McALLEN
CHAMBER OF COMMERCE

Economic **Pulse**

McAllen Area

August 2025 REPORT

MCALLEN AREA

August 2025 Economic Pulse

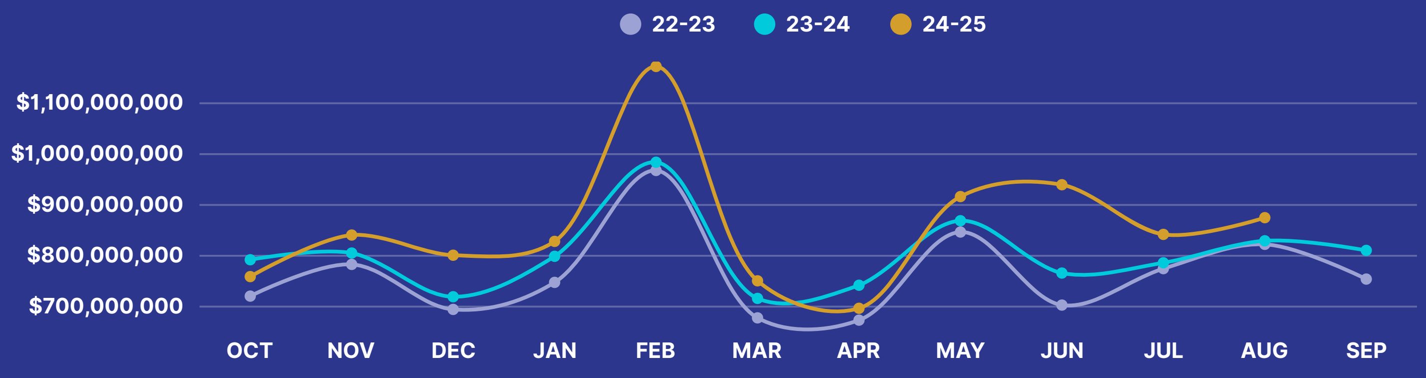
Let's break down the data analysis to explore the **economic impact on McAllen, Texas**, specifically focusing on the role of McAllen as a border town and the broader implications for its local economy.

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:	TTM %	August 2025	YoY %
2023 - 2024: $9,563,173,286 2024 - 2025: $10,233,207,506	7.01%	$874,998,541	5.48%

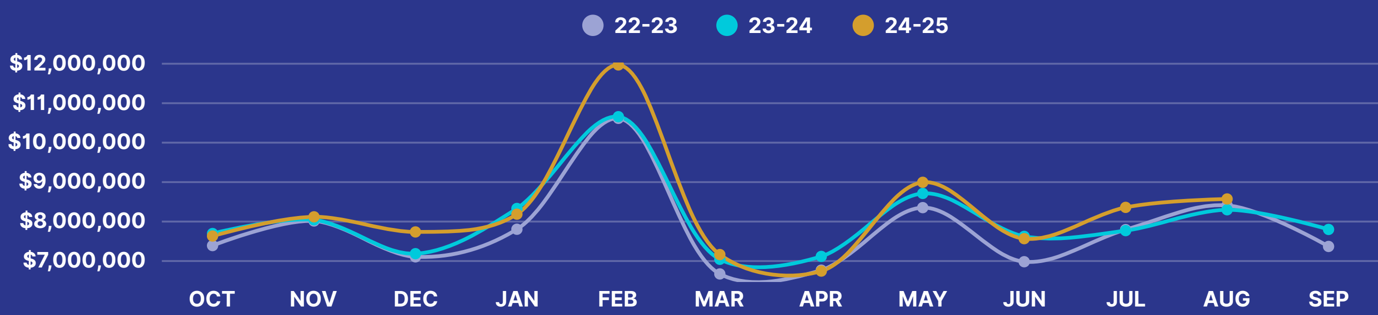


Retail sales reached $874,998,541 in August, up 5.48% from last year. This steady growth highlights strong consumer spending in McAllen's retail sector, supported by both local residents and cross-border visitors. Retailers should focus on maintaining inventory levels and expanding promotional efforts ahead of the holiday season to capitalize on this momentum.

