



January 7, 2015

## Lubbock Economic Index

**The Lubbock economy continues to fare well in late 2015 with the November Lubbock Economic Index improving to 147.5 up from 147.2 in October, and up 3.0% from the November 2014 LEI of 143.3. The Lubbock Economic Index has now increased for nine straight months, and for ten of the eleven months thus far in 2015 continuing a pattern of general economic expansion that dates back to September 2011.**

November building permit activity was more than double the November 2014 monthly total and new housing construction permits were sharply higher for the month as well. General spending and auto spending posted solid monthly increases along with hotel/motel activity in November. The number of homes trading hands in Lubbock was down by double-digit percentage points for the second straight month but the November monthly average price was up by nearly 10% compared to November of a year ago. The crude oil price continues to decline taking regional oil & gas activity levels down with it, but the number of cotton bales ginned on the South Plains through the end of November is outpacing the 2014 total by over 40%.

CONCURRENT trends in two broad measures of the Lubbock economy best represent its current and ongoing health and status, and these are general consumer spending (retail sales) and payroll employment.

- General real (inflation-adjusted) taxable spending per November sales tax receipts in Lubbock was up by a steady 3.5% compared to November of a year ago. The year-to-date total in this important barometer of economic activity in the city is up by a modest 2.3% compared to the first eleven months of 2014, which in turn was up by only about 2.1% compared to the January-November total for the prior year.
- Employment growth remains in the 2% range through November and for the year-to-date. The November payroll employment estimate of 141,800 jobs represents a 2.1% increase over the November 2014 estimate. That means 2,900 jobs added to the economy over that period of time over a wide range of employment categories. For the first time since July 2011, the Lubbock unemployment rate failed to post a year-over-year decline in November. The monthly unemployment rate of 3.4% was unchanged compared to November of a year ago and appears to be leveling off after declining steadily for the better part of the last five years.

Real auto sales activity was up for the second straight month (after three consecutive monthly declines) with inflation-adjusted spending on new and used automobiles up by 3.5% compared to November of a year ago, which is even more impressive given the fact that November 2014 real auto spending was up by 22% compared to November of the prior year. Auto sales activity remains down slightly for the year-to-date, but again the sales totals were high last year with real auto spending through November 2014 up by 14% compared to the previous year.

Building permit activity in Lubbock for the month of November was more than double the permit valuation total from November of a year ago. That's largely because the November 2014 permit total was abnormally low, and was down by over 60% compared to the prior year. Still, the total for the year-to-

date through November remains well into record territory and is up by nearly 28% compared to a year ago.

New housing construction permits were also sharply higher for the month, up by some 35% compared to November of last year. Again, however, the November 2014 monthly total was down by over 40% compared to the prior year. Through November the number of new single-family residence construction permits is about 7% improved over the first eleven months of a year ago.

The number of existing homes sold was down by double-digit percentage points for the second straight months, posting a 22% decline in November compared to November of a year ago. The year-to-date total remains in positive territory, however, with homes sales up by 5% compared to the sales total through November 2014. The monthly average price was sharply higher, however, up by 9.5% compared to the November 2014 monthly average, and the average sale price for the first eleven months of the year is up by a healthy 3.3% compared to a year ago.

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## Lubbock Consumer Price Index

**The rate of year-over-year price increase inched downward in November dipping to 1.5% down, from 1.7% in both September and October, and 2.5% in November of a year ago.**

The rate of price increase in the food and grocery sector of the Lubbock Consumer Price Index continues to come down, which was unchanged last month at 2.4%, dropped to 2.3% in November.

The rate of change in the housing portion of the Lubbock CPI climbed again in November, increasing to 3.7% up from 3.6% in October.

The rate of price increase in the energy/utilities sector continues to nosedive, falling to -2.1% in November compared to -1.5% in October. The national "fuels & utilities" CPI is down by 2.2% year-over-year in November.

The health care sector of the Lubbock CPI was unchanged from October to November at 2.6%. The US national health care CPI ticked slightly downward in November at 2.9% compared to 3.0% in October.

The rate of year-over-year price increase for various miscellaneous goods and services declined to 1.1% in November, down from 1.2% in October.

