

The Lubbock Economy

September 2024



Awesome Service
No BS.

LubbockNational.com | (806) 792-1000

Member FDIC | Equal Housing Lender

Lubbock Economic Analysis

Retail sales have remained strong throughout the year with month-to-month increases, both new and used vehicle sales bounced back from last month with increases in sales.

Employment remains strong and wage growth is up. While inflation appears to have moderated closer to the FED target of 2%, the FED reduced borrowing costs by 50 basis points. Lubbock's economy is steady and with the 50-basis point drop in interest rates we will see how the overall effect will begin to play out within the economy.

Retail sales for August 2024 are up 9.14% and YTD retail sales are up 5.83% from last year. New vehicle sales are up 11.38% from last August and used vehicle sales are also up 4.66%.

Hotel/Motel tax collections are down 8.52%, while airline boardings are up 4.09% from last August.

Workers employed are up 2.02% (or 3,200) over the last 12-months on the Employer Survey and 1.73% (or 2,856) on the Household Survey. The labor force has increased 1.87% compared to August 2023 and wages are up 1.18%. Unemployment rate is 3.70 for August 2024 compared to 3.60 for August 2023. Overall, the Lubbock job market continues in a positive trend with both gains in total employment and wage growth.

August building permits totaled \$79.39 million, down \$10.93 million or 12.11% from last year. There were 138 new residential starts in August 2024, down 22.91% from last year. The median house price for August 2024 was \$234 thousand, down 3.69% from one year ago.

Residential building activity shows a modest increase of \$20 million, or 6.49% ahead of last year. Residential building activity is slow for 2024 compared to prior years, hopefully with the reduction in interest rates, there will be more activity as we look out into 2025. Mortgage rates at 6.00% are 17.24% lower than last year's.

Total building activity in August 2024 compared to August 2023 showed a decrease of \$11 million in both residential and commercial. Compared to last year, residential is down \$2 million, roughly 3%, and commercial is down \$9 million, or 17%. There were fewer commercial building permits issued in August 2024 compared to August 2023. Overall, commercial building activity for 2024 has slowed considerably due to higher interest costs in reflection to 2023. Interest rate reductions are welcome to spur building activity.

Oil prices compared to last year are down 20.37% and natural gas is also down 17.39%. Oil rig count remains steady at 12 from July 2024 to August 2024. Wheat is down 1.76%, corn is down 11.45% and cotton is down 24.17% since last year. Fat cattle are down 2.38% from one year ago, while milk prices are up 29.58%. Agriculture desperately needs the passage of a new farm bill. Harvesting crops should begin in October.



Lubbock Economic Pulse

Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	275.30	273.52	299.83
Sales Tax Collection	\$ 8,884,642	\$ 9,728,628	\$ 8,140,563
Sales Tax Collections (Year to Date)	\$ 79,626,796	\$ 70,742,153	\$ 75,242,836
New Vehicle Sales	1,116	807	1,002
Used Vehicle Sales	2,180	1,670	2,083
Airline Boardings	48,970	49,443	47,045
Hotel/Motel Receipt Tax	\$ 883,716	\$ 796,464	\$ 966,050
Population	263,648	263,648	263,648
Employment – CLF*	174,808	174,397	171,602
Unemployment Rate*	% 3.70	% 3.90	% 3.60
Total Worker Employed* (Household Survey)	168,291	167,561	165,435
Total Worker Employed* (Employer Survey)	161,400	159,800	158,200
Average Weekly Wages	\$ 1,026.00	\$ 1,026.00	\$ 1,014.00
Gas Meters	78,029	78,903	77,690
Interest Rates (30 year mortgage rates)	% 6.000	% 6.500	% 7.250
Building Permits (Dollar Amount)	\$ 79,390,362	\$ 84,669,415	\$ 90,324,407
Year to Date Permits (Dollar Amount)	\$ 735,478,521	\$ 656,088,158	\$ 977,522,715
Residential Starts	138	130	179
Year to Date Starts	1,140	1,002	1,270
Median House Sold Price	\$ 234,028	\$ 233,330	\$ 243,000
Drilling Rigs in Panhandle	12	12	12
Oil Per Barrel	\$ 71.61	\$ 77.83	\$ 89.93
Natural Gas	\$ 2.28	\$ 2.21	\$ 2.76
Wheat Per Bushel	\$ 6.69	\$ 6.31	\$ 6.81
Fed Cattle Per CWT	\$ 183.40	\$ 192.98	\$ 187.87
Corn	\$ 4.10	\$ 3.78	\$ 4.63
Cotton (Cents Per Pound)	\$ 61.48	\$ 61.16	\$ 81.08
Milk	\$ 23.00	\$ 21.25	\$ 17.75

Brace yourselves, the legal jargon is about to commence.

