2026

McALLEN
CHAMBER OF COMMERCE

Economic **Pulse**

McAllen Area

July 2026 REPORT

MCALLEN AREA

July 2026 Economic Pulse

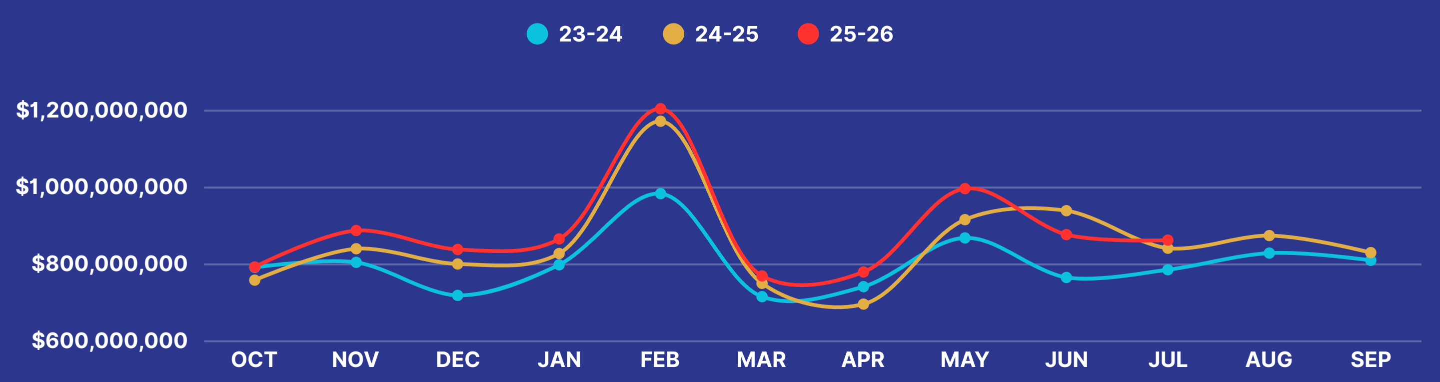
Let's break down the data analysis to explore the **economic impact on McAllen, Texas**, specifically focusing on the role of McAllen as a border town and the broader implications for its local economy.

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 %	July 2026	YoY %
FY24-25: $10,187,711,851 FY25-26: $10,582,916,177	3.88%	$863,226,320	2.51%

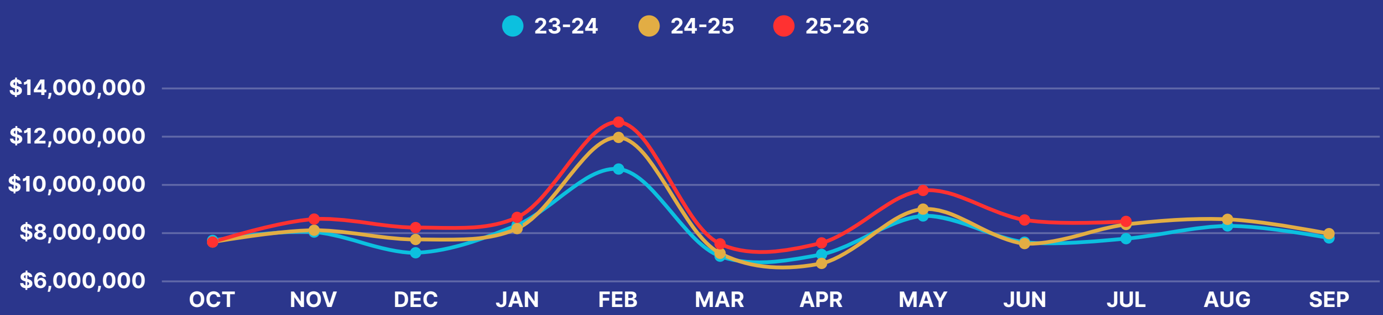


Retail sales in the McAllen MSA reached $863,226,320 in July 2026, up 2.5% year-over-year from $842,101,326 in July 2025. A positive return to growth during McAllen's peak back-to-school month reflects the continued strength of the region's binational consumer base, with northbound crossing volumes at historic highs driving meaningful foot traffic into local commercial corridors. As McAllen heads into the fall shopping season, sustaining this momentum will hinge on cross-border marketing, competitive retail offerings, and continued infrastructure investment that makes the shopping experience seamless for both local and Mexican consumers.