The national CPI-U (the US Consumer Price Index, a broad measure of price change over time) continues to hover right around 0 (no net inflation at all), and in fact slipped back into negative territory again in November at -.2% (compared to 0 in October). When food and energy are removed the so-called "core CPI" rose slightly at a 2.0% year-over-year rate in November, compared to 1.9% in September and October.

The CPI for the southern region of the US (which includes Texas), which had been below 0 all year long, climbed back into positive territory in November at .3% compared to -.1% in October.

The Dallas-Fort Worth metro area CPI was freshly updated in November and climbed up to 0.0, compared to -.9% in September. The Houston metro area CPI was last updated in October and also continues to hover right around 0 at -.1% compared to .3% in August. The Dallas-Fort Worth and Houston metro area CPI values are calculated every other month on off months from one another.

## The Lubbock Economic Index

<i>Lubbock Economic Indicators November 2015</i>	<i>Base Year 1996</i>	<i>One Year Ago 2014</i>	<i>This Year 2015</i>	<i>Percent Change 2014-2015</i>
Retail Sales - November (\$000s - Per Sales Tax Rebates in 1995\$)	\$ 185,289	\$ 265,837	\$ 275,137	3.5%
Retail Sales - Year-To-Date	\$ 1,842,023	\$ 2,627,450	\$ 2,689,115	2.3%
Dollars Spent on Auto Purchases - Nov (\$000s in 1995\$)	\$ 28,248	\$ 58,358	\$ 60,376	3.5%
Dollars Spent on Auto Purchases YTD	\$ 404,238	\$ 765,467	\$ 752,049	-1.8%
Lodging Tax Receipts - YTD	\$ 2,058,221	\$ 5,831,231	\$ 6,064,067	4.0%
Airline Boardings - Nov	50,363	40,694	41,845	2.8%
Airline Boardings - YTD	561,967	427,721	424,603	-0.7%
Value All Construction Permits - Nov	\$ 5,123,247	\$ 21,185,124	\$ 42,809,299	102.1%
Value All Construction Permits - YTD	\$ 153,103,955	\$ 483,008,184	\$ 617,241,622	27.8%
New Home Permits - Nov	30	46	62	34.8%
New Home Permits - YTD	520	783	837	6.9%
Number of Home Sales - Nov	149	256	199	-22.3%
Number of Home Sales - YTD	1,959	3,498	3,674	5.0%
Average Home Sale Price - Nov	\$ 81,519	\$ 164,363	\$ 179,900	9.5%
Average Home Sale Price - YTD	\$ 85,906	\$ 162,835	\$ 168,212	3.3%
Dollar Volume Residential Real Estate Sales - October (1995\$)	\$ 11,482,706	\$ 26,570,611	\$ 22,129,262	-16.7%
Dollar Volume Residential Real Estate Sales - YTD	\$ 159,915,759	\$ 363,626,297	\$ 385,131,476	5.9%
<b>Employment</b>				
Wage and Salary Employment - Nov	113,200	138,900	141,800	2.1%
Wage and Salary Employment - YTD Avg	110,490	136,710	139,520	2.1%
Unemployment Rate - Nov	3.5%	3.4%	3.4%	0.0%
Unemployment Rate - YTD Avg	4.2%	4.0%	3.4%	-15.2%
<b>Oil and Gas (Regional)</b>				
Oil Price/Barrel - Nov (WT Int. Crude)	\$ 21.98	\$ 72.12	\$ 39.23	-45.6%
Rig Count - Nov *	21	34	18	-47.1%
Oil Production (000 bbls) - YTD *	136,343	96,279	96,980	0.7%
Value of Oil Production (\$000s) - YTD *	\$ 2,441,024	\$ 8,891,899	\$ 4,463,505	-49.8%
<b>Agriculture (Regional)</b>				
Cotton Price - Nov (cents/pound) +	68.53	59.42	59.60	0.3%
Cotton - Bales Ginned Crop Year ++	1,629,300	1,804,450	2,546,950	41.1%
Fat Cattle Price - Nov (\$/hd. Wt.)	\$ 70.67	\$ 169.90	\$ 127.26	-25.1%
Value Cattle Marketed - YTD (\$000's) ++	\$ 287,916	\$ 387,973	\$ 327,112	-15.7%
<b>INDEX - November (Base=100 January 1996)</b>	<b>102.3</b>	<b>143.3</b>	<b>147.5</b>	<b>3.0%</b>

