



Economic Pulse

2025

McAllen Area

July 2025 REPORT

MCALLEN AREA

July 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: \$9,556,181,625

2024 - 2025: \$10,187,711,851

TTM %

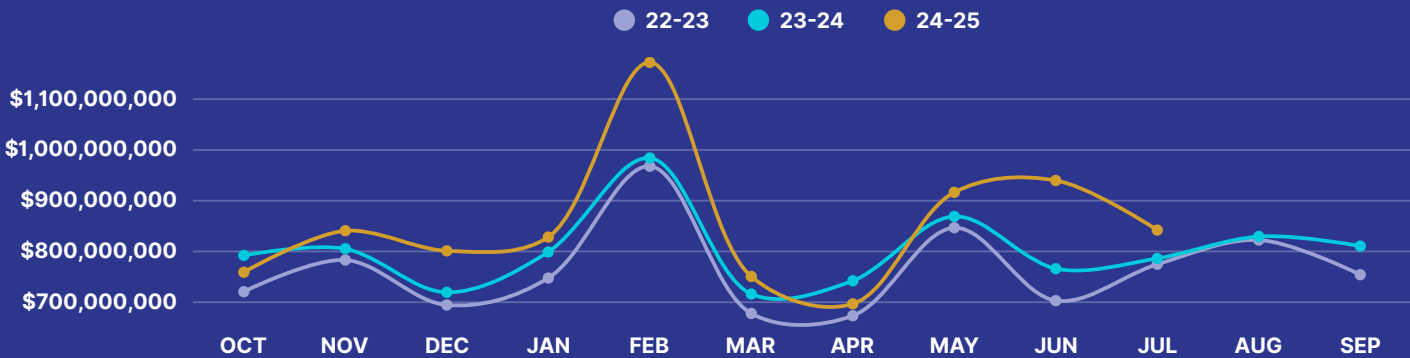
6.61%

July 2025

\$842,101,326

YoY %

7.11%



Retail sales reached \$842.1 million in July, marking a 7.11% increase year-over-year. This strong performance underscores McAllen’s role as a retail hub for the Rio Grande Valley and northern Mexico, where both residents and cross-border shoppers fuel demand. Retailers should prepare for continued momentum by enhancing customer experiences and adapting to binational shopping patterns.

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 %

July 2025

YoY %

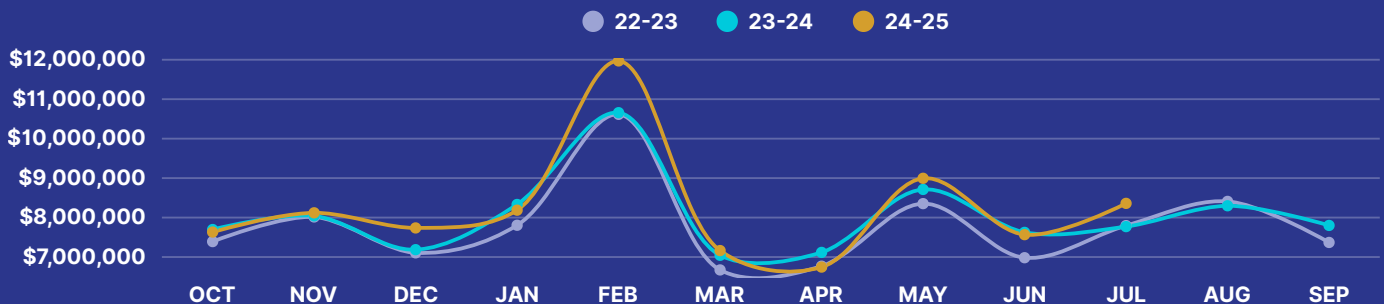
2023 - 2024: \$95,966,318

2.72%

\$8,359,987

7.58%

2024 - 2025: \$98,579,591



Sales tax collections totaled \$8.36 million in July, up 7.58% from last year. This growth highlights both robust local consumption and the city's attractiveness to regional shoppers. Sustaining this trend may benefit from further investment in downtown revitalization and retail diversification.

