



# ITHACA COLLEGE

Department of Economics

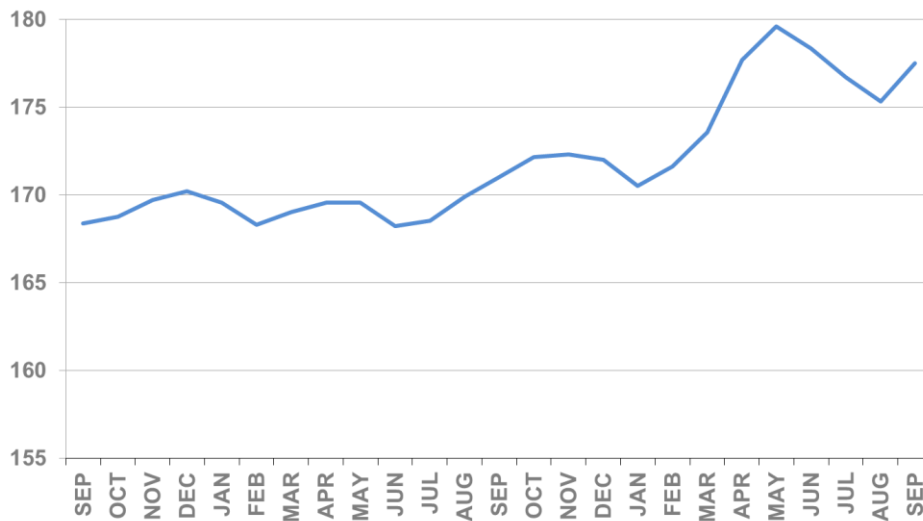


## Ithaca Business Index

### September 2019

Ithaca's economy showed renewed vigor in September when the Ithaca Business Index increased 1.3 percent to a level of 177.53 from a revised mark of 175.32 in August. A pop in home sales combined with gains in employment, and help wanted advertising drove the index higher. However, retail sales and hours worked lost ground. Compared to September 2018 the index was up 3.8 percent.

Ithaca Business Index  
SEP 2017 - SEP 2019



The Ithaca metropolitan area added 300 jobs in September to bring total employment to 67,900. 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 3.4 percent, unchanged from a month earlier. The comparable unemployment rates for New York State and the nation were 4.9 percent and 3.5 percent, respectively.

The size of Ithaca's labor force increased by 300 persons to a level of 51,300. 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 larger labor force means more economic potential.

Ithaca's retail sector sagged in September. Sales volume sank 4.1 percent to \$157 million. Compared to September 2018 sales volume was up 0.4 percent. Employment in Ithaca's retail sector fell by 100 to 4,800.

The average work week in Ithaca shortened to 32.6 hours in September from 34.0 hours in August. This figure is indeed an average that includes both full and part-time employees in the private sector. Compared to September 2018, the work week was about 15 minutes longer. A longer work week is a sign of increased economic activity.

Home sales in Ithaca climbed 33.7 percent in September. Comparing September 2019 to September 2018, home sales were up 32.2 percent. These percentages are not unusual for this volatile indicator. The median home's price appreciated over the course of the year from \$218,000 to \$237,000.

Help-wanted advertising inched ahead 5.5 percent in September. Compared to September 2018, help-wanted advertising was up 4.4 percent. Changes in help wanted advertising often precede changes in employment.

Sector	Change (from last month)	Change (from last year)
Employment	▲ 0.4 %	▲ 4.6 %
Labor Force	▲ 0.6 %	▲ 1.8 %
Retail Sales	▼ 4.7 %	▲ 0.4 %
Avg Weekly Hrs at Work	▼ 4.1 %	▲ 0.3 %
Home Sales	▲ 33.7 %	▲ 32.2 %
Help Wanted Advertising	▲ 5.5 %	▲ 4.4 %
Ithaca Business Index	▲ 1.3 %	▲ 3.8 %

The Ithaca Business Index bounced back somewhat in September after declining for the prior three months. We were beginning to wonder if a downward trend was being established. In fact, Ithaca's economy has been growing since the summer of 2015 when a local recession ended.

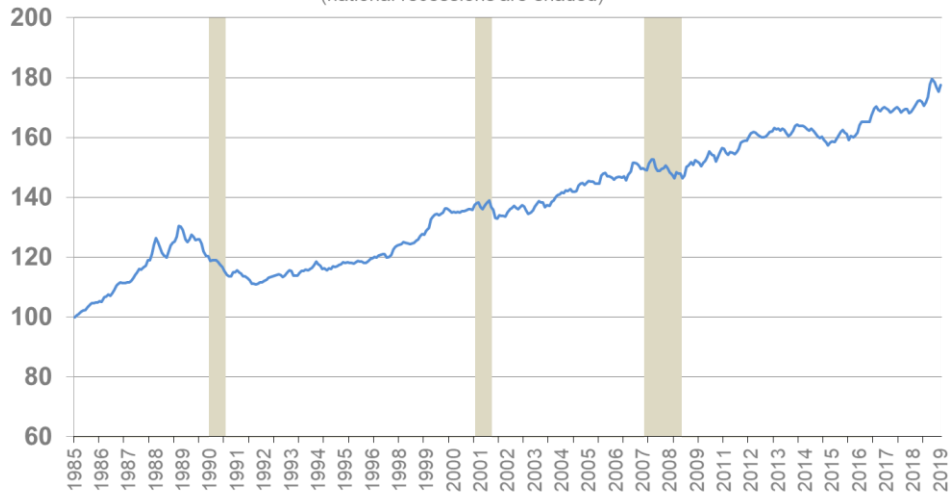
2018 was nothing to brag about with 0.03 percent growth, but there was never a downward trend, just a bit of a plateau.

2019 appears to be a return to faster growth. Job creation has been the main driver of this growth. The employment figures will be revised early in 2020 and we will see if appearances turn into facts.

## Ithaca Business Index

JAN 1985 to SEP 2019

(national recessions are shaded)



In January 1985 the Ithaca Business Index stood at 100.00. In September 2019 the Index reads 177.53. This means that the Tompkins County economy has grown 77.53 percent in those 417 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 0.3 percent in 2018. The all-time high for the Ithaca Business Index is 179.61, its reading in May 2019.