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 %	August 2025	YoY %
2023 - 2024: $95,855,671 2024 - 2025: $98,853,187	3.13%	$8,572,849	3.30%



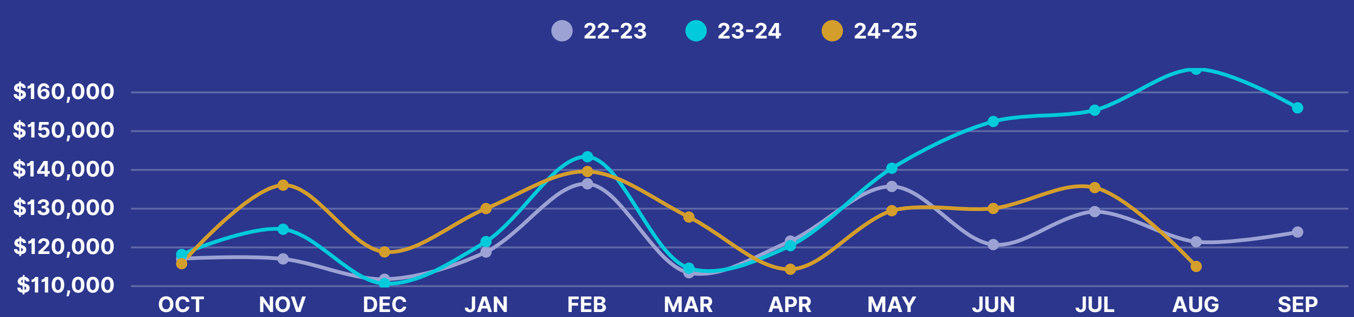
Sales tax receipts totaled $8,572,849, a 3.30% increase year-over-year. The rise points to ongoing business activity and healthy local consumption. The city's consistent tax growth provides resources for public projects that can further strengthen McAllen's economic infrastructure.

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 %	August 2025	YoY:
FY23-24: $1,591,787 FY24-25: $1,548,597	-2.71%	$115,091	-30.66%

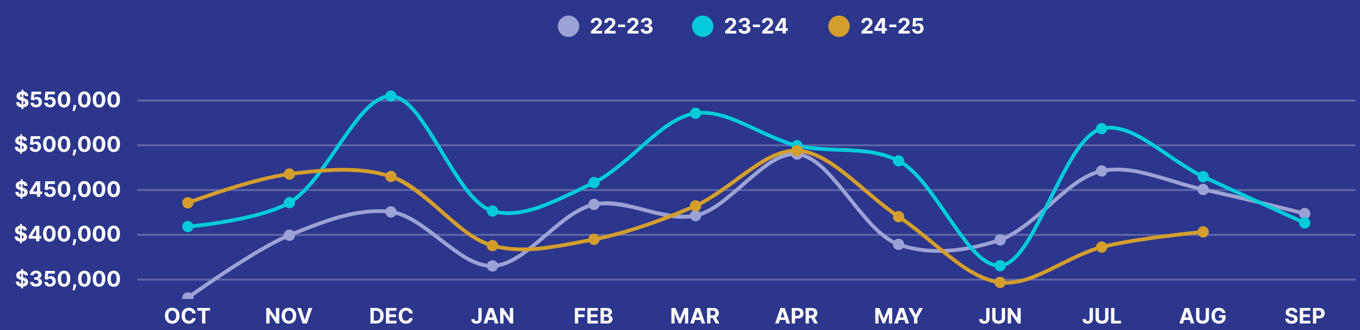


Mixed beverage tax receipts were $115,091, down 30.66% from last year. This drop suggests weaker performance in bars and restaurants, possibly tied to lower nightlife activity or visitor spending. Hospitality operators may need to refresh offerings or collaborate with local events to draw more patrons.

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 %:	August 2025	YoY:
2023 - 2024: $5,575,977 2024 - 2025: $5,048,661	-9.46%	$403,335	-13.25%



