



BLOG POST · MARCH 21, 2023

Who's Leaving California— and Who's Moving In?

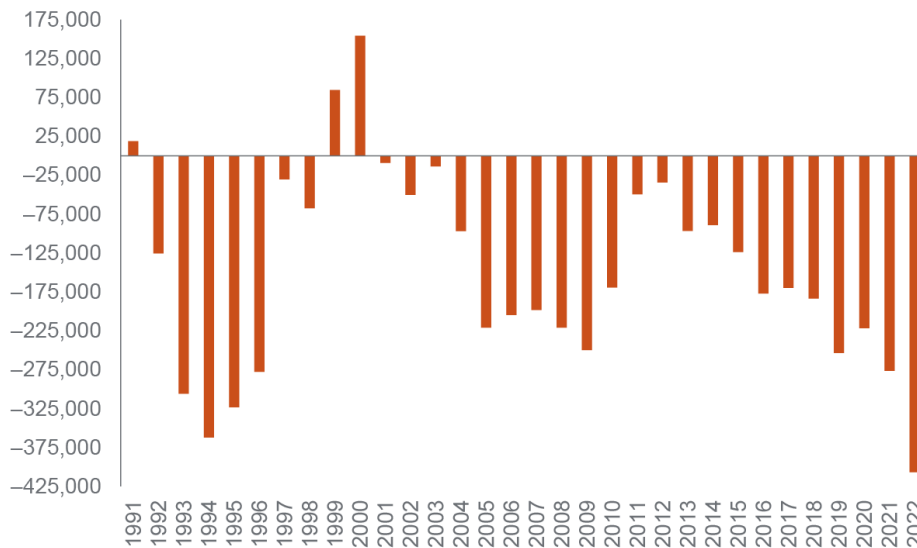
Hans Johnson and Eric McGhee

California is in unprecedented demographic territory, one in which population declines characterize the state. Lower levels of international migration, declining birth rates, and increases in deaths all play a role. But the primary driver of the state’s population loss over the past few years has been California residents moving to other states. It is a remarkable turnaround for California—long the epicenter of population growth in the United States. Moreover, while net migration losses were once concentrated among lower-income Californians, newly released data suggest that departures have spread beyond this group. And even as more people move out, fewer are moving in: the state is no longer a significant draw for people from other states of any age, education, or income.

Much has been made of the California exodus to other states, and rightly so. This migration, over the decades, has the power to reshape the state. According to the American Community Survey, from 2010 through 2021 about 7.7 million people moved from California to other states, while only 5.8 million people moved to California from other parts of the country. According to Department of Finance estimates, the state has lost residents to other states every year since 2000. Over the past few years, the movement out of the state has accelerated with a record net outflow of 407,000 from July 2021 to July 2022.

California has been losing residents to other states for two decades

Net interstate migration

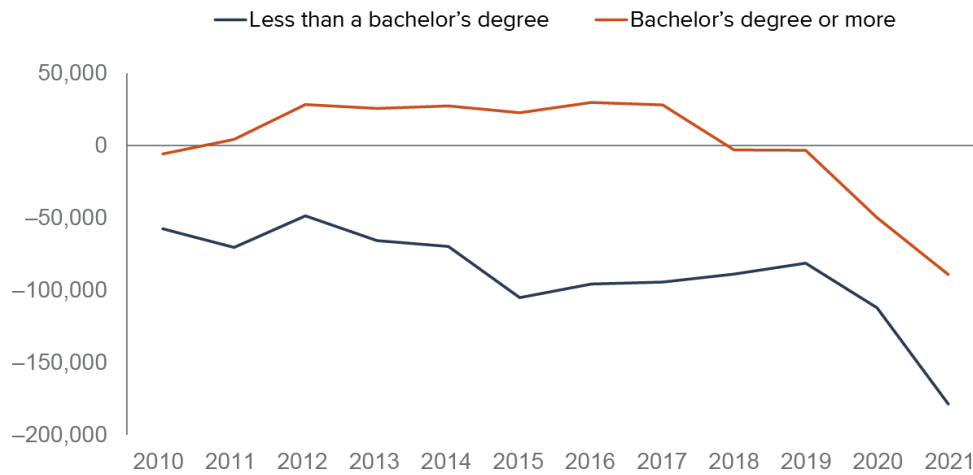


SOURCE: California Department of Finance estimates. Net flows are from July 1 to June 30th.
FROM: PPIC Blog, March 2023.

During the height of the pandemic, the flows out of the state became so large that almost every demographic and socioeconomic group has experienced net losses. For example, California used to gain college graduates even as it lost less educated adults. But in the last couple of years, the state has started losing college graduates as well, quite markedly—albeit still not to the same extent as less educated adults. Even among young college graduates in their 20s, a group that California has disproportionately attracted in the past, the flows out of the state have been about the same as the flows into the state.

