

The Lubbock Economy

June 2024



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Lubbock Economic Analysis

Six months into the year the Lubbock economy is a mixed bag of variables with continued growth in retail sales, increases to both new and used vehicle sales as well as increases to tourism dollars from this time last year.

Employment gains continue in the economy, while we see a trend in building activity, both residential and commercial, not as robust as last year. Higher interest rates are continuing to show declines in building activity. It is unknown where inflation is headed over the next few months to warrant at least a look at any rate reductions. As we look forward to the remainder of the year, Lubbock's economy will reflect the ups and downs we see in the inflation fight for interest rate reductions.

Retail sales for May 2024 are up 10.88% and YTD retail sales are up 4.91% from last year. New vehicle sales saw a 14.17% increase from last May, while used vehicle sales are also up 16.49%.

Tourism has spiked with Hotel/Motel tax collections increasing 16.35% and airline boardings also increasing 7.81% from last May.

Workers employed are up 1.50% (or 2,400) over the last 12 months on the Employer Survey and 2.11% (or 3,472) on the Household Survey. The labor force has increased 2.07% compared to May 2023 and wages are up 6.21%. Unemployment remains flat compared to last year at this time. Lubbock's employment continues to add new jobs with growth to wages.

May Building permits totaled \$50 million, down 59.03% from last year. There were 120 new residential starts in May 2024, down 22.08% from last year. The median house price for May 2024 was \$234,900, down 7.85% from one year ago. Residential building activity continues to be softer than in previous years as the market struggles with housing costs and persistent higher mortgage rates. Mortgage rates at 6.875% are in line with last year's.

Total building activity, both residential and commercial, reflected a decrease of \$73 million compared to 2023. Compared to last year, residential is down \$6 million roughly 6%, and commercial is down \$68 million or 85%. There were fewer commercial building permits issued in June 2024 compared to June 2023. Commercial activity last year included a \$20 million project in the LEDA Business Park with multiple commercial remodel projects making up the difference. There was no large commercial building activity this month. This month's year-over-year total building activity is down \$77 million or 13.52%. Lubbock's current construction activity, both residential and commercial, continues to slow due to higher interest rates.

Oil prices compared to last year are up 12.10% and natural gas is also up 1.39%. Oil rig count stays steady at 10 from April 2024 to May 2024. Wheat is up 0.72%, corn is down 25.79% and cotton is down 11.71% since last year. Fat cattle are up 3.33% from one year ago, while milk prices are also up 19.40%. With good rain fall, the agricultural sector is off to a better start than in previous years.

