



Economic Pulse

2025

McAllen Area

October 2025 REPORT

MCALLEN AREA

October 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: \$9,586,478,080

2024 - 2025: \$10,287,751,110

TTM %

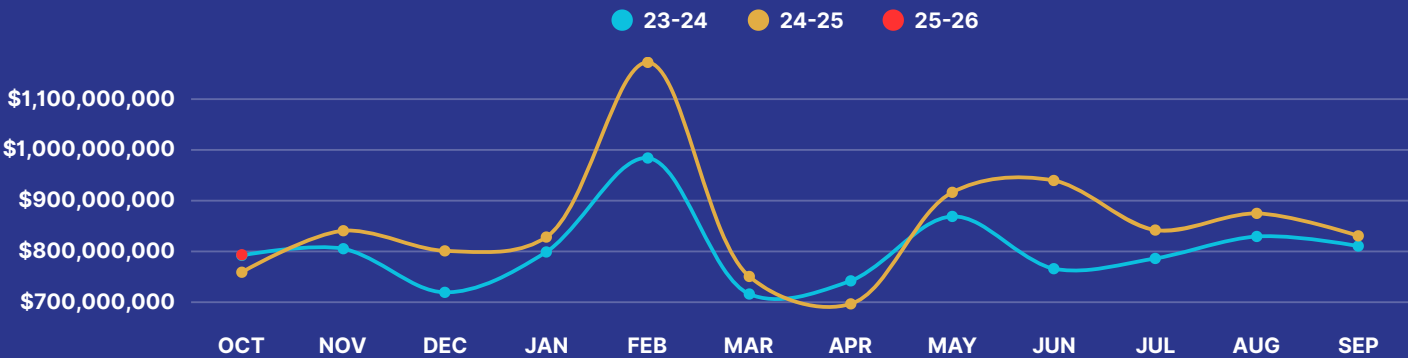
7.32%

October 2025

\$793,468,818

YoY %

4.53%



Retail sales totaled \$793,468,818 in October 2025, reflecting a 4.53% year-over-year increase. Over the trailing twelve months, retail activity remains firmly positive, underscoring sustained consumer confidence fueled by McAllen’s affordability, strong local demand, and cross-border shoppers. This consistent annual performance reinforces McAllen’s position as the Rio Grande Valley’s premier retail destination, with continued opportunity tied to efficient border flow and regional population growth.

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:

2023 - 2024: \$96,223,067

2024 - 2025: \$99,028,214

TTM %

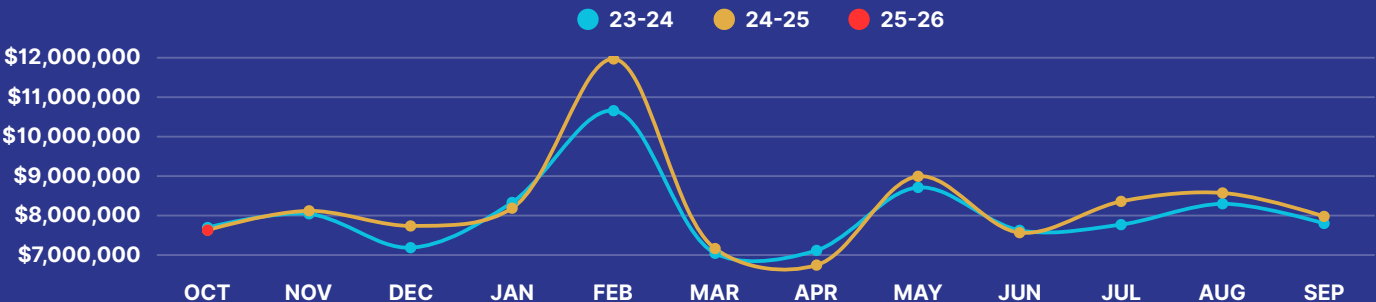
2.92%

October 2025

\$7,630,481

YoY %

-0.04%



Sales tax receipts reached \$7,630,481, essentially flat at -0.04% year-over-year, signaling stability amid broader economic shifts. Importantly, TTM sales tax collections are up 2.92%, confirming that consumer spending remains healthy over the longer horizon. This sustained trend highlights the resilience of McAllen’s retail base and provides a stable fiscal foundation for city services and reinvestment.

