



Economic Pulse

2025

McAllen Area

June 2025 REPORT

MCALLEN AREA

June 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.

Sales & Consumer

1

RETAIL SALES

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



Trailing Twelve Months:

2023 - 2024: \$9,544,717,328

2024 - 2025: \$10,131,804,952

TTM %

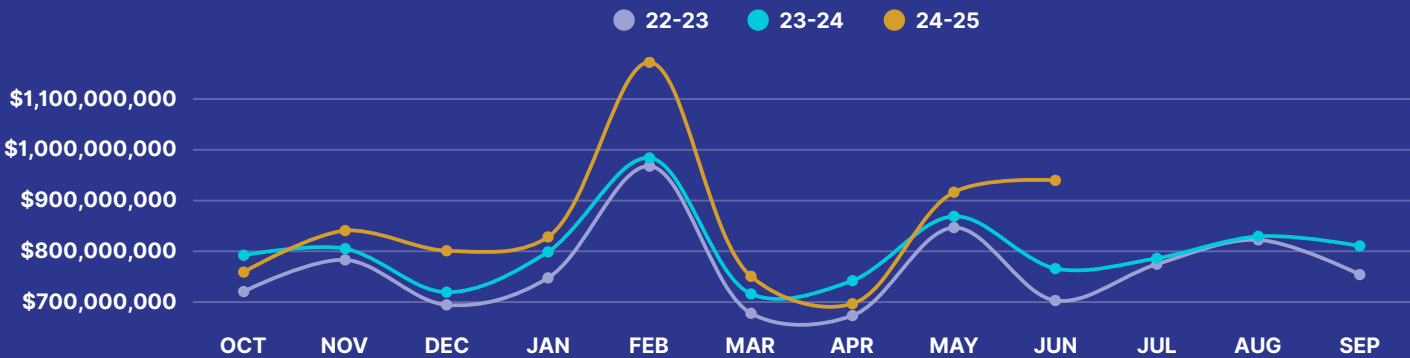
6.15%

June 2025

\$939,786,357

YoY %

22.68%



Retail sales surged over 22%, exceeding \$939 million, a remarkable sign of economic confidence in the community. This growth reflects stronger consumer activity, likely driven by cross-border visitors, post-tax season spending, and stable employment. It also indicates a healthy mix of local entrepreneurship and established brands meeting regional demand.

2

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.



Trailing Twelve Months:

TTM %

June 2025

YoY %

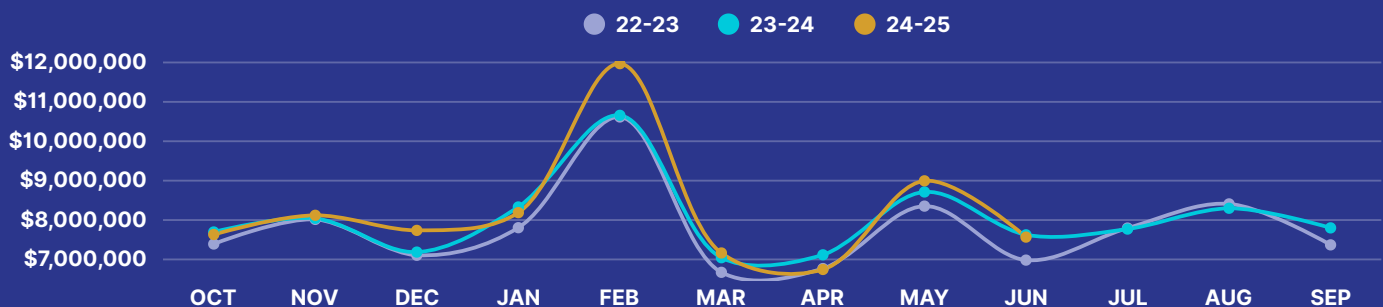
2023 - 2024: \$95,992,053

2.08%

\$7,566,909

-0.76%

2024 - 2025: \$97,990,248



Sales tax receipts posted a very mild decline of just 0.76%, indicating a complex spending pattern within the region. Even as retail spending saw a major surge, suggesting more tax-exempt or online purchases. This may reflect a growing share of purchases occurring in sectors or platforms that are not fully captured through local sales tax channels, such as out-of-area online purchases or exempt transactions.

Tourism & Service Sector

3

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.



