

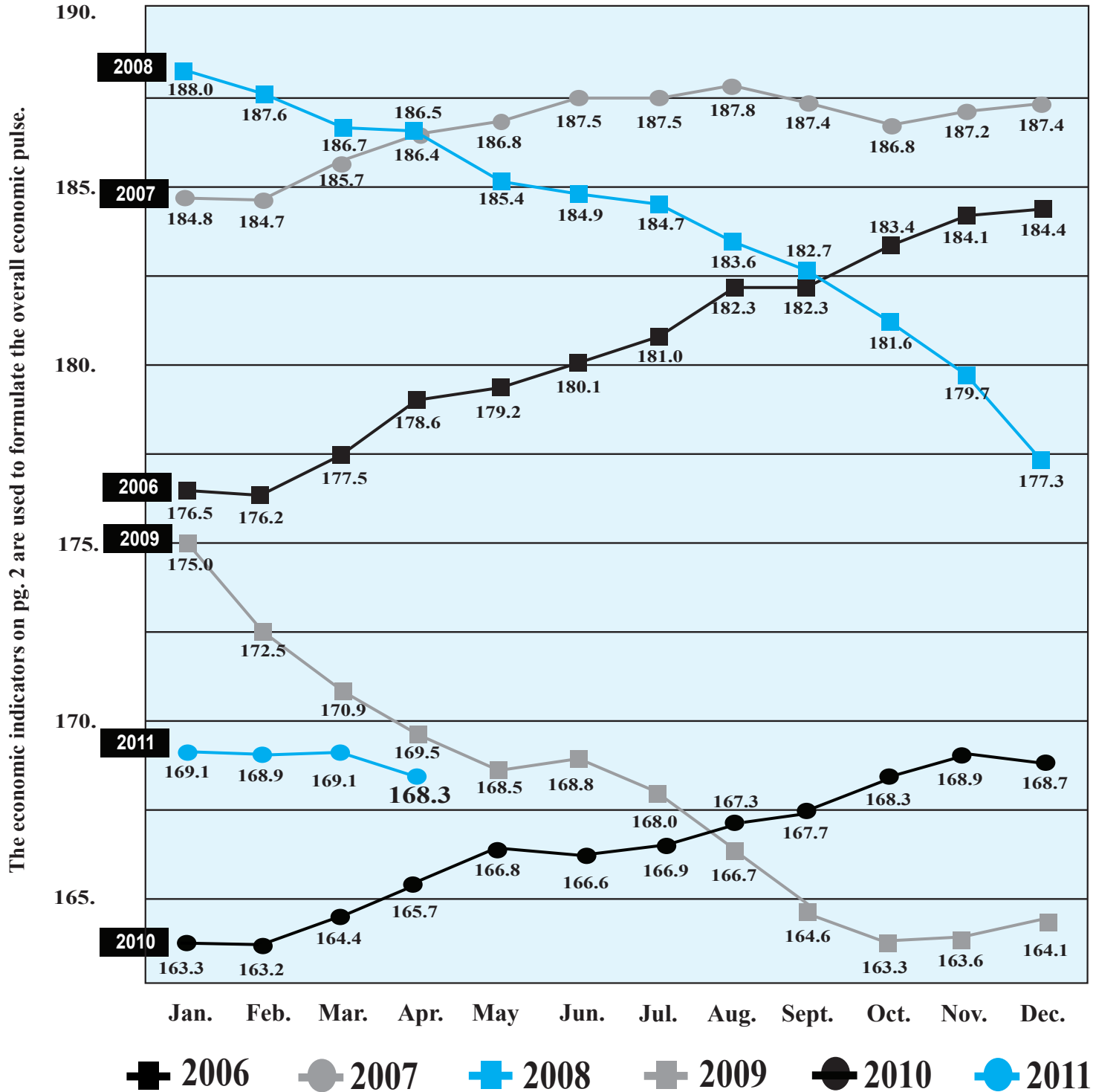
# McAllen Area ECONOMIC PULSE

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## April 2011 Economic Pulse

### The McAllen Chamber of Commerce Economic Index

INDEX (Base=100 Jan 1996)



