

The Lubbock Economy

April 2025



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Lubbock Economic Analysis

March is beginning to show signs that a slowdown in the economy may be underway.

Over the past two years, we've seen robust growth in retail sales, but March 2025 saw a slowdown compared to the same period last year, with only a modest year-over-year increase. Overall construction activity is down 30%, with commercial building falling 53.7%, while residential construction is up 22%. Employment continues to be strong through the first quarter. Vehicle sales experienced modest gains, especially in new vehicle sales. Tourism also saw modest gains. Inflation remains a concern, and the ongoing tariff war could continue to create ripple effects for some time.

Retail sales in March 2025 declined by 10.42% compared to the same month in 2024. Despite this monthly drop, year-to-date sales for 2025 reached \$35.1 million, representing a modest increase of \$567,619, or 1.64%, over the same period last year. New vehicle sales rose to 971 units in March, a 7.17% increase from March 2024, while used vehicle sales totaled 2,255 units, reflecting a slight decrease of 0.53%.

In March 2025, Lubbock experienced a notable increase in tourism activity, as evidenced by hotel/motel tax collections reaching \$594,953. This figure represents a 6.64% rise compared to March 2024, indicating a robust demand for accommodations in the area. Additionally, airline boardings at Lubbock Preston Smith International Airport totaled 47,039 for the month, marking a 0.71% increase over March 2024.

Over the past 12 months, employment in Lubbock has seen significant growth. According to the Employer Survey, the number of employed workers increased by 8.70% (approximately 14,000 jobs), while the Household Survey reports a more modest rise of 1.43% (around 2,500 jobs). The Employer Survey counts jobs reported by businesses, while the Household Survey measures individuals and includes self-employed workers and those in informal employment. Since March 2024, the labor force has expanded by 1.30%, and wages have seen a modest uptick of 1.75%. As of March 2024, the unemployment rate stands at 3.30%, reflecting a 5.71% decrease compared to the previous month.

In March 2025, the total value of residential and commercial building permits amounted to \$74.5 million – a drop of \$32.5 million, or 30.39% compared to March 2024. Year-to-date, combined building activity is 16.92% lower than the same period last year, representing a decline of \$47.8 million.

Residential building activity in March 2025 totaled \$52.3 million, reflecting an increase of 25.79% over March 2024. Year-to-date, residential construction is up by \$29.9 million, or 22%, signaling a strong upward trend for the year. In contrast, commercial building activity declined \$77.7 million from the previous year. The drop is attributed to the absence of major commercial permits during this period, as high interest rates and rising construction costs continue to be significant factors.

In March 2025, 168 residential building permits were issued – a modest increase of 8 permits, or 5.00%, compared to March 2024. However, year-to-date totals reached 448 permits, reflecting a 2.40% decline from the same period last year. Mortgage rates remained elevated at 6.625%, though they were 10.17% lower than rates in March 2024. The median home price for the month was \$235,000, showing a slight year-over-year decrease of 0.51%.

As of March 2025, oil is priced at \$62.79 per barrel, representing a 26.64% decline compared to the same period last year. In contrast, natural gas has surged to \$3.25, a notable 92.31% year-over-year increase. The number of active oil rigs rose slightly, increasing by two from February to reach a total of 10 in March. In the agricultural sector, wheat prices have climbed 9.68% year-over-year to \$6.46 per bushel, while corn prices are up 11.60%, reaching \$4.81 per bushel. Cotton prices, however, have dropped sharply, falling 29.15% from the previous year. Meanwhile, fat cattle prices have risen by 10.75%, contributing to a 7.58% increase in milk prices. There has been some moisture in recent weeks, but significantly more is needed to adequately prepare the soil for planting.



Lubbock Economic Pulse

Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	253.70	290.00	289.28
Sales Tax Collection	\$ 7,123,733	\$ 7,624,408	\$ 7,952,475
Sales Tax Collections (Year to Date)	\$ 35,088,785	\$ 27,965,052	\$ 34,521,166
New Vehicle Sales	971	982	906
Used Vehicle Sales	2,255	1,868	2,267
Airline Boardings	47,039	40,030	46,709
Hotel/Motel Receipt Tax	\$ 593,953	\$ 663,575	\$ 556,953
Population	263,648	263,648	263,648
Employment – CLF*	187,175	188,497	184,779
Unemployment Rate*	% 3.30	% 3.70	% 3.50
Total Worker Employed* (Household Survey)	180,953	181,500	178,403
Total Worker Employed* (Employer Survey)	174,900	174,900	160,900
Average Weekly Wages	\$ 1,044.00	\$ 1,044.00	\$ 1,026.00
Gas Meters	79,327	79,167	78,606
Interest Rates (30 year mortgage rates)	% 6.625	% 6.875	% 7.375
Building Permits (Dollar Amount)	\$ 74,527,695	\$ 64,956,139	\$ 107,071,360
Year to Date Permits (Dollar Amount)	\$ 234,396,291	\$ 159,868,596	\$ 282,147,939
Residential Starts	168	141	160
Year to Date Starts	448	280	459
Median House Sold Price	\$ 235,000	\$ 235,000	\$ 236,200
Drilling Rigs in Panhandle	10	8	6
Oil Per Barrel	\$ 62.79	\$ 67.61	\$ 85.59
Natural Gas	\$ 3.25	\$ 3.99	\$ 1.69
Wheat Per Bushel	\$ 6.46	\$ 6.61	\$ 5.89
Fed Cattle Per CWT	\$ 206.40	\$ 199.00	\$ 186.36
Corn	\$ 4.81	\$ 4.43	\$ 4.31
Cotton (Cents Per Pound)	\$ 62.35	\$ 63.32	\$ 88.00
Milk	\$ 17.75	\$ 18.45	\$ 16.50