Trailing Twelve Months:

TTM %

June 2025

YoY:

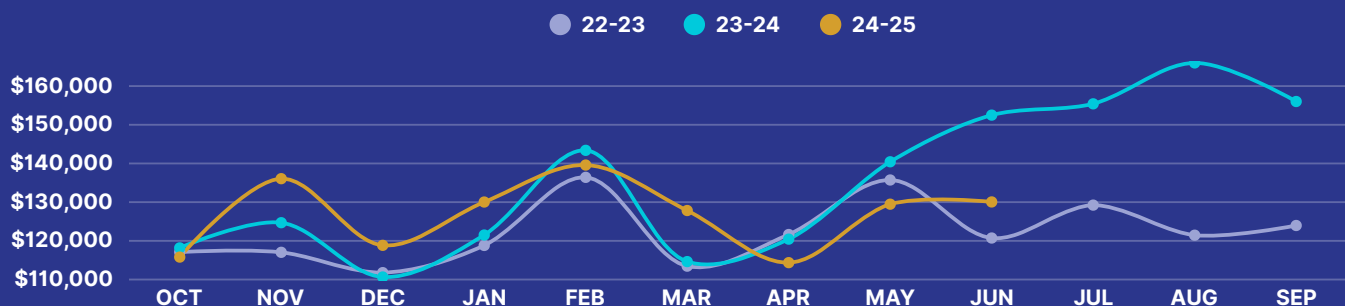
FY23-24: \$1,521,084

6.47%

\$130,055

-14.71%

FY24-25: \$1,619,471



Mixed beverage tax collections declined, yet shows a positive trend on the TTM. This may be attributed to reduced discretionary spending, typically seen during the summer months. It is also possible that consumer preference has shifted toward home-based socializing taking advantage of family visits or trends in younger generations of non-alcoholic options that don't generate this tax.



4

LOADING
TAX
RECEIPTS

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



Trailing Twelve Months:

2023 - 2024: \$5,514,430

2024 - 2025: \$5,242,503

TTM %:

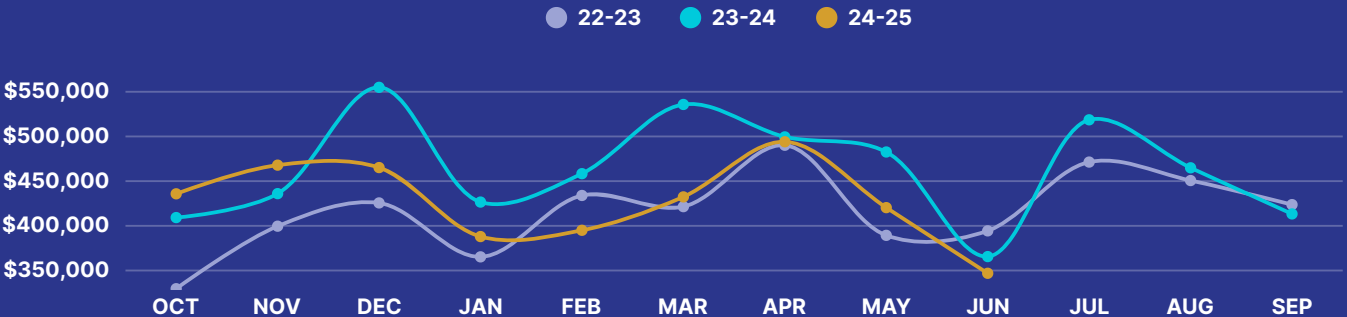
-4.93%

June 2025

\$346,902

YoY:

-5.11%



Lodging tax receipts declined by 5.11%, suggesting a mild contraction in overnight stays despite overall increases in enplanements. This divergence may be explained by a higher share of day-trip visitors, local family stays, or cross-border traffic that does not require overnight accommodations. Additionally, travel patterns in McAllen often respond to seasonal cycles, and June reflects a normal pattern between spring and back to school seasons.

Construction & Housing

5

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.



