
Fires and Blackouts Pose an $11.5 Billion Economic Hit to California.

California's wildfires and blackouts may push the state economy to underperform the U.S. for the first time since 2010.

The state's economic growth rate this year may range from 2% to 2.2%, below the expected 2.3% growth rate for U.S. gross domestic product, according to the latest estimates from Bank of the West's chief economist Scott Anderson. That's due to the combined impact of this year's fires and blackouts, at up to $11.5 billion.

That shows the stakes for California's leaders as they struggle to deal with mass power shutoffs and wildfires that have increased in severity due to a changing climate. Unaddressed, the fires and outages can leave the state more vulnerable during the next inevitable downturn should companies, who already chafe under regulations and costs, decide to leave the state, said Howard Cure, head of municipal research in New York at Evercore Wealth Management.

"The state has to approach this for the long term and get more involved than they did already," Cure said. "They have to view this as a continual problem and always look for new solutions. Otherwise, if they are stagnant about the problems, they could really risk hurting the economy."

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