



Economic Pulse

2026

McAllen Area

August 2026 REPORT

MCALLEN AREA

August 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 %

August 2026

YoY %

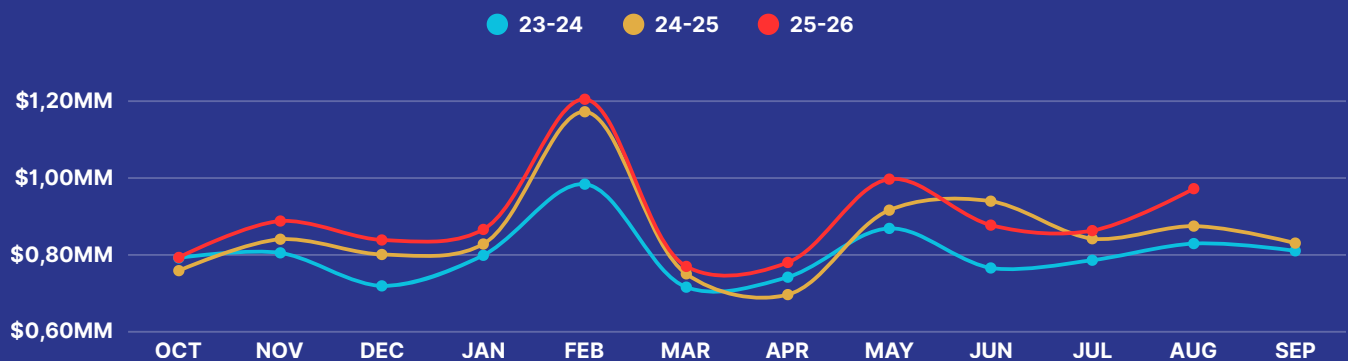
FY24-25: \$10,233,207,506

4.37%

\$972,354,973

11.13%

FY25-26: \$10,680,272,609



Retail sales reached \$972,354,973 in August 2026, up 11.1% year-over-year from \$874,998,541. Approaching the \$1 billion threshold during back-to-school season — traditionally McAllen's highest retail month — reflects the extraordinary consumer demand generated by both local households and cross-border shoppers. This result positions McAllen's retail sector strongly heading into the holiday shopping season and reinforces the city's case as one of Texas's premier retail markets.

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 %

August 2026

YoY %

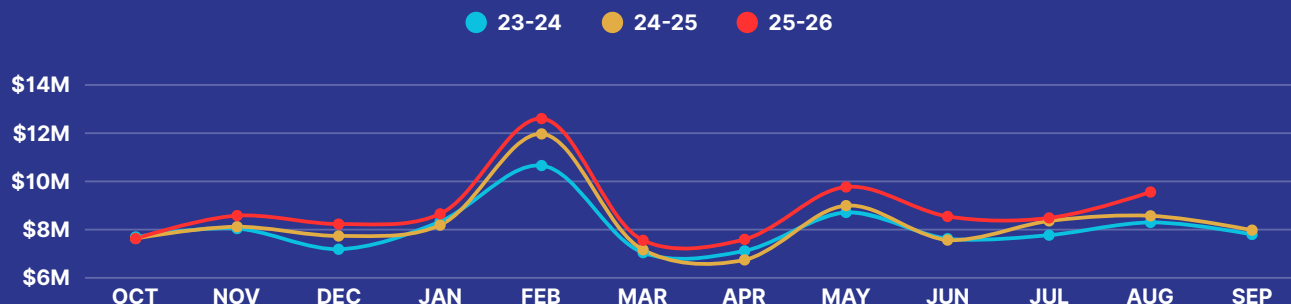
FY24-25: \$98,853,190

6.41%

\$9,559,977

11.51%

FY25-26: \$105,193,901



Sales tax receipts totaled \$9,559,977 in August 2026, up 11.5% year-over-year from \$8,572,849. A double-digit gain during McAllen's peak back-to-school month reflects the powerful combination of local consumer spending and cross-border shopping from peso-strong Mexican families stocking up for the new school year. This result reinforces McAllen's status as the Rio Grande Valley's dominant retail destination and bodes well for sustained tax revenue growth heading into the fall.

