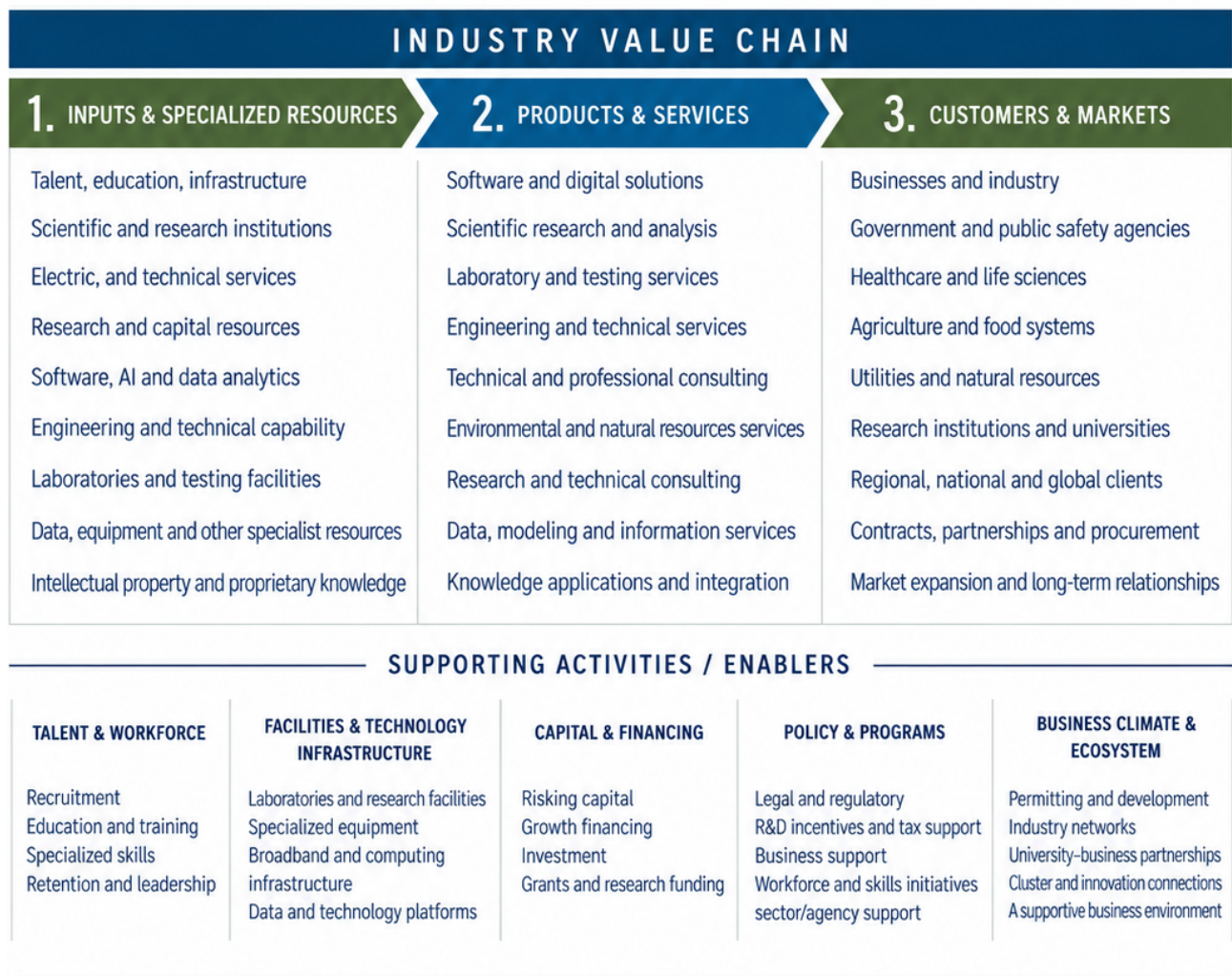


INDUSTRY REPORT:

Technology, Research & Scientific

TRADED SECTOR

Can Chico Build on its Technology, Research & Scientific Assets?