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 %	July 2026	YoY %
FY24-25: $98,579,594 FY25-26: $104,206,773	5.71%	$8,485,761	1.50%



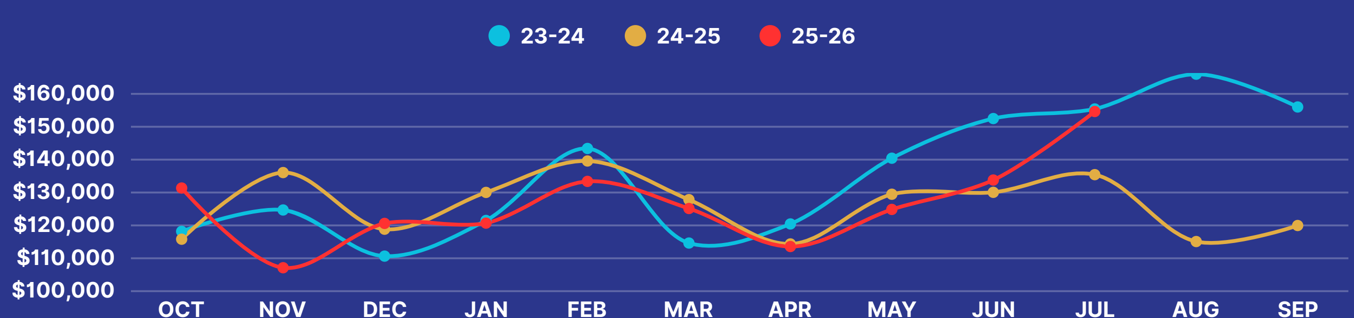
Sales tax receipts totaled $8,485,761 in July 2026, up 1.5% year-over-year. Growth moderated from recent double-digit months but remains positive during one of McAllen's highest-volume retail periods. Sustained cross-border traffic and continued retail investment will be key to maintaining upward momentum through year-end.

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 %	July 2026	YoY:
FY24-25: $1,599,491 FY25-26: $1,500,240	-6.21%	$154,638	14.18%

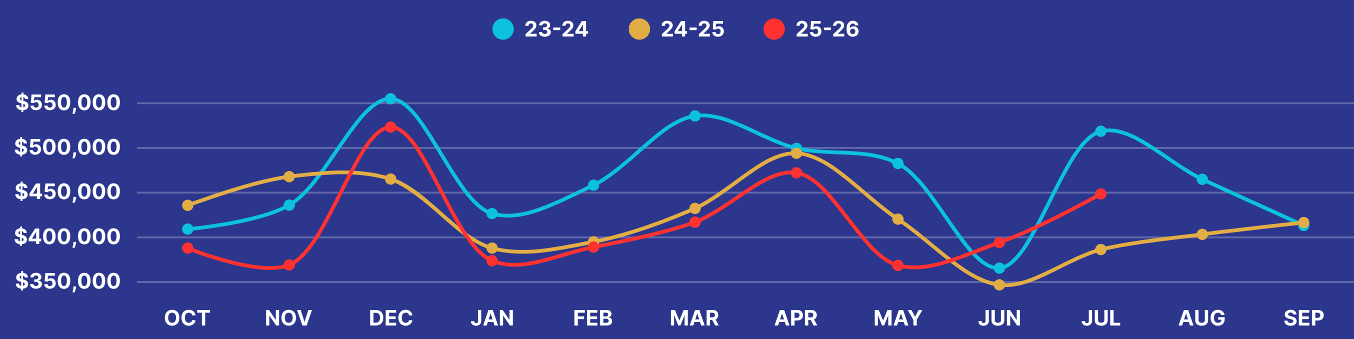


Mixed beverage tax receipts reached $154,638, up 14.2% year-over-year — the strongest monthly gain in the dataset. This surge reflects robust summer social activity and growing patronage at McAllen's expanding dining and entertainment venues. Operators should capitalize on this momentum heading into the fall event season.