ECONOMIC INDICATORS	THIS YEAR April 2011	LAST YEAR April 2010	% CHANGE 04/10 - 04/11
Retail Sales (\$000's - April in 1995\$)	\$255,583	\$239,506	6.7%
Retail Sales (\$000's - Year-To-Date)	\$1,083,494	\$1,028,414	5.4%
Dollars Spent on Auto Purchases (\$000's - April in 1995\$)	\$104,486	\$90,327	15.7%
Dollars Spent on Auto Purchases (\$000's - YTD)	\$393,011	\$330,930	18.8%
Lodging Tax Receipts (April)	\$274,310	\$257,123	6.7%
Lodging Tax Receipts (YTD)	\$1,114,086	\$1,111,827	0.2%
Airline Boardings (April)	26,605	27,935	-4.8%
Airline Boardings (YTD)	106,591	112,011	-4.8%
Value All Construction Permits (April)	\$43,510,560	\$35,151,853	23.8%
Value All Construction Permits (YTD)	\$176,235,961	\$124,798,614	41.2%
New Home Permits (April)	89	167	-46.7%
New Home Permits (YTD)	417	617	-32.4%
Home Sales (April)	148	269	-45.0%
Home Sales (YTD)	603	816	-26.1%
Average Home Sale Price (April)	\$121,949	\$126,199	-3.4%
Average Home Sale Price (YTD)	\$121,175	\$117,434	3.2%
Hidalgo Bridge Crossings (April)	451,023	474,936	-5.0%
Hidalgo Bridge Crossings (YTD)	1,743,574	1,909,532	-8.7%
Peso/Dollar Exchange Rate (April)	12.65	11.95	5.9%
<b>Employment</b>			
Wage & Salary Employment (April)	223,800	220,300	1.6%
Wage & Salary Employment (YTD Avg)	223,725	219,475	1.9%
Unemployment Rate (April)	11.4	11.1	2.7%
Unemployment Rate (YTD)	12.1	11.7	3.4%
INDEX - April (Base=100 Jan 1996)	<b>168.3</b>	<b>166.0</b>	<b>1.4%</b>

In January 2004 the Texas Comptroller's Office began tracking "Manifestos" -- requests for sales tax refunds on items purchased by Mexican citizens or for export into Mexico.

	Export Sales per Manifestos	Total Retail Sales (Not adjusted for inflation)	Percent Export Sales of Total Sales
<b>April 2011</b>	\$17,480	\$368,200	4.7%
<b>YTD 2011</b>	\$81,634	\$1,555,598	5.2%

The McAllen Economic Index declined fairly sharply from March to April 2011, dipping to 168.3 down from 169.1 in March, and up 1.4% from the April 2010 index of 166.0. By way of contrast, though, the year-over-year growth rate in April of 1.4% is down from 2.7% in March, and as high as 3.3% in February.

Housing is the culprit, with home building (per new single-family residence permits) down over 46% for the month (compared to April of a year ago) and over 30% for the year-to-date compared to the first four months of 2010. Existing home sales are down by 45% compared to April 2010, and home sales for the YTD are down by over 25%. The average home sale price was down for the month, but remains over 3% improved for the YTD compared to year-ago levels.

Employment growth also slowed in April, with payroll employment in the McAllen metro area up by an estimated 1.6% compared to April 2010, the lowest year-over-year employment growth rate thus far in 2011. The unemployment rate continues to tick upward as well at 11.4% in April, compared to 11.1% in April 2010. The McAllen unemployment rate, historically high compared to most other Texas metro areas, dipped as low as 5.8% in April 2008.

The spending indicators remain strong through April, with general spending by households and businesses up by 6.7% year-over-year in April, and 5.4% for the year-to-date. Inflation-adjusted auto spending is up by 15.7% in April compared to April of a year ago, and up nearly 19% for the year-to-date. After falling sharply during the recession year of 2009, auto spending has now surpassed its pre-downturn peak achieved in 2008 and moved into real record territory.

The border indicators remain troublesome, and border-related economic activity and stimulus is on the wane as a result. Hidalgo bridge crossings are down by 5% in April, and well over 8% for the year-to-date, the continuation of a long pattern of decline dating back to 2003, in response to the events of 9/11/2001.