

The Lubbock Economy

June 2026



Branch of Amarillo National Bank

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Lubbock Economic Analysis

Lubbock's economy remains strong, supported by higher retail sales, increased tourism, stronger commercial building activity, and rising commodity prices.

However, residential construction and vehicle sales are down, while inflation is rising again, partly due to higher energy prices.

YTD retail sales are up 11%, while May 2026 sales increased 7% compared with May 2025. New and used vehicle sales declined 8% over the same period.

Hotel/motel tax collections continued to rise sharply in May 2026, up 29% from May 2025, driven in part by graduation activities at local universities and schools.

Employment in Lubbock showed a slight increase compared with last May. The labor force is up 1% from May 2025, while the unemployment rate has moved above 3% but remains below Texas's 4% rate. Wages are up 9% from the same period last year.

Mortgage rates are gradually decreasing and are 6% lower than this time last year. Current rate is 6.38%. However, rates continue to weigh on residential permitting activity, with residential permits down 39% from May 2025.

The total amount of residential activity declined by \$78 million, or 24%, while single-family residential activity declined YTD by \$18 million, or 8%. MTD activity in both total residential and single-family residential declined 33% and 29%, respectively, from last year.

Total building activity is up \$69 million, or 109%, driven by commercial building activity. Commercial building activity is up 155% YTD, or \$167 million. New commercial building activity this month includes the new Chick-fil-A project of \$50 million, the Frenship North Elementary School project of \$33 million, the new Ulta South Quaker location of \$710 thousand, and the new AutoZone South Indiana location of \$900 thousand.

YTD energy markets moved in different directions, with oil prices up 7% and natural gas prices down 22%.

Agricultural commodity prices also varied, with cotton prices increasing 11%, cattle prices up 14%, and milk prices down 14%. Cotton production remains mixed, with some strong stands and some weak or failed dryland acres. Additional rainfall remains imperative for dryland cotton.

See our attached white paper on Lubbock Employment Numbers.



Lubbock Economic Pulse

Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	108.68	299.67	312.62
Sales Tax Collection	\$ 9,515,696	\$ 10,979,128	\$ 8,585,302
Sales Tax Collections (Year to Date)	\$ 57,598,899	\$ 48,083,202	\$ 53,867,194
New Vehicle Sales	1,086	908	1,188
Used Vehicle Sales	2,044	2,060	2,224
Airline Boardings	53,532	48,277	55,167
Hotel/Motel Receipt Tax	\$ 1,121,233	\$ 1,033,318	\$ 868,786
Population	272,086	272,086	272,086
Employment – CLF*	187,951	187,629	186,583
Unemployment Rate*	% 3.60	% 3.20	% 3.30
Total Workers Employed* (Household Survey)	181,174	181,570	180,399
Total Workers Employed* (Employers Survey)	177,100	176,700	176,200
Average Weekly Wages	\$ 1,143.00	\$ 1,143.00	\$ 1,044.00
Gas Meters	79,720	79,510	79,381
Interest Rates (30 year mortgage rates)	% 6.375	% 6.500	% 6.750
Building Permits (Dollar Amount)	\$ 132,533,587	\$ 87,719,527	\$ 63,322,693
Year to Date Permits (Dollar Amount)	\$ 523,831,756	\$ 391,298,169	\$ 434,714,872
Residential Starts	74	161	122
Year to Date Starts	646	572	731
Median House Sold Price	\$ 238,987	\$ 235,000	\$ 238,280
Drilling Rigs in Panhandle	13	9	14
Oil Per Barrel	\$ 80.54	\$ 102.62	\$ 75.30
Natural Gas	\$ 3.11	\$ 2.88	\$ 3.99
Wheat Per Bushel	\$ 5.83	\$ 6.74	\$ 5.47
Fed Cattle Per CWT	\$ 257.00	\$ 260.00	\$ 225.00
Corn	\$ 4.66	\$ 4.90	\$ 4.37
Cotton (Cents Per Pound)	\$ 70.43	\$ 74.98	\$ 63.32
Milk	\$ 15.98	\$ 17.43	\$ 18.68

T-Minus 10... 9... All Legal Systems Go for Takeoff.

