Briefing Paper:
Socio-Economic Indicators

The **Socio-Economic Analysis is a supplemental briefing paper to the Economic Scan** prepared for the Chico Economic Vitality Strategy. While the two analyses examine many of the same underlying trends, they do so through different but interconnected lenses.

The **Socio-Economic Analysis** focuses on the people and households that shape Chico's economy—population and demographic trends, educational attainment, income, poverty, housing, workforce characteristics, and other factors that influence residents' ability to participate in and benefit from economic growth.

The **Economic Scan** looks at Chico from the economic side of the equation—employment and job growth, businesses and industries, wages and payroll, economic output, productivity, taxable sales, and Chico's role within the broader regional economy.

Both analyses are important to fully understand the community dynamics and evolution. A community can have strong industries and employment opportunities while still facing housing, workforce, income, or affordability challenges. Conversely, a well-educated population and strong quality of life can become important competitive advantages for attracting workers, businesses, and investment. Economic vitality depends on both sides of the equation: the performance of the economy and the capacity of the community and its workforce to support and participate in that economy.

What the Combined Findings Tell Us

As is seen in the accompanying matrix, the findings reinforce one another. Slower population growth affects the future labor supply. Housing and childcare costs affect the ability to attract and retain workers. Educational attainment strengthens Chico's talent base, while the structure and growth of the local economy determine whether that talent can find career opportunities locally. Chico's role as a regional employment, healthcare, education, and commercial center further means many of these conditions extend beyond city boundaries.

Strengths: Chico is the region's largest population and employment center, with an educated workforce, strong anchor industries, significant institutional assets, and an important regional role in employment, healthcare, education, commerce, and services.

Challenges: Slower projected economic and population growth, a shrinking future talent pipeline, housing affordability, childcare and healthcare capacity, persistent poverty, and workforce constraints could limit Chico's ability to fully capture future economic opportunities.

Key Strategic Implication: Chico has a strong economic foundation, but future economic vitality will increasingly depend on its ability to retain and attract talent, expand business and employment opportunities, and address the workforce and community capacity needed to support growth.

The following matrix illustrates how the key findings from the **Socio-Economic Analysis** relate to and reinforce the findings of the **Economic Scan**.

COMPARING SOCIO-ECONOMIC FINDING WITH ECONOMIC SCAN FINDINGS	
Socio-Economic Data Finding – Population, Youth, Educated, Poverty, Housing	***Economic Scan Findings – Industry, Business, Jobs, Gross Regional Product***
Stable population but slower future growth. Chico was impacted by the Camp Fire with dislocated individuals and families increasing population over night but remained more resilient than Butte County throughout the pandemic. However, limited population growth means future economic expansion will depend on attracting businesses, investment, and skilled workers.	**Growth is slowing.** Chico has completed its post-pandemic recovery, but projected employment and economic output growth are below the healthy-growth benchmarks we established.
Declining youth population threatens the future workforce – A shrinking talent pipeline will make it more difficult to replace retiring workers and sustain long-term economic competitiveness.	**Chico's regional role remains strong and is increasing.** Chico functions as the North State's employment, healthcare, education, commercial, and service center, so its economic performance affects communities well beyond the city limits.
Educational attainment is improving – Growth in bachelor's and graduate degree attainment strengthens ability to attract higher-wage, knowledge-based industries, although continued investment in career technical education and workforce training remains essential.	**Workforce capacity is emerging as a constraint.** Not able to meet current demand in critical occupation/industry sectors. Future growth may increasingly depend on Chico's ability to educate, attract, and retain workers.
Income growth is slowing while affordability pressures are increasing – Median household incomes have risen, but gains are leveling off as housing and other living costs continue to outpace wages for many households.	**The structure of the business base matters.** Small businesses are foundational; major employers provide important anchors; and increasing the number of **mid-market firms** represents a particularly important opportunity because of their disproportionate contribution to jobs, payroll, and output.
Persistent poverty poses long-term economic risks – Rising child poverty threatens future educational attainment, workforce readiness, and economic mobility despite economic growth.	**Chico has strong economic drivers.** Healthcare, education, manufacturing, agriculture/agri-food, professional services and other traded sectors provide the foundation, while additional growth and diversification opportunities exist.
Housing affordability is significant economic challenge – Rising home prices and rents are making it harder for workers to live in Chico, limiting business recruitment, workforce retention, and household financial stability.	**Talent retention is an opportunity.** Chico State and Butte College provide a significant talent pipeline, but retaining more graduates and connecting them with local career opportunities remains important.
Childcare shortages reduce workforce participation – Limited licensed childcare capacity remains a barrier for working families and constrains the labor force availability	**Regional conditions matter.** Paradise's continued recovery, commuting patterns, housing availability, healthcare capacity, infrastructure, and the broader Butte County economy directly affect Chico's ability to grow.

1.0 Population and Talent

1.1 Population Growth

The City of Chico's population growth (2020 to 2024) has remained stable despite the decline in Butte County's population. The data indicate resilient but entering a slower-growth phase**.** Chico's economic future will depend on enhancing competitiveness through innovation, workforce development, business attraction, and quality-of-life investments.

From an economic development perspective, this trend has both strengths and challenges.

- Chico's stable population provides a dependable foundation for consumer spending, housing demand, workforce availability, and municipal revenues.
- The lack of meaningful population growth (less than 1% annual average) also suggests that future economic expansion cannot rely solely on adding residents. Flat population growth impacts on employers, housing demand, and the future tax base. Long-term growth will depend on strengthening talent, expanding higher-wage employment, attracting businesses, and retaining young professionals.