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 %

July 2025

YoY:

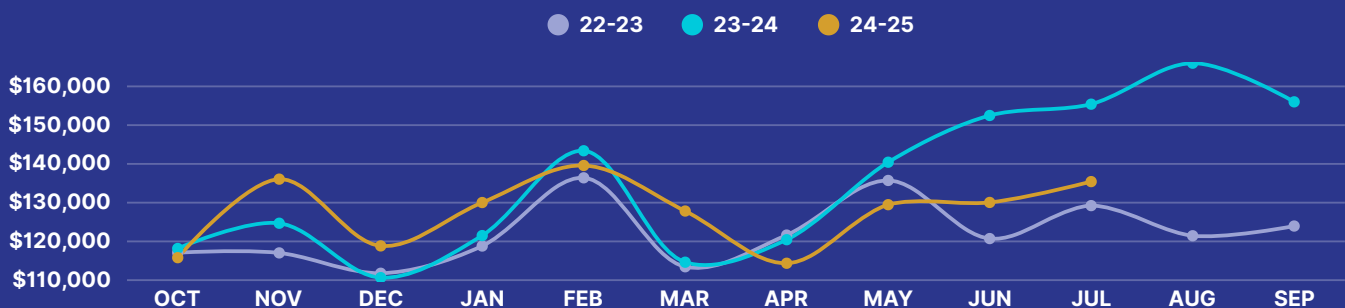
FY23-24: \$1,547,261

3.38%

\$135,432

-12.86%

FY24-25: \$1,599,491



Mixed beverage receipts fell to \$135,432, a 12.86% decline year-over-year. The slowdown indicates weaker bar and restaurant alcohol sales, which may reflect changing consumer habits or a cooling nightlife sector. Hospitality businesses could benefit from innovative promotions and events that highlight McAllen's cultural and entertainment assets.



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:

TTM %:

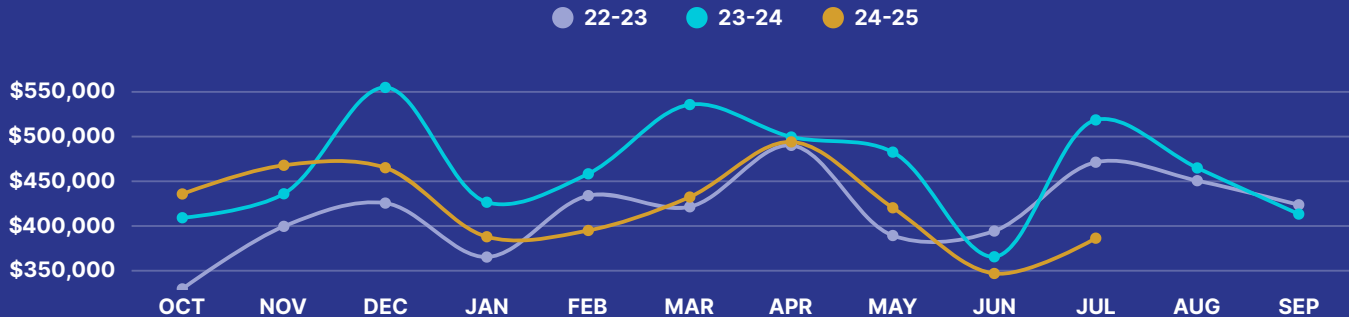
July 2025

YoY:

2023 - 2024: \$5,561,713

-8.12%**\$386,385****-25.50%**

2024 - 2025: \$5,110,263



Lodging tax revenues dropped to \$386,385, down 25.50% year-over-year. This sharp decline suggests reduced hotel occupancy, potentially from fewer tourists or shorter business stays. Tourism marketing and stronger partnerships with event organizers could help stabilize visitor demand.

