



Ithaca Business Index

December 2020

The Ithaca Business Index inched upward by 0.3 percent in December to a level of 164.69 from a revised mark of 164.18 in November. Gains in employment, the labor force, and hours worked drove the index higher. Retail sales volume, home sales, and help wanted advertising fell slightly. Compared to December 2019 economic activity was down 5.5 percent.

Ithaca Business Index
DEC 2018 - DEC 2020



The number of jobs in the Ithaca metro area increased by 100 in December 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-19 levels. Ithaca's unemployment rate was 4.4 percent in December, compared to 3.8 percent a year ago.

The size of Ithaca's labor force increased by 100 persons to a level of 48,600. 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 fell back by 1.8 percent in December to \$142 million. The volume of retail sales was down 11.2 percent from a year ago. Employment in Ithaca's retail sector was 800 jobs less than normal.

The average work week in Ithaca shortened 1.0 percent to 33.9 hours from 33.6 hours in November. This figure is indeed an average that includes both full and part-time employees in the private sector. Compared to December 2019, average weekly hours worked was up 4.0 percent.

Home sales in Ithaca gave back 4.4 percent in December after making huge gains earlier in the year. In fact, December's sales were 24.4 percent higher than a year ago. 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 \$250,000 from \$233,500 in December 2019.

Help wanted advertising decreased by 3.5 percent in December and was 47.1 percent lower than a year ago. 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	▲ 0.2 %	▼ 4.8 %
Labor Force	▲ 0.2 %	▼ 1.4 %
Retail Sales	▼ 1.8 %	▼ 11.2 %
Avg Weekly Hrs at Work	▲ 1.0 %	▲ 4.0 %
Home Sales	▼ 4.4 %	▲ 24.4 %
Help Wanted Advertising	▼ 3.5 %	▼ 47.1 %
Ithaca Business Index	▲ 0.3 %	▼ 5.5 %

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

Retailing and the 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.

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JAN 1985 to DEC 2020

(national recessions are shaded)



In January 1985, the Ithaca Business Index stood at 100.00. In December 2020, the Index reads 164.69. This means that the Tompkins County economy has grown 64.69 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 2.2 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 5 percent below normal. The all-time high for the Ithaca Business Index is 177.30, its reading in April 2019.