



April 30, 2015

Lubbock Economic Index

The Lubbock Economic Index gained a tenth of a point in March returning to its record high of 143.4 achieved in December 2014 and January 2015. The LEI is unchanged over the course of the quarter, but is up 3.0% from the March 2014 Lubbock Economic Index of 139.2.

Construction activity posted a first quarter record and existing home sales were sharply higher for the month and quarter compared to year-ago levels, while auto spending, airport activity, and home building were down in the first quarter. General real spending was up slightly in March but solidly higher for the quarter, job growth continues at a modest but steady pace, and the unemployment rate remains firmly on the decline.

CONCURRENT trends in two broad measures of the Lubbock economy best represent its current and ongoing health and status, and these are general consumer spending (retail sales) and payroll employment.

- General real (inflation-adjusted) taxable spending per first quarter sales tax receipts was up by a respectable 3.2% compared to the first quarter of 2014, while spending per the March sales tax total was up by a modest 1.4%. For the 12 months ending March 2015 general real spending is up by 3.7% compared to the prior 12-month period.
- An estimated 1,800 jobs were added to the Lubbock economy over the last 12 months for a year-over-year growth rate of 1.3%, which is down from 3.1% in January and 2.1% in February. Still, job growth remains steady in Lubbock, and the unemployment rate continues to fall at 3.3% in March compared to 4.0% in March of a year ago. The Lubbock unemployment rate ranks third best among the state's metro areas, while the rate of year-over-year job growth in March ranks as 20th among the state's 26 metropolitan areas.

Auto sales activity was down in March compared to a strong number from last year with inflation-adjusted spending on new and used automobiles down by 9% compared to March of a year ago, which in turn was up by 21% compared to March of the prior year. In that context auto spending remains relatively strong; the first quarter real auto sales total is down by about 2.6% compared to the first quarter 2014, which in turn was up by a sharp 18% compared to the first quarter of the prior year.

The \$156.7 million in building permits issued January-March is a first quarter record at 34% higher than the first quarter 2014, and is second only to the \$155.9 million in permits issued in the second quarter of 2006 in terms of the all-time nominal (unadjusted for inflation) record. The March building permit total is up by 35% compared to March of a year ago, and is the third-highest March total on record.

The home building (new single-family residence construction permits) total is unchanged in March compared to March of a year ago, and the first quarter total is down by some 7.5% compared to the first quarter 2014, which was also down compared to the prior year.

After posting year-over-year declines in January and February, existing home sales soared to a record 372 in March, a whopping 42% increase compared to March of a year ago. That pulled the quarterly total back into positive year-over-year territory at 802 closed sales up by over 10% compared to the first

quarter of 2014. The March average home sale price was down by about 3% compared to March of a year ago; however, the March 2014 average price was up by 12% compared to March of the prior year. For the year-to-date the average home sale price is up by a solid 4.2% compared to the first quarter 2014 average sale price. The total dollar volume of residential real estate sales activity in the first quarter, adjusted for inflation, is up by a stout 12% compared to the first quarter of a year ago.

Lubbock Consumer Price Index

The rate of year-over-year change in the Lubbock Consumer Price Index was unchanged from February to March at 2.3%.

The rate of price increase as reflected by the food and grocery sector of the Lubbock Consumer Price Index increased in March to 3.5% compared a year-over-year rate of growth of 3.3% in February.

The rate of change in the housing portion of the Lubbock CPI declined again in March to 3.4%, compared to 3.5% in February. The rate of price increase in the energy/utilities sector continues to fall, dropping to .5% in March, compared to .8% in February. And again, the national “energy” CPI is actually negative compared to year-ago levels.

The health care sector of the Lubbock CPI ticked upward slightly to 2.6% compared to 2.5% in February. The US national medical care CPI also posted a year-over-year increase of 2.5% in March, compared to 2.3% in February.

The rate of year-over-year price increase for various miscellaneous goods and services in Lubbock increased again in March to 1.4% compared to 1.3% in February.

