



ITHACA COLLEGE

Department of Economics

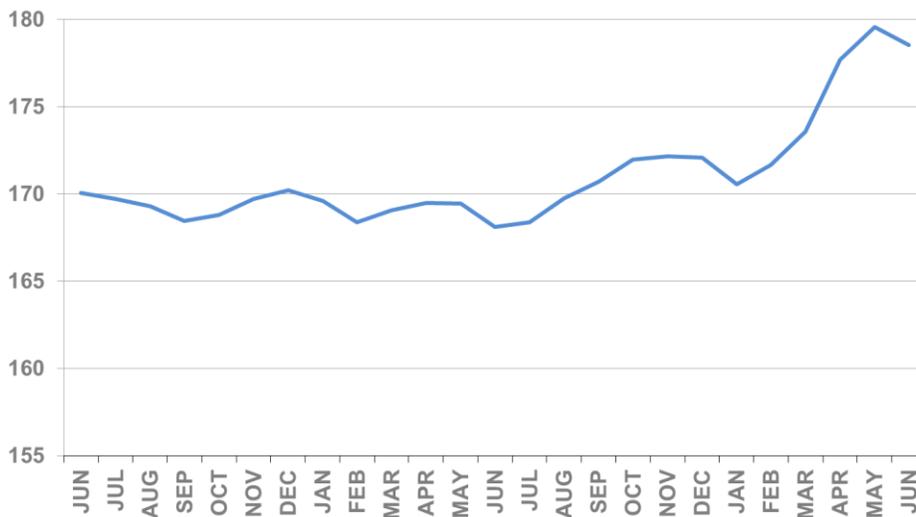


Ithaca Business Index

June 2019

Economic activity slowed slightly in June when the Ithaca Business Index fell 0.6 percent to a level of 178.53 from a revised mark of 179.56 in May. Gains in employment and hours worked were not enough to offset declines in the labor force, retailing, home sales, and help wanted advertising. Compared to June 2018, however, the index was up 6.2 percent.

Ithaca Business Index
JUN 2017 - JUN 2019



The Ithaca metropolitan area added 100 jobs in June bringing the total number of jobs to 66,500. All the figures in this report are seasonally adjusted so that any month can be compared with any other without regard to seasonal factors. Ithaca's unemployment rate was 3.3 percent, down from 3.6 percent a year earlier. The comparable unemployment rates for New York State and the nation were 4.0 percent and 3.7 percent, respectively.

The size of Ithaca's labor force decreased by 200 persons to a level of 50,800. Anyone residing in Ithaca with a part-time or full time job is in the labor force. In addition, anyone residing in Ithaca without a job, but actively seeking employment, is also included in the labor force. A smaller labor force means less economic potential.

Ithaca's retail sector continued its listless performance in June. Sales volume was down 4.8 percent. Compared to June 2018 sales volume was up 1.8 percent. Retailers in Ithaca employ 4,800 mostly part-time workers. By that measure, Binghamton's retail sector is more than twice as large and Syracuse is seven times larger.

The average work week in Ithaca lengthened to 32.5 hours in June from 32.1 hours in May. This figure is indeed an average that includes both full and part-time employees in the private sector. Compared to June 2018, the work week was unchanged. A longer work week is a sign of increased economic activity.

Home sales in Ithaca declined 29.9 percent in June. A decrease of this amount is not unusual for this volatile indicator. Comparing June 2019 to June 2018, home sales were up 1.2 percent. However, the median home's price sagged a bit over the course of the year, falling to \$254,000 in 2019 from \$260,000 in 2018.

Help-wanted advertising slowed 23.6 percent in June. Compared to June 2018, help-wanted advertising was up 14.0 percent. Changes in help wanted advertising often precede changes in employment.

Sector	Change (from last month)	Change (from last year)
Employment	▲ 0.2 %	▲ 3.4 %
Labor Force	▼ 0.4 %	▲ 1.8 %
Retail Sales	▼ 4.8 %	▼ 1.5 %
Avg Weekly Hrs at Work	▲ 1.2 %	▶ 0.0 %
Home Sales	▼ 29.9 %	▲ 1.2 %
Help Wanted Advertising	▼ 23.6 %	▲ 14.0 %
Ithaca Business Index	▼ 0.6 %	▲ 6.2 %

June brought a minor decline in business activity. The Ithaca Business Index had increased the four previous months. This could be a healthy consolidation of previous gains. The data for the months ahead will confirm or refute that contention.

One thing is almost certain: Ithaca's economy has performed well in the first half of 2019. Some sectors, like retailing and real estate, are sluggish, but even these sectors are not in decline.

Ithaca's economy has done well, while many of the neighboring regional economies have not, because of the strength and stability of its main industry: education and health services.

Ithaca Business Index

JAN 1985 to JUN 2019

(national recessions are shaded)



In January 1985 the Ithaca Business Index stood at 100.00. In June 2019 the Index reads 178.53. This means that the Tompkins County economy has grown 78.53 percent in those 414 months.

From 1985 until 1988, the Ithaca metro region grew at a rapid clip. The average annual growth rate was 5.4 percent. The Ithaca Business Index reached a peak of 130.34 in March 1989. A recession brought the Index down to a level of 110.98 in May 1992. This 36 month slide was much longer and more severe than the national recession which lasted only 8 months. Since then, the County economy has recovered, but annual growth rates of 1.5 percent are more typical these days.

There was a less severe version of the Great Recession here in Ithaca that started in May 2008 and ended in July 2009. The most recent recession began in March 2014 and ended in March 2015. There was no national recession during this time, but economic activity in Ithaca fell 0.2 percent in 2014 and 1.4 percent in 2015.

The Ithaca economy has been expanding since the summer of 2015. The Ithaca economy grew 2.2 percent in 2016, 3.8 percent in 2017, and 1.0 percent in 2018. The all-time high for the Ithaca Business Index is 179.56, its reading in May 2019.