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:

TTM %

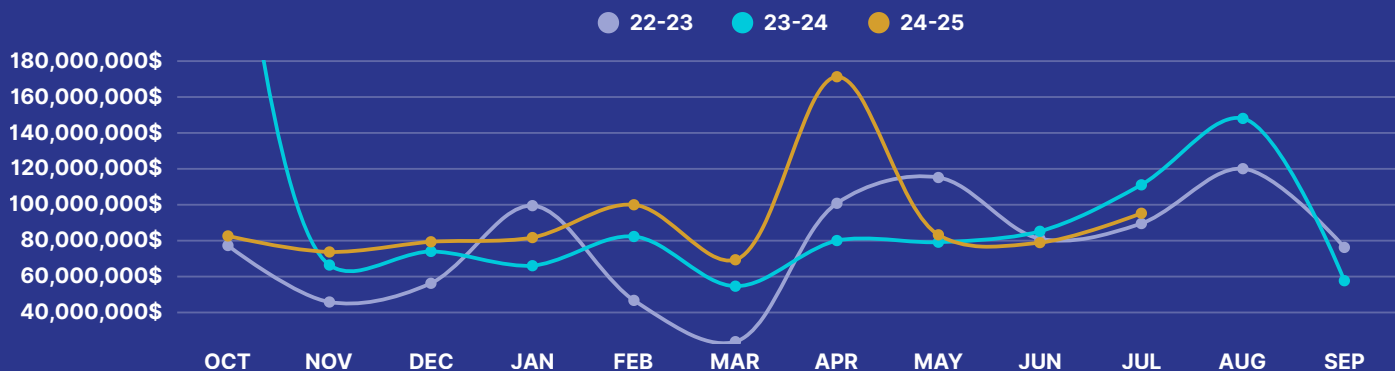
July 2025

YoY %

2023 - 2024: \$1,222,654,884

-8.29%**\$95,250,475****-14.26%**

2024 - 2025: \$1,121,280,737



The total value of construction permits fell to \$95.25 million, a 14.26% decline from last year. This decrease signals a slowdown in both residential and commercial development compared to the prior year. Encouraging infill projects and public-private investments may help reignite construction activity in McAllen.



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 %

July 2025

YoY %

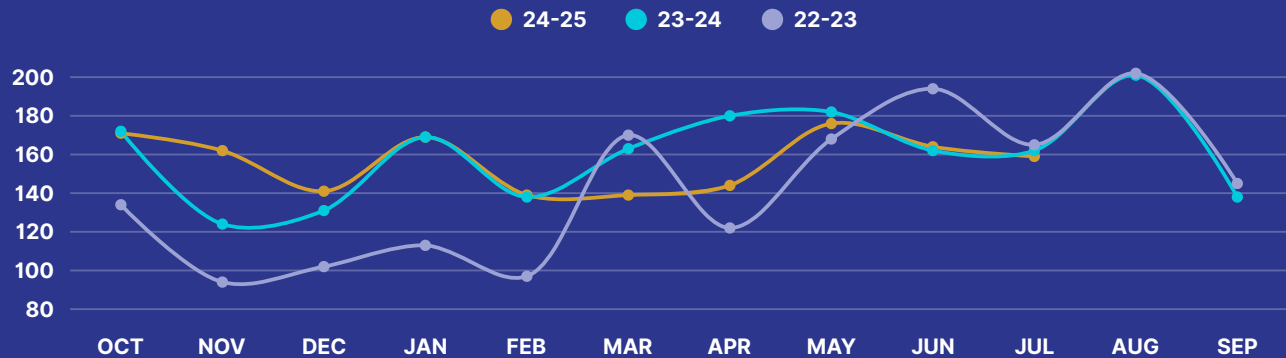
2023 - 2024: 1,930

2024 - 2025: 1,903

-1.40%

159

-1.85%



New home permits numbered 159, down 1.85% year-over-year. While the decrease is modest, it reflects cautious momentum in the housing development sector. Supporting builders through streamlined permitting and infrastructure planning could help balance supply with rising demand.

