

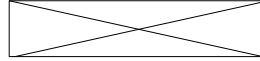
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Are some areas recession-proof?

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RALEIGH, N.C. (AP) — The catering business isn't what economists would call "recession-proof." Luckily for J.W. Walton, most of his biggest clients are.

The Catering Company of Chapel Hill specializes in gala affairs, with fireworks, floral centerpieces and menus that feature things like panna cotta with Macedonia di Frutta, and orange muffins with smoked turkey and lemon verbena jelly. About 70 percent of the firm's business comes from the Triangle's three big research universities — Duke down the road in Durham, North Carolina State in Raleigh and, of course, the University of North Carolina's flagship campus right there in Chapel Hill.



PHOTO CREDIT: AP photo

J.W. Walton, a partner in The Catering Company of Chapel Hill, is seen March 5 in the kitchen of the Chapel Hill, N.C. catering business. Even with the national economy suffering, business at Chapel Hill is steady.

Even with the national economy slipping toward the doldrums, business is steady here.

"We're in a funny place," says Walton, a partner and the firm's catering/decor services designer. "The universities and the hospitals and the things that make the unique mix of business in this area are somewhat less driven directly by the economic conditions."

There's all kinds of talk these days about companies, industries and careers that are immune to these economic downswings. But are there "recession-proof" places?

Business consultant Mark Hovind thinks so.

Using data from the Bureau of Labor Statistics, Hovind, president of JobBait.com, compared job expansion in a number of key industries and work force growth in various metropolitan areas. He came up with a list of about two dozen areas where jobs outpaced the work force during the recessions of 1990 and 2001, and in the past year, and figured they'd likely fare well in another downturn.

"It's like keeping up with inflation," says Hovind, an engineer who describes himself as "a career coach for six- and seven-figure executives." "When the cost of living goes up 3 percent, you need a 3 percent raise just to stay even."

Areas, industries

Among the metropolitan areas making his list were Prescott, Ariz.; Fayetteville, Ark.; Bakersfield, Calif.; Grand Junction, Colo.; Bend, Ore.; Valdosta, Ga.; and Morgantown, W.Va.

Each has an economy built around some industry — or mix of industries — that "don't follow the business cycle pattern," says Matt Martin, an economist with the Federal Reserve Bank's Charlotte office. They're regional health-care centers, state capitals or university towns.

Like State College, home to Pennsylvania State University, which is also on the list.

With its 24,000 full- and part-time employees and record fall enrollment of 42,200 students, the school is the economic engine that runs this town nestled amid the hills and hardwood forests of central Pennsylvania.

On a recent weekday midmorning, waitresses at the Original Waffle Shop on West College Avenue bustled about the bright, cheery restaurant, filling the coffee mugs of salesmen in suits and retirees gossiping about Penn State football.

John Dimakopoulos says business has done nothing but climb since he opened the doors in 1972.

"For State College to feel the crunch, that means every place else will be suffering," says Dimakopoulos, 59.

Outside town, things aren't quite as cheerful. Corning Inc. laid off more than 1,000 workers in 2003 when it shut down a television picture-tube plant in College Township, and Bolton Metal Products announced earlier this year it was closing a century-old brass rod factory in nearby Bellefonte and cutting almost 200 jobs.

But job gains at the university were almost enough to offset those losses, Penn State economist Ted Fuller says.

A new law school building is under construction, and a university-affiliated retirement community about a mile from Beaver Stadium is attracting alumni and newcomers to the town.

In Olympia, Wash., the local cash cow is state government.

At the southernmost tip of scenic Puget Sound, the population of this smallish city of 44,000 swells during the legislative session, when lawmakers, lobbyists and special interest groups swarm downtown coffee shops and eateries.

Olympia is home not only to the Capitol and the bustle of politics that surrounds it, but also to two regional hospitals, Evergreen State College and a lively arts community.

In addition to numerous galleries, downtown Olympia hosts the Washington Center, home to the Olympia Symphony Orchestra, Harlequin Productions at the historic State Theater, as well as the Capital Playhouse.

"None of those things individually is a significant driver by themselves, but what they do do is drive the economies of other businesses," says Jeff Kingsbury, who founded the playhouse.

No absolute

Of course, even these "well-insulated" places — Martin's term — would feel the effects of a recession.

Hovind says his use of the term "recession-proof" shouldn't be misconstrued as meaning a place is untouched by economic malaise.

"It's not absolute. You can't look at it in those terms. This is a continuous scale of gray," he says.

Despite continued job growth and housing prices that are still climbing, the Triangle didn't make Hovind's list.

People get the mistaken impression that the Triangle — with the state government in Raleigh, the pharmaceutical firms of the Research Triangle Park, and the major research centers of Duke, NC State and UNC — is recession-proof, says NC State economist Michael Walden.

But the area is also heavily dependent on the technology and financial services sectors, both of which were hit hard in 2001 and would likely suffer in another recession, he says.

"So we do go through economic swings just like the rest of the nation," he says.

A look at how st. cloud compares:

Like many communities on Mark Hovind's "recession-proof" list, St. Cloud is a university town and regional medical center. But it didn't quite meet Hovind's threshold for growth in relation to work force in all three years measured.

St. Cloud's 3.8 percent growth rate in 1990 put it ahead of work force growth, but growth of only 0.4 percent in 2001 and 1.2 percent in 2007 kept it from winning the "recession-proof" designation.

Duluth, Minneapolis and Rochester — the other Minnesota cities measured — also failed to meet the standard.

Source: JobBait.com

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