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 %

August 2026

YoY:

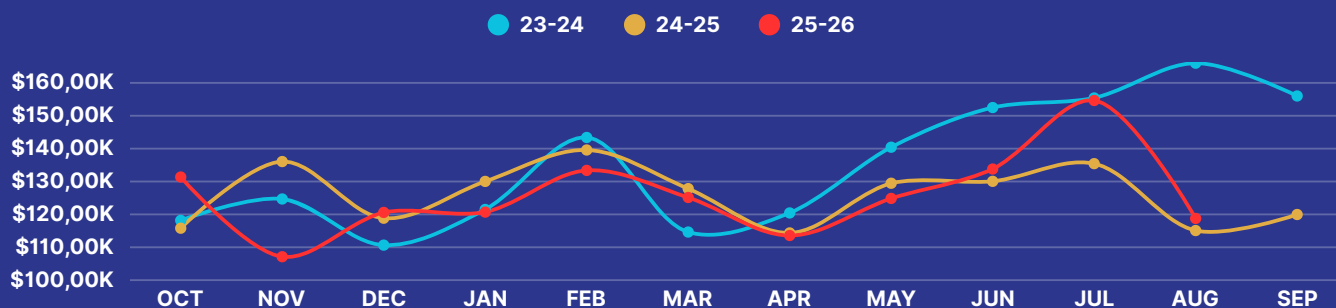
FY24-25: \$1,548,597

-2.89%

\$118,769

3.20%

FY25-26: \$1,503,918



Mixed beverage tax receipts reached \$118,769 in August 2026, up 3.2% year-over-year from \$115,091. Modest but positive growth during a busy summer month signals continued stability in McAllen's dining and entertainment sector. Operators should look to leverage fall programming and cultural events to build on this steady performance through the end of the year.



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:

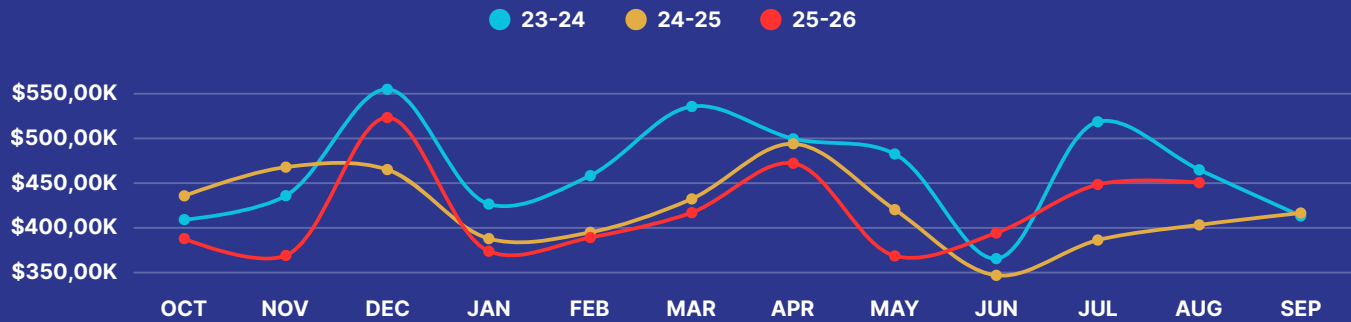
TTM %:

August 2026

YoY:

FY24-25: \$5,048,660

FY25-26: \$5,011,276

-0.74%**\$450,581****11.71%**

Lodging tax receipts came in at \$450,581 in August 2026, up 11.7% year-over-year from \$403,335. Three consecutive months of double-digit lodging growth confirms a genuine resurgence in McAllen's hospitality sector, driven by summer leisure travel, medical tourism, and group bookings. Hotel operators and convention planners should treat this sustained momentum as a strong foundation for aggressive fall and winter booking strategies.

