

The Lubbock Economy

September 2026



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Lubbock Economic Analysis

Drought has been a persistent issue this summer and is expected to affect overall cotton crop yields going into harvest.

Lubbock's economy continues to show mixed signs, with strong retail sales growth offset by slowing vehicle sales and tourism activity that is flat compared with last year. Building activity remains slow in both residential and commercial construction, though commercial projects have driven the modest increase in overall building numbers. Inflation tied to higher oil prices, along with elevated interest rates, could create additional concerns for economic growth.

With 30-year mortgage rates climbing to 7.125%, higher borrowing costs continue to weigh on buyers and contribute to the slowdown in single-family residential activity.

Residential construction activity, including multifamily and apartment projects, continues to lag last year's pace, down 23% year over year. Single-family activity is also down 8%.

YTD building activity, including commercial construction, is running slightly ahead of last year, with a modest 1% overall increase. Commercial activity is up \$116 million, offsetting a \$112 million decline in residential activity and resulting in modest net growth.

Commercial construction has helped keep overall building activity ahead in 2026, with commercial permitting up 50% from last year. Projects permitted this month include the new Lubbock Country Club at \$29 million, several garden offices at 114th & Elkhart totaling \$1.25 million, the UPS expansion at \$1.25 million, and Paradise Office Park at \$950,000.

YTD energy markets moved in different directions, with oil prices going up 62% while natural gas prices declined 6%. The August 2026 oil rig count reached 14, marking a notable increase from 8 rigs in August 2025.

The Texas High Plains cotton crop has battled extreme heat and limited rainfall this season, with conditions varying widely by location and access to irrigation. Dryland cotton has suffered the greatest losses. While recent rainfall brought welcome relief to portions of the region, the moisture likely came too late to significantly improve yield prospects for much of the dryland crop.



Lubbock Economic Pulse

Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	265.08	267.13	288.49
Sales Tax Collection	\$ 9,443,486	\$ 11,096,151	\$ 9,168,664
Sales Tax Collections (Year to Date)	\$ 87,083,379	\$ 77,639,893	\$ 81,022,548
New Vehicle Sales	1,129	1,319	1,199
Used Vehicle Sales	1,948	2,210	2,431
Airline Boardings	50,076	52,356	50,304
Hotel/Motel Receipt Tax	\$ 843,167	\$ 1,122,106	\$ 846,646
Population	272,086	272,086	272,086
Employment – CLF*	188,223	187,964	187,358
Unemployment Rate*	% 3.90	% 4.30	% 3.90
Total Workers Employed* (Household Survey)	180,799	179,801	180,032
Total Workers Employed* (Employers Survey)	176,300	175,800	174,600
Average Weekly Wages	\$ 1,143.00	\$ 1,143.00	\$ 1,044.00
Gas Meters	79,364	79,782	78,554
Interest Rates (30 year mortgage rates)	% 7.125	% 6.625	% 6.000
Building Permits (Dollar Amount)	\$ 88,608,758	\$ 54,372,975	\$ 72,196,902
Year to Date Permits (Dollar Amount)	\$ 724,769,706	\$ 636,160,949	\$ 721,369,258
Residential Starts	132	104	91
Year to Date Starts	1,023	891	1,070
Median House Sold Price	\$ 243,000	\$ 243,000	\$ 288,388
Drilling Rigs in Panhandle	14	11	8
Oil Per Barrel	\$ 104.71	\$ 81.01	\$ 64.56
Natural Gas	\$ 2.93	\$ 2.72	\$ 3.12
Wheat Per Bushel	\$ 6.62	\$ 6.10	\$ 5.01
Fed Cattle Per CWT	\$ 223.45	\$ 232.00	\$ 237.00
Corn	\$ 5.41	\$ 4.69	\$ 4.29
Cotton (Cents Per Pound)	\$ 76.69	\$ 80.37	\$ 63.03
Milk	\$ 16.25	\$ 16.59	\$ 17.60