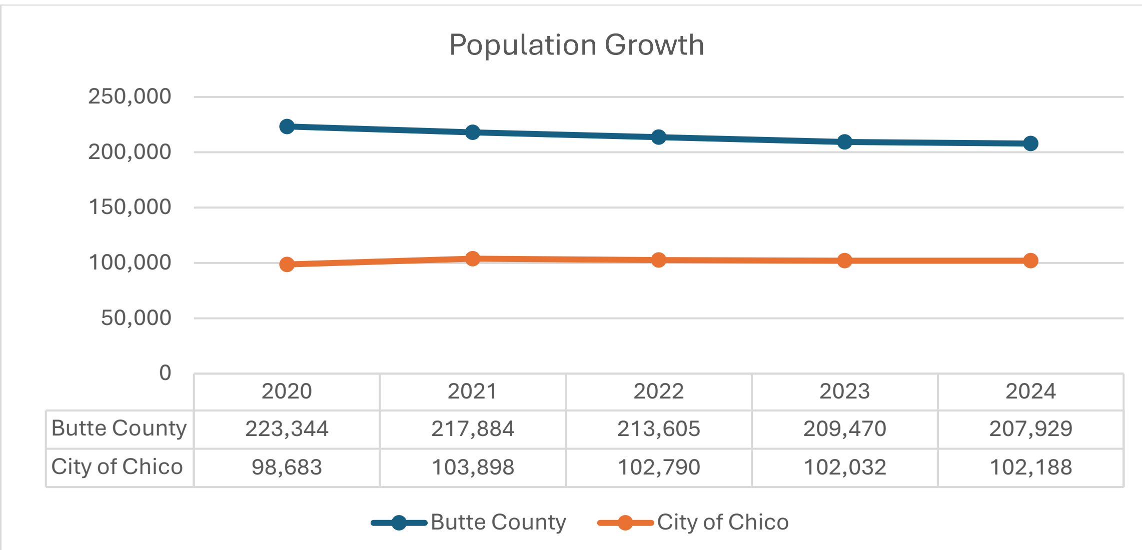


Figure 1. US Census American Community Survey 5-Year Estimates, Table S0101

1.2 Talent Pipeline

Data indicates a strong current workforce but increasing long-term pressure on its talent pipeline. The historic and forecasted data indicate that Chico is well positioned to remain the economic center of Butte County, but its long-term competitiveness will depend on successfully attracting, developing, and retaining skilled workers who can support business investment, innovation, and long-term economic resilience. *(Note: part of Economic Scan look at demand for workers which Chico and the surrounding communities cannot fulfill)*.

- Chico's prime working-age population (20–39) remained stable between 2020 and 2024. In contrast, Butte County's prime workforce declined by 3,000 residents over the same period yet is expected to recover modestly by 2030 and continue growing through 2040.
- Experienced workforce (40–59) increased 9 percent.
- The City's retirement-age population (60–79) also grew and is growth is forecasted to continue.

- The greatest long-term concern is the **declining talent pipeline**. Both Chico and Butte County experienced declines in residents under age 20. While Chico's decline was less severe than the county's both indicate fewer young people who will eventually enter the workforce. This cohort of the county population is projected to continue declining.

TALENT PIPELINE 2020 TO ESTIMATED 2040					
Butte County Forecast	**2020**	**2025**	**2030**	**2035**	**2040**
Talent Pipeline 0-19 years	54,060	52,140	49,684	48,308	48,604
Prime Workers 20 to 39 years	64,202	63,304	65,652	68,167	68,784
Experienced 40 to 59 years	44,765	43,912	45,219	48,652	52,544
Retiring Soon 60 to 79 years	39,678	40,589	39,206	36,573	35,237
Butte County Historic	**2020**	**2021**	**2022**	**2023**	**2024**
Talent Pipeline 0-19 years	52,827	52,300	50,691	50,265	49,665
Prime Workers 20 to 39 years	66,777	65,046	64,953	63,818	63,853
Experienced 40 to 59 years	48,822	47,858	46,286	44,945	44,624
Retiring Soon 60 to 79 years	45,427	44,346	43,238	42,139	41,578
City of Chico Historic	**2020**	**2021**	**2022**	**2023**	**2024**
Talent Pipeline 0-19 years	24,162	25,443	24,267	23,940	23,456
Prime Workers 20 to 39 years	38,530	39,521	40,159	39,280	39,534
Experienced 40 to 59 years	18,559	19,957	19,456	19,557	20,199
Retiring Soon 60 to 79 years	14,405	15,955	15,579	15,764	15,777

Figure 2. Forecast data: https://dof.ca.gov/forecasting/demographics/projections. Report P-2B: Total Population Projections, 2020-2070. Historic data: US Census American Community Survey 5-Year Estimates, Table S0101

1.3 Educational Attainment

Data indicates educational attainment is improving across both Butte County and the City of Chico. Chico is the center for educated talent. Over-25-year-old population age group saw significant growth in adults with bachelor's and graduate degrees.

- Growth in bachelor's/graduate degrees expands availability of skilled labor for industries such as healthcare, engineering, technology, education, finance, and professional services.
- Decline in associate degrees and some-college populations highlights the continued importance of career technical education, workforce training, and transfer pathways.

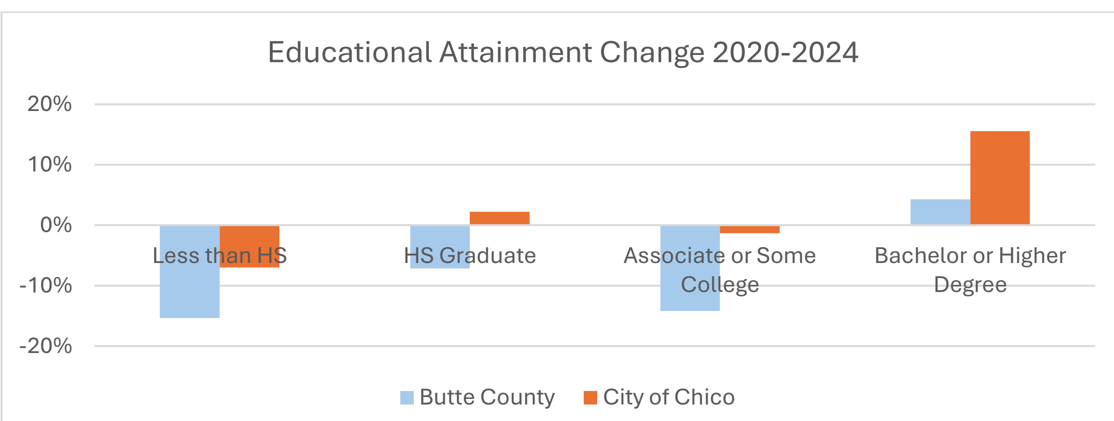


Figure 3. US Census American Community Survey 5-Year Estimates, Table S1501

2.0 Economic Security

Median income data indicate has increased over the past five years, but income growth has begun to plateau and there is a growing reliance on public assistance, highlighting ongoing affordability challenges.