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 %:	July 2026	YoY:
FY24-25: $5,110,262 FY25-26: $4,964,030	-2.86%	$448,524	16.08%



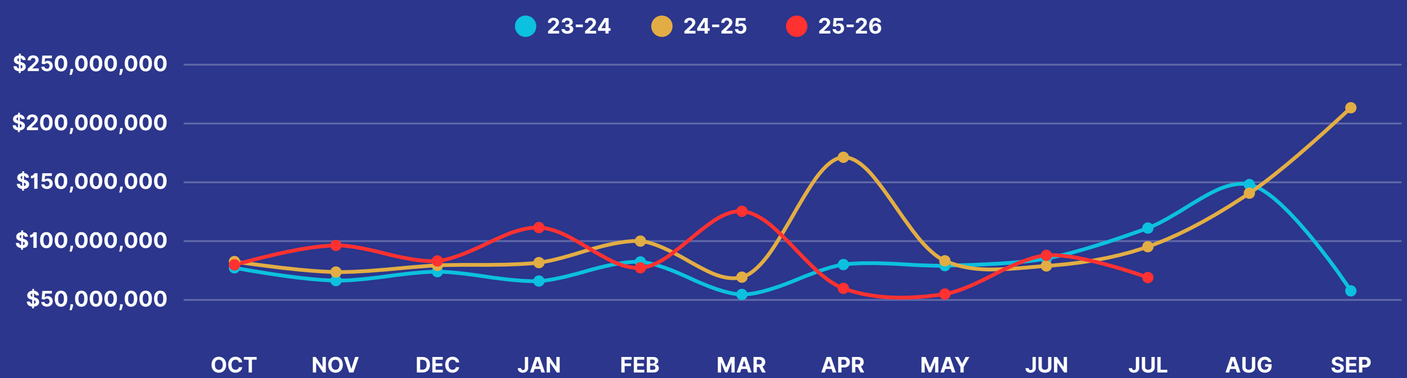
Lodging tax receipts came in at $448,524, up 16.1% year-over-year, marking back-to-back months of double-digit growth. Medical tourism, summer leisure travel, and group bookings are all contributing to McAllen's hotel sector resurgence. Now is the ideal time to lock in fall and winter convention bookings while demand conditions are strong.

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 %	July 2026	YoY %
FY24-25: $1,121,280,737 FY25-26: $1,199,425,204	6.97%	$69,016,757	-27.54%

