



McALLEN
CHAMBER OF COMMERCE

Economic Pulse

2026

McAllen Area

March 2026 REPORT

MCALLEN AREA

March 2026 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 %

March 2026

YoY %

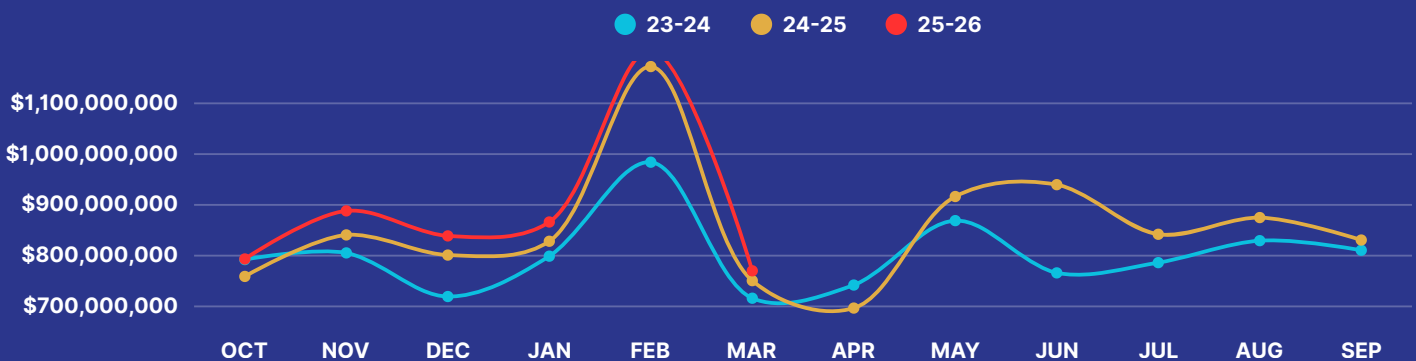
FY24-25: \$9,955,901,311

5.06%

\$770,102,726

2.58%

FY25-26: \$10,459,713,606



Retail sales in the McAllen MSA reached \$770,102,726 in March 2026, up 2.7% from \$750,736,218 in March 2025. Consistent, positive retail sales growth at this scale — approaching \$800 million in a single month — affirms McAllen's status as one of Texas's premier retail destinations and a genuinely binational commercial hub. This figure encompasses spending across McAllen, Edinburg, Mission, and Pharr, and reflects the collective economic strength of a metro area that punches well above its population weight due to cross-border consumer demand and a growing professional class.

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:

