



Economic Pulse

2025

McAllen Area

December 2025 REPORT

MCALLEN AREA

December 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: \$9,703,568,275

2024 - 2025: \$10,369,859,821

TTM %

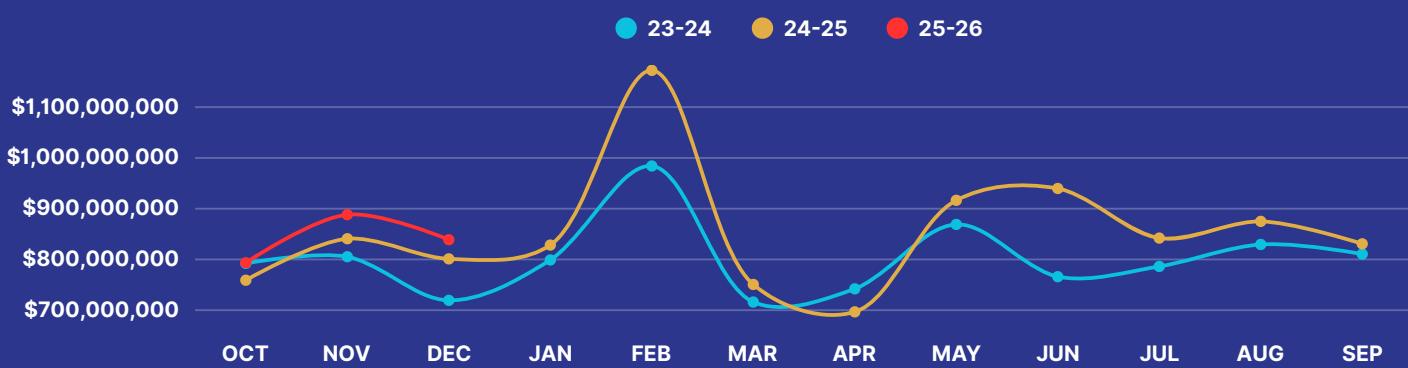
December 2025

YoY %

6.87%

\$838,864,203

4.71%



Retail sales reached \$885,175,802 in December 2025, representing a strong 5.28% year-over-year increase. Over the trailing twelve months, retail sales are up 7.38%, reinforcing sustained consumer confidence driven by cross-border shoppers, regional demand, and McAllen's competitive pricing. This performance confirms McAllen's continued leadership as the Rio Grande Valley's primary retail destination heading into peak seasonal spending.

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: \$96,850,221

2024 - 2025: \$99,982,803

TTM %

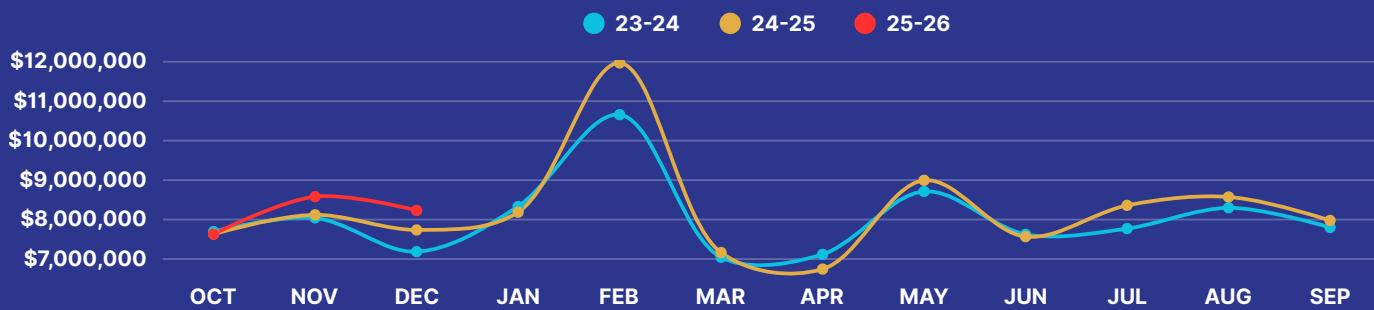
December 2025

YoY %

3.23%

\$8,230,495

6.38%



Sales tax receipts totaled \$8,581,906, rising 5.68% year-over-year. The TTM growth of 3.31% highlights consistent and broad-based consumer activity over the past year. This upward trend provides a stable revenue base for public services while signaling healthy local business conditions.