The combination of rising household incomes and increasing dependence on safety-net programs suggests that economic gains have not been experienced equally across all households.

2.1 Income Growth

Median income growth occurred between 2020 and 2023. Incomes began flattening or declining slightly in 2024. This trend reflects a recovering labor market following the pandemic and higher wages.

- Recent leveling of income growth suggests that wage gains may be slowing while inflation and housing costs continue to pressure household budgets.
- Long-term competitiveness may require expanding higher-paying industries and increasing supply of attainable housing so that prosperity is more broadly shared across the community.

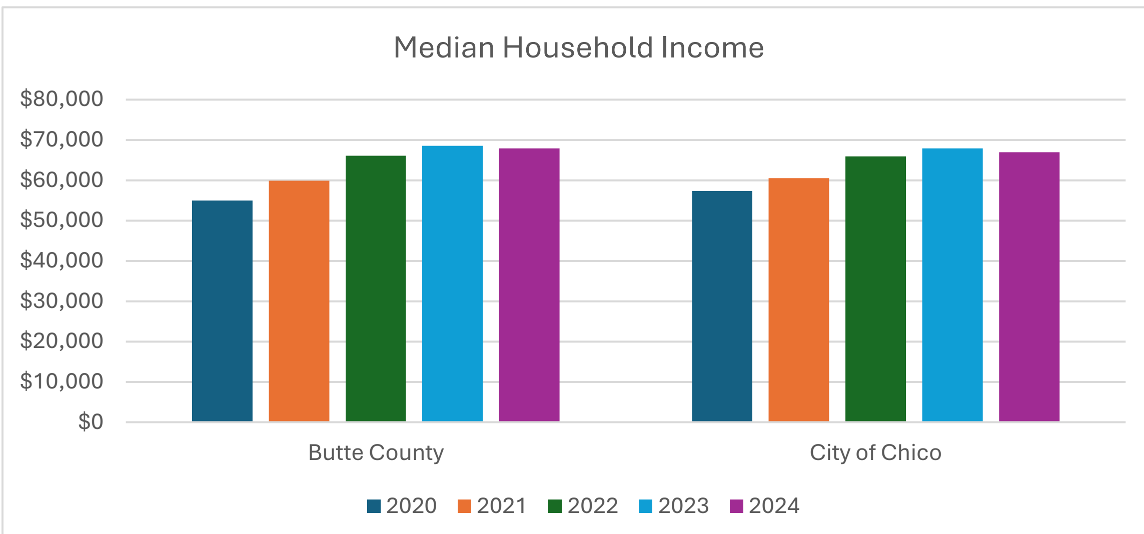


Figure 4. US Census American Community Survey 5-Year Estimates, Table DP03

2.2 Sources of Income

Sources of population's income provide insight into the stability of the economy. Approximately 80% of Chico households report wage and salary income which indicates the local economy is more workforce-driven and less dependent on retirement income than the county.

- The concentration of employment in education, healthcare, government, and professional services contributes to a stable wage base and provides resilience during economic fluctuations.
- Social Security income remained unchanged.
- Retirement income increased modestly, consistent with an aging population but not enough to significantly alter Chico's workforce orientation.

Despite rising incomes, several indicators warrant attention.

- The share of households receiving public assistance or SNAP benefits increased noticeably between 2020 and 2024 in both Chico and Butte County. Key Takeaways

