



ITHACA COLLEGE

Department of Economics

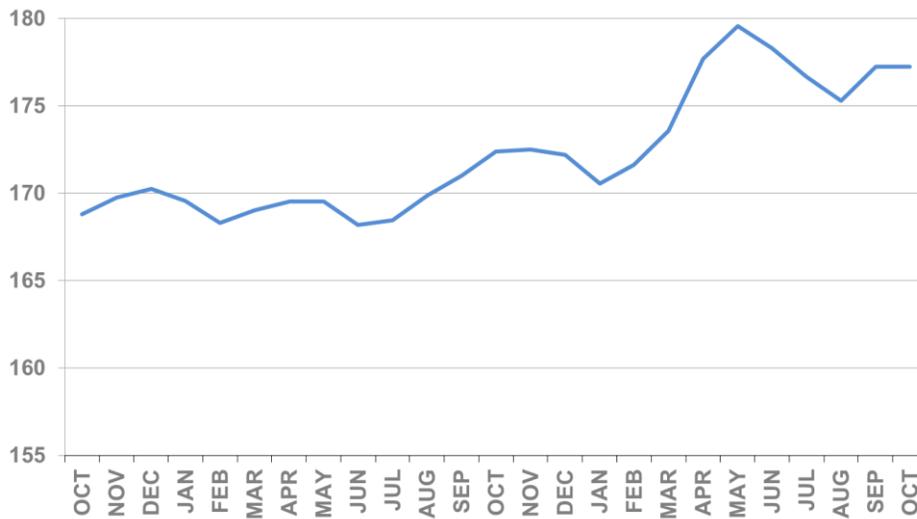


Ithaca Business Index

October 2019

The Ithaca Business Index remained unchanged at a level of 177.2 in October. The number of jobs in Tompkins County held steady at 66,900. The size of the labor force and hours worked inched slightly higher. Retail sales improved over September's mark, but were unchanged compared to a year ago. Home sales and help wanted advertising fell. Compared to October 2018 the index was up 2.8 percent.

Ithaca Business Index
OCT 2017 - OCT 2019



The number of jobs in the Ithaca metropolitan area held steady at 66,900 in October. 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 3.5 percent, up from 3.4 month earlier. The comparable unemployment rates for New York State and the nation were 4.0 percent and 3.6 percent, respectively.

The size of Ithaca's labor force increased by 130 persons to a level of 51,357. 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 improved slightly in October. Sales volume rose 2.6 percent to \$162 million. Compared to October 2018 sales volume was unchanged. Employment in Ithaca's retail sector held steady at 4,800.

The average work week in Ithaca lengthened to 33.0 hours in October from 32.8 hours in September. This figure is indeed an average that includes both full and part-time employees in the private sector. Compared to October 2018, the work week was about an hour and 15 minutes longer. A longer work week is a sign of increased economic activity.

Home sales in Ithaca crumbled 22.9 percent in October. This is not an unusual change for this volatile indicator. Comparing October 2019 to October 2018, home sales were down 6.3 percent. The median home's price appreciated over the course of the year from \$227,613 to \$237,000.

Help-wanted advertising dipped 4.2 percent in October. Compared to October 2018, help-wanted advertising was down 6.6 percent. Changes in help wanted advertising often precede changes in employment.

Sector	Change (from last month)	Change (from last year)
Employment	▶ 0.0 %	▲ 2.9 %
Labor Force	▲ 0.3 %	▲ 1.6 %
Retail Sales	▲ 2.6 %	▶ 0.0 %
Avg Weekly Hrs at Work	▲ 0.6 %	▲ 3.7 %
Home Sales	▼ 22.9 %	▼ 6.3 %
Help Wanted Advertising	▼ 4.2 %	▼ 6.6 %
Ithaca Business Index	▶ 0.0 %	▲ 2.8 %

After climbing nicely for the first half of 2019, the Ithaca Business Index has sputtered the past four months. This could be a natural consolidation of prior gains. The index held steady in October and could move higher from here. Even a flat finish to 2019 would make it a very good year for the regional economy.

In 2017 Ithaca's economy expanded by 3.8 percent. 2018 was not good, coming in at 0.3 percent growth. 2019 is looking a whole lot more like 2017 than 2018. A flat finish to 2019 would put economic growth at 3.4 percent. Aside from 2017, the last year to show more than 3.0 percent growth was 1999.

Next month's reading will tell if 2019 is going to be a good year or a great year for the regional economy.

Ithaca Business Index

JAN 1985 to OCT 2019

(national recessions are shaded)



In January 1985 the Ithaca Business Index stood at 100.00. In October 2019 the Index reads 177.26. This means that the Tompkins County economy has grown 77.26 percent in those 418 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 179.57, its reading in May 2019.