

The Lubbock Economy

July 2025



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Lubbock Economic Analysis

Retail sales slowed both month-to-date and year-to-date, showing only modest gains – possibly indicating that the Lubbock economy is starting to cool.

In June 2025, retail sales in Lubbock rose by 0.30% compared to June 2024. Year-to-date sales reached \$62.37 million, an increase of \$1.35 million, or 2.22% from the same period last year. New vehicle sales totaled 984 units for the month, up 10.69% from June 2024, while used vehicle sales rose 2.97%, with 1,838 units sold.

Tourism activity declined in June 2025, as hotel/motel tax collections fell to \$761,329 - down 14.39% from the previous year. However, air travel showed slight improvement, with boardings at Lubbock Preston Smith International Airport rising to 50,923, an increase of 1.14% from June 2024.

Employment in Lubbock has shown steady growth over the past year. According to the Employer Survey, employment rose by 9.07%, adding about 14,600 jobs. The Household Survey, meanwhile, reported a smaller gain of 2.09%, or 3,683 jobs. Since June 2024, the labor force has grown by 1.61%, and average weekly wages increased by 1.75%. As of June 2025, the unemployment rate stands at 3.60%, down from 12.20% a year earlier.

In June 2025, the total value of residential and commercial building permits reached \$111.43 million, an increase of \$30.66 million, or 37.97%, compared to June 2024. Commercial activity drove most of this increase, rising \$46.4 million from the previous year, while residential activity declined by \$15.8 million. Year-to-date, total building activity is down 4.42% from the previous year, representing a \$25.28 million decrease. Residential activity for the year is up \$92.7 million – boosted by two large multi-residential projects - while commercial activity is down \$117.9 million year-to-date.

Commercial building activity month-to-date is up \$46.4 million – or 156.6% - compared to June 2024, largely driven by continued permitting for the new Lubbock Cooper school, which includes a gym and auditorium.

Residential permits in June 2025 totaled \$35.2 million, a decline of \$15.7 million – or 44.7% - compared to June 2024. A total of 97 residential permits were issued during the month, down 29.2% year-over-year. Year-to-date, 828 permits have been issued, reflecting a 5.05% decrease from the same period last year. Elevated mortgage rates – currently at 6.50%, though slightly below last year's 6.875% - continue to weigh on residential construction. The median home price rose to \$240,000, marking a 2.46% increase over the past year.

As of June 2025, oil prices declined 20.16% compared to the same time last year, while natural gas prices surged by 39.92%. The number of active oil rigs fell from 14 in May to 8 in June. In agriculture, wheat prices dipped 0.16%, corn prices rose 2.53%, and cotton prices dropped 1.82% year-over-year. Fat cattle prices climbed 20.00%, while milk prices fell 12.50%. Overall, recent rainfall has improved crop conditions, and outlooks are more favorable. Continued precipitation and moderate temperatures, however, remain essential for sustained crop production.



Lubbock Economic Pulse

Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	263.10	312.62	274.52
Sales Tax Collection	\$ 8,499,730	\$ 8,585,302	\$ 8,474,464
Sales Tax Collections (Year to Date)	\$ 62,366,923	\$ 53,867,194	\$ 61,013,525
New Vehicle Sales	984	1,188	889
Used Vehicle Sales	1,838	2,224	1,785
Airline Boardings	50,923	55,167	50,349
Hotel/Motel Receipt Tax	\$ 761,329	\$ 868,786	\$ 889,257
Population	272,086	272,086	263,648
Employment – CLF*	187,028	187,086	184,062
Unemployment Rate*	% 3.60	% 3.40	% 4.10
Total Worker Employed* (Household Survey)	180,261	180,814	176,578
Total Worker Employed* (Employer Survey)	175,500	176,100	160,900
Average Weekly Wages	\$ 1,044.00	\$ 1,044.00	\$ 1,026.00
Gas Meters	79,245	79,381	78,153
Interest Rates (30 year mortgage rates)	% 6.500	% 6.750	% 6.875
Building Permits (Dollar Amount)	\$ 111,425,636	\$ 63,322,693	\$ 80,763,617
Year to Date Permits (Dollar Amount)	\$ 546,140,508	\$ 434,714,872	\$ 571,418,743
Residential Starts	97	122	137
Year to Date Starts	828	731	872
Median House Sold Price	\$ 240,000	\$ 238,280	\$ 234,230
Drilling Rigs in Panhandle	8	14	12
Oil Per Barrel	\$ 66.15	\$ 75.30	\$ 82.85
Natural Gas	\$ 3.54	\$ 3.99	\$ 2.53
Wheat Per Bushel	\$ 6.35	\$ 6.31	\$ 6.36
Fed Cattle Per CWT	\$ 228.00	\$ 225.00	\$ 190.00
Corn	\$ 4.06	\$ 4.37	\$ 3.96
Cotton (Cents Per Pound)	\$ 63.75	\$ 63.32	\$ 64.93
Milk	\$ 17.50	\$ 18.68	\$ 20.00

Time for the obligatory legal babble!