Technology, research and scientific businesses cross traditional industry classifications. For this report, **Professional, Scientific & Technical Services (NAICS 54)** is used as the primary statistical lens for Chico's knowledge- and technology-based economy, including: Software & IT, AI & Data Analytics, Cybersecurity, Information & Financial Services, Engineering & Technical Services, Scientific R&D, Testing & Forensic/Analytical Services, Technical Consulting and Specialized Design.

1. ECONOMIC PERFORMANCE & OUTLOOK

2019-2024 AND 2030 FORECAST

Indicator	2019	2024	2019–2024 Change	2030 Forecast	2024–2030 Change
Jobs	1,797	2,271	+26.4%	2,354	+3.7%
Share of Chico Jobs	3.9%	4.9%	+1.0 pt.	4.9%	—
GRP	\$103.7M	\$151.0M	+45.6%	\$148.6M	–1.6%
Share of Chico GRP	3.0%	3.2%	+0.2 pt.	2.3%	–0.9 pt.
GRP / Worker	\$57,700	\$66,500	+15.3%	\$63,100	–5.1%

Note: For purposes of measuring economic activity, published data is used. For this sector Professional, Scientific & Technical Services (NAICS 54) is used as the primary statistical lens. It is a proxy for the broader Technology; Research & Scientific industry grouping and includes activities beyond what would normally be considered “technology.” Within this sector are clusters, each with different operating functions; the thread is technology-based businesses. The challenges and opportunities are representative issues across the broad spectrum. However, specific challenges or opportunities facing a software firm or research group can be very different than those facing a managed service provider included in this sector. Those differences can be identified through deeper work as strategic actions are implemented.

- **The Industry Grew Faster than Chico’s Overall Economy.**
Between 2019 and 2024, the sector added approximately 474 jobs and increased GRP by approximately 46%. Its share of Chico employment increased from 3.9% to 4.9% during a period when total Chico employment remained slightly below its 2019 level.
- **The Forward Trajectory is Much Weaker.**
The current forecast adds only about 84 jobs through 2030, while GRP is essentially flat. The sector consequently falls from 3.2% to 2.3% of Chico’s projected GRP.

NATIONAL DATA & RESEARCH

- **National demand remains strong in high-value technology and data occupations.**
BLS projects 2024–2034 employment growth of 33.5% for data scientists, 28.5% for information security analysts, 19.7% for computer and information research scientists, and 15.8% for software developers.
- **AI is changing both growth and employment patterns.**
BLS expects AI, automation, and expanding software use to support demand for software development, data science, and cybersecurity, while more routine programming work is projected to decline as automation raises productivity and changes job functions.
- **Technology capability is not confined to “Tech Companies.”**
National employment patterns show software and technical talent distributed across computer services, manufacturing, finance, scientific R&D, consulting, universities and other industries.

2. INDUSTRY CHALLENGES

- **AI & Entry-Level Jobs.** AI is replacing or changing some entry-level work that traditionally provided young workers and graduates with a pathway into the industry, while increasing the technology and AI skills required across many occupations.
- **Talent & Changing Skill Requirements.** Technology skills are increasingly required across occupations and industries—not only in technology companies. Employers report difficulty finding workers with the technical and digital skills they need, while AI is raising skill requirements and changing job functions across the workforce.
- **Cost of Doing Business.** Labor costs, utility costs (electricity, internet, and sewer), and facility costs, including difficulty in upgrading existing facilities.
- **Capital.** Start-ups need access to early-stage capital—incentives, grants, bootstrap; growing firms may need additional capital scale through debt, infusion or venture capital.
- **Incentives.** Other communities compete for start-ups and high-value businesses with financial and other incentives, and value propositions that commit those businesses to place.
- **Technology Infrastructure & Reliability.** Technology-dependent businesses require reliable, redundant power and communications infrastructure. Local employer experience indicates that gaps in redundancy can affect where critical business operations can be located and whether Chico sites can support increasingly technology-dependent operations.
- **Business Barriers.** Industry interviews repeatedly raised concerns about City processes and the ease of starting or growing a business. Some are anecdotal and should be validated, but the perception itself is important.
- **Entrepreneurial Identity.** Industry input indicates Chico’s once vibrant entrepreneurial energy or identity has eroded.