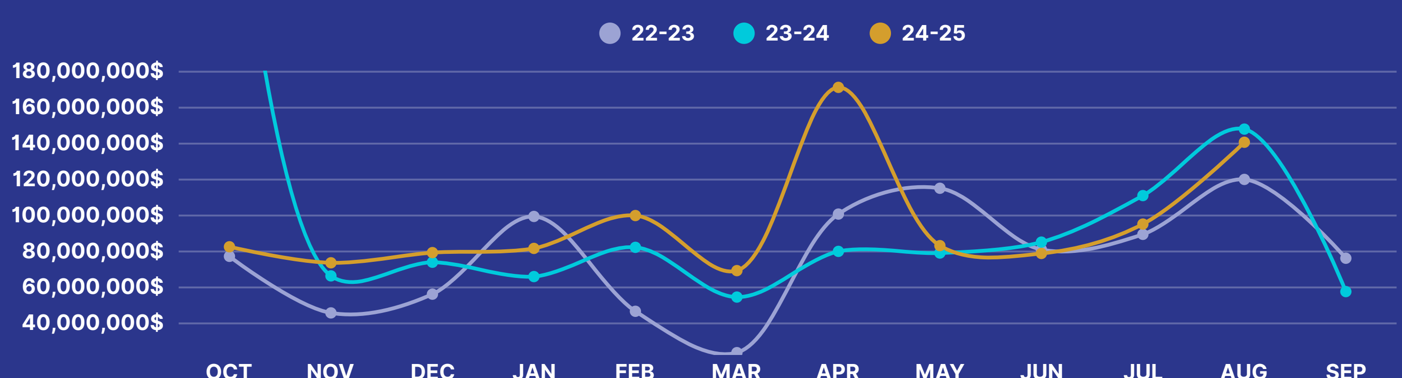
Lodging tax receipts stood at $403,335, down 13.25% from a year ago. The decline signals reduced hotel occupancy, likely influenced by fewer business travelers or cross-border tourists. Strengthening partnerships with regional tourism boards and event organizers could help drive more overnight stays.

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 %	August 2025	YoY %
2023 - 2024: $1,250,643,015 2024 - 2025: $1,113,959,479	-10.93%	$140,756,080	-4.94%

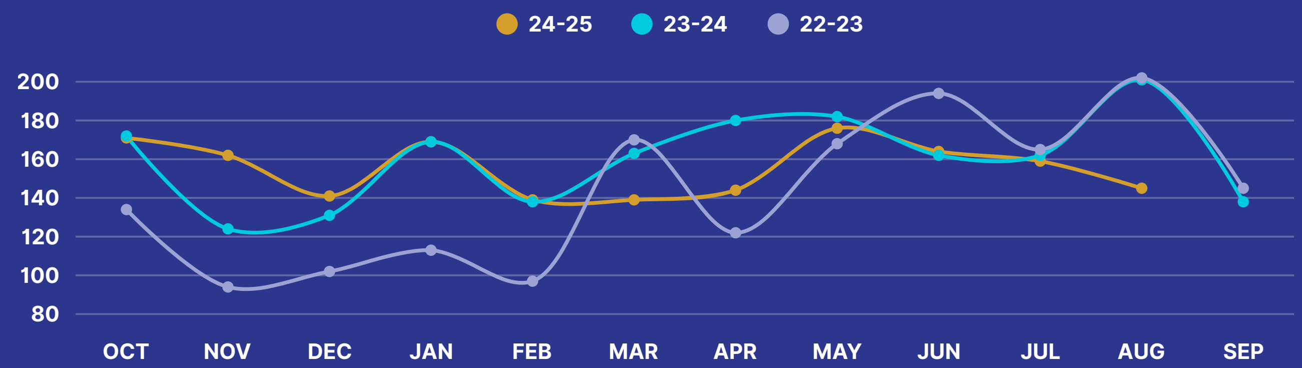


The total value of construction permits was $140,756,080 in August, reflecting a 4.94% decline year-over-year. Although activity eased, construction levels remain robust given the scale of ongoing commercial and residential development. Supporting local contractors through streamlined permitting and workforce programs could help sustain growth in this key sector.

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 %	August 2025	YoY %
2023 - 2024: 1,929 2024 - 2025: 1,847	-4.25%	145	-27.86%

