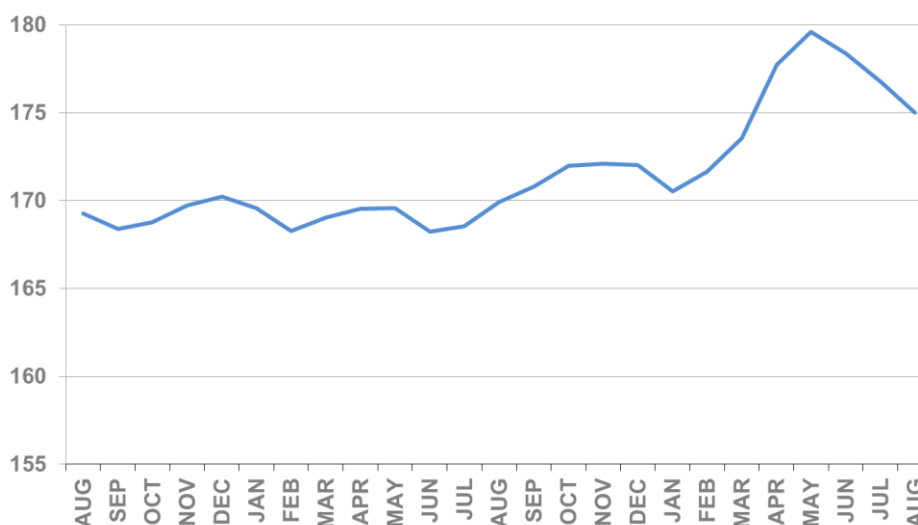




August 2019

Economic activity in Ithaca slowed for the third consecutive month in August. The Ithaca Business Index fell 1.0 percent to a level of 175.02 from a revised mark of 176.75 in July. Very modest gains in the labor force, retail sales, hours worked, and help wanted advertising were not enough to offset a decline in home sales. Employment held steady. Compared to August 2018, however, the index was up 3.0 percent.

Ithaca Business Index
AUG 2017 - AUG 2019



The number of jobs in the Ithaca metropolitan area remained unchanged in August at 67,300. 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, up from 3.3 percent a month 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 increased by 100 persons to a level of 51,000. 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 continued to tread water in August. Sales volume was up 0.5 percent to \$165 million. Compared to August 2018 sales volume was up 3.0 percent. Employment in Ithaca's retail sector held steady at 4,900.

The average work week in Ithaca lengthened to 33.4 hours in August from 32.8 hours in July. This figure is indeed an average that includes both full and part-time employees in the private sector. Compared to August 2018, the work week was about 15 minutes longer. A longer work week is a sign of increased economic activity.

Home sales in Ithaca decreased 8.7 percent in August. Comparing August 2019 to August 2018, home sales were up 4.2 percent. The median home's price, however, fell over the course of the year from \$258,250 to \$230,750.

Help-wanted advertising inched ahead 3.5 percent in August. Compared to August 2018, help-wanted advertising was down 8.20 percent. Changes in help wanted advertising often precede changes in employment.

Sector	Change (from last month)	Change (from last year)
Employment	▶ 0.0 %	▲ 3.9 %
Labor Force	▲ 0.3 %	▲ 1.6 %
Retail Sales	▲ 0.5 %	▲ 3.0 %
Avg Weekly Hrs at Work	▲ 2.0 %	▲ 2.8 %
Home Sales	▼ 8.7 %	▲ 4.2 %
Help Wanted Advertising	▲ 3.5 %	▼ 8.2 %
Ithaca Business Index	▼ 1.0 %	▲ 3.0 %

Even though the Ithaca Business Index declined the past three months, there is nothing troubling on the horizon. The index is coming down off an all-time high. The factor that drove the index upward, job growth, is still operational.

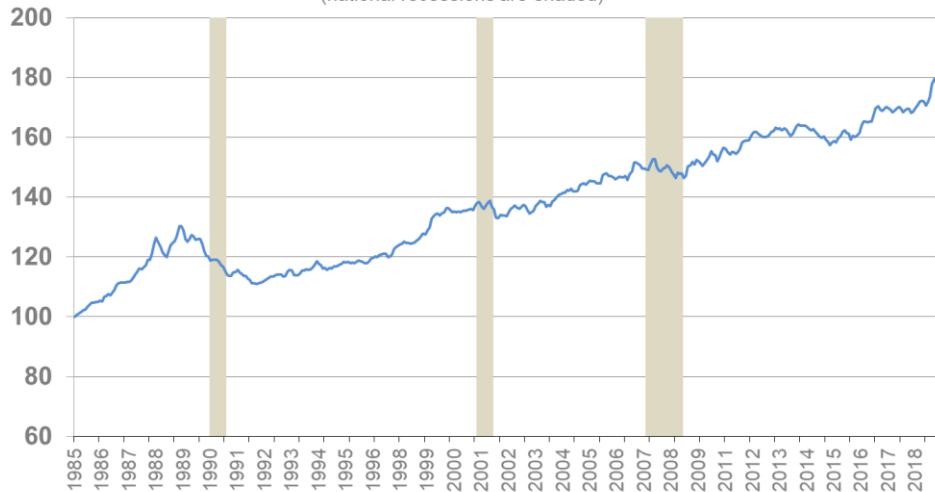
Another continuing trend is other indicators aside from job growth are moving upward at a snail's pace or even going sideways.

For these reasons, it is important to keep a weather eye out for anything that might change the jobs picture. Help wanted advertising often shifts direction to signal a change in employment trends. To this point that has not happened.

Ithaca Business Index

JAN 1985 to AUG 2019

(national recessions are shaded)



In January 1985 the Ithaca Business Index stood at 100.00. In August 2019 the Index reads 175.02. This means that the Tompkins County economy has grown 75.02 percent in those 416 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.