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:

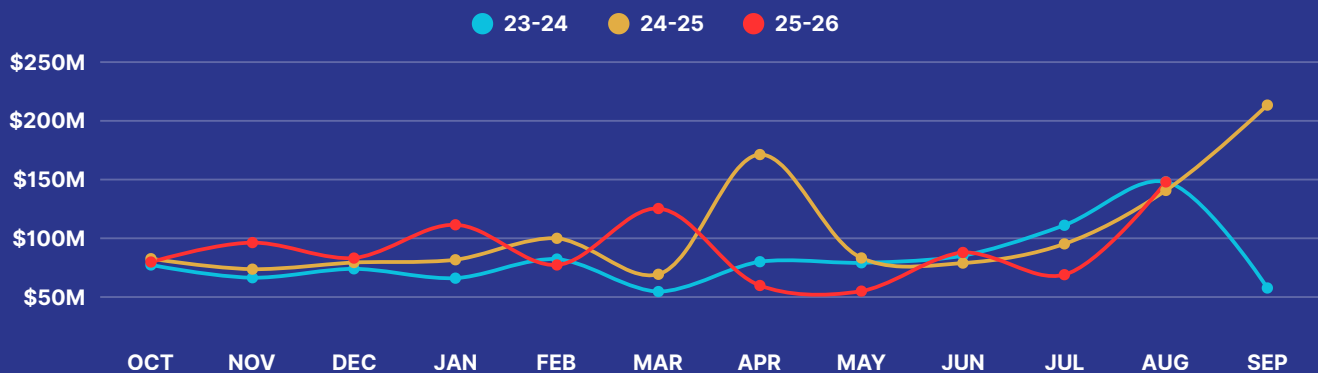
TTM %:

August 2026

YoY %:

FY24-25: \$1,113,959,479

FY25-26: \$1,206,660,282

8.32%**\$147,991,158****5.14%**

Construction permit value totaled \$147,991,158 in August 2026, up 5.1% year-over-year from \$140,756,080. A return to positive permit value growth — the first in several months — signals renewed large-scale commercial or institutional project activity in the McAllen MSA. This result, combined with a healthy residential pipeline, paints an encouraging picture for the construction sector heading into the fall building 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 %

August 2026

YoY %

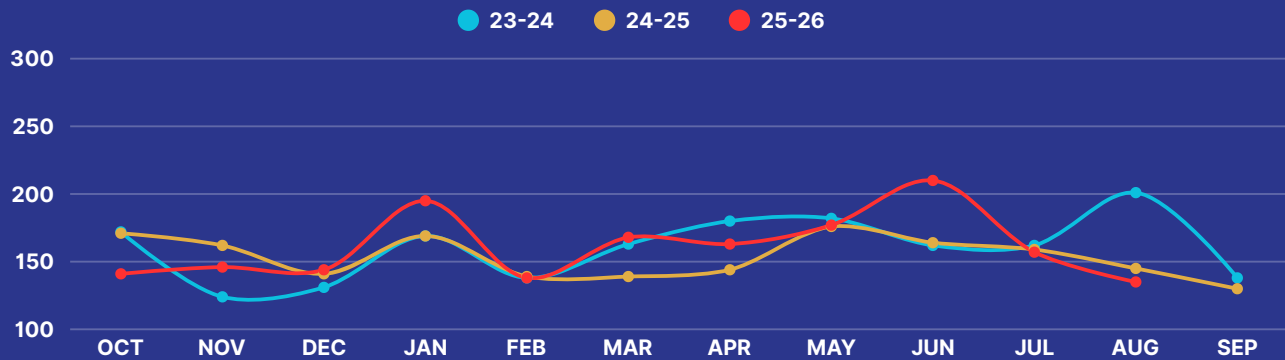
FY24-25: 1,847

3.09%

135

-6.90%

FY25-26: 1,904



New home permits totaled 135 in August 2026, down 6.9% year-over-year from 145. A modest summer pullback in permits is consistent with seasonal construction patterns and follows an exceptionally strong first half of the year. The broader residential pipeline remains healthy, and the underlying demand fundamentals — population growth and household formation — continue to support a positive outlook for builders through year-end.