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: \$1,641,023

FY24-25: \$1,500,935

TTM %

December 2025

YoY:

-8.54%

\$120,604

1.48%

● 23-24 ● 24-25 ● 25-26



In addition to national generational shifts toward lower alcohol consumption among younger adults, the decline is influenced by regional factors such as reduced discretionary spending from cross-border visitors due to less frequency and seasonal travel patterns. These combined dynamics suggest the decline is part of a broader behavioral and regional adjustment rather than a sudden contraction.



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: \$5,534,272

2024 - 2025: \$4,963,480

TTM %:

-10.31%

December 2025

\$523,335

YoY:

12.50%

● 23-24 ● 24-25 ● 25-26



Beyond typical seasonal and economic variations, broader travel and tourism headwinds have been observed across Texas with nationwide occupancy declines reflecting softer leisure travel. In addition, border region travel trends including subtle dips in cross-border visits and increased travel frictions related to visa processing and travel planning have shown measurable effects on hotel 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:

2023 - 2024: \$1,000,025,971

2024 - 2025: \$1,293,255,747

TTM %

29.32%

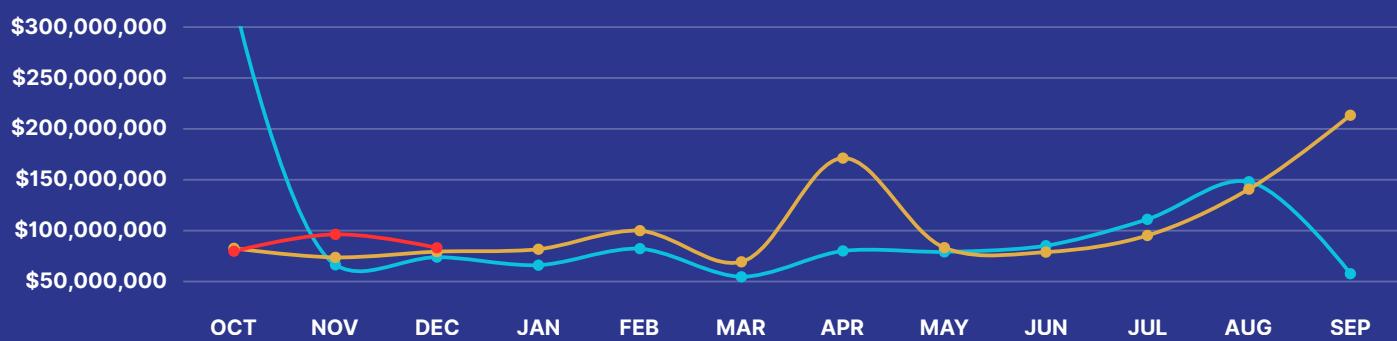
December 2025

\$83,154,559

YoY %

4.76%

● 23-24 ● 24-25 ● 25-26



Construction permits surged to \$96,355,958, reflecting a significant 30.72% year-over-year increase. The TTM growth of 29.64% underscores exceptionally strong investment momentum across the region. This sustained expansion signals high confidence in McAllen's long-term growth and development outlook.