This document was prepared by Lubbock National Bank, Branch of Amarillo National Bank on behalf of itself for distribution in Lubbock, Texas and is provided for informational purposes only. The information, opinions, estimates and forecasts contained herein relate to specific dates and are subject to change without notice due to market and other fluctuations. The information, opinions, estimates and forecasts contained in this document have been gathered or obtained from public sources believed to be accurate, complete and/or correct. The information and observations contained herein are solely statements of opinion and not statements of fact or recommendations to purchase, sell or make any other investment decisions.

Economic Pulse Charts

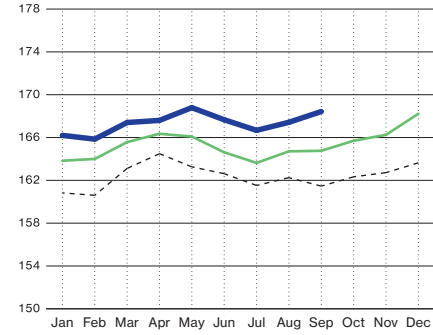
2024

2023

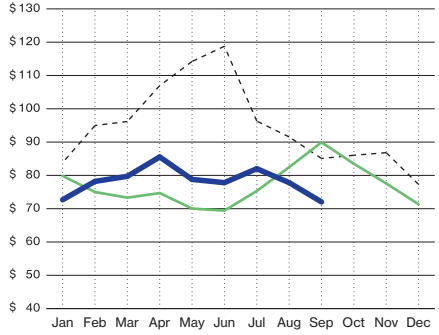
2022

Workers Employed

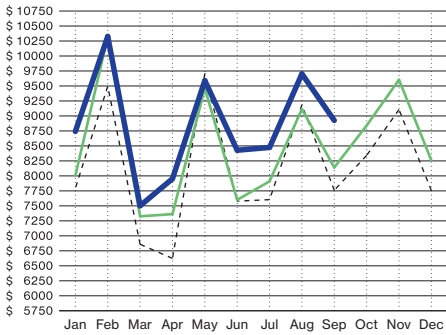
(In Thousands - Household Survey)



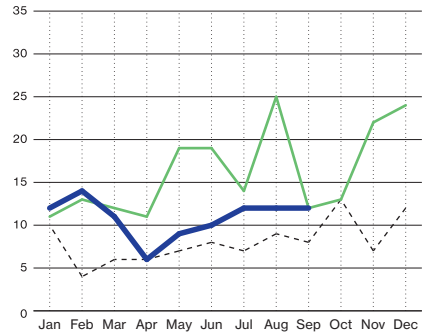
Oil (Price Per Barrel - In Dollars)



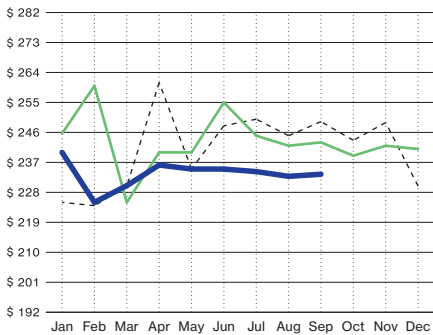
Sales Tax Receipts (In Thousands)