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:

FY23-24: \$1,621,460

FY24-25: \$1,528,115

TTM %

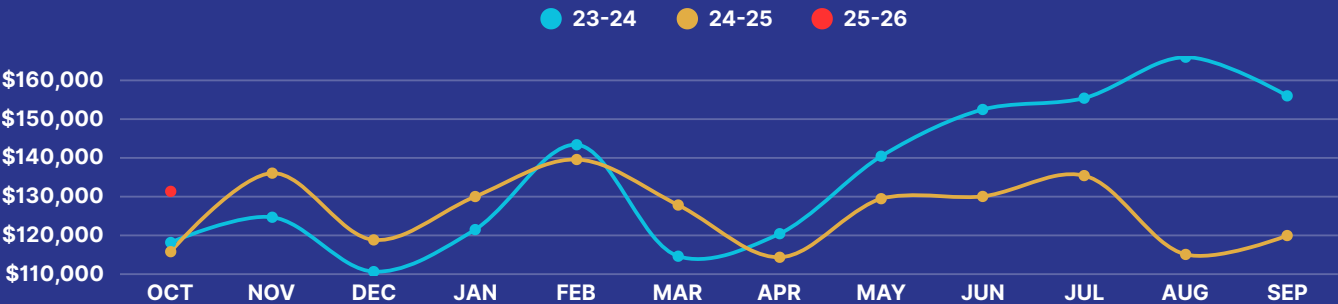
-5.76%

October 2025

\$131,368

YoY:

13.44%



Mixed beverage tax receipts climbed to \$131,368, posting a strong 13.44% year-over-year increase. While the TTM trend shows short-term softness, the October rebound signals renewed momentum in dining, nightlife, and visitor-driven spending. This upswing suggests targeted tourism marketing and event programming are well-positioned to strengthen hospitality revenues going into peak seasons.



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: \$5,592,169

2024 - 2025: \$5,004,087

TTM %:

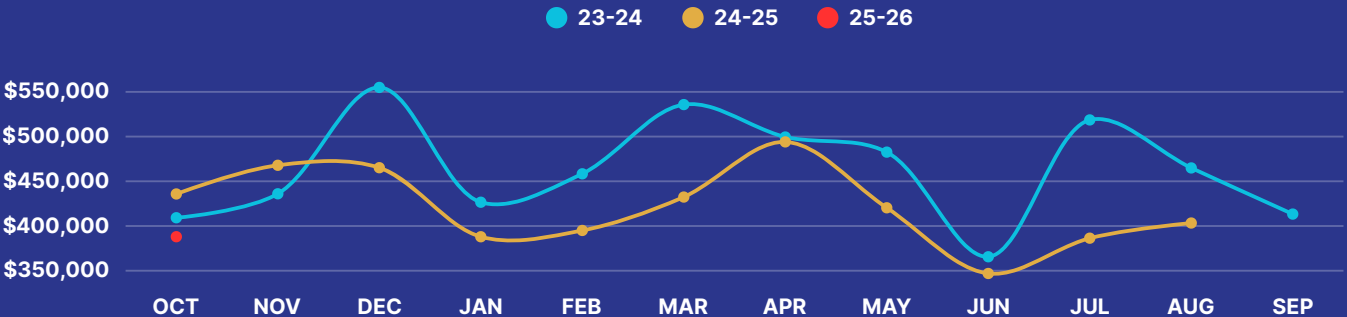
-10.52%

October 2025

\$388,022

YoY:

-10.97%



Hotel loading tax receipts totaled \$388,022, down 10.97% year-over-year. Despite the monthly dip, hotel activity continues to be supported by McAllen's role as a medical, business, and cross-border travel hub. As convention activity and regional travel normalize, McAllen's diversified visitor base positions the hospitality sector for gradual stabilization.

