

NOVEMBER 2017



The Amarillo Economy



125
YEARS

Amarillo Economic Analysis

A tight job market and moderate job growth are pushing Amarillo's economy up; however, retail sales and car sales had a bad month (for early fall). Construction is holding and farm income shows being up some.

Amarillo and Midland have the lowest unemployment in the State. The Household Survey shows there are 1,300 more people working than a year ago, and the Employers' Survey shows there are 2,000 more jobs. The largest increase is a 700 job gain in Utilities & Transportation.

Construction continues firm with this month's permits up from 12 months ago. Residential starts top from last year's level, bringing Fall YTD to flat with last year.

New vehicle sales are down 9% and used are down 5% from last year at this time. Airline Boardings are down 3%, with Hotel/Motel tax up 6%.

There are 18 drilling rigs in the Panhandle, up 6 from a year ago. The price of oil is around \$55 and Natural Gas is around \$3.10. These are good price levels for our area.

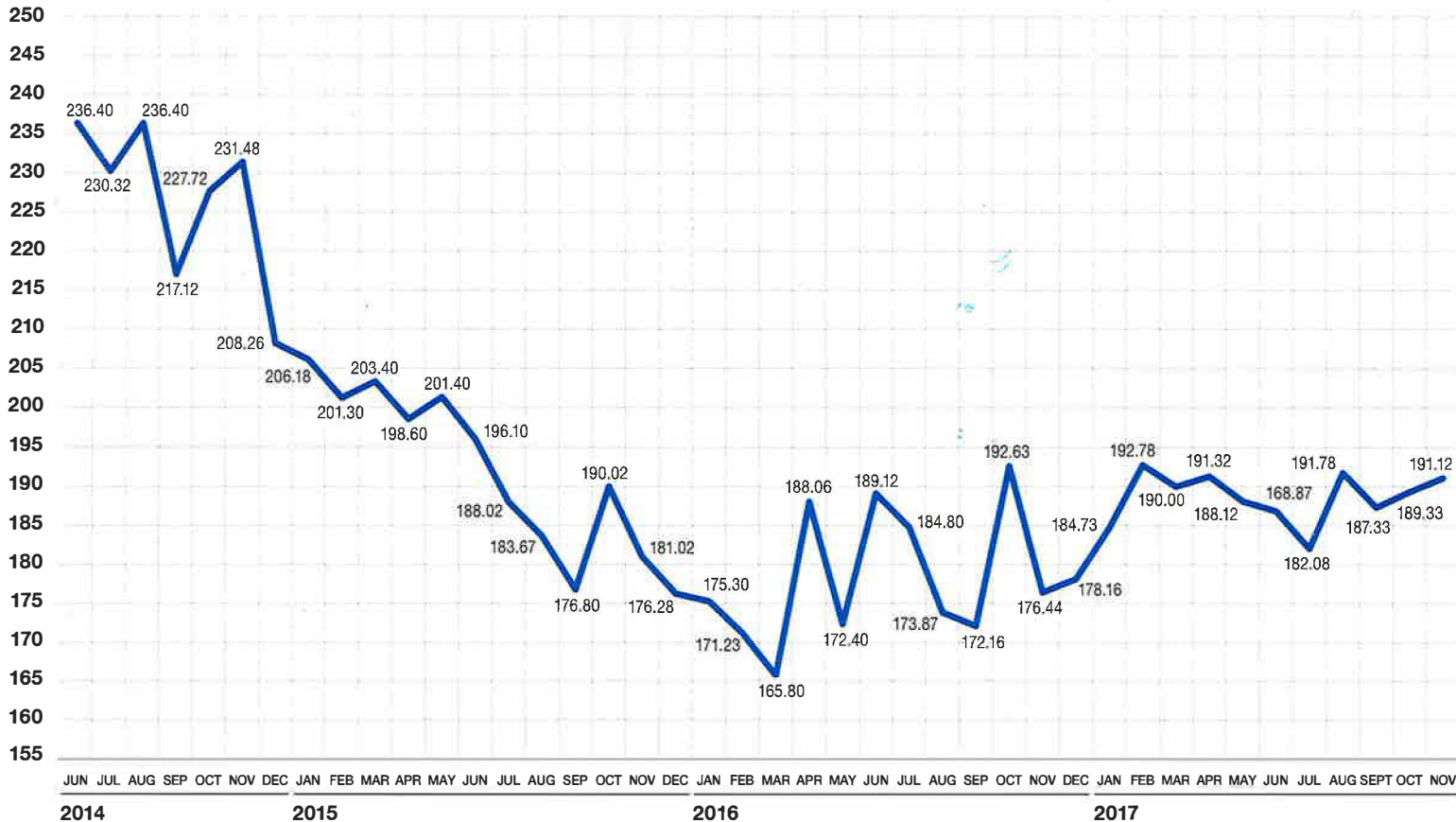
The agriculture business' income is up slightly, as cattle and dairy are doing better, and the fall crops have good yields, even though prices are softer. Cotton prices are down 5% from last year. The September rains helped the winter wheat.