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 %

December 2025

YoY %

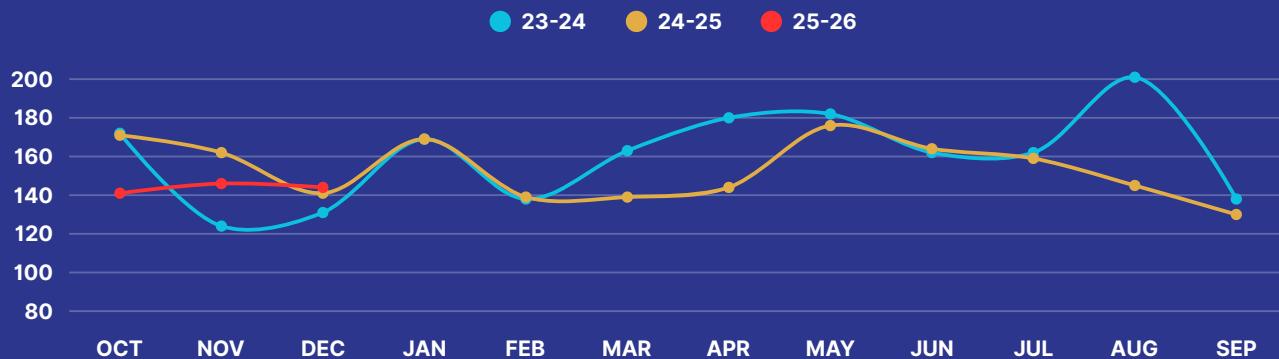
2023 - 2024: 1,969

-8.79%

144

2.13%

2024 - 2025: 1,796



McAllen issued 146 new home permits, a 9.88% year-over-year decline. On a TTM basis, permits are down 8.47%, largely due to higher interest rates and construction labor constraints. Given McAllen's affordability and population growth, residential permitting is well-positioned for recovery as market conditions ease.

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 %

December 2025

YoY %

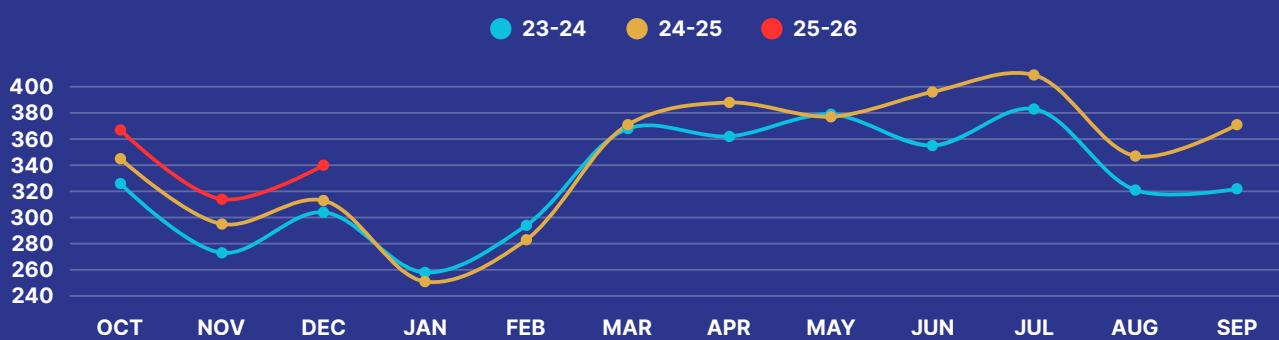
2023 - 2024: 3,995

5.48%

340

8.63%

2024 - 2025: 4,214



Home sales totaled 314 transactions, up 6.44% year-over-year. The behavior is very clear, December sees a dip in sales, while people focus on the holidays, this market tends to cool down. The TTM increase of 5.04% confirms steady housing demand supported by cross-border buyers and local families. Continued strength in sales reflects confidence in McAllen's housing market fundamentals.