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: \$987,386,175

2024 - 2025: \$1,266,838,097

TTM %

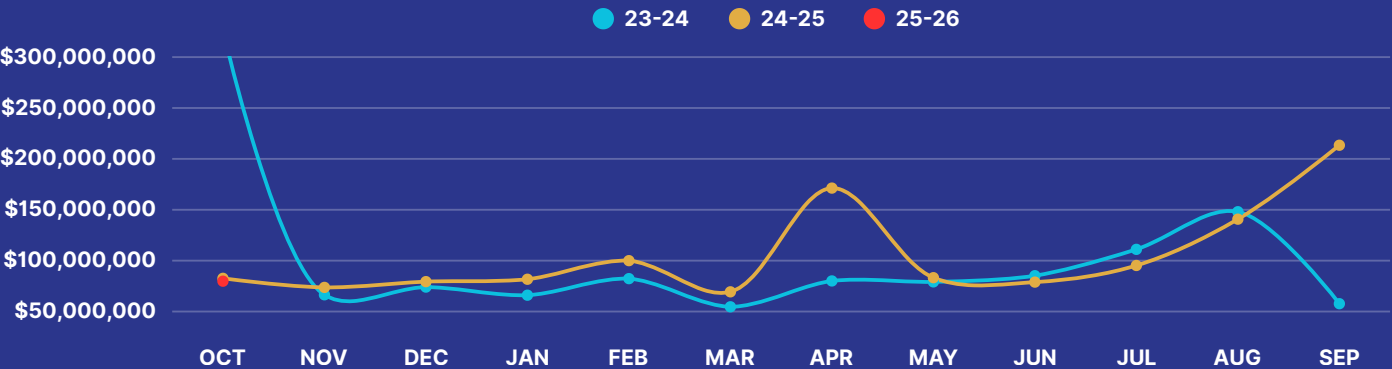
28.30%

October 2025

\$79,805,649

YoY %

-3.42%



Construction permits reached \$79,805,649, reflecting a 3.42% year-over-year decline. However, the trailing twelve months show a robust 28.30% increase, demonstrating strong underlying investment confidence across the region. This long-term growth confirms McAllen's continued attractiveness for commercial and residential development despite month-to-month volatility.



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 %

October 2025

YoY %

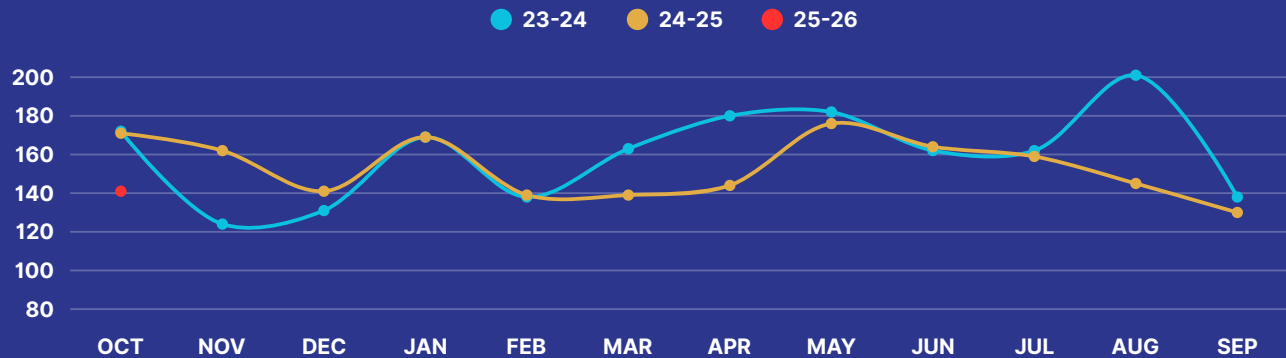
2023 - 2024: 1,921

2024 - 2025: 1,809

-5.83%

141

-17.54%



McAllen issued 141 new home permits, a 17.54% year-over-year decrease. Over the TTM period, permitting activity declined 5.83%, largely reflecting higher interest rates and labor constraints rather than diminished demand. As borrowing conditions improve, McAllen's affordability and population growth position the housing market for a rebound.