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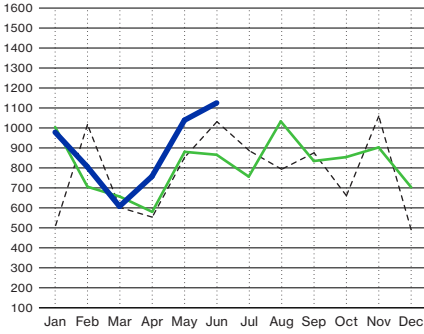
Economic Pulse Charts

2026

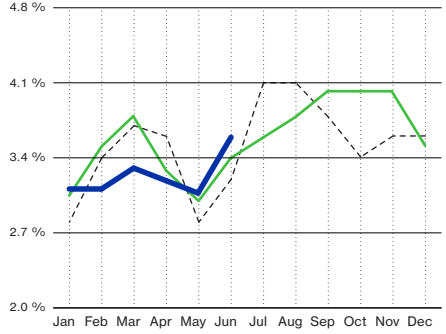
2025

2024

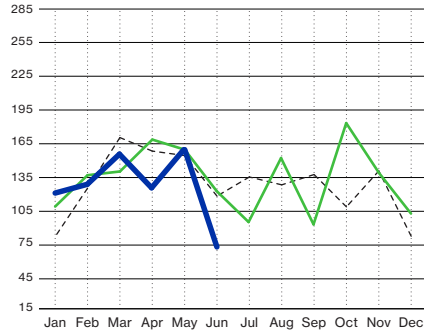
Hotel/Motel Receipt Tax (In Thousands)



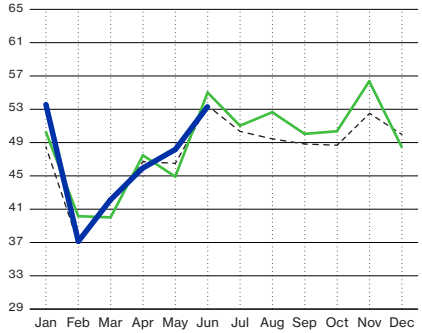
Percent Unemployment (State Adjusted Numbers)



Residential Housing Starts

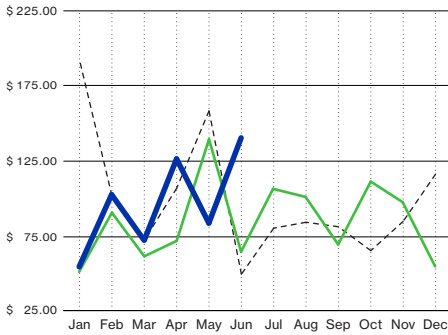


Airline Boardings (In Thousands)

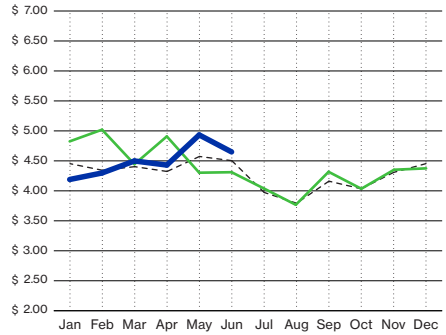


Building Permits

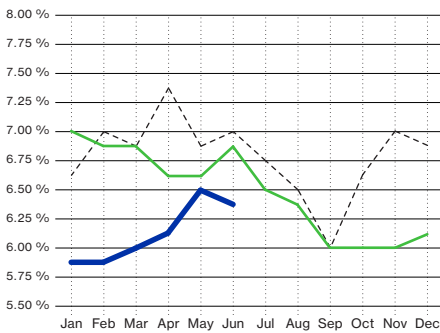
(Residential/Commercial - Millions of Dollars)



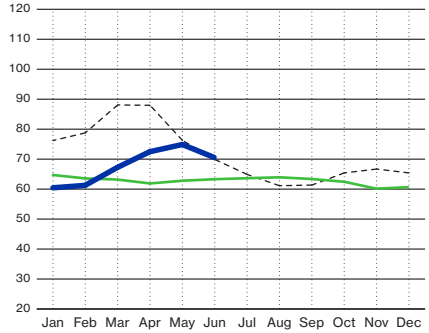
Corn (Price Per Bushel)

