



S.A. is no. 2 on list of 'recession-proof' cities

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By William Pack

San Antonio is one of the nation's top recession-proof cities, Forbes.com reports in an analysis of economic growth in the nation's 50 largest metro areas.

The Forbes.com study ranks San Antonio second only to Oklahoma City in its ability to withstand recessionary pressures. The study, released April 29, examined unemployment data and job growth through February, along with changes in median home prices and results from a national study on how foreclosures will affect cities.

The report said San Antonio “boasts solid unemployment numbers as well as rising home prices,” with median prices jumping nearly 8 percent in the fourth quarter of 2007.

“Its industries are growing, and it can't hurt that the new AT&T was formed when San Antonio-based SBC Communications swallowed the former AT&T Corp. and BellSouth,” the study says.

Oklahoma City led the pack with “one of the country's strongest housing markets and solid growth in agriculture, energy and manufacturing,” Forbes editors say.

But Texas dominates the report, with Austin, Houston and Dallas-Fort Worth all finishing in the top 10. Austin came in one spot behind San Antonio.

The report says all the Texas cities benefited “from historically lower home prices, which have been affordable to a large segment of the population.”

The study was no real surprise to area economists, who praise the diversity and dependability of the economy.

“It's almost a textbook example of a diversified city,” said Trinity University economics Professor Jorge Gonzalez. “This has been the story of San Antonio for the last 20 years. We don't have the booms or the busts.”

Keith Phillips, senior economist with the San Antonio office of the Federal Reserve Bank of Dallas, said it's not just the diversity of the local economy, it's the stability of the key

economic parts — the military, the hospitality sector and health care — that has made San Antonio strong.

The availability of land in San Antonio has been a key factor in keeping home prices affordable, Phillips said.

“We can have volatility in the number of units and not have volatility in prices,” he said.

Mayor Phil Hardberger said he is pleased that the economy has produced jobs for just about everyone looking for work. San Antonio may not be immune from the turmoil in the national economy, but Hardberger said he believes it will stay in better shape than the nation as a whole.

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