



Economic Pulse

2025

McAllen Area

APRIL 2025 REPORT

MCALLEN AREA

April 2025 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.

1

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.

Fiscal Year Cumulative:

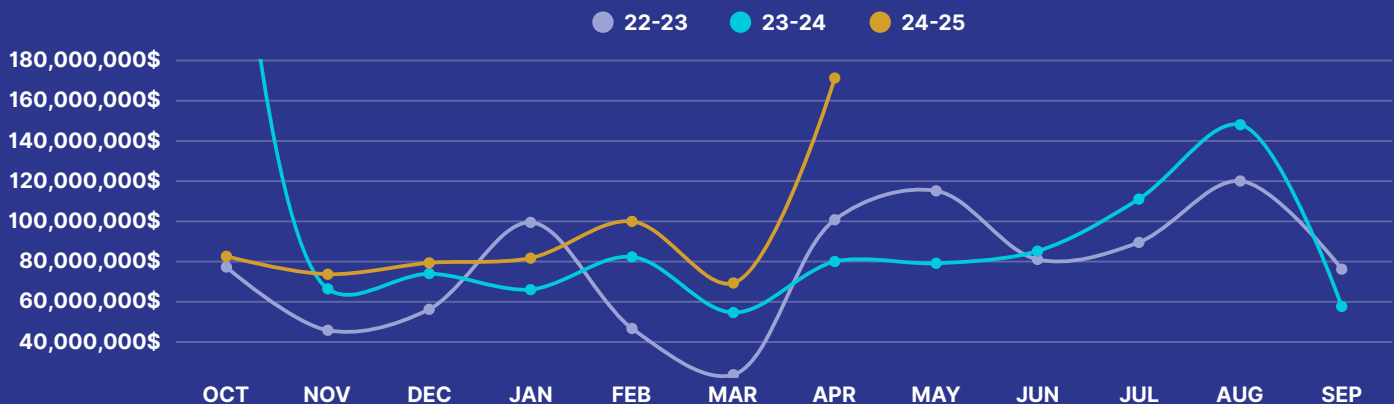
FY23-24: \$750,870,154

FY24-25: \$ 658,093,911

YoY:

-12.36%

MoM:

113.94%

April's spike is likely tied to commercial and public infrastructure filings—not residential growth. Despite the jump, builders remain cautious, and material/labor costs may still be restraining starts.



2

LOADING TAX RECEIPTS

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

Fiscal Year Cumulative:

FY23-24: \$3,320,473

FY24-25: \$3,078,340

YoY:

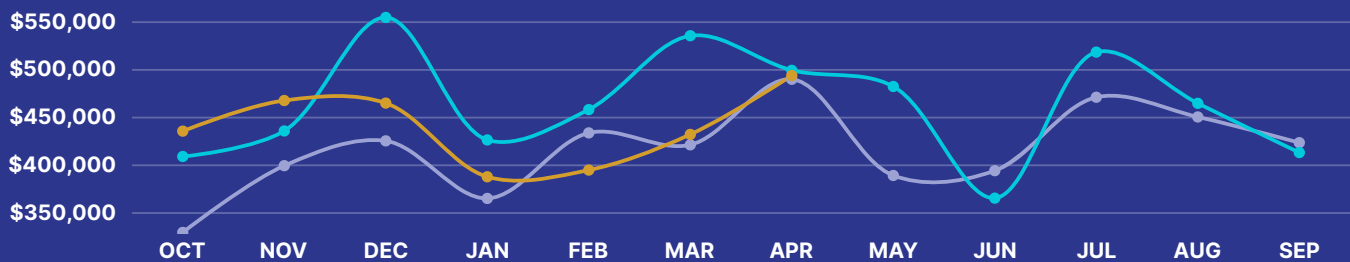
-7.29%

MoM:

1.09%



● 22-23 ● 23-24 ● 24-25



Hospitality is still below pre-pandemic peaks, and April's numbers suggest a soft patch. The region is experiencing a decline in overnight stays, mainly because of the bridge crossing delays in the Mexican side of the border. Notably, hotel occupancy is down despite rising event-based travel in other border metros.



3

NEW HOME PERMITS

New Home Permits reflect consumer confidence, demand for housing, and potential future growth in construction and related industries.