7

HOME SALES

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



Trailing Twelve Months

TTM %

August 2026

YoY %

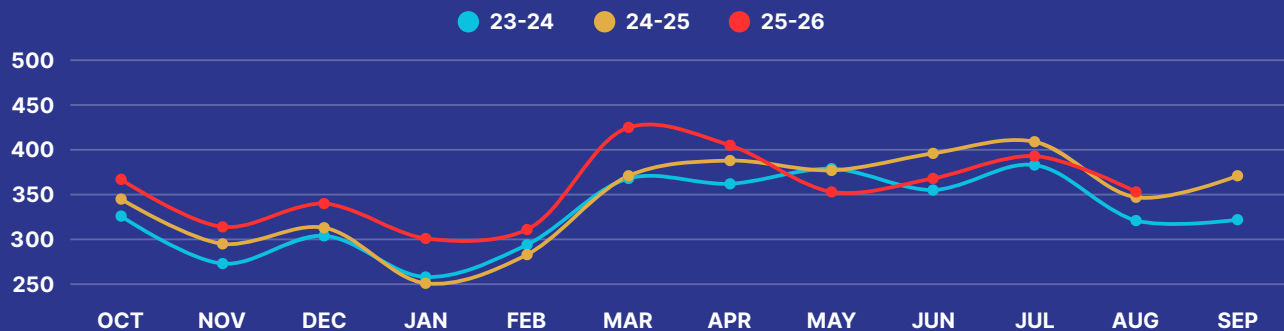
FY24-25: 4,097

5.59%

353

1.73%

FY25-26: 4,326



Home sales in Hidalgo County totaled 353 in August 2026, up 1.7% year-over-year from 347. Transaction volumes returned to modest positive growth after two months of slight declines, a reassuring signal that the market remains fundamentally stable. Continued attention to available inventory in entry-level and mid-range price segments will be key to sustaining healthy transaction activity through the remainder of the year.

8

**AVERAGE
HOME SALES
PRICE**

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



Trailing Twelve Months

TTM %

August 2026

YoY %

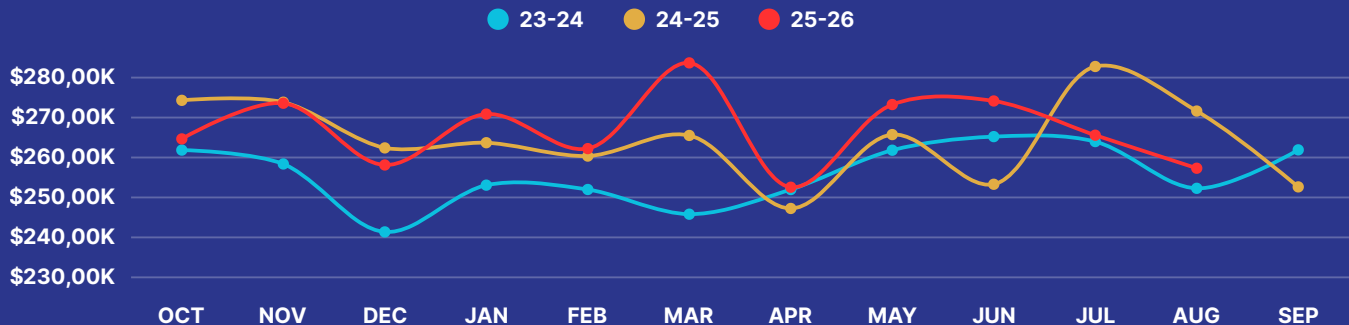
FY24-25: \$265,227

0.17%

\$257,311

-5.27%

FY25-26: \$265,689



The average home sales price reached \$257,311 in August 2026, down 5.3% year-over-year from \$271,629. The pullback in average price likely reflects a shift in the mix of closed transactions toward more affordable product rather than broad market softening. Tracking the rolling three-month average remains the most reliable way to assess underlying price trends in Hidalgo County's dynamic housing market.

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 %

August 2026

YoY %

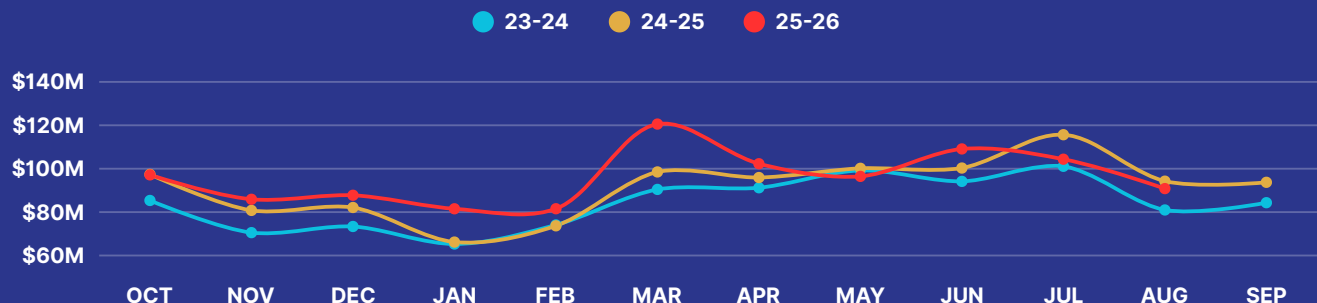
FY24-25: \$1,089,341,122

5.58%

\$90,830,893

-3.63%

FY25-26: \$1,150,103,754



Residential real estate dollar volume totaled \$90,830,893 in August 2026, down 3.6% year-over-year from \$94,255,391.

