

The Lubbock Economy

June 2025



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Lubbock Economic Analysis

Lubbock's economy showed little notable change in May. Retail sales saw modest gains, and new vehicle sales rose slightly, while used vehicle sales declined.

Employment remains steady with modest employment growth. Tourism activity decreased during the month. Overall, building activity remains down for the year – Commercial construction remains stagnant, with no major new projects initiated over the past year. Residential construction has seen only a small uptick in single family housing. Continued challenges remain within the national economy and high interest rates continue to impact growth, though potential rate cuts in the future may help stimulate the local economy.

In May 2025, Lubbock's retail sales increased 1.87% compared to May 2024. Year-to-date sales reached \$53.87 million, reflecting a \$1.33 million increase, or 2.53%, from the same period last year. New vehicle sales totaled 1,188 units for the month, a 4.58% increase over May 2024. In contrast, used vehicle sales declined by 2.24%, with 2,224 units sold.

Tourism activity also declined in May. Hotel/motel tax collections fell to \$868,786 representing a 16.03% decrease compared to May 2024. However, air travel saw an uptick, with boardings at Lubbock Preston Smith International Airport rising to 55,167 – up 3.24% from the same month last year.

Over the past year, employment in Lubbock has seen notable growth, though estimates vary depending on the data source. According to the Employer Survey, employment increased by 8.77%, adding approximately 14,200 jobs. In contrast, the Household Survey reports a more modest gain of 1.89%, or about 3,356 jobs. Since May 2024, Lubbock's labor force has grown by 2.04%, while average wages have seen a modest increase of 1.75%. As of May 2025, the unemployment rate stands at 3.40%, up 6.25% from a year earlier.

In May 2025, the total value of residential and commercial building permits reached \$63.32 million, an increase of \$12.99 million, or 25.81%, compared to May 2024. While month-to-date activity was slightly higher, there were no significant projects driving this increase. Year-to-date building activity is down 11.40% from the same period last year, representing a decrease of \$55.94 million. Commercial permits have dropped by \$164 million, while residential permits have increased by \$108 million, resulting in a net decrease of \$56 million. However, after adjusting for two large projects – Texas Tech Student Housing (\$67 million) and the Hartley Apartments (\$26 million) – residential building is up only \$15 million, or 6.96%.

Commercial building activity month-to-date is up \$10 million, or 81%, from May 2024. However, year-to-date commercial activity remains down 60%, or \$164 million, largely due to the permitting of the new Frenship High School last year.

Residential permits in May 2025 totaled \$39.8 million, representing an increase of \$5.7 million, or 16.68%, over May 2024. A total of 122 residential permits were issued – essentially unchanged from last year. Year-to-date residential permit volume is flat, though total valuation is up \$15 million, or 6.96%. Elevated mortgage rates, currently at 6.75%, continue to constrain residential activity. The median home price in May was \$238,000, a 1.44% increase from the prior year.

As of May 2025, oil prices are down 6.45% compared to the same period last year. In contrast, natural gas prices have surged, showing a 43.01% year-over-year increase. The number of active oil rigs also rose, climbing from 9 rigs in April to 14 rigs in May. In the agricultural sector, wheat prices have dropped 9.34% over the past year, and corn has decreased by 2.67%. Cotton experienced a steeper decline, falling by 9.47% year-over-year. Meanwhile, fat cattle prices are up by 20.97%, while milk prices have declined by 6.60%. Most of the region has continued to receive rainfall, with some areas experiencing particularly significant amounts. Planting is now complete, and there is optimism for continued rain throughout the season.



Lubbock Economic Pulse

Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	312.62	263.93	258.82
Sales Tax Collection	\$ 8,585,302	\$ 10,193,106	\$ 8,427,887
Sales Tax Collections (Year to Date)	\$ 53,867,194	\$ 45,281,891	\$ 52,539,062
New Vehicle Sales	1,188	875	1,136
Used Vehicle Sales	2,224	1,834	2,275
Airline Boardings	55,167	44,927	53,438
Hotel/Motel Receipt Tax	\$ 868,786	\$ 878,154	\$ 1,034,665
Population	272,086	272,086	263,648
Employment – CLF*	187,216	188,440	183,466
Unemployment Rate*	% 3.40	% 3.00	% 3.20
Total Worker Employed* (Household Survey)	180,911	183,231	177,555
Total Worker Employed* (Employer Survey)	176,100	175,700	161,900
Average Weekly Wages	\$ 1,044.00	\$ 1,044.00	\$ 1,026.00
Gas Meters	79,381	79,216	78,670
Interest Rates (30 year mortgage rates)	% 6.750	% 6.750	% 6.875
Building Permits (Dollar Amount)	\$ 63,322,693	\$ 136,995,888	\$ 50,333,340
Year to Date Permits (Dollar Amount)	\$ 434,714,872	\$ 371,392,180	\$ 490,655,126
Residential Starts	122	161	120
Year to Date Starts	731	609	735
Median House Sold Price	\$ 238,280	\$ 237,000	\$ 234,900
Drilling Rigs in Panhandle	14	9	10
Oil Per Barrel	\$ 75.30	\$ 63.18	\$ 80.49
Natural Gas	\$ 3.99	\$ 3.55	\$ 2.79
Wheat Per Bushel	\$ 6.31	\$ 6.23	\$ 6.96
Fed Cattle Per CWT	\$ 225.00	\$ 215.00	\$ 186.00
Corn	\$ 4.37	\$ 4.35	\$ 4.49
Cotton (Cents Per Pound)	\$ 63.32	\$ 63.26	\$ 69.94
Milk	\$ 18.68	\$ 18.71	\$ 20.00