FY24-25: \$98,137,332

FY25-26: \$101,476,215

TTM %

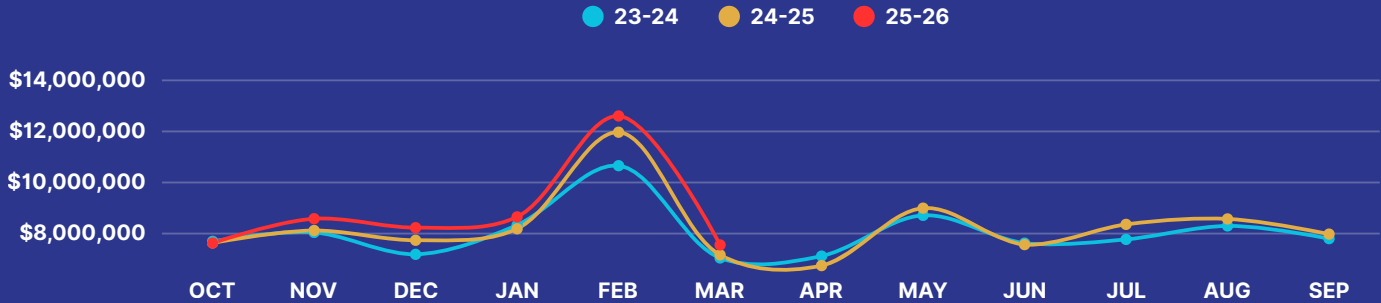
3.40%

March 2026

\$7,554,976

YoY %

5.46%



Sales tax receipts for March 2026 totaled \$7,554,976, up 5.5% year-over-year from \$7,163,811 in March 2025. This growth during a month that historically tracks closely with seasonal consumer spending and spring cross-border shopping activity reinforces McAllen's resilience as a retail center, buoyed by its unique position serving both domestic households and Mexican shoppers from Tamaulipas. Local business leaders should take note that five-plus percent sales tax growth in a low-inflation environment represents genuine volume expansion, a positive signal for continued retail investment and commercial development strategies heading into the high-activity second quarter.

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:

FY24-25: \$1,658,950

FY25-26: \$1,482,696

TTM %

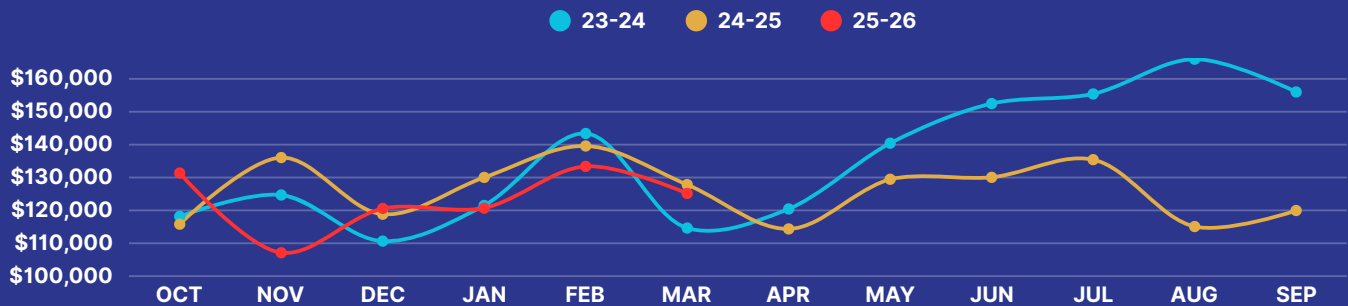
-10.62%

March 2026

\$125,142

YoY:

-2.11%



Mixed beverage tax receipts came in at \$125,142 in March 2026, down 2.1% from \$127,838 in March 2025. This modest decline is unlikely to signal a structural shift in McAllen's food and beverage landscape, particularly as spring typically brings increased dining and entertainment activity tied to conferences, sporting events, and the arrival of seasonal visitors. The local hospitality industry should monitor whether this softening continues into April and May, and consider promotional strategies leveraging the city's growing culinary identity and binational cultural calendar to reinvigorate spending at bars and restaurants.



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 %:

March 2026

YoY:

FY24-25: \$5,328,909

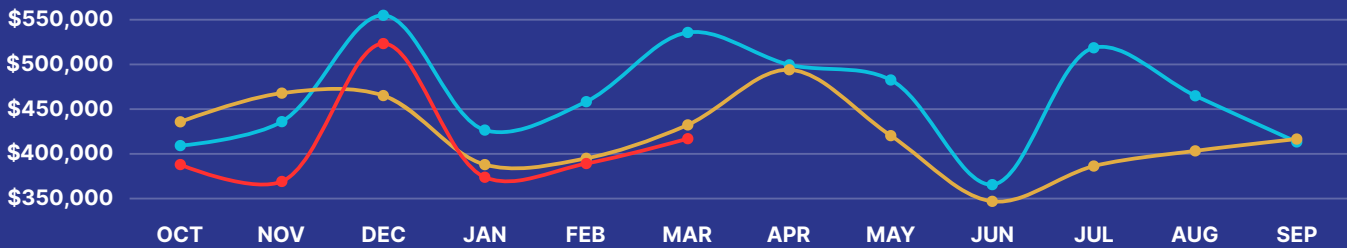
-7.52%

\$416,978

-3.56%

FY25-26: \$4,928,119

● 23-24 ● 24-25 ● 25-26



Lodging tax receipts reached \$416,978 in March 2026, down 3.6% from \$432,375 in March 2025. March is one of the stronger lodging months for McAllen due to spring break travel, business conferences, and medical tourism, so this slight dip may reflect some softening in group travel or hotel rate compression amid increased inventory. Convention and visitors bureau efforts to attract mid-size regional conferences and medical tourism packages remain the most promising path to strengthening lodging revenues in the spring quarter.

