

Web Posted: 09/15/2009 12:00 CDT

S.A. still among top cities

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

San Antonio's economy continued to be one of the nation's strongest through the second quarter of 2009 with top 10 performances in employment, unemployment rates, home prices and productive output, the Brookings Institution reports.

In fact, it was the only city to rank in the top 10 among the nation's 100 largest metropolitan areas in all four factors used to score cities, said Alan Berube, research director at the institution's Metropolitan Policy Program and co-author of the report.

“It's consistent, strong performance,” Berube said.

His report is a second in a series of studies the program will perform to assess the strength of the nation's largest metro areas as the recession slowly moves to an end.

In the initial report, San Antonio finished first based on the same economic indicators through the first quarter of the year.

Berube said officials did not rank the cities in the second-quarter study but again identified the 20 strongest and weakest performers.

San Antonio was in the top 20 along with Austin, Dallas-Fort Worth, Houston, El Paso and McAllen. Louisiana, Arkansas and Oklahoma provided four more of the strongest cities, meaning half of the top 20 came from four South-Central states.

Berube said San Antonio stands apart from the rest of the nation because key components of its economy — the government and military, insurance and health care — have been more recession resistant.

In addition, the San Antonio-area housing market has been more stable than in other cities.

“It hasn't been a bubble area,” Berube said.

Jorge Gonzalez, a Trinity University economist, said San Antonio's home prices benefit from the elasticity of the housing market.

The area has more space, materials and workers to construct new homes, so home prices did not increase as they did elsewhere when demand was strong. Nor have they plummeted as they did in other cities when the housing market collapsed.

“It reduces our price volatility,” Gonzalez said.

According to the study, home prices in the San Antonio climbed by 3.1 percent from the second quarter of last year to

The average change in home prices for all 100 cities over that time was minus 4.4 percent.

Gonzalez said San Antonio homeowners also did not borrow on the value of their homes as did homeowners in other areas and as a result have steered clear of the credit woes others have confronted.

“It’s a more stable economic base that did not predispose people to overspend,” the professor said.

The study ranked the San Antonio area third nationally in employment changes, even though the employment count declined by 0.6 percent since its peak in the second quarter of 2008, and fourth in unemployment rate changes.

Unemployment in San Antonio grew by 2 points over the year, but that was half the rate of growth the 100 largest cities averaged, the study said.

Gross metropolitan product, or the value of the city’s goods and services, fell by 0.8 percent from its peak in the third quarter last year. That was fifth-best nationally.

Gonzalez does not expect San Antonio’s economy to weaken as the national economy improves, but it could be overtaken by other cities whose economies normally grow faster during expansions.

“That’s what’s happened in San Antonio since the 1990s,” Gonzalez said.

Find this article at:

http://www.mysanantonio.com/business/local/SA_still_among_top_cities.html

Check the box to include the list of links referenced in the article.