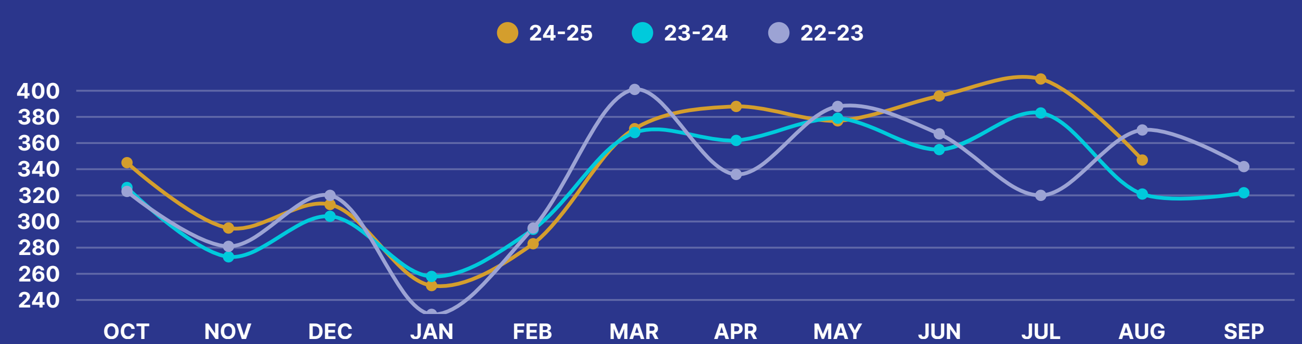


New home permits dropped 27.86% to 145, signaling slower residential development. Rising material costs and interest rates may be affecting builder activity. Encouraging smaller-scale infill projects and offering incentives for affordable housing could help stabilize this segment.

7 HOME SALES

The average home sale price signals wealth,inflation, and buying power. Rising pricesboost homeowner equity, while declinesmay indicate economic slowdowns.

Trailing Twelve Months	TTM %	August 2025	YoY %
2023 - 2024: 3,965 2024 - 2025: 4,097	3.33%	347	8.10%

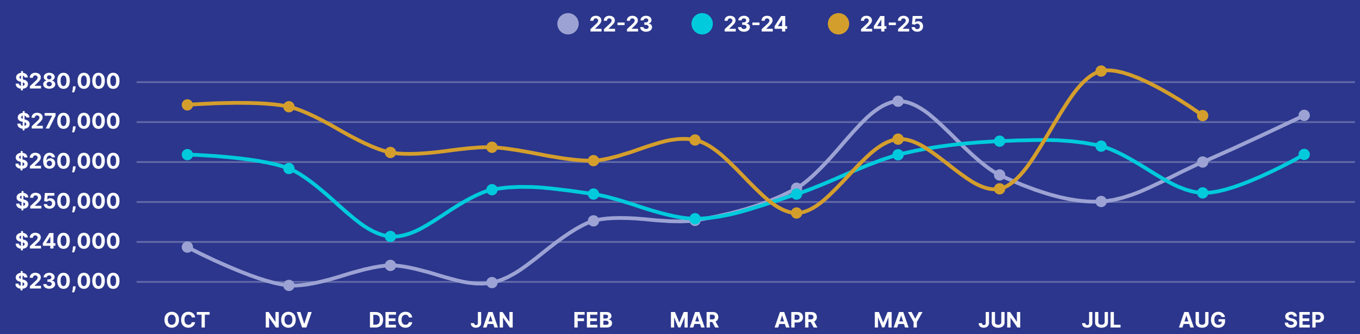


Home sales reached 347 in August, up 8.10% compared to last year. Demand for housing remains strong across McAllen, supported by continued in-migration and steady job growth. Realtors and lenders should prepare for ongoing interest from first-time buyers and relocating families.

8 AVERAGE HOME SALES PRICE

The average home sale price signals wealth,inflation, and buying power. Rising pricesboost homeowner equity, while declinesmay indicate economic slowdowns.

Trailing Twelve Months	TTM %	August 2025	YoY %
2023 - 2024: $256,623 2024 - 2025: $265,227	3.35%	$271,629	7.67%

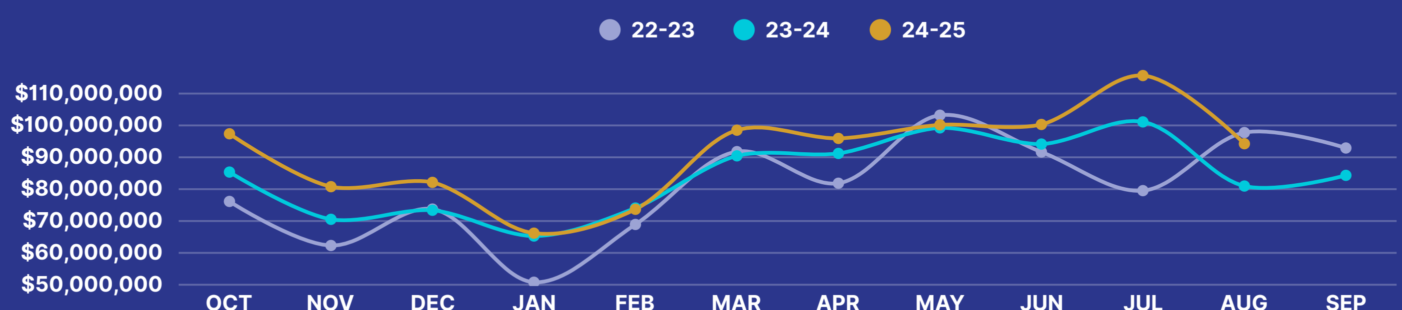


The average home sales price rose 7.67% to $271,629. This increase shows continued confidence in McAllen's housing market and healthy appreciation across neighborhoods. Monitoring affordability will be important to ensure sustained growth without pricing out local buyers.

