

## Agri-Business

Great first half rains helped crops. The cattle market stayed at high profit levels. 2026 is starting off dry, but cattle profits should stay good for another year, unless government starts interfering with markets.

(\$ Averages)	2019	2020	2021	2022	2023	2024	2025	2026(est)
Wheat	\$ 4.30	\$ 4.71	\$ 7.00	\$ 9.55	\$ 7.30	\$ 6.44	\$ 5.87	\$ 6.00
Fed Cattle (Avg)	\$115.71	\$109.10	\$121.29	\$143.50	\$174.37	\$185.40	\$220.62	\$235.00
Corn	\$ 3.89	\$ 3.85	\$ 5.66	\$ 6.91	\$ 5.60	\$ 4.60	\$ 4.38	\$ 4.60
Cotton	\$ 66.76	\$ 58.56	\$ 71.41	\$ 93.51	\$ 78.51	\$ 74.21	\$ 60.06	\$ 70.00
Milk	\$ 16.25	\$ 17.57	\$ 16.76	\$ 21.79	\$ 17.58	\$ 19.08	\$ 18.06	\$ 16.50

## Energy

Energy had a good year until oil prices dropped in the 4th quarter. Higher natural gas prices boosted area incomes. Drilling activity will remain slow in 2026. Lower oil prices will be offset by higher natural gas prices in the Panhandle.

(Yearly Average)	2019	2020	2021	2022	2023	2024	2025	2026(est)
Active Rigs	10	2	5	8	5	3	1	1
Oil (Panhandle)	\$58.17	\$39.63	\$68.43	\$94.83	\$77.90	\$76.32	\$65.81	\$56.00
Natural Gas	\$ 2.68	\$ 2.13	\$ 3.65	\$ 6.46	\$ 2.68	\$ 2.44	\$ 3.68	\$ 4.00

## Travel

Airline Boardings increased mid-year, but fell off in the 4th quarter. Higher fares may slow 2026 increases.

Motel tax was weak 1st quarter, but rebounded for an overall increase. 2026 should be up, with a summer boost from the Route 66 Centennial.

Airline Boardings		
2019	366,640	+ 1.63%
2020	232,585	- 36.56%
2021	298,220	+ 28.00%
2022	365,983	+ 22.70%
2023	399,299	+ 9.10%
2024	411,167	+ 2.80%
2025	414,075	+ .70%
2026 (est)	417,000	

Motel Tax		
2019	7,193,818	+ 3.32 %
2020	5,467,228	- 24.00 %
2021	8,717,588	+ 59.45 %
2022	9,381,000	+ 7.61 %
2023	9,289,524	- .975 %
2024	9,099,565	- 2.09 %
2025	9,720,844	+ 6.82 %
2026 (est)	10,500,000	

## Bankruptcy Filings

Uptick due to inflation problems should keep 2026 up somewhat.

Bankruptcy Filings:	
2019	417
2020	328
2021	297
2022	240
2023	284
2024	333
2025	334
2026 (est)	345

## Amarillo Leading Index (annual avg)

We do not forecast this, as the formula looks six months ahead. December was slightly negative.

Annual Average:	
2019	- 11.67%
2020	1.50%
2021	2.92%
2022	4.77%
2023	8.79%
2024	- 5.87%
2025	- 7.90%
2026 (est)	We do not forecast this, as the formula looks six months ahead. December was slightly negative.

# Amarillo Economic Forecast 2026



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# Amarillo Economic Forecast for 2026

## 2025 Recap

- Strong commercial construction; housing steady
- Farming and cattle have good years
- Employment increase slowly
- Interest rates decline 3/4%. Helps borrowers; hurts savers
- Farmers: high yields offset low prices
- Lower gasoline prices kept CPI down

## Areas of Economic Strength

- Good rain first two quarters
- Wheat and Fall crops are profitable
- Cattle continue its lofty run
- AI data centers help in construction
- Natural gas prices double

## Areas of Economic Weakness

- Dry Fall weather
- Oil prices fall
- Housing starts flatten out, even though rates dropped
- Low cattle numbers
- High property taxes, but flattening insurance rates
- Fear of ICE raids has hurt employment and retail sales

## 2026 Forecast

2026 should be another good year in Amarillo and the Panhandle. Few speculative excesses overhang our economy, while solid consumer income and commercial activity will provide growth. The Tyson job losses will be offset by Pantex and the AI Data Centers; however, long term questions abound on some of the myriad of data centers centered around higher electric rates and water usage equal to one-third of the Amarillo totals for only a few jobs.

# Outlook for Specific Sectors

## Employment

Steady 3% growth throughout 2025, with wages up 3-4%. The Tyson layoffs will hurt numbers throughout 2026. AI data center construction employment will help area job growth, although much of the data center employment is outside of Amarillo. These centers will place upward pressure on wages in construction. The 26 Panhandle counties added 3,650 jobs over the last year, with 1,428 of those in Amarillo. The Unemployment rate is 3.4% for the Panhandle and 3.2% in Amarillo. Amarillo’s 1.3% annual job growth outperforms Abilene 1% and Lubbock .5%.

12 Month Average	Household Survey	Employers Survey	Average Unemployment
2019	129,339	121,184	2.50%
2020	122,155	116,353	4.80%
2021	127,228	120,714	4.13%
2022	130,509	124,350	2.93%
2023	133,106	127,525	3.13%
2024	135,090	129,195	3.08%
2025	*136,549 E	*131,000 E	3.11%
2026 (est)	137,000 E	132,000 E	3.20%

\* 2025 Employment numbers are through September 2025 due to the government shutdown

## Retail Sales

Retail sales have been good, even though auto sales softened, and tariffs began to impact some sectors. Higher prices, plus higher incomes will push 2026 sales up by about 3.5%

Sales Tax Collections	Amount	% Change
2019	\$ 78,934,689	2.17%
2020	\$ 81,094,099	2.74%
2021	\$ 91,925,630	13.35%
2022	\$ 99,980,813	8.77%
2023	\$100,432,055	0.45%
2024	\$104,078,244	3.50%
2025	\$108,643,286	4.38%
2026 (est)	\$111,000,000	3.50%

## Consumer Price Index

CPI is down and has gotten harder to estimate due to businesses changing items to compare. Food is up 2.4%, while energy is down 3%. The CPI for lower income families is estimated to be up 6.5%. Services and material prices are up, while energy is down 10%. Tariffs have caused much of the increase. 2026 should see CPI increases of about 2.5%, as energy offsets services and healthcare.

C.P.I. Increases:	Amarillo	National
2019	2.00%	2.10%
2020	-1.23%	0.20%
2021	6.29%	6.80%
2022	9-11%	8.50%
2023	4.60%	4.39%
2024	2.50%	2.70%
2025	3.20%	2.80%
2026 (est)	2.70%	2.50%

## Real Estate

Housing was slowed by relatively high mortgage rates that fell in the 2nd half. House prices flattened. Commercial construction was strong for three quarters. 2026 should be a repeat, with starts up 1-5% (except expensive, which are down 5%) and commercial boosted by AI data centers and related activities. We finally see a flattening of insurance rates.

Building Permits	2019	2020	2021	2022	2023	2024	2025	2026(est)
Housing Starts	520	666	746	971	923	502	474	520
Remodels & Roofing	5,057	4,512	4,114	1,356	5,869	6,380	8,833	2,000
Commercial Units	418	267	381	690	874	844	886	750
Total Value (mil)	\$332	\$494	\$961	\$530	\$392	\$456	\$699	\$500
Median House Value (000)	\$180	\$200	\$220	\$235	\$240	\$250	\$265	\$269