Time for the obligatory legal babble!

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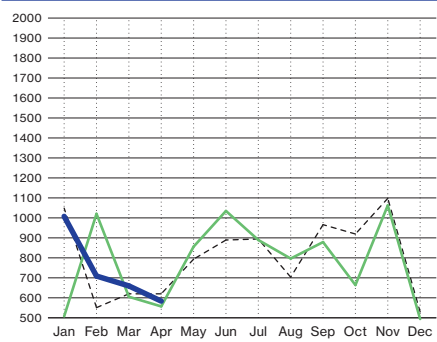
Economic Pulse Charts

2025

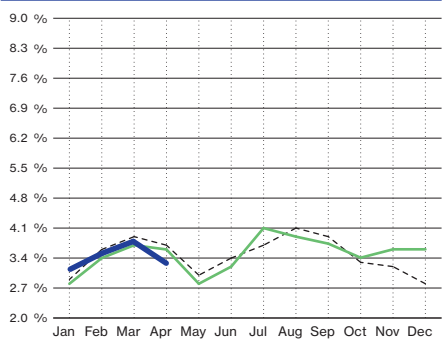
2024

2023

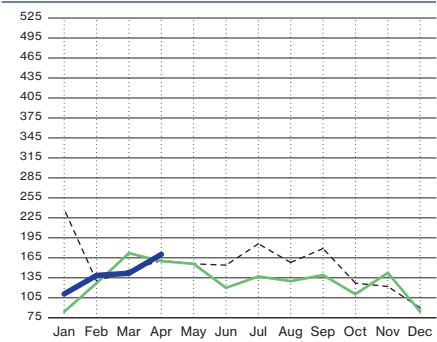
Hotel/Motel Receipt Tax (In Thousands)



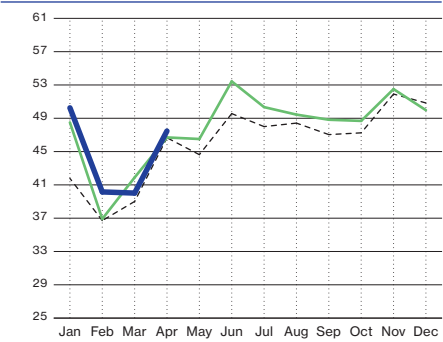
Percent Unemployment (State Adjusted Numbers)



Residential Housing Starts

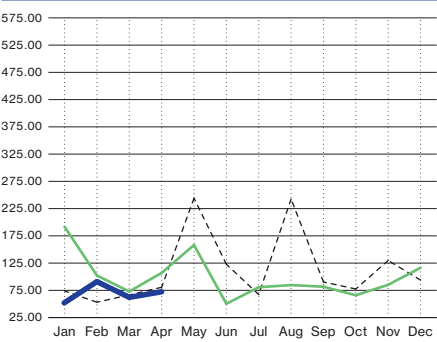


Airline Boardings (In Thousands)

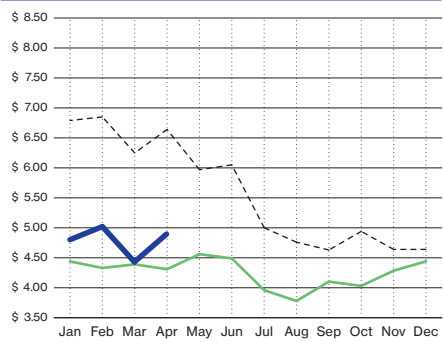


Building Permits

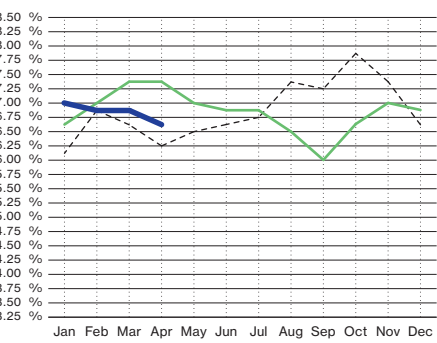
(Residential/Commercial - Millions of Dollars)



