

California feeling after shocks of market turmoil

By Dale Kasler, Sacramento Bee

Wall Street's scary losing streak could put a dent in California's fragile economic recovery.

In some ways, it already has.

The huge downturn in the stock market, punctuated by Monday's near-record fall, is costing the state's public pension funds billions of dollars. It's putting a strain on tax revenues – and could throw the just-passed state budget out of whack.

The aftershocks are being felt on the street level, too. Some real estate purchases are being postponed or canceled. Financiers are wondering if they'll be able to fund promising new tech companies.

Even businesses that are expanding are doing a double-take of sorts as they try to fathom Monday's 634.76-point drop in the Dow Jones average, the worst sell-off in nearly three years. Monday was the first day of trading after Standard & Poor's downgraded the U.S. credit rating.

Read the whole story