

The Amarillo Economy

JANUARY 2023



Still Here to Stay

Amarillo Economic Analysis

Amarillo's economy has begun to slow due to tepid job growth and less construction, along with inflation masking weaker retail sales, while not helping commodity prices.

Retail Sales for the month are up 4.6% from a year ago. A declining rate compared to the 13% YTD increase. New Car Sales are down 29%, and Used Car Sales are down 37%. This might be due more to higher interest rates than inventory problems. Used Car prices are weakening, so trade-ins are less desirable. Hotel/Motel Tax Collections are down 7%. Airline boardings are down 23%, reflecting Southwest's disastrous week of cancellations at the end of the year.

The Household Employment Survey is flat with last year-only about 570 more people working, while the Employers' Survey is up 1.9% or 2,400 jobs. Wages are up 7% from this time last year, and our Unemployment Rate is 2.6%, which is a record low.

Building Permits totaled \$64 million (included a \$5 million medical office) bringing the YTD to a strong \$1.08 billion, up 27% from 2021. Housing starts totaled 640 for the year in the city, plus approximately 700 more outside the city limits.

30-year mortgage rates are hovering around 6% and were 4% this time last year. There were only 25 housing starts last month compared to 251 this time last year. House prices are up 9%. With these numbers, a house payment today is around \$1,470 and the exact same house would have a payment of \$1,070 last year (up 37%).

There are 13 drilling rigs in the Panhandle vs. 10 one-year ago. Prices are lower. Oil is flat at \$80, while Natural Gas dropped to \$3.20 compared to \$4.20 last year.

Feedyards are reporting small losses or breakevens due to higher input costs offsetting 12% higher cattle prices. Dairies are also breaking even, with milk prices at \$20.50, barely enough to cover higher input costs. We need rain-badly. There are whispers that moisture will arrive next month. Wheat has been planted as a cover crop, and prices are steady at \$8.36. If we get some rain, cotton and corn will be planted in May, even though prices are mostly flat with last year.

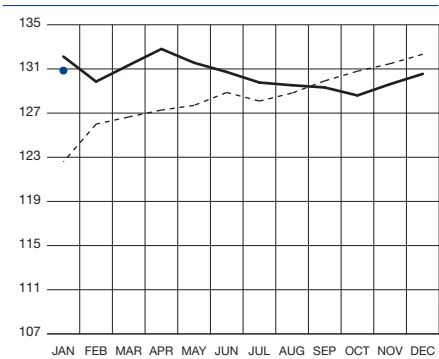
Amarillo Economic Pulse

| Economic Components | Current Month | Last Month | One Year Ago |
|--|------------------|----------------|----------------|
| Index (Base Jan. 88 @ 100) | 223.53 | 211.38 | 272.09 |
| Sales Tax Collections | \$ 8,149,473 | \$ 7,930,670 | \$ 7,793,109 |
| Sales Tax Collections – Year to Date | \$ 108,130,286 | \$ 99,980,813 | \$ 95,766,819 |
| New Vehicle Sales | 544 | 545 | 762 |
| Used Vehicle Sales | 1,065 | 1,346 | 1696 |
| Airline Boardings | 31,228 | 31,681 | 40,566 |
| Hotel/Motel Receipt Tax | 745,540 | \$ 716,202 | \$ 782,365 |
| Population | 201,106 | 200,405 | 200,405 |
| Employment – CLF* | 134,268 | 134,288 | 134,091 |
| Unemployment Rate* | % 2.60 | % 2.80 | % 2.90 |
| Total Workers Employed* (Household Survey) | 130,822 | 130,551 | 130,253 |
| Total Workers Employed* (Employer Survey) | 126,600 | 126,600 | 124,194 |
| Average Weekly Wages | \$ 980.00 | \$ 1,088.50 | \$ 915.00 |
| Gas Meters | 69,271 | 69,227 | 75,765 |
| Interest Rates (30 year mortgage rates) | % 6.125 | % 6.250 | % 4.00 |
| Building Permits (Dollar Amount) | \$ 63,964,716 | \$ 18,714,872 | \$ 80,131,513 |
| Year to Date Permits (Dollar Amount) | \$ 1,080,963,361 | \$ 244,300,603 | \$ 851,355,871 |
| Residential Starts | 25 | 42 | 53 |
| Year to Date Starts | 640 | 615 | 530 |
| Median House Sold Price | \$ 245,000 | \$ 235,000 | \$ 225,000.00 |
| Drilling Rigs in Panhandle | 13 | 11 | 10 |
| Oil Per Barrel | \$ 79.86 | \$ 77.28 | \$ 83.82 |
| Natural Gas | \$ 3.20 | \$ 6.68 | \$ 4.26 |
| Wheat Per Bushel | \$ 8.36 | \$ 8.78 | \$ 7.79 |
| Fed Cattle Per CWT | \$ 155.00 | \$ 155.00 | \$ 138.00 |
| Corn | \$ 6.79 | \$ 6.51 | \$ 6.07 |
| Cotton (Cents Per Pound) | \$ 80.00 | \$ 86.40 | \$ 85.90 |
| Milk | \$ 20.50 | \$ 22.00 | \$ 18.75 |