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 %

October 2025

YoY %

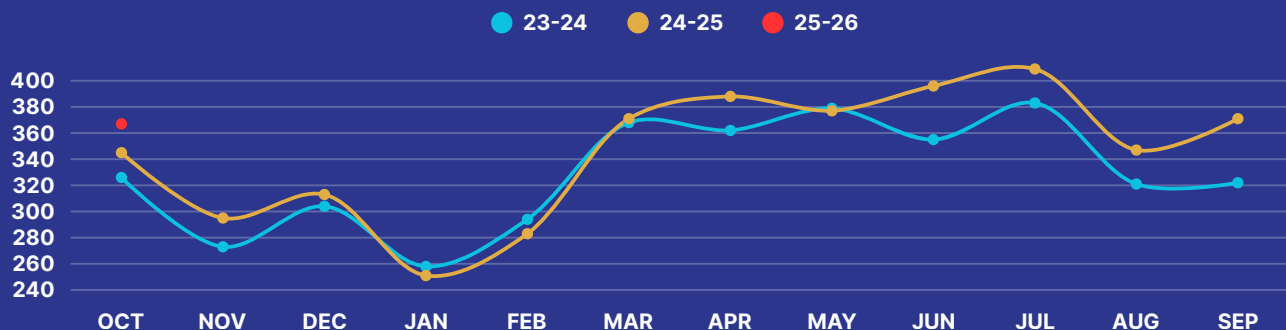
2023 - 2024: 3,964

2024 - 2025: 4,168

5.15%

367

6.38%



Home sales totaled 367 transactions, increasing 6.38% year-over-year. The TTM trend shows a positive 5.15% increase, confirming sustained buyer confidence and demand across the housing market. Continued interest from cross-border families and local workforce households supports long-term housing stability.

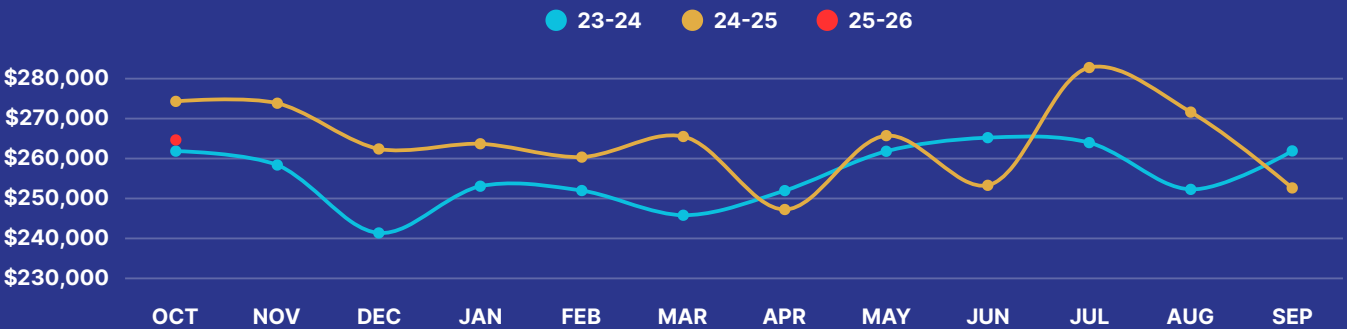
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AVERAGE HOME SALES PRICE

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 %	October 2025	YoY %
2023 - 2024: \$3,082,148	2.65%	\$264,653	-3.52%
2024 - 2025: \$3,163,806			



The average home price was \$264,653, down 3.52% year-over-year. Despite this adjustment, TTM prices are up 2.65%, indicating that values remain elevated over the longer term while improving affordability for buyers. This balance supports healthy market activity without the risks of overheating.