Construction & Housing



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 %

March 2026

YoY %

FY24-25: \$1,048,090,581

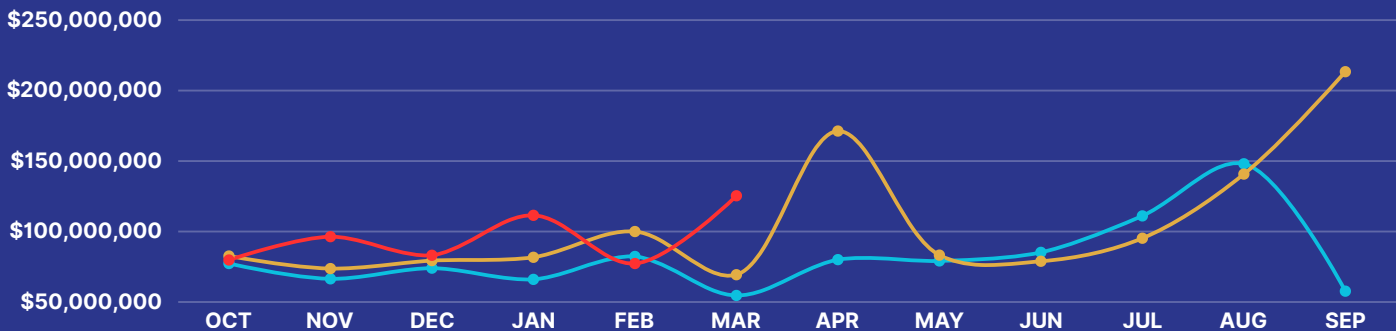
29.41%

\$125,363,738

80.74%

FY25-26: \$1,356,347,849

● 23-24 ● 24-25 ● 25-26



The value of all construction permits in the McAllen MSA totaled \$125,363,738 in March 2026, up 129.3% from \$54,647,603 in March 2025. This extraordinary spike — more than double the prior-year figure — almost certainly reflects one or more large commercial, industrial, or institutional projects permitted during the month rather than a broad-based construction boom, though the underlying residential pipeline also appears healthy. Economic development officials should catalogue which projects are driving this surge, as they likely represent significant job creation and investment activity that deserves public recognition and stakeholder alignment.