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 %

July 2025

YoY %

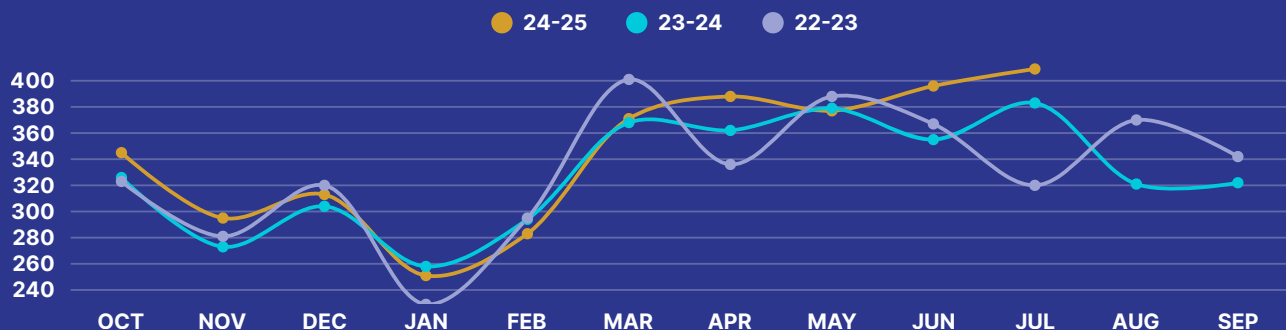
2023 - 2024: 4,014

2024 - 2025: 4,071

1.42%

409

6.79%



McAllen recorded 409 home sales in July, representing a 6.79% increase over last year. This growth demonstrates steady housing demand despite broader economic headwinds. Continued focus on affordable housing development will be key to sustaining market accessibility.

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 %

July 2025

YoY %

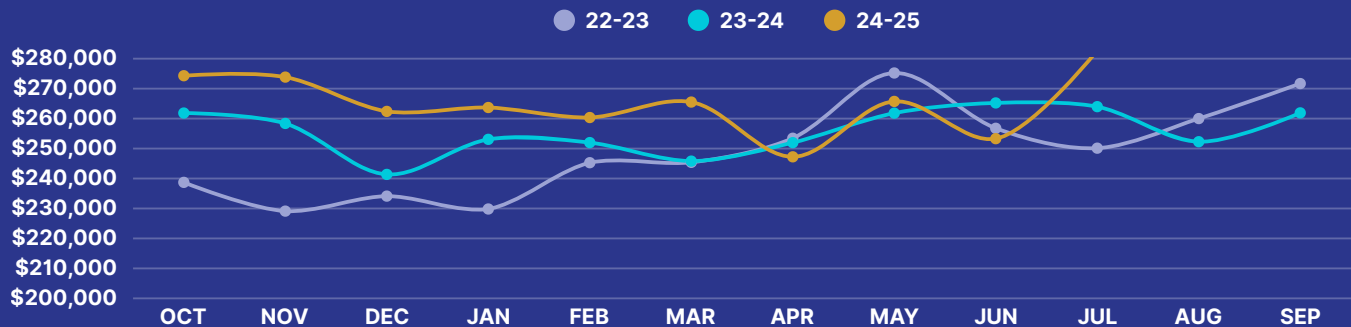
2023 - 2024: \$257,266

2.47%

\$282,780

7.12%

2024 - 2025: \$263,615



The average home price rose to \$282,780, a 7.12% increase year-over-year. Rising prices reflect continued demand pressure and limited housing supply. Policymakers may want to monitor affordability while promoting diverse housing options for first-time buyers.

