Have Californians Taken Actionable Steps to Move out of the State? Evidence from Google Search Trends, 2016 to 2021

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The start of the covid-19 pandemic in the spring of 2020 created conditions that may have made living in other states relatively more attractive for some Californians. Office closures afforded some types of workers a rare opportunity to work from home; workers previously forced to live close to their offices in expensive and congested cities now could live where they wanted. School closures lasted longer in California than in some other states. This led many to predict a great "California exodus" where price-burdened workers or frustrated parents would seek greener and cheaper horizons in other states with lower costs of living. Further accelerating this narrative were major moves of jobs to other states by large tech companies including Tesla, Oracle and Hewlett Packard. Yet, while the exodus has become a common narrative, have Californians actually taken the concrete steps to move? We examine Google search trends to determine if there was a rise in how frequently Californians seek out sources for information on moving, relative to residents of other states. The answer from the search trends is clear: While the narrative of people wanting to move is popular, there is little evidence that people are increasingly taking the concrete next steps to make it happen.

In the wake of the pandemic, we first wanted to see if there were any changes in how often people in California look to move relative to other states. To do this we gathered data from trends.google.com on California's relative rank in terms of searches for two core concepts topics that motivate moving, and topics demonstrating research into moving. Concepts that drive people to move are conceptualized as people looking for jobs in Texas, the state to which more Californians move than any other), people searching for housing in Texas, and people examining California's state tax environment. For actionable search terms we collected information on people searching for moving, moving companies, and U-Hauls. For both core topics we use California's relative rank compared to other states to examine if interest in moving out of California has increased at all. This data series begins in January, 2016, and records searches quarterly through April 2021.

FIGURE 1: ECONOMIC DRIVERS FOR MOVING

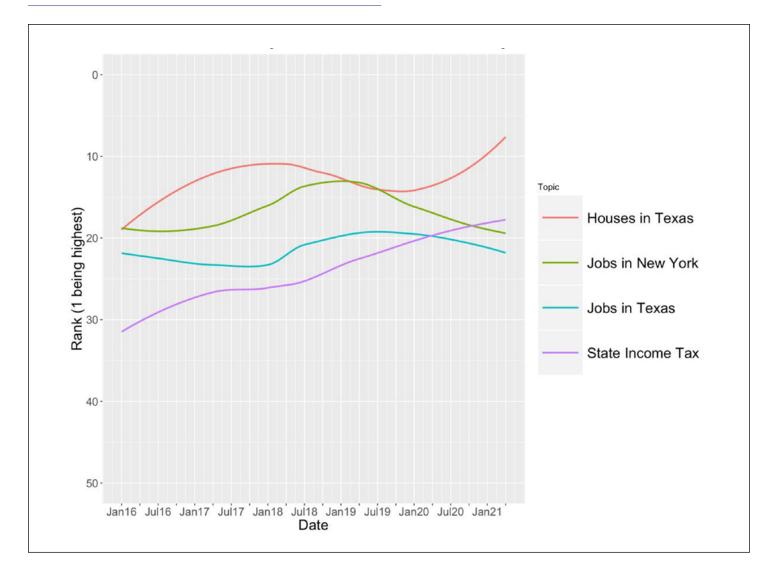
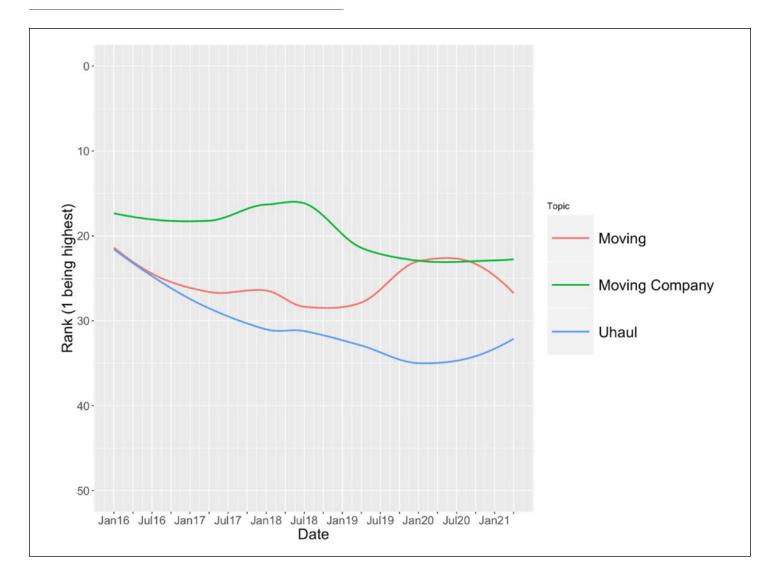