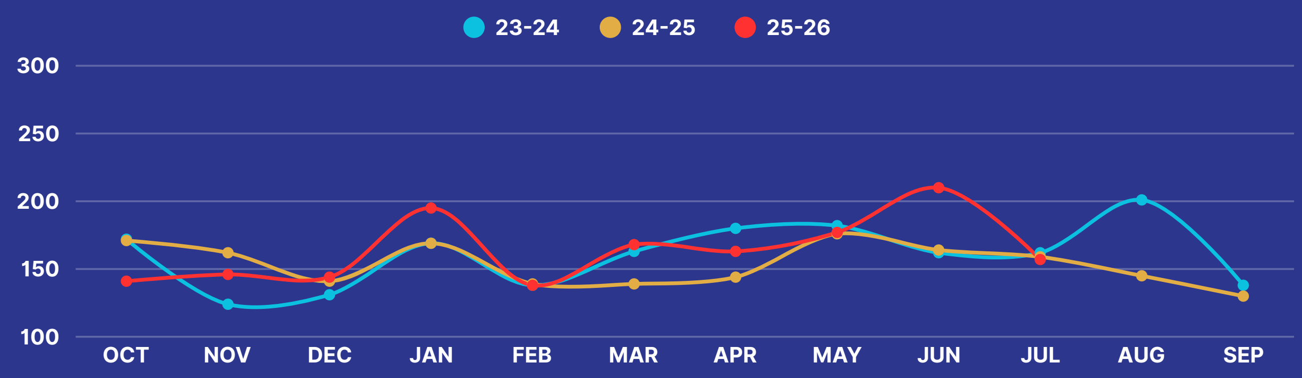


Construction permit value totaled $69,016,757 in July 2026, down 27.6% year-over-year. The decline reflects the absence of large one-time projects that inflated last July's figure, not a broad construction slowdown. The residential pipeline remains healthy, and a rolling 12-month view gives the most accurate read on sector trends.

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 %	July 2026	YoY %
FY24-25: 1,903	0.58%	157	-1.26%
FY25-26: 1,914			

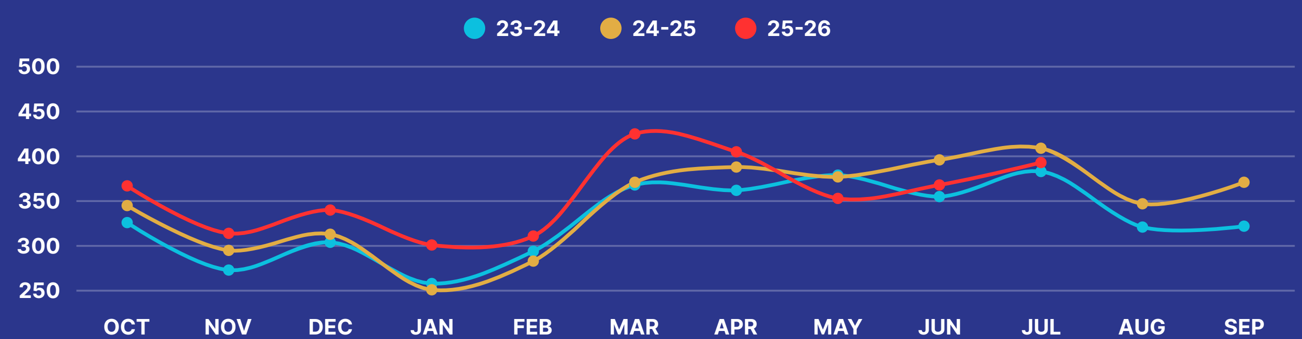


New home permits totaled 157, down just 1.3% year-over-year — essentially flat after June's record-breaking month. The modest summer dip is a normal seasonal pattern and the underlying residential pipeline remains healthy. Strong first-half permit activity will continue translating into construction jobs and closings through year-end.

7 HOME SALES

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

Trailing Twelve Months	TTM %	July 2026	YoY %
FY24-25: 4,071	6.12%	393	-3.91%
FY25-26: 4,320			

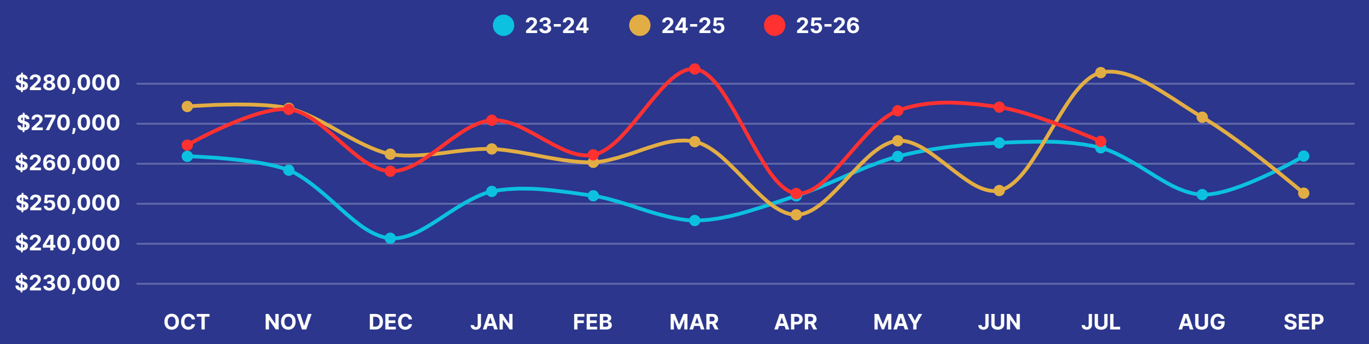


Home sales in Hidalgo County totaled 393, down 3.9% year-over-year. Transaction volumes have run modestly below prior-year levels for two consecutive months, though the broader market picture — strong permits, rising prices, and healthy dollar volumes — remains fundamentally sound. Inventory availability in key price ranges will be a determining factor for performance in the months ahead.

8 AVERAGE HOME SALES PRICE

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

Trailing Twelve Months	TTM %	July 2026	YoY %
FY24-25: $263,615 FY25-26: $266,882	1.24%	$265,585	-6.08%

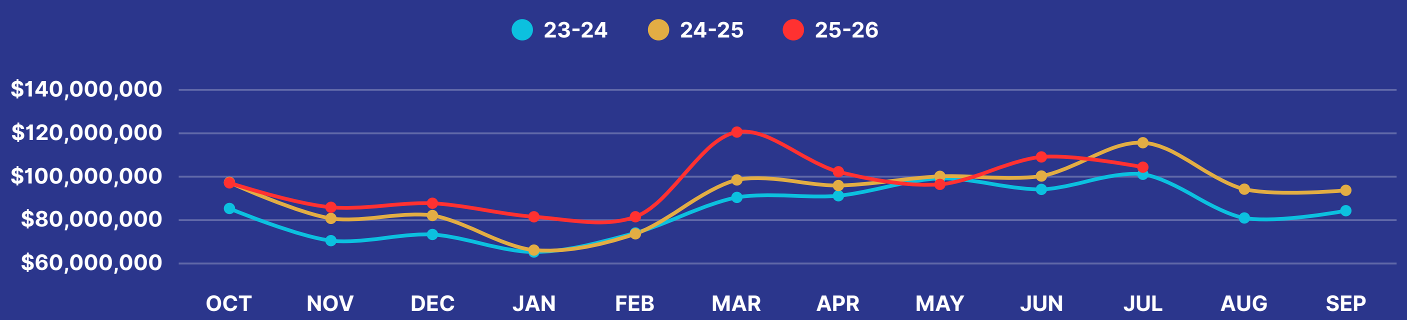


The average home sales price reached $265,585, down 6.1% year-over-year. The pullback follows June's strong 8.2% gain and likely reflects a shift toward more entry-level and mid-range product in July's sales mix rather than a broad market correction. A rolling three-month average price provides a more stable and meaningful view of underlying price trends.

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 %	July 2026	YoY %
FY24-25: $1,076,069,518 FY25-26: $1,153,528,252	7.20%	$104,375,034	-9.75%



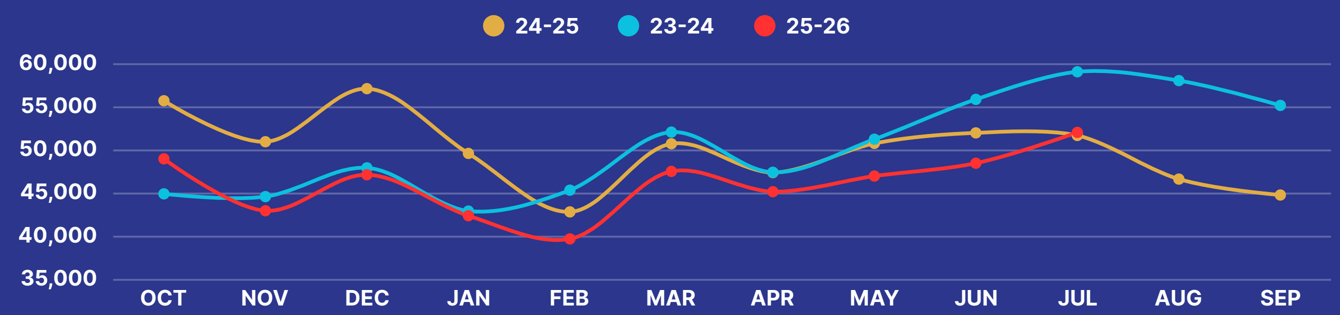
Residential real estate dollar volume totaled $104,375,034, down 9.7% year-over-year. Fewer transactions and a lower average price combined to produce the decline, though the market still surpassed $100 million — reflecting the ongoing depth of Hidalgo County's housing market. Structural demand fundamentals remain supportive of recovery in coming months.

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 %	July 2026	YoY %
FY24-25: 622,553 FY25-26: 553,320	-11.12%	52,090	0.69%

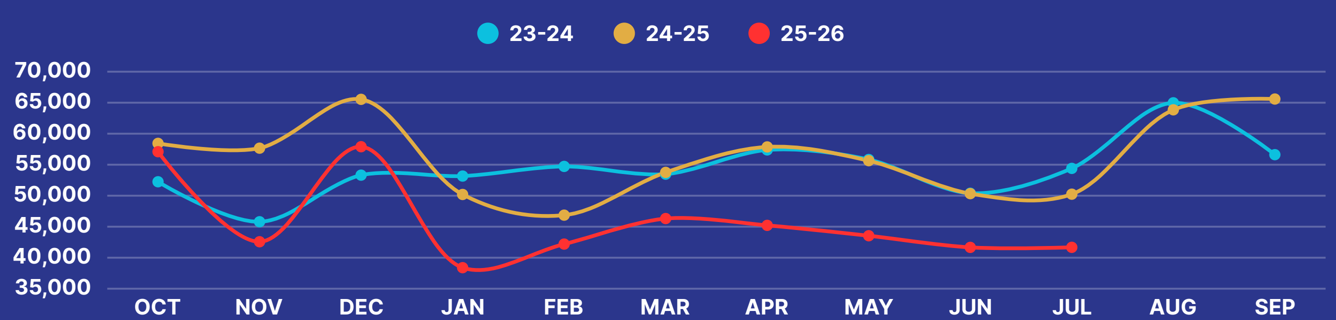


McAllen International Airport recorded 52,090 enplanements in July 2026, up 0.7% year-over-year. After several consecutive months of declines, this near-flat result signals stabilization and marks the airport's best comparative performance of 2026. Continued route retention and airline partnership efforts will be key to building momentum into the fall travel season.

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 %	July 2026	YoY %
FY24-25: 668,169 FY25-26: 584,338	-12.55%	$41,674	-17.06%



Metro McAllen recorded 41,674 riders, down 17.0% year-over-year. This sustained double-digit decline across every month of 2026 represents the most persistent negative trend in the economic pulse data. A transparent assessment of root causes and a concrete service recovery plan would meaningfully serve both the transit authority and the broader community.

Cross-Border Commerce

BRIDGE CROSSINGS

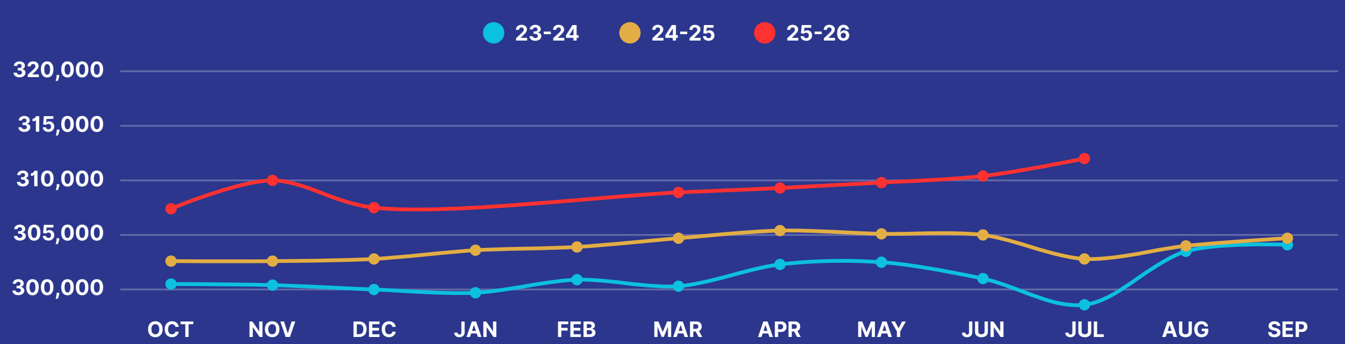
Category	July	YoY Change	TTM Change
Southbound Personal Vehicle Crossings	355,679	▲ 12.06%	▼ 0.23%
Northbound Personal Vehicle Crossings	382,446	▲ 20.54%	▲ 4.49%
Northbound Personal Vehicle Passenger Crossings	800,417	▲ 22.24%	▲ 4.17%
Northbound Bus Crossings	712	▼ 20.62%	▼ 24.19%
Northbound Bus Passenger Crossings	13,311	▼ 12.38%	▼ 22.30%
Northbound Truck Crossings	57,079	▼ 4.28%	▲ 0.44%

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 %	July 2026	YoY %
2023 - 2024: $303,842 2024 - 2026: $308,675	1.59%	$312,000	3.04%

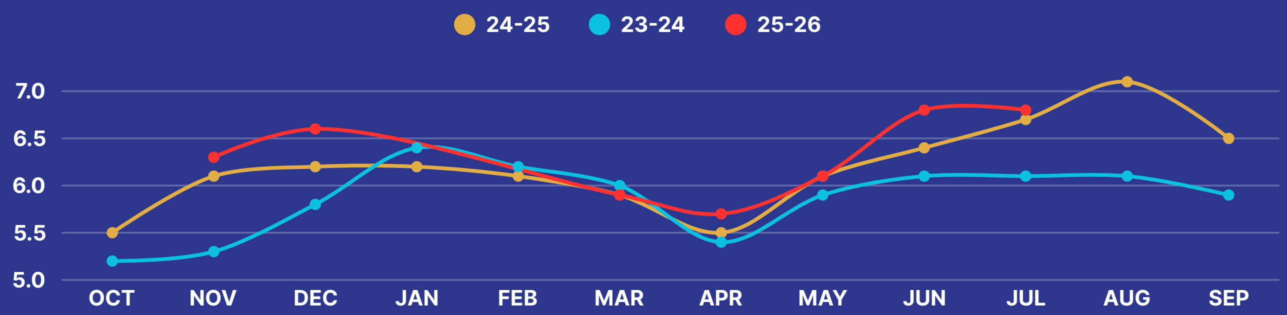


Nonfarm payroll reached 312,000 jobs, up 3.0% year-over-year — the strongest annual job growth rate in the dataset, adding approximately 9,200 positions. Healthcare, retail, hospitality, and education sectors are driving the expansion alongside seasonal summer hiring. For a border metro historically challenged by unemployment, this level of employment growth is a genuinely meaningful milestone.

13 UNEMPLOYMENT RATE

Moderate unemployment promotes labor market flexibility and productivity.