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 %

July 2025

YoY %

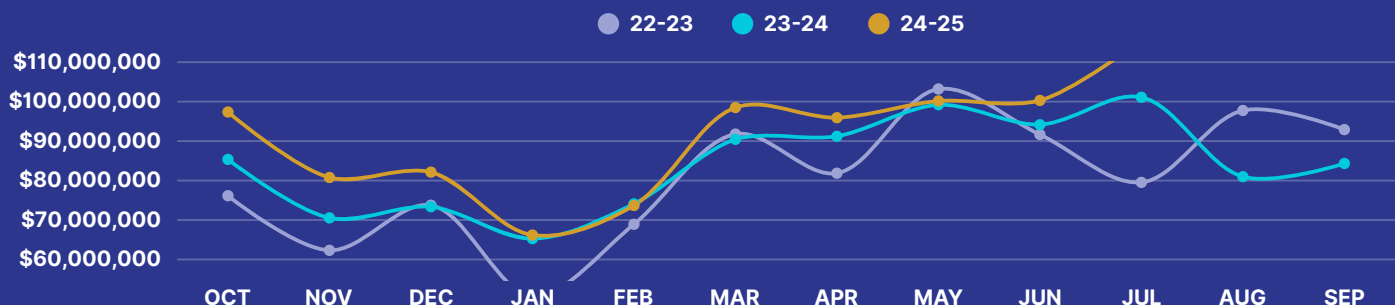
2023 - 2024: \$1,035,507,971

3.92%

\$115,657,052

14.39%

2024 - 2025: \$1,076,069,518



Dollar volume for residential real estate sales reached \$115.7 million, up 14.39% from last year. This double-digit increase signals a vibrant housing market with growing buyer confidence. Realtors and lenders should be prepared to meet heightened demand, particularly among cross-border and relocating buyers.

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 %

July 2025

YoY %

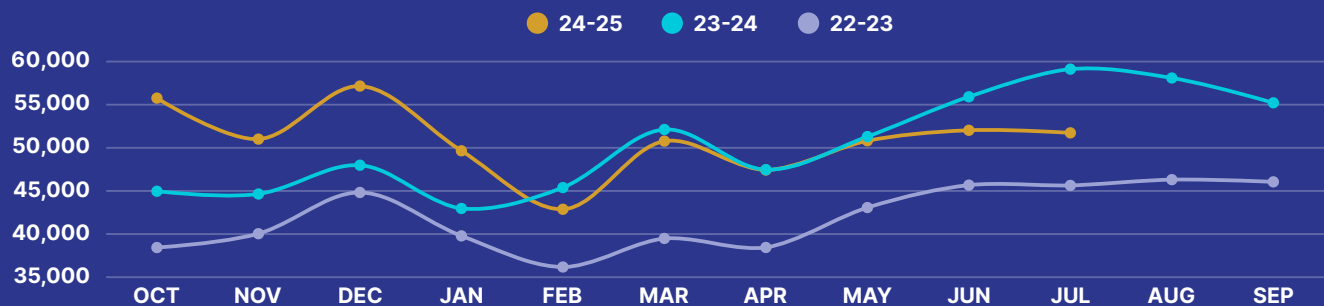
2023 - 2024: 491,881

2024 - 2025: 622,553

26.57%

51,733

-12.49%



Passenger boardings at McAllen International totaled 51,733, a 12.49% decline from July last year. The decrease highlights ongoing challenges in air travel recovery, possibly due to shifting airline capacity or competition from nearby airports. Strategic partnerships with carriers and tourism campaigns could help rebuild traffic.

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 %

July 2025

YoY %

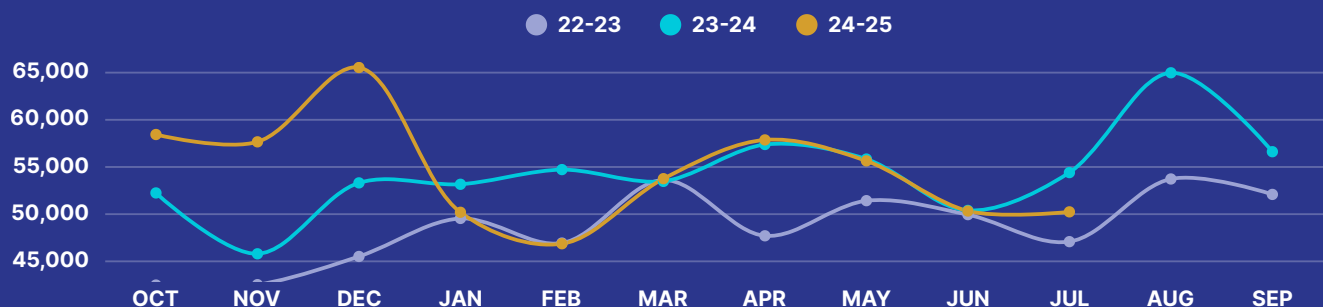
2023 - 2024: 636,576

2024 - 2025: 668,169

4.96%

50,245

-7.65%



Metro ridership reached 50,245, a 7.65% decline year-over-year. Lower bus usage may reflect changes in commuting patterns or rising car ownership. Strengthening last-mile connections and promoting cost savings could help boost public transit use.

