McALLEN
CHAMBER OF COMMERCE

Economic **Pulse**

McAllen Area

June 2026 REPORT

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Economic Pulse

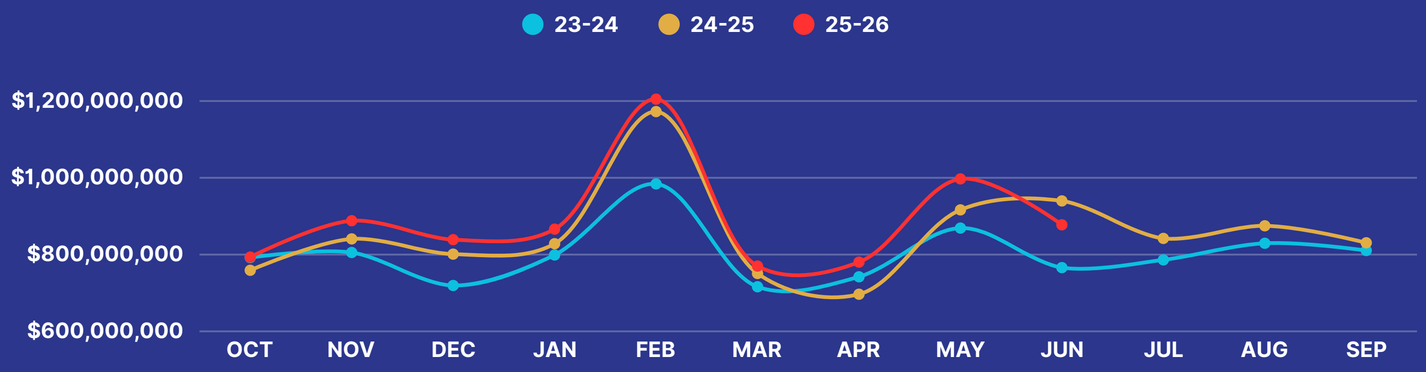
Let's break down the data analysis to explore the **economic impact on McAllen, Texas**, specifically focusing on the role of McAllen as a border town and the broader implications for its local economy.

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 %	June 2026	YoY %
FY24-25: $10,131,804,952 FY25-26: $10,561,791,183	4.24%	$877,518,158	-6.63%

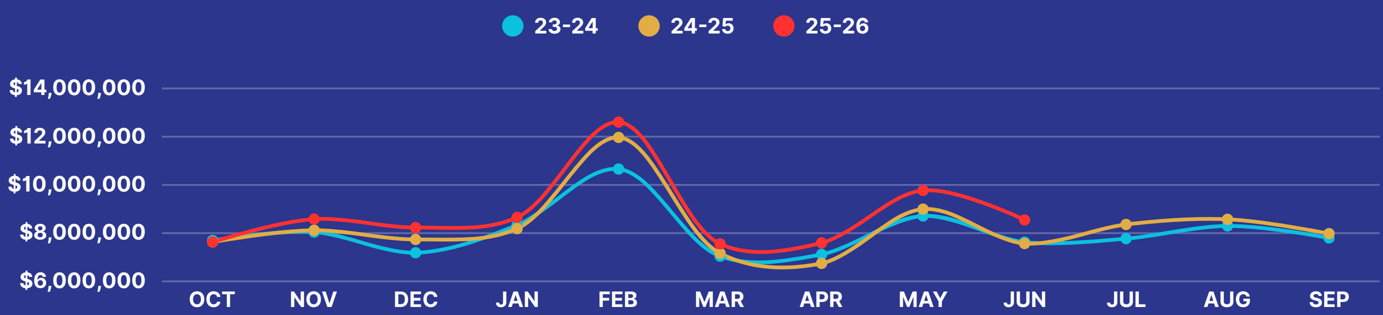


June 2026 McAllen MSA retail sales fell 6.6% year-over-year to $877,518,158 ($939,786,357 in June 2025)—marking the year's first monthly decline. This drop contrasts with June's strong sales tax growth, likely due to reporting timing lags and category definition differences. However, slipping below $900 million after a near-$1 billion May warrants close monitoring to determine whether consumer spending patterns are shifting.