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 %	August 2025	YoY %
2023 - 2024: $1,018,728,929 2024 - 2025: $1,089,341,122	6.93%	$94,255,391	16.39%



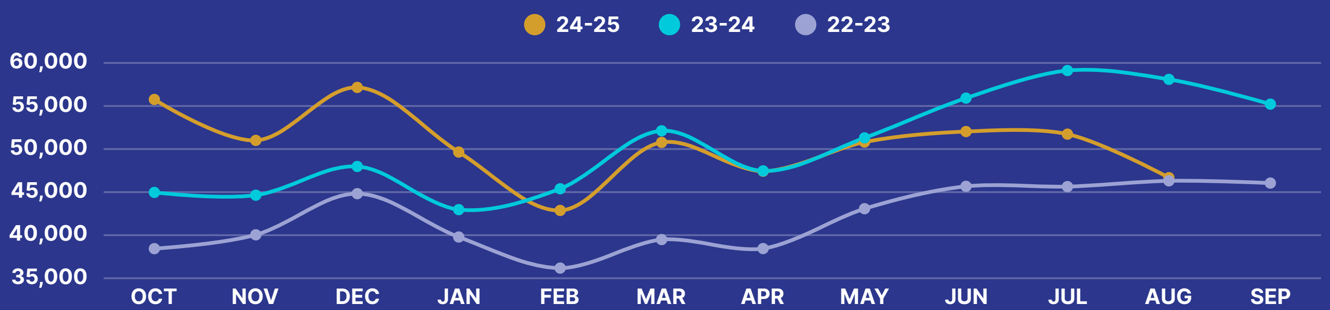
Total residential real estate volume grew 16.39% to $94,255,391. The gain reflects both higher home prices and increased transaction activity. Local realtors should continue leveraging data and marketing tools to attract buyers from surrounding areas and Mexico.

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 %	August 2025	YoY %
2023 - 2024: 549,975 2024 - 2025: 611,136	11.12%	46,677	-19.65%

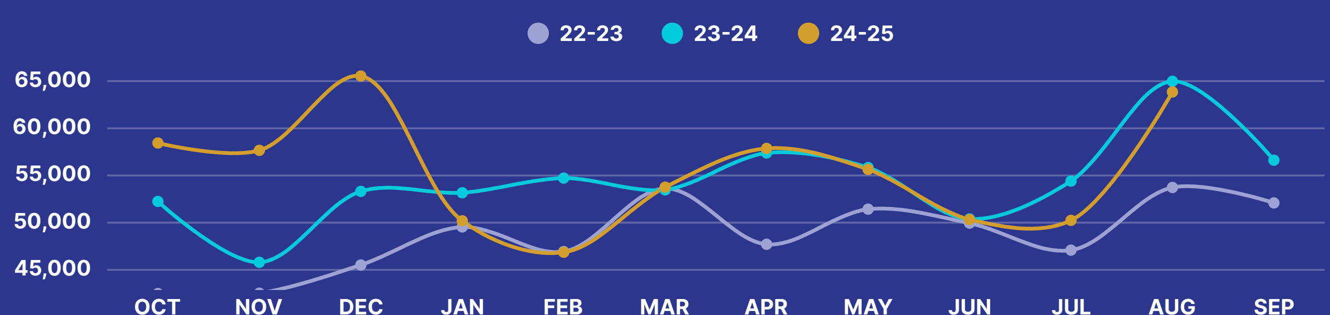


Airport enplanements totaled 46,677 in August, down 19.65% from last year. This decline could stem from reduced seasonal travel or limited flight availability. Continued investment in air service development will be key to reconnecting McAllen to major business and leisure destinations.