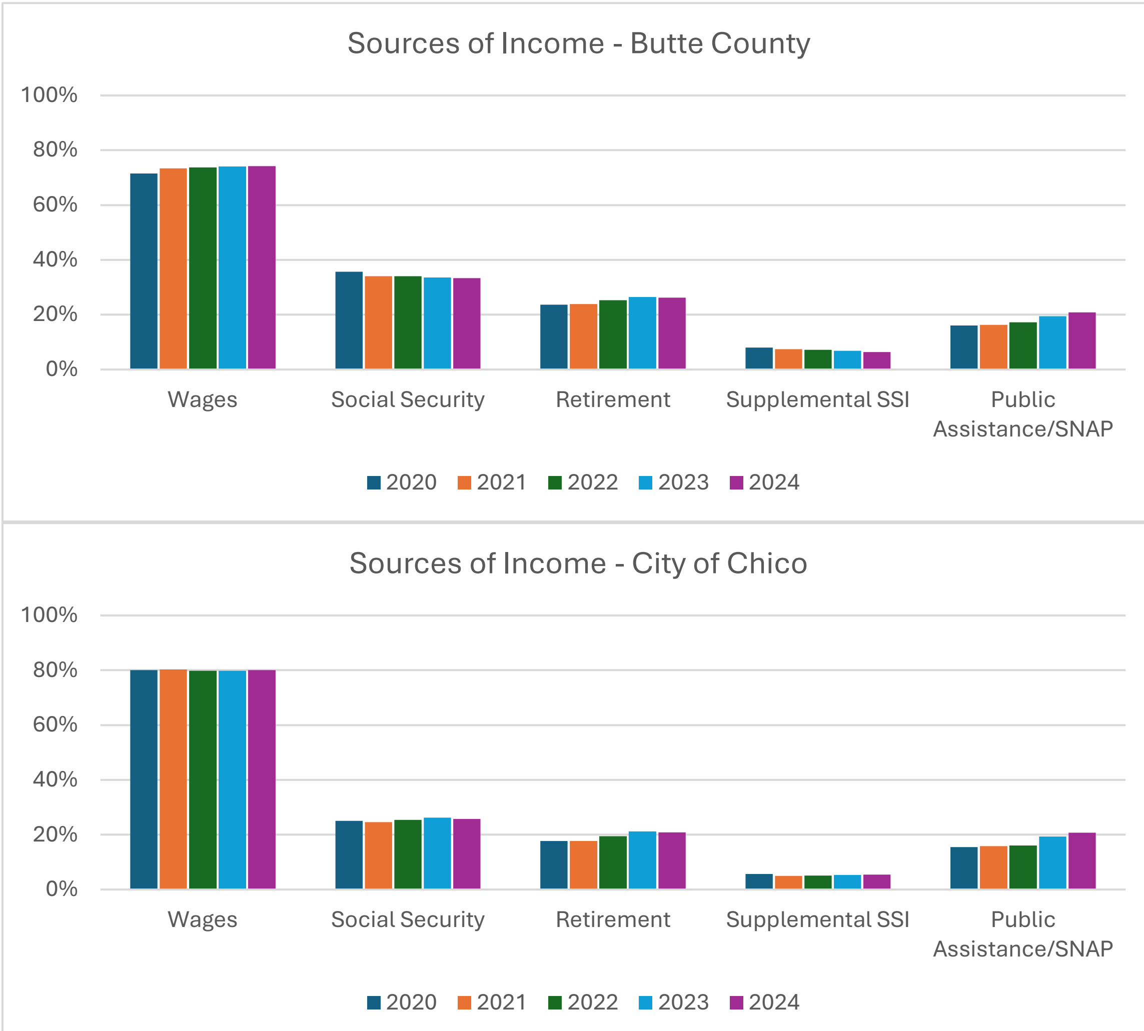


Figure 5. US Census American Community Survey 5-Year Estimates, Table DP03

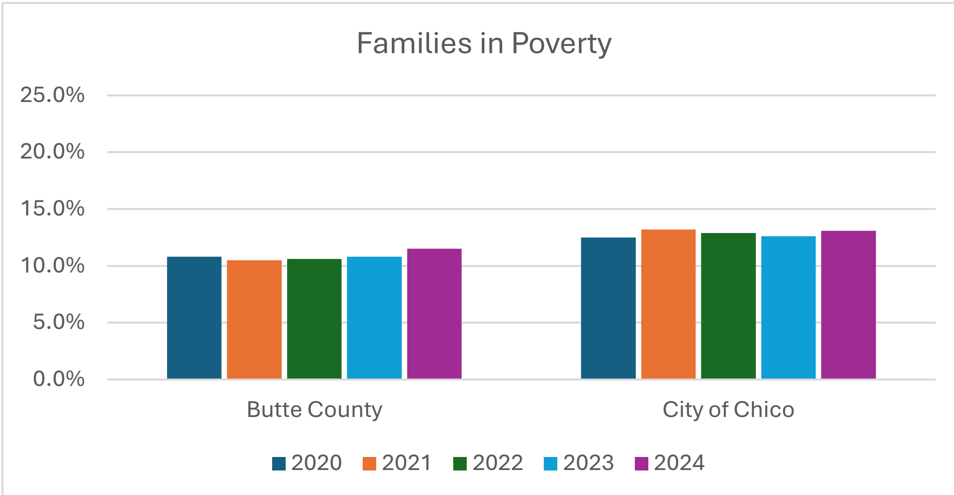
2.3 Poverty

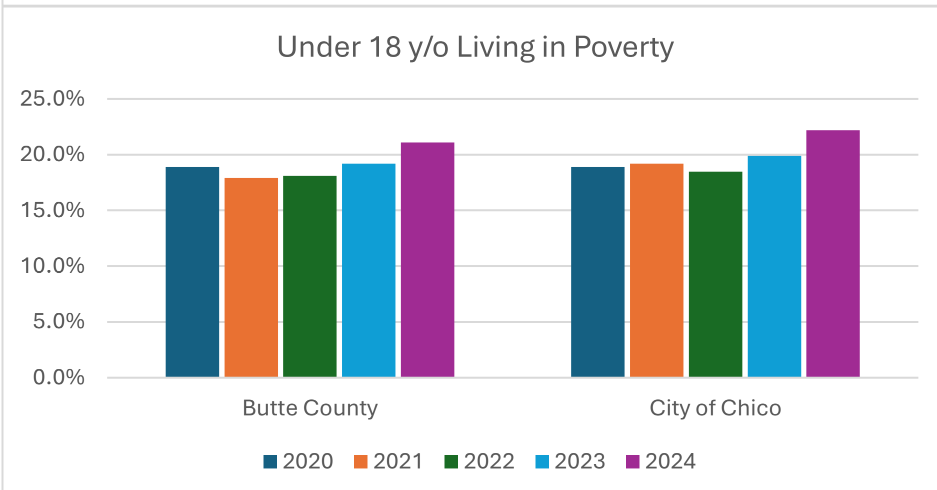
While Chico's economy is fundamentally resilient, affordability has emerged as a significant barrier to inclusive prosperity.

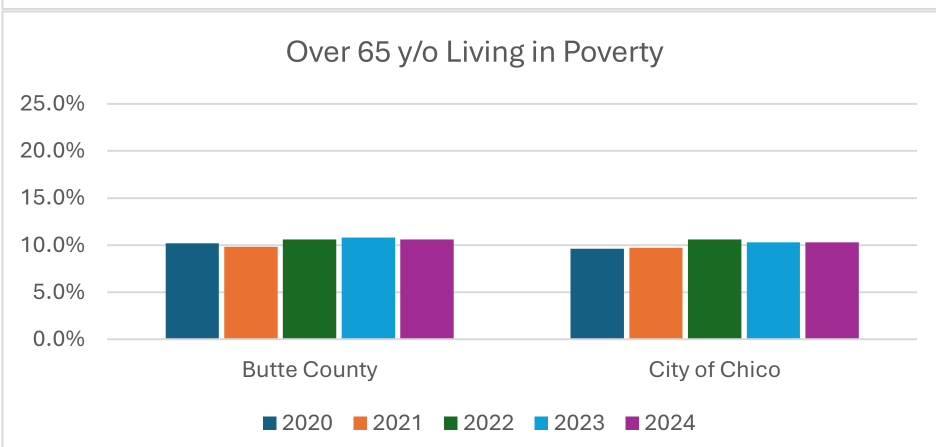
Poverty remains a persistent challenge for the City of Chico despite rising household incomes and a stable economy. While overall poverty levels have remained stable over the past five years, poverty among children has steadily increased, suggesting that many working families struggle with housing and living costs. Seniors, by comparison, have experienced stable poverty rates.

