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## **S.A. is top-ranked economic performer**

**[By William Pack](#)** - Express-News

AT&T Inc.'s departure may have sullied its image and the recession brought an end to the boom times, but San Antonio has not taken the economic beating other U.S. cities have, a new Brookings Institution report says.

In fact, its economy has outperformed all of the nation's largest cities through the first quarter of 2009, the study says.

Being a top-ranked economy is nothing new for San Antonio. Just a little more than a year ago, the city finished second to Oklahoma City in a Forbes.com study identifying the most recession-proof metro areas.

Alan Berube, a co-author of the report who also is research director for the institution's Metropolitan Policy Program, said it wasn't one overriding factor that pushed San Antonio to the top.

Instead, solid scores on a variety of measures were responsible for the city's ranking.

“San Antonio's numbers look strong precisely because of what your economy is based on,” Berube said.

The local economy is driven by sectors such as health care and insurance that didn't fall as badly as other sectors, was shielded from the downturn by military expansions and, like other cities in Texas, didn't participate in “the ridiculous run-up in housing prices” early on that triggered meltdowns in many areas, Berube said.

“San Antonio didn't lose as much in the first place, so it could be ready to turn around sooner,” he said.

Brookings' MetroMonitor report, which is being released today, provides what the institution calls “the first ‘beneath the hood’ look at the impact of the recession on metropolitan America.”

It measures changes in employment totals, unemployment rates, housing prices, the value of goods and services produced by cities and other factors through the first three months of the year to identify which cities are performing well and which are not.

Texas is well-represented in the top-performing metro areas.

Austin, Houston, Dallas and McAllen finished third, fourth, fifth and sixth, respectively, after Oklahoma City at No. 2. El Paso also scored well at 11th. At the very bottom of the list was Detroit.

San Antonio's standing drew applause from city and county leaders, who said it can be helpful in attracting more jobs and prosperity to San Antonio.

“The stability of the economy, the predictability of costs — those are hard things to beat,” said Mario Hernandez, president of the San Antonio Economic Development Foundation.

“It speaks volumes about San Antonio's business-friendly climate and our willingness to embrace new opportunities,” said Mayor Julián Castro. “I'm not surprised. I am pleased by it.”

Keith Phillips, senior economist with the Federal Reserve Bank of Dallas in San Antonio, said that while the ranking is good for San Antonio, it reaffirms what past studies already have shown about how steady the local economy is and how well it measures against other cities when times get tough.

He also cautioned against reading too much into the study because it gave such high rankings to cities that depend on energy markets, which could have further to fall as the recession continues.

San Antonio isn't an energy-dependant city, and Phillips does not believe it will fall out of the top 20 metro areas in performance.

The Brookings' report said San Antonio's employment totals dropped by 0.4 percent from its peak in the third quarter of 2008 and its gross metropolitan product, or productive output, slipped by 0.5 percent. In those categories, the city is in fourth and sixth places, respectively, among the large cities.

The increase in San Antonio's housing prices was the ninth best in the study and its unemployment rate, while higher than a year earlier, experienced the sixth lowest increase.

The weakest metro areas featured double digit drops in employment totals and housing prices over the study period.

Housing prices plummeted by more than 30 percent for the year ending in March in Stockton, Calif., for instance.

Only about a third of the 100 top metro areas avoided a decline in home prices over the year, the report said.

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