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 %	August 2025	YoY %
2023 - 2024: 647,830 2024 - 2025: 667,038	2.96%	63,852	-1.74%



Metro ridership reached 63,852, a 1.74% decrease from the previous year. The slight dip shows stable public transit use but hints at shifting commuter behavior. Efforts to modernize routes and improve convenience could help boost ridership and support local mobility goals.

Cross-Border Commerce

BRIDGE CROSSINGS

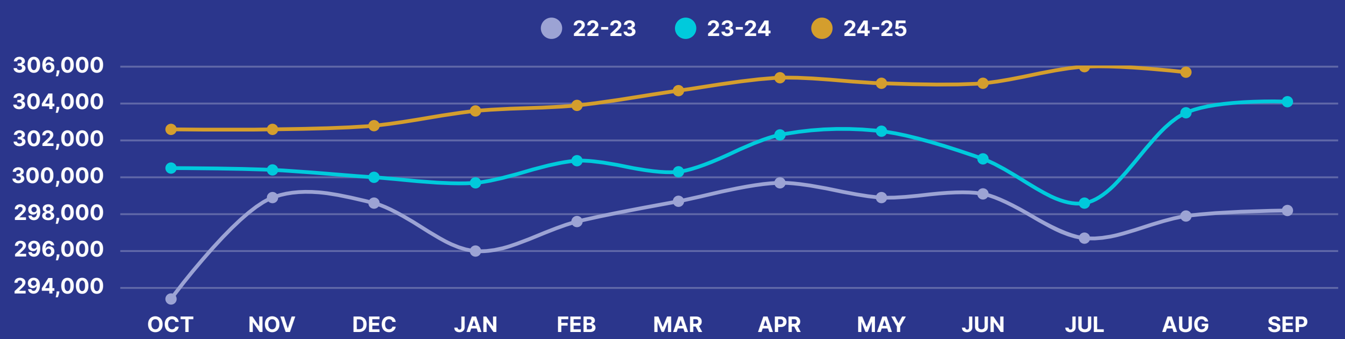
Category	August-25	YoY Change	TTM Change
Southbound Personal Vehicle Crossings	341,632	▼ 13.71%	▼ 11.38%
Northbound Personal Vehicle Crossings	346,880	▼ 15.42%	▼ 13.00%
Northbound Personal Vehicle Passenger Crossings	718,097	▼ 16.25%	▼ 13.65%
Northbound Bus Crossings	933	▼ 1.89%	▼ 13.92%
Northbound Bus Passenger Crossings	16,183	▼ 7.48%	▼ 9.98%
Northbound Truck Crossings	60,318	▼ 3.04%	▲ 1.24%

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 %	August 2025	YoY %
2023 - 2024: $300,658 2024 - 2025: $304,300	1.21%	305,700	0.72%

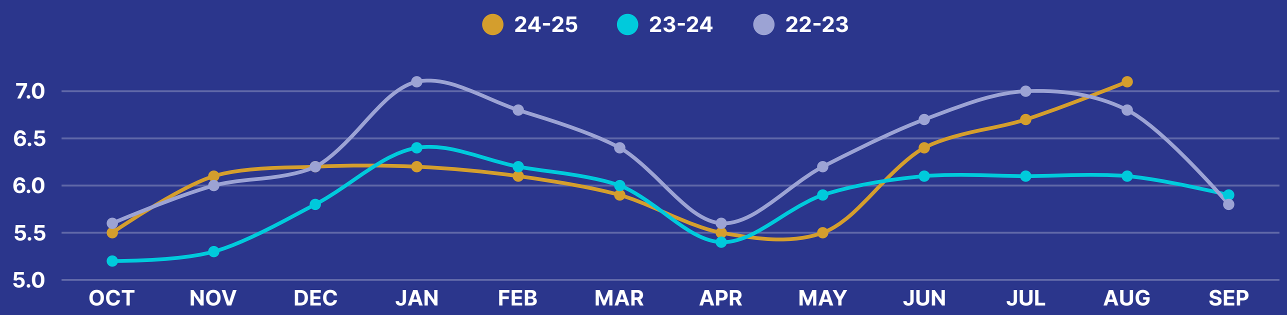


Non-farm payroll employment reached 305,700, up 0.72% year-over-year. This modest growth signals a stable labor market with ongoing hiring across service industries. Encouraging workforce training and employer partnerships can help attract more skilled workers to high-demand sectors.

13 UNEMPLOYMENT RATE

Moderate unemployment promotes labor market flexibility and productivity.