Time for the obligatory legal babble!

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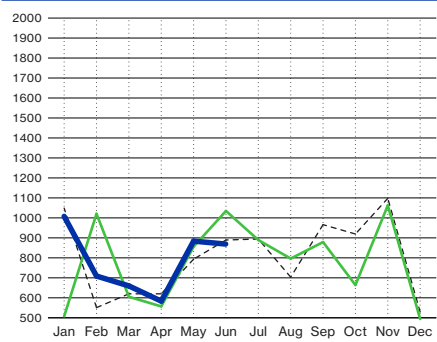
Economic Pulse Charts

2025

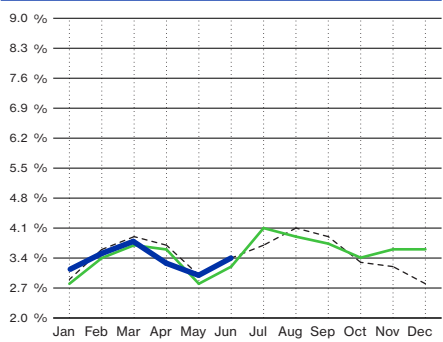
2024

2023

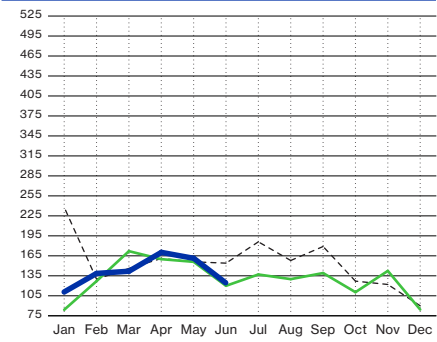
Hotel/Motel Receipt Tax (In Thousands)



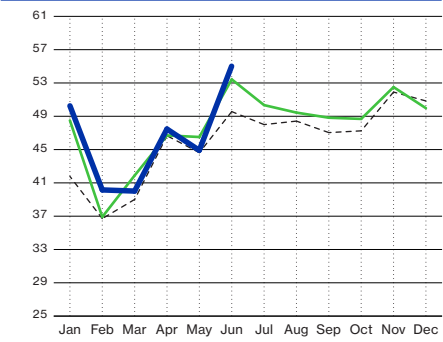
Percent Unemployment (State Adjusted Numbers)



Residential Housing Starts

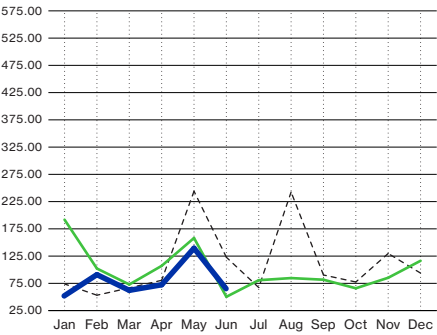


Airline Boardings (In Thousands)

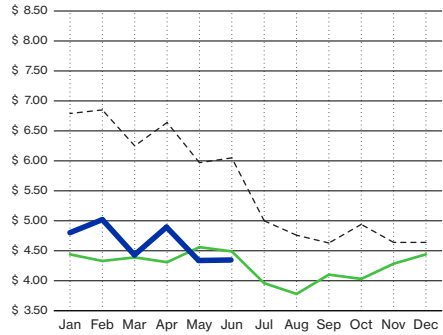


Building Permits

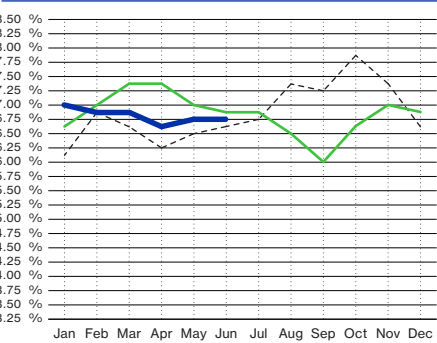
(Residential/Commercial - Millions of Dollars)



