

# The Lubbock Economy

NOVEMBER 2023



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# Lubbock Economic Analysis

As we approach year end the Lubbock economy has maintained its resilience in overall retail sales to have a record year in growth. We continue to see a slowdown in some areas of the economy due to the continued higher interest rate environment with continued cautious residential starts and less than average commercial building activity. Employment continues to grow and unemployment numbers are still low. Agricultural commodities activity for 2023 has been severely affected by the lack of rain in the summer months. With the possibility of not having any future increase in the rate environment and some possible rate reduction sometime in 2024 could lead the economy to pick up in residential and commercial activity.

Retail sales for October 2023 are up 5.47%, since October 2022. YTD retail sales are up 4.04% from last year. Retail sales have been a positive trend all of 2023. New vehicle sales saw a 13.26% increase from last October, while used vehicle sales are down 8.45%.

Travel is up with Hotel/Motel tax collections up 5.77% from last October and Airline boardings are also up 8.66%. Tourism is showing an increase compared to last year.

Workers Employed are up 2,900 over the last 12 months on the Employer Survey and 4,068 on the household survey. The labor force has increased 2.43% compared to October 2022 and wages are slightly down. Unemployment is lower at 3.20% compared to 3.30% last year at this time.

October Building Permits totaled \$129.8 million, up \$84.04 million from last year. New housing starts for October 2023 were up \$36 million or 120% from last year but continue to lag behind historical numbers. There were 122 new residential starts in October, down 22.29% from last year. New housing starts is still a reflection of the rise in the cost of housing and the interest rate environment. The median house price was \$242,000, down 2.79% from one year ago.

Commercial building activity YTD is down \$131 million from last year. There were 109 new commercial starts in October up from last year 91%. The largest being a new Frenship School of \$29 million. Although new commercial starts are up for commercial projects, they continue to represent small commercial remodels and small commercial builds. Clearly higher interest rates has been a factor in new large commercial activity.

Oil prices compared to last year are down 10.75% and natural gas has dropped by 47.19%. Oil rig count has increased from 13 to 22 from September to October 2023. Wheat is down 21.95% and corn is down 30.43%, while cotton has dropped 2.44%. Fat cattle are up 20.67% from one year ago, while milk prices are down 21.67%.

# Lubbock Economic Pulse

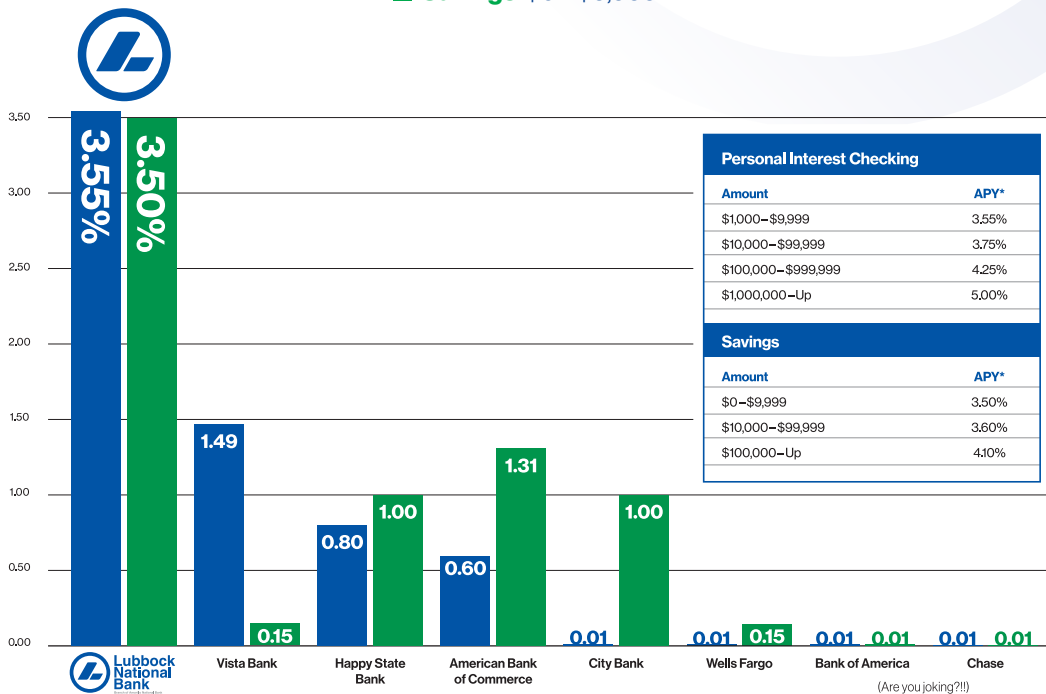
Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	314.00	274.05	531.29
Sales Tax Collections	9,604,191	8,840,210	9,106,178
Sales Tax Collections – Year to Date	93,687,237	84,083,046	90,052,636
New Vehicle Sales	948	1,011	837
Used Vehicle Sales	1,842	2,143	2,014
Airline Boardings	51,914	47,251	47,776
Hotel/Motel Receipt Tax	1,097,768	919,316	1,037,901
Population	263,648	263,648	263,648
Employment – CLF*	171,864	171,433	167,780
Unemployment Rate*	3.20	3.30	3.30
Total Workers Employed* (Household Survey)	166,385	165,702	162,317
Total Workers Employed* (Employer Survey)	161,400	159,800	158,500
Average Weekly Wages	1014.00	1014.00	1,021.00
Gas Meters	77,147	77,026	76,390
Interest Rates (30 year mortgage rates)	7.375	7.875	6.500
Building Permits (Dollar Amount)	129,804,936	77,485,290	45,766,745
Year to Date Permits (Dollar Amount)	1,184,812,941	1,055,008,005	1,404,387,771
Residential Starts	122	127	157
Year to Date Starts	1,519	1,397	2,048
Median House Sold Price	242,000	239,000	248,950
Drilling Rigs in Panhandle	22	13	7
Oil Per Barrel	77.58	83.49	86.92
Natural Gas	3.19	3.38	6.04
Wheat Per Bushel	6.79	6.79	8.70
Fed Cattle Per CWT	181.00	184.51	150.00
Corn	4.64	4.94	6.67
Cotton (Cents Per Pound)	79.99	82.03	81.99
Milk	16.84	16.75	21.50

# We Pay More

## for Checking and Savings than Other Banks!

### Interest Checking and Savings Comparison APY%\*

- Interest Checking \$1,000 – \$9,999
- Savings \$0 – \$9,999



We're committed to paying you a Great Rate.

Rates

\*Annual Percentage Yield (APY) is effective as of November 15, 2023. Rates are variable and subject to change daily.  
For Personal Interest Checking Account, \$50 minimum deposit required to open, \$1,000 average daily balance is required to earn interest.  
For Personal Savings Account, a minimum deposit of \$30 is required to open account. Fees may reduce earnings.

Lubbock National Bank

Branch of Amarillo National Bank

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