

The Lubbock Economy

JANUARY 2023



Lubbock Economic Analysis

Lubbock's economy in 2022 slowed in December, down from the strong growth earlier in the year. Moderating Retail Sales, Vehicle Sales, and Construction were propped up by continued job growth and stronger tourism.

Retail sales for December 2022 are up 3% when compared to December 2021 driven by higher prices. YTD retail sales are up 10% from last year again mostly driven by higher prices. New vehicle sales saw a 13% decrease from last December. Used vehicle sales are also down 8% from last December. Both are affected by supply chain issues and increases in interest rates. The consumer-price index, a measurement of what consumers pay for goods and services, rose 6.5% last month from a year earlier, down from a 7.1% pace in November and well below a 9.1% peak in June. Inflation will still be a factor in 2023 as the Fed wrestles with higher cost of goods and services and rate increases.

Hotel/motel tax collections are up 34% from last year at this time. Airline boarding's are up 3% since December 2021. Both a reflection that our economy is open and regulations have softened.

Workers Employed are up 7,600 over 12 months ago on the Employer Survey and over 2,900 on the household survey. The labor force has increased 1.4% compared to December 2021, and Wages are up 5% from last year. Unemployment has gone down from 3.3% to 2.9% since last year.

Building Permits for December totaled \$73,917,113, down 8% from last year. YTD totaled \$2,035,149,021. Lubbock's building activity got a big boost in 2022 showing a 140% increase over 2021, the major contributors to this building activity were the Leprino Foods plant, both UMC and Covenant Hospital expansions, the Texas Tech South End Zone expansion and various new commercial building plazas throughout the city. There were 238 new residential starts in December, down 5% from last year. YTD residential starts are 2,206 which is down almost 18% from last year. These numbers are more reflective of the historical averages for the City indicating a normalizing of this industry. The median house price for December 2022 was \$245,678, up 9% from one year ago.

Although oil has increased 6% since last month, oil prices compared to last year are down 3%, and natural gas has dropped by 15%. Several indicators point to increases forthcoming in oil as China opens up and demand increases with the coming of Summer. The rig count has increased to 11 from 7 last year. For December, wheat is up 7%, corn is up 12% and cotton is down 4% when compared to December 2021. Drought conditions remain a concern for yields. Fat cattle are up 12% for the month when compared to December one year ago, and milk prices are up 9%.

Lubbock Economic Pulse

Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	442.00	518.37	272.09
Sales Tax Collections	\$ 8,003,407	\$ 7,754,785	\$ 7,793,109
Sales Tax Collections – Year to Date	\$ 105,810,829	\$ 97,807,421	\$ 95,766,819
New Vehicle Sales	663	787	762
Used Vehicle Sales	1,559	1,841	1,696
Airline Boardings	41,787	44,587	40,566
Hotel/Motel Receipt Tax	1,048,756	592,245	782,365
Population	263,648	263,648	263,648
Employment – CLF*	168,652	168,898	166,318
Unemployment Rate*	% 2.90	% 3.10	% 3.30
Total Workers Employed* (Household Survey)	163,831	163,645	160,861
Total Workers Employed* (Employer Survey)	159,700	159,800	152,100
Average Weekly Wages	\$ 966.00	\$ 1021.00	\$ 915.00
Gas Meters	76,825	76,585	75,765
Interest Rates (30 year mortgage rates)	% 6.125	% 6.25	% 4.00
Building Permits (Dollar Amount)	73,917,113	\$ 556,844,136	\$ 80,131,513
Year to Date Permits (Dollar Amount)	2,035,149,021	\$ 1,961,231,907	\$ 851,355,871
Residential Starts	238	90	251
Year to Date Starts	2,206	1,968	2,681
Median House Sold Price	\$ 245,678	\$ 229,900	\$ 225,000
Drilling Rigs in Panhandle	11	12	7
Oil Per Barrel	\$ 81.03	\$ 76.45	\$ 83.82
Natural Gas	\$ 3.64	\$ 6.70	\$ 4.26
Wheat Per Bushel	\$ 8.36	\$ 8.78	\$ 7.79
Fed Cattle Per CWT	\$ 155.00	\$ 155.00	\$ 138.00
Corn	\$ 6.79	\$ 6.51	\$ 6.07
Cotton (Cents Per Pound)	\$ 82.35	\$ 82.99	\$ 85.90
Milk	\$ 20.50	\$ 22.00	\$ 18.75

The “L” is for Lubbock!

A New Focus on Lubbock.

- New Products
- Bolder Commitment to Community
- Extended Hours, Including SATURDAY!
- More Locations



LubbockNational.com

Member FDIC | Equal Housing Lender

