The Lubbock Economy

August 2026

Lubbock National Bank
Branch of Amarillo National Bank

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Continued strength in retail sales remains a key driver of the Lubbock economy.

Total building activity YTD is modest, with residential activity still showing declines in both volume and number of permits. Vehicle sales and tourism have improved, while employment is holding steady. Interest rates remain elevated, and the cost of capital, along with uncertainty around long-term rates, continues to be a concern.

YTD retail sales are up 8%, while July 2026 sales increased 17% compared with July 2025. Both new and used vehicle sales improved, increasing 35% and 13%, respectively.

Hotel/motel tax collections continue to show a steady increase in July 2026, increasing 8% from July 2025, driven by more summer concerts and summer youth sporting events.

Employment in Lubbock remained flat compared with July 2025. The unemployment rate increased to 4.4%, up from 4.0% a year ago, while wages rose 9% over the same period.

Mortgage rates, near 7%, remain higher than this time last year. As a result, residential permitting activity decreased 31% from July 2026, while median home prices declined 15% compared with the same period last year.

Total residential activity continues to decline YTD, down $96 million, or 22%, while single-family residential activity fell $37 million, or 11%. Last year's figures included a $29 million apartment complex and a $67 million student housing project, which account for much of the difference.

Total building activity remains roughly in line with last year, with YTD activity down $13 million, or 2%. A few new commercial permits were issued in July, including a new Burlington and PetSmart location on South Quaker and a new Toot'n Totum store on South Interstate 27. For the year, commercial building activity is up $83 million, or 38%.

YTD energy markets were mixed, with oil prices up 27% and natural gas prices down 4%.

Agricultural commodity prices also varied, with cotton prices increasing 26%, milk prices down 5%, and wheat prices up 21%. Cotton across the High Plains is entering a critical period, as triple-digit temperatures and limited rainfall threaten both dryland and irrigated acres. A defining factor for the 2026 crop is the uneven distribution of rainfall.

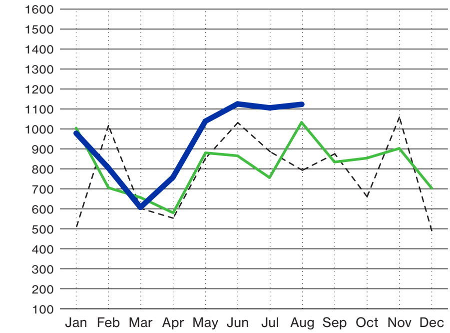
Lubbock Economic Pulse

Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	267.13	300.88	277.15
Sales Tax Collection	$ 11,096,151	$ 8,944,843	$ 9,486,961
Sales Tax Collections (Year to Date)	$ 77,639,893	$ 66,543,742	$ 71,853,884
New Vehicle Sales	1,319	982	980
Used Vehicle Sales	2,210	1,795	1,952
Airline Boardings	52,356	50,128	52,450
Hotel/Motel Receipt Tax	$ 1,122,106	$ 1,104,939	$ 1,037,536
Population	272,086	272,086	272,086
Employment – CLF*	188,035	187,802	187,167
Unemployment Rate*	% 4.40	% 4.50	% 4.00
Total Workers Employed* (Household Survey)	179,854	179,412	179,678
Total Workers Employed* (Employers Survey)	175,700	176,900	173,800
Average Weekly Wages	$ 1,143.00	$ 1,143.00	$ 1,044.00
Gas Meters	79,782	79,501	79,193
Interest Rates (30 year mortgage rates)	% 6.625	% 6.625	% 6.375
Building Permits (Dollar Amount)	$ 54,372,975	$ 57,956,218	$ 103,031,847
Year to Date Permits (Dollar Amount)	$ 636,160,949	$ 581,787,974	$ 649,172,355
Residential Starts	104	141	151
Year to Date Starts	891	787	979
Median House Sold Price	$ 243,000	$ 240,000	$ 286,943
Drilling Rigs in Panhandle	11	7	11
Oil Per Barrel	$ 81.01	$ 79.26	$ 63.70
Natural Gas	$ 2.72	$ 2.91	$ 2.83
Wheat Per Bushel	$ 6.10	$ 6.39	$ 5.04
Fed Cattle Per CWT	$ 232.00	$ 250.00	$ 234.00
Corn	$ 4.69	$ 4.56	$ 3.71
Cotton (Cents Per Pound)	$ 80.37	$ 73.07	$ 64.03
Milk	$ 16.59	$ 15.73	$ 17.50

