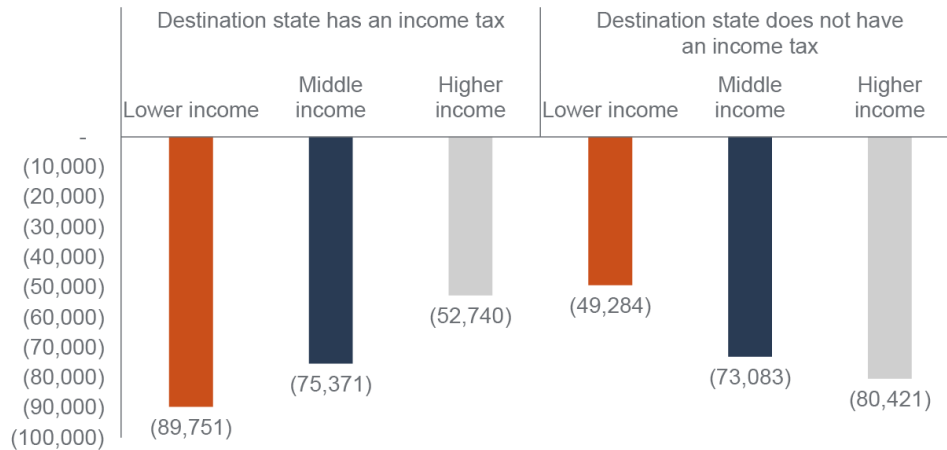


High-income Californians are more likely to move to states without income taxes

Net migration 2020 and 2021



SOURCE: IPUMS 1-year American Community Survey samples, 2020–2021.

NOTE: Numbers show net migration flows for adults ages 18–64.

FROM: PPIC Blog, April 2023.

The recent uptick in the number of higher-income adults leaving the state is drawing new attention to these patterns. Higher-income adults who have left California have been especially likely to work remotely during the pandemic. These workers may have taken advantage of their new-found ability to live somewhere less expensive without relinquishing their high-paying California jobs. And for some higher-income adults, taxes could be an important consideration.

These numbers should not be overstated. Indeed, California has lost more lower- and middle-income adults than higher-income adults: the state's net loss throughout 2020 and 2021 amounted to about 1.4% of higher-income, 1.6% of middle-income, and 2.3% of lower-income Californians. Most residents either stay put or move within the state. But absent a change in the trend, even these small percentages will add up over enough time.

The important question is whether any of these patterns will persist as the country emerges from the pandemic and returns to something closer to the work patterns that prevailed before the crisis hit. The policies of destination states and the political ideology of movers may be playing a role in where Californians decide to move. But size and proximity remain the dominant factors.

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