

The Amarillo Economy

March 2024



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Flat retail sales and lower commodities continue to drag down Amarillo's economy all while the impact of the wildfires continues to grow.

Retail sales for the month were flat with a year ago. Year To Date Sales are down only slightly from 2023. New Car Sales are flat and Used Car Sales are down 10% due to higher interest costs.

About 1,000 more people flew from our airport compared to 12 months ago. The Hotel/Motel tax collections were almost exactly flat.

In the Household Survey, there were 1,907 more people working than 12 months ago. The Employers Survey showed an increase of 2,185 workers. The Unemployment Rate is the exact same as last year at 3.40%. Wages are up 5% from a year ago.

Mortgage Rates, at 6.88%, are higher than last year's 6.37%. The Average House Price in Amarillo is up nearly 9% from 2023.

Building Permits are up big due to Northwest Texas' new Emergency Room. Residential Starts are down 35% from 12 months ago, but are up 3% year to date.

There are only 4 drilling rigs operating in the Panhandle currently compared to 5 last March. Natural Gas prices are \$1.78, down 32% from a year ago. Oil is \$79, up 6% over that same time.

Hopefully we are not at the beginning of another drought cycle, as La Nina returns this summer. Wheat looks decent, but prices are \$5.84, down from \$7.72 a year ago. Corn is \$4.39, down from \$6.25. Cotton is \$76.40 compared to \$80.20 in March 2023.

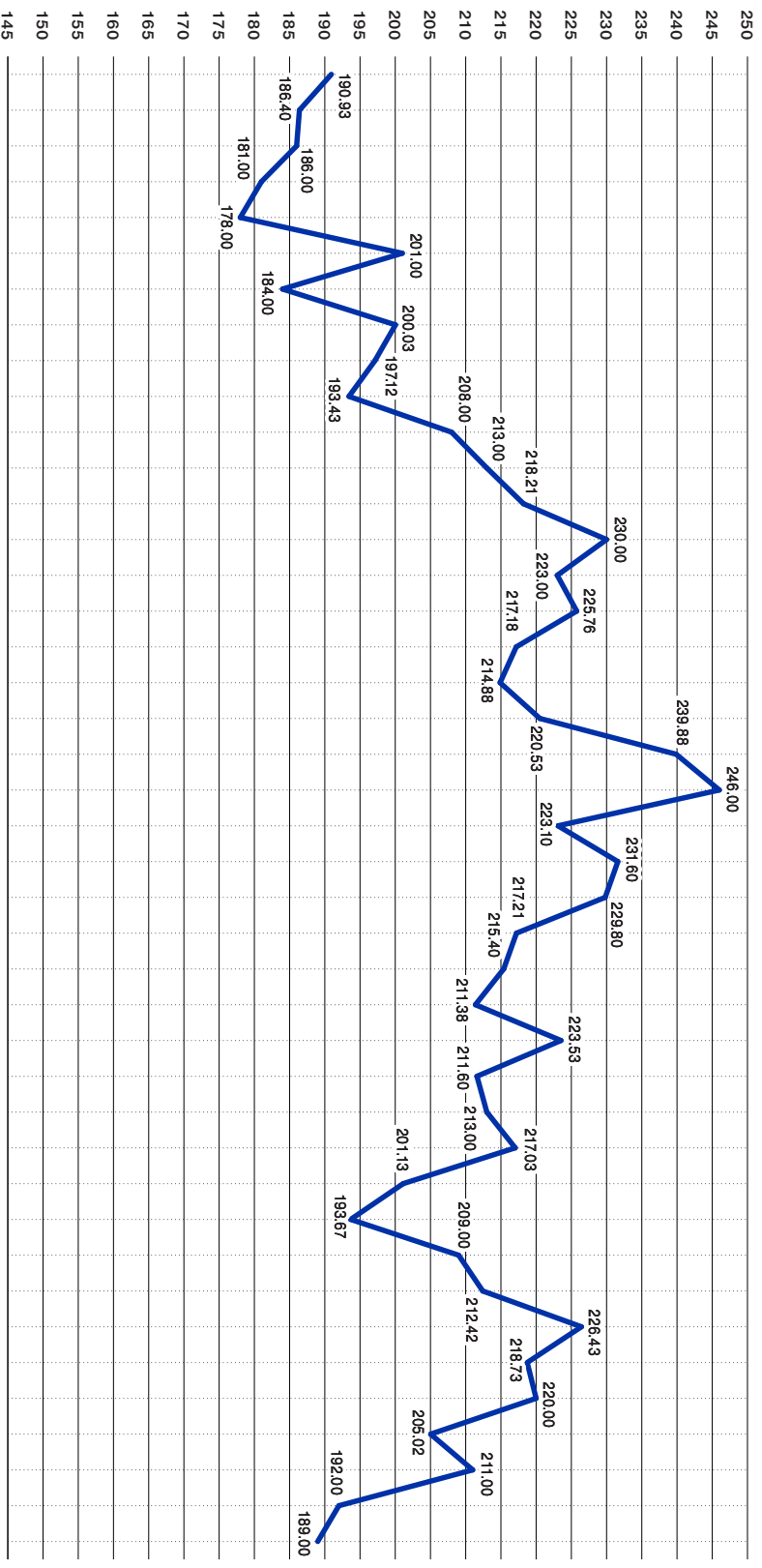
Cattle are profitable coming out of the feedyard and prices are up 12%. Dairies are breaking even, with milk prices at \$16.40, down 7.6% from last year.

