

# The Lubbock Economy

August 2024



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# Lubbock Economic Analysis

## **July is a repeat of June with retail sales persistently strong in the local economy with a healthy increase year-to-date. Looking into other indicators of the economy vehicle sales, both new and used, have decreased for July.**

Employment continues to hold steady. While inflation is moderating, the market is looking for relief in interest rates in the near term. Lubbock's economy is holding steady with pressure on building activity to kick back to normal levels as well as car sales.

Retail sales for July 2024 are up 6.74% and YTD retail sales are up 5.42% from last year. New vehicle sales are down 17.23% from last July and used vehicle sales are also down 17.61%.

Travel has spiked with Hotel/Motel tax collections increasing 13.21% and airline boardings up 2.10% from last July.

Workers employed are up 1.08% (or 1,700) over the last 12-months on the Employer Survey and 1.59% (or 2,617) on the Household Survey. The labor force has increased 1.73% compared to July 2023 and wages are up 1.18%. Unemployment is marginally up from 3.90% compared to 3.80% last year. Overall, the Lubbock job market continues to show a solid pace of growth.

July building permits totaled \$84.67 million, down \$168 million or 66.47% from last year. There were 130 new residential starts in July 2024, down 17.72% from last year. The median house price for July 2024 was \$233 thousand, down 3.58% from one year ago.

Residential building activity continues at a slower pace than last year in number of permits (8.19% lower) whereas we see a slight increase in total dollars year-to-date of \$18 million. Looking back to prior years the residential market is still behind in numbers and dollars. Median house price decreases from last year bringing relief. Mortgage rates at 6.50% are 11.86% lower than last year's.

Total building activity in July 2024 compared to July 2023 showed a decrease of \$168 million in both residential and commercial. Compared to last year, residential is down \$8 million, roughly 18%, and commercial is down \$160 million, or 77%. There were fewer commercial building permits issued in July 2024 compared to July 2023. There were no substantial changes in commercial building activity this month as compared to last year's two large projects permitting the AT&T Jones Stadium South end zone and the new Dillard's store. Lubbock's current construction activity, both residential and commercial, reflects a slowdown in activity due to higher interest rates.

Oil prices compared to last year are down 5.63% and natural gas is also down 20.79%. Oil rig count remains steady at 12 from June 2024 to July 2024. Wheat is down 10.75%, corn is down 20.59% and cotton is down 22.44% since last year. Fat cattle are up 5.42% from one year ago, while milk prices are also up 22.76%. Excessive heat on the cotton crops without rains is showing signs of stress.



# Lubbock Economic Pulse

Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	273.52	274.52	395.39
Sales Tax Collection	\$ 9,728,628	\$ 8,474,464	\$ 9,114,605
Sales Tax Collections (Year to Date)	\$ 70,742,153	\$ 61,013,525	\$ 67,102,273
New Vehicle Sales	807	889	975
Used Vehicle Sales	1,670	1,785	2,027
Airline Boardings	49,443	50,349	48,427
Hotel/Motel Receipt Tax	\$ 796,464	\$ 889,257	\$ 703,516
Population	263,648	263,648	263,648
Employment – CLF*	174,249	173,919	171,290
Unemployment Rate*	% 3.90	% 4.10	% 3.80
Total Worker Employed* (Household Survey)	167,390	166,754	164,773
Total Worker Employed* (Employer Survey)	159,800	160,900	158,100
Average Weekly Wages	\$ 1,026.00	\$ 1,026.00	\$ 1,014.00
Gas Meters	78,903	78,153	77,479
Interest Rates (30 year mortgage rates)	% 6.500	% 6.875	% 7.375
Building Permits (Dollar Amount)	\$ 84,669,415	\$ 80,763,617	\$ 252,545,032
Year to Date Permits (Dollar Amount)	\$ 656,088,158	\$ 571,418,743	\$ 887,198,309
Residential Starts	130	137	158
Year to Date Starts	1,002	872	1,091
Median House Sold Price	\$ 233,330	\$ 234,230	\$ 242,000
Drilling Rigs in Panhandle	12	12	25
Oil Per Barrel	\$ 77.83	\$ 82.01	\$ 82.47
Natural Gas	\$ 2.21	\$ 2.33	\$ 2.79
Wheat Per Bushel	\$ 6.31	\$ 6.36	\$ 7.07
Fed Cattle Per CWT	\$ 192.98	\$ 190.00	\$ 183.06
Corn	\$ 3.78	\$ 3.96	\$ 4.76
Cotton (Cents Per Pound)	\$ 61.16	\$ 64.93	\$ 78.86
Milk	\$ 21.25	\$ 20.00	\$ 17.31

Brace yourselves, the legal jargon is about to commence.