Trailing Twelve Months:

2023 - 2024: \$1,201,097,206

2024 - 2025: \$1,137,121,769

TTM %

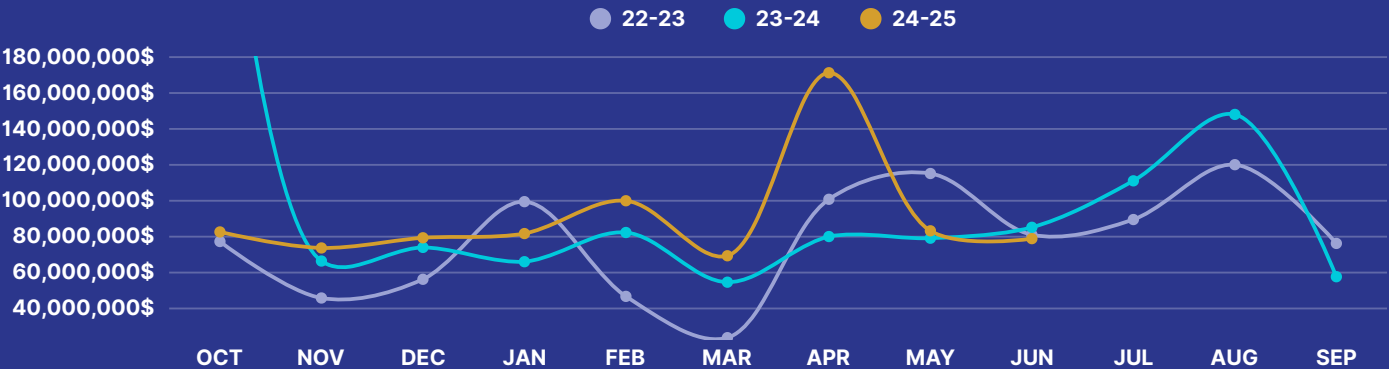
-5.33%

June 2025

\$78,906,488

YoY %

-7.41%



While the decline seems notable, it follows a historically high baseline, and the volume remains well above pre-pandemic norms. In a city like McAllen, where infill development and small-to-midscale commercial projects dominate, monthly fluctuations can result from timing delays.. The strength in retail and housing elsewhere in the report suggests the construction sector is momentarily cooling, not contracting.



6

NEW HOME PERMITS

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



Trailing Twelve Months

TTM %

June 2025

YoY %

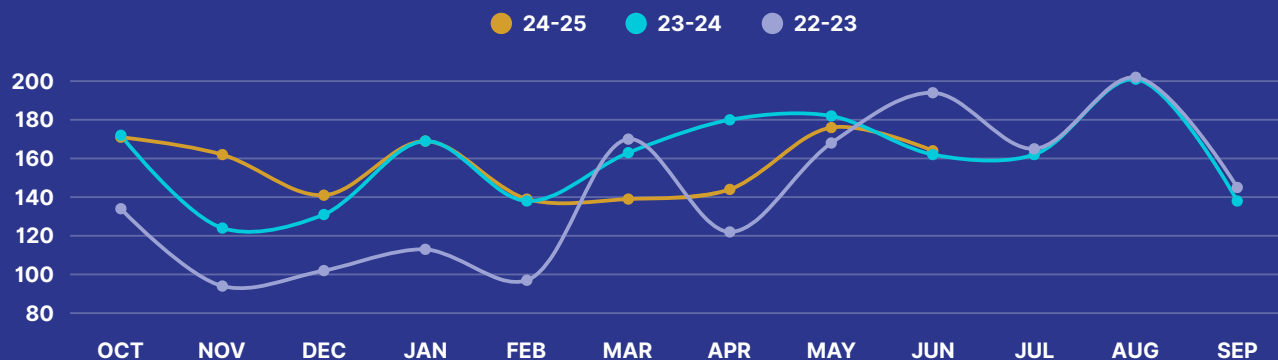
2023 - 2024: 1,933

2024 - 2025: 1,906

-1.40%

164

1.23%



New home permits rose slightly to 164, reflecting stable residential development amidst broader construction volatility. The increase aligns with home sales growth and suggests a continued appetite for single-family homes in McAllen's neighborhoods. This is consistent with demographic trends in the area, where growing families, domestic migration from more expensive Texas cities, and generational housing patterns support ongoing demand for new inventory.

