

CAPACITY – CHALLENGE PAPER:

Workforce

A CONSTRAINT TO ECONOMIC GROWTH

Chico needs both job growth and workforce capacity. Current demand, replacement needs and demographic trends indicate that workforce availability is already a constraint—and will likely tighten.

STRONG EMPLOYER DEMAND

1,450 job postings per month

Employers in Butte County are hiring at a sustained pace, with especially strong demand in healthcare, management, education and business.

A TIGHTENING TALENT PIPELINE

An aging workforce and slower growth

An older workforce, lower participation and modest population growth indicate that workforce constraints are likely to intensify.

CHICO ECONOMIC
VITALITY STRATEGY

ABOUT THIS PAPER

Examines the current and future workforce capacity in Chico and Butte County, the factors that influence workforce participation and availability, and the steps needed to build capacity and address this critical constraint.

Introduction

Chico needs both job growth and the workforce capacity to fill job demand. Current employer demand, replacement needs, and demographic trends indicate that workforce availability is already a constraint—and without intervention, the constraint is likely to tighten.



Both Economic Analysis¹ and employer input indicate that **workforce availability is a constraint now**, and demographic trends suggest that pressure will increase. Key findings stand out:

1. Current demand isn't being met, countywide.
2. Hiring demand is far greater than net growth because replacement demand is substantial.
3. Demographic trends suggest workforce pressure will increase—the talent pipeline is declining, and prime-age workforce participation is approximately 77%, compared with approximately 83% nationally.
4. This challenge is regional – this affects Chico as it draws workers from adjacent cities and counties.
5. Other peripheral factors also influence potential employees' availability for work.
6. Workforce resources are distributed across multiple organizations and programs, with no clear collective ownership of the overall constraint.

The immediate need is addressing occupational demand

Workforce demand is not just new occupation openings, but employers must continually fill existing positions as workers retire, change jobs, leave the region, or otherwise exit occupations.

Employer demand is sustained. Approximately 17,400 unique job postings were recorded in Butte County over the 12 months from September 2025 through August 2026—about 1,450 per month. Healthcare accounts for the greatest demand, with substantial hiring also occurring in management, education, and business and financial occupations.

Table 1: Unique Job Postings, Butte County, March–August 2026

Occupation Group	Current Hiring Demand*	What It Signals
Healthcare Practitioners & Technical	2,396	Very high employer demand
Healthcare Support	587	Strong and continuing hiring demand
Management	711	Significant continuing hiring demand
Educational Instruction & Library	415	Significant, sustained hiring demand
Business & Financial Operations	304	Continuing demand

Source: California EDD/LMI/Lightcast's core LMI data (industry, occupation, education, demographics) is updated with the Lightcast quarterly datarun. Lightcast tracks occupational postings for all counties. (March-August 2026)

¹ See Technical Paper: Economic Analysis.

There may also be workforce capacity among residents already here. Butte County's prime-age workforce participation is approximately 77%, compared with approximately 83% nationally. Understanding what keeps working-age residents from participating—or participating fully—could identify another source of workforce capacity.

Workforce availability is also affected by other factors. Employer input indicates workforce availability is influenced by more than occupational skills/credentials. For some, the ability to accept or remain in a job is affected by the *broader practicalities of employment*:

- Diverse housing availability
- Childcare availability and cost
- Transportation and fuel costs
- Access to healthcare and health services
- Wages and benefits relative to the cost of living
- Jobs for trailing spouses
- Work schedules and the availability of services outside traditional work hours

Workforce capacity is *not just training and recruitment issue*, it is affected by whether people can *practically manage working in the jobs Chico needs filled*.

The long-term challenge: declining talent pipeline with an aging workforce

Key takeaways regarding talent supply and population growth (figures 1 and 2):

1. Current workforce is stable but future competitiveness will depend on strengthening the pipeline and attracting new talent into the region.
2. The region is not declining, but the slow pace of growth is likely insufficient to meet long-term economic expansion goals without stronger talent attraction and pipeline development efforts.

