

# New report ranks Oklahoma City, Tulsa among top performing cities in nation

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More than a year ago, Forbes magazine dubbed Oklahoma City the most recession-proof city in the nation.

The city is experiencing the effects of the depressed economy, but a new report out today indicates Oklahoma's two major cities are holding their own against the worst of the national recession.

Oklahoma City is ranked second among the nation's 100 largest metro areas for economic performance since the recession was declared in December, and Tulsa ranked ninth in the analysis from the Brookings Institution's Metropolitan Policy Program.

San Antonio was the top city among the study's 20 strongest performing metro areas; auto-industry heavy Detroit was ranked last.

## About the report

The MetroMonitor report is the first comprehensive analysis of the impact of the recession on metropolitan America, its authors say. The research examines six key indicators — employment, employment change by industry, unemployment rates, wages, gross metropolitan product and housing prices and foreclosure rates — through the first quarter of 2009.

"All metropolitan areas are feeling the effects of this recession, but the distress is not shared equally," said Alan Berube, the program's research director and report co-author. "While some areas of the country have experienced only a shallow downturn, and may be emerging from the recession already, people living in metro areas that are now performing the weakest economically should prepare themselves for a long recovery period."

Economists aren't surprised at the state's competence.

"This verifies what we've been saying for a while — that it's good to be in the middle of the country," said Keith Hazelton, senior vice president and director of economic research at the Oklahoma Bankers Association.

That Oklahoma City's and Tulsa's home price index increased shows that "we didn't participate in the housing bubble like everyone else did," Hazelton said. Land here is inexpensive and plentiful, compared to hard-hit metro areas surrounded by swamps,

desert or mountains, he said.

On the employment side, although unemployment is a lagging indicator and Oklahoma and its neighbors have had a delayed reaction to job loss, Hazelton said employment numbers here will rise more quickly than in the rest of the country.

## Reshaping the country

The study shows the recession has reshaped the economies in some parts of the country, the authors said. The Sun Belt is now divided, with the housing fallout hurting large portions of Florida, Arizona, Nevada, and inland California. Specialization in energy and government employment have insulated metro areas in New Mexico, Texas, Oklahoma, Arkansas and Louisiana.

There are also two distinct manufacturing belts, with the Michigan and Ohio metro areas at the hub of the auto industry now foundering from job losses that began two to three years earlier than in the rest of the country.

Metro areas in the Northeast, focused more on aerospace and photonics, experienced fewer lost jobs and actual house price increases, the study said.

Brookings' research confirms other economic data that show the state's energy and agriculture sectors kept Oklahoma from sliding into the recessionary sinkhole, said Oklahoma City University economist Steve Agee, who also is chairman of the board of the Federal Reserve Bank of Kansas City's Oklahoma City Branch.

"The blessing we had was that we entered this recession later, and that we'll come out of this at the same time as everyone else," thanks in part to the monetary and fiscal stimulus packages," Agee said. "The recession will be shorter for us."

For Oklahoma City and Tulsa, "the report is all good, but it's all relative, too," Agee said. Oklahoma's employment rate depends on the energy sector, and the prices for natural gas and oil, he said.