Businesses Leaving California

In 2010, 204 California companies expanded outside the state or moved out completely, according to a newly released report. This number is four times greater than that of the previous year. The major beneficiaries of business exodus from California are Texas, Arizona, Colorado, Nevada, and Utah.

However, the actual number of companies leaving California is even larger. According to Joseph Vranich, a Irvine-based business relocation expert, “for every company departure or disinvestment event that becomes public, there are countless others that we don’t hear about. If the event does not become public knowledge, there is no way to add it to the list.” He indicates that in the seven weeks since his January 2011 report, another 11 companies have left California completely or redirected substantial capital to build facilities out of state that in an earlier era would have been built here.

Mr. Vranich lists the top 10 reasons for exodus of companies from California:

1. Bad state to do business
2. Uncontrollable public spending
3. High misery index $^1$
4. Unfriendly business environment
5. Harsh treatment motivates exits
6. Heavy regulatory burden
7. Dreadful legal treatment
8. Poor performing labor
9. Expensive for business location
10. Unfair taxes structure

Source:


$^1$ Sum of unemployment rate and inflation rate