


# DECEMBER 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: \$74,019,586**  
**2024: \$79,378,446**

**+7.24%**


**★ LODGING TAX RECEIPTS**



**-16.18%**

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

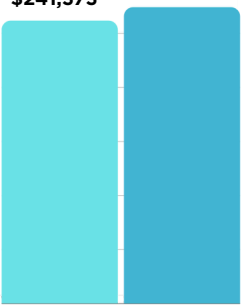
**★ NEW HOME PERMITS 7.63%**



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

**AVERAGE HOME SALES PRICE**


**\$241,373**      **\$262,401**



**2023**      **2024**

Steady growth: \$21,028 increase. An increase boosts property values yet can increase cost of living and market overheating if overgrowth is not controlled.

**DOLLARS SPENT ON AUTO PURCHASES**



**28.16% 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**



**719,452,237**      **801,117,596**

**2023**      **2024**

\$35M gain in retail sales compared to 2023

**HOME SALES**

**2023: 304**  
**2024: 313**

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

**DOLLAR VOLUME RESIDENTIAL REAL ESTATE SALES**


**+11.93%**



An 11.93% 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**


**57,160 enplanements**      **+19.13%**



**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 **+17.86%** in 2024. This means the US Dollar increased in value compared to the Mexican Peso.

- Highest: 20.48 MXN in October 2024
- Average: 20.36 MXN over this year
- Lowest: 16.79 MXN in May 2024

**UNEMPLOYMENT**

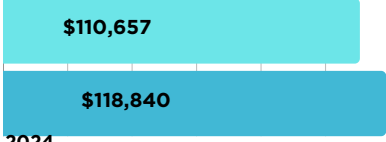


**+5.17%**

Moderate unemployment promotes labor market flexibility and productivity

**MIXED BEVERAGE TAX RECEIPTS**


**2023: \$110,657**  
**2024: \$118,840**



Mixed beverage tax receipts signal thriving hospitality.

**★ BRIDGE CROSSINGS**

**-30.85%**



YoY increase in bridge crossings among McAllen's bridges.

★ Indicates McAllen only data. Otherwise, data is MSA



**1. Retail Sales (+11.35%)**

**2023: \$719,452,237**

**2024: \$801,117,596**

This growth suggests strong consumer confidence, a robust holiday shopping season, and increased disposable income in the region. The rise could also indicate population growth or an increase in tourism-related spending.



**2. Sales Tax Receipts (+7.66%)**

**2023: \$7,186,451**

**2024: \$7,737,244**

This rise reflects increased economic activity and suggests that local businesses are benefiting from the strong consumer environment. Additionally, the uptick may be linked to inflation-driven price increases, leading to higher taxable sales figures.



**3. Mixed Beverage Tax Receipts (+7.39%)**

**2023: \$110,657**

**2024: \$118,840**

The hospitality sector experienced moderate growth, with mixed beverage tax receipts increasing from \$110,657 to \$118,840, a 7.4% year-over-year increase. This suggests increased patronage of bars, restaurants, and entertainment venues, potentially fueled by higher discretionary spending and an uptick in tourism.



**4. Lodging Tax Receipts (-16.18%)**

**2023: \$554,959**

**2024: \$465,185**

This dip could be attributed to increased competition from short-term rental platforms, shifting travel patterns, or reduced business travel. It warrants close monitoring to assess its impact on the hospitality sector.



**5. Value of Construction Permits (+7.24%)**

**2023: \$74,019,586**

**2024: \$79,378,446**

The total value of all construction permits issued rose to \$79.4 million, up from \$74.0 million in the previous year, indicating continued investment in infrastructure and development. This growth reflects confidence in the real estate market and long-term economic prospects for the region.

**6. New Home Permits (+7.63%)**

**2023: 131**

**2024: 141**

The number of new home permits issued increased from 131 in December 2023 to 141 in December 2024, highlighting growth in residential development. The steady rise in new home construction suggests sustained demand for housing, driven by population growth and attractive mortgage rates.

**7. Enplanement Data (+19.13%)**

**2023: 47,981**

**2024: 57,160**

McAllen International Airport (MFE) reported a 19.1% increase in enplanements, rising from 47,981 in December 2023 to 57,160 in December 2024, reflecting strong demand for air travel. This growth could be attributed to increased business and leisure travel, expansion of flight routes, and greater airline capacity.





### 8. Bridge Crossings



Cross-border traffic remained stable, with southbound personal vehicle crossings increasing slightly from 413,083 to 415,869, while northbound personal vehicle crossings saw a more notable rise from 409,014 to 419,585. Additionally, northbound personal vehicle passenger crossings grew from 890,732 to 914,269, reflecting sustained economic ties between the region and Mexico. However, northbound bus crossings declined, and northbound bus passenger crossings dropped. This decrease in bus traffic could be due to evolving transportation preferences or increased reliance on personal vehicles. These trends indicate that while individual travel remains strong, the regional transit landscape is shifting.

### 9. Peso Exchange Rate (+17.86%)

2023: 17.19

2024: 20.26



The peso exchange rate increased from 17.19 in December 2023 to 20.26 in December 2024, which may impact cross-border shopping and business transactions. A weaker peso makes U.S. goods and services more expensive for Mexican consumers, potentially dampening cross-border retail activity.

### 10. Unemployment Rate (+5.17%)

2023: 5.8%

2024: 6.1%



Rose slightly from 5.8% to 6.1%, signaling a slight softening in the labor market. This could be due to seasonal fluctuations or workforce expansion outpacing job creation.



**McAllen**  
Chamber of Commerce