Fiscal Year Cumulative:

FY23-24: 1,077

FY24-25: 1,065

YoY:

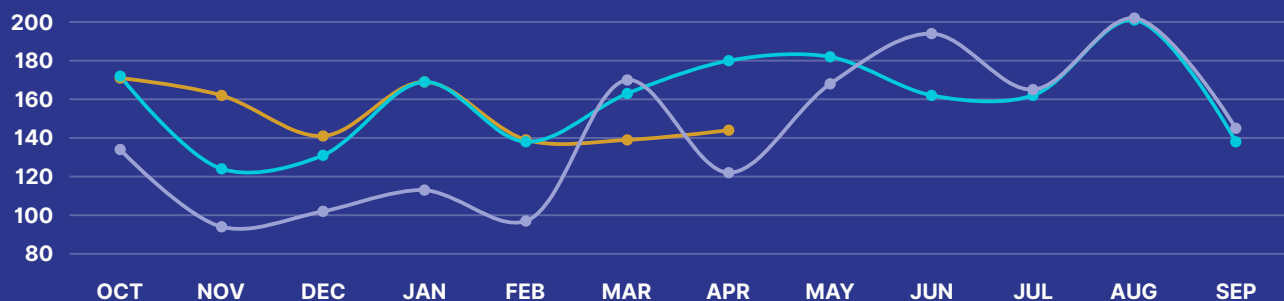
-1.11%

MoM:

-20.00%



● 24-25 ● 23-24 ● 22-23



We're seeing a cooling of home starts, but buyers are still active. The dip in prices is not alarming, it reflects a healthy recalibration after two years of rapid appreciation. Importantly, sales volumes are holding steady, meaning the market is liquid even with higher interest rates.

4

HOME
SALES

Home sales reflect economic health by indicating consumer confidence, job stability, and credit access. Strong sales drive related industries, while declines signal uncertainty.

Fiscal Year Cumulative:

FY23-24: 2,185

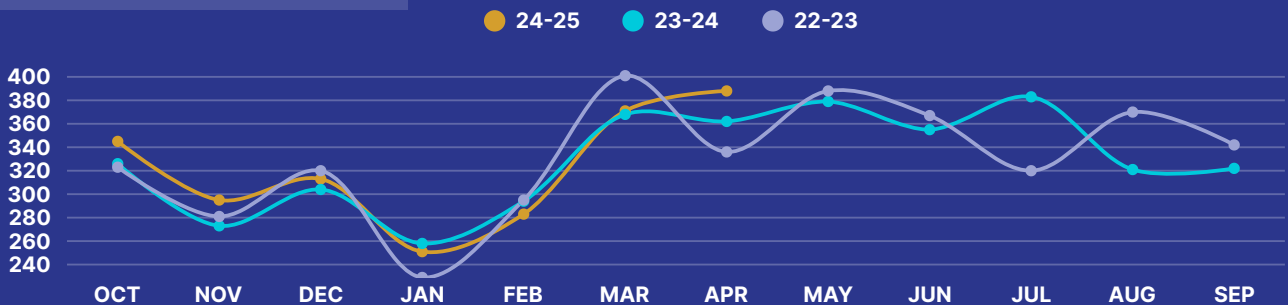
FY24-25: 2,246

YoY:

2.79%

MoM:

7.18%



Home sales in the McAllen MSA is signaling steady demand despite higher interest rates. While the average sales price dipped, total residential dollar volume increased, reflecting stronger transactional activity. Buyers remain active in the \$200K-\$300K range, with local families driving much of the movement. The market continues to normalize, with pricing adjustments helping keep inventory moving in a tight supply environment.

5

AVERAGE
HOME SALES
PRICE

The average home sale price signals wealth, inflation, and buying power. Rising prices boost homeowner equity, while declines may indicate economic slowdowns.