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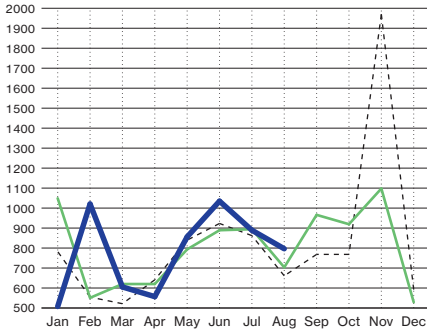
# Economic Pulse Charts

2024

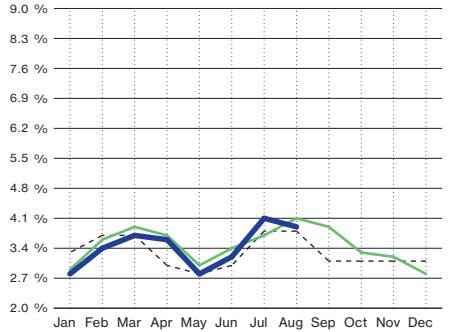
2023

2022

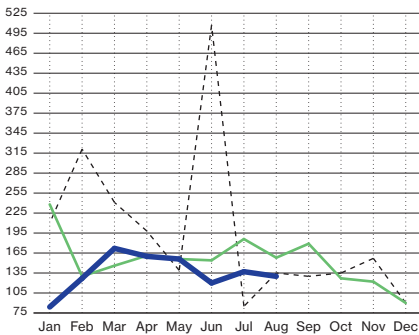
## Hotel/Motel Receipt Tax (In Thousands)



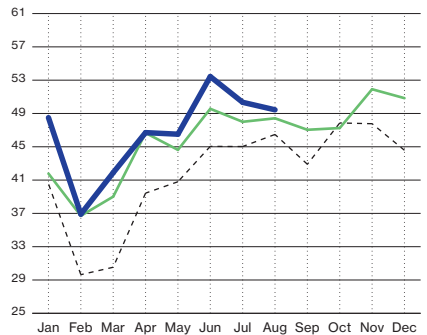
## Percent Unemployment (State Adjusted Numbers)



## Residential Housing Starts

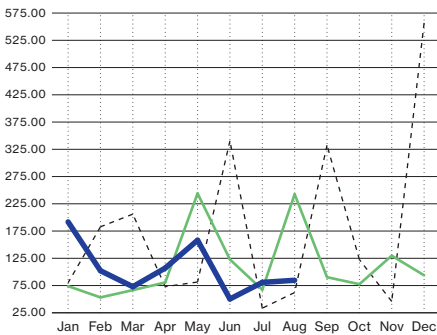


## Airline Boardings (In Thousands)

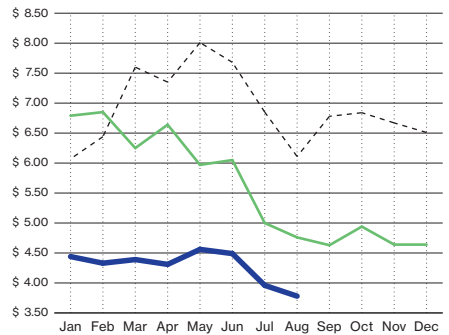


## Building Permits

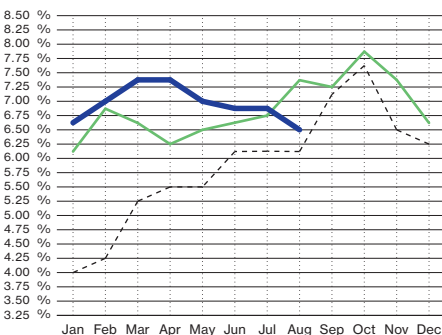
(Residential/Commercial - Millions of Dollars)



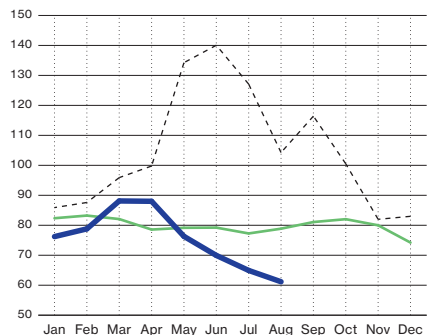
## Corn (Price Per Bushel)

