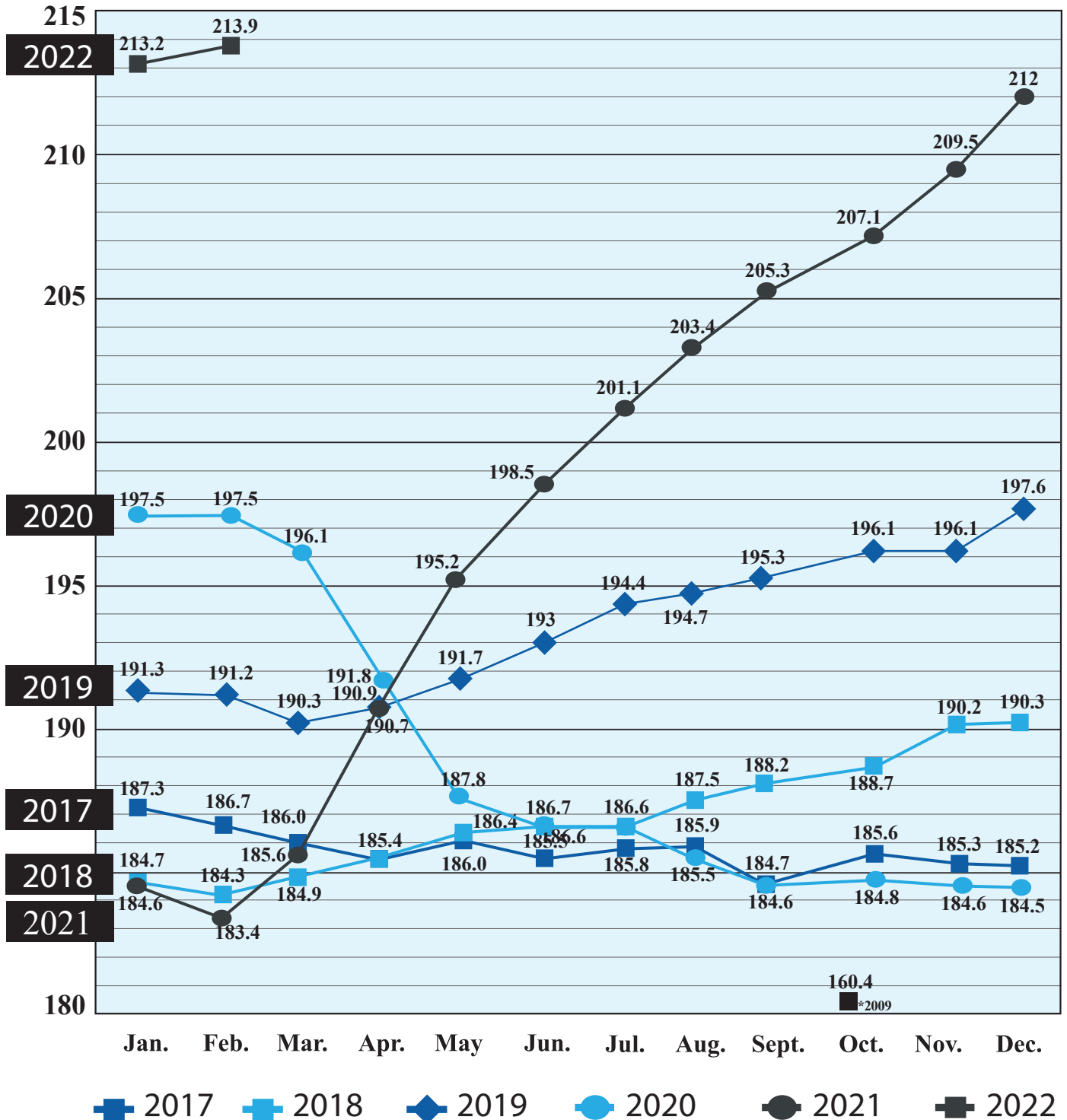
McAllen • Mission • Edinburg • Pharr

## February 2022 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.



# The McAllen Area Economy

ECONOMIC INDICATORS*	THIS YEAR February 2022	LAST YEAR February 2021	% CHANGE 2021-2022
Retail Sales (February)	\$ 903,010,903	\$ 810,331,764	11.4%
Retail Sales (YTD)	\$ 1,644,423,861	\$ 1,399,030,046	17.5%
Dollars Spent on Auto Purchases (February)	\$ 197,334,001	\$ 186,218,985	6.0%
Dollars Spent on Auto Purchases (YTD)	\$ 386,735,393	\$ 393,907,920	-1.8%
Lodging Tax Receipts (February)	\$ 280,073	\$ 351,026	-20.2%
Lodging Tax Receipts (YTD)	\$ 733,064	\$ 552,355	32.7%
Airline Boardings (February)	32,544	16,448	97.9%
Airline Boardings (YTD)	65,870	34,406	91.4%
Value All Construction Permits (February)	\$ 52,345,045	\$ 49,647,150	5.4%
Value All Construction Permits (YTD)	\$ 108,995,898	\$ 133,511,843	-18.4%
New Home Permits (February)	121	156	-22.4%
New Home Permits (YTD)	281	309	-9.1%
Home Sales (February)	344	243	41.6%
Home Sales (YTD)	694	547	26.9%
Average Home Sale Price (February)	\$ 222,555	\$ 197,534	12.7%
Average Home Sale Price (YTD Avg)	\$ 222,990	\$ 198,621	12.3%
Dollar Volume of Home Sales (February in 1995\$)	\$ 76,559,083	\$ 49,971,172	53.2%
Dollar Volume of Home Sales (YTD)	\$ 155,160,410	\$ 113,206,519	37.1%
Hidalgo Bridge Crossings (February)	372,530	216,140	72.4%
Hidalgo Bridge Crossings (YTD)	742,046	450,051	64.9%
Peso/US Dollar Exchange Rate (February)	20.47	20.30	0.9%
Employment			
Wage & Salary Employment (February)	282,200	266,400	5.9%
Wage & Salary Employment (YTD Avg)	280,550	266,050	5.5%
Unemployment Rate (February)	5.4	7.6	-28.9%
Unemployment Rate (YTD Average)	5.6	7.7	-27.3%
INDEX - February (Base =100 January 1996)	213.9	184.0	16.2%

\* 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 cycle of expansion in the greater McAllen metro area economy reached a full year in February 2022 with the 12th consecutive monthly increase in the McAllen Economic Index. Since hitting its post-COVID trough in February 2021 the index has increased by 16.2%, increasing to a record 213.9 in February. It was in June 2021 that the index achieved its pre-pandemic record and has continued to increase since then.

Again, there are a few negatives up and down the table of economic indicators for February. Auto sales are lower for the year-to-date though the February monthly total was higher. Hotel/motel activity was lower for the first time in months, and construction remains lower for the year-to-date. The number of new housing permits is also down thus far in 2022.