- **Family poverty** in Chico has consistently been higher than the county average suggesting that economic growth has not been shared equally among all households; rising wages have been offset by increasing housing, childcare, healthcare, and transportation costs; and a growing number of families experience financial hardship.
- **Children** living in poverty is the most concerning trend. Youth poverty increased steadily over the 2020-2024 period. In 2025 one in five children are living below the poverty line.

- **Senior poverty** (residents age 65 and older) has remained comparatively stable and slightly below the county level. This stability reflects consistent retirement income sources such as Social Security and pensions. While seniors face affordability challenges, particularly rising healthcare and housing costs, the data does not indicate the same level of worsening financial hardship that is observed among families with children.



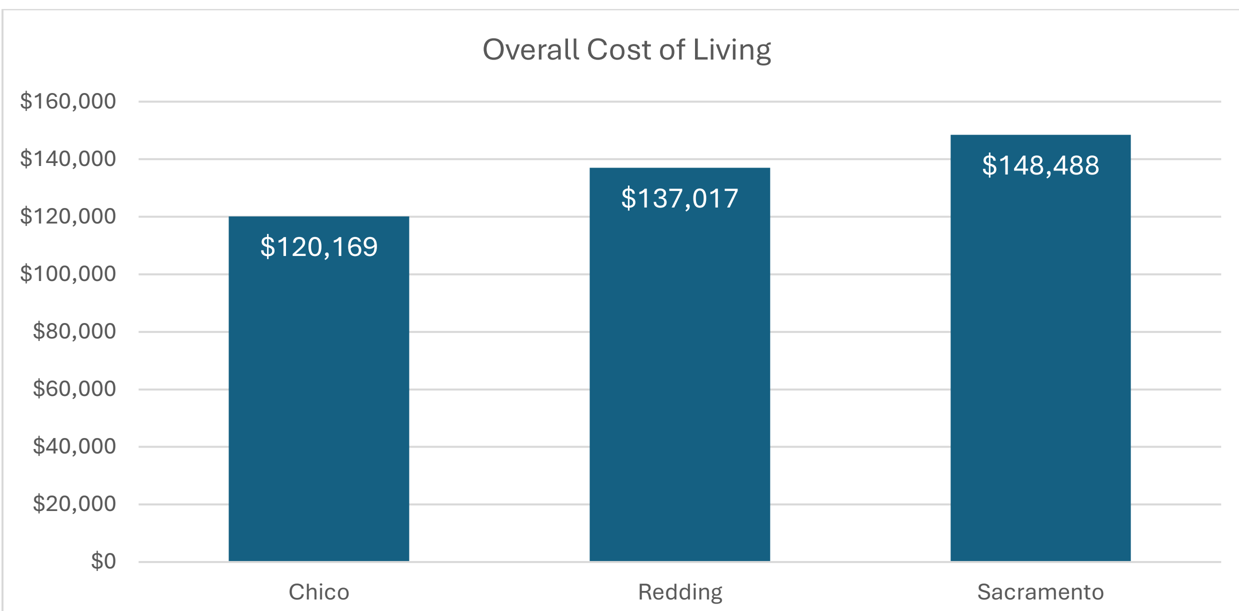




2.4 Cost of Living

Cost of living compared to Redding and Sacramento representing the primary regional markets with which Chico competes for residents, workers, students, and businesses. Chico occupies a competitive middle ground—offering many of the educational, healthcare, and lifestyle amenities found in larger metropolitan areas while maintaining a lower cost of living than Sacramento and competitive costs to Redding.

- Among the three metropolitan areas, Chico offers the lowest overall cost of living across most major household expense categories.
- Although housing is the largest household expense everywhere, annual housing costs in Chico are approximately 10% lower than Redding and more than 30% lower than Sacramento.
- Childcare represents one of the greatest cost differences among the three communities. Lower childcare costs can improve workforce participation by reducing financial barriers for working parents and making Chico more attractive to young families.
- Lower taxes improve household purchasing power. Chico residents retain more disposable income than households in Sacramento or Redding, increasing local spending and supporting retail and service businesses.
- Healthcare costs remain high across all three metropolitan areas. Although Chico's healthcare expenses are lower than Redding's, they still represent one of the largest household expenditures and will continue to grow as the population ages.
- Food and transportation costs show relatively little variation between communities, meaning Chico residents experience many of the same inflationary pressures affecting households throughout Northern California.