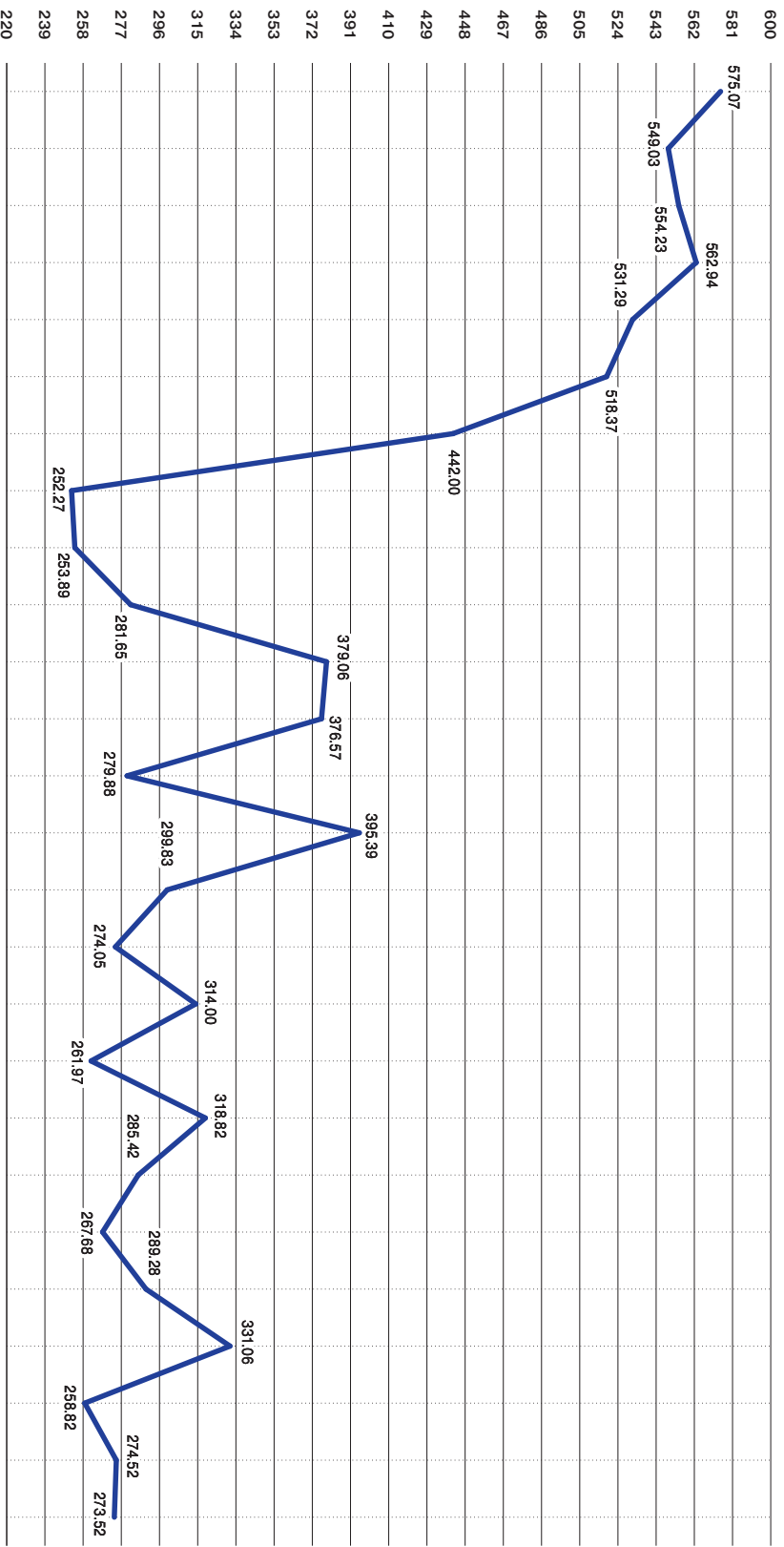


## Interest Rates (30 Year Mortgage Rates)



## Cotton (Cents Per Pound)





2022

2023

2024

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After 1 year  
you have:

\$10,300  
\$10,200  
\$10,100  
\$10,000

Earn \$270 & Save \$299 when compared to the money lost from big bank fees and low interest.

EARN  
& SAVE  
**\$569**  
MORE

CHASE   
-\$299

WELLS FARGO  
-\$299

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you actually lose money at the big banks...



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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 24, 2024. The following APYs also apply to the Interest Bearing Checking Account: 2.70% APY for balance of \$1,000-\$49,999; 2.70% APY for balance of \$50,000-\$99,999; 2.70% APY for balance of \$100,000-\$999,999; 3.50% 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 24, 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.