A modest decline driven by lower average prices partially offsets the slight gain in transaction count. The market remains active and structurally sound, with demand fundamentals continuing to support a positive outlook for the fall selling season.

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 %

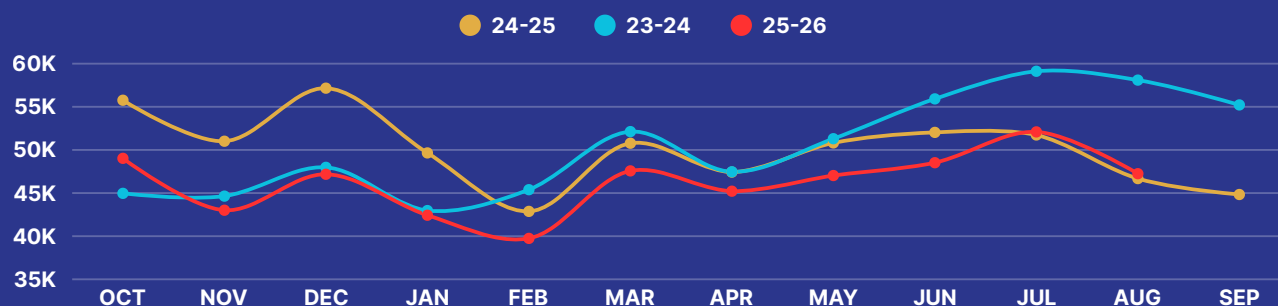
August 2026

YoY %

FY24-25: 611,136

-9.37%**47,244****1.21%**

FY25-26: 553,887



McAllen International Airport recorded 47,244 enplanements in August 2026, up 1.2% year-over-year from 46,677. For the second consecutive month, MFE has returned to positive year-over-year territory after a stretch of declines earlier in 2026 — a welcome sign of stabilization. Sustained focus on route development and airline partnerships will be essential to converting this stabilization into meaningful growth heading into the winter 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 %

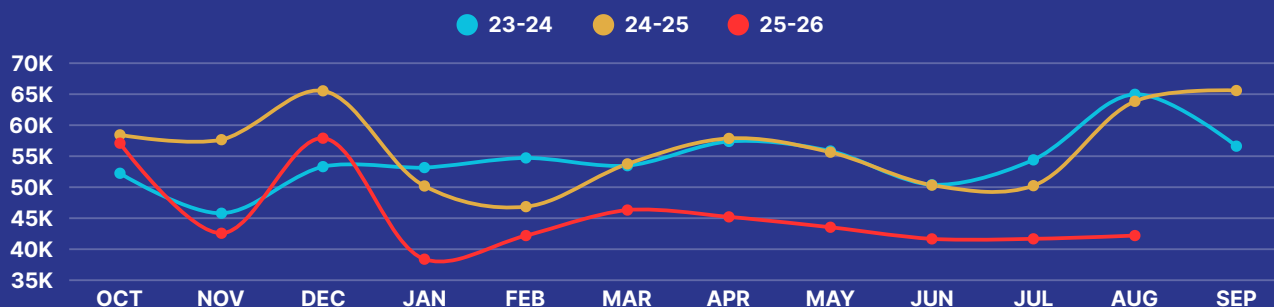
August 2026

YoY %

FY24-25: 667,038

-15.64%**\$42,201****-33.91%**

FY25-26: 562,687



Metro McAllen recorded 42,201 riders in August 2026, down 33.9% year-over-year from 63,852. Ridership patterns across the country have continued to shift in the post-pandemic era, and McAllen is navigating that same transition alongside peer cities. Continued investment in service frequency, route coverage, and rider outreach presents a meaningful opportunity to reconnect residents with public transit and grow ridership in the months ahead.