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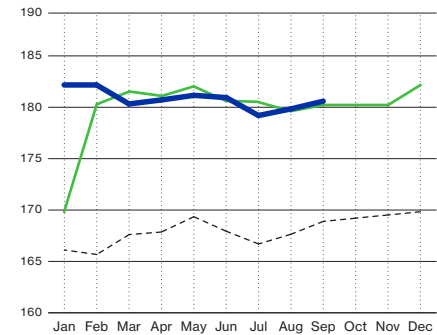
Economic Pulse Charts

2026

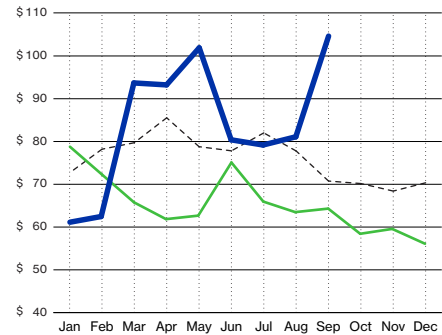
2025

2024

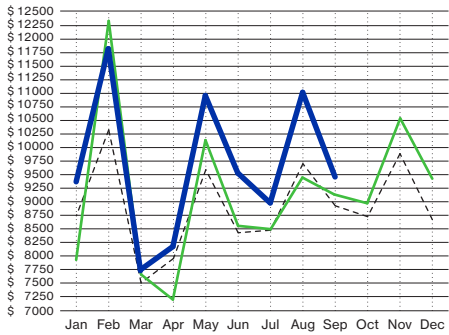
Workers Employed
(In Thousands - Household Survey)



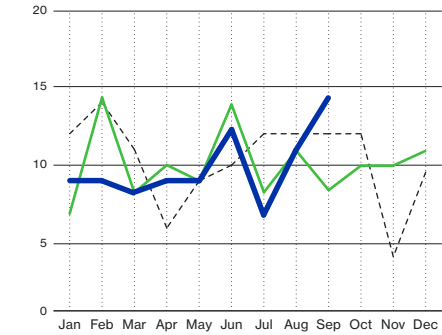
Oil (Price Per Barrel - In Dollars)



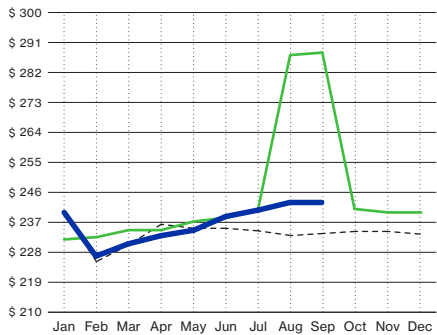
Sales Tax Receipts (In Thousands)



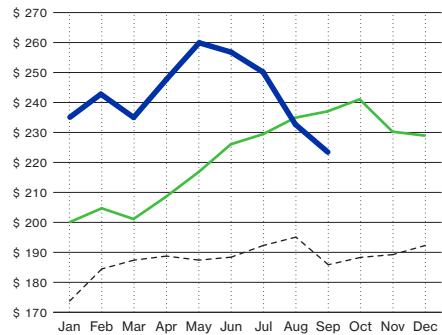
Active Drilling Rigs in Panhandle



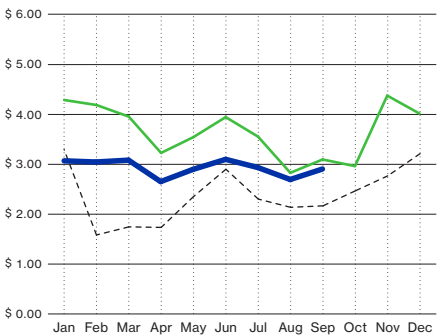
Median House Sold Price (In Thousands)



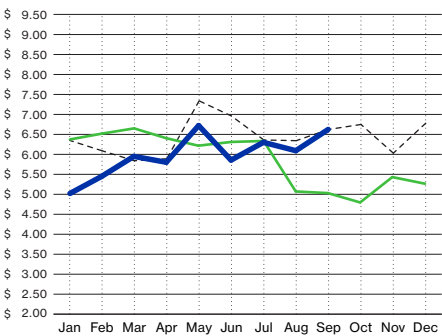
Fed Cattle Per Hundred Weight (In Dollars)

