

Philadelphia and Cleveland, is expected to be about 0.2%.

We then calculated the ratios between each city's median house price and median household income, using 2000 U.S. Census figures, the latest available, and 2007 data from the National Association of Realtors. Next, we compared median income to Moody's cost of living index.

Final factors included the average gas price in each city on a given day in October as collected by AAA, and year-over-year inflation growth as calculated by Moody's and Forbes.com.

Top Spots

The factors that make the cities on our list valuable—affordable housing, relatively low gas prices, sluggish inflation, a job market that's more vibrant than most—are more than an indication of cheap deals. Instead, they give us a glimpse of the cities that are likely to offer *value*. Cities like Detroit (which didn't make it to our list) are cheap, but low-income figures and a fading job market won't do much for sustaining worth.

The cities where you'll get the least value include areas like Los Angeles, New York and Washington, D.C., where median house prices are more than \$400,000 and relatively few people can afford them. Cities like Providence, R.I., and Philadelphia are suffering from large waves of out-migration as more and more residents decide to pick up and leave. As a result, local economies stagnate, and prospects for job growth seem bleak—economists predict the number of jobs in Philadelphia will grow by 0.2% by 2012 and by 0.1% in Providence.

But, economists say, no state has been as hard hit as California.

"California is being faced with a combination of a zillion things—the state's been in a prolonged recession, and at the same time, you have some of the least affordable housing in the country," says Gledhill. "We'll probably start seeing a bottom in the housing market late next year, but it'll be a while until we see a real recovery."

Los Angeles' misfortunes, however, have helped boost the economy in cities like Portland, Ore. It and Seattle have become attractive alternatives for those looking to leave California in search of affordable housing and lower costs of living.

The value of a dollar in different cities is also closely linked to local inflation rates. In Austin, for example, year-over-year inflation rates rose by 5%, while in Portland, that figure was nearly 5.7%. Local inflation rates ranged from 3.2% in St. Louis (No. 8 on the worst list) to 5.82% in Dallas (No. 7 on the best list).

How is the struggling economy affecting you? Weigh in. Post your thoughts in the Reader Comments section below.

But keep in mind, even cities that ranked well on our list aren't immune from the forces of today's downturn. Gledhill says economic growth in Portland, which has already begun to slow, will be compounded further by California's slowdown.

Things won't be much better in Columbus, according to Bodhi Ganguli, an economist at Moody's. So far, the city has weathered the storm better than its local counterparts. But he said, "an extremely high foreclosure rate" and bleak expectations for job growth will begin to take their toll on the city's economy.

Things may turn for those in Charlotte, which has fared relatively well so far. That's because housing prices never reached exorbitant highs, which shielded the city from a major housing bust.

But as the Charlotte-based Wachovia get swallowed by Wells Fargo, Gledhill says, "a more measured deterioration is on its way."

In Depth: America's Best-Value Cities

In Depth: America's Worst-Value Cities