



ITHACA COLLEGE

Department of Economics



Ithaca Business Index

November 2020

The Ithaca Business Index moved higher by 0.8 percent in November to a level of 164.23 from a revised mark of 162.86 in October. Gains in employment and helped wanted advertising drove the index upward. Retail sales volume, the size of the labor force, hours worked, and home sales fell slightly. Compared to November 2019 economic activity was down 5.7 percent.

Ithaca Business Index
NOV 2018 - NOV 2020



The number of jobs in the Ithaca metropolitan area increased by 500 in November to 61,200. All the figures in this report are seasonally adjusted so that any month can be compared to any other without regard to seasonal factors. Rising from a low of 53,900 in April, the number of jobs is almost 75 percent back to pre-Covid levels. The unemployment rate was 4.2 percent in November. Comparable unemployment rates for New York State and the nation are 8.4 percent and 6.7 percent.

The size of Ithaca’s labor force decreased by 100 persons to a level of 48,500. 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. Ithaca’s labor force has declined during the pandemic.

Retail sales volume in Ithaca edged backward by 1.0 percent in November to \$145 million. The volume of retail sales was down 9.5 percent from a year ago. Employment in Ithaca's retail sector was 800 jobs less than normal.

The average work week in Ithaca shortened 2.0 percent to 33.5 hours from 34.2 hours in October. This figure is indeed an average that includes both full and part-time employees in the private sector. Compared to November 2019, average weekly hours worked was up 1.5 percent.

Home sales in Ithaca decreased 10.7 percent in November after making huge gains in September and October. The market for homes is red hot due to low mortgage rates. Buyers can borrow more with the low rates and then offer higher bids for homes. The median home's price appreciated to \$226,550 from \$197,630 in November 2019.

Help wanted advertising increased by 3.3 percent in November. However, compared to November 2019, help wanted advertising was down 39.4 percent. Changes in help wanted advertising may foretell actual changes in employment in the months ahead.

Sector	Change (from last month)	Change (from last year)
Employment	▲ 0.8 %	▼ 4.2 %
Labor Force	▼ 0.3 %	▼ 1.6 %
Retail Sales	▼ 1.0 %	▼ 9.5 %
Avg Weekly Hrs at Work	▼ 2.0 %	▲ 1.5 %
Home Sales	▼ 10.7 %	▲ 17.4 %
Help Wanted Advertising	▲ 3.3 %	▼ 39.4 %
Ithaca Business Index	▲ 0.8 %	▼ 5.7 %

Ithaca's economy staged a remarkable rebound from shutdown lows experienced in April 2020. Economic activity increased in six out of the seven months since then. In November, Ithaca's economy ran at 95 percent of last year's level, or about eight percent below what would be expected without the Covid shutdown.

Retailing and the leisure and hospitality industry are hurting more than other sectors. Total employment has some ground to make up as well. Only home sales, along with home prices, are doing well.

Ithaca Business Index

JAN 1985 to NOV 2020

(national recessions are shaded)



In January 1985, the Ithaca Business Index stood at 100.00. In November 2020, the Index reads 164.23. This means that the Tompkins County economy has grown 64.23 percent in those 432 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 2.1 percent in 2019. The Covid-19 pandemic has curtailed economic activity throughout the world and in Ithaca. Currently, Ithaca's economy is operating at about 8 percent below normal. The all-time high for the Ithaca Business Index is 177.30, its reading in April 2019.