

The Lubbock Economy

August 2025



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Lubbock Economic Analysis

Retail sales are up 1.57% year-to-date but fell 2.48% in July 2025 compared to the same month last year – slower than the pace of inflation.

This points to signs of a cooling economy heading into the third quarter. On a positive note, employment continues to grow in 2025, supported by a low unemployment rate. Residential building activity shows solid year-to-date growth, while commercial building activity remains below last year's levels. Tourism improved from last year, and both new and used car sales posted gains. Still, changes remain at both the national and state levels, with inflation lingering and the Federal Reserve weighing potential interest rate cuts.

In July 2025, retail sales in Lubbock declined 2.48% compared to July 2024. Year-to-date sales totaled \$71.85 million, an increase of \$1.11 million, or 1.57%, from the same period last year. New vehicle sales reached 980 units for the month, up 21.44% from July 2024, while used vehicle sales rose 16.89%, with 1,952 units sold.

Tourism activity also increased in July 2025, as hotel/motel tax collections rose to \$1.04 million – up 30.27% from a year earlier. Air travel showed modest growth, with 52,450 boardings at Lubbock Preston Smith International Airport, a 6.08% increase from July 2024.

Employment in Lubbock has continued to grow over the past year. The Employer Survey reported job growth of 8.89% adding about 14,200 positions. The Household Survey showed a smaller gain of 1.29%, or 2,285 jobs. Since July 2024, the labor force has expanded by 1.02%, while average weekly wages have risen 1.75%. As of July 2025, the unemployment rate stood at 3.80%, down 7.32% from a year ago.

Building activity also strengthened. In July 2025, the total value of residential and commercial building permits reached \$103.03 million, an increase of \$18.36 million, or 21.69%. Residential activity was the primary driver of building permits. Residential building activity rose \$30.5 million, or 80.5%, from July 2024, while commercial activity declined by \$12.1 million, or 25.9%. Year-to-date, residential activity reached \$94.5 million, up 38.9%, while commercial activity totaled \$130.1 million, down 25.9% from last year.

A total of 151 residential permits were issued during the month, up 16.15% year-over-year. Year-to-date, 979 permits have been issued, reflecting a 2.30% decline from the same period last year. Elevated mortgage rates – currently at 6.375%, slightly below last year's 6.50% - continue to weigh on residential construction. However, the median home price rose to \$286,943, marking a 22.98% increase over the past year.

Energy prices showed mixed results. As of July 2025, oil prices were down 17.98% compared to a year earlier, while natural gas prices surged 26.34%. The number of active oil rigs increased from 8 in June to 11 in July.

Agricultural markets were varied. Wheat prices fell 8.36%, corn prices slipped 1.85%, and milk dropped 17.65%. Meanwhile, cotton prices rose 4.69%, and fat cattle prices climbed 21.26% year-over-year.



Lubbock Economic Pulse

Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	277.15	263.10	273.52
Sales Tax Collection	\$ 9,486,961	\$ 8,499,730	\$ 9,728,628
Sales Tax Collections (Year to Date)	\$ 71,853,884	\$ 62,366,923	\$ 70,742,153
New Vehicle Sales	980	984	807
Used Vehicle Sales	1,952	1,838	1,670
Airline Boardings	52,450	50,923	49,443
Hotel/Motel Receipt Tax	\$ 1,037,536	\$ 761,329	\$ 796,464
Population	272,086	272,086	263,648
Employment – CLF*	186,621	187,063	184,739
Unemployment Rate*	% 3.80	% 3.60	% 4.10
Total Worker Employed* (Household Survey)	179,489	180,304	177,204
Total Worker Employed* (Employer Survey)	174,000	175,500	159,800
Average Weekly Wages	\$ 1,044.00	\$ 1,044.00	\$ 1,026.00
Gas Meters	79,193	79,245	78,903
Interest Rates (30 year mortgage rates)	% 6.375	% 6.500	% 6.500
Building Permits (Dollar Amount)	\$ 103,031,847	\$ 111,425,636	\$ 84,669,415
Year to Date Permits (Dollar Amount)	\$ 649,172,355	\$ 546,140,508	\$ 656,088,158
Residential Starts	151	97	130
Year to Date Starts	979	828	1,002
Median House Sold Price	\$ 286,943	\$ 240,000	\$ 233,330
Drilling Rigs in Panhandle	11	8	12
Oil Per Barrel	\$ 63.70	\$ 66.15	\$ 77.66
Natural Gas	\$ 2.83	\$ 3.54	\$ 2.24
Wheat Per Bushel	\$ 5.04	\$ 6.35	\$ 5.50
Fed Cattle Per CWT	\$ 234.00	\$ 228.00	\$ 192.98
Corn	\$ 3.71	\$ 4.06	\$ 3.78
Cotton (Cents Per Pound)	\$ 64.03	\$ 63.75	\$ 61.16
Milk	\$ 17.50	\$ 17.50	\$ 21.25

Time for the obligatory legal babble!