Fiscal Year Cumulative:

FY23-24: \$1,764,462

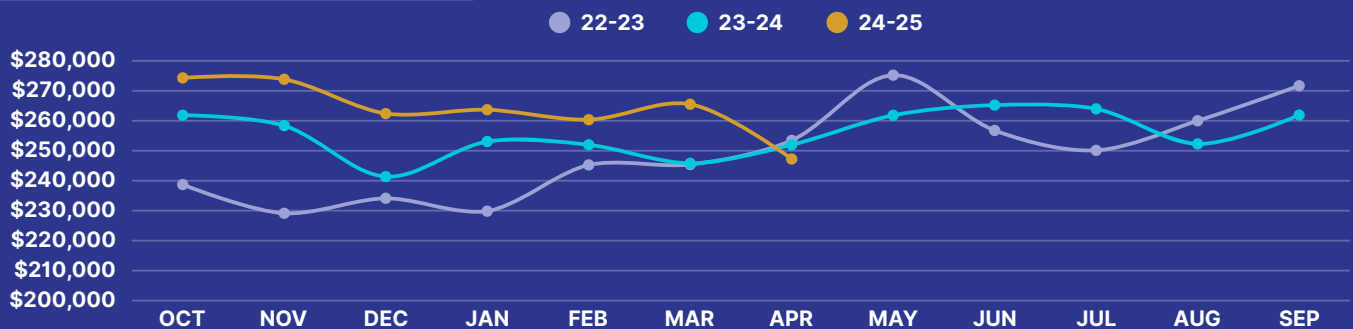
FY24-25: \$1,847,374

YoY:

4.70%

MoM:

-1.88%



This modest dip reflects a market adjusting after years of rapid appreciation. Sellers are becoming more flexible, especially in mid-tier price brackets, to stay competitive. The decrease has helped keep buyers engaged, sustaining overall sales momentum across the region.

6

DOLLAR VOLUME RESIDENTIAL REAL ESTATE SALES

Provides a picture of both housing demand and overall economic confidence in the region. It captures the total investment flowing into the local housing market, reflecting broader trends in wealth, lending activity, and growth.

Fiscal Year Cumulative:

FY23-24: \$550,332,954

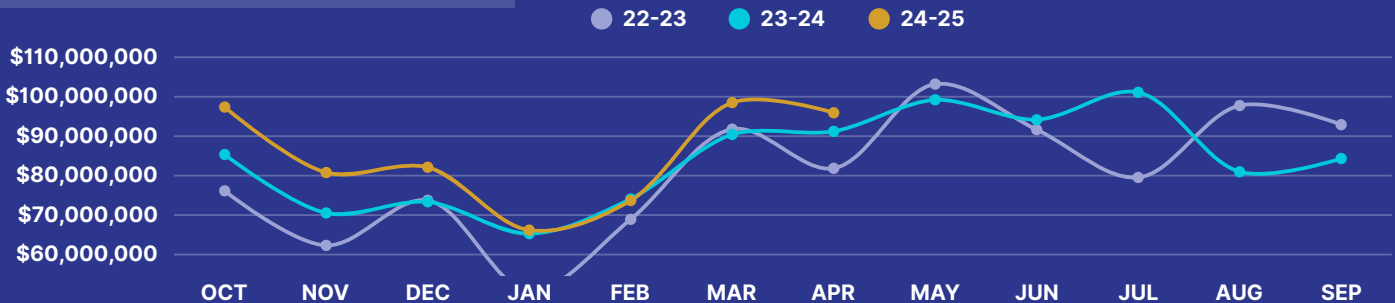
FY24-25: \$594,603,867

YoY:

8.04%

MoM:

5.17%



We're seeing a cooling of home starts, but buyers are still active. The dip in prices is not alarming—it reflects a healthy recalibration after two years of rapid appreciation. Importantly, sales volumes are holding steady, meaning the market is liquid even with higher interest rates.

7

NON-FARM PAYROLL

A key measure of job growth and economic activity across all major sectors, offering a broad view of employment health. Tracking these numbers helps assess business expansion and labor market strength.