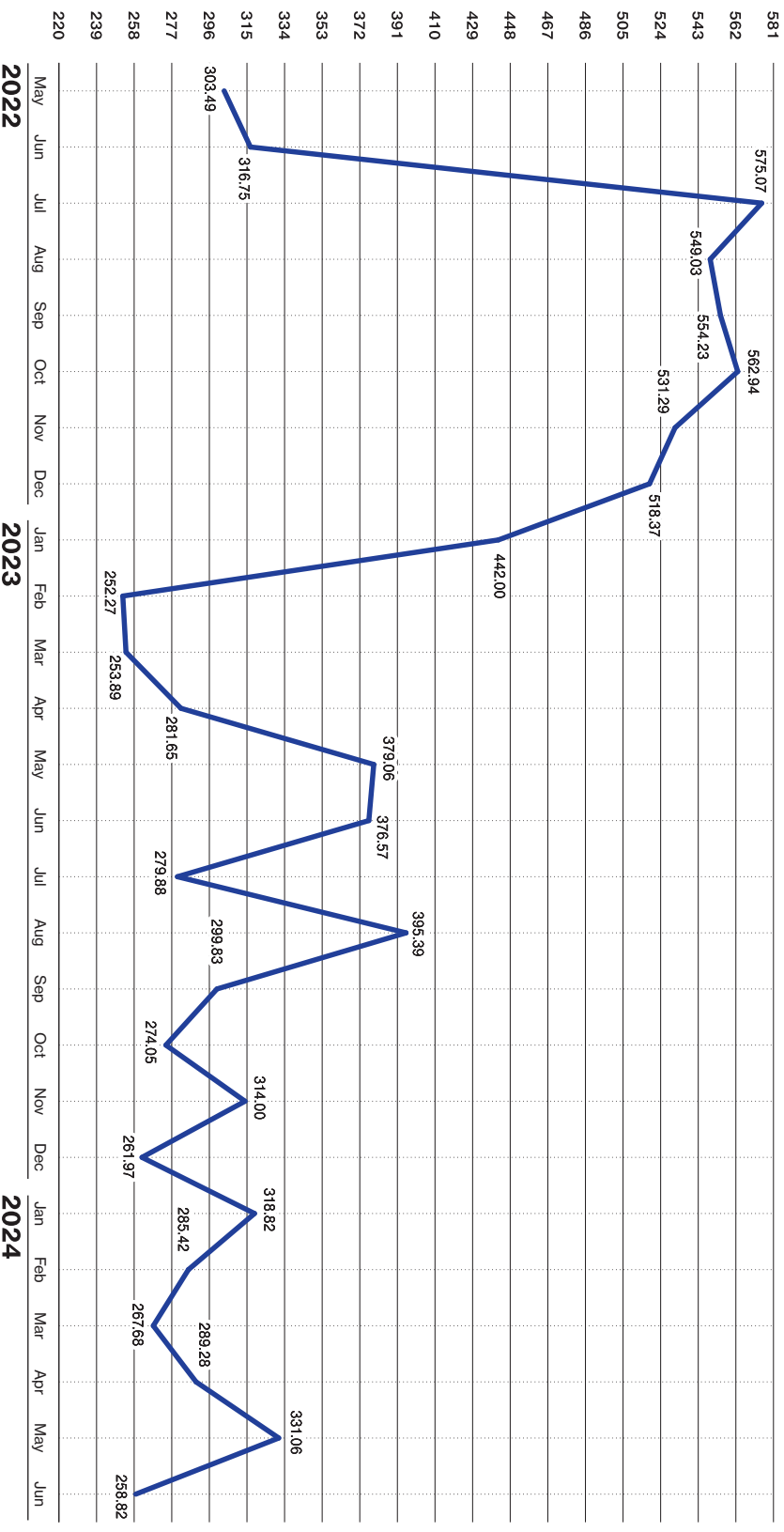


Lubbock Economic Pulse

Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	258.82	331.06	306.94
Sales Tax Collection	\$ 8,427,887	\$ 9,590,008	\$ 7,600,632
Sales Tax Collections (Year to Date)	\$ 52,539,062	\$ 44,111,174	\$ 50,078,587
New Vehicle Sales	1,136	820	995
Used Vehicle Sales	2,275	1,966	1,953
Airline Boardings	53,438	46,517	49,565
Hotel/Motel Receipt Tax	\$ 1,034,665	\$ 855,984	\$ 889,232
Population	263,648	263,648	263,648
Employment – CLF*	173,209	173,944	169,690
Unemployment Rate*	% 3.20	% 2.80	% 3.20
Total Worker Employed* (Household Survey)	167,700	169,048	164,228
Total Worker Employed* (Employer Survey)	161,900	161,800	159,500
Average Weekly Wages	\$ 1,026.00	\$ 1,026.00	\$ 966.00
Gas Meters	78,670	78,438	77,928
Interest Rates (30 year mortgage rates)	% 6.875	% 7.000	% 6.625
Building Permits (Dollar Amount)	\$ 50,333,340	\$ 158,173,847	\$ 122,865,440
Year to Date Permits (Dollar Amount)	\$ 490,655,126	\$ 440,321,786	\$ 567,370,113
Residential Starts	120	156	154
Year to Date Starts	735	615	747
Median House Sold Price	\$ 234,990	\$ 235,000	\$ 255,000
Drilling Rigs in Panhandle	10	10	19
Oil Per Barrel	\$ 77.82	\$ 78.79	\$ 69.42
Natural Gas	\$ 2.92	\$ 2.52	\$ 2.88
Wheat Per Bushel	\$ 6.96	\$ 7.34	\$ 6.91
Fed Cattle Per CWT	\$ 186.00	\$ 185.00	\$ 180.00
Corn	\$ 4.49	\$ 4.56	\$ 6.05
Cotton (Cents Per Pound)	\$ 69.94	\$ 76.30	\$ 79.22
Milk	\$ 20.00	\$ 18.50	\$ 16.75

Now for the annoying legal jargon...

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