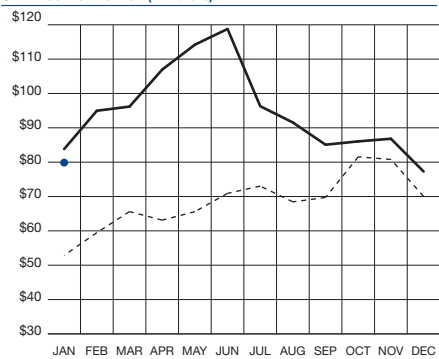
Economic Pulse Charts

LEGEND | 2023 — | 2022 — | 2021 - - -

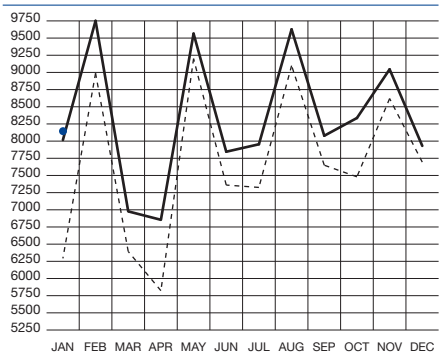
Workers Employed (In Thousands) - Household Survey



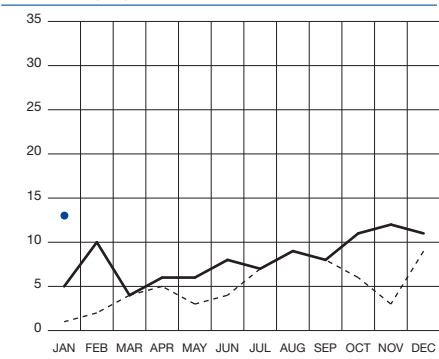
Oil Price Per Barrel (In Dollars)



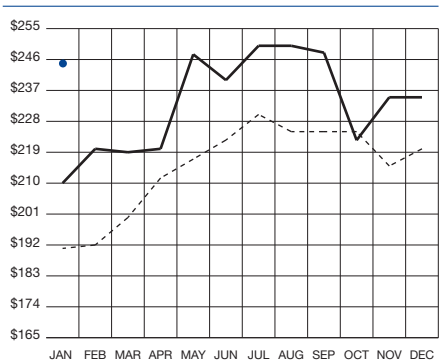
Sales Tax Receipts (In Thousands)



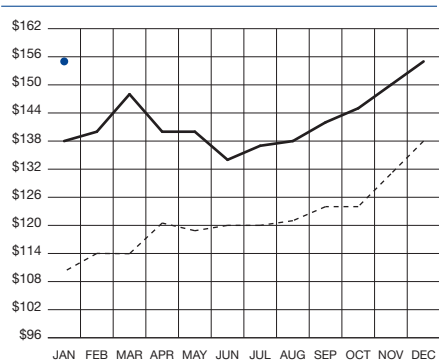
Active Drilling Rigs In Panhandle



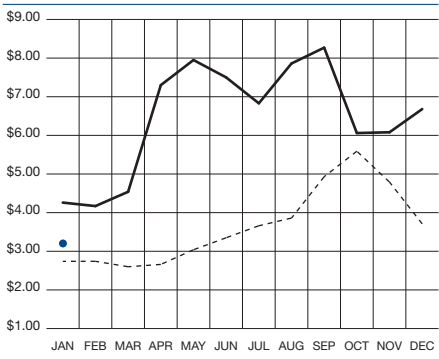
Median House Sold Price (In Thousands)



