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Aerojet downsized in the years after the Cold War ended, until it only employed about 1,400 in the area by 2016, when it relocated its executive offices to El Segundo, in Southern California, where more aerospace businesses were concentrated.

The next year, Aerojet announced a restructuring of its remaining Rancho Cordova operations that would eliminate or relocate about 1,100 positions, including about 800 that were moved to Huntsville, Alabama. The company was acquired in 2023 by Melbourne, Florida-based L3Harris Technologies Inc.

A recent report by the Public Policy Institute of California found that from 2011 to 2021, a net 789 headquarters left California, costing the state about 77,600 jobs. The numbers have been rising in more recent years, with more than 200 headquarters leaving California in 2021, compared with about 150 in 2011. Headquarters that leave California most often move to lower-tax and less-regulated states such as Texas or Nevada.

The PPIC report found the number of jobs that leave with headquarters relocation are relatively small in the context of the state's economy. The 77,600 headquarters jobs that left the state in the period that the report reviewed were only 3.7% of the state's total number of headquarters jobs.

But the report noted that headquarters jobs tend to be high-paying positions and their loss may reduce the state's income tax revenue. It also observed that headquarters relocations may influence broader business decisions, affecting jobs both in and out of California.

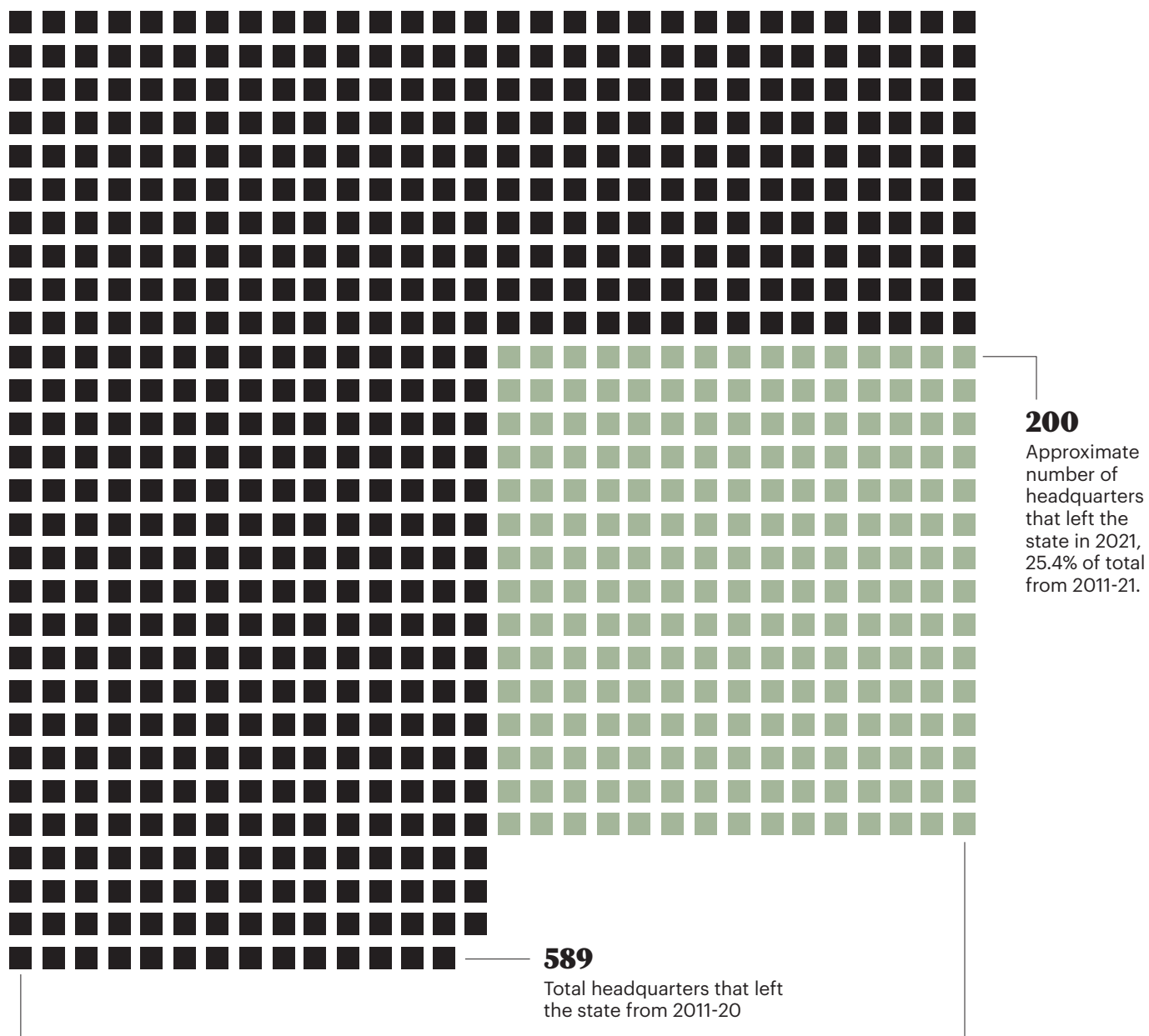
SAFE's impact

In the case of SAFE, its headquarters executives in the past have gone on from the credit union to take other leadership roles in Sacramento. Former SAFE executives Rachel Zillner and Anne Descalzo went on to found consulting firm Clutch, which topped the Business Journal's Fastest Growing Companies list in 2023 and was No. 2 on the list in 2024.

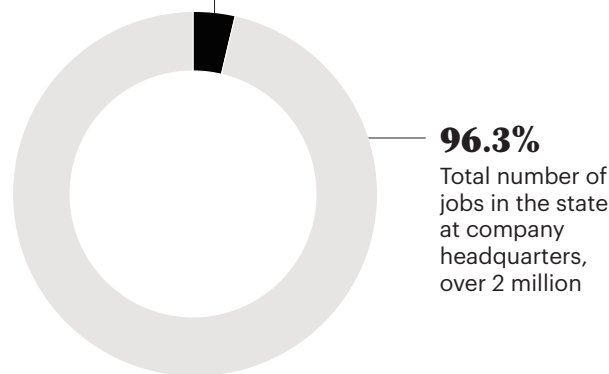
Zillner and Descalzo also launched the RADZ Group, a local collection of companies that includes a venture capital firm, a coworking space and 65-year-old Sacramento advertising agency Runyon Saltzman Inc. RADZ

Leaving the Golden State

The number of corporate headquarters that have left California from 2011-2021. The trend appears to be accelerating in recent years.



77,600
Jobs leaving the state from company headquarters moves from 2011-21



SOURCE: PUBLIC POLICY INSTITUTE OF CALIFORNIA