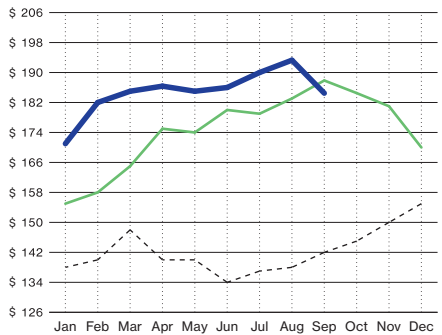
Active Drilling Rigs in Panhandle



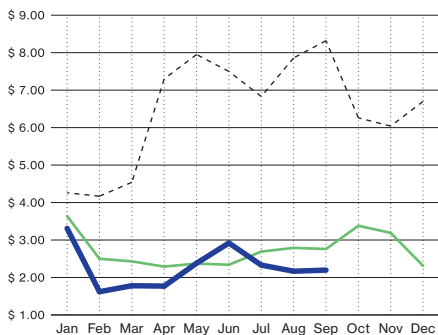
Median House Sold Price (In Thousands)



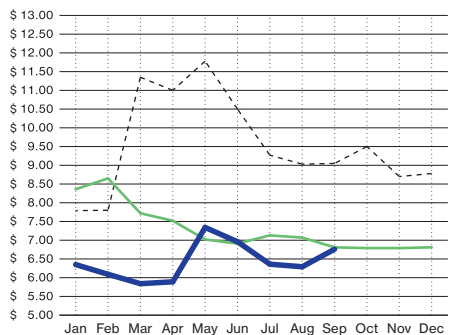
Fed Cattle Per Hundred Weight (In Dollars)

