CHICO ECONOMIC VITALITY STRATEGY
Economic Scan Executive Briefing
What the Data Tells Us About Chico's Economy

The Chico Economic Vitality Strategy goal is to identify Chico's current state of the economic following the Camp Fire & pandemic disruption and identify strategic actions to maintain and grow the economy, improve the quality of that growth, and capture the value it creates.

Step 1: The Economic Scan is a data-driven assessment of current conditions, identifies emerging pressures and opportunities, and is used to focus future strategy discussions on the issues most likely to influence Chico's economic future. **This is what the data tells us**. Next phase validates findings.

KEY FINDING #1 - Chico Has Recovered, But Future Growth Is Projected To Be Modest

Chico has largely recovered from the disruptions; however, future economic growth is projected to be slower than the levels typically associated with a healthy economy.

Indicator	Healthy Benchmark	Chico Forecast
Employment Growth	1–2% annually	~0.6% annually
Real Economic Output (GRP) Growth	3–4% annually	~2% annually

***Why It Matters*:** A slower-growth economy generates fewer jobs, less payroll growth, less business investment, and less fiscal capacity to support community priorities.

KEY FINDING #2 - Chico's Regional Importance Continues To Grow

Chico remains the North State's primary center for Healthcare, Higher Education, Retail & Commercial Services, Professional Services. Government Services. In addition to providing goods and services beyond city boundaries, over **23,000 workers commute into Chico daily**, producing a net workforce inflow of approximately **4,700 workers**.

***Why It Matters*:** The economy is increasingly regional. Chico's success depends on local residents and businesses, AND also on workers, students, patients, shoppers, and visitors from the region.

KEY FINDING #3 - Workforce Capacity May Become Chico's Biggest Constraint

Employer demand remains strong across key sectors: Healthcare, Education, Business Services, Management, Transportation, Skilled Trades – between Sept 2025-Feb 2026 over 8,500 unique positions openings were posted - 2,500 in Healthcare Practitioners & Technical occupations.

Yet future demographic trends show 1) slower population growth, 2) an aging workforce, 3) Fewer young workers entering the labor market and 4) Increasing competition for talent

***Why It Matters*:** The issue is not be a lack of jobs, the future issue may be whether Chico and the region can supply enough workers to support future growth.

KEY FINDING #4 - Chico's Economic Drivers Are Clear

Anchor Drivers - Industries that provide stability, regional draw, and workforce development:

- Healthcare
- Education
- Agriculture & Food Systems

Core Growth Drivers - Industries with potential to improve productivity, wages, and diversification:

- Manufacturing
- Technology
- Information

Foundational Drivers - Industries that support community vitality and business operations:

- Retail
- Hospitality
- Professional Services
- Government
- Neighborhood Services
- Creative Economy

Foundational Enabling Industries - Industries that make growth possible:

- Construction
- Transportation & Logistics
- Utilities

KEY FINDING #5 - Chico's Business Structure Creates Both Strength And Opportunity

Small Businesses <20 employees	Mid-Market Firms 20–99 employees	Anchor Employers >100 employees
• 93% of all businesses • 36% of jobs • Foundation of the economy	• Only 6.6% of businesses • 34% of jobs • Payroll and output generators	• Less than 1% of businesses • Nearly 30% of jobs • 36% of payroll

Why It Matters: Identifies the importance of Anchor Industries and employers to sustain the economy, mid-market opportunity for potential growth, new business recruitment and expansion to increase the share of businesses in this category, small businesses matter for multiple reasons beyond size – community character and identity, entrepreneurial nature and organic growth.

KEY FINDING #6 - Chico Has Assets That Can Help Address Future Constraints

Chico's challenge is annual employment growth, and real economic output growth is projected below healthy metric levels. At the same time, local government services, infrastructure, public safety, quality-of-life investments, and community priorities depend on a healthy economy that generates jobs, payroll, business investment, and taxable sales growth.

The data suggest stronger economic performance will require attention to several interconnected priorities:

1. Anchor and core economic drivers must remain competitive and continue to grow.
2. Mid-market firms may represent the greatest opportunities for future job, payroll, and economic output growth.
3. Small businesses remain foundational to community vitality, entrepreneurship, and local services and must be maintained.
4. Workforce capacity is already emerging as ***a constraint*** and may increasingly influence the region's ability to support business expansion and economic growth.
5. Productivity, talent retention, and growth in higher-value industries are key to achieving stronger economic outcomes, Chico's CSU and Butte College assets may play a critical role here as well as being an anchor driver.
6. With aging population and decline of talent pipeline, future economic growth may depend not only on Chico's ability to attract businesses and investment, but also on the region's ability to house, retain, attract, and connect workers to those opportunities.

Additional Documents: May 4-5, 2026 – Dr. Eyler's Economic Pressure Presentation https://drive.google.com/file/d/1btm6_0riRsGgJQejAJGRlqQcc5B_9KSV/view. Chico Economic Centers Mapping Chico Economic Centers StoryMap