Figure 1: Butte County Talent Supply

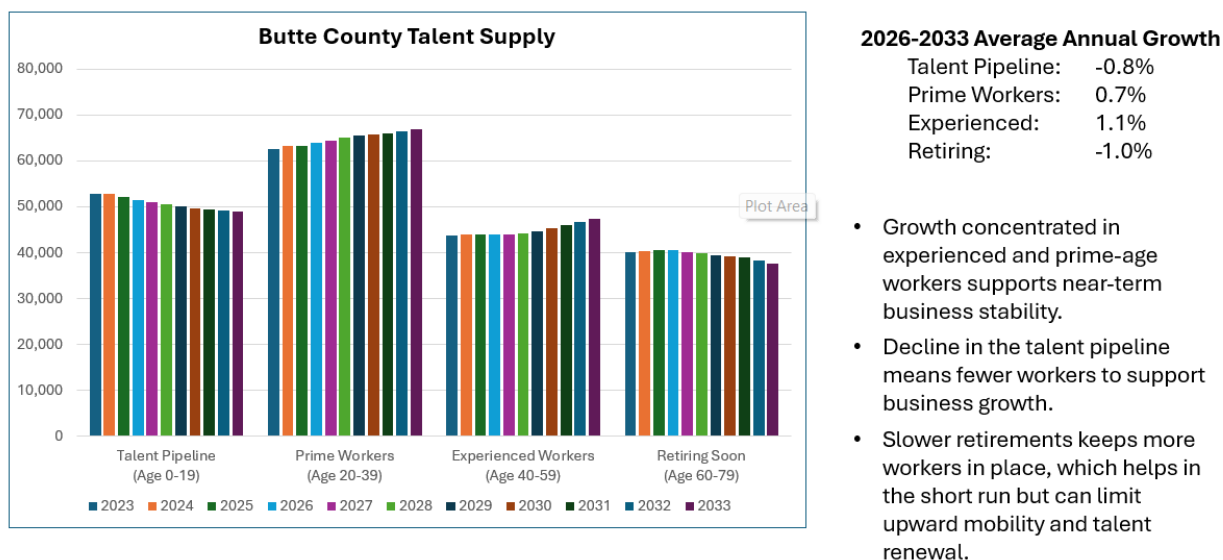
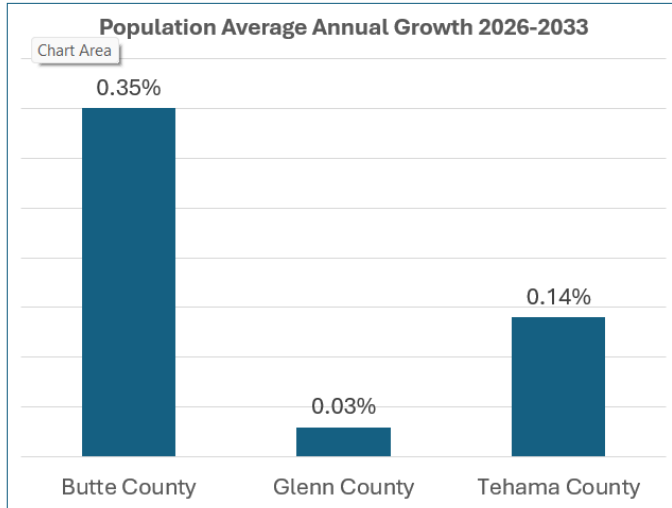


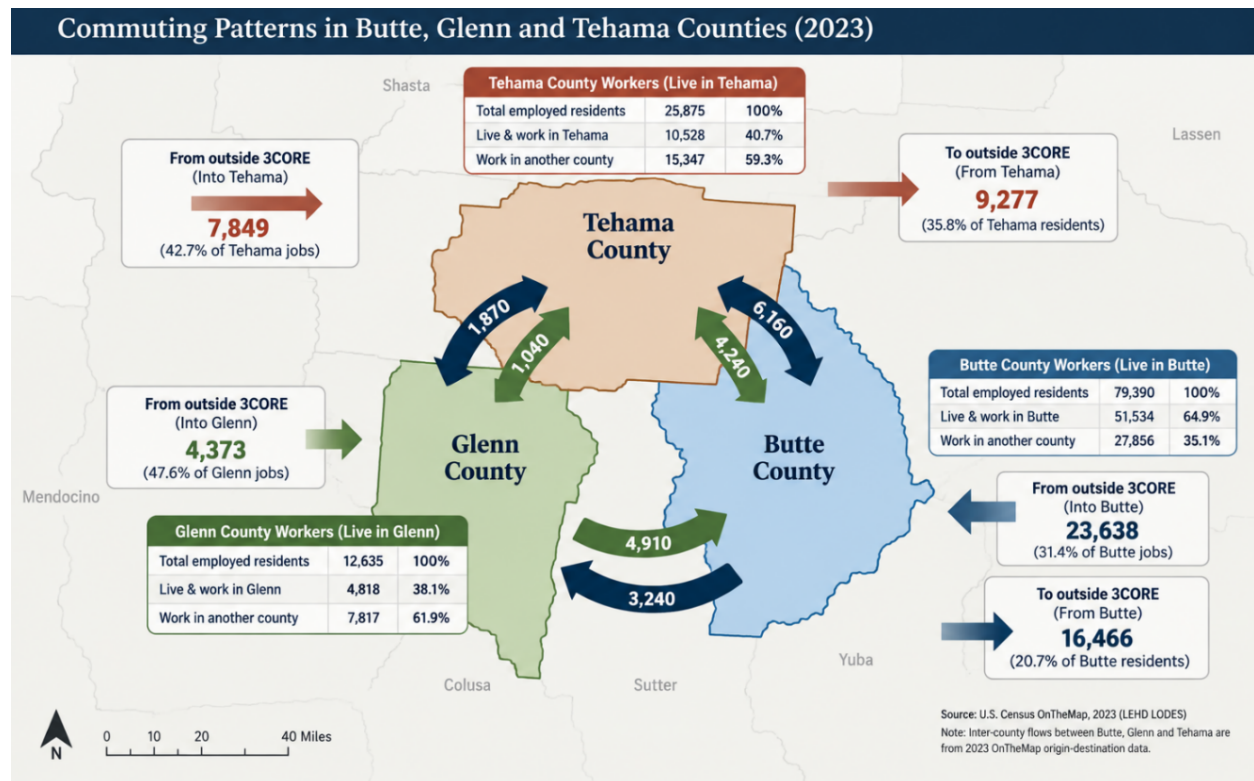
Figure 2: Population Average Annual Growth 2026-2033