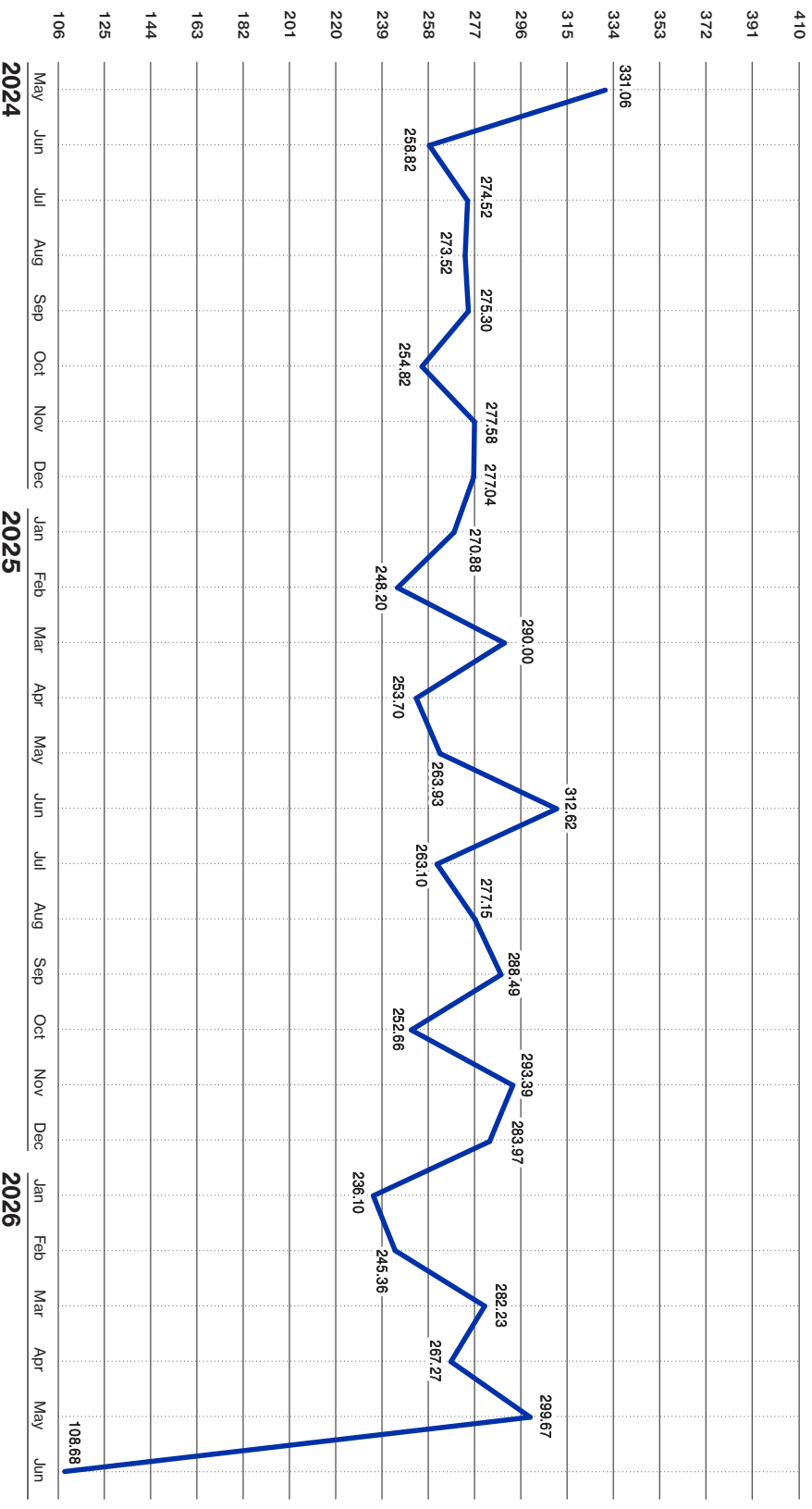


Interest Rates (30 Year Mortgage Rates)



Cotton (Cents Per Pound)





Have you ever thought about what drives Lubbock's Employment Numbers?

Lubbock's employment trends are supported by a broad mix of industries.

Employment in the Lubbock MSA has continued to increase over the past decade, with job growth averaging 9.8% and annual wages rising 37% during the same period. The local economy has proven highly resilient, recovering quickly from the 2020 pandemic and pushing employment levels roughly 7.4% above pre-pandemic highs.

The local labor force increased from about 160,000 to more than 187,000 workers over the decade, with steady job gains averaging 200 to 300 new positions per month.

Much of this job creation is driven by the city's role as a major regional hub for West Texas and eastern New Mexico.

Key drivers include:

Education and Health Services: Anchored by institutions such as Texas Tech University and the Texas Tech University Health Sciences Center, this sector remains one of the city's largest economic pillars.

Medical Services: Growth continues in this sector as Lubbock strengthens its role as a regional medical hub for patient care.

Growth continues in this area with Lubbock becoming a regional medical hub for patient care.

Finance and Professional Services: Benefiting from a lower cost of doing business, the financial and insurance sectors have seen jobs increase by roughly 17% in recent years.

Manufacturing and Distribution: Growth continues in this sector, bolstered by major corporate additions such as the \$600 million-plus Leprino Foods facility.

Retail and Leisure: Supported by a 24% increase in regional tourism and retail activity over the last decade.

Lubbock's unemployment rate also reflects a strong labor market, consistently tracking between 3.1%-3.8% and outperforming the national average for comparable mid-sized metros.

Today, the labor force totals 222,581 for the South Plains WDA, 187,748 for the Lubbock MSA, and 142,715 for the City of Lubbock, with an average unemployment rate of 3.2% and average wages of \$29.16/hour.

In 2026, the estimated population of the City of Lubbock is approximately 276,000 residents, while the broader Lubbock metropolitan area exceeds 365,000 residents.

Lubbock's employment should continue to expand as the city serves as the economic, cultural, and retail center for a trade area of more than 650,000 people across the South Plains. As a result, retail sales and general business activity should remain positioned for continued growth.