7

HOME SALES

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



Trailing Twelve Months

TTM %

June 2025

YoY %

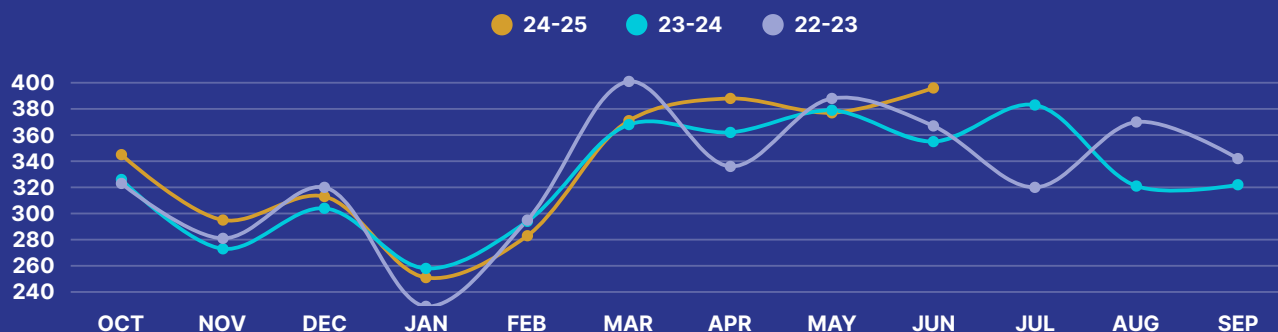
2023 - 2024: 3,951

2024 - 2025: 4,045

2.38%

396

11.55%



Home sales rose by 11.55%, pointing to renewed momentum in McAllen's housing market. This increase is particularly notable given the concurrent slight drop in average sales prices, suggesting greater participation at the entry or mid-level tier of the market. The trend aligns with the region's affordability advantage relative to other metro areas in Texas. The sales volume also underscores continued faith in the long-term value of homeownership in McAllen.

8

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.



Trailing Twelve Months

TTM %

June 2025

YoY %

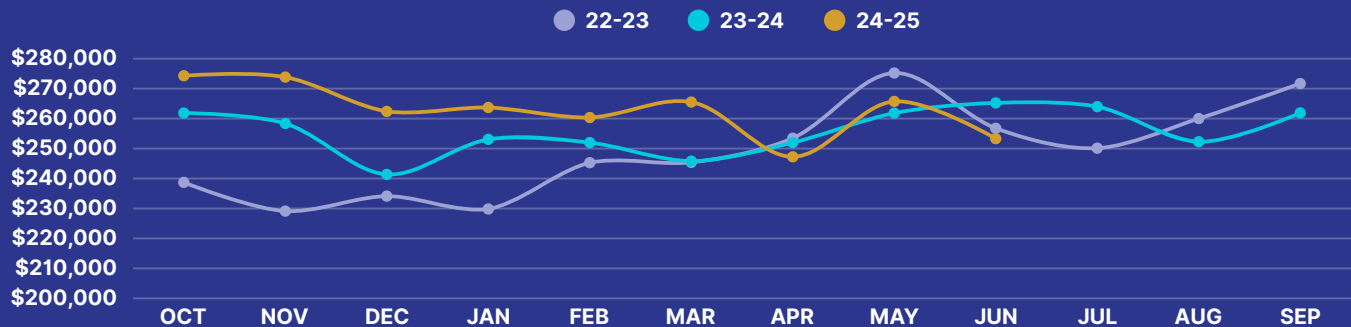
2023 - 2024: \$256,112

2.32%

\$253,300

-4.50%

2024 - 2025: \$262,049



The average home price dipped 4.5% to \$253,300, offering rare affordability at a time when many markets are experiencing inflationary pricing. Given the rise in unit sales and the stability in new permits, the decline in price appears to be less about market weakness and more about expanded accessibility. In McAllen's context, where multi-generational living and first-time homebuyers play a large role, this slight correction may be healthy and desirable.

9

DOLLAR VOLUME RESIDENTIAL REAL ESTATE SALES

Provides a clear 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.



