

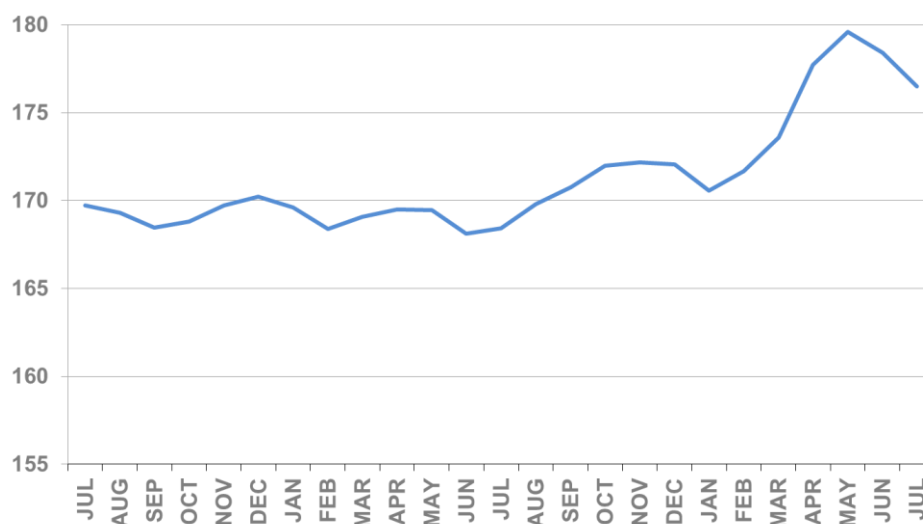
## Ithaca Business Index



### July 2019

Economic activity in Ithaca slowed for the second consecutive month in July. The Ithaca Business Index fell 1.1 percent to a level of 176.49 from a revised mark of 178.42 in June. Gains in retail sales, hours worked, and home sales were not enough to offset declines in employment, the labor force, and help wanted advertising. Compared to July 2018, however, the index was up 4.8 percent.

Ithaca Business Index  
JUL 2017 - JUL 2019



The Ithaca metropolitan area lost 100 jobs in July 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 3.5 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 100 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 up and down performance in July. Sales volume was up 5.2 percent after dropping about as much the prior month. Compared to July 2018 sales volume was up 3.4 percent. Ithaca's retail sector added 100 employees in July.

The average work week in Ithaca lengthened to 32.7 hours in July from 32.0 hours in June. This figure is indeed an average that includes both full and part-time employees in the private sector. Compared to July 2018, the work week was about 35 minutes shorter. A shorter work week is a sign of decreased economic activity.

Home sales in Ithaca increased 33.4 percent in July. An increase of this amount is not unusual for this volatile indicator. Comparing July 2019 to July 2018, home sales were up 22.3 percent. The median home's price was virtually unchanged over the course of the year at \$225,000.

Help-wanted advertising slowed 10.4 percent in July. Compared to July 2018, help-wanted advertising was up 4.0 percent. Changes in help wanted advertising often precede changes in employment.

| Sector                  | Change<br>(from last month) | Change<br>(from last year) |
|-------------------------|-----------------------------|----------------------------|
| Employment              | ▼ 0.2 %                     | ▲ 2.9 %                    |
| Labor Force             | ▼ 0.2 %                     | ▲ 1.6 %                    |
| Retail Sales            | ▲ 5.2 %                     | ▲ 3.4 %                    |
| Avg Weekly Hrs at Work  | ▲ 2.2 %                     | ▼ 0.6 %                    |
| Home Sales              | ▲ 33.4 %                    | ▲ 22.3 %                   |
| Help Wanted Advertising | ▼ 10.4 %                    | ▲ 4.0 %                    |
| Ithaca Business Index   | ▼ 1.1 %                     | ▲ 4.8 %                    |

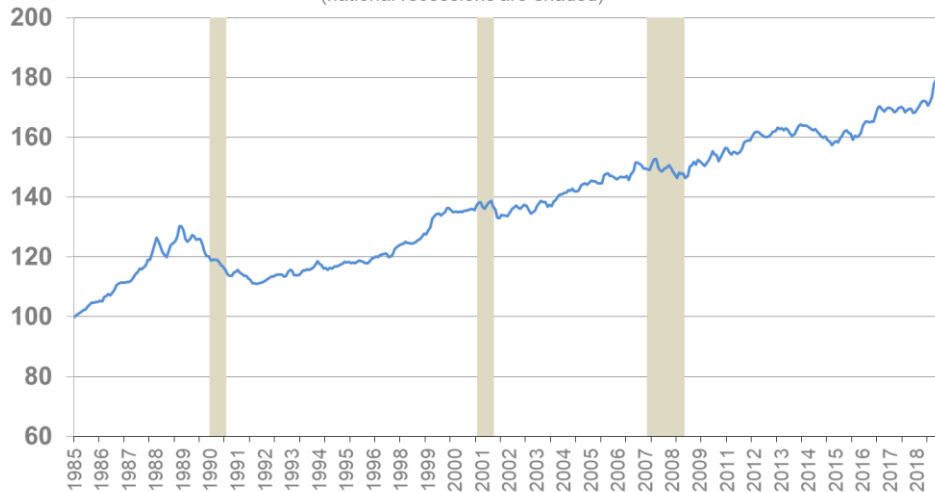
After increasing each month from February through May, the Ithaca Business Index fell in June and July. The two declines are not worrisome given the significant gains that came before them.

Growth in employment has been the driving force in the local economy, especially recently. In the four years from July 2011 to July 2015 Ithaca's economy added 2,200 jobs. In the four years from July 2015 to July 2019 Ithaca's economy added 4,400 jobs.

## Ithaca Business Index

JAN 1985 to JUL 2019

(national recessions are shaded)



In January 1985 the Ithaca Business Index stood at 100.00. In July 2019 the Index reads 176.49. This means that the Tompkins County economy has grown 76.49 percent in those 415 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 179.60, its reading in May 2019.