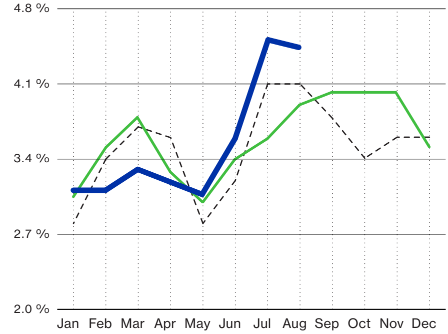
Economic Pulse Charts

2026 2025 2024

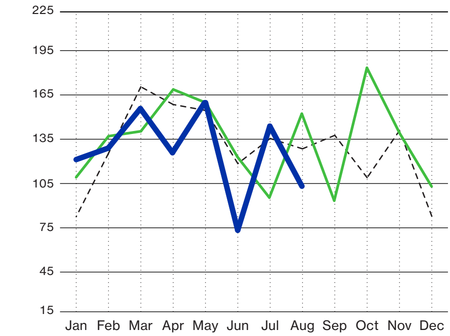
Hotel/Motel Receipt Tax (In Thousands)



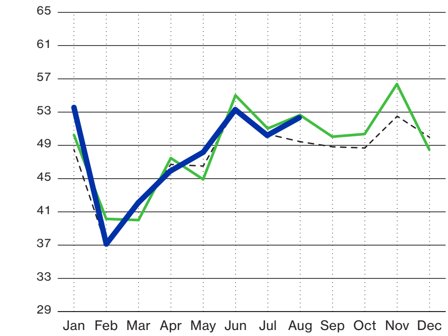
Percent Unemployment (State Adjusted Numbers)



Residential Housing Starts

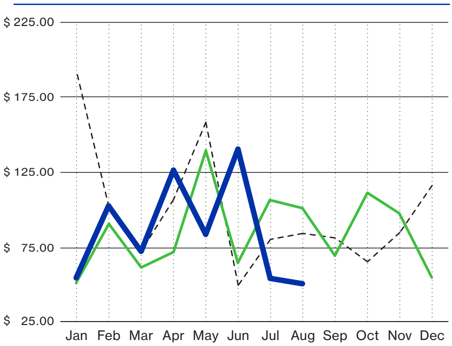


Airline Boardings (In Thousands)

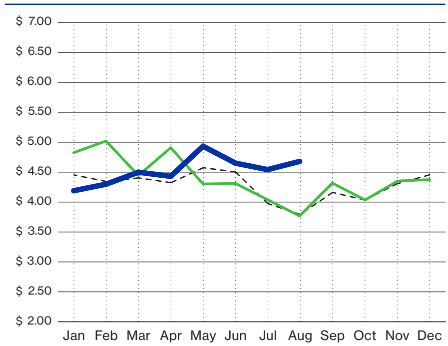


Building Permits

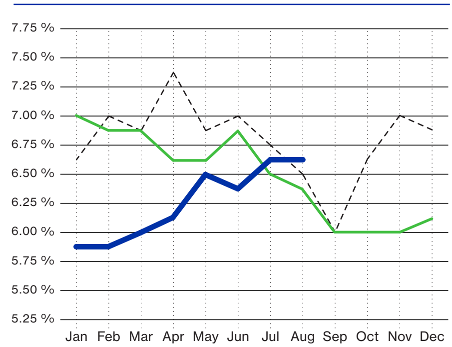
(Residential/Commercial - Millions of Dollars)



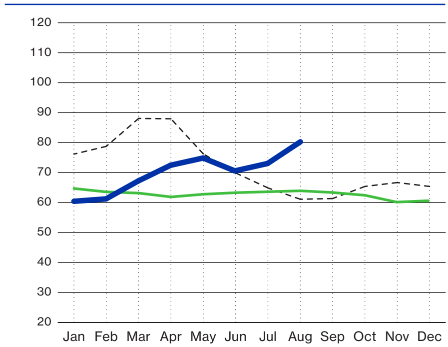
Corn (Price Per Bushel)



Interest Rates (30 Year Mortgage Rates)