Trailing Twelve Months

TTM %

June 2025

YoY %

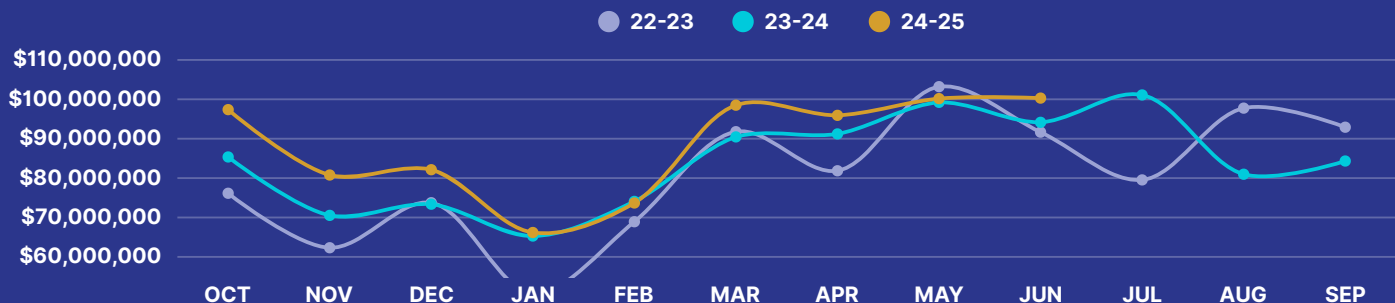
2023 - 2024: \$1,013,942,105

4.69%

\$100,307,078

6.53%

2024 - 2025: \$1,061,519,380



Residential real estate volume grew 6.53% YoY, surpassing \$100 million for the month. This growth shows the combined effect of higher transaction volume offsetting slight price declines, signaling a robust and diversified housing market. In McAllen's case, the total volume increase supports the idea that more residents are successfully entering homeownership.

Transportation



10

MFE ENPLANEMENT DATA

- 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



Trailing Twelve Months

TTM %

June 2025

YoY %

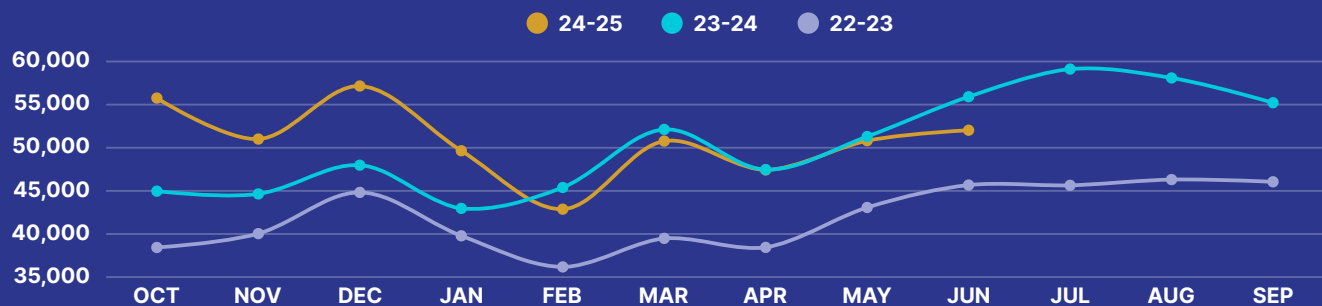
2023 - 2024: 432,762

2024 - 2025: 629,939

45.56%

52,033

-6.95%



While lower than last year, enplanements remain strong relative to pre-2020 levels, and the figure still reflects a substantial volume for a mid-sized border city. McAllen's connectivity continues to serve not just leisure travelers, but medical, business, and binational movement as well. This 45.56% increase in the TTM showcases the impact that a new route and airline can bring to our community.

11

METRO RIDERSHIP

provides insights into public transportation usage patterns, helping to identify trends in commuter behavior and demand. This information enables better planning and resource allocation to improve service efficiency, accessibility, and overall rider experience.



Trailing Twelve Months

TTM %

June 2025

YoY %

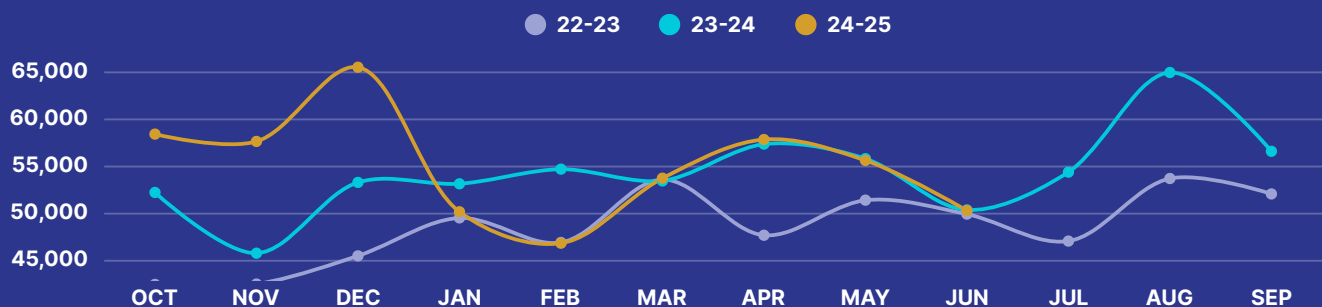
2023 - 2024: 629,257

2024 - 2025: 672,330

6.85%

50,332

-0.13%



Metro ridership suggest stable demand for public transportation. For a region with high vehicle ownership, this level of ridership reflects consistent use by transit-dependent populations. The data implies that public transit remains a vital link for workers, students, and seniors, particularly in dense or lower-income parts of McAllen. The lack of major fluctuation supports the system's reliability and ingrained role in the urban fabric.