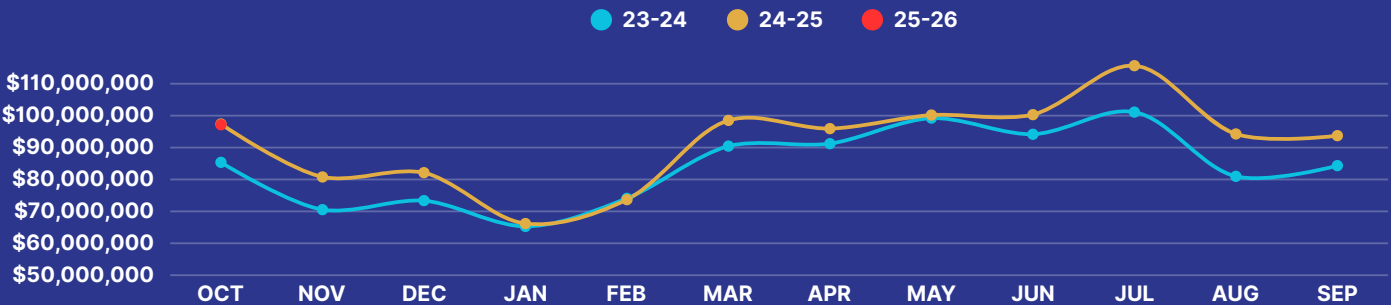
9

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 %	October 2025	YoY %
2023 - 2024: \$1,022,160,886	7.47%	\$97,150,308	-0.24%
2024 - 2025: \$1,098,507,630			



Residential real estate sales totaled \$97,150,308, a marginal 0.24% year-over-year decline. Notably, TTM dollar volume increased 7.47%, signaling strong overall investment and sustained confidence in McAllen's housing market. This long-term growth reflects continued population inflows and stable lending conditions.

Transportation



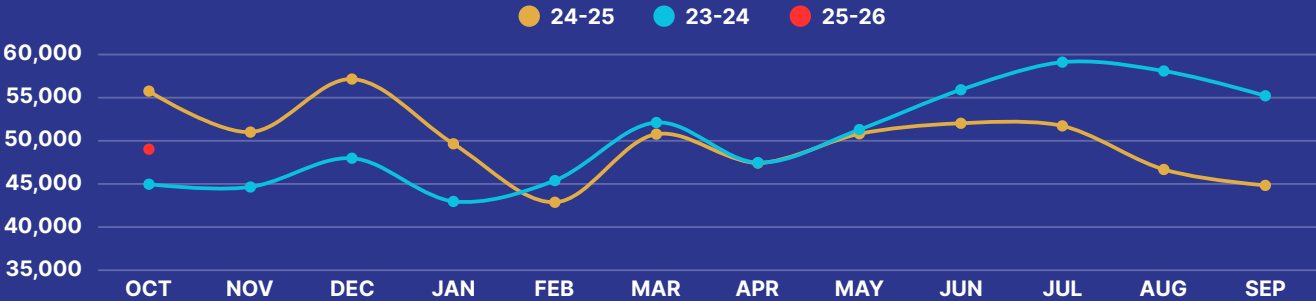
10

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 %	October 2025	YoY %
2023 - 2024: 615,987	-11.53%	49,025	-12.08%
2024 - 2025: 544,990			



McAllen International Airport recorded 49,025 enplanements, down 12.08% year-over-year. The TTM decline of 11.53% reflects airline schedule changes and the loss of select routes rather than diminished regional demand. Strategic route restoration and regional business growth present opportunities to reverse this trend over time.

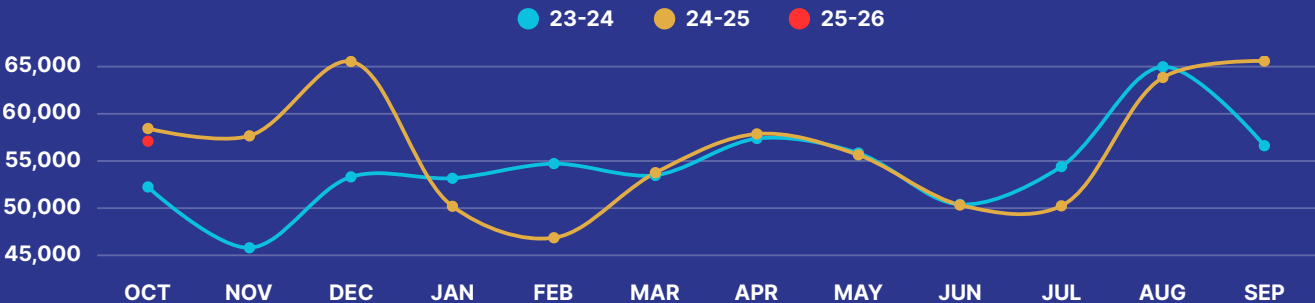
11

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 %	October 2025	YoY %
2023 - 2024: 658,550	2.45%	57,097	-2.30%
2024 - 2025: 674,665			



Metro ridership reached 57,097 riders, down 2.30% year-over-year. Encouragingly, TTM ridership is up 2.45%, highlighting steady demand for public transit among workers, students, and families. This upward annual trend supports continued investment in transit efficiency and accessibility.