Cotton (Cents Per Pound)



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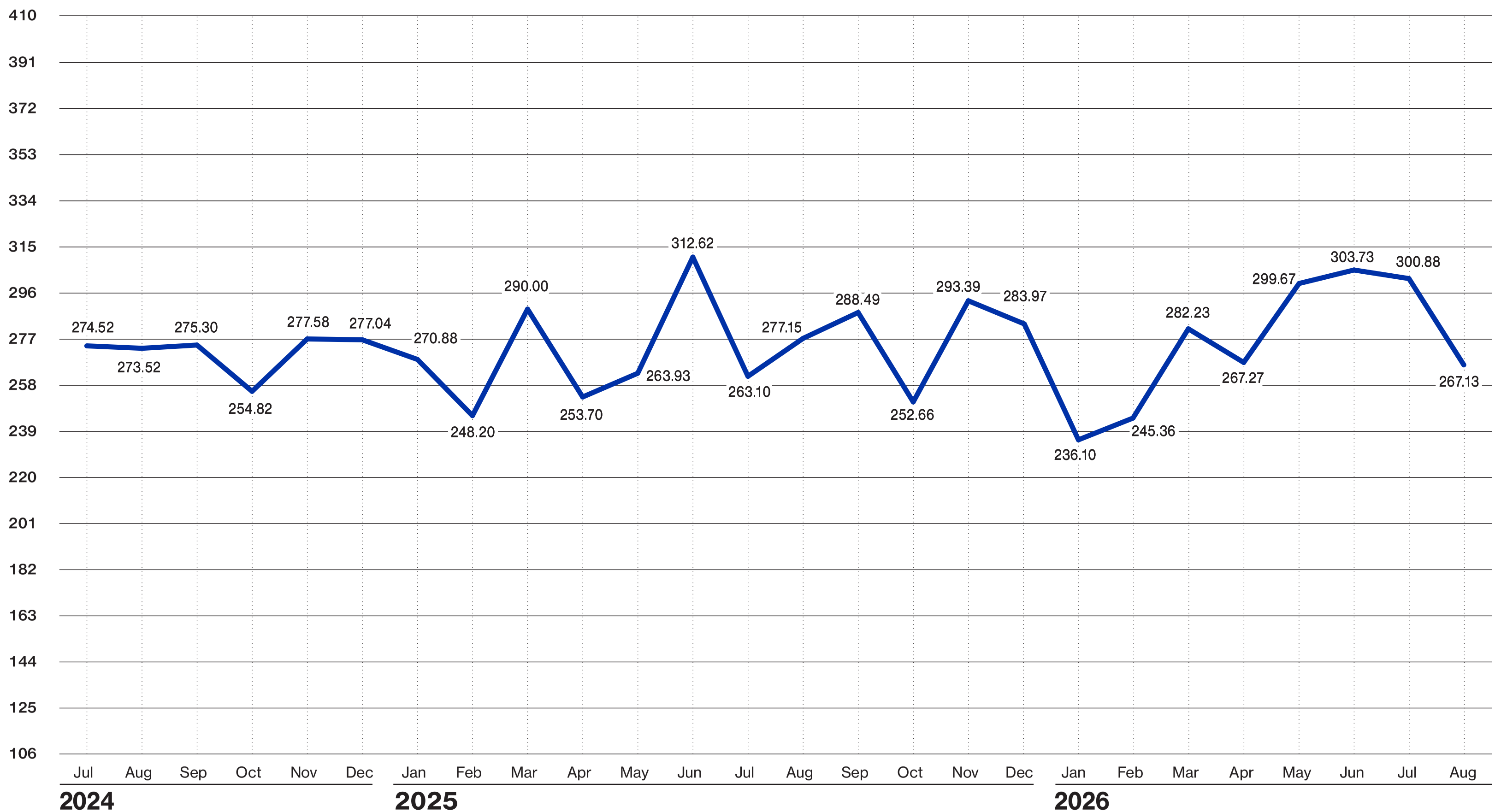

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CD Rate Comparison Chart APY%*

12 Months

*Annual Percentage Yield (APY) is effective on July 31, 2026. $1,000 minimum balance required. Penalty for early withdrawal may be imposed. Rates subject to change. Competitor rates as of July 29, 2026 based on published information.

Rates

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