

CHICO'S ECONOMY: LOOKING FORWARD

At-a-glance economic strengths and constraints shaping Chico's growth through 2030.

The data points drawn from the Chico Economic Analysis tell a clear story about Chico's economy looking forward. Chico has economic strengths and opportunities to build upon, but its current trajectory also reveals weaknesses and constraints that could limit future economic growth:

1. Chico's economic growth is forecasted to grow much slower than healthy rate benchmarks.
2. Economic output is concentrated in small % of businesses.
3. Rising worker productivity is helping.
4. The business base and regional consumer market provide opportunities for growth.
5. Employers continue to need workers while the regional labor supply is tightening and the future talent pipeline is shrinking.
6. Consumer spending is changing, potential for shifting and affecting city revenue.
7. Housing, childcare and healthcare limitations further impact the community's capacity needed to support future economic growth.

The following at-a-glance chart is an overview of the economic analysis findings based on key indicators important to the city economy.

INDICATOR	FINDINGS - 2019-2025, FORECAST 2030 Economic Analysis, Socio-Economic, Market Reports	STRENGTH / WEAKNESS
ECONOMIC PERFORMANCE		
Economic Growth — Gross Regional Product	2020: \$3.55B • 2024: \$4.72B • 2030: \$6.38B forecast Forecast real growth: ~1.8–2.0% annually through 2030. Chico is growing, but below the pace associated with a healthy-growth economy.	WEAKNESS — SLOW ECONOMIC GROWTH Healthy-growth benchmark: 3-4% real annual growth. Chico forecast: ~2%.
Job Growth	2024: 46,021 jobs • 2030: 47,583 jobs. Forecasted job growth: ~0.6% annually. Employment growth is not enough to materially change the economic trajectory.	WEAKNESS — SLOW JOB CREATION Healthy-growth benchmark: 1-2% annual job growth. Chico forecast: ~0.6%.
Productivity — GRP per Worker	2019: \$74,210 • 2024: \$102,615 • 2030: \$134,040 forecast. Output is rising faster than employment. Productivity is increasingly important as labor-force growth slows.	STRENGTH — RISING PRODUCTIVITY Strong improvement, but Chico remains below the California average.
ECONOMIC DRIVERS & BUSINESS BASE		
Economic Drivers	There are four categories of economic drivers identified by their different functions within the economy and their economic impact in the city. Each drive has economic multipliers which generate, import, capture, circulate and/or enable economic activity.	NEUTRAL — ECONOMIC BASE NOT FULLY DIVERSIFIED