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 %	June 2026	YoY %
FY24-25: $97,990,251 FY25-26: $104,080,999	6.22%	$8,545,872	12.94%



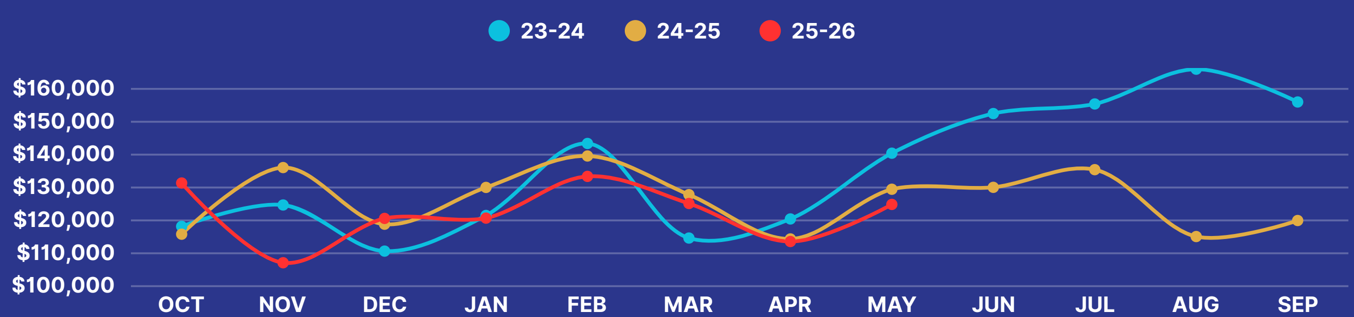
June 2026 sales tax receipts reached $8,545,872—a 12.9% year-over-year surge from $7,566,909, marking the fastest growth rate of 2026 so far. Driven by Father's Day spending, early back-to-school shopping, and Mexican consumers taking advantage of a strong peso, this performance demonstrates McAllen's binational market advantage and the ROI on city infrastructure investments.

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 %	June 2026	YoY:
FY24-25: $1,619,471 FY25-26: $1,481,034	-8.55%	$133,796	2.88%

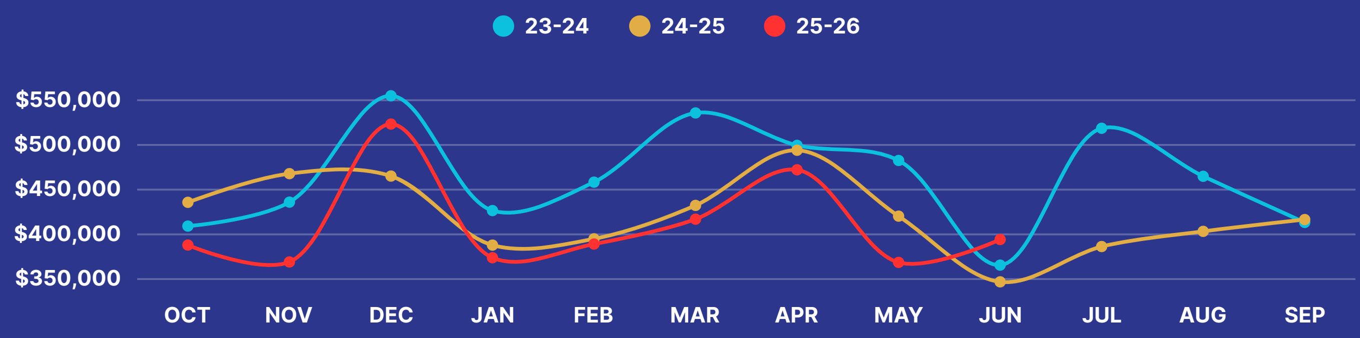


Mixed beverage tax receipts totaled $133,796 in June 2026, up 2.9% year-over-year ($130,055 in June 2025). Marking the first positive YoY growth after months of decline, this rebound reflects increased summer dining and event activity. Sustaining this momentum into late summer will rely on continued investment in McAllen's entertainment district and event calendar.