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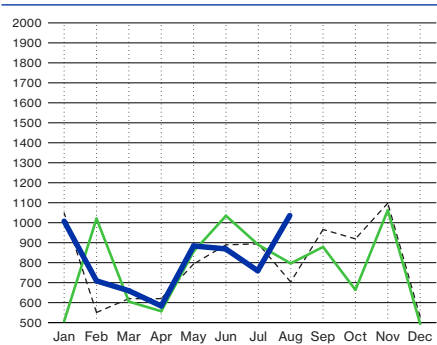
Economic Pulse Charts

2025

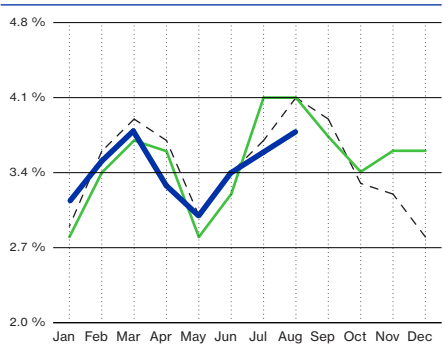
2024

2023

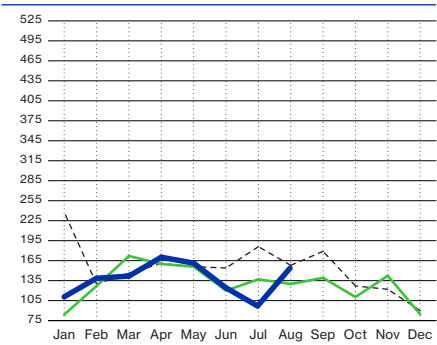
Hotel/Motel Receipt Tax (In Thousands)



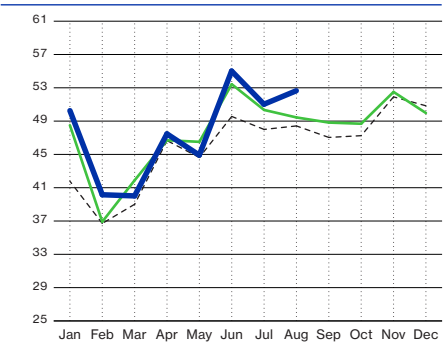
Percent Unemployment (State Adjusted Numbers)



Residential Housing Starts

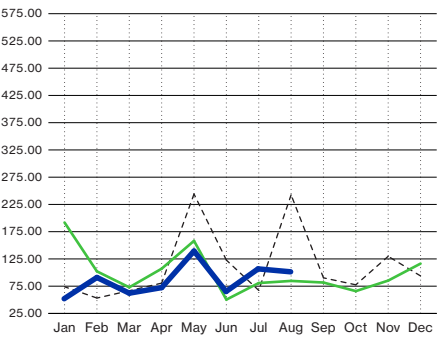


Airline Boardings (In Thousands)

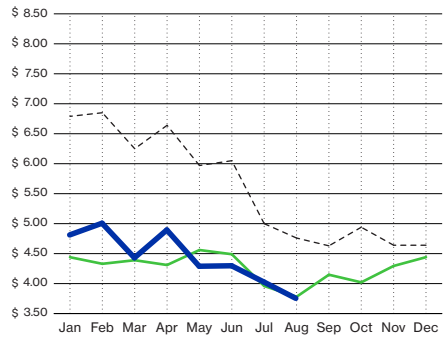


Building Permits

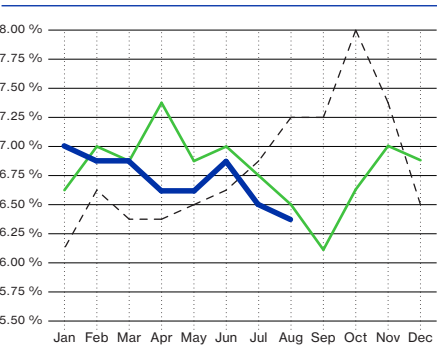
(Residential/Commercial - Millions of Dollars)



