

The Lubbock Economy

September 2025



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Lubbock Economic Analysis

Modest growth across most areas of Lubbock's economy has kept activity moving forward this summer.

Retail sales remain ahead of last year by a modest 1.75% - still below inflation levels. Vehicle sales, both new and used, have remained steady, while tourism has slowed. Employment continues to show gains, with job growth contributing to a small uptick in the overall employment rate. Building activity, however, remains mixed; commercial construction is down, while residential activity has grown year-to-date. With the first interest rate cut this month and further cuts expected, additional support for the economy is anticipated.

In August 2025, retail sales in Lubbock rose 3.20% compared to August 2024. Year-to-date sales reached \$81.02 million, up 1.75%, or \$1.4 million, from the same period last year. New vehicle sales totaled 1,199 units for the month, an increase of 7.44% from August 2024, while used vehicle sales climbed 11.51% to 2,431 units.

Hotel/Motel tax collections in August 2025 amounted to \$846,646, reflecting a 4.19% decline from a year earlier. Air travel showed a modest increase, with 50,304 boardings at the Lubbock Preston Smith International Airport – up 2.72% compared to August 2024.

Employment in Lubbock has continued to expand over the past year. The Employer Survey reported job growth of 8.24%, adding approximately 13,300 positions. The Household Survey showed a smaller gain of 1.31%, or 2,335 jobs. Since August 2024, the labor force has grown by 1.50%, while average weekly wages have increased by 1.75%. As of August 2025, the unemployment rate stood at 4.00%, up 5.26% from a year ago.

In August 2025, the combined value of residential and commercial building permits totaled \$72.2 million, a decrease of \$7.19 million, or 9.06%, from last year. Building activity continues to lag compared to both last year and prior years, particularly in the commercial sector. Commercial construction is down \$140 million, or 37.38%, from August 2024. By contrast, residential construction is up \$125.5 million, or 34.68%, year-to-date. When adjusting for two major projects in student housing and a new apartment complex earlier this year, residential activity is still up \$38 million, or 11.4%.

A total of 91 residential permits were issued during the month, down 34.06% from August 2024. Year-to-date, 1,070 permits have been issued, reflecting a 6.14% decline from the prior year. Mortgage rates remain steady at 6.00%. With rates holding steady and the median home price rising to \$288,388 (a 23.23% increase over the past year), there is cautious optimism for a rebound in new construction.

Energy markets posted mixed results. As of August 2025, oil prices were down 9.29% compared to a year earlier, while natural gas prices surged 28.93%. The number of active oil rigs fell from 12 in August 2024 to 8 in August 2025.

Agricultural markets were also varied. Wheat prices dropped 19.84%, while corn prices rose 4.63%. Cotton prices increased 2.52%, and fat cattle prices climbed sharply by 29.23%. In contrast, milk prices fell 23.48%. Looking ahead, cotton production is promising as the South Plains enters harvest, with an estimated yield of around 4 million bales this year.



Lubbock Economic Pulse

Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	288.49	277.15	275.30
Sales Tax Collection	\$ 9,168,664	\$ 9,486,961	\$ 8,884,642
Sales Tax Collections (Year to Date)	\$ 81,022,548	\$ 71,853,884	\$ 79,626,796
New Vehicle Sales	1,199	980	1,116
Used Vehicle Sales	2,431	1,952	2,180
Airline Boardings	50,304	52,450	48,970
Hotel/Motel Receipt Tax	\$ 846,646	\$ 1,037,536	\$ 883,716
Population	272,086	272,086	263,648
Employment – CLF*	187,509	186,693	184,741
Unemployment Rate*	% 4.00	% 3.80	% 3.80
Total Worker Employed* (Household Survey)	180,018	179,569	177,683
Total Worker Employed* (Employer Survey)	174,700	174,000	161,400
Average Weekly Wages	\$ 1,044.00	\$ 1,044.00	\$ 1,026.00
Gas Meters	78,554	79,193	78,029
Interest Rates (30 year mortgage rates)	% 6.000	% 6.375	% 6.000
Building Permits (Dollar Amount)	\$ 72,196,902	\$ 103,031,847	\$ 79,390,362
Year to Date Permits (Dollar Amount)	\$ 721,369,258	\$ 649,172,355	\$ 735,478,521
Residential Starts	91	151	138
Year to Date Starts	1,070	979	1,140
Median House Sold Price	\$ 288,388	\$ 286,943	\$ 234,028
Drilling Rigs in Panhandle	8	11	12
Oil Per Barrel	\$ 64.56	\$ 63.70	\$ 71.17
Natural Gas	\$ 3.12	\$ 2.83	\$ 2.42
Wheat Per Bushel	\$ 5.01	\$ 5.04	\$ 6.25
Fed Cattle Per CWT	\$ 237.00	\$ 234.00	\$ 183.40
Corn	\$ 4.29	\$ 3.71	\$ 4.10
Cotton (Cents Per Pound)	\$ 63.03	\$ 64.03	\$ 61.48
Milk	\$ 17.60	\$ 17.50	\$ 23.00

Time for the obligatory legal babble!

