



# ITHACA COLLEGE

Department of Economics

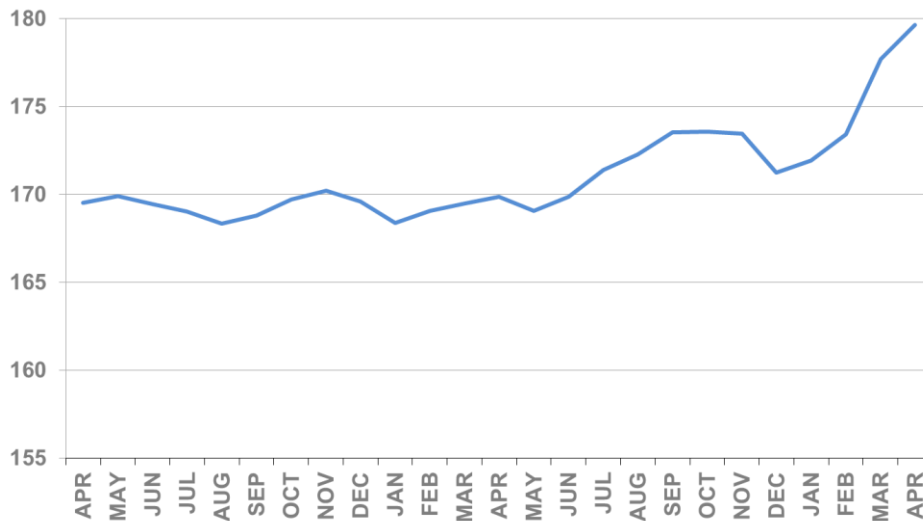


## Ithaca Business Index

### MAY 2019

The Ithaca Business Index increased 1.1 percent in May to 179.64 from a revised mark of 177.72 in April. This is an all-time high for the index which has now increased four months in a row. Gains in employment, retailing, and home sales drove the index higher. Declines in hours worked and help wanted advertising weighed the index down. The size of the labor force held steady. Compared to May 2018 the index was up 5.7 percent.

Ithaca Business Index  
MAY 2017 - MAY 2019



The Ithaca metropolitan area added 200 jobs in May bringing the total number of jobs to 66,300. 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. The comparable unemployment rates for New York State and the nation were 4.0 percent and 3.6 percent, respectively.

Ithaca's labor force held steady at 51,000 persons. 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.

Retailing is a slow-growth sector in Tompkins County. Sales volume was up 1.2 percent in May, but still 3.6 percent lower than a year ago. Our estimates of sales volume include online sales that are placed with retailers located in Ithaca..

The average work week in Ithaca fell to 32.3 hours in May from 32.5 hours in April. This figure is indeed an average that includes both full and part-time employees in the private sector. Compared to May 2018, the work week was 20 minutes shorter. Although some people may enjoy a shorter work week, it is a sign of reduced economic activity.

Home sales in Ithaca improved 26.6 percent in May. An increase of this amount is not unusual for this volatile indicator. Comparing May 2019 to May 2018, home sales were up 44.8 percent. However, the median home's price sagged a bit between those two months, falling to \$257,050 in 2019 from \$285,000 in 2018.

Help-wanted advertising slowed 5.3 percent in May. Compared to May 2018, help-wanted advertising was up 49.5 percent. Increases in help wanted advertising can foretell increases in employment.

Sector	Change (from last month)	Change (from last year)
<b>Employment</b>	▲ 0.3 %	▲ 3.4 %
<b>Labor Force</b>	▶ 0.0 %	▲ 2.4 %
<b>Retail Sales</b>	▲ 1.2 %	▼ 3.6 %
<b>Avg Weekly Hrs at Work</b>	▼ 0.6 %	▼ 1.2 %
<b>Home Sales</b>	▲ 26.6 %	▲ 44.8 %
<b>Help Wanted Advertising</b>	▼ 5.3 %	▲ 49.5 %
<b>Ithaca Business Index</b>	▲ 1.1 %	▲ 5.7 %

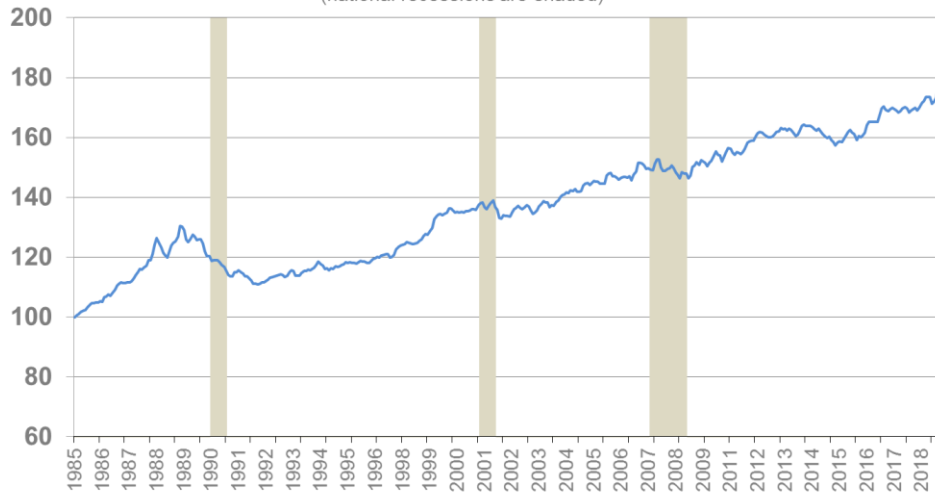
Ithaca's economy boomed the first five months of 2019. April was especially strong and now May has added on to the trend. Job creation and labor force growth have been the main propellants of the expansion.

Almost all of the new jobs have been in our main industry: educational and health services. Just over half of the jobs in the local economy are in this sector. The other half of our jobs are spread out rather evenly over the other sectors: utilities, leisure and hospitality, retailing and food services, government, and manufacturing. Our job profile is very similar to other great American college towns.

## Ithaca Business Index

JAN 1985 to MAY 2019

(national recessions are shaded)



In January 1985 the Ithaca Business Index stood at 100.00. In May 2019 the Index reads 179.64. This means that the Tompkins County economy has grown 79.64 percent in those 413 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 April 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 April 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 179.64, its reading in May 2019.