Fiscal Year Average:

FY23-24: \$300,586

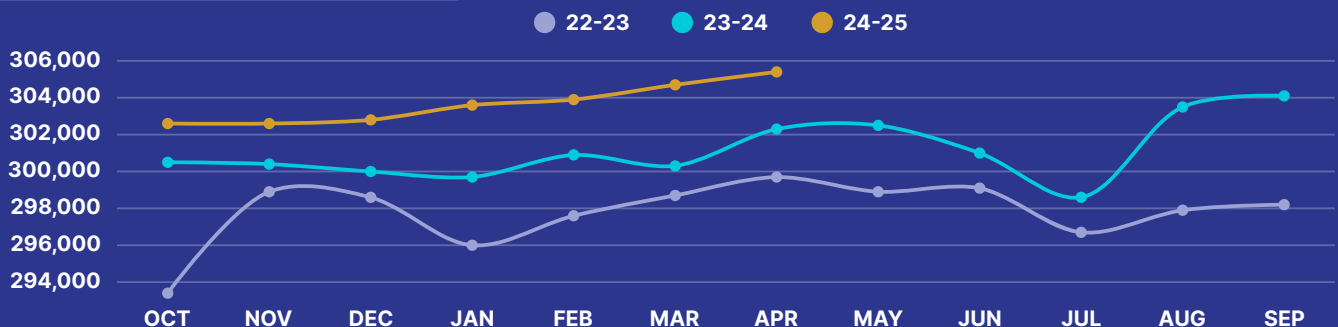
FY24-25: \$303,657

YoY:

1.02%

MoM:

1.03%



Non-farm payroll in the McAllen MSA reached a 1.02% year-over-year growth, signaling continued labor market strength. Job growth remains steady in key sectors like healthcare, retail, and logistics, supporting consumer activity and overall economic stability. While the pace has slowed, sustained gains reflect cautious optimism among local employers.

8

DOLLARS SPENT ON AUTO PURCHASES

Reflect economic health by indicating consumer confidence, job stability, and credit access. Strong sales drive related industries, while declines signal uncertainty.

Fiscal Year Cumulative:

FY23-24: \$1,467,032,575

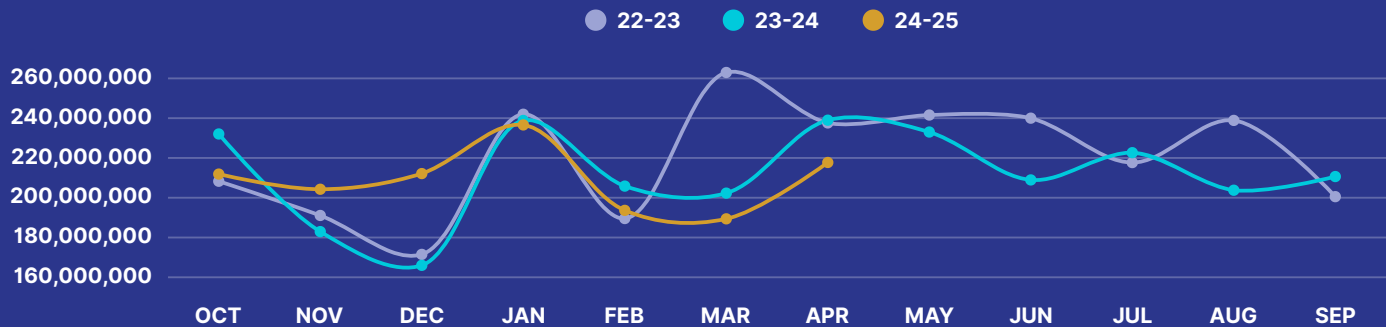
FY24-25: \$1,465,666,743

YoY:

-0.09%

MoM:

-8.9%



Autos are in a holding pattern. With rising rates, higher insurance costs, and fewer rebates, consumers may be delaying major purchases. However, strong regional income and job growth could lift this segment over the summer which tends to have a high seasonality for the next two months.

9

RETAIL SALES

Retail sales indicate consumer spending, confidence, and economic momentum. Growth drives businesses and jobs, while declines suggest caution.