Cross-Border Commerce

BRIDGE CROSSINGS

Category	Sept-2025	YoY Change	TTM Change
Southbound Personal Vehicle Crossings	325,270	▼ 12.66%	▼ 12.47%
Northbound Personal Vehicle Crossings	347,985	▼ 10.50%	▼ 13.93%
Northbound Personal Vehicle Passenger Crossings	688,709	▼ 13.12%	▼ 14.91%
Northbound Bus Crossings	916	▲ 5.41%	▼ 11.60%
Northbound Bus Passenger Crossings	15,210	▲ 5.14%	▼ 7.52%
Northbound Truck Crossings	61,336	▲ 3.72%	▲ 1.06%

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: \$3,615,900

2024 - 2025: N/A

TTM %

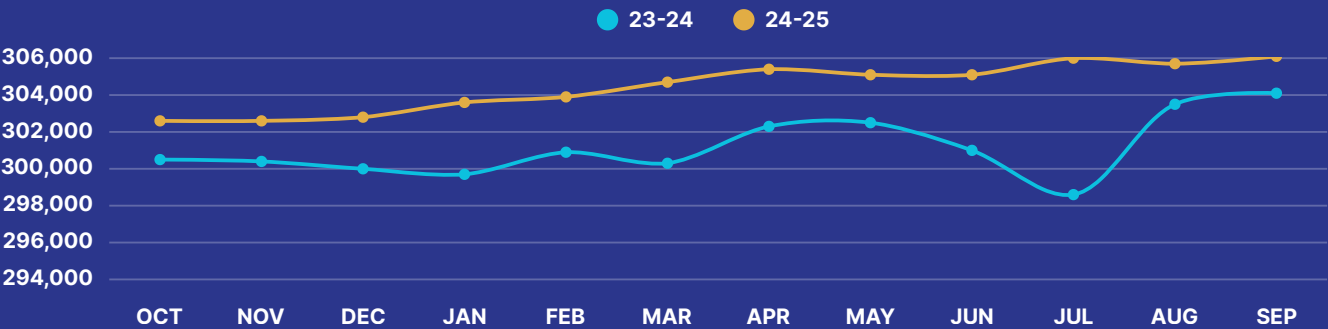
N/A

October 2025

N/A

YoY %

N/A



DATA NOT AVAILABLE DUE TO GOVERNMENT LAPSE IN APPROPRIATIONS

13

UNEMPLOYMENT RATE

Moderate unemployment promotes labor market flexibility and productivity.



