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## Some Cities Will Be Safer in a Recession

Cities with a strong presence in health care, education, law, energy, and the government will feel the impact of a downturn less

By Prashant Gopal

Oct. 13's 937-point surge in the Dow notwithstanding, the economic crisis has left Americans—even those with no obvious connection to Wall Street—wondering about their own future. The 401(k)s of many Americans are still on shaky ground, foreclosures are spiking, and employers in big cities and small towns alike are struggling to adapt to a new environment of tight credit and feeble consumer spending.

Government leaders are working to avoid a depression—or at least a late-1970s-level recession—but if things get really bad, some places will suffer more: states such as California, Florida, and Nevada that are buried under a growing mass of foreclosures, cities like New York and Chicago that have large numbers of financial sector jobs, and manufacturing towns that are already suffering from weak sales of cars and other durable goods.

Other local economies, those dominated by stable industries, could be relatively well-cushioned.

BusinessWeek.com worked with data from [PolicyMap.com](http://PolicyMap.com), a demographics and data site run by Philadelphia's Reinvestment Fund, to identify the best places to live during a recession. We looked at places where large portions of the population worked in anticyclical industries such as government, health care, education, agriculture, and legal services.

### SECURE IN THE CAPITAL

Topping our list was Arlington, Va., a highly educated urban community just across the Potomac River from Washington, followed by the District of Columbia itself, where many residents work in government or related services. The federal government employs thousands of residents, keeps lawyers, lobbyists, accountants, and journalists busy, and pumps money into the region through outsourcing jobs and multimillion-dollar contracts to companies such as Bethesda (Md.) aerospace contractor Lockheed Martin (LMT).

While D.C. didn't enjoy Manhattan's Wall Street-driven growth during the past couple of decades, it's now in an enviable position. The capital has become a hub for companies that do defense and homeland security work in the wake of the Sept. 11, 2001, attacks.

"We don't have a Wall Street," said Stephen Fuller, director of the Center for Regional Analysis at George Mason University. "When there's a crisis like this, the Fed goes out and hires a bunch of people to help out. I suspect they'll bring Wall Street guys to Washington and put them up in hotels or empty office buildings and put them to work."

Government towns tend to be relatively stable because—even though budgets are slashed—the public sector still must pay the salaries of politicians, building inspectors, police officers, military personnel, and tax-authority employees. Cities that we think might benefit from government employment include Chesapeake, Va., near the massive Norfolk Naval base, and the state capitals of Baton Rouge, La.; Lincoln, Neb.; and Madison, Wis.