Cross-Border Commerce

BRIDGE CROSSINGS

Category	July-25	YoY Change	TTM Change
Southbound Personal Vehicle Crossings	317,401	▼ 17.39%	▼ 9.77%
Northbound Personal Vehicle Crossings	317,280	▼ 19.48%	▼ 11.29%
Northbound Personal Vehicle Passenger Crossings	654,765	▼ 21.77%	▼ 11.70%
Northbound Bus Crossings	897	▼ 6.17%	▼ 15.01%
Northbound Bus Passenger Crossings	15,192	▼ 0.70%	▲ 1.88%
Northbound Truck Crossings	59,629	▼ 7.65%	▲ 4.96%

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

TTM %

July 2025

YoY %

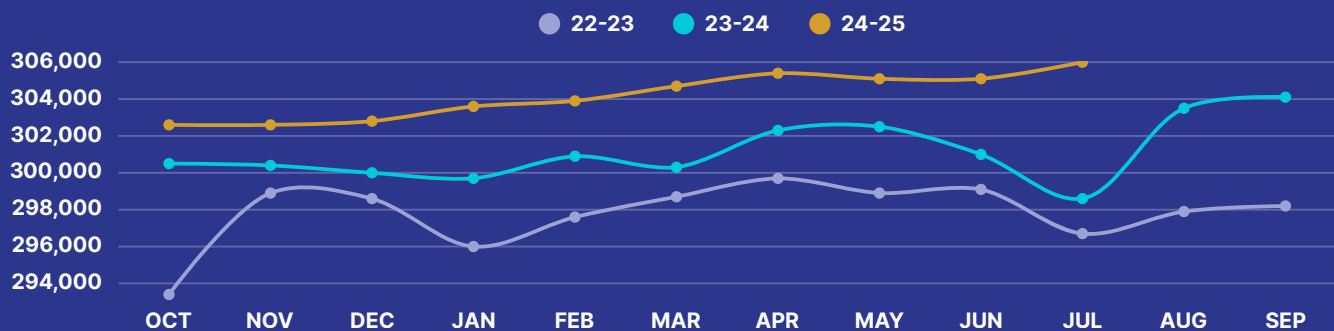
2023 - 2024: \$300,192

1.31%

\$306,000

2.48%

2024 - 2025: \$304,117



Non-farm payrolls stood at 306,000 jobs, up 2.48% year-over-year. Job growth continues at a healthy pace, reinforcing McAllen's resilience in key industries like healthcare, retail, and education. Workforce development programs can further prepare residents for long-term career opportunities.

13

UNEMPLOYMENT RATE

Moderate unemployment promotes labor market flexibility and productivity.

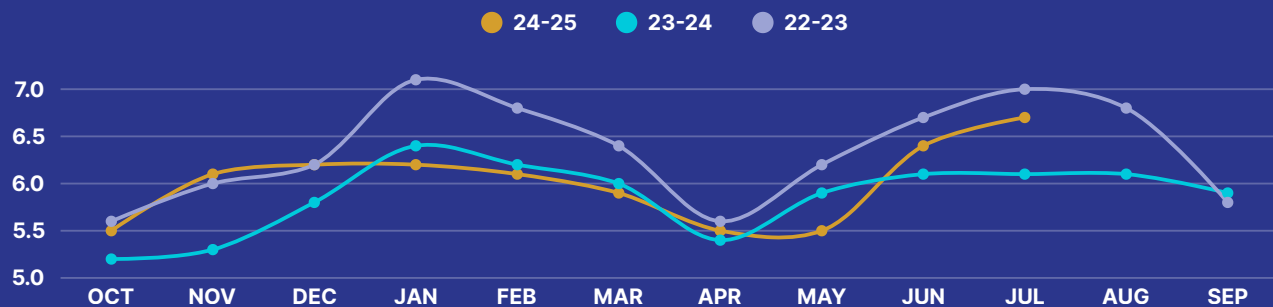


Trailing Twelve Months

TTM %

July 2025

YoY %

2023 - 2024: 5.9%**2.25%****6.7****9.84%****2024 - 2025: 6.1%**

The unemployment rate fell to 6.7%, down 9.84% from the prior year. This improvement reflects stronger job creation and workforce absorption. Continued investment in job training and employer partnerships will help sustain these gains.