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 %

March 2026

YoY %

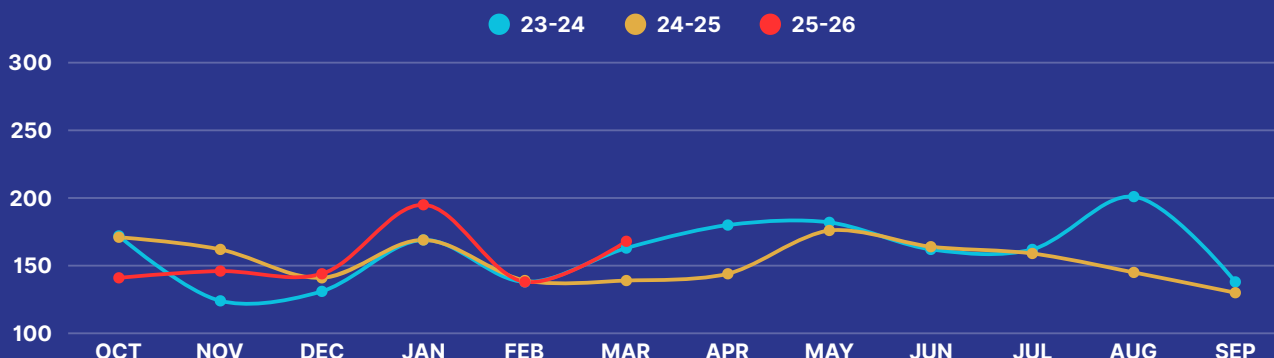
FY24-25: 1,942

-4.74%

168

20.86%

FY25-26: 1,850



New home permits in the McAllen MSA totaled 168 in March 2026, up 20.9% from 139 permits in March 2025. This is one of the strongest year-over-year gains across all indicators this month and reflects renewed builder confidence in the Rio Grande Valley's sustained population growth and household formation trends. With interest rates stabilizing and demand for entry-level and mid-range housing remaining strong, this surge in permitted activity points to a healthy pipeline of residential construction that will support related industries — from building materials suppliers to landscapers and home furnishing retailers — through the balance of the year.

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 %

March 2026

YoY %

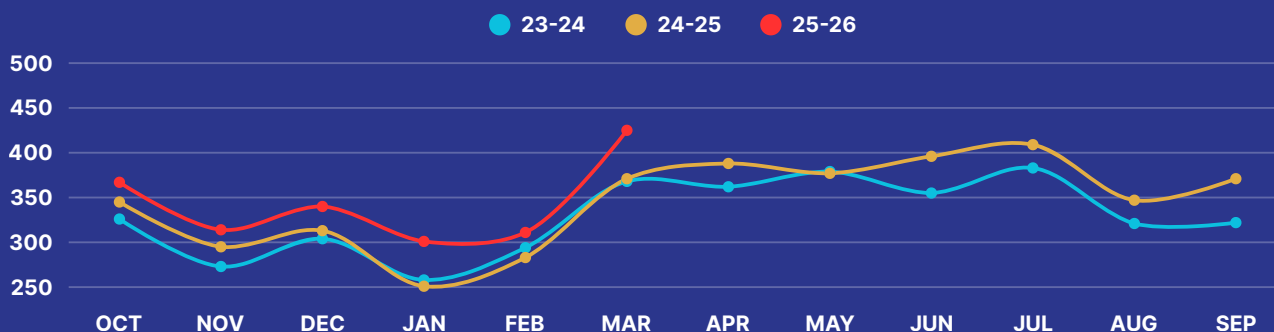
FY24-25: 3,980

9.07%

425

14.56%

FY25-26: 4,341



Home sales in Hidalgo County totaled 425 in March 2026, up 14.8% from 371 in March 2025. March is traditionally one of the strongest months for home sales in the Rio Grande Valley as spring buyers enter the market, and this year's performance exceeded last year's already-solid March figures by a notable margin. The combination of a growing professional workforce, in-migration from higher-cost Texas metros, and ongoing household formation among younger demographics continues to sustain healthy transaction volumes in Hidalgo County's residential real estate market.

