

# The Lubbock Economy

May 2024



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# Lubbock Economic Analysis

## **Lubbock's economy remains steady with continued retail sales ahead of last year, new and used vehicle sales being up and tourism showing an increase in April. Continued job growth reflects in sales growth in our economy.**

As we continue into 2024 with persistently higher interest rates, residential housing and commercial building activity is slower than previous years. If inflation is showing signs of decreasing, the Fed might look at some interest adjustment in the future. Lubbock's economy has been stable in many drivers, but we will continue to see ups and downs in various segments into 2024.

Retail sales for April 2024 are up 1.34%. YTD retail sales are up 3.84% from last year. New vehicle sales saw a 27.13% increase from last April, while used vehicle sales are also up 27.83%.

Tourism has spiked with Hotel/Motel tax collections increasing 38.07% from last April and airline boardings also increasing 4.22%.

Workers employed are up 1.70% (or 2,700) over the last 12 months on the Employer Survey and 1.92% (or 3,178) on the Household Survey. The labor force has increased 1.87% compared to April 2023 and wages are up 6.21%. Unemployment is down 3.45% compared to last year at this time. Lubbock's employment at 2.80% reflects the addition of new jobs and wage growth in the market.

April Building permits totaled \$158 million, down 35.18% from last year. There were 156 new residential starts in April 2024, flat from last year. The median house price for March 2024 was \$235,000, down 2.08% from one year ago. Residential building activity continues to be softer than previous years as the market struggles with housing costs and persistent higher mortgage rates. Mortgage rates at 7.00% are 7.69% higher than last year's.

Total building activity, both residential and commercial, reflected a decrease of \$86 million compared to 2023. Compared to last year, residential is up \$2 million roughly 5% and commercial is down \$90 million or 44%. There were fewer commercial building permits issued in March 2024 compared to March 2023. Commercial activity for last year included the new Frenship High School permit of \$190 million and this year the new UMC Cancer Center permit of \$100 million, the difference being \$90 million in commercial permits being down year to year. There were several smaller commercial permits issued for remodel projects. Year over Year total building activity has remained about the same dollar amount as 2023, down .94%. Lubbock's current construction activity both residential and commercial continues to be soft with higher interest rates.

Oil prices compared to last year are up 10.52% and natural gas is also up 2.59%. Oil rig count has increased from 6 to 9 from March 2024 to April 2024. Wheat is up 4.56%, corn is down 23.62% and cotton is down 3.61% since last year. Fat cattle are up 6.32% from one year ago, while milk prices are also up 1.37%. Agricultural production is crucial in getting crops in the ground and enough moisture to establish a crop over the next month.



# Lubbock Economic Pulse

Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	331.06	289.28	379.06
Sales Tax Collection	\$ 9,590,008	\$ 7,952,475	\$ 9,463,121
Sales Tax Collections (Year to Date)	\$ 44,111,174	\$ 34,521,167	\$ 42,477,956
New Vehicle Sales	820	906	645
Used Vehicle Sales	1,966	2,267	1,538
Airline Boardings	46,517	46,709	44,634
Hotel/Motel Receipt Tax	\$ 855,984	\$ 556,953	\$ 619,962
Population	263,648	263,648	263,648
Employment – CLF*	173,701	173,805	170,512
Unemployment Rate*	% 2.80	% 3.60	% 2.90
Total Worker Employed* (Household Survey)	168,792	167,600	165,614
Total Worker Employed* (Employer Survey)	161,800	160,900	159,100
Average Weekly Wages	\$ 1,026.00	\$ 1,026.00	\$ 966.00
Gas Meters	78,438	78,606	77,093
Interest Rates (30 year mortgage rates)	% 7.000	% 7.375	% 6.500
Building Permits (Dollar Amount)	\$ 158,173,847	\$ 107,071,360	\$ 244,038,703
Year to Date Permits (Dollar Amount)	\$ 440,321,786	\$ 282,147,939	\$ 445,004,673
Residential Starts	156	160	156
Year to Date Starts	615	459	593
Median House Sold Price	\$ 235,000	\$ 236,200	\$ 239,990
Drilling Rigs in Panhandle	9	6	19
Oil Per Barrel	\$ 78.79	\$ 85.54	\$ 71.29
Natural Gas	\$ 2.38	\$ 1.77	\$ 2.32
Wheat Per Bushel	\$ 7.34	\$ 5.89	\$ 7.02
Fed Cattle Per CWT	\$ 185.00	\$ 186.36	\$ 174.00
Corn	\$ 4.56	\$ 4.31	\$ 5.97
Cotton (Cents Per Pound)	\$ 76.30	\$ 88.00	\$ 79.16
Milk	\$ 18.50	\$ 16.50	\$ 18.25

Now for the annoying legal jargon...