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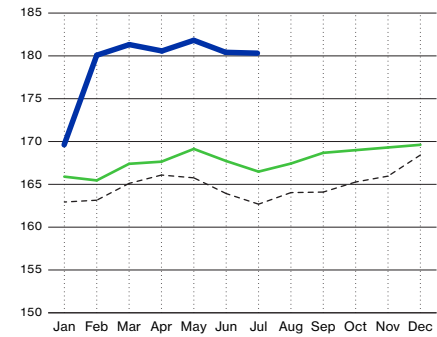
Economic Pulse Charts

2025

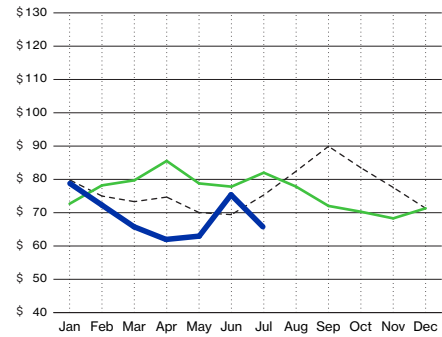
2024

2023

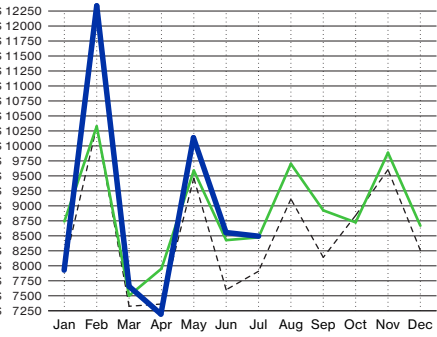
Workers Employed
(In Thousands - Household Survey)



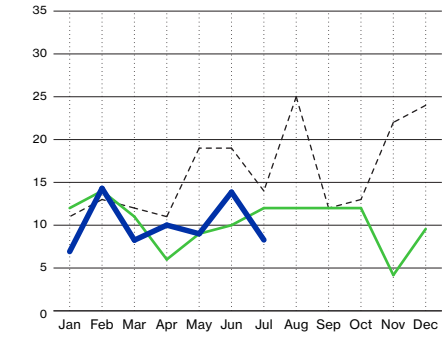
Oil (Price Per Barrel - In Dollars)



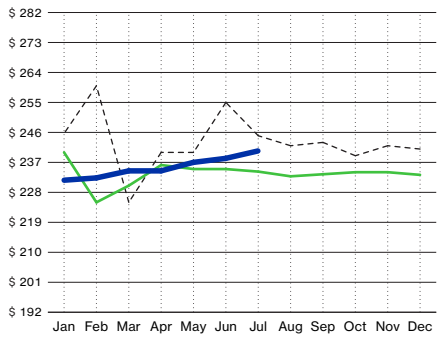
Sales Tax Receipts (In Thousands)



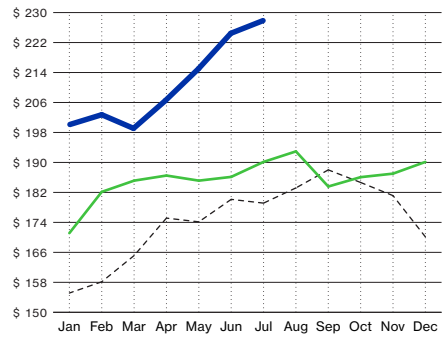
Active Drilling Rigs in Panhandle



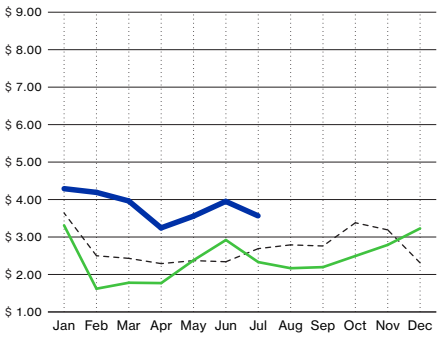
Median House Sold Price (In Thousands)



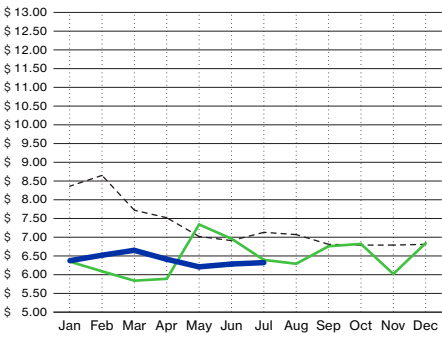
Fed Cattle Per Hundred Weight (In Dollars)