Spending and employment remain impressively on the rise, along with continued sharp gains in the metro area housing market.

Inflation-adjusted general spending per February sales tax receipts in the McAllen metro area\* was up by double-digit percentage points for the 12th straight month, posting an 11.4% year-over-year increase. Through the first two months of the year, general real spending is up by 17.5%.

Real (inflation-adjusted) auto sales activity returned to year-over-year growth in February following two

## Key Points

## Key Points (continued)

months of declines, increasing by 6% compared to the February 2021 total. Year-to-date auto spending remains negative, however, down by a slight 1.8% through the first two months of the year.

Hotel/motel spending was down for only the second time in the last 13 months, down by about 20% compared to February of a year ago. January was sharply higher, though, so the year-to-date total remains higher by about 33% compared to the first two months of 2021.

Passenger enplanements at McAllen International airport were nearly double the February (and YTD) totals from 2021. February was the last of the deeply COVID-affected months for airline travel, and the number of enplanements nearly from February to March last year.

Building permit activity was slightly higher in February, though the year-to-date total remains negative compared to year-ago levels. New housing construction permits in McAllen, Edinburg, Mission, and Pharr were off by over 22% compared to the February record 156 permits issued in 2021.

Existing home sales continue to climb sharply. The 344 closed sales in the month of February is easily the highest February total on record and is up by over 40% compared to February of a year ago. Through the first two months of the year home sales are up by some 27%, and prices are climbing ever higher with the February monthly average up by 12.7% compared to February of a year ago.

The total inflation-adjusted dollar volume of housing transactions across the metro area was up by a whopping 53% in February, and is up by 37% through February compared to year-ago levels.

Nearly 16,000 jobs were added to the McAllen metro area economy over the last 12 months for a year-over-year growth rate of nearly 6%. Employment growth rates were last in the 5-6% range in 2005-6, and year-over-year growth has been in excess of 5% for nine straight months now.

Border activity is rebounding though Hidalgo bridge crossing remain well below pre-pandemic levels. Still, crossings are up by about 65% thus far in 2022 compared to year-ago levels and continue to recover.

\*McAllen, Edinburg, Mission, and Pharr