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Crash-Proof Sectors You Should Be Watching Now

By Chris Neiger, September 3, 2010

It's not looking too good out there right now when it comes to investing. Almost every sector has some businesses that aren't doing well. At the end of the day, no sector is 100% crash-proof, but there are areas of the economy that made it through the Great Depression and performed well after all the dust had settled. We've taken a look at a few of those sectors and compared them to today's sectors that are seeing growth in the current recession. (For related reading, check out [Industries That Thrive On Recession](#).)

An Apple a Day

One bright and shiny spot in a tumultuous market is health care. Out of the Great Depression, Blue Cross and Blue Shield payment plans were created, one of the first health care systems in America allowing individuals and companies to prepay or make monthly payments for medical services.

Things have changed a lot since the first Blue Cross plan in 1929, but the latest financial data from Sageworks Inc., a company that collects statistical financial data on private companies, shows that the health care industry is alive and well in our current recession. Growth in pharmaceutical manufacturing, outpatient care and home health care services are among the five fastest growing private sectors over the last year.

Drew White, the Chief Financial Officer at Sageworks, expects home health care services to continue grow and Mark Lieberman, former Senior Economist at Fox Business Network, told us that "health care related employment will likely continue to grow as the population ages and as insurance coverage expands." (For more, check out [Investing In The Healthcare Sector](#).)

It's All About the Energy

For years from the early 1930s onwards, the top five performing stocks were in the energy sector. Pretty impressive, considering this time period included one of the worst economic times for countries all over the world. Even though times were bad, it still didn't change the fact that companies and individuals needed those resources to make it through. In today's recession, and throughout the global economy, jobs in oil, gas and alternative energies should see continuous growth. Even as the recession drags on, consumers and businesses can't get away from their need for energy. (Find out what industries are looking for workers in [7 Jobs Companies Are Desperate To Fill](#).)

Communication is Key

Communication technology may not be the first thing on anyone's crash-proof sector list, but it does have its place in the hard times of yesteryear and today. It was during the Great Depression that radio gained its mass audience, allowing radio sales to more than

double during the 1930s. During that spike in sales, more families had radios than cars, telephones or even plumbing. It wasn't just the radio that was selling either. Procter and Gamble decided that the Depression was the time to ramp up advertising, and started doing so through their radio shows, later-known as soap operas.

Today, data processing, hosting, computer systems design and software publishers are among some of the top private sector industries that have achieved growth over the past two years. During the recession of 2000-2002, software as a service, or SaaS, companies achieved growth, and are expected to weather upcoming economic hurdles.

A Crash-Proof Portfolio? Not Exactly

Outside factors, like World War II, helped a lot of businesses out of the Great Depression and created profitable sectors where there may not have been without it. Outliers like this make it difficult for projecting crash-proof sectors for the current, or any, economic calamity. Although there aren't any definite sectors that will guarantee your portfolio will be sitting pretty through this recession or the next crash, you can look at these examples for a little more security in your investment strategies. (For related reading, take a look at [4 Characteristics Of Recession-Proof Companies](#).)

Catch up on your financial news; read *Water Cooler Finance: The Ups And Downs Of A Double-Dip Recession*.

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