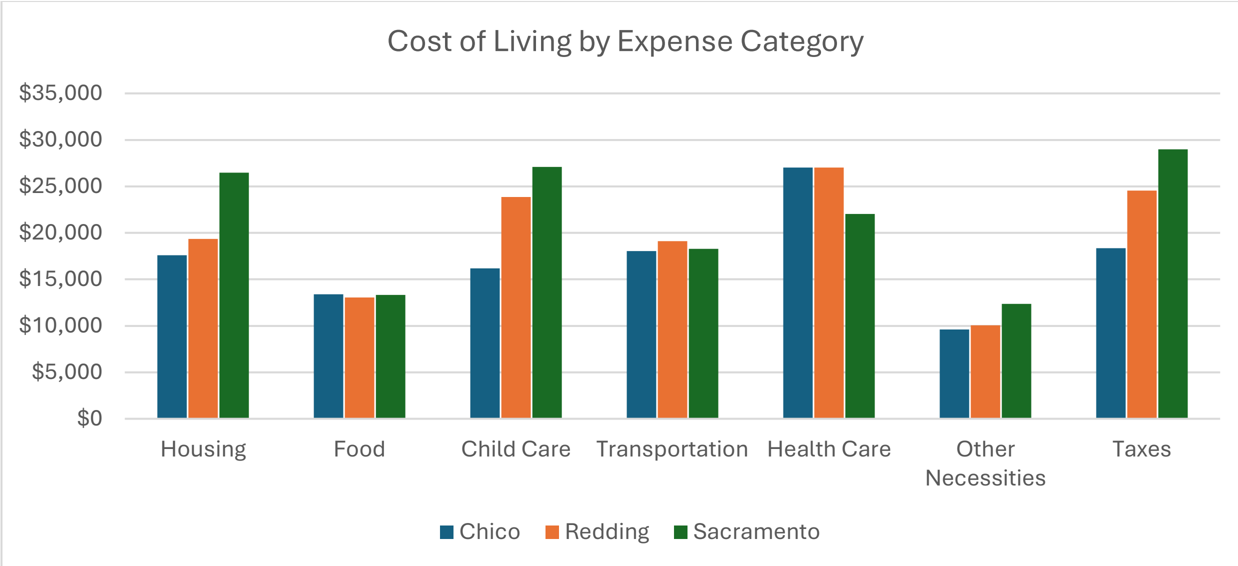


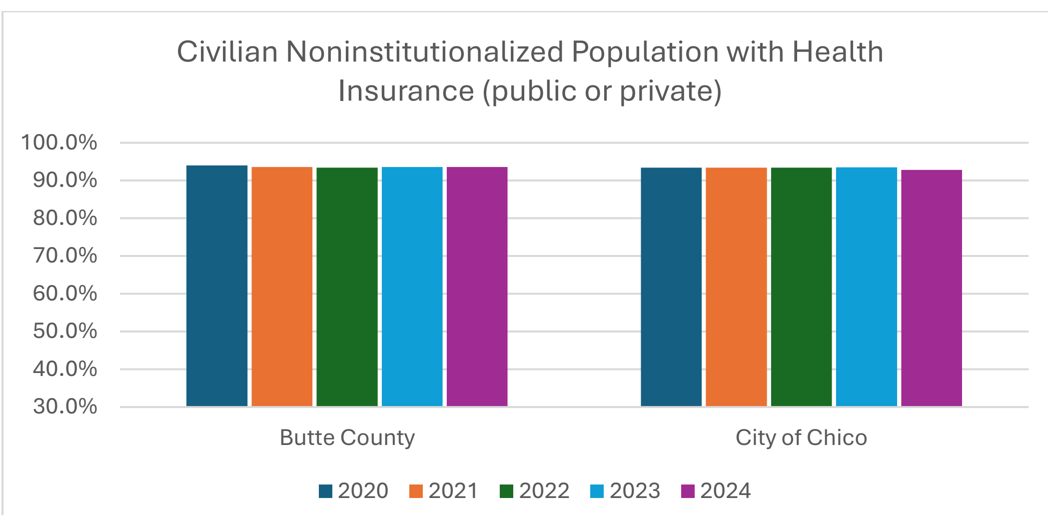
Figure 6. Economic Policy Institute (https://www.epi.org/publication/family-budget-calculator-documentation/). Assumption: 2 adults, 2 children.

3.0 Healthcare

3.1 Insurance Coverage

Data source indicates population with health insurance coverage remained remarkably stable from year to year (2020-2024), more than 92% of residents in both Chico and Butte County maintained coverage. High insurance coverage is also an indicator commonly used to assess community well-being and access to healthcare. (*Note: these are 2020-2024 US Census, should be verified with local healthcare providers)*

- Although overall coverage is high, 7% of residents remain uninsured.
- Uninsured populations can experience delayed medical treatment, higher emergency healthcare utilization, greater financial hardship from medical expenses, and reduced workforce productivity.
- The Chico population consistently exhibits a higher rate of private (vs public) health insurance coverage than Butte County.



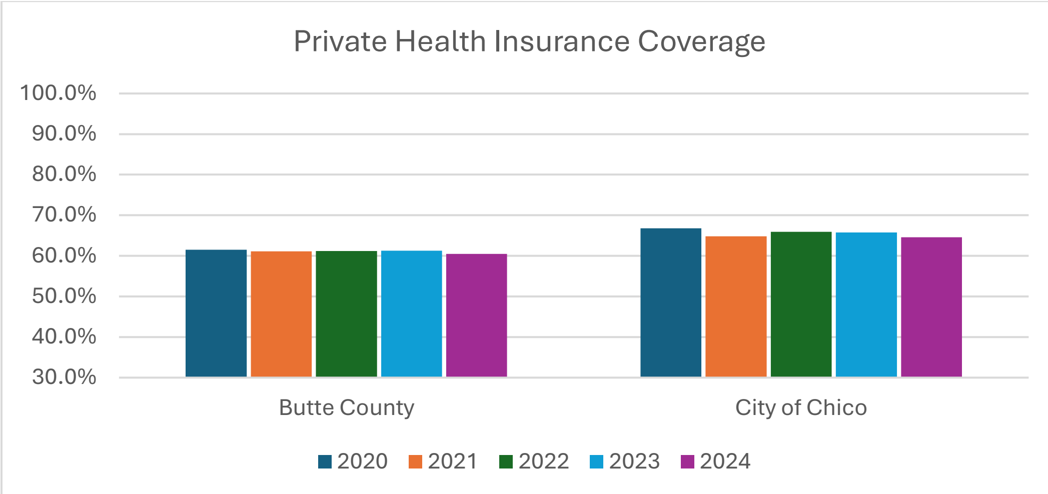


Figure 7. US Census American Community Survey 5-Year Estimates, Table DP03

3.2 Disability Prevalence

Disability prevalence remains an important demographic characteristic in both Chico and Butte County. Chico experienced a gradual increase (13% to 14.6%) while the county remained stable at about 16% of the civilian non-institutionalized population.