The wildfire damage is horrible. We hear FEMA is not going to offer any relief, saying the fire was not big enough. The USDA/FSA programs will help some, but we are afraid government bureaucracy will slow down any money going toward the victims. The offers of help from individuals, in our area and throughout the U.S., have been inspirational; that is the true strength of the Panhandle.



Amarillo Economic Pulse

Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	189.00	192.00	213.00
Sales Tax Collection	\$ 7,422,040	\$ 10,118,939	\$ 7,408,222
Sales Tax Collections (Year to Date)	\$ 26,138,654	\$ 18,716,614	\$ 26,227,502
New Vehicle Sales	511	572	507
Used Vehicle Sales	1,191	1,130	1,327
Airline Boardings	27,902	26,834	26,839
Hotel/Motel Receipt Tax	\$ 570,140	\$ 635,669	\$ 569,855
Population	201,106	201,106	201,106
Employment – CLF*	139,189	137,625	137,224
Unemployment Rate*	% 3.40	% 3.10	% 3.40
Total Worker Employed* (Household Survey)	134,402	133,317	132,495
Total Worker Employed* (Employer Survey)	128,500	127,857	126,315
Average Weekly Wages	\$ 1,030.00	\$ 1,030.00	\$ 980.00
Gas Meters	69,938	69,992	69,505
Interest Rates (30 year mortgage rates)	% 6.875	% 7.000	% 6.375
Building Permits (Dollar Amount)	\$ 26,955,474	\$ 12,311,107	\$ 11,118,866
Year to Date Permits (Dollar Amount)	\$ 40,891,814	\$ 14,400,088	\$ 28,213,067
Residential Starts	49	46	75
Year to Date Starts	95	51	92
Median House Sold Price	\$ 245,000	\$ 236,800	\$ 225,000
Drilling Rigs in Panhandle	4	1	5
Oil Per Barrell	\$ 79.72	\$ 78.20	\$ 73.32
Natural Gas	\$ 1.78	\$ 1.70	\$ 2.61
Wheat Per Bushel	\$ 5.84	\$ 6.09	\$ 7.72
Fed Cattle Per CWT	\$ 185.00	\$ 182.00	\$ 165.00
Corn	\$ 4.39	\$ 4.33	\$ 6.25
Cotton (Cents Per Pound)	\$ 76.40	\$ 73.20	\$ 80.20
Milk	\$ 16.40	\$ 16.20	\$ 17.75



2020 2021 2022 2023 2024

Insurance Cost Increases

A little discussed component of business and personal finance is starting to get attention, as insurance costs rise dramatically across the board. Personal auto rates are up 20-40%, while commercial rates are up from 10-50%. These represent fixed costs for all businesses.

Rates on personal insurance for home and autos are affected by loss ratios. These losses have been increasing due to weather events and the higher costs for automobiles and auto parts. Auto insurance rates are up 39% from 2019, and they have added .5% to the increase in January's CPI.

Business insurance costs have increased due to losses, but also due to less insurance availability, as companies cut back due to state regulations or loss of reinsurance markets. Insurance costs have varied over the years, but these higher rates probably will be a fixed cost for businesses in the future

As most businesses face higher borrowing costs and higher insurance, they are also running into shrinking profit margins – putting strains on businesses from several directions.