Cross-Border Commerce

BRIDGE CROSSINGS

Category	June-25	YoY Change	TTM Change
Southbound Personal Vehicle Crossings	293,696	▼ 19.90%	▼ 7.91%
Northbound Personal Vehicle Crossings	287,794	▼ 24.06%	▼ 9.39%
Northbound Personal Vehicle Passenger Crossings	566,401	▼ 26.58%	▼ 9.48%
Northbound Bus Crossings	826	▼ 14.67%	▼ 15.59%
Northbound Bus Passenger Crossings	13,644	▼ 10.09%	▼ 9.79%
Northbound Truck Crossings	58,451	▲ 4.48%	▲ 2.46%

Labor Market

12

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.



Trailing Twelve Months

2023 - 2024: \$300,033

2024 - 2025: \$303,500

TTM %

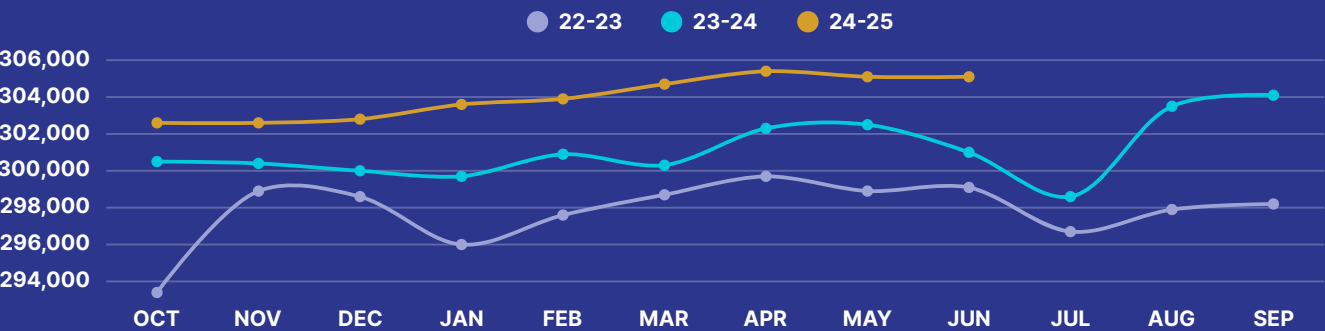
1.16%

June 2025

\$305,100

YoY %

1.36%



Employment in nonfarm sectors grew 1.36% to over 303,000 jobs, showing steady expansion across industries. This increase comes alongside strong retail sales and housing transactions, reinforcing the idea that job growth is supporting broader economic activity. Key sectors likely driving this growth include healthcare, education, logistics, and professional services, which are foundational to McAllen's regional economy.

13

UNEMPLOYMENT RATE

Moderate unemployment promotes labor market flexibility and productivity.



Trailing Twelve Months

TTM %

June 2025

YoY %

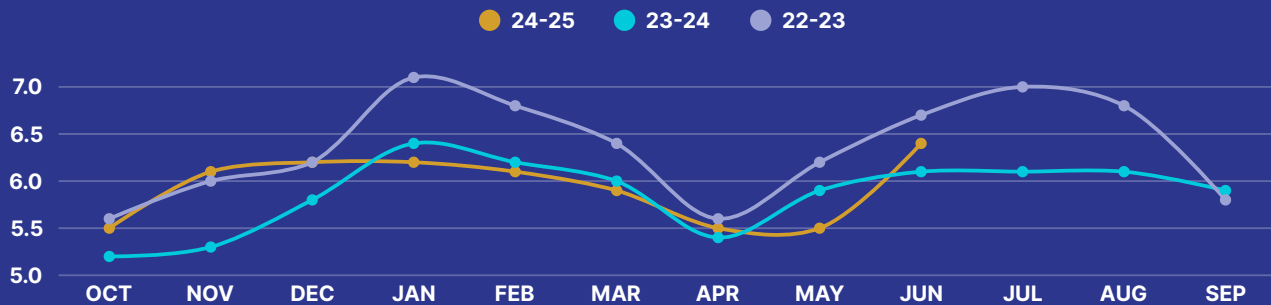
2023 - 2024: 5.9%

2024 - 2025: 6.0%

0.14%

6.4%

4.92%



Unemployment rose to 6.4%. However, this figure likely reflects expanded labor force participation rather than rising layoffs. The increase may also be influenced by younger individuals, students, and seasonal workers actively seeking employment. Within McAllen's socioeconomic context, this figure might signal new entrants into the formal labor market.