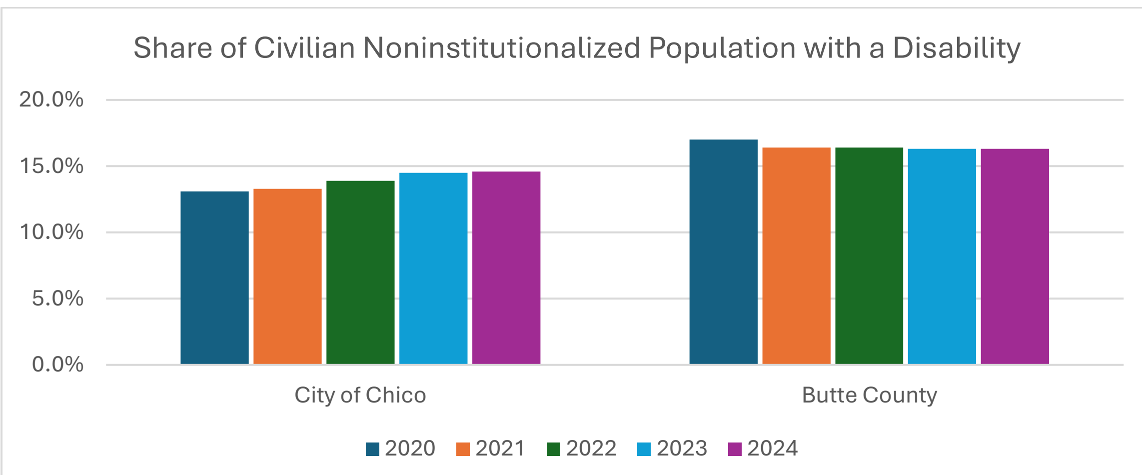


Figure 8. US Census American Community Survey 5-Year Estimates, Table S1810 (disabilities include hearing, vision, cognitive, ambulator, of self-care difficulty)

4.0 Housing and Childcare

4.1 Housing Affordability

Ownership. Butte County is more affordable than California for both traditional and first-time buyers. Despite outperforming the state, fewer than one-third of county residents can afford a traditional home. Even entry-level homes remain unaffordable for more than half of households.

- Workers who cannot find attainable housing may choose employment elsewhere or face longer commutes, making it more difficult for businesses to fill positions, particularly in healthcare, education, manufacturing, and public safety.

Rentals. Median monthly rent increased steadily between 2020 and 2024. The share of renter households spending 35% or more of their income on housing increased**,** indicating that rental housing became progressively less affordable.

- Growth in the cost of rent outpaced inflation for much of this period, increasing the financial burden on renters. A common guideline is that no more than 30% of gross monthly income should be spent on housing costs. Spending beyond this threshold often puts households in a "cost-burdened" situation where housing expenses limit their ability to afford other essentials.
- High rents reduce the ability of renters to save for a down payment, delaying homeownership and encouraging some residents to relocate to more affordable communities which contributes to talent loss and reduces the long-term stability of the local workforce.

