



September 2022

Relocation of Corporate Headquarters Across U.S. States: 2009-2021

Like people, corporations move from place to place. Many factors may affect where a company moves its business such as proximity to key markets, the local judicial system, and climate, to name a few. During the pandemic, a growing number of tech companies—headlined by Oracle and Tesla—relocated their corporate headquarters from California to Texas, a phenomenon some local medias termed “California Exodus.”¹

In this article, we present some facts about how publicly traded companies moved their headquarters across U.S. state lines during the period 2009-2021. Our analysis is based on Financial Statement Data Sets published by the Securities Exchange Commission.^{2,3}

Companies Have Been Moving Headquarters Out of California for Many Years

Is there really a “California Exodus”? **Figure 1** looks at this question through three time series. The dark, solid line represents the number of headquarter relocations out of California. The orange, dashed line represents the number of headquarter relocations into the Golden State. Finally, the bar chart shows the state’s cumulative net loss (or gain) of corporate headquarters.

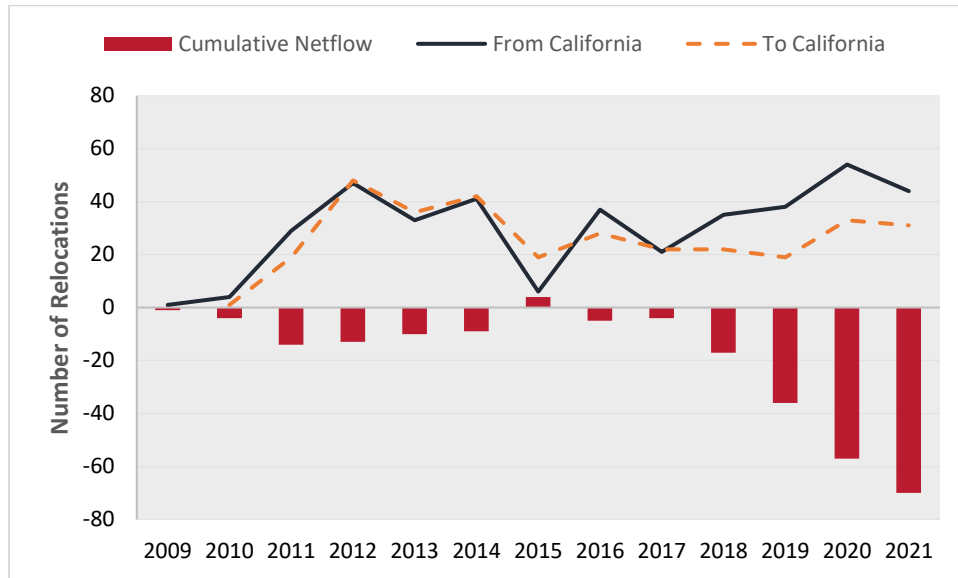
There are several takeaways from Figure 1. Before 2016, there were about as many corporate headquarters moving out of California as there were coming in. In fact, by 2015 California had a net gain of four headquarters. Things changed starting in 2016. While companies did not move their headquarters out of California at a faster rate, California attracted fewer headquarter relocations from rest of the country, compared to previous years. As a result, net loss of headquarters began to accumulate. The situation worsened considerably during the pandemic, when there was a clear uptick in the number of headquarter relocations out of California, which was not met by the same increase in headquarter inflows from other states. By the end of 2021, California had accumulated a net loss of 70 headquarters.

¹ Lin, Summer. “California exodus continues, with L.A., San Francisco leading the way: ‘Why are we here?’” *LA Times* (July 29, 2022). <<https://www.latimes.com/california/story/2022-07-29/california-exodus-continues-l-a-san-francisco-lead-the-way>> (accessed Aug. 22, 2022).

² See “Financial Statement Data Sets January 2009-June 2022.” *Securities and Exchange Commission* <<https://www.sec.gov/dera/data/financial-statement-data-sets.html>> (accessed Feb. 02, 2022).

³ We identified a company using its unique “EIN” number and the company’s headquarter state using the “stprba” data field.

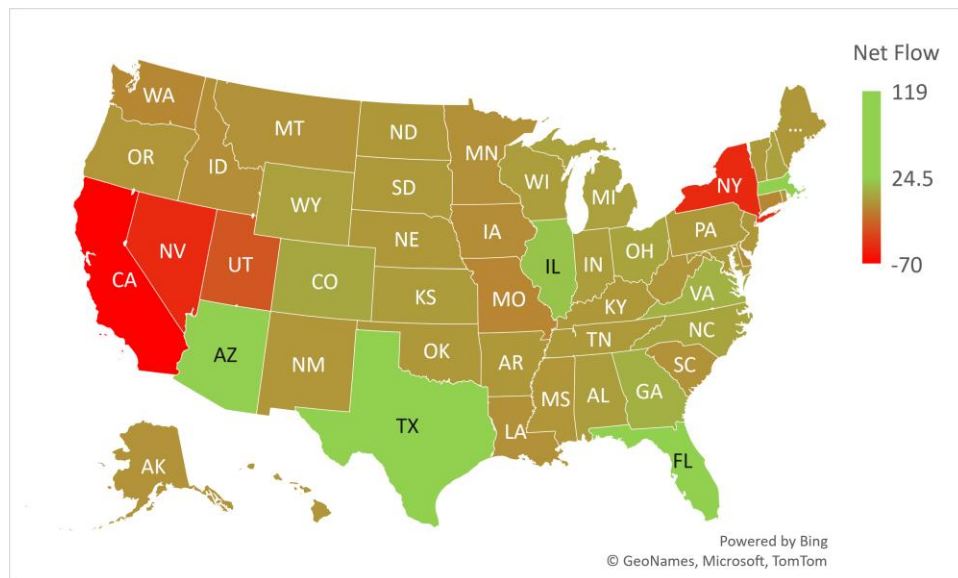
Figure 1: Headquarters Relocation into and out of California



California’s Loss Is Texas’s Gain

After California, states with the highest cumulative loss of corporate headquarters are New York, Nevada, and Utah. Figure 2 below shows the cumulative net change in the number of corporate headquarters, by state, over the 2009–2021 time period. Texas is the biggest winner, gaining 117 more headquarters during this period, followed by Massachusetts (36), Florida (30), and Arizona (24).

Figure 2: Cumulative Net Change of Corporate Headquarters by State, 2009-2021



For additional inquiries, please contact info@vegaeconomics.com.