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 %:	June 2026	YoY:
FY24-25: $5,242,502 FY25-26: $4,901,891	-6.50%	$394,264	13.65%



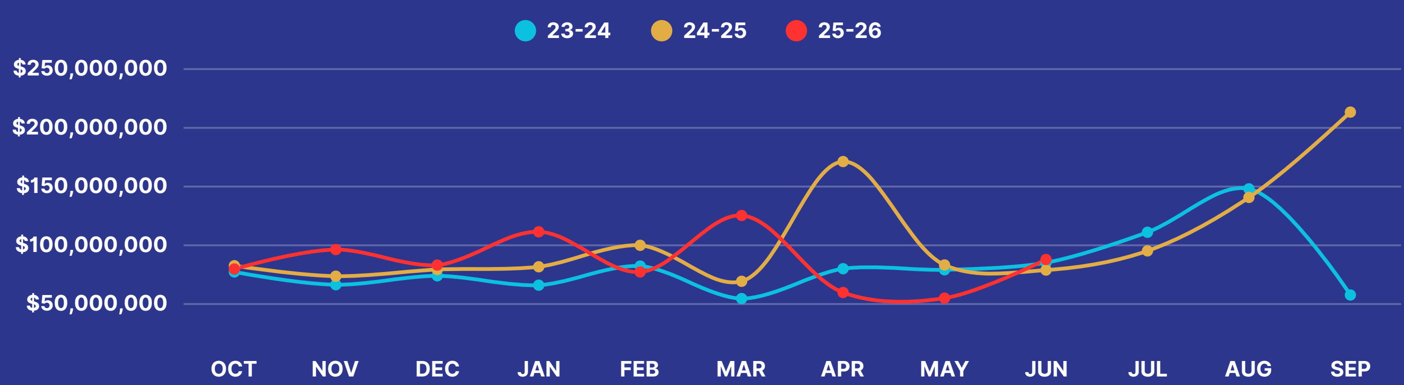
Lodging tax receipts reached $394,264 in June 2026—a 13.7% year-over-year surge from $346,902 in June 2025—marking one of the top growth performances in the dataset. Driven by strong demand across summer leisure travel, group bookings, and medical tourism, this outperformance reflects a sharp rebound for McAllen's hotel and convention sector. To sustain this momentum, convention center leadership and hotel operators should analyze the specific drivers of June's success and replicate those sales and programming strategies through the remainder of the summer and into the fall conference season.

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 %	June 2026	YoY %
FY24-25: $1,137,121,769 FY25-26: $1,225,658,922	7.79%	$87,928,436	11.43%