Fiscal Year Cumulative:

FY23-24: \$5,558,324,462

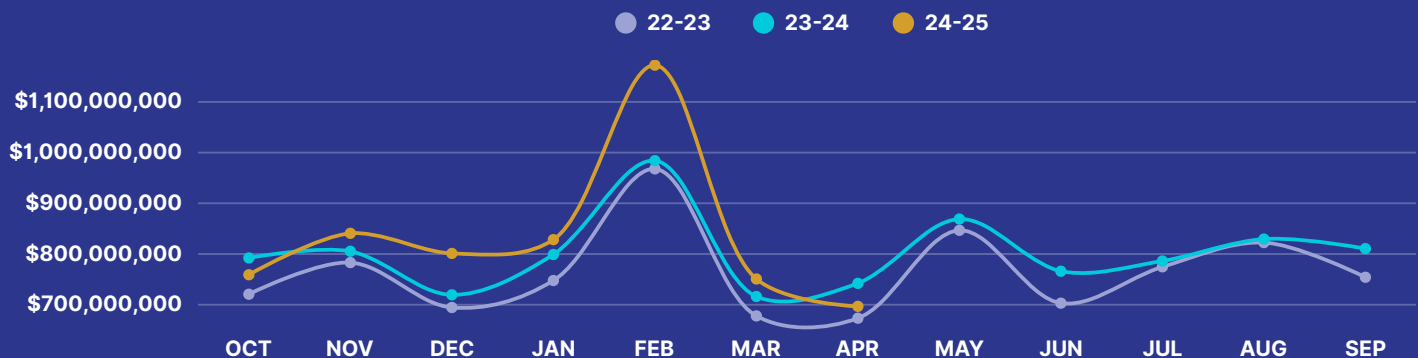
FY24-25: \$5,849,224,078

YoY:

5.23%

MoM:

-6.11%



While YoY numbers remain healthy, the month-over-month dip is worth monitoring. April is often a transitional month, post-spring break but pre-summer surge. Still, local businesses may be feeling pressure from a stronger peso and reduced Mexican consumer presence.

10

SALES TAX RECEIPTS

Reflection on consumer spending, one of the strongest indicators of local economic activity. They offer timely insights into retail performance, business confidence, and the health of the regional economy.

Fiscal Year Cumulative:

FY23-24: \$56,078,578

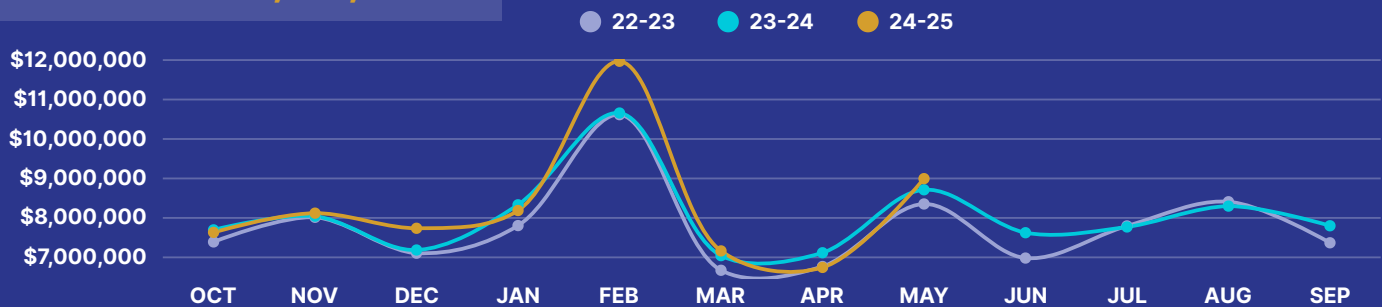
FY24-25: \$57,557,342

YoY:

2.64%

MoM:

-5.22%



Sales tax receipts in April totaled \$6.75 million, down 5.22% from the same month last year, marking a modest slowdown in consumer spending. This follows a strong fiscal year-to-date growth of 2.64%, indicating that the broader trend remains positive despite short-term fluctuations. The monthly dip may reflect cautious consumer behavior tied to inflation fatigue or cross-border traffic declines impacting retail activity. Still, sustained year-over-year growth suggests McAllen's retail base remains resilient, especially in essential goods and services.



11

MFE ENPLANEMENT DATA

Signals tourism and business activity in a region. Rising enplanements often indicate economic growth, increased consumer confidence, and stronger regional connectivity.

