



ITHACA COLLEGE

Department of Economics

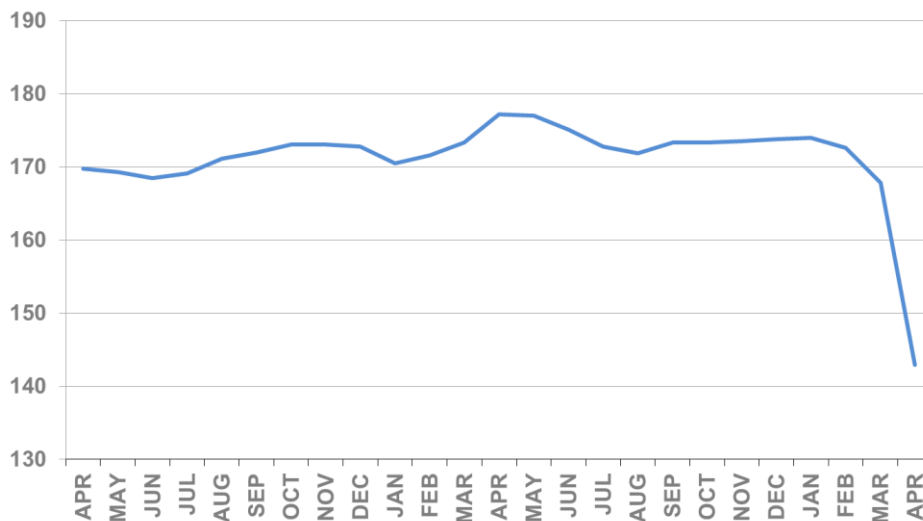


Ithaca Business Index

April 2020

The Ithaca Business Index reflected the brunt of the Covid-19 shut down, sinking 14.8 percent in April to a level of 142.96 from a revised mark of 167.80 in April. All six components of the index fell with employment and retail sales being especially hard hit. Compared to April 2019, the index was down 19.3 percent.

Ithaca Business Index
APR 2018 - APR 2020



The number of jobs in the Ithaca metropolitan area plummeted by 9,000 to a level of 54,500 in April. 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, which was 3.6 percent in March, is expected to come in at 14.3 percent in April. Comparable unemployment rates for New York State and the nation are 14.5 percent and 14.7 percent, respectively.

The size of Ithaca's labor force is estimated to have decreased by 300 persons to a level of 48,577. 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.

Retail sales in Ithaca cratered 32.9 percent in April, coming in at \$92.6 million. That amount is 42.5 percent less than April 2019. The last time retail sales were around these levels was 2002. The retail sector lost 1,800 jobs bringing the total number of jobs in retailing to 3,100.

The average work week in Ithaca ticked back to 32.5 hours from 32.8 hours in March. This figure is indeed an average that includes both full and part-time employees in the private sector. Compared to April 2019, the average work week was six minutes longer.

Home sales in Ithaca sagged 2.7 percent in April. This is a negligible change for this volatile indicator. Compared to April 2019 home sales were down 21.6 percent. The median home's price increased significantly over the course of the year to \$240,000 from \$218,361.

Help wanted advertising retreated 22.7 percent in April. Compared to April 2019, help-wanted advertising was down 69.9 percent. These are unusually large changes, even for this volatile indicator. Declines in help wanted advertising may signal bad news ahead for the job market.

Sector	Change (from last month)	Change (from last year)
Employment	▼ 14.2 %	▼ 14.4 %
Labor Force	▼ 0.2 %	▼ 0.4 %
Retail Sales	▼ 32.9 %	▼ 42.5 %
Avg Weekly Hrs at Work	▼ 0.9 %	▲ 0.3 %
Home Sales	▼ 2.7 %	▼ 21.6 %
Help Wanted Advertising	▼ 22.7 %	▼ 69.9 %
Ithaca Business Index	▼ 14.8 %	▼ 19.3 %

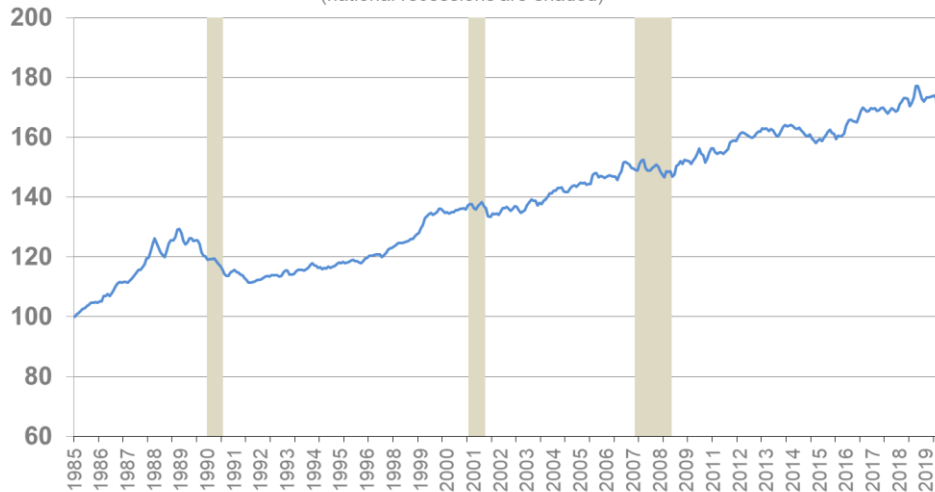
The job destruction in Ithaca in April was focused on three industries. The education and health sector lost 3,300 jobs, about 10 percent of its total. Retail trade lost 1,800 jobs, 36.7 percent of its total. And leisure and hospitality lost 2,600 jobs. That amounts to a whopping 51.0 percent of the jobs in that industry.

The figures for May will be enlightening. Even a leveling off at this point would be welcome. Some believe that the start of a rebound is in order. One thing we should all agree on: health, not money, is the most precious form of wealth.

Ithaca Business Index

JAN 1985 to APR 2020

(national recessions are shaded)



In January 1985 the Ithaca Business Index stood at 100.00. In April 2020 the Index reads 142.96. This means that the Tompkins County economy has grown 42.96 percent in those 424 months.

From 1985 until 1988, the Ithaca metro region grew at a rapid clip. The average annual growth rate was 6.0 percent. The Ithaca Business Index reached a peak of 129.25 in April 1989. A recession brought the Index down to a level of 111.32 in February 1992. This 34-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 April 2014 and ended in March 2015. There was no national recession during this time, but economic activity in Ithaca stalled in the latter half of 2014 and fell 1.5 percent in 2015.

The Ithaca economy had been expanding since the summer of 2015. The Ithaca economy grew 3.7 percent in 2017, 0.6 percent in 2018, and 1.8 percent in 2019. The all-time high for the Ithaca Business Index is 177.18, its reading in April 2019.