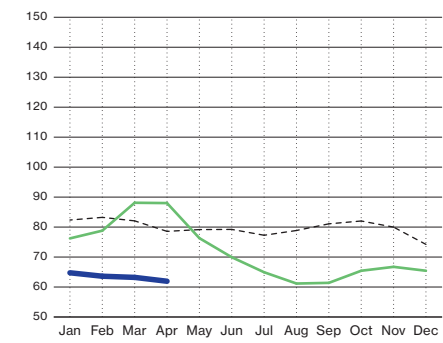
Corn (Price Per Bushel)

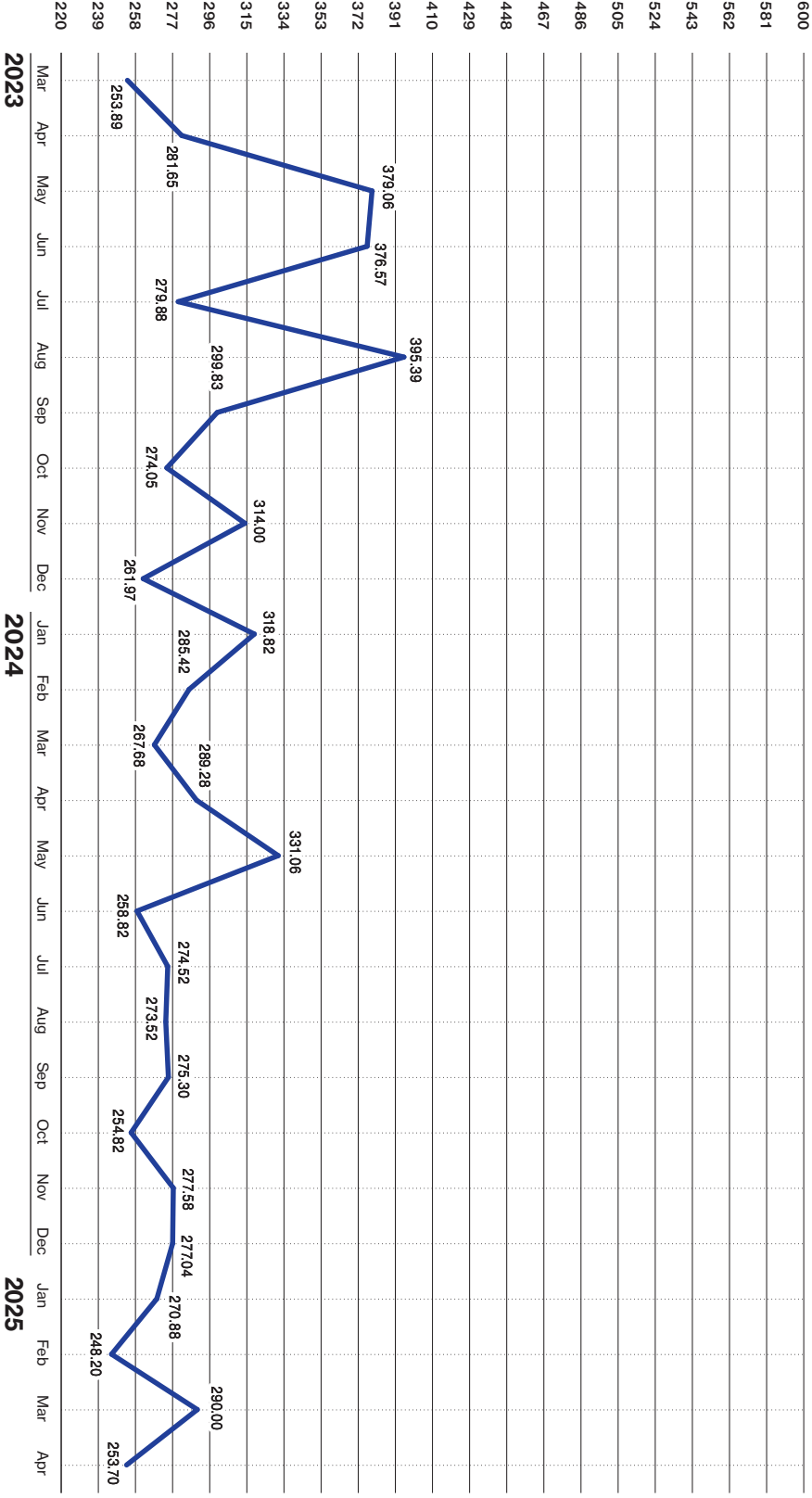


Interest Rates (30 Year Mortgage Rates)



Cotton (Cents Per Pound)





Where Cash Gets a \$ide Hustle

Interest-Bearing Checking



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