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Ithaca among five places in U.S. with income growth generated by private sector

'Well of intellectual property' credited

Staff Report

Ithaca is among only five communities nationwide where private sector employment accounted for personal income growth in 2009, according to data recently released by the U.S. Bureau of Economic Analysis.

The Tompkins County Chamber of Commerce touted the news in a Tuesday press release.

In 2009, personal income declined in 223 of the metropolitan statistical areas tracked by the agency, it increased in 134, and it remained unchanged in nine. Overall, personal income fell 1.8 percent last year. It rose 2.7 percent in 2008.

Ithaca's average personal income rose 5.2 percent in 2008 and just 0.1 percent in 2009 to \$33,623 per capita.

Of the 134 communities where income earnings grew, 129 of these saw growth only in the government sector or in transfer receipts such as unemployment insurance benefits. In the Binghamton area, personal income fell 0.7 percent between 2008 and 2009 to \$34,116 per capita. In the Elmira area, personal income fell 2 percent for the period to \$32,814 per capita.

Only five communities, including Ithaca, had personal earnings growth attributable to the private sector, according to the report.

The other communities with private sector earnings growth were Kennewick, Wash.; Cumberland, Md; Morgantown, W.Va; and Cape Girardeau, Mo. The Ithaca metropolitan area measured by Bureau of Economic Analysis includes all of Tompkins County.

Chamber President Jean McPheeters attributed Ithaca's rare private sector growth to small tech start-ups and the area's educational institutions, among others.

"Ithaca has seen a few small tech firm start-ups and employment growth in the industrial and technical sectors as well as many new service and retail businesses in the last few years. The base of our economy is the education sector and many new companies derive their intellectual property and their leadership from the educational institutions here. This well of intellectual property combined with the natural beauty of the area and the ability to attract and retain employees here gives Ithaca an edge in economic development," McPheeters stated.
