

# The Lubbock Economy

JANUARY 2024



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# Lubbock Economic Analysis

Lubbock's retail sales were the primary driver of our economy in 2023. Employment was steady with continued employment gains and low unemployment with additional future jobs coming online in 2024. With higher interest rates throughout 2023 building activity dipped sustainably. Tourism softened, vehicle sales for used and new were flat overall with new vehicles sales up and used vehicles sales down. Interest rates will be a factor in 2024 with uncertainty as to the Fed's direction on rate cuts. Lubbock's economy as we head into 2024 is in good condition.

Retail sales for December 2023 are up 9.21%. YTD retail sales are also up 9.21% from last year. Lubbock's strong retail sales for 2023 was a driving factor in the economy's overall health. New vehicle sales saw a 14.33% increase from last December, while used vehicle sales are down 13.79%.

Hotel/Motel tax collections are down 51.62% from last December, while Airline boardings are up 16.08%.

Workers Employed are up 2,200 over the last 12 months on the Employer Survey and 2,557 on the Household Survey. The labor force has increased 1.44% compared to December 2022 and wages are slightly up. Unemployment is down 3.45% compared to last year at this time and our employment rate is 2.80%, showing our labor force is healthy going into 2024.

December Building Permits totaled \$191.79 million, up 159.46% from last year. There were 84 new residential starts in December, down 64.71% from last year continuing to show the stress from the interest rate environment. The median house price was \$240 thousand, down 2.31% from one year ago.

Total building activity both residential and commercial was down \$564 million or 27.75% from 2022 compared to 2023. Residential is down \$71 million or 12.34% and Commercial is down \$493 million or 34%. There were 513 or 23.25% less residential starts and 200 or 17.50% less commercial starts in 2023 compared to 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. Although commercial activity for 2023 was close to one billion dollars it was still short of one of the highest years on record in 2022.

There were 88 new commercial starts in December down from last year's 11%. Commercial activity for December included continued building activity in the Lubbock Cooper Independent District.

Oil prices compared to last year are down 10.30% and natural gas has dropped by 9.07%. Oil rig count has decreased from 24 to 12 from November to December 2023. Wheat is down 24.04%, corn is down 34.61% and cotton has also dropped 7.44% since last year. Fat cattle are up 10.32% from one year ago, while milk prices are down 21.95%. Future rains will determine agricultural well-being heading into 2024. Prices remain flat with last year.

# Lubbock Economic Pulse

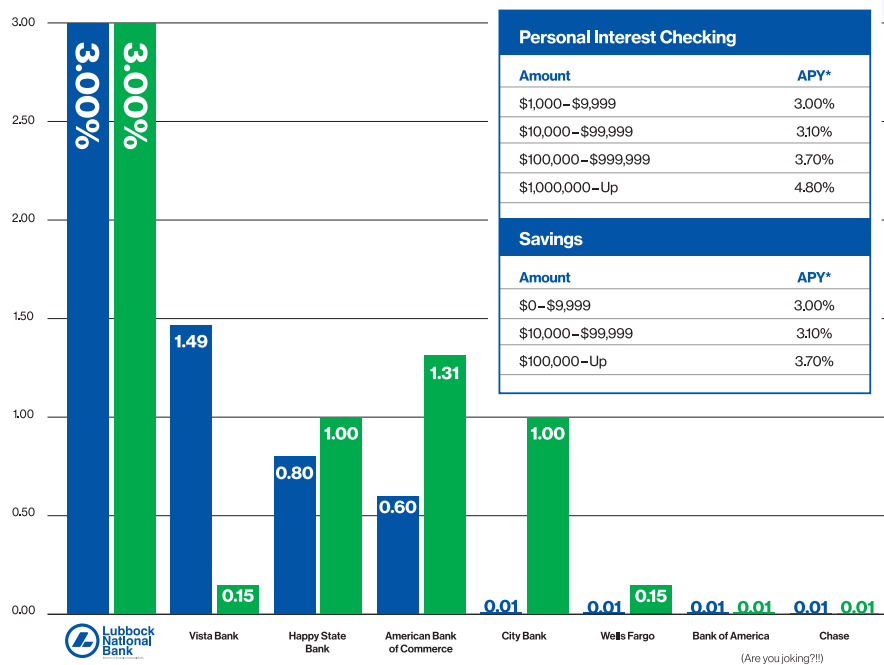
Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	318.82	261.97	301.16
Sales Tax Collections	\$ 8,740,661	\$ 8,257,076	\$ 8,003,407
Sales Tax Collections – Year to Date	\$ 8,740,661	\$ 101,944,313	\$ 8,003,407
New Vehicle Sales	758	906	663
Used Vehicle Sales	1,344	1,762	1,559
Airline Boardings	48,506	50,841	41,787
Hotel/Motel Receipt Tax	\$ 507,436	\$ 529,235	\$ 1,048,756
Population	263,648	263,648	263,648
Employment – CLF*	170,905	173,151	168,486
Unemployment Rate*	% 2.80	% 2.80	% 2.90
Total Workers Employed* (Household Survey)	166,201	168,228	163,644
Total Workers Employed* (Employer Survey)	161,900	162,400	159,700
Average Weekly Wages	\$ 1014.00	\$ 1014.00	\$ 966.00
Gas Meters	77,838	77,567	76,825
Interest Rates (30 year mortgage rates)	% 6.625	% 6.625	% 6.125
Building Permits (Dollar Amount)	\$ 191,788,043	\$ 93,801,831	\$ 73,917,113
Year to Date Permits (Dollar Amount)	\$ 1,470,402,816	\$ 1,278,614,773	\$2,035,149,021
Residential Starts	84	90	238
Year to Date Starts	1,693	1,609	2,206
Median House Sold Price	\$ 240,000	\$ 241,000	\$ 245,678
Drilling Rigs in Panhandle	12	24	13
Oil Per Barrel	\$ 72.68	\$ 71.32	\$ 81.03
Natural Gas	\$ 3.31	\$ 2.31	\$ 3.64
Wheat Per Bushel	\$ 6.35	\$ 6.81	\$ 8.36
Fed Cattle Per CWT	\$ 171.00	\$ 172.00	\$ 155.00
Corn	\$ 4.44	\$ 4.64	\$ 6.79
Cotton (Cents Per Pound)	\$ 76.22	\$ 74.22	\$ 82.35
Milk	\$ 16.00	\$ 16.50	\$ 20.50

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\*Annual Percentage Yield (APY) is effective as of January 5, 2024. 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.