Fiscal Year Cumulative:

FY23-24: 325,542

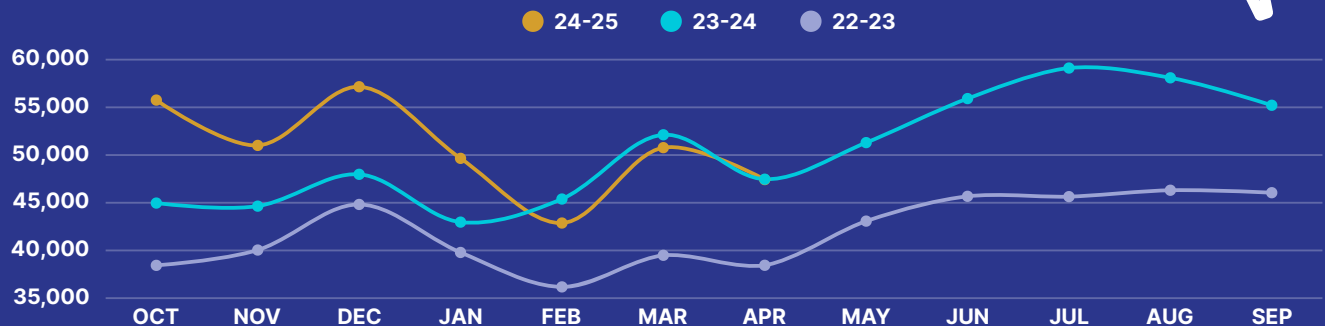
FY24-25: 354,661

YoY:

8.94%

MoM:

-0.1%



MFE enplanements held steady in April, maintaining a year-over-year increase. This growth reflects strong regional travel demand and continued loyalty to McAllen's airport. Business and family travel remain key drivers, bolstered by McAllen's central location and limited direct flight alternatives. MFE continues to outperform peer Valley airports, signaling its importance as a regional air travel hub.

12

PESO EXCHANGE RATE

Monitoring the peso exchange rate is essential for border economies where cross-border commerce and consumer spending are deeply tied to the strength of the Mexican peso. Fluctuations in the exchange rate can signal broader economic shifts and influence regional trade dynamics.

Fiscal Year Cumulative:

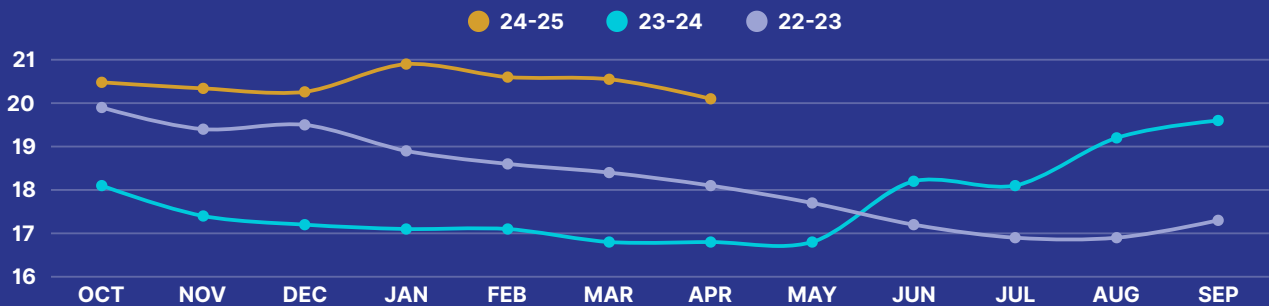
FY23-24: \$533,838,396

FY24-25: \$317,445,371

YoY:

-40.54%

MoM:

5.4%

While this reflects macroeconomic stability in Mexico, it can have dampening effects on local border economies. Mexican visitors now get fewer dollars per peso, making discretionary spending in McAllen less attractive.

13

UNEMPLOYMENT

Moderate unemployment promotes labor market flexibility and productivity.