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# Economic Pulse Charts

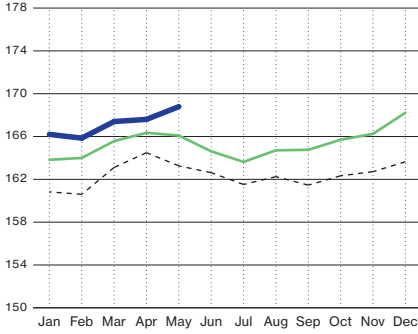
2024

2023

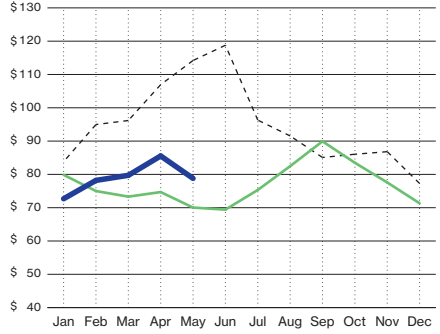
2022

## Workers Employed

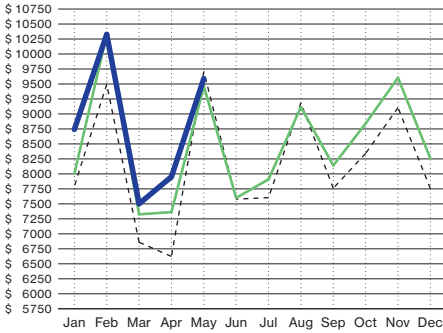
(In Thousands - Household Survey)



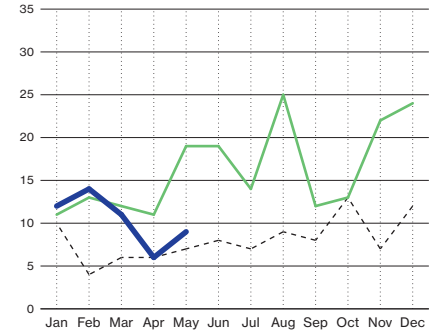
## Oil (Price Per Barrel - In Dollars)



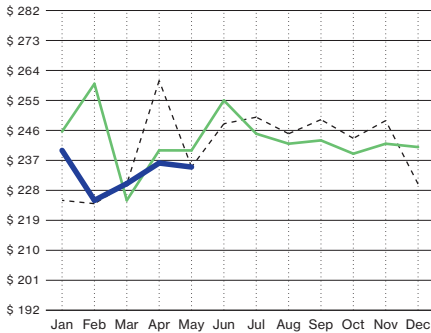
## Sales Tax Receipts (In Thousands)



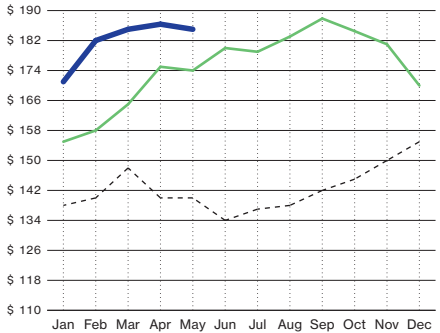
## Active Drilling Rigs in Panhandle



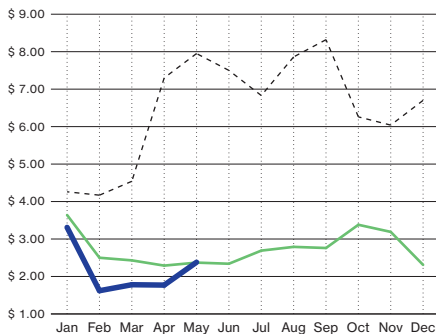
## Median House Sold Price (In Thousands)



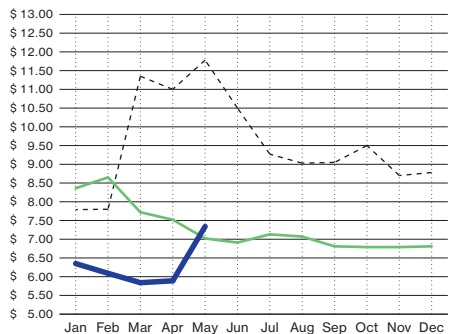
## Fed Cattle Per Hundred Weight (In Dollars)

