

The Lubbock Economy

July 2024



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Lubbock Economic Analysis

Retail sales continue to be a driving force behind Lubbock's economy with healthy increases year-to-date. Other areas of the economy are showing signs of slowing in car sales, both new and used. Tourism dollars are flat and overall building activity gains are modest.

Employment is holding steady but there is a slight uptick in the unemployment rate. Interest rates are still a question on when the Federal Reserve will lower and by how much. Lubbock's economy continues to be steady, with some signs of slowness.

Retail sales for June 2024 are up 7.15% and YTD retail sales are up 5.22% from last year. New vehicle sales are down 11.19% from last June and used vehicle sales are also down 16.86%.

Hotel/Motel tax collections are slightly down 0.56%, whereas airline boardings are up 4.88% from last June.

Workers employed are up 1.58% (or 2,500) over the last 12-months on the Employer Survey and 2.12% (or 3,455) on the Household Survey. The labor force has increased 2.55% compared to June 2023 and wages are up 6.21%. Unemployment ticked up to 4.1% from this time last year. Overall, the Lubbock job market continues to perform well in new jobs.

June Building permits totaled \$80.76 million, up 20.04% from last year. There were 137 new residential starts in June 2024, down 26.34% from last year. The median house price for June 2024 was \$234,230, down 4.40% from one year ago. Residential building activity, although slower than last year, in number of permits issued shows an increase in total dollars year-to-date of \$20 million. But compared to prior years the residential market is still behind in numbers and dollars. Mortgage rates at 6.875% are 1.85% higher than last year's.

Total building activity in June 2024 compared to June 2023 showed an increase of \$13 million in both residential and commercial. Compared to last year, residential is up \$7 million, roughly 16%, and commercial is up \$6 million, or 20%. There were fewer commercial building permits issued in June 2024 compared to June 2023. There was no large commercial building activity this month. Year-over-year total building activity is down \$96 million, or 24.11%. 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 4.15% and natural gas down 13.38%. Oil rig count increased from 10 to 12 from May 2024 to June 2024. Wheat is down 10.80%, corn is down 20.80% and cotton is down 15.97% since last year. Fat cattle are up 6.15% from one year ago, while milk prices are also up 21.95%. Continued rains are needed to shore up the agricultural sector.