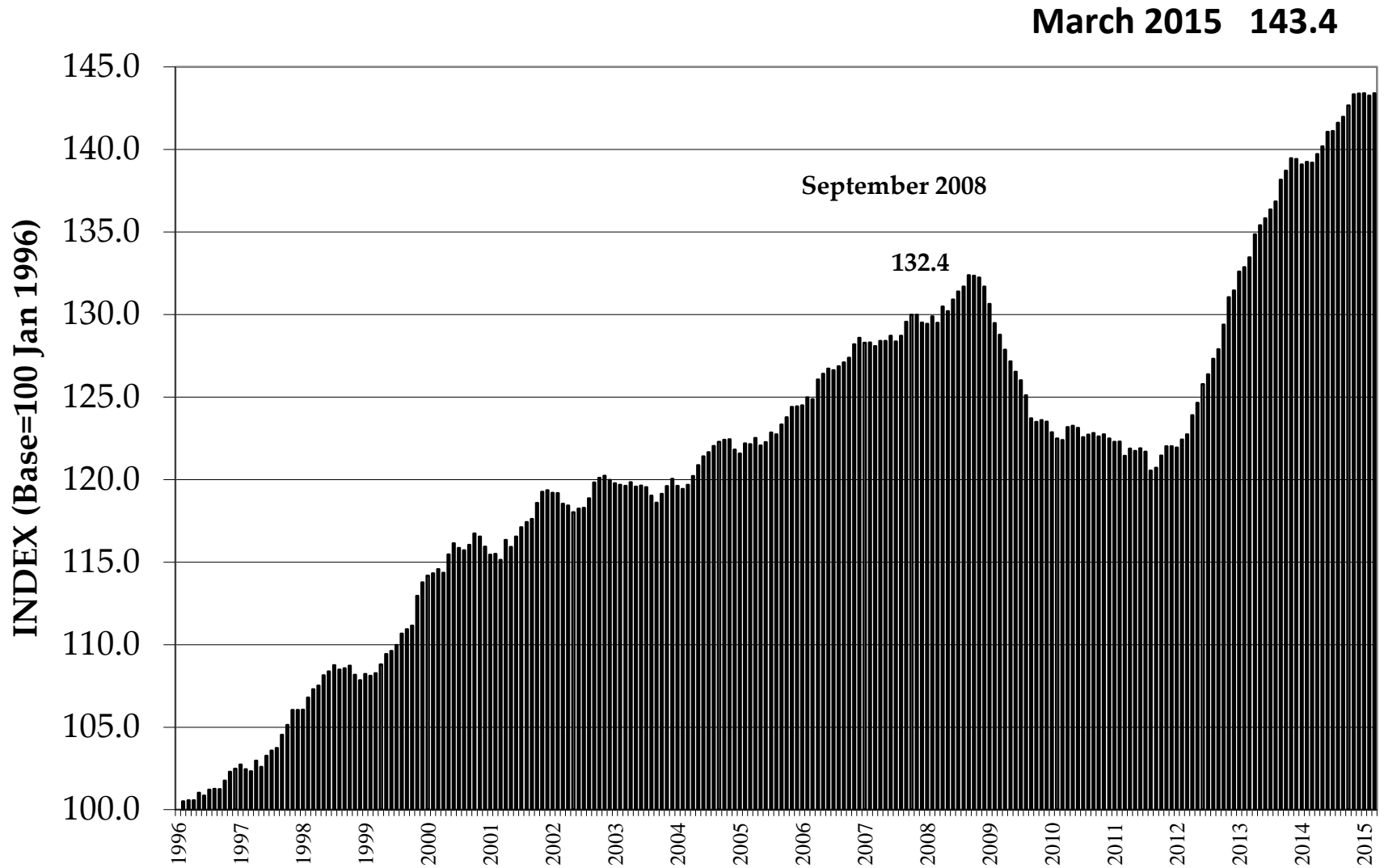
Falling energy prices continue to push the national CPI-U (the US Consumer Price Index) downward, and in fact the March CPI level was down by about .1% compared to March of a year ago. When food and energy are removed the so-called “core CPI” increased by 1.8% in March compared to March 2014.

The CPI for the southern region of the US (which includes Texas) also remains below its year-ago level in March with the March CPI level down by .3% compared to the March 2014 CPI for the region.