3. INDUSTRY OPPORTUNITIES

There are two ***Uniquely Chico*** assets at Chico State: forensic science/human identification and wildfire/forest/environmental research. Could these assets become platforms and launchpads for starting and/or attracting adjacent technologies and service business to be in Chico.

- 1) **Chico State’s Human Identification Laboratory (HIL)** ¹ is the only full-time forensic anthropology laboratory in California and largest west of Texas. From 2020 to 2025, 638 investigations were handled across 51 California counties, working with local, state and federal partners, including Cal OES,² Department of Defense, and FBI, and HIL has trained more than 2,500 officers. Chico State is building a new 28,600-square-foot Human Identification and Forensic Laboratories facility, *scheduled for completion in July 2027*. It will triple refrigeration capacity, add expanded wet/dry, isotope and DNA extraction laboratories, and archaeology lab space. The existing program already has stable-isotope capabilities, an ANDE Rapid DNA unit and DNA preparation laboratory.

¹ HIL-Adjacent technologies/services: forensic technology, DNA and analytical services, laboratory/testing services, imaging, data management, evidence technologies, disaster-response technologies, specialized equipment, training, and potentially private scientific/technical businesses serving government and national markets.

² California Office of Emergency Services

- 2) **Big Chico Creek Ecological Reserve (BCCER)**³ is 7,835 acres including 4.5 miles of Big Chico Creek, for environmental research and education including prescribed-fire and fire-effects research, fire-effect monitoring, and restoration. The Reserve's current work supports the California Wildfire and Forest Resilience Task Force plan.

Big Chico Creek and the reserve also have a history of fish population, stream temperature, groundwater and watershed research for the spring-run Chinook salmon which is the largest population of spawning habitat for the Central Valley Chinook.

The third asset for Chico is the strong entrepreneurial support ecosystem that includes ChicoSTART, 3CORE, SBDC, Butte College and Chico State, providing entrepreneurs with business assistance, mentoring, access to capital, training and connections; different programs, pathways and resources that could strengthen Chico's entrepreneurial identity.

4. STRATEGIC IMPLICATIONS

- 1) **Can we change the industry's current trajectory?** Industry is projected to flatten through 2030 while national technology trends are stronger. Actions should focus on adjustments, and strategic initiatives to change the long-term trajectory.
- 2) **Capital and talent.** The two most critical inputs to growing technology: How can Chico capitalize on providing access to non-traditional capital and focus on talent development and acquisition? Can the City help facilitate incentives to facilitate growth for both existing and new technology businesses?
- 3) **Reconsider the talent pipeline.** As traditional entry-level work changes, focus workforce development on the occupations and skills increasingly required by technology, research, and scientific businesses.
- 4) **Existing clusters and businesses.** Chico has a good foundation of technology-based clusters. Technology, accelerated by AI, operates across industry sectors intersecting with manufacturing and is changing the way businesses operate. Convene a collaboration table with these clusters for deeper conversations on specific challenges and needs that are constraining or could help accelerate their future growth.
- 5) **Test Chico State-adjacent opportunities.** Convene industry, Chico State leadership and faculty, Butte College and City around Chico State's specialized assets to validate adjacent business opportunities and identify near-term actions.
- 6) **Keep fueling start-ups.** Churn occurs naturally as entrepreneurial companies scale in Chico or elsewhere. Continue strengthening the resources, capital, assistance and mentoring needed to support a pipeline of start-ups, entrepreneurs and new business ventures. Through the collaboration table, identify where entrepreneurial resources can be enhanced, and incentivized to help rebuild Chico's entrepreneurial identity.
- 7) **Remove barriers.** Through the collaboration table, identify specific and perceived barriers to entrepreneurs starting a business in Chico.