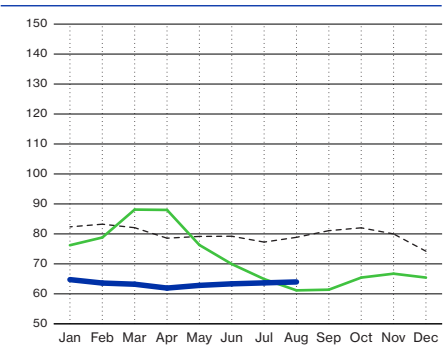
Corn (Price Per Bushel)

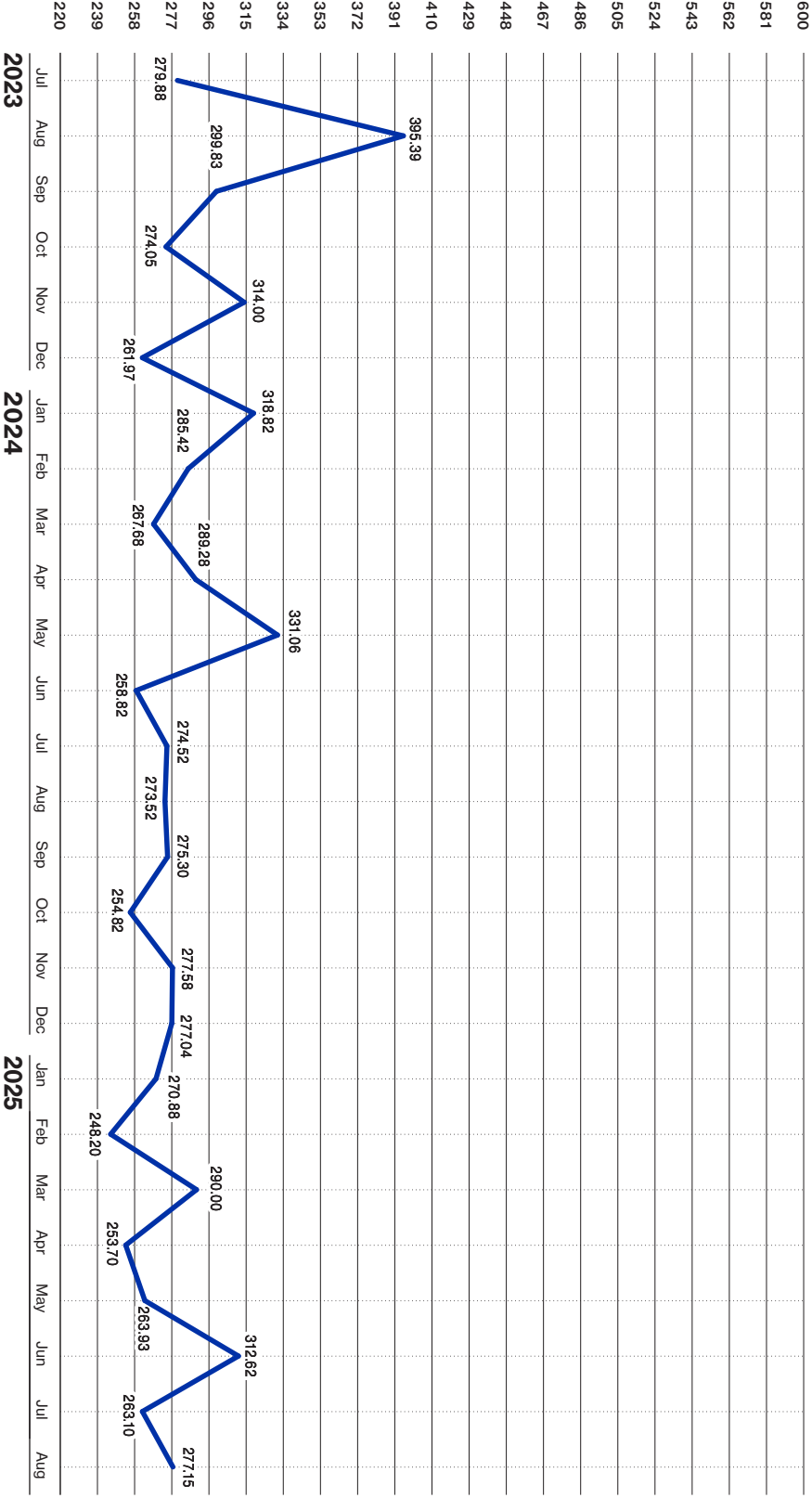


Interest Rates (30 Year Mortgage Rates)



Cotton (Cents Per Pound)





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