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 %

December 2025

YoY %

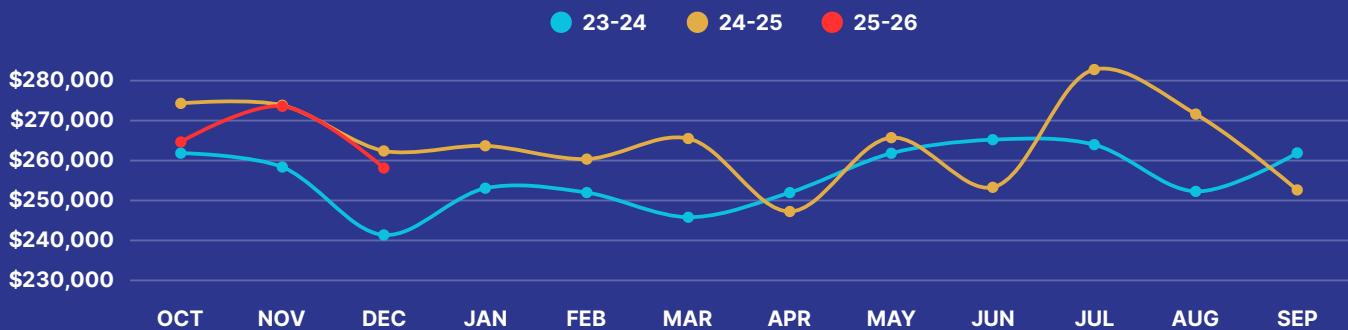
2023 - 2024: \$259,887

1.30%

\$258,125

-1.63%

2024 - 2025: \$263,272



The average home sales price was \$273,581, essentially flat with a 0.10% year-over-year decline. Over the trailing twelve months, prices rose 2.13%, indicating long-term appreciation while maintaining affordability. This balance supports both homeowner equity and buyer access.

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 %

December 2025

YoY %

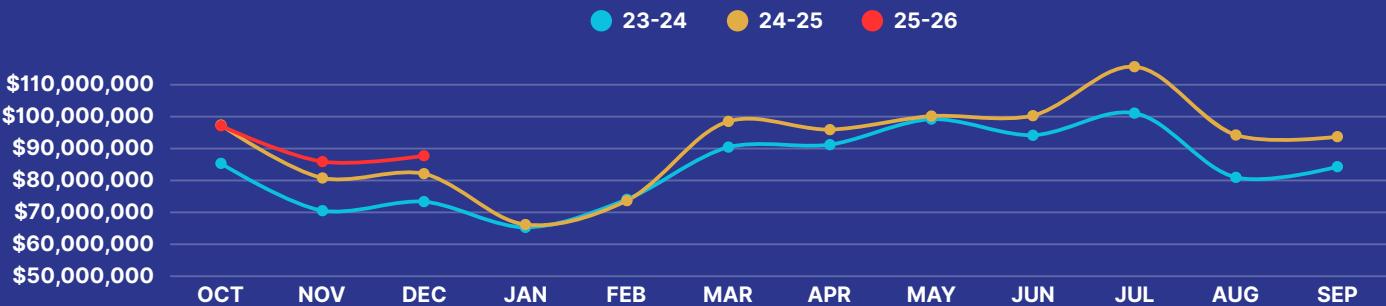
2023 - 2024: \$1,041,161,702

6.54%

\$87,762,806

6.86%

2024 - 2025: \$1,109,258,011



Residential real estate dollar volume reached \$85,904,684, increasing 6.34% year-over-year. The TTM growth of 6.90% highlights strong capital flow into McAllen's housing market. This sustained investment reflects confidence in population growth, lending stability, and neighborhood development.

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

2023 - 2024: 631,531

2024 - 2025: 436,821

TTM %

-30.83%

December 2025

47,179

YoY %

-17.46%

● 24-25 ● 23-24 ● 25-26


McAllen International Airport recorded 43,009 enplanements, down 15.68% year-over-year. The TTM decline of 20.63% reflects airline service reductions, including the loss of Mexico City routes. Restoring key connections and supporting regional business travel remain strategic priorities for recovery.