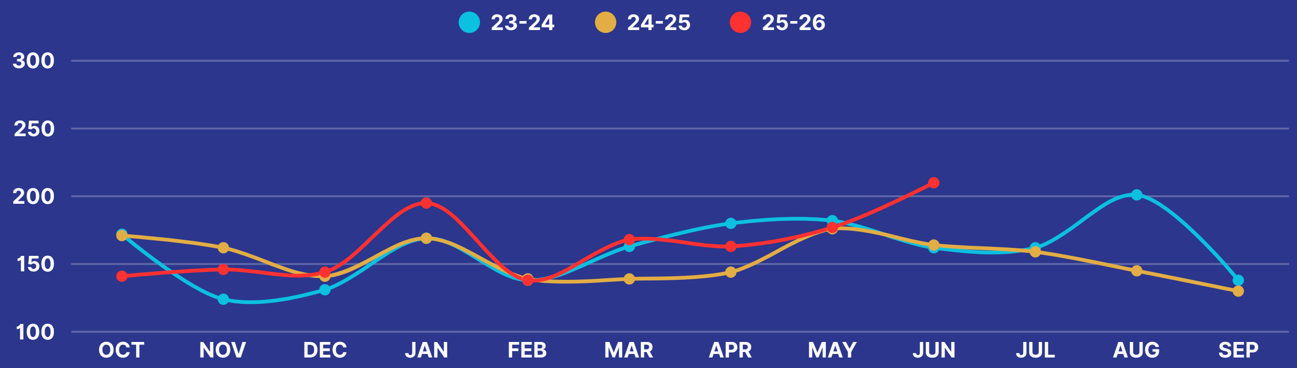


McAllen MSA construction permit values reached $87,928,436 in June 2026—an 11.4% year-over-year increase from $78,906,488 in June 2025. Combined with June's record-breaking new home permit volume, this growth indicates solid footing across both residential and commercial sectors heading into the second half of 2026. Contractors and suppliers should prepare for sustained building activity through the fall season.

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 %	June 2026	YoY %
FY24-25: 1,902 FY25-26: 1,916	0.74%	210	28.05%

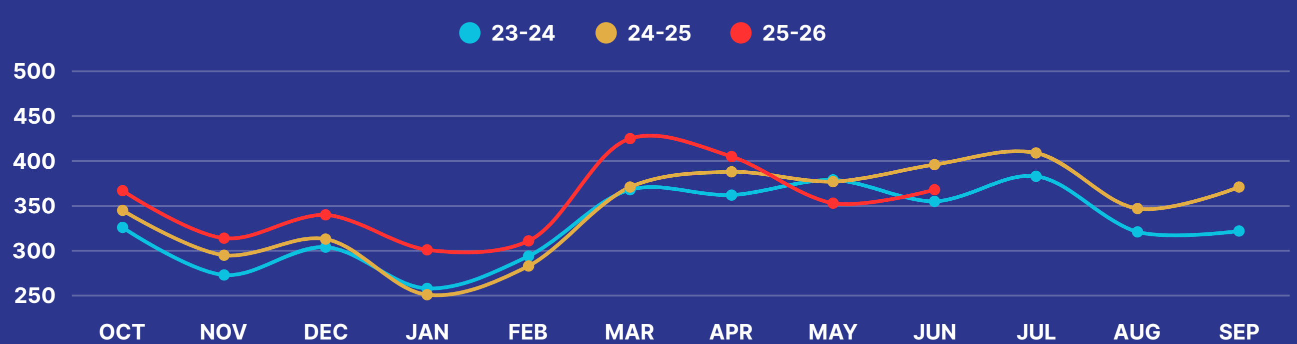


New home permits in the McAllen MSA reached 210 in June 2026, a 28.0% year-over-year increase from 164 in June 2025—marking the highest monthly permit count in the dataset. This acceleration reflects strong builder confidence and an expanding residential pipeline to support regional population growth, in-migration, and housing demand heading into the second half of the year.

7 HOME SALES

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

Trailing Twelve Months	TTM %	June 2026	YoY %
FY24-25: 4,045 FY25-26: 4,336	7.19%	368	0.51%