California is now losing college graduates as well as adults without a college degree

Net interstate migration by educational attainment

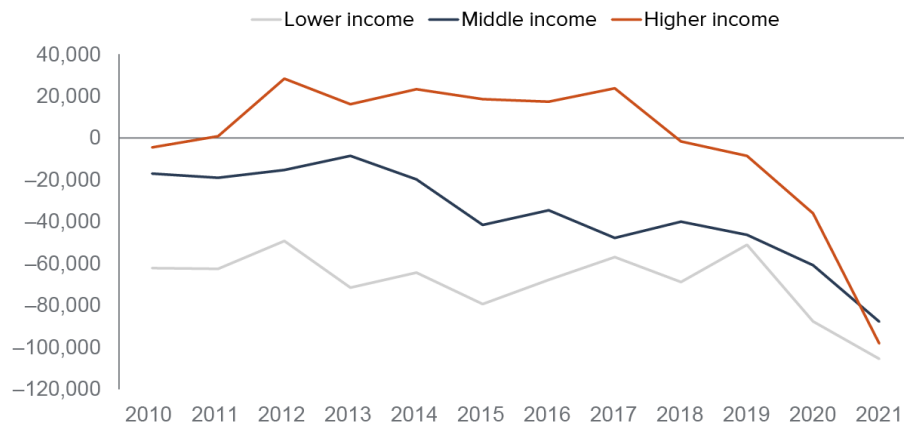


SOURCE: PPIC, based on American Community Survey data through 2021 for adults ages 20 to 60.
FROM: PPIC Blog, March 2023.

Perhaps most striking, California is now losing higher-income households as well as middle- and lower-income households. During the pandemic, the number of higher-income households moving to California declined a bit, but the number leaving the state increased dramatically (from less than 150,000 in 2019 to almost 220,000 by 2021).

California is losing households at all income levels

Net interstate migration among adults ages 18–64



SOURCE: PPIC based on American Community Survey data through 2021.

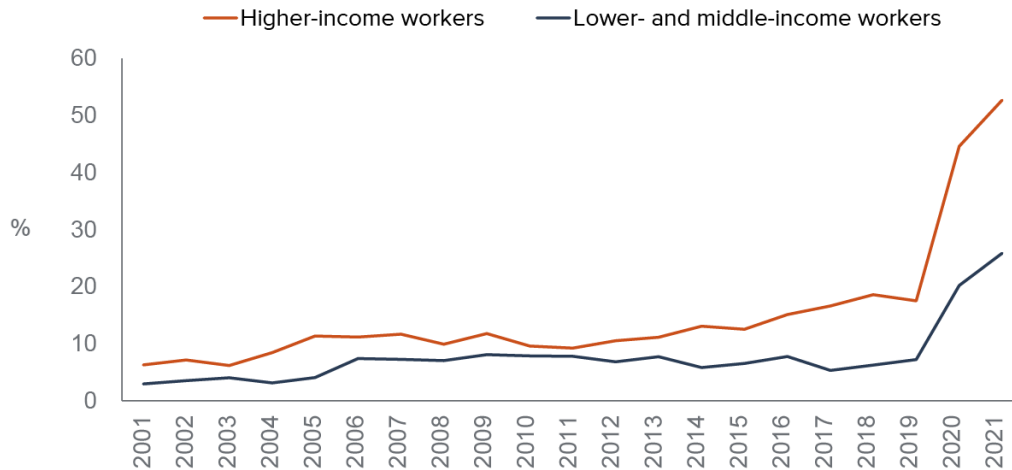
NOTES: Income categories based on federal official poverty levels which vary by family size. Lower income is defined here as up two times the poverty level (in 2022, less than \$55,500 for a family of four). Middle income extends from two to five times the poverty level (\$55,500 to \$137,500) and higher income includes those above five times the poverty level (over \$137,500 based on a family of four).

FROM: PPIC Blog, March 2023.

The losses of college graduates and higher-income households are likely related to the ability of many highly educated and highly paid workers to work from home. The [Census Bureau's Household Pulse surveys](#) show that about two-thirds of the almost three million Californians who telework full-time (five or more days per week) have at least a bachelor's degree. Among recent higher-income Californians leaving the state, over half (53%) report working from home.

Remote work enabled high-income workers to leave California

Share of out-migrants working from home



SOURCE: PPIC, based on American Community Survey data through 2021. Restricted to workers ages 16 and over.

NOTE: Based on usual place of work in the week prior to the survey.

FROM: PPIC Blog, March 2023.

However, while the migration of higher-income and more highly educated households is notable, these outflows are still relatively small in proportion to their shares in the state as a whole. For example, in 2021 California was home to 8.2 million adults (ages 20 to 64) with at least a bachelor's degree; that year, the net outflow of this group amounted to 1.1% of the number of college graduates. Similarly, California was home to 9.0 million 18–64 year olds living in higher income households in 2021; the net outflow of this group was 1.1%.

Most people who move across state lines cite employment, housing, or family as the primary reason. Since 2015, California has experienced net losses of over 500,000 adults who cite housing as the primary reason, according to the Current Population Survey. About half of those who leave the state buy a house in their new state, whereas only one-third of those moving to California buy a house. Net losses among those who cite jobs as the primary reason totaled 309,000 and among those who cite family 307,000. The PPIC Statewide Survey finds that [34% of Californians have seriously considered leaving the state because of high housing costs](#). Political outlook might also play a role for some movers, as [conservatives are more likely to contemplate leaving](#) the state than liberals.

The picture painted by these trends illustrates the frustrations and economic challenges faced by many Californians. The state's high cost of living, driven primarily by comparatively high housing costs, remains an ongoing public policy challenge—one that needs resolution if the

state is to be a place of opportunity for all of its residents. Moreover—if these interstate migration patterns continue—California could experience sustained population losses for years to come.

Earlier versions of this post were published on [May 6, 2021](#) and [March 28, 2022](#).

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