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Where Are Californians Going When They Leave the Golden State?

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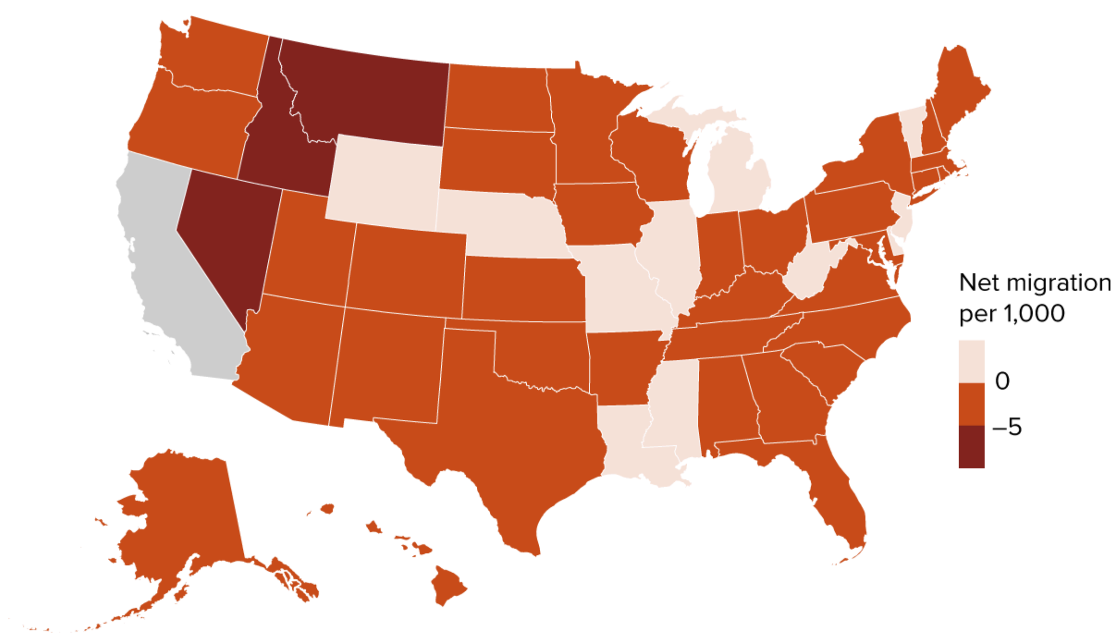
California's affordability crisis—driven mostly but not exclusively by housing costs—continues to push residents to other states, but the pace has slowed since the depths of the pandemic, as other states have grown more expensive and many employers have become less flexible about remote work. While the regional patterns that marked the high point of the pandemic exodus have become more muted, high-income earners who leave California still show a preference for low-tax states.

Many people still move to California. But far more Californians are moving to other states. While California has a substantial net outflow to other large, growing states like Texas (39,926) and Florida (10,208), its net losses continue to have the biggest proportional impact on the smaller populations of nearby states like Arizona, Idaho, Nevada, and Oregon. (Net flows to or from most other states are too small to distinguish from zero, including almost all states with net outflows to California.)

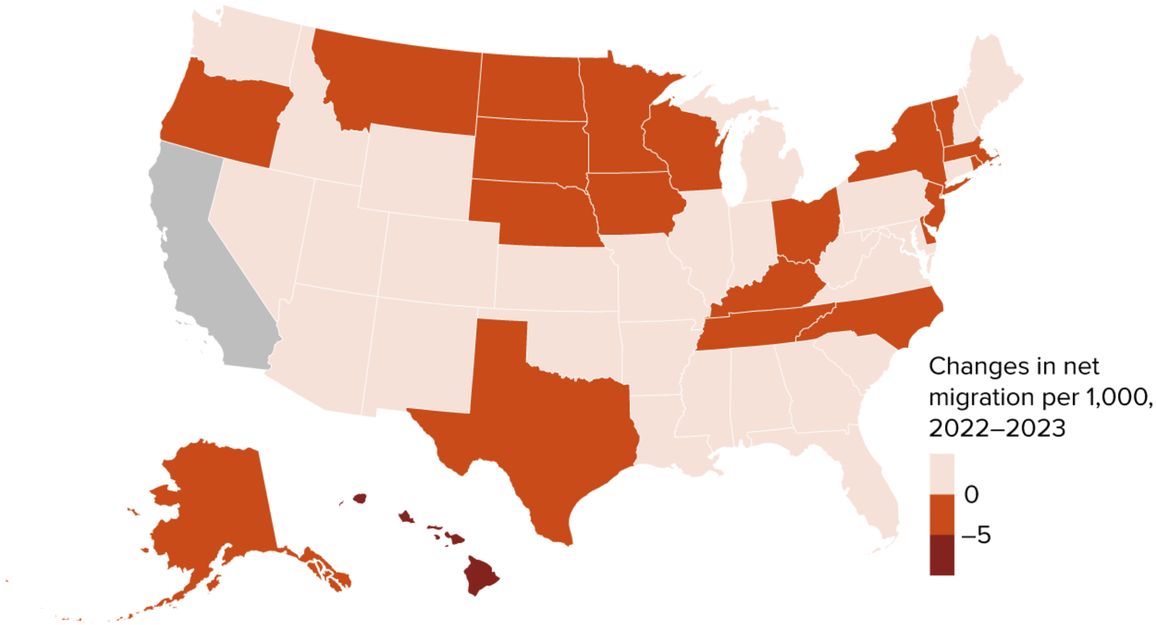
California's net outmigration in 2023 continued to disproportionately favor nearby states