Amarillo Economic Pulse

Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	191.12	189.33	176.44
Sales Tax Collections	\$ 6,669,063	\$ 6,048,800	\$ 6,525,362
Sales Tax Collections – Year to Date	\$ 68,524,592	\$ 61,855,528	\$ 68,734,408
New Vehicle Sales	952	1,029	1,048
Used Vehicle Sales	2,678	2,800	2,836
Vehicle Registrations (Stickers)	14,055	19,072	19,153
Airline Boardings	27,849	28,164	28,730
Hotel/Motel Receipt Tax	\$ 568,641	\$ 610,855	\$ 538,569
Population	191,514	191,514	191,514
Employment – CLF*	131,400	131,900	131,200
Unemployment Rate*	% 2.40	% 2.70	% 3.20
Total Workers Employed* (Household Survey)	128,300	128,300	127,000
Total Workers Employed* (Employer Survey)	122,400	121,000	120,400
Average Weekly Wages	\$ 861.39	\$ 861.39	\$ 794.60
Gas	62,529	65,438	62,338
Water Connections	70,881	70,231	70,105
Interest Rates (30 year mortgage rates)	% 4.25	% 4.13	% 3.63
Building Permits (Dollar Amount)	\$ 29,909,236	\$ 42,775,695	\$ 26,602,993
Year to Date Permits (Dollar Amount)	\$ 376,949,930	\$ 347,050,693	\$ 404,222,270
Residential Starts	28	54	50
Year to Date Starts	397	369	391
Median House Sold Price	\$ 174,500	\$ 164,000	\$ 160,000
Drilling Rigs in Panhandle	18	13	12
Oil Per Barrel	\$ 55.00	\$ 44.19	\$ 46.56
Natural Gas	\$ 3.12	\$ 2.88	\$ 3.19
Wheat Per Bushel	\$ 3.79	\$ 3.93	\$ 3.00
Fed Cattle Per CWT	\$ 123.60	\$ 110.00	\$ 104.93
Corn	\$ 3.65	\$ 3.69	\$ 3.45
Cotton (Cents Per Pound)	\$ 63.80	\$ 64.70	\$ 67.00
Milk	\$ 15.75	\$ 16.25	\$ 16.00

Amarillo Economic Pulse

NOVEMBER 2017



Amarillo as a Headquarters City

After the railroads crossed in Amarillo, the largest employment group came from railroad employees. In the 1920's, when the Santa Fe built their district headquarters building in downtown Amarillo, they were the largest employer in town.

Other businesses started in Amarillo and grew. In the 1920's, Amarillo Oil Company grew out of the original discovery wells and later became Pioneer Corporation. Southwestern Public Service Company was the result of mergers of several smaller electric companies and they moved their headquarters from Roswell to Amarillo. Later Shamrock Oil and Gas went on a big growth push and built a larger headquarters in Amarillo. In the 1960's, the predecessor of Mesa Petroleum started its growth in Amarillo. Several other oil companies developed in the 70's and 80's, with headquarters or large offices in Amarillo.

These major companies were the major driving force in Amarillo, and along with the banks, provided most of the charitable donations for organizations that developed and grew in the not-for-profit area. Also, numerous wholesale and other suppliers had major offices in Amarillo.

In the 1980's, consolidation hit our economy. Many wholesale distributors closed offices in Midland and Amarillo, and merged into a regional headquarters in Lubbock. Diamond Shamrock was bought out, and moved their headquarters to Dallas. Mesa and Pioneer Natural Gas Company (Energas) also moved to Dallas. As the 2nd and 3rd largest banks in town sold out, the corporate leadership in Amarillo was depleted. Fortunately, the Harrington Foundation, Amarillo Area Foundation, Cal Farley's Foundation, the Bivins Foundation, along with the Amarillo National Bank, stepped in to fill the gap in charitable giving.

Meanwhile, a new group of headquarters was growing in Amarillo, as local firms bought offices in other cities throughout Texas and a 5 state area. By 2000, Amarillo had Maxor Pharmacy Services, Yellowhouse Machinery, Bruckners Trucking, Roberts Trucking, AutoPlex, and Affiliated Foods headquartering in Amarillo.

We are convinced that there is an entrepreneurial spirit, work ethic, and a "circle of the wagons" mentality that motivates businesses to grow in this area, and take their model and be successful in other parts of the country. This new group of headquarter companies has come together to provide the financial backbone of the successful bid to attract minor league baseball to downtown Amarillo. So the new headquarters have taken on the role passed on by those who had left for big cities. Amarillo is once again a Headquarters City.