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

2023 - 2024: 682,641

2024 - 2025: 651,936

TTM %

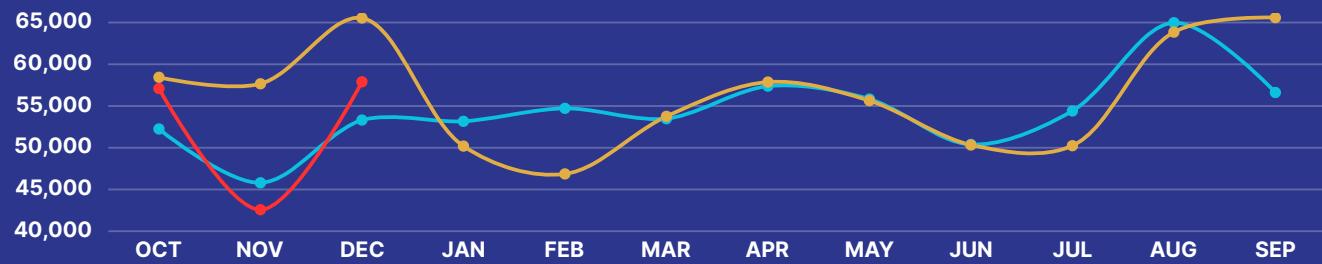
-4.50%

December 2025

57,903

YoY %

-11.66%

● 23-24 ● 24-25 ● 25-26


Metro ridership totaled 42,575 riders, down 26.17% year-over-year. While the TTM decline of 1.62% indicates softness, transit remains a vital mobility option for workers and students. Targeted service optimization and population growth corridors offer opportunities to stabilize ridership.

Cross-Border Commerce

BRIDGE CROSSINGS

Category	December	YoY Change	TTM Change
Southbound Personal Vehicle Crossings	393,065	▼ 5.48%	▼ 15.46%
Northbound Personal Vehicle Crossings	400,458	▼ 4.56%	▼ 16.44%
Northbound Personal Vehicle Passenger Crossings	857,482	▼ 6.21%	▼ 17.76%
Northbound Bus Crossings	768	▼ 21.79%	▼ 17.77%
Northbound Bus Passenger Crossings	12,007	▼ 21.01%	▼ 19.29%
Northbound Truck Crossings	58,962	▲ 3.68%	▼ 0.32%

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: 301,742

2024 - 2025: 305,158

TTM %

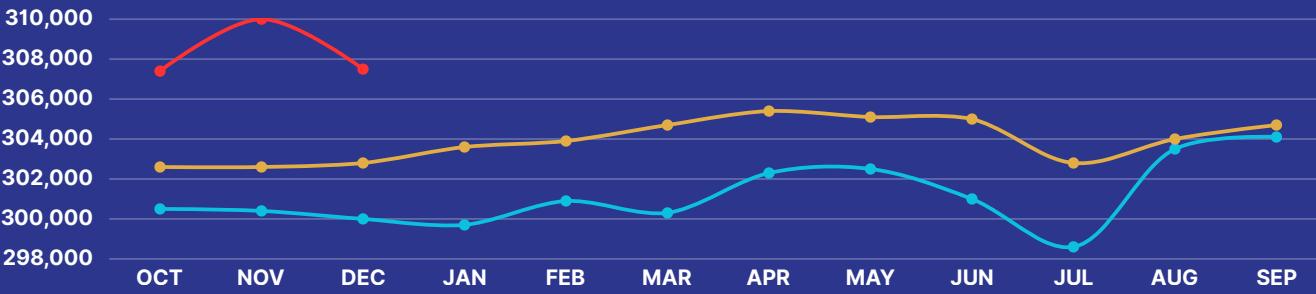
1.13%

December 2025

307,500

YoY %

1.55%

● 23-24 ● 24-25 ● 25-26


Non-farm payroll employment reached 310,000 jobs, up 2.45% year-over-year. The TTM growth of 1.14% signals steady labor market expansion across sectors. This continued job growth supports consumer spending, housing demand, and overall economic resilience.