SOURCE: IPUMS 1-year American Community Survey sample, 2023.
NOTES: Net migration rate per 1,000 residents of the destination state for adults ages 18–64. California has lost residents on balance to states with negative values, and gained residents on balance from states with positive values. Net migration rates are not significantly different from 0 for 32 of the 46 states with flows between -5 and 5.
FROM: PPIC Blog, March 2025.

Migration in 2023 was similar to 2022 in that it moved closer to the pre-pandemic status quo—but the shift has been smaller. The largest change from 2022 is Hawaii, which became a popular destination for Californians in 2021, lost most of that popularity surge in 2022, and is now gaining ground again. But almost no other states have experienced changes that fall outside the margin of error.

Shifts in California's migration patterns between 2022 and 2023 and have been small

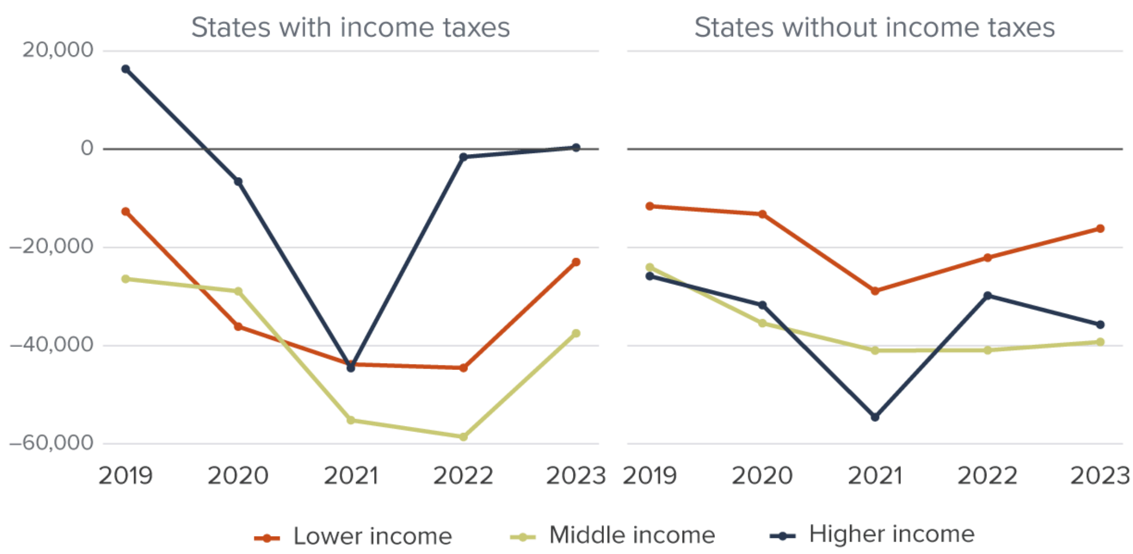


SOURCE: IPUMS 1-year American Community Survey sample, 2022–23.
NOTES: Map shows the change in net migration per 1,000 residents between 2022 and 2023. Positive change means a shift in California's favor—either a smaller net loss or a larger net gain. However, a positive change does not necessarily imply positive net migration, because a negative flow can rise closer to 0 without crossing into positive values.
FROM: PPIC Blog, March 2025.

High-income Californians continue to favor states without income taxes; this is consistent with the idea that they gain the most, financially speaking, by leaving California's progressive income tax structure behind. In fact, all of the net outflow of high-income earners now lands in no-tax states, while low- and middle-income Californians are about equally likely to go to states with and without income taxes. Because there are only nine states without income taxes (Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington, and Wyoming), these states are drawing more Californians at all income levels relative to the other 40 states.

Californians with higher incomes are especially likely to move to states without income taxes

Net migration, 2019–2023



SOURCE: IPUMS 1-year American Community Survey samples, 2019–23.
NOTES: Numbers show net migration flows for adults ages 18–64. Negative values represent net losses from California to other states, and positive values represent net gains from other states to California. Lower incomes are twice the poverty level or less (up to $60,000 for a family of four in 2023), middle incomes range from twice the poverty level to five times the poverty level ($60,001 to $150,000), and higher incomes are more than five times the poverty level ($150,001 or higher). The 2023 difference between income-tax and no-income-tax states is statistically significant for higher incomes but not middle or lower incomes.
FROM: PPIC Blog, March 2025.

Overall, migration out of California has settled into a relatively stable pattern, favoring nearby states and states without income taxes. The steady stream of departures promises to gradually reshape the Golden State—and the nation as a whole.

Earlier versions of this post were published on February 13, 2024 and April 13, 2023.

TOPICS

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