


NOVEMBER 2024 ECONOMIC PULSE

Let's break down the data analysis to explore the economic impact on McAllen, Texas, specifically focusing on the role of McAllen as a border town and the broader implications for its local economy.

★ VALUE OF ALL CONSTRUCTION PERMITS



A reflection of the level of investment in the local economy. It also indicates investor confidence and future economic activity.

2023: \$66,433,485
2024: \$73,714,421

+10.96%


★ LODGING TAX RECEIPTS



+7.31%

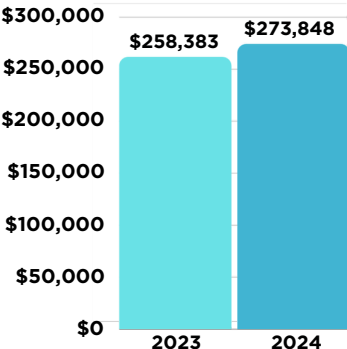
Signals tourist activity, and a reflection of McAllen's economy through positive correlation between spending in hotels, restaurants, and local businesses.

NEW HOME PERMITS **30.65%** **★**



An decrease in avg home sales indicates a reduced economic confidence or tight financial conditions

AVERAGE HOME SALES PRICE



Year	Average Home Sales Price
2023	\$258,383
2024	\$273,848


Steady growth: \$12,454 increase. An increase boosts property values yet can increase cost of living and market overheating if overgrowth is not controlled.

HOME SALES

2023: 273
2024: 295

Data shows a mature market that is solidifying. We see an increase of 5.83% in home sales yet it's not statistically significant.


DOLLARS SPENT ON AUTO PURCHASES



14.53% Increase

A stable auto market is generally a sign of consumer confidence, where people continue to make large purchases but are not necessarily increasing their spending in this area.

★ RETAIL SALES



Year	Retail Sales
2023	\$805,388,862
2024	\$840,813,698

\$35M gain in retail sales compared to 2023

DOLLAR VOLUME RESIDENTIAL REAL ESTATE SALES


+14.53%



An 14.53% increase in residential indicates overall housing demand, rising property values, and overall growth in the residential real estate markets. Along with other variables, helps paint a clear picture of the housing market.

★ MFE ENPLANEMENT DATA


51,009 enplanements **+14.26%**



Key Drivers

- More flights, new routes, or better services offered by airlines can attract more passengers. Hosting large events, conventions, or conferences can temporarily boost enplanements as attendees fly in and out of McAllen. Growth in local businesses or the arrival of new companies
- can lead to more business travel, increasing enplanements.

PESO EXCHANGE RATE



The USD/MXN rate is up **+1703%** in 2024. This means the US Dollar increased in value compared to the Mexican Peso.

- Highest: 20.48 MXN in October 2024
- Average: 20.48 MXN over this year
- Lowest: 16.79 MXN in May 2024

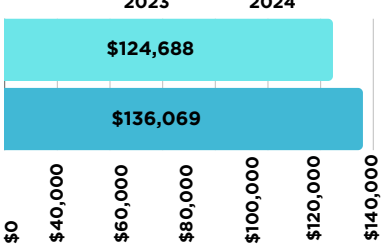
UNEMPLOYMENT



+15.09%

Moderate unemployment promotes labor market flexibility and productivity

MIXED BEVERAGE TAX RECEIPTS




Year	Mixed Beverage Tax Receipts
2023	\$124,688
2024	\$136,069

Mixed beverage tax receipts signal thriving hospitality.

★ BRIDGE CROSSINGS

+18.81%



YoY increase in bridge crossings among McAllen's bridges.

★ Indicates McAllen only data. Otherwise, data is MSA



1. Retail Sales (+4.40%)

2023: \$805,388,862

2024: \$840,813,698

This rise demonstrates sustained consumer confidence and reflects stronger disposable income levels within the region. Such growth is particularly noteworthy amidst inflationary pressures, signaling that McAllen's economy is benefitting from steady economic activity and possibly drawing spending from neighboring areas, including cross-border shoppers.



2. Sales Tax Receipts (+0.95%)

2023: \$8,044,206

2024: \$8,120,568

While not a sharp increase, the continued upward trajectory highlights steady local consumer activity. However, the slower pace compared to retail sales growth could indicate evolving purchasing patterns, such as an increase in e-commerce, which is not always captured in local tax revenues.



3. Mixed Beverage Tax Receipts (+9.12%)

2023: \$124,688

2024: \$136,069

This rise suggests that dining and entertainment venues are thriving, benefiting from both local patronage and tourists. The strength in this sector reflects a broader rebound in social and leisure activities, likely bolstered by events and promotions attracting a larger audience.



4. Lodging Tax Receipts (+7.31%)

2023: \$436,023

2024: \$467,900

This increase highlights McAllen's growing appeal as a destination for both leisure and business travelers. It suggests that local tourism efforts and events are effectively drawing visitors, driving revenue for hotels and related industries.



5. Value of Construction Permits (+10.96%)

2023: \$66,433,485

2024: \$73,714,421

This increase highlights a robust pipeline of projects across residential, commercial, and infrastructure sectors, reflecting investor confidence in McAllen's growth. This is a small pickup from the sharp drop from last month. Such activity not only creates immediate construction jobs but also lays the foundation for future economic expansion.

6. New Home Permits (+30.65%)

2023: 124

2024: 162

This surge suggests heightened housing demand, likely driven by population growth, an influx of new residents, or favorable lending conditions. The strong uptick points to the city's attractiveness as a residential destination, contributing to broader economic stability and vitality.

7. Enplanement Data (+14.26%)

2023: 44,644

2024: 51,009



This significant growth highlights McAllen's expanding role as a regional travel hub, likely driven by increased business travel, tourism, and enhanced connectivity through additional routes or better scheduling.



8. Bridge Crossings

Cross-border activity remained strong, with southbound personal vehicle crossings up 2.4% to 390,935, and northbound vehicle crossings increasing slightly by 0.54% to 401,178. Bus passenger crossings experienced a dramatic 113% increase, reflecting changes in travel preferences and possibly greater connectivity with nearby regions. These trends highlight McAllen's continued importance as a binational hub for commerce, tourism, and transportation, even as exchange rate fluctuations shape consumer behavior.



9. Peso Exchange Rate (+17.03%)

2023: 17.38

2024: 20.34

This shift strengthens U.S. consumers' purchasing power in Mexico while making McAllen goods and services relatively more expensive for Mexican shoppers. Cross-border retail could face headwinds, although the region's strong retail and entertainment options might help offset potential losses.



10. Unemployment Rate (+15.09%)

2023: 5.30%

2024: 6.10%

While the higher rate may raise concerns, it could also reflect a growing labor force or mismatched skills in a dynamic job market. Strategic workforce development initiatives could help address this disparity, ensuring the labor market aligns with McAllen's economic growth sectors.



McAllen
Chamber of Commerce