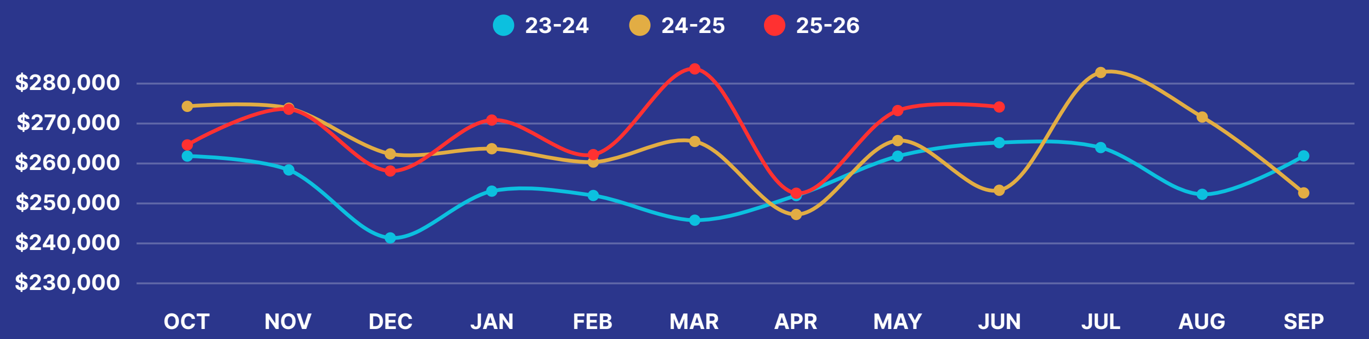


Home sales in Hidalgo County totaled 398 in June 2026, up 0.5% year-over-year from 396 in June 2025. Following a modest dip in May, this virtually flat result reflects overall market stability during the summer real estate season, while a healthy pipeline of new construction permits is expected to continue supporting future inventory and transaction volume.

8 AVERAGE HOME SALES PRICE

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

Trailing Twelve Months	TTM %	June 2026	YoY %
FY24-25: $262,049 FY25-26: $268,315	2.39%	$274,148	8.23%

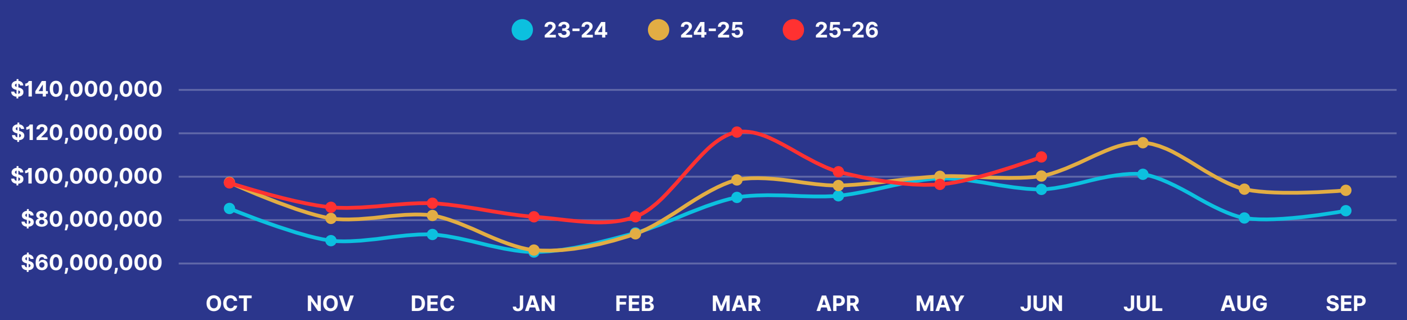


The average home sales price in Hidalgo County reached $274,148 in June 2026, an 8.2% year-over-year increase from $253,300 in June 2025. This represents the strongest rate of annual price appreciation in the dataset, reflecting growing demand relative to housing inventory. While prices remain below state averages, sustained acceleration in home prices may impact long-term affordability for first-time buyers and essential workers in the McAllen area.

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 %	June 2026	YoY %
FY24-25: $1,061,519,380 FY25-26: $1,164,810,270	9.73%	$109,111,038	8.78%



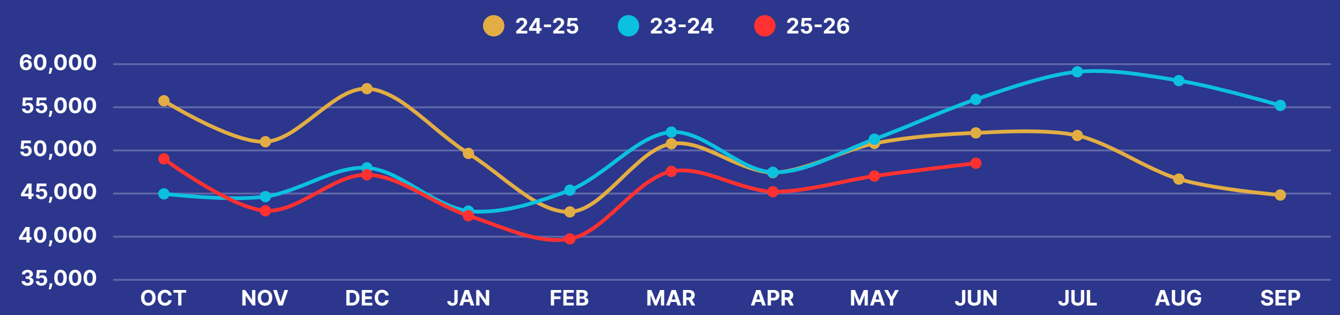
Residential real estate dollar volume in Hidalgo County totaled $109,111,038 in June 2026, an 8.8% year-over-year increase from $100,307,078 in June 2025. Driven by steady transaction counts and higher average sales prices, this growth reflects the expanding value and economic depth of the local housing market.