Trailing Twelve Months	TTM %	July 2026	YoY %
2023 - 2024: 6.07%	-2.47%	6.8%	1.49%
2024 - 2026: 5.92%			



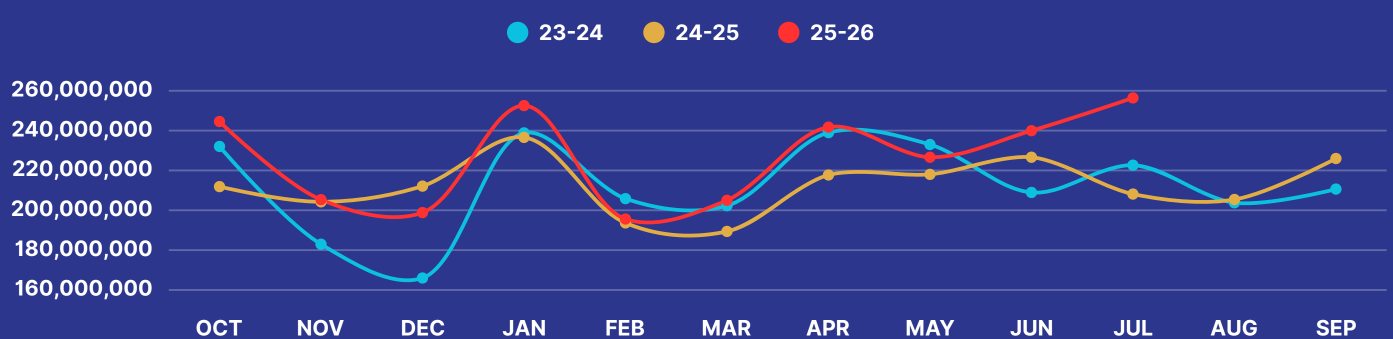
The unemployment rate came in at 6.8%, up just 0.1 percentage point year-over-year. With payrolls growing 3% simultaneously, the marginal rate increase almost certainly reflects labor force expansion rather than job loss — more residents actively seeking work is a healthy sign. Continued investment in workforce training and employer partnerships will help connect new labor force entrants with quality opportunities.

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 %	July 2026	YoY %
FY24-25: $2,555,311,628	8.51%	$256,418,771	24.79%
FY25-26: $2,772,726,044			

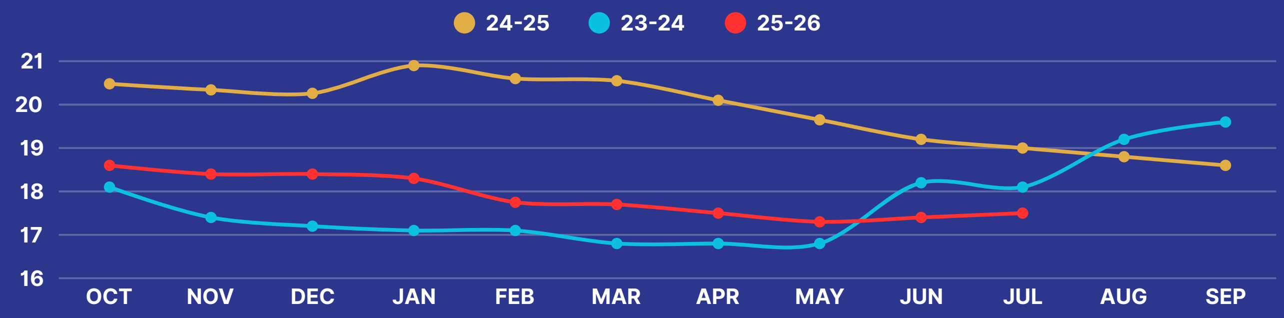


Auto purchase spending totaled $256,418,771, up 24.8% year-over-year — the strongest monthly auto growth figure in the dataset. Summer buying activity, peso-driven cross-border demand, and model-year clearance events all contributed to this standout performance. McAllen's dealerships and financing institutions are clearly capturing significant regional and binational demand.

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 %	July 2026	YoY %
FY24-25: $20.00 FY25-26: $18.00	-9.85%	$17.50	-7.89%



The peso stood at 17.50 MXN per USD, reflecting a 7.9% year-over-year appreciation. The peso's advantage has gradually moderated from its early-2026 peak but remains a meaningful tailwind for cross-border consumer activity in McAllen. Businesses that deepened Mexican consumer and business relationships during this favorable window are well-positioned for the long term, regardless of future currency movements.

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