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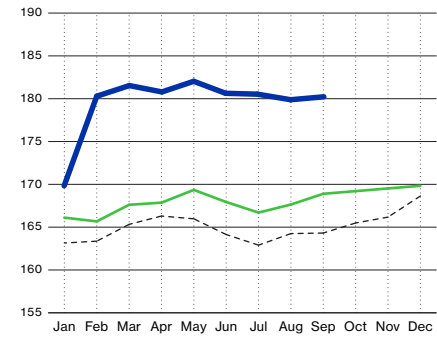
Economic Pulse Charts

2025

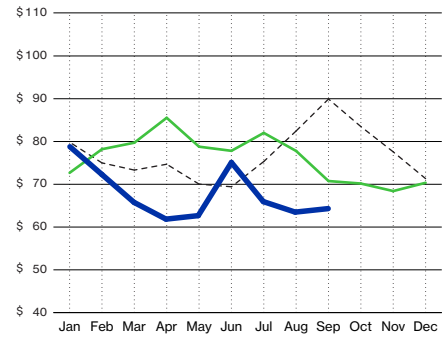
2024

2023

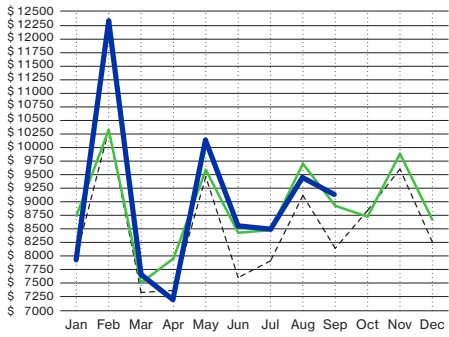
Workers Employed
(In Thousands - Household Survey)



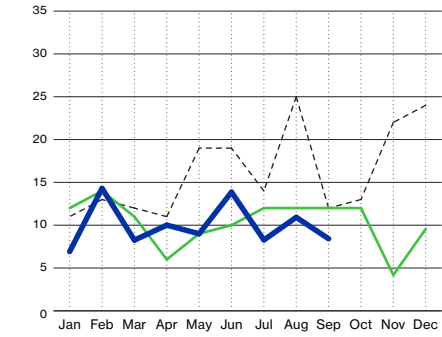
Oil (Price Per Barrel - In Dollars)



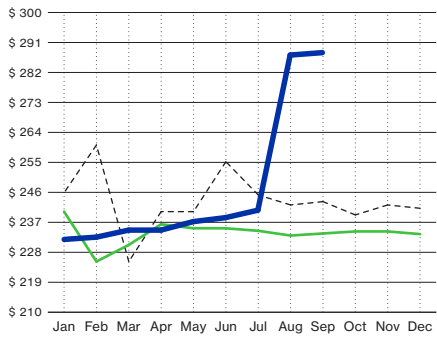
Sales Tax Receipts (In Thousands)



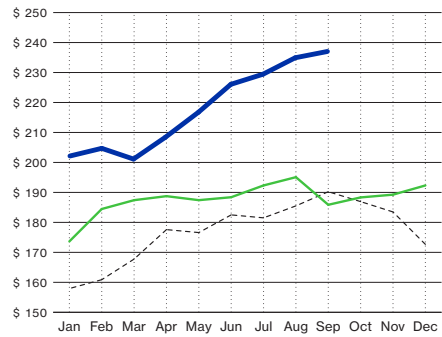
Active Drilling Rigs in Panhandle



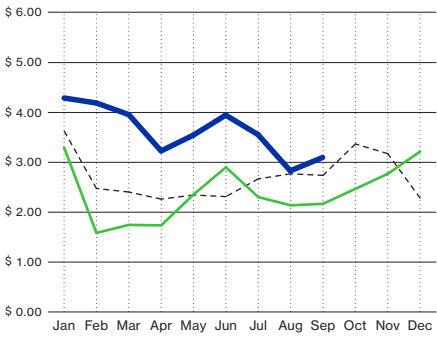
Median House Sold Price (In Thousands)