INDICATOR		FINDINGS - 2019-2025, FORECAST 2030 Economic Analysis, Socio-Economic, Market Reports			STRENGTH / WEAKNESS
	Economic Business Drivers		Function	Impact	
	ANCHORS — Healthcare • Higher Education • Agriculture/Food Systems		Generate + Multiply	≈1.4-2.5x	Largest employment, payroll. Generate demand for foundational businesses.
	TRADED SECTORS — Manufacturing • Technology • Information • Emerging Clusters		Import + Multiply	≈1.5-2.0x	Bring new dollars, create value-add, high GRP/worker, generate supply-chain and business-service demand.
	FOUNDATIONAL ECONOMY — Professional/Financial Services • Small Local Business • Retail • Hospitality • Visitor		Capture + Circulate	≈1.0-1.5x	Captures and circulates local spending while providing services employers, workers, residents & visitors depend on.
	ENABLING ECONOMY — Construction • Transportation Logistics • Utilities		Capacity + Multiply	≈1.4-1.7x	Provides the operating capacity needed for businesses and economy to grow.
Business Structure	Firm Size	% of Firms	% of Jobs	% of Payroll	OPPORTUNITY — SCALE MORE MID-MARKET FIRMS Only 7.3% of all firms generate nearly 64% of jobs and more than 70% of payroll.
	Small (0–19)	92.7%	36.4%	29.5%	
	Mid-Market (20–99)	6.6%	34.0%	34.6%	
	Large (100+)	0.7%	29.6%	35.9%	
WORKFORCE & TALENT CAPACITY					
Employer Demand	~17,400 unique job postings, Sept. 2025–Aug. 2026. Average: ~1,450 postings per month. Employer demand remained consistently high, led by healthcare, with continued demand in management, business and financial operations, transportation, education and skilled occupations.				WEAKNESS — WORKER SUPPLY CONSTRAINT Sustained employer demand is increasing pressure on Chico's ability to supply, attract and retain workers.
Chico MSA Labor Force ¹	Chico MSA labor force: July 2025 89,365 → July 2026 87,891 = –1,474 (–1.6%) Employment: July 2025 83,412 → July 2026 82,500 ≈ –900 (about –1.1%) Labor supply is tightening. The Chico/Butte MSA labor force declined 1.6% and employment declined 1.1% from July 2025 to July 2026, while employers continue to generate approximately 1,450 unique job postings per month.				WEAKNESS — CONSTRAINT Employer demand remains strong while the available regional labor force is contracting, increasing pressure on recruitment and retention.
Regional Labor Shed ²	Latest data estimates 23,000 workers commute into Chico, and 18,000 commute out with a net workforce inflow: +4,729 indicating Chico is providing jobs to those in the region but also residents leave for jobs – a signal to the interdependency of the labor shed.				STRENGTH + VULNERABILITY Chico is a regional employment center, but future growth depends heavily on the surrounding labor shed.

¹ EDD reports and measures Chico as an MSA which includes all of Butte County, and as a sub-area.

² US Census, OntheMap

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Population & Workforce Growth	Population growth is flat, .1% from January 2025 (108,026) to January 2026 (108,113) The prime working-age population is relatively stable while older age cohorts are increasing. Prime-age workforce participation in the Chico MSA is approximately 80%, compared to 83% nationally.	WEAKNESS — LIMITED WORKFORCE GROWTH, PROJECTED TO DECLINE Future economic growth cannot rely on population growth alone to supply additional workers.
Talent Pipeline	The age cohort, 0-19, declined from 24,162 in 2020 to 23,456 in 2024 (–2.9%), signaling a shrinking future talent pipeline. At the same time older workforce cohorts are increasing. Chico State and Butte College remain important sources of future talent to retain and employ.	WEAKNESS + OPPORTUNITY The future pipeline is tightening and projected to decline; retaining graduates and trainees can become a competitive advantage.
CONSUMER MARKET & FISCAL CAPACITY		
All Tax Revenue	General Fund revenue increased from \$45.2 million in 2019/20 to \$83.3 million in 2024/25 (+84.1%). \$25.5 million of current revenue is generated by Measure H. Property tax increased 33.0%, sales tax—revenue source most directly tied to taxable economic activity—increasing 12.5% over the same period.	MIXED — REVENUE GROWTH OUTPACES ECONOMIC GROWTH Fiscal position has strengthened substantially, largely through Measure H and property-tax growth.
Sales Tax	Sales tax overall up 12.%, with categories shifting. See Economic Centers Map for Sales Tax Generation by Economic Center ³ . Per capita sales tax dropped below 2019 numbers \$22,871: 2022: \$26,077; 2025: \$20,854.	NEUTRAL — WATCH, LOWER PER CAPITA SALES CAPTURE Per-capita taxable sales are below the 2019 benchmark generating less taxable retail activity relative to its population.
Transient Occupancy Tax (TOT)	TOT revenue recovered above its pre-pandemic level after falling 17.6% in FY 2019/20. Revenue rebounded unevenly, increased 11.7% over the period with 12.5% YOY growth reflecting a mix of visitor, business and project-related travel (recovery and infrastructure projects).	NEUTRAL — OPPORTUNITY The TOT indicates lodging demand through business and project-oriented activities, and destination-driven, repeat visitation.
Household Buying Power	Chico's potential market expands to 164,588 people / 67,030 households within 30 minutes and 426,248 people / 161,041 households within 60 minutes.	STRENGTH — LOCAL BUYING POWER Slow population growth does not appear to affect consumer market buying power currently.
Consumer Demand	Selected spending demand is \$1.03B within 30 minutes and \$2.45B within 60 minutes in 2026, forecast to reach \$1.18B and \$2.81B by 2031 ≈14.5% growth. Potential economic opportunity to capture more of that growing regional demand locally. ⁴	OPPORTUNITY — GROWING MARKET POTENTIAL Demand represents household spending <i>potential</i> across the trade area, not spending occurring in Chico.