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 %

March 2026

YoY %

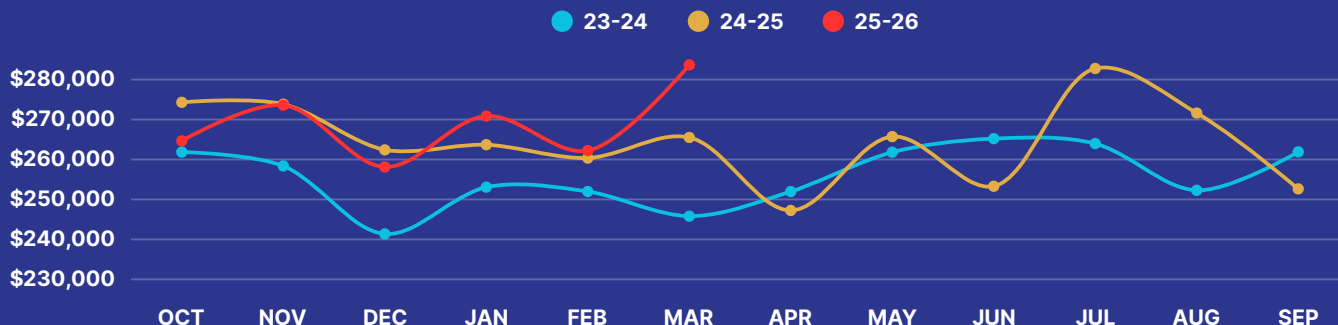
FY24-25: \$263,112

0.91%

\$283,686

6.84%

FY25-26: \$265,508



The average home sales price reached \$283,686 in March 2026, up 6.8% from \$265,518 in March 2025. This is the strongest year-over-year price appreciation in recent months and suggests that demand is beginning to outpace new supply in certain price segments, putting modest upward pressure on values. While still well below the statewide and national averages, this appreciation is meaningful for existing homeowners building equity, and it highlights the importance of maintaining an adequate pipeline of affordable and workforce housing to preserve McAllen's competitive advantage as a cost-effective place to live and do business.

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 %

March 2026

YoY %

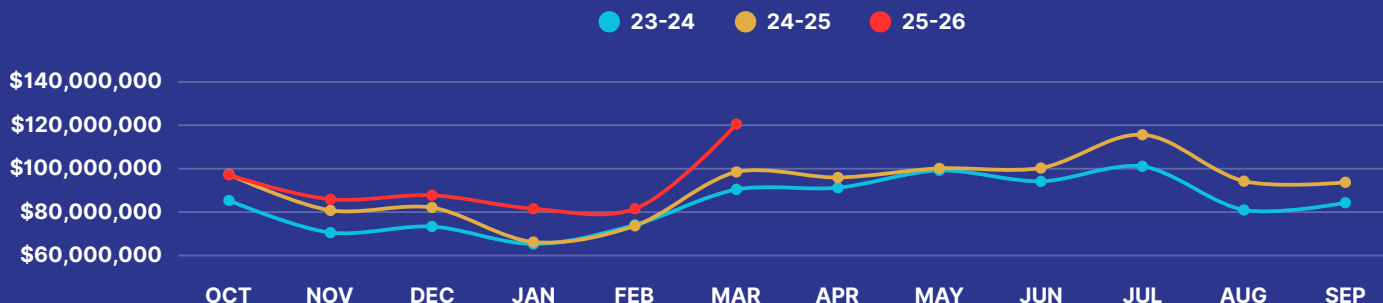
FY24-25: \$87,475,161

9.88%

\$120,566,671

22.39%

FY25-26: \$96,114,558



Total residential real estate dollar volume came in at \$120,566,671 in March 2026, up 22.4% from \$98,507,322 in March 2025. The powerful combination of more transactions and higher average prices produced one of the strongest monthly dollar volume figures in the dataset, and signals broad health across McAllen's residential real estate ecosystem. Title companies, mortgage lenders, real estate brokers, and home improvement retailers should all be experiencing corresponding activity increases, and the sustained growth in this metric bodes well for household wealth accumulation in the region.

Transportation

★
10

MFE ENPLANEMENT DATA

- More flights, new routes, or better service offered by airlines can attract more passengers, especially during large events.
- Conventions, or conferences, can significantly boost enplanements as attendees travel in and out of McAllen.
- Growth in local business and the arrival of new companies can lead to increased business travel, increasing enplanements.