Consumer Sentiment

14

DOLLARS SPENT ON AUTO PURCHASES

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



Trailing Twelve Months

TTM %

June 2025

YoY %

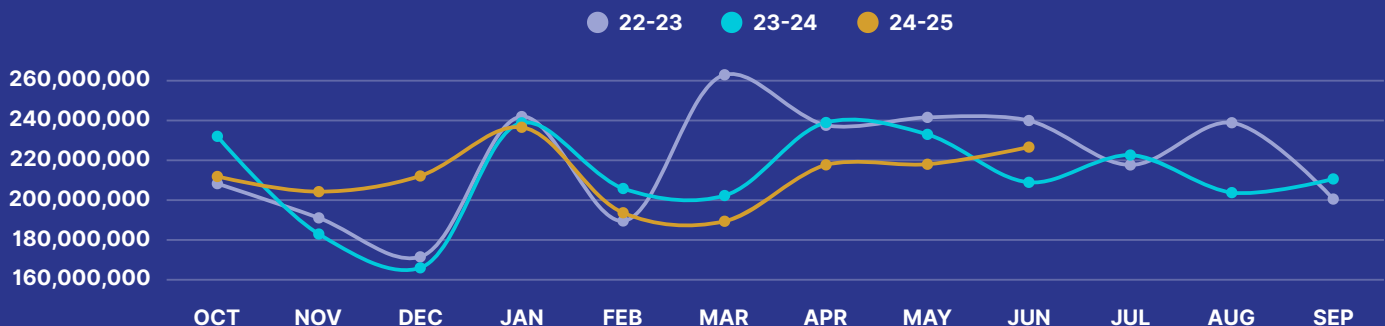
2023 - 2024: \$2,566,117,593

2024 - 2025: \$2,547,410,112

-0.73%

\$226,640,667

8.47%



Auto spending jumped 8.47% to \$226.6 million. This increase is notable given higher interest rates and inflation, and it signals strong consumer confidence in long-term financial planning. The city's layout, cross-border transit make personal vehicles essential, especially for multigenerational households. Spending at this level suggests a stable and mobile workforce, as well as sustained dealership activity.

15

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.



Trailing Twelve Months

TTM %

June 2025

YoY %

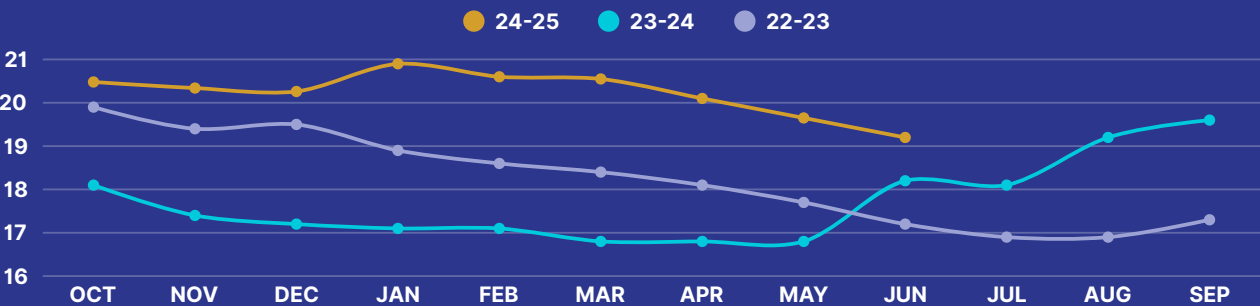
2023 - 2024: \$17.21

2024 - 2025: \$19.92

15.71%

\$19.20

5.44%



The peso-to-dollar exchange rate rose 5.44% to 19.20, enhancing purchasing power for Mexican nationals shopping in McAllen. This shift directly benefits retail and service industries, especially those located near international bridges or in malls with heavy binational traffic. The rate likely contributed to strong retail sales this month and may continue to shape spending behavior throughout the summer.



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