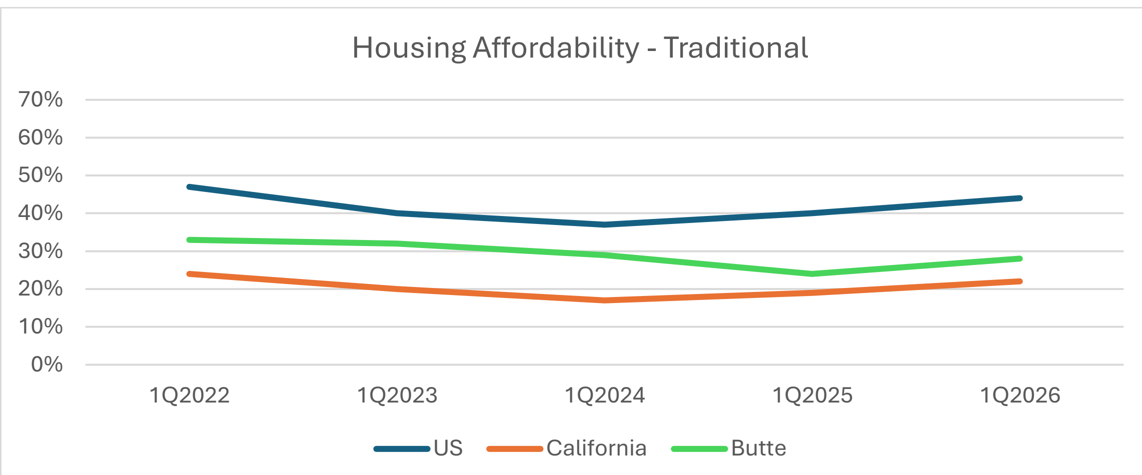


Figure 9. California Association of Realtors

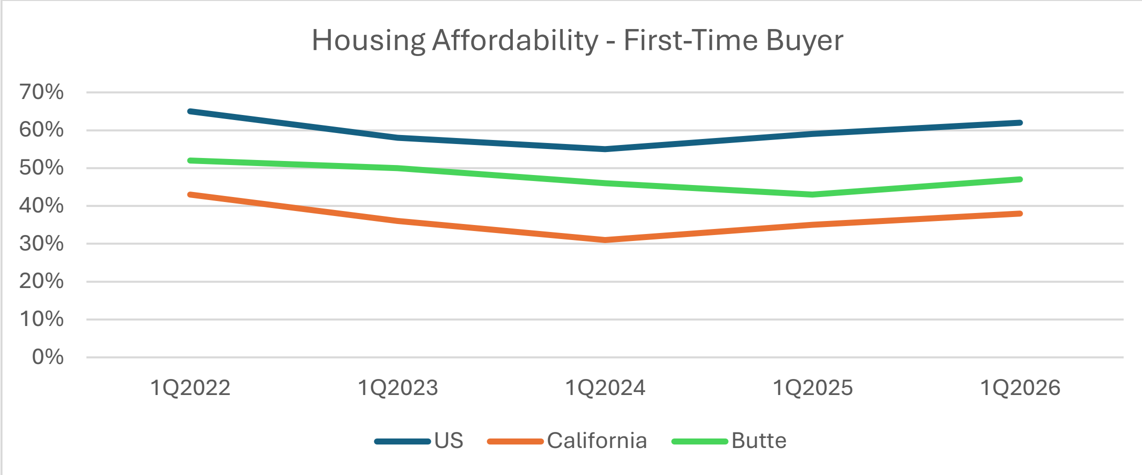


Figure 10. California Association of Realtors

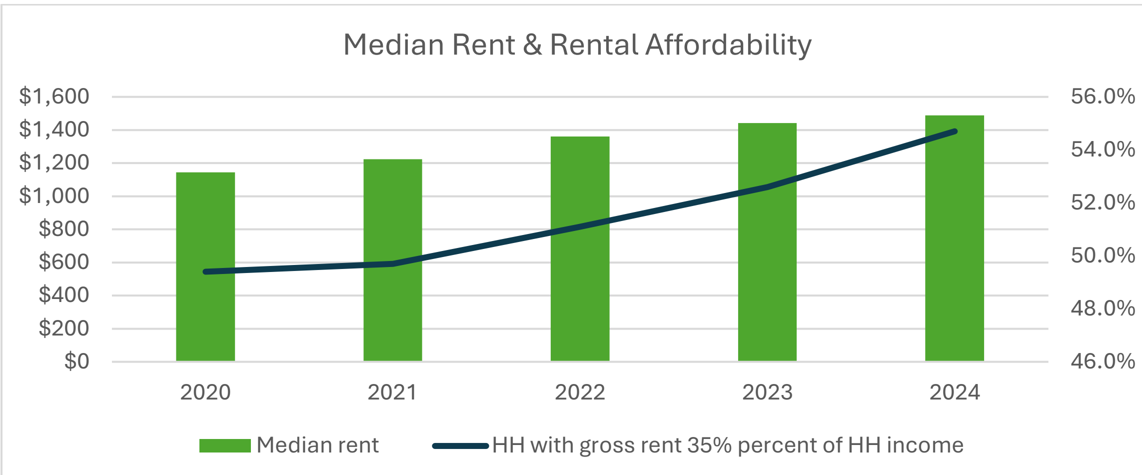


Figure 11. US Census Bureau, American Community Survey 5-year Estimates, Table DP04

4.2 Housing Mix

Chico has become slightly more renter-oriented over the past five years. The shift is modest, and growing reliance on rental housing suggests barriers to homeownership.

- This trend may make workforce recruitment and retention more challenging unless additional attainable housing is developed.

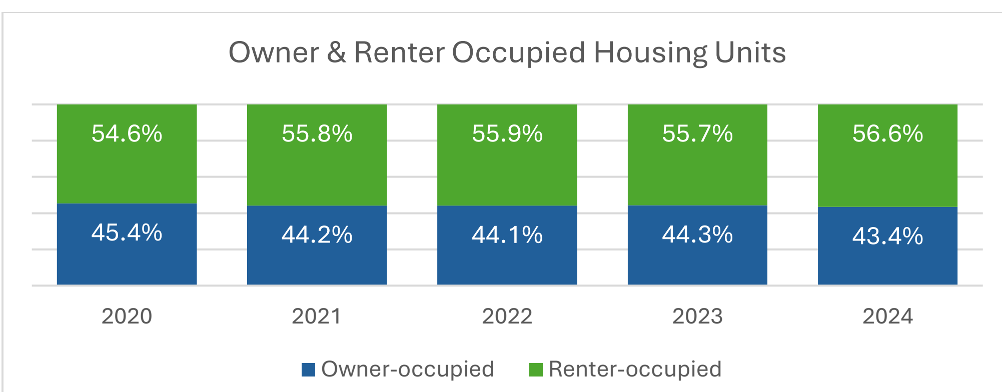


Figure 12. US Census Bureau, American Community Survey 5-year Estimates, Table DP04

4.3 Homeless Population

The total homeless population includes both sheltered and unsheltered individuals. Chico's total homeless population increased between 2022 and 2025, while the number of unsheltered individuals declined and then remained relatively stable.

This indicates that the increase in total homelessness occurred primarily among people in shelters or other temporary housing programs, potentially reflecting expanded shelter capacity and greater utilization of available services.

- The growth of homeless is a significant issue for the City and various agencies serving the homeless population.

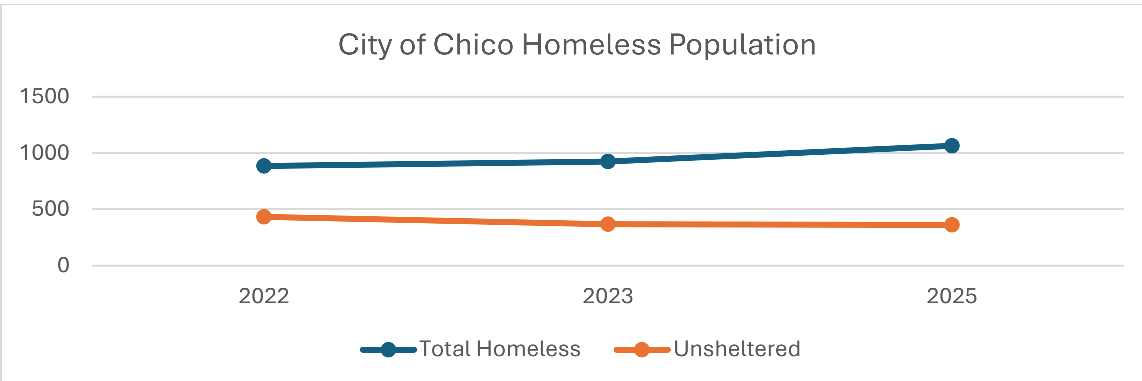


Figure 13. Butte County Annual Chico Regional PIT Report

4.4 Childcare Availability

Childcare availability improved modestly in Butte County between 2021 and 2023, but licensed capacity remains well below demand, presenting a challenge for workforce participation and economic growth.

- Chico provides much of the county's licensed capacity.
- Demand though continues to exceed available spaces, indicating a need for additional childcare investment as the community grows.
- Expanding childcare capacity would strengthen labor force participation, support employers, and improve Chico's long-term economic stability and competitiveness.

Childcare Availability

Butte County	**2021**	**2023**
Children aged 0-12 years	29,843	28,594
Children aged 0-12 with parents in the labor force for whom a licensed childcare space is available	4,476	5,147
	15%	18%
Licensed spaces (centers and homes)	2,947	3,282
Licensed sites	131	134