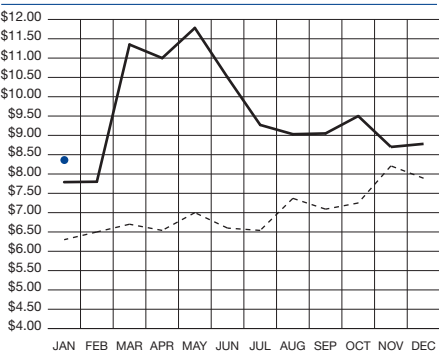
Fed Cattle Per Hundred Weight (In Dollars)



Natural Gas Price Per Mmbtu (In Dollars)

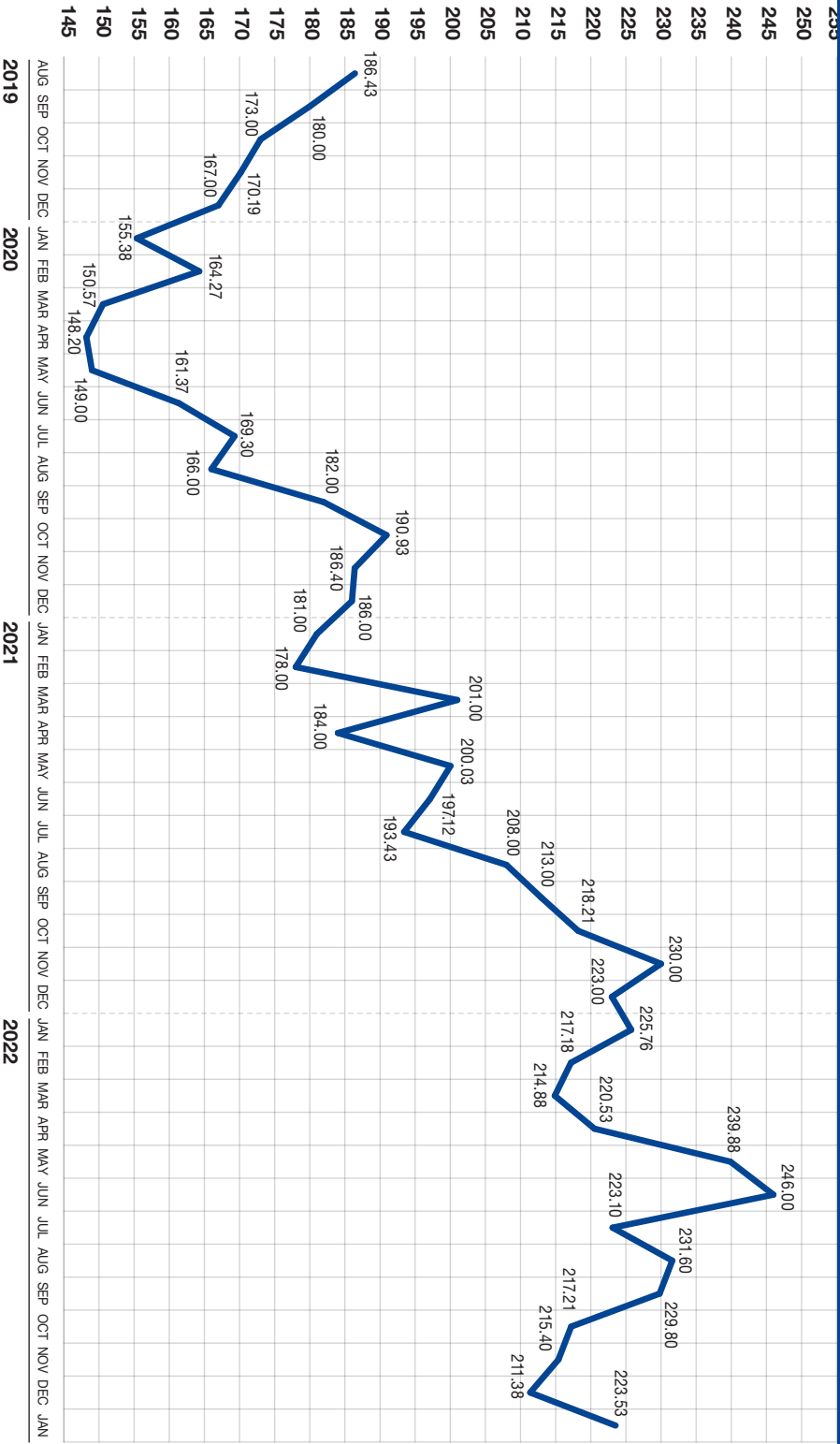


Wheat (Price Per Bushel)



Amarillo Economic Pulse

JANUARY 2023



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