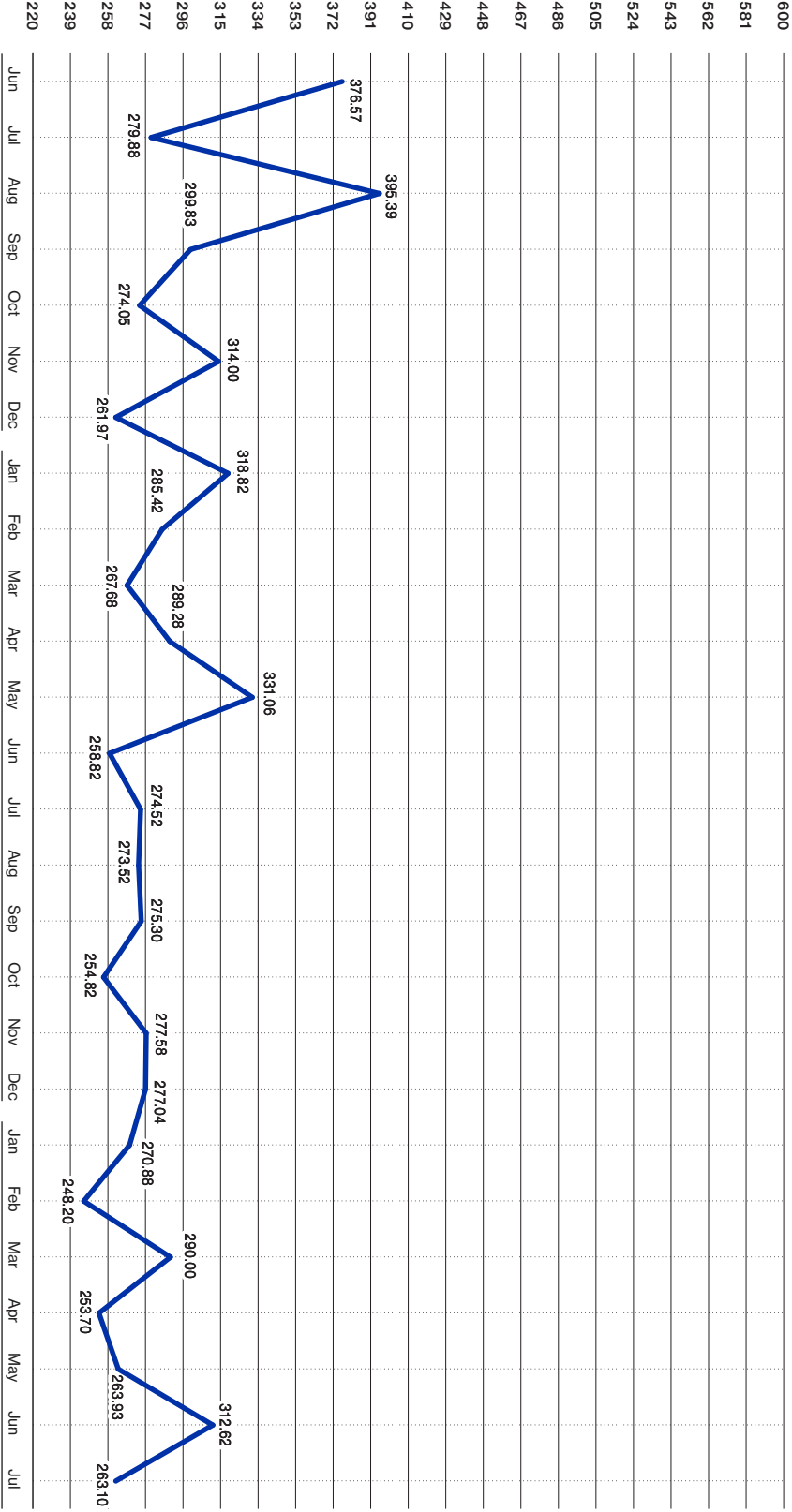


Natural Gas (Price Per Mmbtu - In Thousands)



Wheat (Price Per Bushel)





INFLATION

Reported National Inflation is about +2.7%. Declining Gasoline and Housing Costs are keeping the overall number low. House prices are starting to drop in many cities. This masks rising prices on many everyday items and services.

Tariffs will add costs that will be absorbed somewhere on the supply chain—first among producers and shippers, then wholesalers, and finally retailers. Once the absorption stops, the consumer will have to pay. Some estimate this will take three to nine months.

The effect of tariffs is already baked in some categories. Foreign cars have a 25% tariff: steel 25%, going to 50%. These levees allow domestic producers to raise their prices (maybe by 24%). Thus, the final cost of goods is higher already. We will watch for the effect in the future.

Tariffs are bucking up against two important economic principles (or laws):

- the law of comparative advantage**
- the misallocation of resources**

We all may need to get out our economics textbooks.