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 %	June 2026	YoY %
FY24-25: 629,939 FY25-26: 552,963	-12.22%	48,518	-6.76%

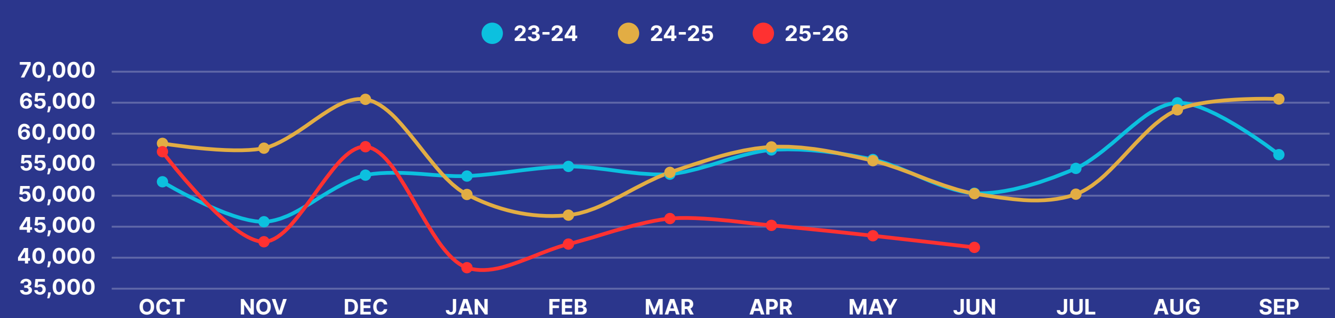


McAllen International Airport recorded 48,518 enplanements in June 2026, a 6.8% year-over-year decrease from 52,033 in June 2025. This multi-month decline during a peak summer travel period points to potential structural factors—such as shifts in route availability, airline capacity, or regional market dynamics—warranting ongoing evaluation.

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 %	June 2026	YoY %
FY24-25: 672,330 FY25-26: 592,909	-11.81%	$41,666	-17.22%



Metro McAllen ridership fell 17.2% year-over-year to 41,666 riders in June 2026 (down from 50,332 in June 2025). This decline extends a troubling multi-month trend that poses significant equity challenges during peak summer travel for transit-dependent residents. Leadership must urgently review route coverage, scheduling, and fare accessibility to address root causes and reverse the drop.

Cross-Border Commerce

BRIDGE CROSSINGS

Category	June	YoY Change	TTM Change
Southbound Personal Vehicle Crossings	335,226	▲ 14.14%	▼ 2.71%
Northbound Personal Vehicle Crossings	360,182	▲ 25.15%	▲ 1.12%
Northbound Personal Vehicle Passenger Crossings	716,880	▲ 26.57%	▲ 0.38%
Northbound Bus Crossings	784	▼ 5.08%	▼ 22.93%
Northbound Bus Passenger Crossings	13,220	▼ 3.11%	▼ 22.41%
Northbound Truck Crossings	56,074	▼ 4.07%	▲ 0.74%