Cross-Border Commerce

BRIDGE CROSSINGS

Category	August	YoY Change	TTM Change
Southbound Personal Vehicle Crossings	363,903	▲ 6.52%	▼ 1.63%
Northbound Personal Vehicle Crossings	396,337	▲ 14.26%	▲ 7.26%
Northbound Personal Vehicle Passenger Crossings	826,742	▲ 15.13%	▲ 7.14%
Northbound Bus Crossings	756	▼ 18.97%	▼ 25.66%
Northbound Bus Passenger Crossings	13,557	▼ 16.23%	▼ 23.16%
Northbound Truck Crossings	55,414	▼ 8.13%	▲ 0.02%

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 %

August 2026

YoY %

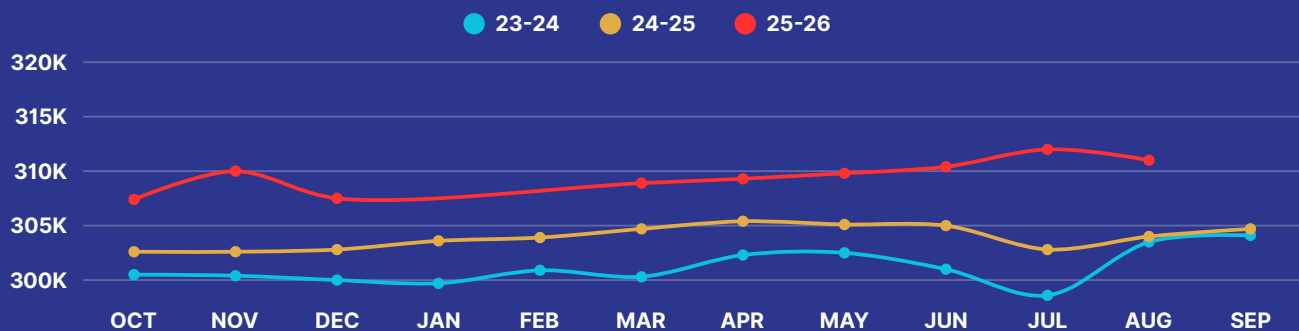
2023 - 2024: \$303,983

1.70%

\$311,000

1.90%

2024 - 2026: \$309,158



Nonfarm payroll reached 311,000 jobs in August 2026, up 1.9% year-over-year from 305,200. McAllen's employment base continues its steady expansion, adding approximately 5,800 jobs compared to last August across healthcare, retail, education, and logistics sectors. This consistent payroll growth reflects a labor market that is broadening its base and generating increasing household income that flows back into the local economy.

13

UNEMPLOYMENT RATE

Moderate unemployment promotes labor market flexibility and productivity.

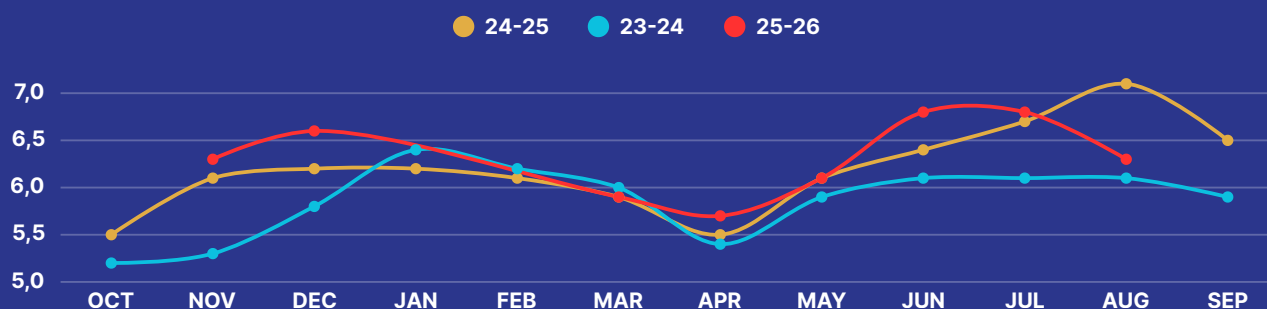


Trailing Twelve Months

TTM %

August 2026

YoY %

2023 - 2024: 6.14%**-4.61%****6.3%****-10.00%****2024 - 2026: 5.86%**

The unemployment rate came in at 6.3% in August 2026, improved from 7.0% in August 2025 — a meaningful 0.7 percentage point decline. This is one of the most encouraging unemployment readings of the year and suggests that McAllen's job market is genuinely absorbing more workers into employment. Continued investment in workforce development, vocational training, and employer partnerships will help sustain this positive momentum.