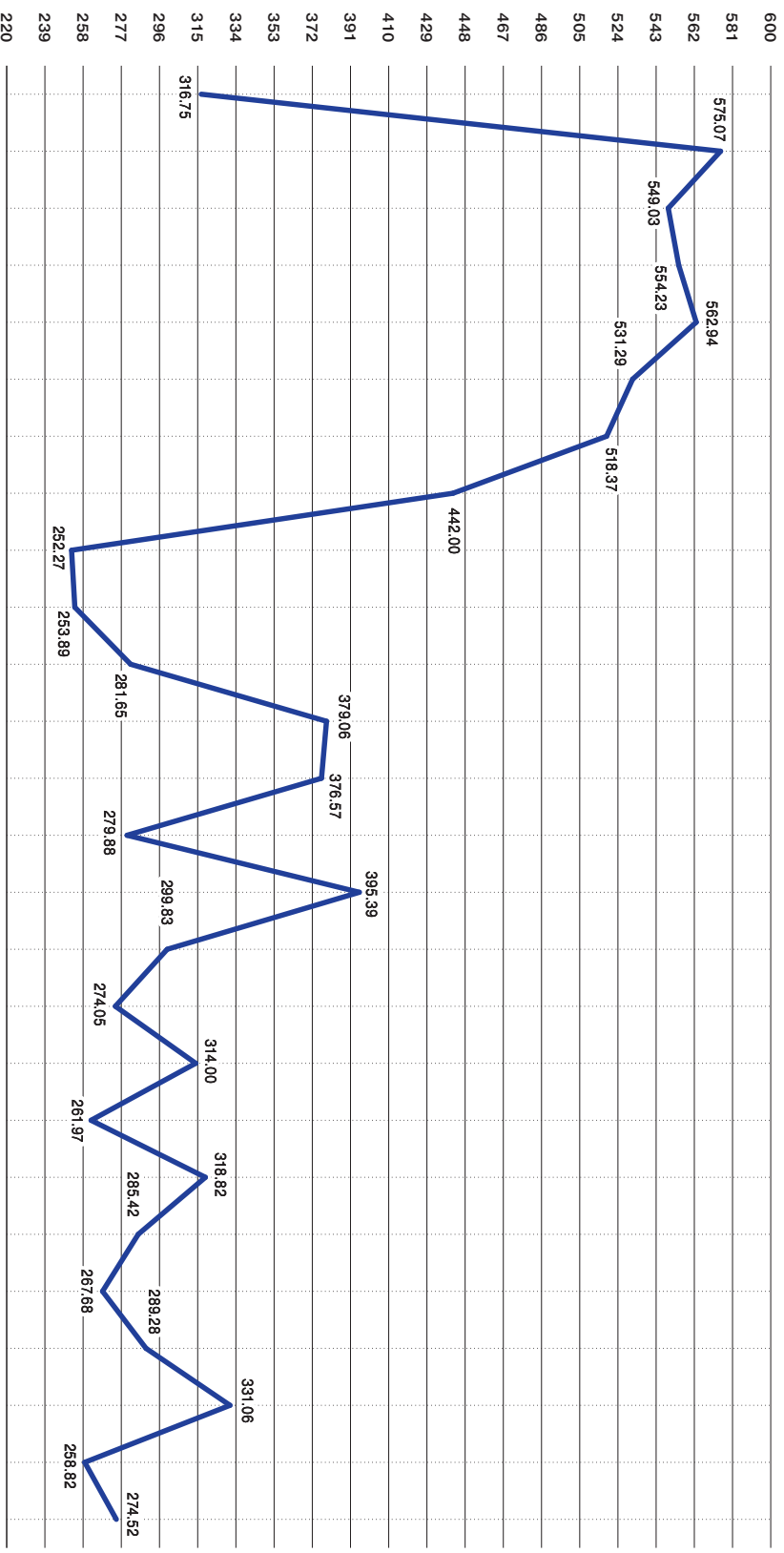


Lubbock Economic Pulse

Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	274.52	258.82	279.88
Sales Tax Collection	\$ 8,474,464	\$ 8,427,887	\$ 7,909,081
Sales Tax Collections (Year to Date)	\$ 61,013,525	\$ 52,539,062	\$ 57,987,668
New Vehicle Sales	889	1,136	1,001
Used Vehicle Sales	1,785	2,275	2,147
Airline Boardings	50,349	53,438	48,008
Hotel/Motel Receipt Tax	\$ 889,257	\$ 1,034,665	\$ 894,286
Population	263,648	263,648	263,648
Employment – CLF*	173,855	173,160	169,535
Unemployment Rate*	% 4.10	% 3.20	% 3.70
Total Worker Employed* (Household Survey)	166,670	167,661	163,215
Total Worker Employed* (Employer Survey)	160,900	161,900	158,400
Average Weekly Wages	\$ 1,026.00	\$ 1,026.00	\$ 966.00
Gas Meters	78,153	78,670	77,243
Interest Rates (30 year mortgage rates)	% 6.875	% 6.875	% 6.750
Building Permits (Dollar Amount)	\$ 80,763,617	\$ 50,333,340	\$ 67,283,164
Year to Date Permits (Dollar Amount)	\$ 137	\$ 120	\$ 186
Residential Starts	872	735	933
Year to Date Starts	571,419	682,443	634,654
Median House Sold Price	\$ 234,230	\$ 234,990	\$ 245,000
Drilling Rigs in Panhandle	12	10	14
Oil Per Barrel	\$ 82.01	\$ 77.82	\$ 78.74
Natural Gas	\$ 2.33	\$ 2.92	\$ 2.69
Wheat Per Bushel	\$ 6.36	\$ 6.96	\$ 7.13
Fed Cattle Per CWT	\$ 190.00	\$ 186.00	\$ 179.00
Corn	\$ 3.96	\$ 4.49	\$ 5.00
Cotton (Cents Per Pound)	\$ 64.93	\$ 69.94	\$ 77.27
Milk	\$ 20.00	\$ 20.00	\$ 16.40

Brace yourselves, the legal jargon is about to commence.

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2022

2023

2024

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*LNB: Comparison is based on \$10,000 remaining in account for 12 months and 2.70% Annual Percentage Yield (APY). Annual Percentage Yield (APY) effective as of July 25, 2024. The following APYs also apply to the Interest Bearing Checking Account: 2.50% APY for balance of \$1,000 - \$9,999; 2.70% APY for balance of \$10,000 - \$99,999; 3.50% APY for balance of \$100,000 - \$999,999; 4.70% APY for balance of \$1,000,000 and up. Minimum deposit of \$50 required to open interest bearing checking account. Rates are updated every Friday and are subject to change without notice. \$50 minimum deposit is required to open interest bearing checking account. If Average Daily Balance falls below \$1,000, interest will not be paid and an \$8 monthly fee will be assessed. Fees could reduce earnings on account.

Wells Fargo and Chase: Comparisons are based on \$10,000 remaining in account for 12 months with an .01% APY and \$25 monthly fee were used. Annual Percentage Yield (APY) and monthly fees effective as of July 25, 2024. Calculations do not consider any exceptions to monthly fees that may be in place due to banking relationship. Chase and Wells Fargo are not related to Lubbock National Bank, Branch of Amarillo National Bank in any way and questions related to their products should be directed to Chase and Wells Fargo.