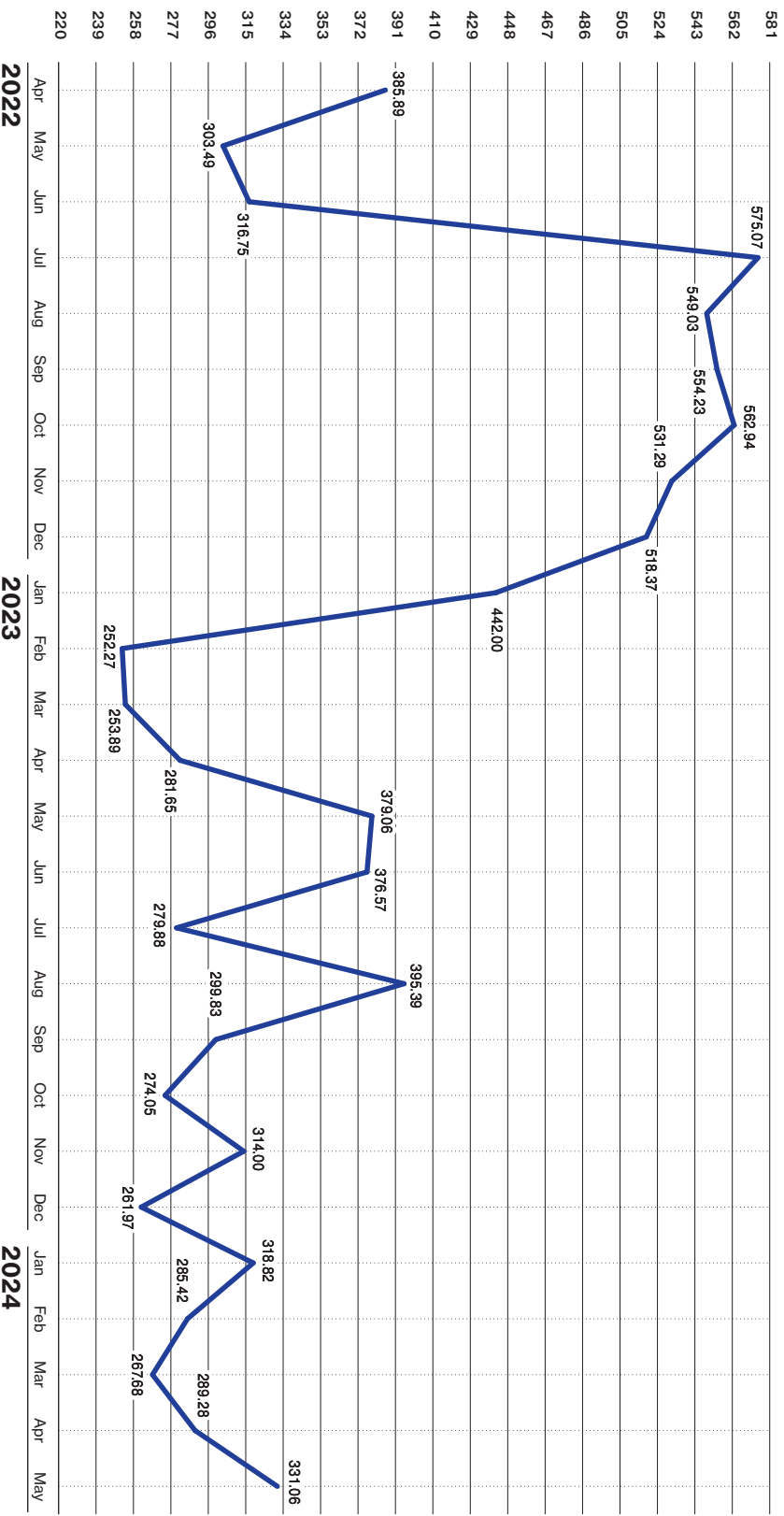


## Natural Gas (Price Per Mmbtu - In Thousands)



## Wheat (Price Per Bushel)





# A Tale of 3 Cities

## May 2024

	<u>Amarillo</u>	<u>Lubbock</u>	<u>Midland/Odessa</u>
<b>Employment</b>			
Employer's Survey	129,200	161,800	203,700
Increase 12 mos	1,680	3,236	2,195
Household Survey	135,788	168,792	198,547
Increase 12 mos	1,609	3,178	3,084
<b>Airline Boardings YTD</b>	233,717	172,039	184,925
% Increase	9%	3%	24%
<b>Motel Tax YTD</b>	8,981,597	9,296,234	
% Increase	-3.8%	8%	
<b>Sales Tax Receipts YTD</b>	43,068,378	34,521,167	4,492,897
% Increase	-5%	4.6%	-2.25%
<b>Auto Sales April</b>	617	906	1,758
% Change 12 mos	17%	-6.7%	
<b>Housing Starts YTD</b>	185	459	
<b>Building Permits YTD</b>	100,078,729	282,147,939	
<b>Median Price Home</b>	242,000	236,200	303,883
% Change 12 mos	-2.8%	1.6%	6.2%