Fiscal Year Average:

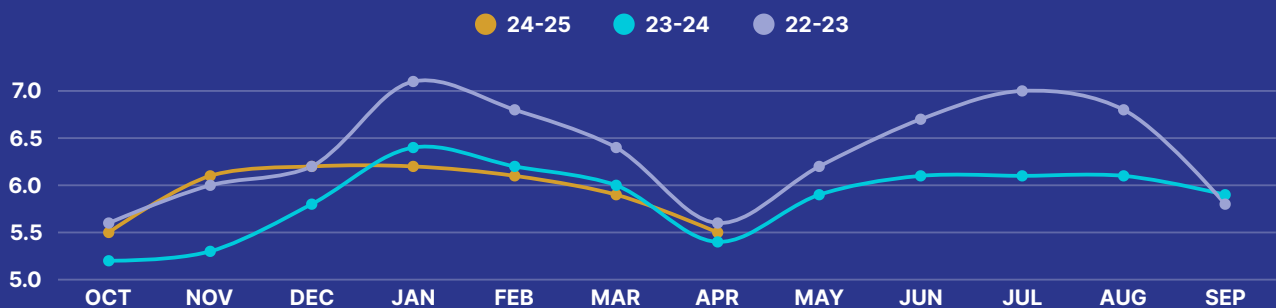
FY23-24: 5.8

FY24-25: 5.9

YoY:

2.98%

MoM:

1.85%

The unemployment rate in the McAllen MSA remained stable at in April, reflecting a steady labor market. Employers continue to report strong demand for workers across healthcare, logistics, and retail sectors. The rate suggests a healthy regional economy, though workforce shortages may begin to constrain growth in key industries.

14

MIXED BEVERAGE TAX RECEIPTS

Mixed beverage tax receipts indicate economic activity, especially in hospitality and tourism. Higher receipts reflect increased consumer spending, while declines can signal downturns or shifts in behavior.

Fiscal Year Cumulative:

FY23-24: \$853,494

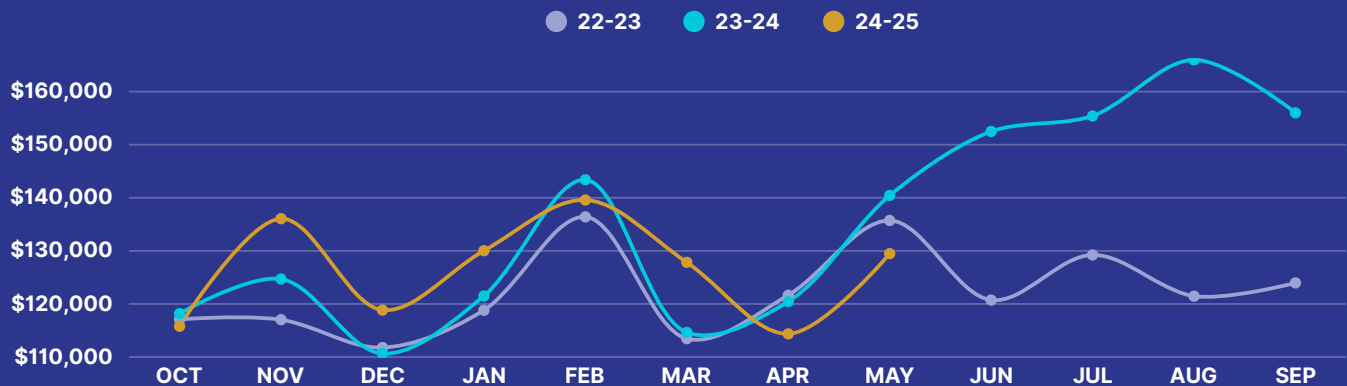
FY24-25: \$882,531

YoY:

3.40%

MoM:

-5.05%



BRIDGE CROSSINGS

Category	Apr-25	MoM Change	YoY Change
Southbound Personal Vehicle Crossings	308,866	▼ 23.23%	▼ 9.30%
Northbound Personal Vehicle Crossings	306,469	▼ 26.12%	▼ 10.20%
Northbound Personal Vehicle Passenger Crossings	630,416	▼ 24.91%	▼ 10.68%
Northbound Bus Crossings	982	▼ 6.65%	▼ 13.73%
Northbound Bus Passenger Crossings	17,991	▼ 16.13%	▼ 5.43%
Northbound Truck Crossings	59,105	▼ 7.27%	▲ 1.90%

This is a sharp contraction, even accounting for seasonal fluctuations. The appreciating peso may be discouraging shopping trips into McAllen. Also, tightened inspections and longer wait times at ports of entry, especially during high-volume weekends, are acting as deterrents for casual shoppers and families.



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