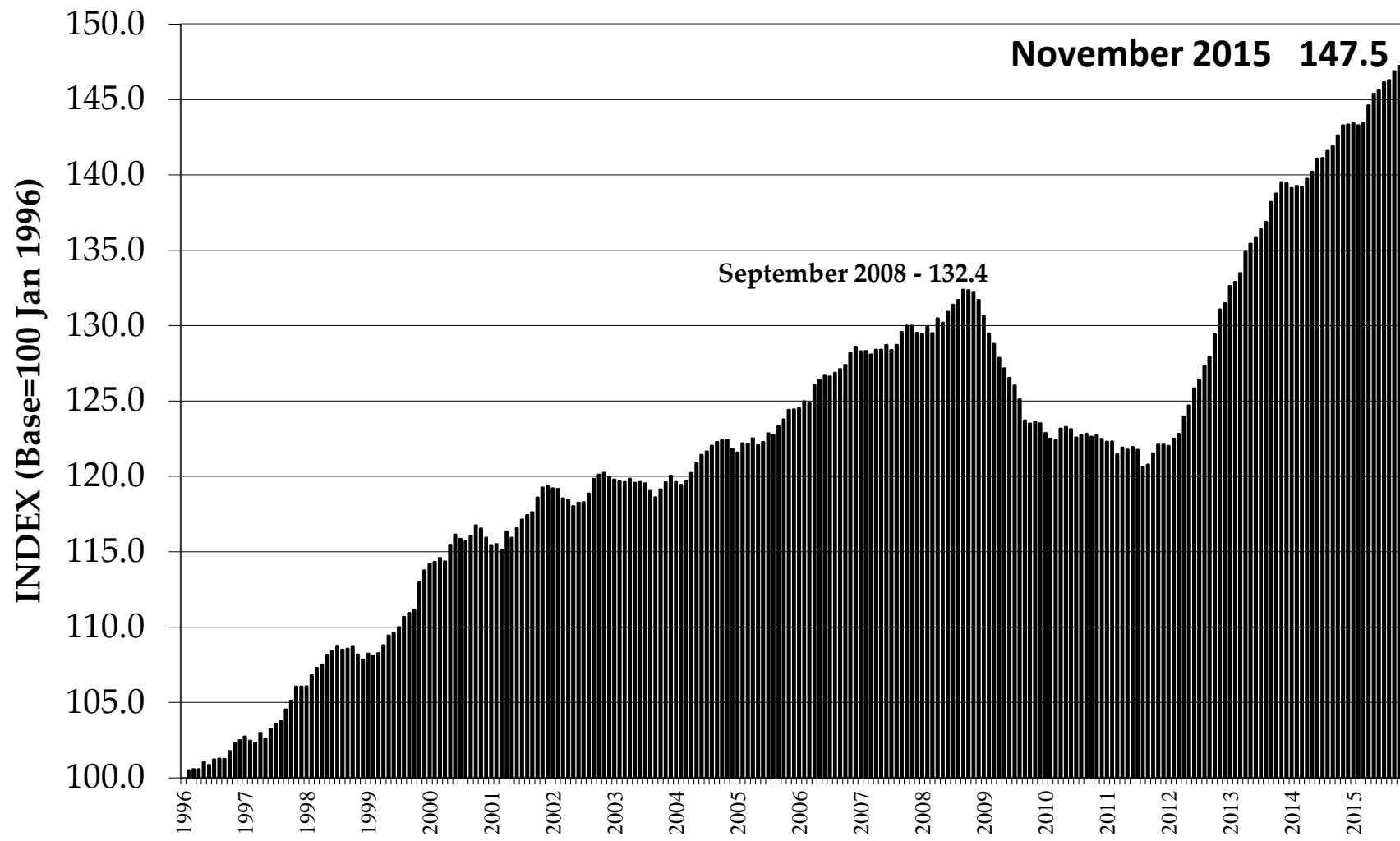
\* Texas Railroad Commission District 8A (Lubbock Area)

+ Spot Price for 41,4,34; mxd lots, net wt, compressed, FOB Car/Truck

++ South Plains Region

# The Lubbock Economy

The Lubbock Economic Index January 1996 - November 2015



# The Lubbock Economy

## The Lubbock Economic Index 2009 - 2015

