

# Amarillo Economic Forecast 2025



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# Amarillo Economic Forecast for 2025

## 2024 Recap

Moderately strong economy across most sectors for Amarillo, although businesses struggled with the effects of the late stage of inflation. Cattle and dairy boosted our ag sector; while construction was better than expected.

## Areas of Economic Strength

- Retail sales were up at about the rate of inflation
- Job growth was moderate, but steady; led by warehouses and Pantex
- Cattle and dairy had good results
- Commercial construction was strong
- Savers had more disposable income

## Areas of Economic Weakness

- Insurance and interest costs hurt all businesses and customers
- Car and truck sales slowed and used prices dropped
- Housing starts dropped due to higher mortgage rates
- Tourism down slightly from Covid peaks
- Rainfall came at wrong times
- Small businesses had a tough year
- Energy was flat and not a big boost

## 2025 Forecast

As optimism returns to our economy, most sectors should do well. Job growth will come from defense contractors and improving small businesses. Insurance and interest costs will continue to put pressure on businesses and consumers, but flatten out at the higher levels.

# Outlook for Specific Sectors

## Employment

Job growth was steady, with a boost from Pantex offsetting some drops at national companies and small businesses. 2025 should have stronger results in the 2nd half, with a boost from defense contractors.

12 Month Average	Household Survey	Employers Survey	Average Unemployment
2018	129,667	121,950	2.70%
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 (est)	137,000	131,000	3.30%

## Retail Sales

Sales have fluctuated throughout 2024, as lower income consumers were stressed. Higher insurance, taxes and grocery costs cut disposable spending. 2025 should see improvements during the last half of the year, as prices flatten out. Vehicle and equipment sales should benefit from lower prices, as dealers try to move excess inventory.

Sales Tax Collections	Amount	% Change
2018	\$ 77,261,171	4.16%
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 (est)	\$107,500,000	3.18%

# 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%.

C.P.I. Increases:	Amarillo	National
2018	2.90%	2.20%
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 (est)	2.40%	2.60%

# Real Estate

Commercial construction kept permits up, as higher interest rates stalled residential starts and existing home sales. Job growth will help single family, but commercial totals will be down.

Building Permits	2018	2019	2020	2021	2022	2023	2024	2025 (est)
Housing Starts	505	520	666	746	971	923	502	470
Remodels & Roofing	3,176	5,057	4,512	4,114	1,356	5,869	6,380	4,000
Commercial Units	415	418	267	381	690	874	844	800
<b>Total Value (mil)</b>	<b>\$472</b>	<b>\$332</b>	<b>\$494</b>	<b>\$961</b>	<b>\$530</b>	<b>\$392</b>	<b>\$456</b>	<b>\$420</b>
<b>Median House Value (000)</b>	<b>\$155</b>	<b>\$180</b>	<b>\$200</b>	<b>\$220</b>	<b>\$235</b>	<b>\$240</b>	<b>\$250</b>	<b>\$248</b>

# Agri-Business

Cattle had another fine year, and we should have one more good year in this late stage of the cycle. Dairy turned profitable in the mid-year and made up for earlier losses. Row crops had good yields , but cotton was below average. 2025 prices should remain at these relatively low levels.

(\$ Averages)	2018	2019	2020	2021	2022	2023	2024	2025 (est)
Wheat	\$ 4.73	\$ 4.30	\$ 4.71	\$ 7.00	\$ 9.55	\$ 7.30	\$ 6.44	\$ 7.00
Fed Cattle (Avg)	\$116.11	\$115.71	\$109.10	\$121.29	\$143.50	\$174.37	\$185.40	\$188.00
Corn	\$ 3.89	\$ 4.07	\$ 3.85	\$ 5.66	\$ 6.91	\$ 5.60	\$ 4.60	\$ 5.00
Cotton	\$ 69.65	\$ 66.76	\$ 58.56	\$ 71.41	\$ 93.51	\$ 78.51	\$ 74.21	\$ 73.00
Milk	\$ 14.28	\$ 16.25	\$ 17.57	\$ 16.76	\$ 21.79	\$ 17.58	\$ 19.08	\$ 18.50

# Energy

Our drilling continues at low levels, as the Permian Basin is more economic. As oil prices dropped, natural gas rebounded in the Fall. We expect lower oil, but higher natural gas prices, with limited drilling and some workover work in 2025.

(Yearly Average)	2018	2019	2020	2021	2022	2023	2024	2025 (est)
Active Rigs	22	10	2	5	8	5	3	3
Oil (Panhandle)	\$64.43	\$58.17	\$39.63	\$68.43	\$94.83	\$77.90	\$76.32	\$70.00
Natural Gas	\$ 2.94	\$ 2.68	\$ 2.13	\$ 3.65	\$ 6.46	\$ 2.68	\$ 2.44	\$ 2.70

# Travel

Nine months of growth came to an end in the Fall. Boardings at United up 22%, American down 6% and Southwest down 15%. Boardings in 2025 should hold steady.

Less occupancy through last year coupled with lower room rates resulted in less tax. 2025 should see both occupancy and rates improve slightly, as optimism returns.

## Airline Boardings

2018	360,762	+ 5.26%
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 (est)	413,000	+ .443%

## Motel Tax

2018	6,962,730	+ 5.31 %
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 (est)	9,250,000	+ 1.65 %

# Bankruptcy Filings

Uptick due to inflation problems should keep 2025 up somewhat.

## Bankruptcy Filings:

2018	439
2019	417
2020	328
2021	297
2022	240
2023	284
2024	333
2025 (est)	360

# Amarillo Leading Indicators

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

## Annual Average:

2018	- 5.6%
2019	- 11.67%
2020	1.50%
2021	2.92%
2022	4.77%
2023	8.79%
2024	- 5.87%
2025 (est)	We do not forecast this, as the formula looks six months ahead. December was slightly negative.