California’s Urban Economies Getting Worse

Sunny California has been taking a beating lately on the Forbes cities lists. Stockton took first place as the Most Miserable City for the second time in three years, and four California metropolitan areas ranked high on our Most Toxic Cities list.

Unfortunately, California also claims the top spots on our newest list: Cities Where The Economy May Get Worse. Riverside ranked No. 1 thanks to a high unemployment rate (13.9%) coupled with weak job growth, a hefty number of mortgage loans 90 days or more delinquent (8.21% of all loans) and a projected migration pattern that finds 4,000 residents expected to leave the area this year.

Other Golden State metropolitan areas in the list are Stockton at number 2, Los Angeles at number 4, Bakersfield at number 5, San Francisco at number 6, and Sacramento at number 7. All of these cities have double-digit unemployment rates and paltry job growth projections. All except LA have housing markets in which prices continue to decline or remain stagnant.

According to Forbes, data for the Bakersfield Metropolitan area used in the report are as follows:

- Unemployment rate: 16.2%
- Mortgages 90-plus days delinquent: 6.85% of loans
- 12-month home price forecast: 3% decrease
- 2011 net migration projection: 311 residents incoming
- 2011 Job growth projection: 0.21% increase

Source: