

**BLOG POST · MAY 6, 2021** 

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

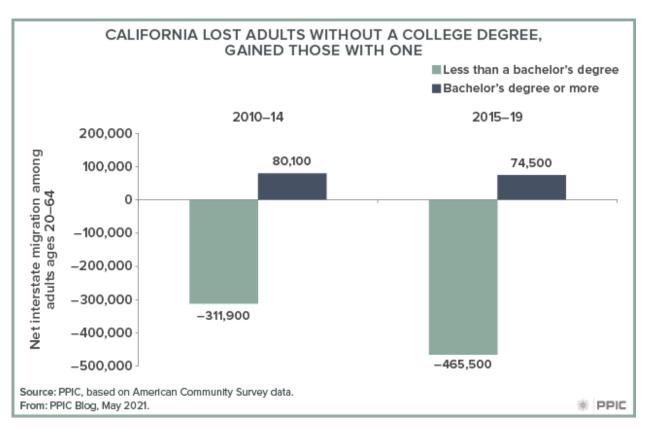
**Hans Johnson** 

The 2020 census results are in: California experienced <u>its slowest growth rates ever during the 2010s</u>. This slowdown was enough to cause an unprecedented loss of a seat in the House of Representatives. <u>But it is part of a decades-long trend</u>, the consequence of fewer births, more deaths, a slowing of international migration, and—capturing a great deal of attention—a large migration out of California to other states.

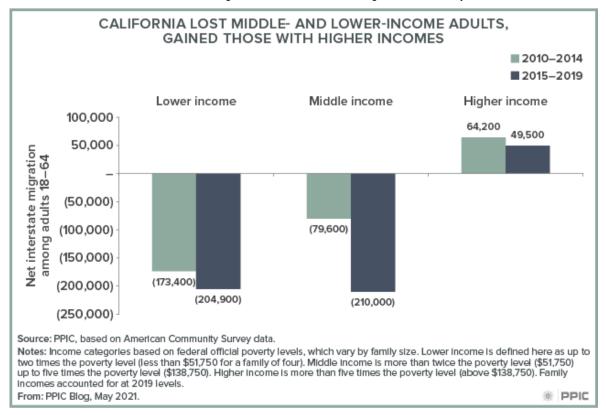
Much has been made of the California exodus, and rightly so. This migration, over the decades, has the power to reshape the state. During the 2010s about 6.1 million people moved from California to other states, while only 4.9 million people moved to California from other parts of the country.

People who move to California are different from those who move out. In general, those who move here are more likely to be working age, to be employed, and to earn high wages—and are less likely to be in poverty—than those who move away.

Those who move to California also tend to have higher education levels than those who move out—an especially important factor given the state's strong need for college graduates. Notably, this gain in educated residents is concentrated among young college graduates (generally, adults in their 20s) looking for opportunities as they start their careers.



Also of note: people who move to California have higher incomes than those who move away. Some have argued that the opposite is taking place—that California's relatively progressive and high personal income tax rates drive out higher-income residents. But the fact is that California has been losing lower- and middle-income residents to other states for some time while continuing to gain higher-income adults. In the past five years the flow of middle-income residents out of the state has accelerated.



Most people who move across state lines do so for economic or family reasons. The vast majority of adults who left California in the 2010s cited jobs (49%), housing (23%), or family (20%) as the primary reason (according to the Current Population Survey). The PPIC Statewide Survey finds that one-third of Californians have seriously considered leaving the state because of housing costs.

Highly educated, high-income workers are certainly helpful to the state's bottom line: they contribute to state tax revenue and use relatively few social services. But the larger picture painted by these trends illustrates the economic challenges faced by many lower- and middle-income Californians. The state's high cost of living, driven almost solely 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.

## **TOPICS**