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.

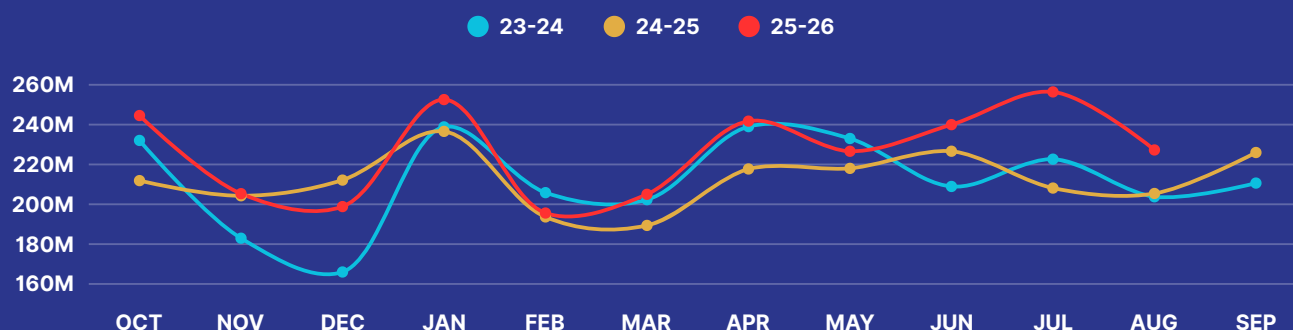


Trailing Twelve Months

TTM %

August 2026

YoY %

FY24-25: \$2,557,718,188**9.23%****\$227,275,683****10.23%****FY25-26: \$2,793,820,114**

Auto purchase spending totaled \$227,275,683 in August 2026, up 10.2% year-over-year from \$206,181,613. Double-digit auto purchase growth during back-to-school season reflects strong consumer confidence and continued cross-border buying activity fueled by the peso's purchasing power advantage. McAllen's dealerships remain well-positioned to capture regional and binational demand as the fall model-year transition drives additional showroom traffic.

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 %

August 2026

YoY %

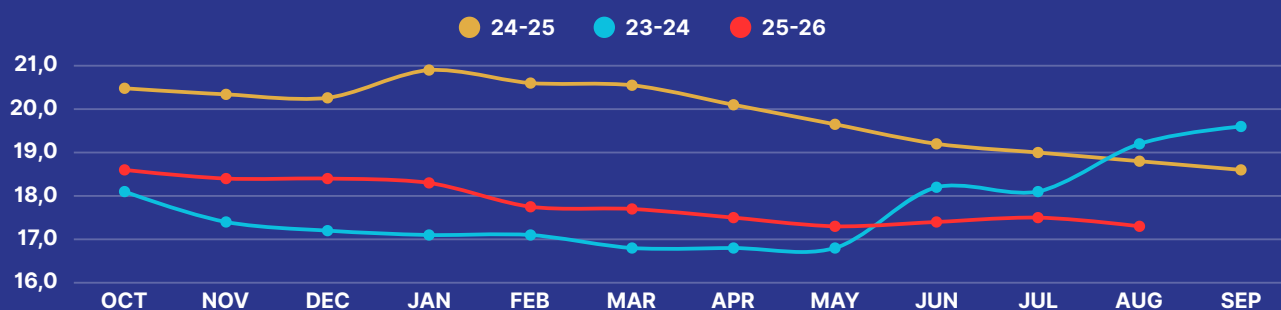
FY24-25: \$20.00

-10.34%

\$17.30

-7.98%

FY25-26: \$17.90



The peso stood at 17.30 MXN per USD in August 2026, compared to 18.80 in August 2025 — a 8.0% year-over-year appreciation. The peso's sustained strength continues to be the single most consequential macroeconomic tailwind for McAllen's cross-border economy in 2026, directly fueling the historic surge in northbound crossings, retail sales, and auto purchases seen throughout the year. Businesses that have deepened their binational customer relationships during this favorable window are building durable competitive advantages that will outlast any future currency normalization.



SPONSORED BY

