



ITHACA COLLEGE

Department of Economics

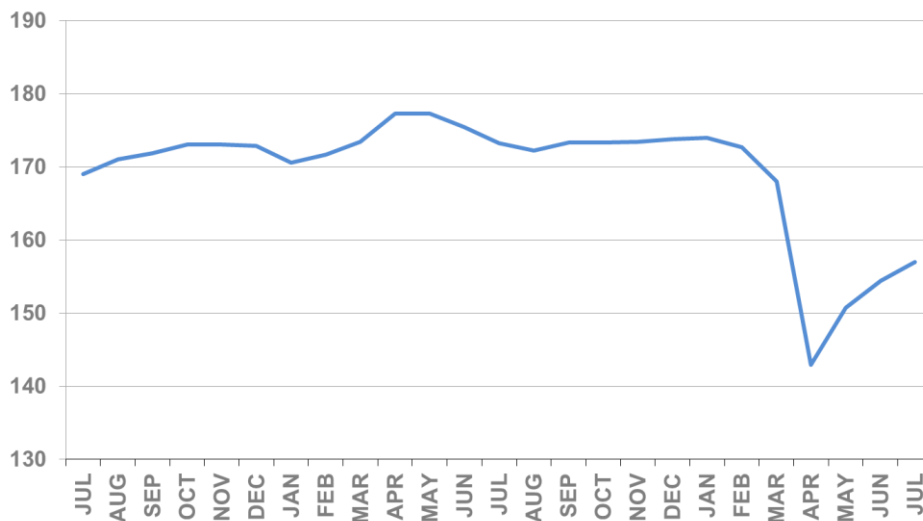


Ithaca Business Index

July 2020

The Ithaca Business Index advanced 1.6 percent in July to a level of 156.98 from a revised mark of 154.42. Gains in employment, the labor force, retail sales, hours worked, and home sales drove the index higher. Only help wanted advertising declined. However, the index was down 11.5 percent compared to its level in July 2019.

Ithaca Business Index
JUL 2018 - JUL 2020



The number of jobs in the Ithaca metropolitan area climbed by 500 to a level of 60,300 in July. All the figures in this report are seasonally adjusted so that any month can be compared with any other without regard to seasonal factors. Despite the job increase, Ithaca’s unemployment rate increased to 9.2 percent. This happens when the labor force expands faster than the number of jobs. Last year at this time, Ithaca’s unemployment rate was 3.6 percent. Comparable unemployment rates for New York State and the nation in July 2020 are 15.9 percent and 10.2 percent, respectively.

The size of Ithaca’s labor force increased by 1,700 persons to a level of 51,800. 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.

Retail sales in Ithaca improved another 6.9 percent in July after increasing May and June. However, retail sales were down 11.3 percent from a year ago. Employment in Ithaca's retail sector was 800 jobs less than normal.

The average work week in Ithaca increased 1.1 percent to 33.8 hours from 33.5 hours in June. This figure is indeed an average that includes both full and part-time employees in the private sector. Compared to July 2019, the average work week was 3.7 percent longer.

Home sales in Ithaca improved 5.4 percent in July. This is a minor improvement for this volatile indicator. Compared to July 2019 home sales were down 38.9 percent. The median home's price increased over the course of the year to \$279,000 from \$225,150.

Help wanted advertising inched backward 6.4 percent in July. Compared to July 2019, help-wanted advertising was down 55.7 percent. This is an unusually large change, even for this volatile indicator. Changes in help wanted advertising may foretell changes for the job market in the months ahead.

Sector	Change (from last month)	Change (from last year)
Employment	▲ 0.8 %	▼ 4.9 %
Labor Force	▲ 3.4 %	▲ 5.8 %
Retail Sales	▲ 6.9 %	▼ 11.3 %
Avg Weekly Hrs at Work	▲ 1.1 %	▲ 3.7 %
Home Sales	▲ 5.4 %	▼ 38.9 %
Help Wanted Advertising	▼ 6.4 %	▼ 55.7 %
Ithaca Business Index	▲ 1.6 %	▼ 11.5 %

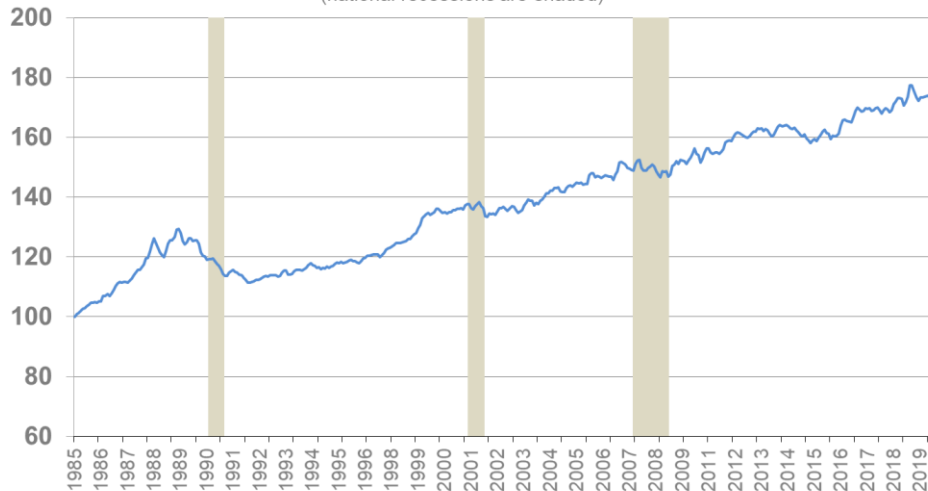
The Ithaca Business Index monitored how the regional economy improved in May, June, and July. These advances reflect the cautious re-opening of area businesses. August is expected to show another uptick.

After that, significant threats to the regional economy arise in September. Decisions about K-12 education will affect the labor force in several ways. In addition, college towns are especially vulnerable to the Covid crisis. Much depends on Cornell maintaining in-person classes throughout the academic year. Additional benefits will accrue if TC3 can do the same and Ithaca College can bring students back after the fall semester ends.

Ithaca Business Index

JAN 1985 to JUL 2020

(national recessions are shaded)



In January 1985 the Ithaca Business Index stood at 100.00. In July 2020 the Index reads 156.98. This means that the Tompkins County economy has grown 56.98 percent in those 427 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.

Ithaca's economy had been expanding since the summer of 2015 with growth rates of 3.7 percent in 2017, 0.6 percent in 2018, and 2.0 percent in 2019. The Covid-19 pandemic has severely curtailed economic activity throughout the world and in Ithaca. The all-time high for the Ithaca Business Index is 177.31, its reading in April 2019.