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.

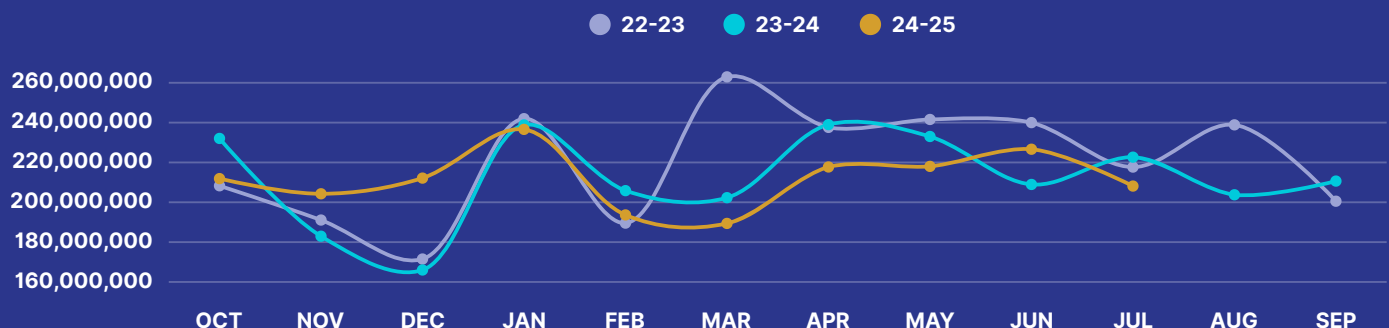


Trailing Twelve Months

TTM %

July 2025

YoY %

2023 - 2024: \$2,571,090,809**-1.49%****\$208,146,122****-6.51%****2024 - 2025: \$2,532,905,283**

Spending on auto purchases totaled \$208.1 million, a 6.51% decrease year-over-year. The dip may reflect tighter consumer credit or shifts toward used vehicles. Dealerships could adapt by offering flexible financing and promoting fuel-efficient options.

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 %

July 2025

YoY %

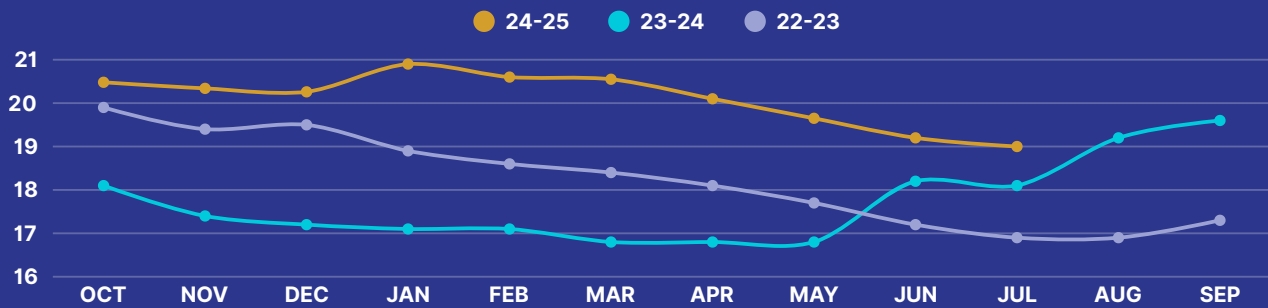
2023 - 2024: \$17.31

2024 - 2025: \$19.99

15.47%

\$19.00

4.91%



The peso exchange rate averaged 19.00 pesos per dollar, a 4.91% depreciation compared to last year. This shift makes cross-border shopping in McAllen more expensive for Mexican visitors, potentially impacting retail. Businesses may benefit from targeted promotions that help maintain cross-border shopper loyalty.



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