Trailing Twelve Months

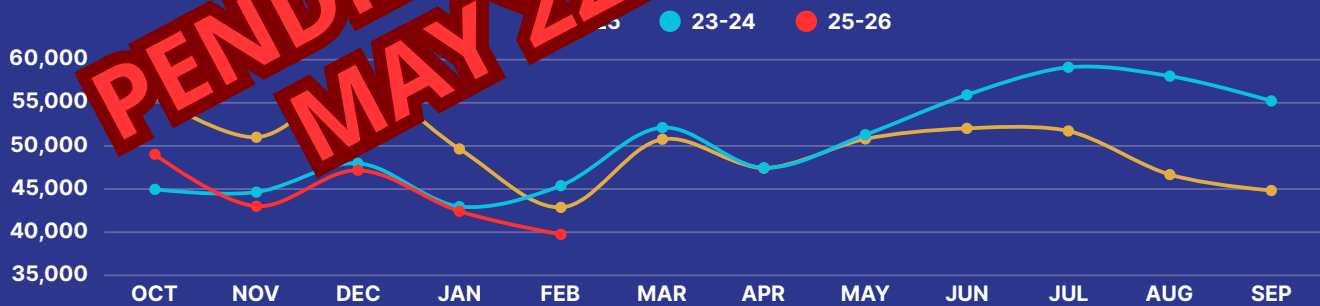
FY24-25: 634,351

FY25-26: 514,905

2026

YoY %

-7.30%



McAllen International Airport data for March 2026 was not yet reported in this dataset. March 2025 recorded 50,775 enplanements, which was one of the strongest months of that year. The airport's performance will be an important indicator of whether the region's air travel market is on a recovery trajectory following softer winter months, and stakeholders should watch for the official figure when released mid-April. Continued airline engagement and route development efforts remain essential to growing McAllen's position as the premier air gateway for the Rio Grande Valley.

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

FY24-25: 672,102

FY25-26: 628,020

TTM %

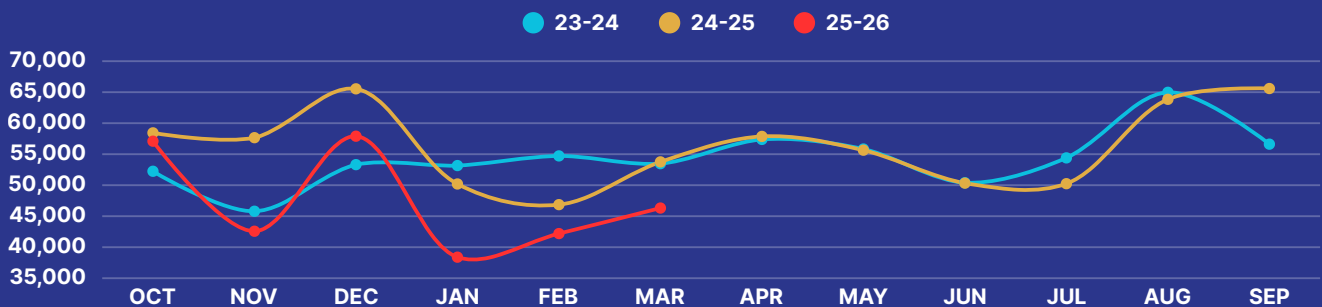
March 2026

YoY %

-6.56%

46,316

-13.85%



Metro McAllen recorded 46,316 riders in March 2026, down 13.9% from 53,762 in March 2025. This is a meaningful decline for the region's public transit system and deserves close attention from city transportation planners and policymakers. For a border community with significant populations of car-dependent and transit-dependent riders, route frequency, coverage, and affordability are critical equity issues. A review of route performance, stops near major employment centers, and potential weekend or late-night service expansion could help reverse this declining ridership trend and better serve McAllen's essential workforce.

Cross-Border Commerce

BRIDGE CROSSINGS

Category	March	YoY Change	TTM Change
Southbound Personal Vehicle Crossings	347,156	▲ 18.74%	▼ 10.87%
Northbound Personal Vehicle Crossings	383,660	▲ 29.76%	▼ 10.39%
Northbound Personal Vehicle Passenger Crossings	774,292	▲ 32.18%	▼ 11.26%
Northbound Bus Crossings	727	▼ 27.30%	▼ 23.93%
Northbound Bus Passenger Crossings	13,436	▼ 22.58%	▼ 24.92%
Northbound Truck Crossings	61,544	▼ 1.36%	▲ 0.63%