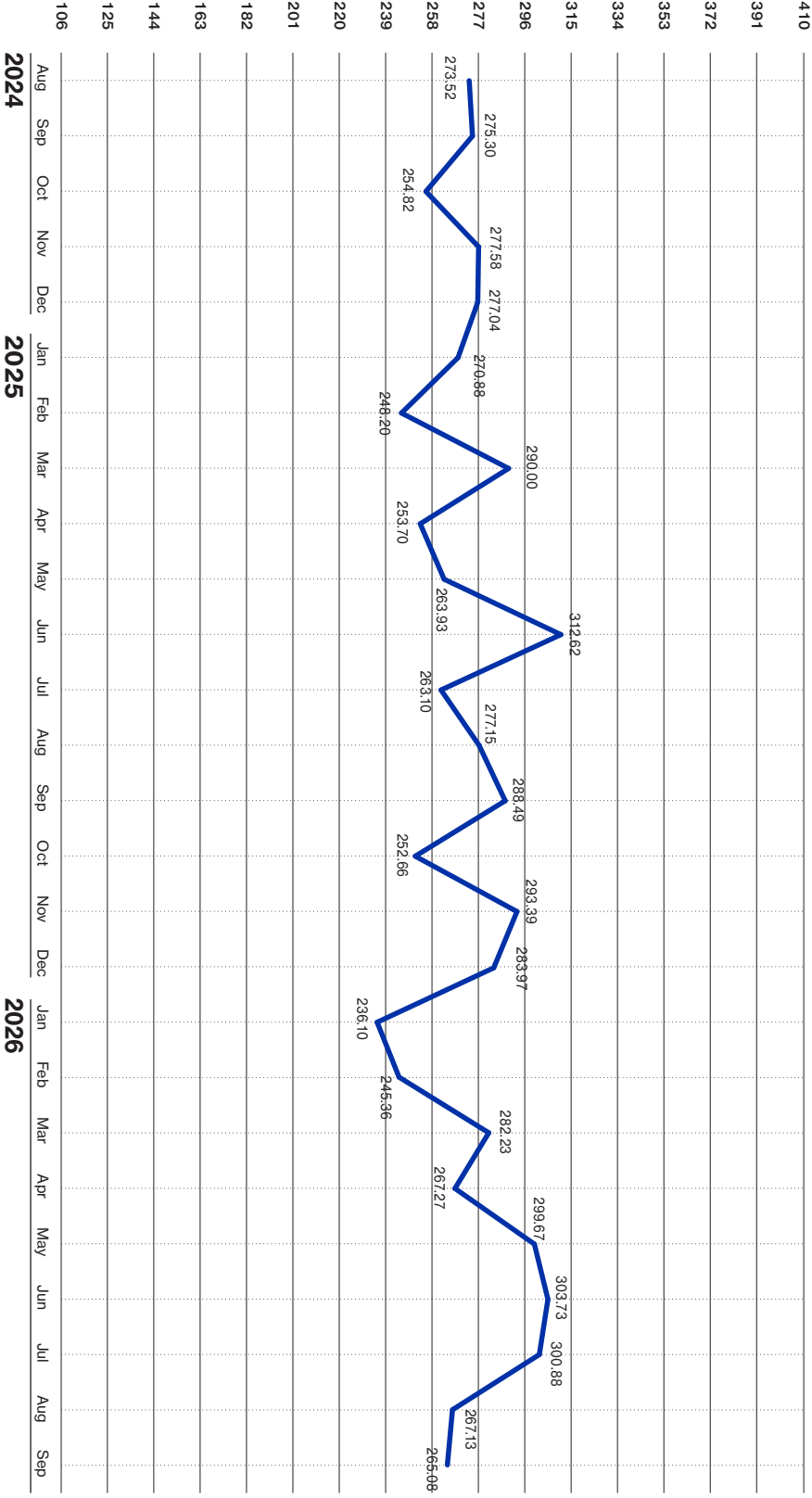


Natural Gas (Price Per Mmbtu - In Thousands)



Wheat (Price Per Bushel)





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