Figure 1 shows the general trend in motivations that could lead Californians to seek to the leave the state. Overall, there is little change in Californians looking for jobs in New York and Texas relative to other states. Concerns that the pandemic could lead to more research into leaving the state for other job opportunities also do not appear to materialize, with the peak for both job searches occurring prior to the pandemic. There was a discernable rise in interest in houses in Texas that appears to coincide with the pandemic. There is also a long-term rise in searches about the state's tax environment: Californians seem to be increasingly concerned about the state income tax within their state, and this concern has continually increased from 2016 through 2021.

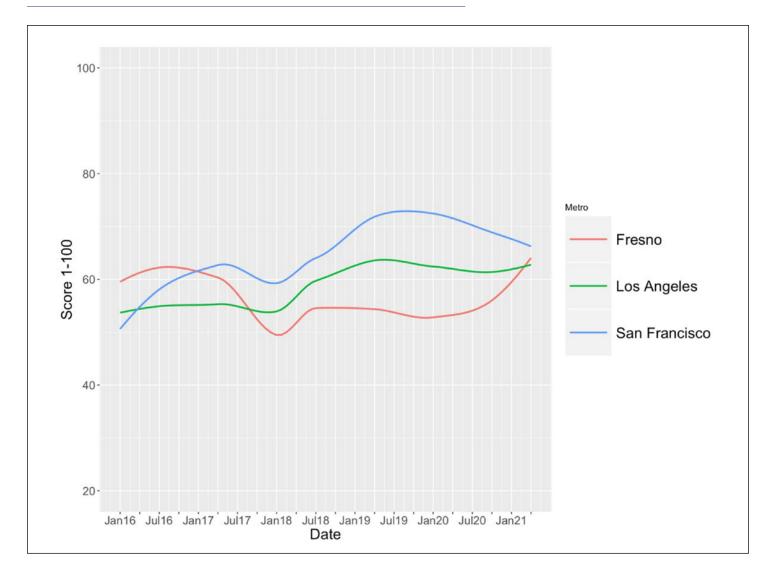
FIGURE 2: ACTIONABLE STEPS TO MOVE



Despite some concern about the state's tax environment, we see no evidence of an increase in searches for actionable steps to begin moving. Instead, there has been a slight decrease over the past five years and no clear change since the pandemic. Figure 2 examines three core topics. Overall, there appears to be a general downturn in people within California researching the steps they would need to take to leave the state. There did appear to be a slight increase in Californians researching the term "moving" during the start of the pandemic, but this has subsided since late 2020.

While Californians in general may not be looking to move, certain regions in the state may have experienced increases in the desire to move. California's more expensive Silicon Valley region where housing prices have soared in the last few decades could potentially experience a fluctuation of people looking to move, especially after their job converted to work from home. We also examined this, comparing search terms for "moving" across three different California metropolitan areas: San Francisco, Los Angeles, and Fresno. Instead of using rank, we use the overall search score since there are only 13 California regions in Google Trends and some regions do not have enough searches to show up in the data.

FIGURE 3: SEARCHES FOR MOVING WITHIN CALIFORNIA



When examining the fluctuations within three metropolitan areas in Figure 3, there does not appear to be that clear of a general trend. San Francisco appears to consistently be the area people are looking to move out of for most of the timespan. This is consistent with evidence from credit histories that San Francisco is the area within California that saw the most residential mobility during the pandemic. Los Angeles is generally in the middle, with Fresno currently experiencing an uptick in people seeking to move. Peak searches for moving occurred prior to the pandemic and the beginning of broad work-from-home policies. It does not appear that the pandemic had any effect of people increasing their desire to move out of any of the regions examined.

Overall, while there has been increasing concern about a California exodus, the behavior of Californians searching for moving resources has not changed much over the last five years. California was never ranked in the top ten of any moving categories, indicating that other states are experiencing much higher rates of people seeking to leave. On average, interest in moving by Californians places the state in the middle of the pack relative to other states. Changes in moving interest caused by the pandemic and work from home have had little observable effect on how people are behaving within the state.