³ Economic Centers Storymap, <https://storymaps.arcgis.com/stories/a40d9cdb949e4323baee4ed82998f34e>

⁴ Selected Consumer Demand includes Food, Entertainment & Recreation, and Apparel & Services. Esri demand represents estimated household spending potential within the defined trade area; it does not represent actual sales occurring in Chico.

INDICATOR	FINDINGS - 2019-2025, FORECAST 2030 Economic Analysis, Socio-Economic, Market Reports	STRENGTH / WEAKNESS
HOUSING & COMMUNITY CAPACITY		
Jobs : Housing Balance	1.18 jobs per housing unit — BCAG. ⁵ 23,475 workers already commute into Chico. A jobs-to-housing imbalance increases reliance on workers living outside the city and can make filling jobs more difficult when adequate workforce housing is not available.	CONSTRAINT — WORKFORCE HOUSING The jobs:housing ratio alone may understate the issue given the commuters and employer job demand.
Housing Availability & Affordability	Chico needs housing choices across the workforce income spectrum. Chico has made significant progress for lower-income housing through its RHNA/Housing Element commitments. Chico retains a relative housing cost advantage within California, even though producing new housing has become more expensive. Turner Building Cost Index increased from 1,177 in 2020 to 1,552 in Q2 2026 — 32%, reflecting higher labor, material and construction-market costs. Chico median home sale price: ~\$459,000 vs. California: ~\$901,000.	WEAKNESS — FOR EMPLOYEE RECRUITMENT & RETENTION Chico needs a broader range of housing types and price points to accommodate its workforce. Limited attainable housing makes it more difficult for employers to recruit and retain workers. Higher development costs also limit what the private market can feasibly build.
Childcare Capacity	Licensed childcare capacity is equivalent to only ~18% of children age 0–12 with parents in the labor force.	CONSTRAINT — WORKFORCE PARTICIPATION Limited childcare capacity directly affects parents’ ability to participate in the workforce.
Healthcare Access	Healthcare access remains constrained despite Chico's role as a regional healthcare center. ■ Primary-care physicians: Butte County 62 per 100,000 vs. California 81 ■ Dentists: Butte County 77 per 100,000 vs. California 88 ■ Difficulty finding primary care: Butte County 16.3% vs. California 7.1% ■ The County also identifies provider shortages and long wait times as barriers to care.⁶	CONSTRAINT — COMMUNITY CAPACITY Provider shortages and difficulty accessing care affect residents and the workforce even with Chico's strong healthcare sector.

Sources: Chico Economic Analysis 2020–2026 with 2030 Forecast; Chico Socio-Economic Indicators; Esri 2026 Demographic & Income Profile, Disposable Income Profile, and Retail Demand Outlook; Census LEHD/OnTheMap; Lightcast; BCAG housing data; HRSA/Access Gaps analysis, Butte County Community Health Improvement Plan 2024–2027. Healthy-growth benchmarks are planning benchmarks used in the Chico Economic Analysis.

⁵ Butte County Association of Governments, 6th Cycle Regional Housing Needs Plan, Table 11 — Jobs to Housing Balance, page 16.

⁶ Source: Butte County Community Health Improvement Plan 2024–2027.