³ BCCER-adjacent technologies/services: Wildfire & Forest Resilience: fire modeling, remote sensing, GIS, drones, fuels management, prescribed-fire science, monitoring. Water & Watersheds: hydrology, water-quality monitoring, sensors, groundwater, restoration technologies. Fish & Habitat: salmon monitoring, environmental DNA, habitat restoration, biological/environmental consulting. Post-Fire Recovery: soil, vegetation, erosion, watershed recovery, carbon, ecological monitoring. Environmental Data & Technology: GIS, geospatial analytics, sensors, AI/data analysis, mapping and decision-support tools

- 8) **Treat quality of place as an economic asset.** Entrepreneurs and start-ups increasingly make location decisions based on where they want to live and work; Downtown and Chico's broader quality of place matters to technology-industry growth.

APPENDIX: SUPPORTING INDUSTRY ANALYSIS

Economic Analysis: 2019–2024, Forecast to 2030

The data indicates after a period of strong expansion, Chico’s Professional, Scientific & Technical Services base is entering a slower-growth period in GRP and % share of Chico’s GRP.

INDICATOR	2019	2024	PROJECTED 2030
Jobs	1,797	2,271	2,354
GRP (2024 \$ Millions)	\$104M	\$151M	\$149M
% of Total Chico GRP	3.0%	3.2%	2.3%

1. Employment

Professional, Scientific & Technical Services employment increased substantially between 2019 and 2024, from 1,797 to approximately 2,271 jobs. The forecast shows continued growth through 2030, but at a much slower pace, reaching approximately 2,354 jobs.

Year	NAICS 54 Jobs	Percent Change	Total Chico Jobs	Share of Employment
2019	1,797		46,594	3.9%
2024	2,271	+26.4%	46,021	4.9%
2030	2,354	+3.7%	47,583	4.9%

The 2019–2024 gain of approximately 474 jobs is significant: this statistical category grew while Chico’s total employment remained slightly below its 2019 level. The forecast, however, adds only about 84 jobs between 2024 and 2030. Industry discussions should test whether this slower trajectory reflects actual market conditions or constraints that could be addressed.

2. Economic Output

Professional, Scientific & Technical Services GRP increased from approximately \$104 million in 2019 to \$151 million in 2024, an increase of about 46%. The forecast then levels off, with 2030 GRP of approximately \$149 million.

Year	NAICS 54 GRP	Total Chico GRP	Share of GRP
2019	\$103.7M	\$3.46B	3.0%
2024	\$151.0M	\$4.72B	3.2%
2030	\$148.6M	\$6.37B	2.3%

The contrast between modest projected job growth and essentially flat projected GRP is important to test. It could reflect the mix of professional and technical activities represented in NAICS 54, changing productivity, pricing, business composition, or other market conditions. The model alone cannot determine the cause.

GRP Change

Period	GRP Change	Percent Change
2019–2024	+\$47.3M	+45.6%
2024–2030	–\$2.4M	–1.6%
2019–2030	+\$44.9M	+43.3%

3. Economic Value per Worker

Using GRP and employment estimates, GRP sector per worker rises from approximately \$57,700 in 2019 to \$66,500 in 2024, then eases to approximately \$63,100 by 2030. This measure should be interpreted cautiously because NAICS 54 encompasses a broad mix of professional and technical activities and is being used here as a proxy—not a precise definition of Chico’s technology economy.

Year	NAICS 54 GRP	Jobs	GRP per Worker
2019	\$103.7M	1,797	\$57,700
2024	\$151.0M	2,271	\$66,500
2030	\$148.6M	2,354	\$63,100

Source: Data Definition

Quantitative data in this briefing is from Dr. Robert Eyler’s Chico Analysis (June-September, 2026), using Professional, Scientific & Technical Services (NAICS 54) as the primary statistical lens. NAICS 54 includes *computer systems and IT; scientific R&D; engineering; testing laboratories; technical and management consulting; specialized design; accounting; legal; advertising/marketing; and other specialized professional/scientific services*.

Values are rounded for presentation. “Technology & Information” is a strategy briefing label, not a single BLS/NAICS industry classification. NAICS 54 is used to approximate the scale and trajectory of knowledge- and technology-oriented businesses and should not be interpreted as a complete inventory of Chico technology firms.