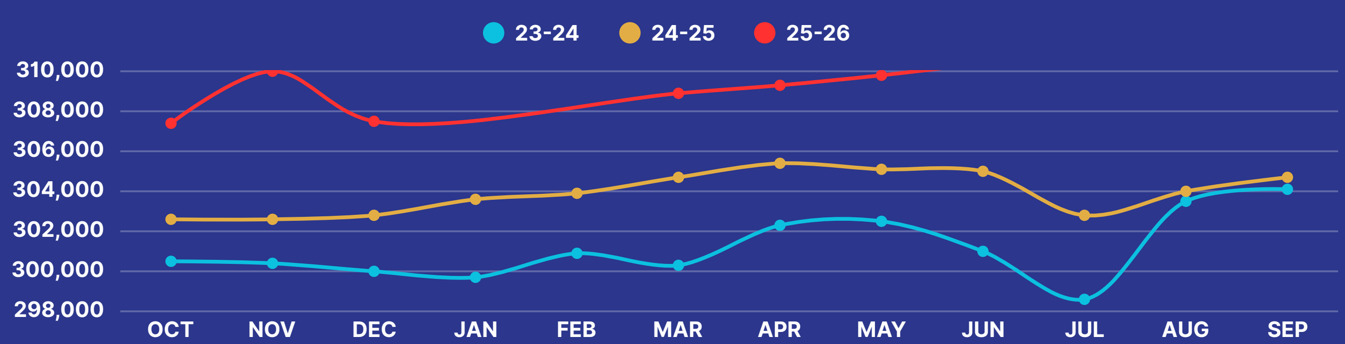
Labor Market

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 %	June 2026	YoY %
2023 - 2024: $303,492 2024 - 2026: $307,908	1.46%	$310,400	1.77%

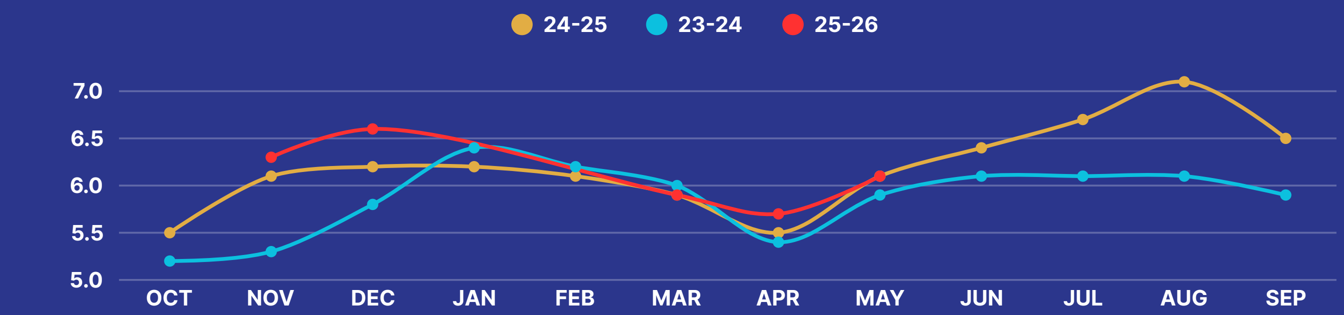


Total nonfarm payroll in the McAllen MSA reached 310,400 jobs in June 2026, up 1.8% year-over-year (+5,400 net new jobs) from 305,000 in June 2025. Marking the strongest monthly YoY job growth reported in 2026, this acceleration—paired with record sales tax gains and bridge crossings—highlights a surging local economy and underscores the need for continued investment in workforce development, business attraction, and regional infrastructure.

13 UNEMPLOYMENT RATE

Moderate unemployment promotes labor market flexibility and productivity.

Trailing Twelve Months	TTM %	June 2026	YoY %
2023 - 2024: 6.02% 2024 - 2026: 5.91%	-1.80%	7.0%	9.38%