Trailing Twelve Months

TTM %

October 2025

YoY %

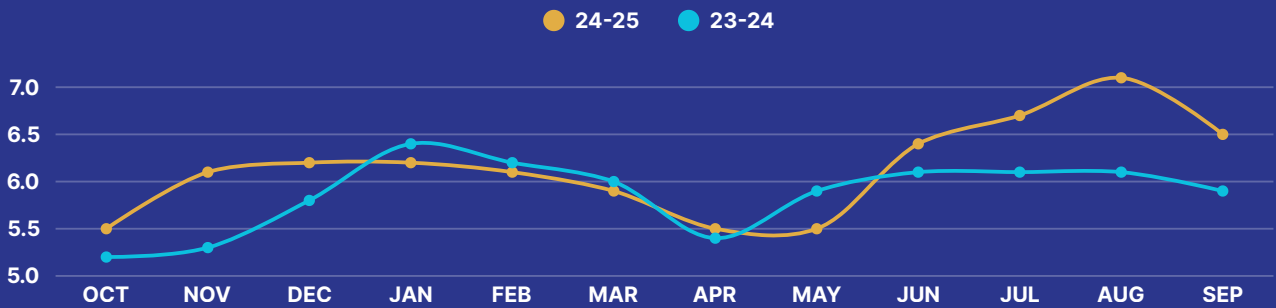
2023 - 2024: 5.87%

2024 - 2025: N/A

N/A

N/A

N/A



DATA NOT AVAILABLE DUE TO GOVERNMENT LAPSE IN APPROPRIATIONS

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 %

October 2025

YoY %

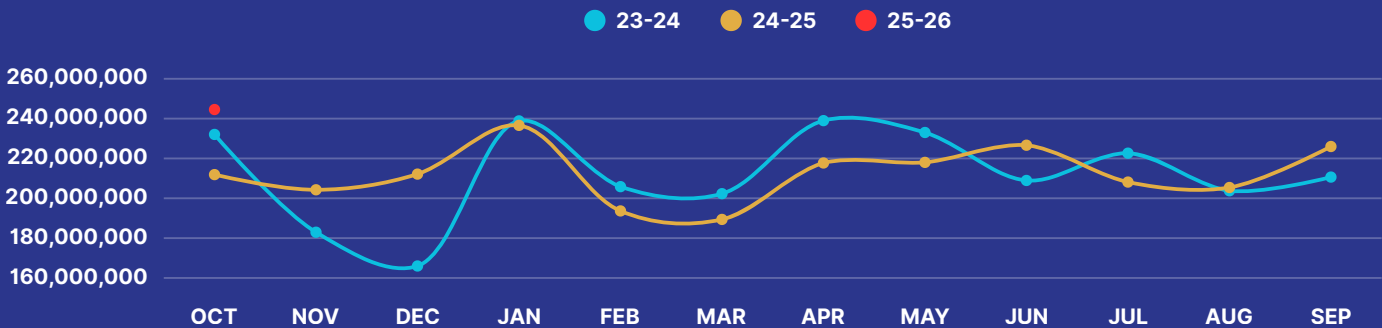
2023 - 2024: \$2,525,924,868

2024 - 2025: \$2,582,577,044

2.24%

\$244,560,433

15.42%



Auto purchases surged to \$244,560,433, posting a strong 15.42% year-over-year increase. Over the TTM period, spending rose 2.24%, reinforcing sustained consumer confidence and regional demand. McAllen’s role as a pricing and selection hub continues to attract buyers from across South Texas and northern Mexico.

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 %

October 2025

YoY %

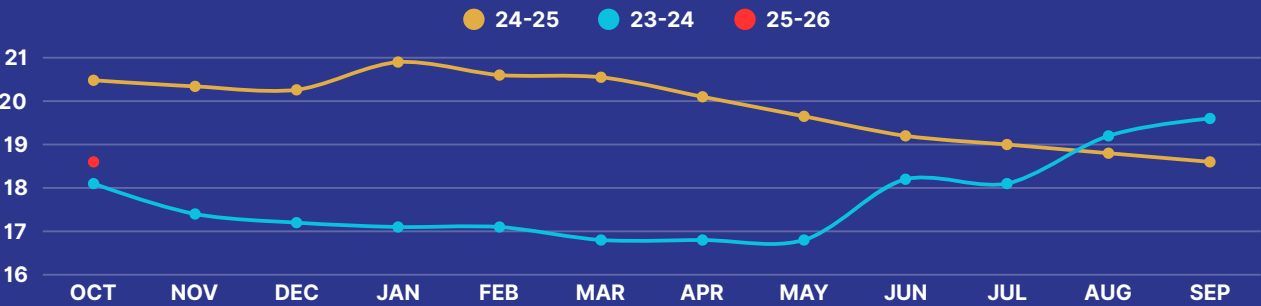
2023 - 2024: \$17.90

2024 - 2025: \$19.70

10.18%

\$18.60

-9.18%



The peso averaged \$18.60, declining 9.18% year-over-year. Despite short-term fluctuations, the TTM trend remains positive, reinforcing the peso's critical role in driving cross-border retail, healthcare, and hospitality activity. Monitoring currency movements remains essential for anticipating shifts in consumer behavior and bridge traffic.



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