

The Lubbock Economy

SEPTEMBER 2023



Awesome Service
No BS.

Lubbock Economic Analysis

Lubbock's economy shows mixed results going into the last quarter of the year. Interest rates continue to have an effect on commercial and residential building activity, new vehicle sales are up, employment remains steady, tourism has improved and retail sales continue to grow. Inflation is still a factor in retail sales being up. The Federal Reserve Bank paused interest rate increases in September. As the Lubbock economy moves into fourth quarter, we will see some ups and downs in various segments of the economy.

Retail sales for August 2023 are up 4.90%, compared to August 2022. YTD retail sales are up 3.63% from last year, both month to date and year to date retail sales have increased primarily due to inflation costs. New vehicle sales saw a 22.94% increase from last August, while used vehicle sales are up 1.96%. Better inventories of new vehicles accounts for new vehicle sales.

Travel is up with Hotel/Motel tax collections up 46.13% from last August, and Airline boardings up 9.64%. Tourism has improved and continues to remain strong.

Workers Employed are up 2,565 over the last 12 months on the Employer Survey and 2,200 on the household survey. The labor force has increased 1.96% compared to August 2022, and wages are flat. Unemployment is higher at 3.90% compared to 3.50% last year at this time. Overall employment has remained strong and resilient.

August Building Permits totaled \$90 million, down \$242 million from last year. There were 179 new residential starts in August, up 37.69% from last year. Housing starts show improvement but still down in number of starts year to year. Interest rates being a large factor. The median house price was \$243,000, down 2.51% from one year ago.

Commercial building activity YTD is down \$148 million from last year. There were 219 new commercial starts in August up from last year 40%. Although new commercial starts are up for commercial projects, they are smaller in nature compared to the larger projects permitted in 2022. In August there were two larger projects permitted one for the City of Lubbock \$8 million and a new credit union for \$6 million.

Oil prices compared to last year are up 5.70% and natural gas has dropped by 67%. Our rig count has decreased from 25 to 12 from July to August 2023. Wheat is down 24.75% and corn is down 31.71%, while cotton has dropped 30.35%. Fat cattle are up 32% from one year ago, while milk prices are down 12.35%. Even with some recent rains the drought that has persisted will have an impact on the overall agricultural economy with yields being down on crop production.

Lubbock Economic Pulse

Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	299.83	395.39	554.23
Sales Tax Collections	\$ 8,140,563	\$ 9,114,605	\$ 7,759,982
Sales Tax Collections – Year to Date	\$ 75,242,836	\$ 67,102,273	\$ 72,605,536
New Vehicle Sales	1,002	975	815
Used Vehicle Sales	2,083	2,027	2,043
Airline Boardings	47,045	48,427	42,909
Hotel/Motel Receipt Tax	966,050	703,516	661,076
Population	263,648	263,648	263,648
Employment – CLF*	171,307	171,682	168,007
Unemployment Rate*	% 3.90	% 4.10	% 3.50
Total Workers Employed* (Household Survey)	164,689	164,711	162,124
Total Workers Employed* (Employer Survey)	158,200	158,100	156,000
Average Weekly Wages	\$ 1,014.00	\$ 1,014.00	\$ 1,021.00
Gas Meters	77,690	77,479	76,152
Interest Rates (30 year mortgage rates)	% 7.250	% 7.375	% 7.125
Building Permits (Dollar Amount)	90,324,407	\$ 252,545,032	\$ 332,482,637
Year to Date Permits (Dollar Amount)	977,522,715	\$ 887,198,309	\$1,312,085,884
Residential Starts	179	158	130
Year to Date Starts	1,270	1,091	1,756
Median House Sold Price	\$ 243,000	\$ 242,000	\$ 249,250
Drilling Rigs in Panhandle	12	25	8
Oil Per Barrel	\$ 89.93	\$ 82.47	\$ 85.08
Natural Gas	\$ 2.76	\$ 2.79	\$ 8.27
Wheat Per Bushel	\$ 6.81	\$ 7.07	\$ 9.05
Fed Cattle Per CWT	\$ 187.87	\$ 183.06	\$ 142.00
Corn	\$ 4.63	\$ 4.76	\$ 6.78
Cotton (Cents Per Pound)	\$ 81.08	\$ 78.86	\$ 116.41
Milk	\$ 17.75	\$ 17.31	\$ 20.25

Earn

5% APY*

**On our 6 & 12
month CDs!**

We are committed to
paying you a Fair Rate.
Paying you **MORE** than
most other banks!

Rates



*Annual Percentage Yield (APY) is effective as of June 30, 2023. Rates are updated every Friday and are subject to change daily. \$1,000 minimum deposit required to open all Certificates of Deposit. Fees may reduce earnings. Penalty will be imposed for early withdrawal. For Certificates of Deposit with a stated maturity greater than one year, interest cannot remain on deposit and payout of interest is required annually.

LubbockNational.com | Member FDIC



Awesome Service
No BS.