- **Workforce Constraints** - limited population growth restricts the available workforce
- **Reduced Economic Momentum** - slower population gains means weaker consumer demand, slower overall economic activity
- **Fiscal Pressure** - flat growth limits expansion of the tax base, constrains public investment in infrastructure, housing, and services
- **Priorities** - regions must aggressively compete to attract and retain workers, making talent strategy a central economic development priority

Chico's workforce is regional. Workers routinely cross jurisdictional boundaries, making workforce capacity a Chico issue that cannot be addressed by Chico alone.

Figure 3: Commuting Patterns



Moving Forward: Build the Capacity to Address Chico's Workforce Constraints

Chico does not lack workforce organizations or programs. The first question is whether *an existing organization or collective has the mandate, capacity and willingness to lead a focused effort around the workforce constraints most critical to Chico's economy.*

Because Chico's workforce is regional, this may be an existing workforce organization, TeamChico or another collaborative, or a broader regional effort in which Chico participates. **The first step is to determine who can take responsibility for convening and moving the work forward.**

This strategy reviewed data, Lightcast's jobs postings, fastest growing occupations, population and talent pipeline growth as well as analyzing growth of industry sectors and hearing from a broad cross section of employers. Workforce is the #1 strain now and the combination of replacement demand, projected occupational growth, and demographic change indicates the pressure is likely to increase.

Possible next steps toward addressing capacity through a collaboration of workforce development providers:

- 1. Identify leadership and capacity.**

Determine whether an existing organization or collective has the mandate, capacity and resources to convene the work and keep it moving. If not, determine what leadership structure is needed and whether it should be Chico-focused or regional.

- 2. Identify the critical workforce gaps.**

Which occupations have high demand? Which positions are employers unable to fill? Where is the greatest economic consequence? Validate the data with employers rather than assuming every job posting represents the same constraint.

- 3. Diagnose why the gap exists.**

Worker availability? Skills? Credentials? Wages? Recruitment? Housing? Childcare? Transportation? Healthcare access? Work schedules? The intervention depends upon the cause(s).

- 4. Align capacity around the gap.**

Map the existing workforce system—determine who currently does what, their mandate, funding and capacity, whether they can address the identified constraint, and what is missing. (See **Table 2**, next page.)

- 5. Establish ownership and accountability.**

Once leadership and priorities are established, assign responsibility for actions, establish measures, and track whether the priority workforce constraints are improving. The objective is not to create more workforce programs. It is to build the capacity to solve the workforce problems that are limiting economic growth.

Table 2: Sample Matrix for Mapping the Existing Workforce System

Workforce Function Mapping	Who Currently Does It?	Capacity / Funding	Address Gap	Who Owns It?
Labor-Market Intelligence				
Employer Demand Validation				
K-12 Career Exposure				
Career Technical Education				
Short-Term Skills Training				
Degree Pathways				
Internships / Work-Based Learning				
Graduate Retention				
Specialized Worker Recruitment				
Employer Workforce Assistance				
Workforce/Housing Connection				
Childcare / Worker Supports				
Other?				