Trailing Twelve Months	TTM %	August 2025	YoY %
2023 - 2024: 5.9% 2024 - 2025: 6.1%	4.69%	7.1%	16.39%



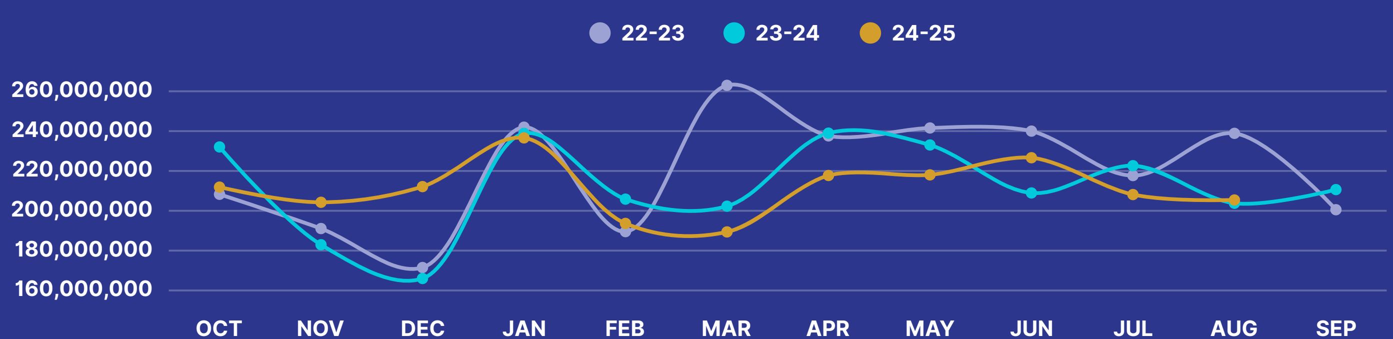
The unemployment rate fell to 7.10%, improving by 16.39% from last year. This sharp decline reflects a healthier labor market and stronger business confidence. Continued focus on job quality and retention will help sustain this progress.

Consumer Sentiment

14 DOLLARS SPENT ON AUTO PURCHASES

Home sales reflect economic healthby indicating consumer confidence,job stability, and credit access.Strong sales drive relatedindustries, while declines signaluncertainty.

Trailing Twelve Months	TTM %	August 2025	YoY %
2023 - 2024: $2,535,987,048 2024 - 2025: $2,534,553,547	-0.06%	$205,423,316	0.81%

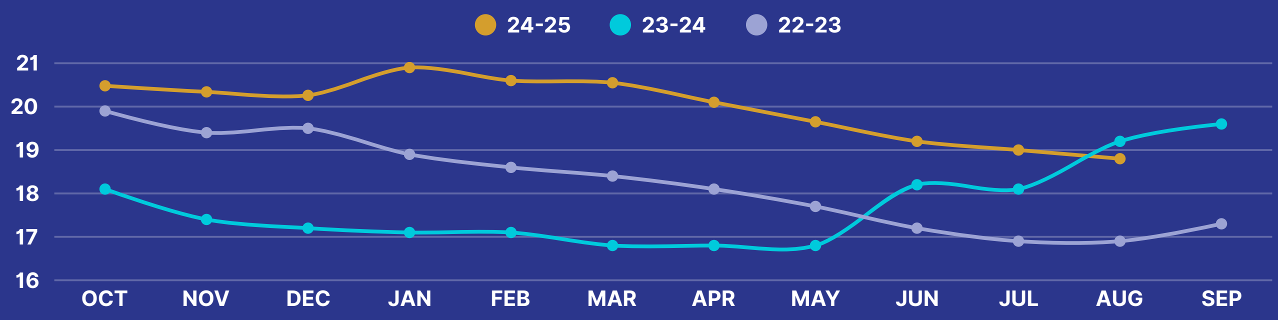


Spending on auto purchases reached $205,423,316, up 0.81% year-over-year. Car sales remain steady, supported by rising incomes and improved financing options. Dealers could see stronger results through targeted bilingual marketing that appeals to both local and cross-border buyers.

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 %	August 2025	YoY %
2023 - 2024: $17.50 2024 - 2025: $19.96	14.06%	$18.80	-1.83%



The peso exchange rate averaged $18.80 per U.S. dollar, down 1.83% from the previous year. The stronger peso improves purchasing power for Mexican visitors, supporting McAllen's retail and hospitality sectors. Maintaining a welcoming cross-border shopping experience will be vital to capturing this advantage.

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