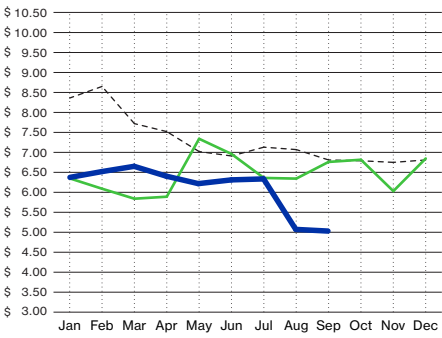
Fed Cattle Per Hundred Weight (In Dollars)

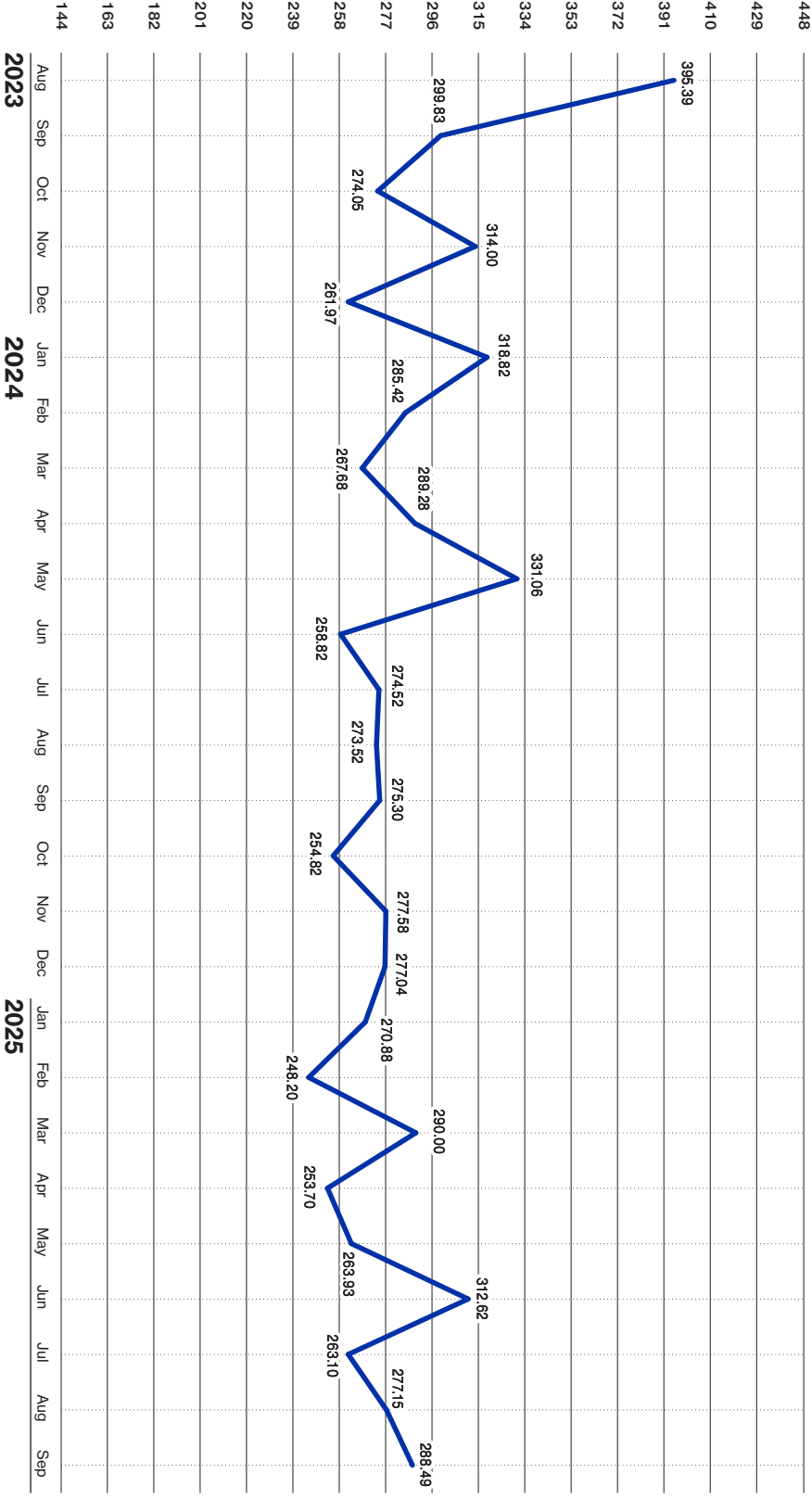


Natural Gas (Price Per Mmbtu - In Thousands)



Wheat (Price Per Bushel)





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