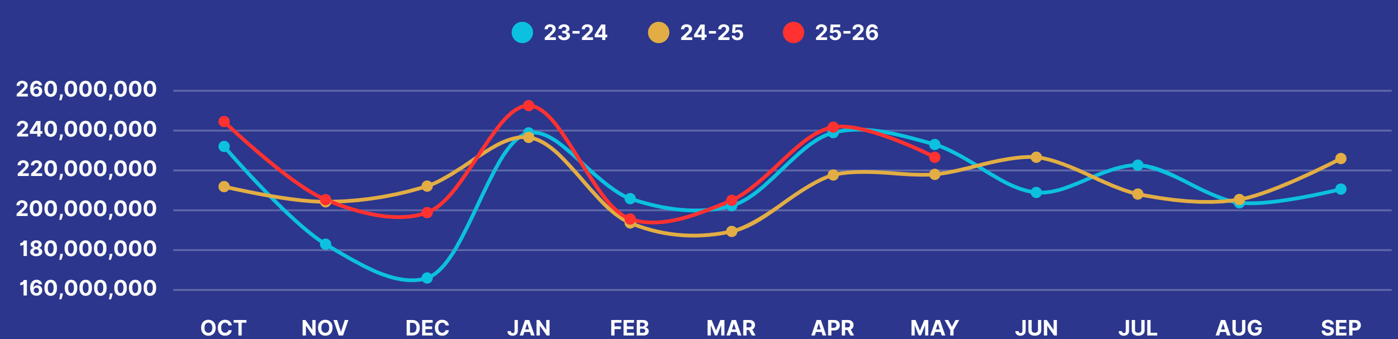
The McAllen MSA unemployment rate rose 0.6 percentage points to 7.0% in June 2026, up from 6.4% in June 2025. Occurring alongside simultaneous payroll growth, this uptick likely reflects a seasonal labor force expansion as students and youth enter the job market for the summer. Stakeholders should verify whether this increase stems from labor supply expansion—which signals a healthy market dynamic—or job losses, which would warrant policy intervention.

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 %	June 2026	YoY %
FY24-25: $2,572,479,719 FY25-26: $2,721,790,133	5.80%	$239,975,593	-1.22%

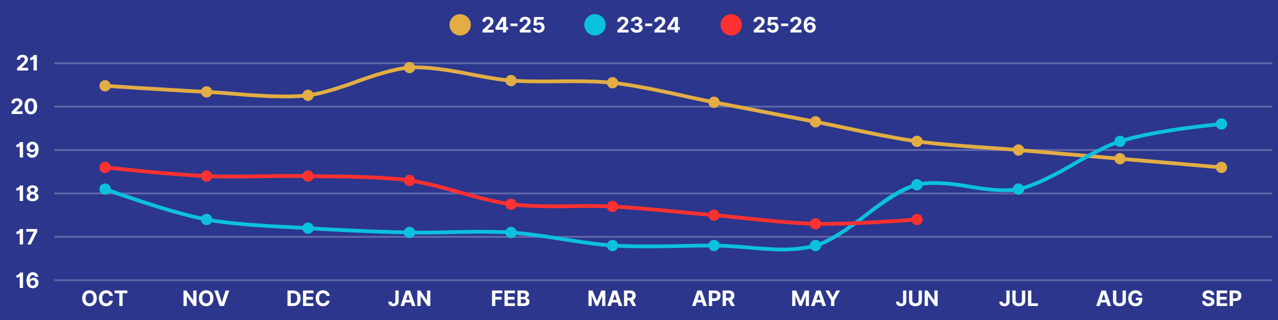


Auto purchase spending in June 2026 totaled $239,975,593, down 1.4% year-over-year from $242,931,977 in June 2025. This slight pullback reflects a modest, seasonal adjustment following a strong spring rather than a shift in broader market demand. Sustained peso strength continues to support cross-border vehicle purchases, and dealers should anticipate renewed momentum heading into late summer as model-year clearance events and seasonal promotions launch.

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 %	June 2026	YoY %
FY24-25: $19.90 FY25-26: $18.10	-8.88%	$17.40	-9.38%



The Mexican peso stood at 17.40 MXN per USD in June 2026—a 9.4% year-over-year appreciation from 19.20 in June 2025. Though growth has moderated slightly from earlier months, this sustained currency strength remains a key driver for McAllen's cross-border economy, boosting bridge crossings, retail sales, and auto purchases. Even as exchange rates eventually normalize, the deepened consumer habits and business ties developed during this period will provide lasting economic benefits.

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