13

UNEMPLOYMENT RATE

Moderate unemployment promotes labor market flexibility and productivity.



Trailing Twelve Months

TTM %

December 2025

YoY %

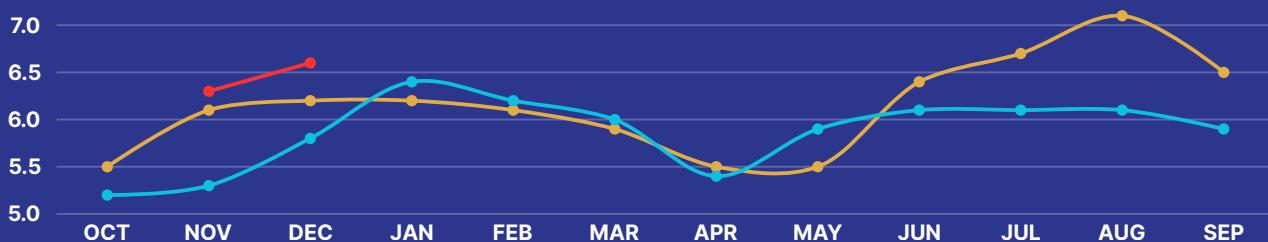
2023 - 2024: 5.99%

-3.48%

6.6%

6.45%

2024 - 2025: 5.78%

● 24-25 ● 23-24 ● 25-26


The unemployment rate stood at 6.3%, reflecting a 3.28% year-over-year increase. Despite short-term movement, the TTM decline of 3.50% highlights improving labor market conditions over the year. Workforce development and employer attraction efforts remain key to sustaining progress.

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 %

December 2025

YoY %

2023 - 2024: \$2,593,360,614

-0.89%

\$198,848,169

-6.27%

2024 - 2025: \$2,570,350,297

● 23-24 ● 24-25 ● 25-26


Auto purchases totaled \$205,335,166, up 0.52% year-over-year. The TTM increase of 1.43% confirms steady consumer confidence and demand for regional vehicle purchases. McAllen continues to benefit from cross-border buyers and South Texas commuters seeking value and selection.

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

2023 - 2024: \$18.40

2024 - 2025: \$19.40

TTM %

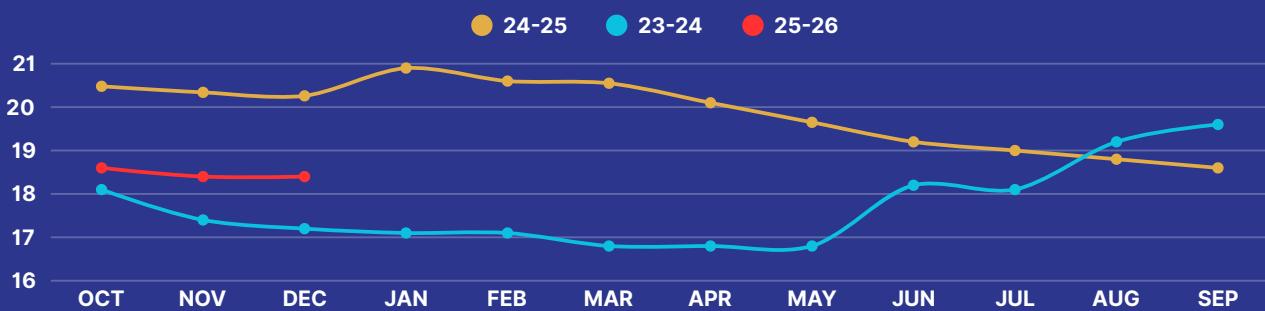
5.45%

December 2025

\$18.40

YoY %

-9.18%



The peso averaged \$18.40, declining 9.54% year-over-year. However, the TTM trend remains positive at 7.80%, reinforcing the peso's continued influence on cross-border retail, healthcare, and hospitality activity. Currency dynamics remain a critical factor shaping McAllen's economic pulse.



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