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 %

March 2026

YoY %

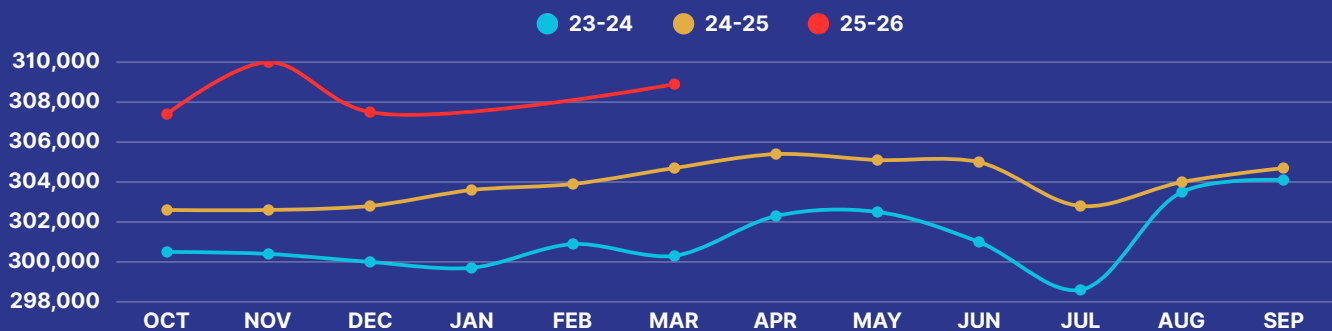
2023 - 2024: 302,683

1.34%

\$308,900

1.38%

2024 - 2026: 306,742



Total nonfarm payroll for the McAllen MSA stood at 308,900 jobs in March 2026, up 1.4% from 304,700 in March 2025. McAllen's employment base continues to grow steadily, with the addition of roughly 4,200 jobs year-over-year reflecting expansion across healthcare, retail trade, logistics, and professional services.

13

UNEMPLOYMENT RATE

Moderate unemployment promotes labor market flexibility and productivity.



Trailing Twelve Months

TTM %

March 2026

YoY %

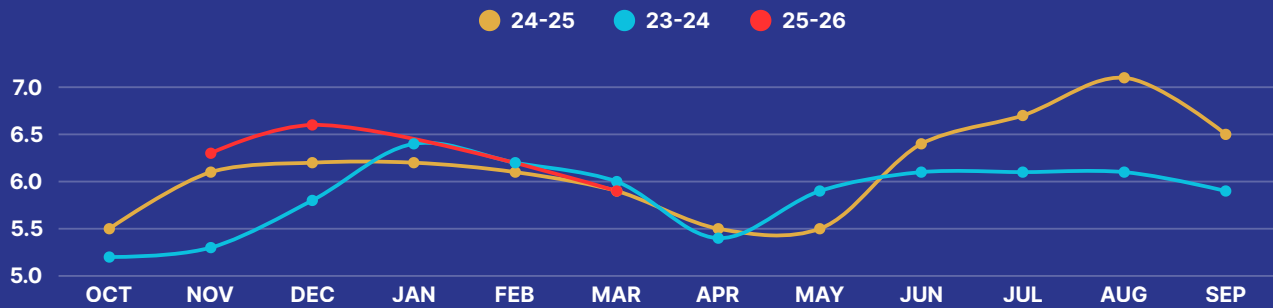
2023 - 2024: 5.96%

-1.82%

5.9%

0.00%

2024 - 2026: 5.85%



The unemployment rate for the McAllen MSA came in at 5.9% in March 2026, improved from 5.9% in March 2025, essentially flat year-over-year. While the rate is unchanged at the headline level, the fact that employment grew (as reflected in payroll data) while the rate held steady suggests that labor force participation is also expanding, a healthy dynamic that reflects growing economic opportunity drawing more residents into active job seeking.