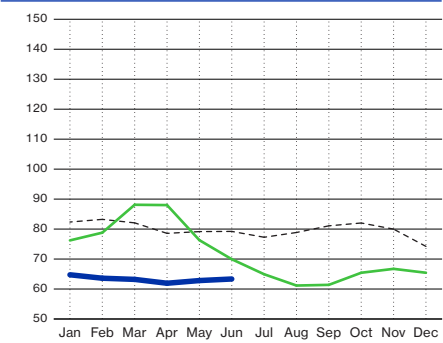
Corn (Price Per Bushel)

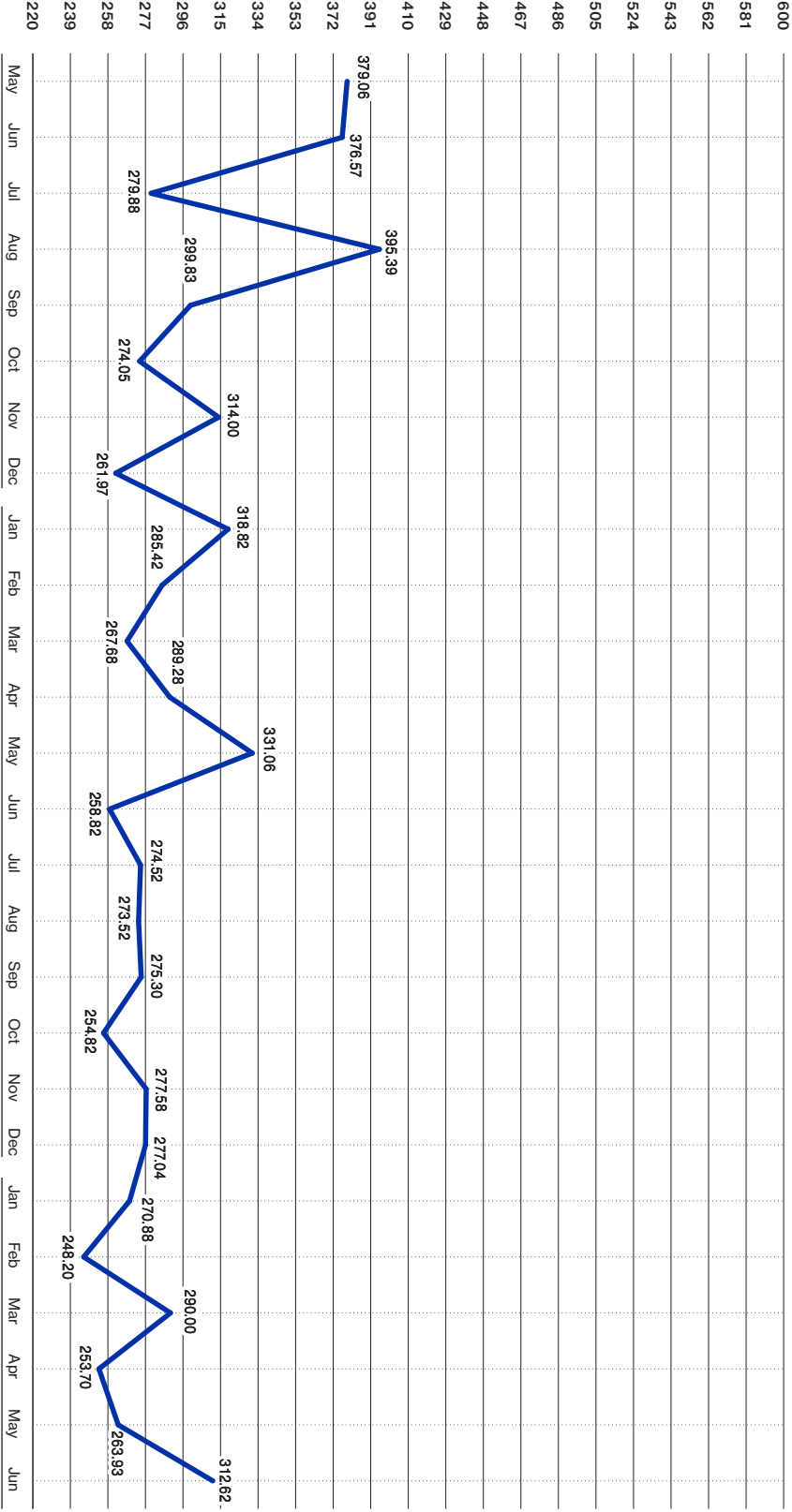


Interest Rates (30 Year Mortgage Rates)



Cotton (Cents Per Pound)





Amarillo by Mornin'

Up from **San Antone**,
and **Austin**,
and **Bryan/College Station**,
and **Fort Worth**,
and **Lubbock**.
and **Canyon**,
and **Borger**...



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