

The Lubbock Economy

DECEMBER 2023



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Lubbock Economic Analysis

Lubbock's economy looking back into 2023 has remained in good shape with increases in overall retail sales, employment gains and low unemployment. Building activity in dollars and numbers permitted both commercial and residential are not as robust in 2023 as was reflected in 2022 activity. Interest rates continue to impact the building activity. Tourism slowed in 2023 although a small percentage. New car sales are up and our agricultural economy took a hit from drought conditions. As we move into 2024 rate reductions are possible with new job hires in the 750+ range due to new industries relocating, which should produce a steady and improving Lubbock economy.

Retail sales for November 2023 are up 6.48%, since November 2022. YTD retail sales are up 4.23% from last year. Strong retail sales for 2023 have been a driving factor in our economy. New vehicle sales saw a 15.12% increase from last November, while used vehicle sales are down 4.29%.

Hotel/Motel tax collections are down 10.64% from last November, while Airline boardings are up 14.03%.

Workers Employed are up 2,600 over the last 12 months on the Employer Survey and 5,156 on the Household Survey. The labor force has increased 2.74% compared to November 2022 and wages are slightly down. Unemployment is lower at 2.80% compared to 3.20% last year at this time.

November Building Permits totaled \$93.8 million, down 83.15% from last year. There were 90 new residential starts in November. New housing building activity is down from last year \$117 million or 21% continuing to show the stress from the interest rate environment. The total new building permits compared to last year are down 529 or 25%. The median house price was \$241,000, down 19.64% from one year ago.

Commercial building activity YTD is down \$600 million or 43% from last year. Commercial building activity in 2022 recorded several major contributors with Leprino Foods, UMC and Covenant Expansions as well as the new Cooper West High School. There were 150 new commercial starts in November up 233% from last year. The largest being a new field house for Cooper West of \$17 million and a new office building of \$12 million. Although new commercial starts are up for commercial projects in November 2023, they continue to represent small commercial remodels and small commercial builds.

Oil prices compared to last year are down 6.71% and natural gas has dropped by 65.52%. Oil rig count has increased from 22 to 24 from October to November 2023. Wheat is down 22.44% and corn is down 28.73%, while cotton has dropped 10.57%. Fat cattle are up 10.97% from one year ago, while milk prices are down 25%. Still much needed rain going into 2024 is needed for a return to average cotton crops.

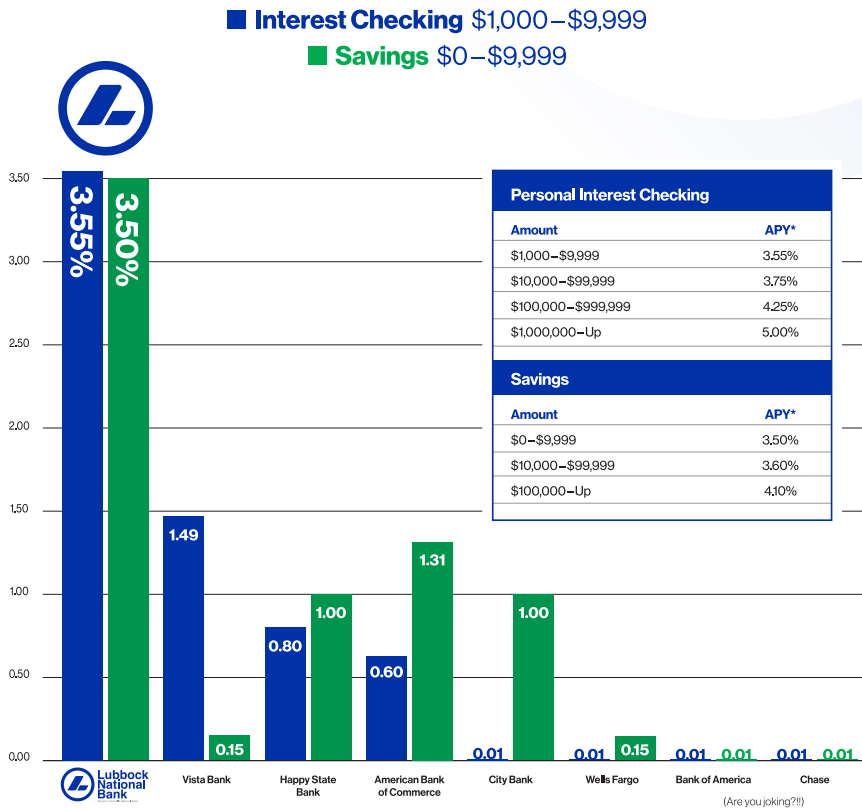
Lubbock Economic Pulse

Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	261.97	314.00	518.37
Sales Tax Collections	\$ 8,257,076	\$ 9,604,191	\$ 7,754,785
Sales Tax Collections – Year to Date	\$ 101,944,313	\$ 93,687,237	\$ 97,807,421
New Vehicle Sales	906	948	787
Used Vehicle Sales	1,762	1,842	1,841
Airline Boardings	50,841	51,914	44,587
Hotel/Motel Receipt Tax	\$ 529,235	\$ 1,097,768	\$ 592,245
Population	263,648	263,648	263,648
Employment – CLF*	173,130	171,720	168,515
Unemployment Rate*	% 2.80	% 3.20	% 3.20
Total Workers Employed* (Household Survey)	168,201	166,252	163,045
Total Workers Employed* (Employer Survey)	162,400	161,400	159,800
Average Weekly Wages	\$ 1014.00	\$ 1014.00	\$ 1,021.00
Gas Meters	77,567	77,147	76,585
Interest Rates (30 year mortgage rates)	% 6.625	% 7.375	% 6.250
Building Permits (Dollar Amount)	\$ 93,801,831	\$ 129,804,936	\$ 556,844,136
Year to Date Permits (Dollar Amount)	\$ 1,278,614,773	\$ 1,184,812,941	\$1,522,758,395
Residential Starts	90	122	90
Year to Date Starts	1,609	1,519	1,986
Median House Sold Price	\$ 241,000	\$ 242,000	\$ 299,900
Drilling Rigs in Panhandle	24	22	12
Oil Per Barrel	\$ 71.32	\$ 77.58	\$ 76.45
Natural Gas	\$ 2.31	\$ 3.19	\$ 6.70
Wheat Per Bushel	\$ 6.81	\$ 6.79	\$ 8.78
Fed Cattle Per CWT	\$ 172.00	\$ 181.00	\$ 155.00
Corn	\$ 4.64	\$ 4.64	\$ 6.51
Cotton (Cents Per Pound)	\$ 74.22	\$ 79.99	\$ 82.99
Milk	\$ 16.50	\$ 16.84	\$ 22.00

We Pay More

for Checking and Savings than Other Banks!

Interest Checking and Savings Comparison APY% *



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*Annual Percentage Yield (APY) is effective as of December 8, 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.

