

# The Lubbock Economy

AUGUST 2023



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# Lubbock Economic Analysis

The Lubbock economy through six months of 2023 has weathered many headwinds in interest rate increases and inflation, but continues to maintain steady growth overall. As we look back on the first half of 2023, our economy has shown growth in overall retail sales, new vehicle sales, and hotel/motel tax collections. Local employment continues to grow with additional new jobs. With fall activities and school starting back, we may see increases in retail sales and our economy remaining steady.

Retail sales for July 2023 are down 0.77%, since July 2022 (partly due to a state audit adjustment). YTD retail sales are up 3.48% from last year, mostly driven by higher prices. New vehicle sales saw a 14.17% increase from last July, while used vehicle sales are down 5.59%.

Travel is up with Hotel/Motel tax collections up 6.42% from last July, and Airline boardings up 4.18%.

Workers Employed are up 2,200 over the last 12 months on the Employer Survey and 2,075 on the household survey. The labor force has increased 1.59% compared to July 2022, and wages are flat. Unemployment is higher at 4.10% compared to 3.8% last year at this time.

July Building Permits totaled \$252 million, triple last year. There were 158 new residential starts in July, up 17.04% from last year. Housing starts are up due to low inventories being replaced, but unsure how much inventory will be added, as interest rates are still a factor in new home sales. The median house price was \$242,000, down 1.22% from one year ago.

Commercial building activity YTD is up \$120 million from last year. There were 120 new commercial starts in July, up 3% from last year. Although commercial activity for July 2023 was up from last year due to a large project being permitted for the Jones AT&T South end zone project of \$172 million. When adjusted for this large project, commercial building activity compared year over year is down 1%. The other large commercial project permitted for July was the Dillard's store relocation of \$18 million.

Oil prices compared to last year are down 17% and natural gas has dropped by 65%. Our rig count has increased from 14 to 25. Wheat and corn are both down 22%, while cotton has dropped 24%. Fat cattle are up 33% from one year ago, while milk prices are down 14.52%.

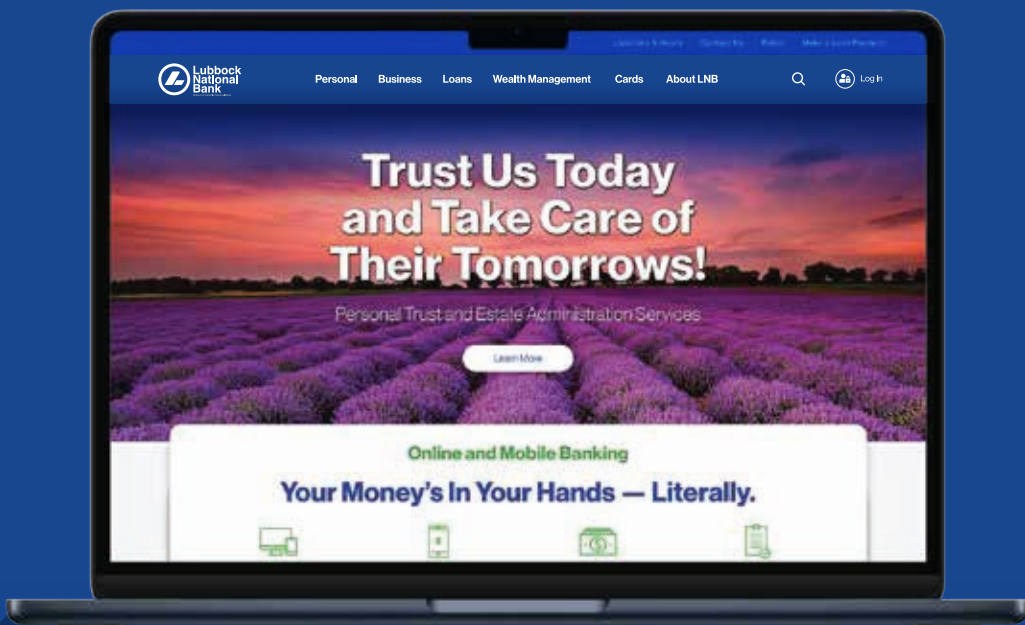
# Lubbock Economic Pulse

Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	395.39	306.94	575.07
Sales Tax Collections	\$ 9,114,605	\$ 7,909,081	\$ 9,185,410
Sales Tax Collections – Year to Date	\$ 67,102,273	\$ 57,987,668	\$ 64,845,554
New Vehicle Sales	975	1,001	854
Used Vehicle Sales	2,027	2,147	2,147
Airline Boardings	48,427	48,008	46,484
Hotel/Motel Receipt Tax	703,516	894,268	661,077
Population	263,648	263,648	263,648
Employment – CLF*	171,714	169,974	169,032
Unemployment Rate*	% 4.10	% 3.70	% 3.80
Total Workers Employed* (Household Survey)	164,743	163,636	162,668
Total Workers Employed* (Employer Survey)	158,100	158,400	155,900
Average Weekly Wages	\$ 1,014.00	\$ 966.00	\$ 1,021.00
Gas Meters	77,479	77,243	77,052
Interest Rates (30 year mortgage rates)	% 7.375	% 6.750	% 6.125
Building Permits (Dollar Amount)	252,545,032	\$ 67,283,164	\$ 62,223,301
Year to Date Permits (Dollar Amount)	887,198,309	\$ 634,653,276	\$ 979,603,247
Residential Starts	158	186	135
Year to Date Starts	1,091	933	1,626
Median House Sold Price	\$ 242,000	\$ 245,000	\$ 245,000
Drilling Rigs in Panhandle	25	14	4
Oil Per Barrel	\$ 82.47	\$ 78.74	\$ 99.55
Natural Gas	\$ 2.79	\$ 2.69	\$ 7.86
Wheat Per Bushel	\$ 7.07	\$ 7.13	\$ 9.03
Fed Cattle Per CWT	\$ 183.06	\$ 179.00	\$ 138.00
Corn	\$ 4.76	\$ 5.00	\$ 6.11
Cotton (Cents Per Pound)	\$ 78.86	\$ 77.27	\$ 104.26
Milk	\$ 17.31	\$ 16.40	\$ 20.25

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