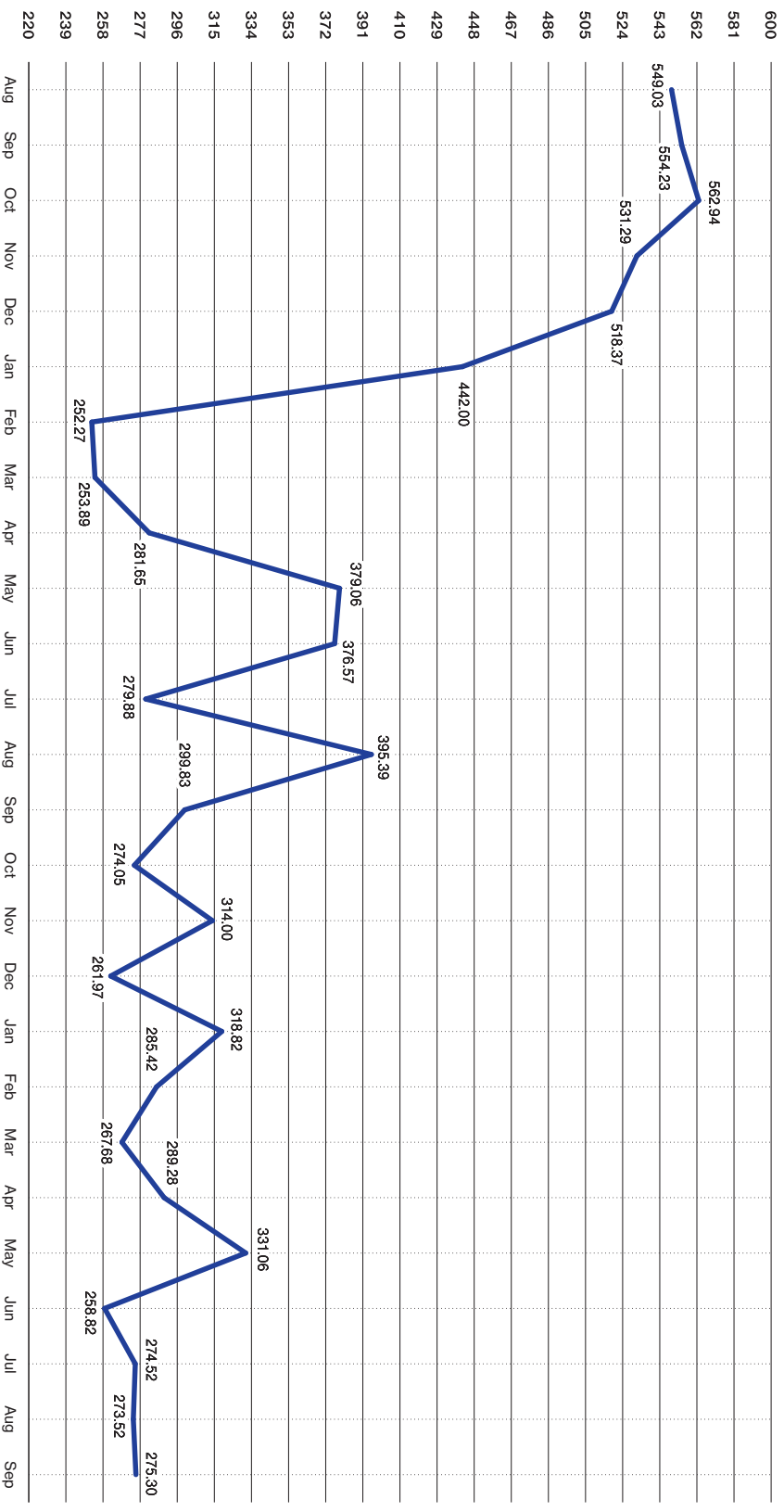


Natural Gas (Price Per Mmbtu - In Thousands)



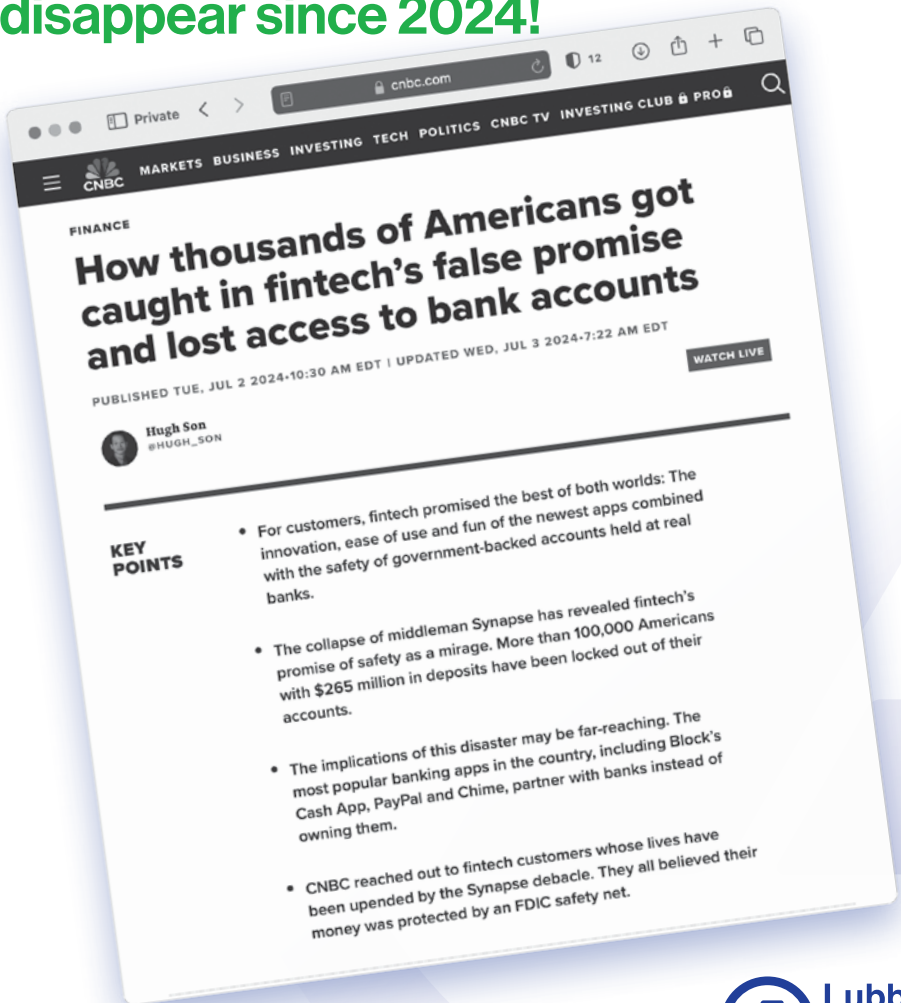
Wheat (Price Per Bushel)





Fintechs Are NOT Banks!

They've been making money disappear since 2024!



Come visit a Real Bank.



Awesome Service
No BS.