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 %

March 2026

YoY %

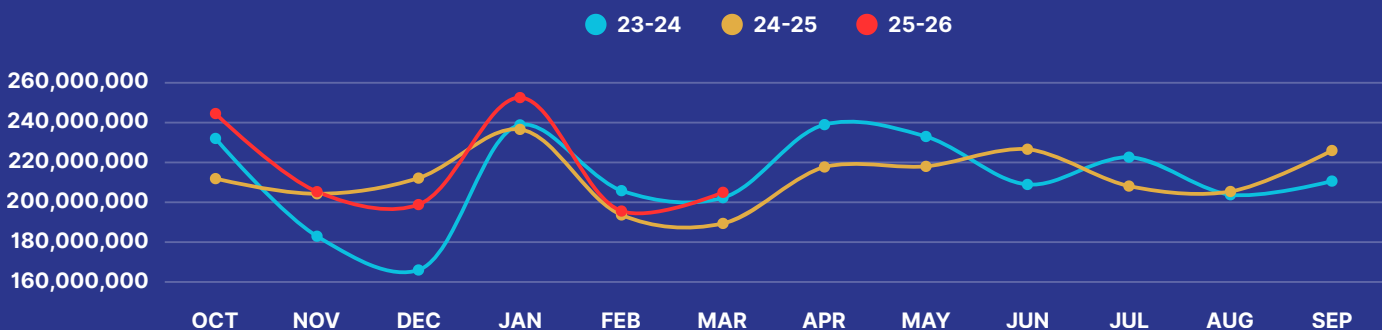
FY24-25: \$2,565,989,412

2.63%

\$205,010,039

8.25%

FY25-26: \$2,633,597,519



Auto purchase spending in March 2026 totaled \$205,010,039, up 8.3% from \$189,390,113 in March 2025. This is a strong performance for the auto sector and reflects McAllen's enduring status as a major vehicle market serving a multi-county trade area that includes substantial cross-border purchasing activity. Rising average transaction prices combined with stable-to-improving consumer confidence are likely contributors, and local dealerships should see this as validation of continued investment in inventory, financing partnerships, and Spanish-language sales support to serve the region's diverse buyer pool.

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 %

March 2026

YoY %

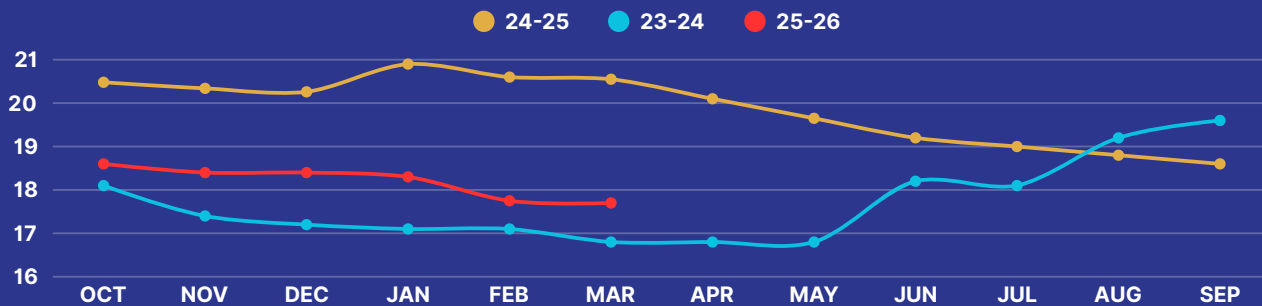
FY24-25: \$19.32

-3.17%

\$17.70

-13.87%

FY25-26: \$18.71



The peso exchange rate stood at 17.70 MXN per USD in March 2026, compared to 20.55 in March 2025, a 13.9% appreciation of the peso year-over-year. A stronger peso means Mexican consumers and businesses enjoy significantly greater purchasing power in U.S. markets, and this exchange rate dynamic is almost certainly a contributing factor to the dramatic surge in northbound border crossings seen this month. McAllen's retail, healthcare, and hospitality sectors stand to benefit meaningfully from this currency tailwind, and businesses that have not yet optimized their cross-border marketing, peso-friendly payment options, or bilingual customer experience should treat this as an urgent opportunity.

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