The Dallas-Fort Worth metro area CPI was freshly updated in March, also indicating an actual year-to-year decline in the CPI value of about .6%. The Houston metro area CPI was last updated in February, and also went slightly negative compared to its year-ago level. Growth in the Houston CPI was as high as 3.4% as recently as October of last year. The Dallas-Fort Worth and Houston metro area CPI values are calculated every other month on off months from one another.

The Lubbock Economy

The Lubbock Economic Index January 1996 - March 2015



The Lubbock Economic Index

<i>Lubbock Economic Indicators</i>	<i>Base Year</i>	<i>One Year Ago</i>	<i>This Year</i>	<i>Percent Change</i>
<i>March 2015</i>	<i>1996</i>	<i>2014</i>	<i>2015</i>	<i>2014-2015</i>
Retail Sales - March (\$000s - Per Sales Tax Rebates in 1995\$)	\$ 144,722	\$ 201,703	\$ 204,468	1.4%
Retail Sales - 1st Quarter	\$ 533,757	\$ 727,279	\$ 750,539	3.2%
Dollars Spent on Auto Purchases - March (\$000s in 1995\$)	\$ 38,566	\$ 73,943	\$ 67,258	-9.0%
Dollars Spent on Auto Purchases 1st Quarter	\$ 103,197	\$ 201,466	\$ 196,264	-2.6%
Lodging Tax Receipts - 1st Quarter	\$ 467,309	\$ 1,246,577	\$ 1,281,288	2.8%
Airline Boardings - March	54,170	38,801	35,973	-7.3%
Airline Boardings - 1st Quarter	139,591	101,868	99,160	-2.7%
Value All Construction Permits - March	\$ 11,736,444	\$ 34,301,720	\$ 46,294,898	35.0%
Value All Construction Permits - 1st Quarter	\$ 37,793,813	\$ 115,946,511	\$ 155,695,042	34.3%
New Home Permits - March	64	74	74	0.0%
New Home Permits - 1st Quarter	167	228	211	-7.5%
Number of Home Sales - March	143	262	372	42.0%
Number of Home Sales - 1st Quarter	417	725	802	10.6%
Average Home Sale Price - March	\$ 79,502	\$ 164,375	\$ 159,323	-3.1%
Average Home Sale Price - 1st Quarter	\$ 80,866	\$ 155,285	\$ 161,738	4.2%
Dollar Volume Residential Real Estate Sales - March (1995\$)	\$ 11,006,427	\$ 27,689,223	\$ 37,123,198	34.1%
Dollar Volume Residential Real Estate Sales - 1st Quarter	\$ 32,737,528	\$ 72,533,683	\$ 81,359,449	12.2%
Employment				
Wage and Salary Employment - March	110,000	136,100	137,900	1.3%
Wage and Salary Employment - 1st Quarter Avg	109,435	135,165	138,065	2.1%
Unemployment Rate - March	4.2%	4.0%	3.3%	-17.5%
Unemployment Rate - 1st Quarter Avg	4.4%	4.2%	3.4%	-19.8%
LUBBOCK ECONOMIC INDEX - March	100.6	139.2	143.4	3.0%
(Base = 100.0 January 1996)				
Regional Economic Indicators				
	Base Year	One Year Ago	This Year	Percent Change
	1996	2014	2015	2014-2015
Oil and Gas				
Oil Price/Barrel - March (WT Int. Crude)	\$ 19.59	\$ 97.16	\$ 44.24	-54.5%
Rig Count - March *	22	32	14	-56.3%
Oil Production - YTD *	37,287	26,419	26,691	1.0%
Value of Oil Production - YTD *	\$ 587,626	\$ 2,513,398	\$ 1,204,871	-52.1%
Agriculture				
Cotton Price - March (cents/pound) +	79.25	84.90	58.49	-31.1%
Cotton - Bales Ginned Crop Year ++	2,483,350	2,197,900	2,879,150	31.0%
Fat Cattle Price - March (\$/hd. Wt.)	\$ 61.74	\$ 150.55	\$ 162.54	8.0%
Value Cattle Marketed - 1st Quarter (\$000's) ++	\$ 73,777	\$ 96,565	\$ 94,037	-2.6%

* Texas Railroad Commission District 8A (Lubbock Area)

+ Average Monthly Spot Price for 41,4,34; mxd lots, net wt, compressed, FOB Car/Truck

++ Texas South Plains