Briefing Paper:
Economic Scan 2020–2026, Forecast 2030

Introduction

The Chico Economic Scan Briefing is intended to provide a review of the key shifts shaping Chico's economic conditions, workforce base, business structure, and regional role, post-Camp Fire/Pandemic and future 2030 forecasted. For each data indicator/analysis Key Findings are noted of these data trends, which build upon each factor to identify collective economic findings affecting future growth. The objective is to provide data-driven facts to help guide strategic planning and actions.

1. Chico's Economy Post-Pandemic and Post-Disruption

The Camp Fire and the COVID-19 pandemic created two of the most significant disruptions Chico's and the surrounding region's history. These events altered population patterns, workforce dynamics, consumer spending, housing demand, business operations, public services, and regional growth patterns throughout Butte County.

Indicators suggest recovery. Employment has largely returned, consumer activity has stabilized, and Chico continues to serve as the North State's primary center for healthcare, education, retail, government, and professional services.

A new phase is emerging where future success may be influenced by a different set of factors than those that shaped the community over the past decade. As Chico looks toward the future, several important questions emerge:

- ? Are economic output and productivity growing at a pace that supports long-term fiscal sustainability?
- ? Will Chico have sufficient workforce and talent capacity to meet current and future employer demand?
- ? Can the community continue to strengthen its role as the North State's regional hub for jobs, healthcare, education, retail, and services?

? How can Chico support the business sectors and regional economic drivers that contribute most to long-term economic vitality?

KEY FINDING

The data suggest three interconnected pressure points may shape Chico's future economic success:

1) economic growth and productivity,
2) workforce and talent capacity, and
3) the strength of the business base and regional economic anchors.

2. Population & Labor Force Considerations

Population and labor force dynamics may increasingly influence Chico's future economic performance. *Chico and the surrounding region are experiencing slower population growth, an aging workforce, and growing competition for labor across multiple industries*.

At the same time, Chico continues to benefit from assets that distinguish it from many communities in Northern California, including CSU Chico, Butte College, Enloe Health, and its role as the primary employment center for much of the mid-North State.

KEY FINDING

Historically, population growth and labor force growth helped support economic expansion. Looking forward, the data suggest that future economic vitality may increasingly depend on workforce availability, talent retention, and the ability of the broader region to supply workers to meet employer demand that may not automatically materialize through population growth alone.

3. Economic Conditions & Structural Shifts-*Employment & Economic Activity*

3.1 Employment: Prior to 2020, Chico's economy benefited from steady population growth, increasing healthcare demand, educational activity, consumer spending, and its role as the primary service center for much of the North State. While employment has largely recovered from pandemic-related losses, future job growth is projected to remain modest.

Increasing from approximately 46,000 jobs in 2024 to just under 48,000 jobs by 2030, representing an average annual growth rate of approximately 0.6 percent. While positive, this projected rate falls below the 1 to 2 percent annual job growth for a healthy economy.

Table 1: Chico Employment Recovery and Forecast Table 2:

Employment has nearly recovered by 2024 but remains slightly below 2019 levels.

Year	Jobs	% Change from 2019 Base of 46,594	Healthy Metric Target Annual Growth 1-2%
2020	42,562	-8.7%	
2021	41,244	-11.5%	
2022	43,911	-5.8%	
2023	44,835	-3.8%	
2024	46,021	-1.2%	
2025	46,029	-1.2%	
Forecast 2030	**47,583**	**2.1%**	**0.6%**

KEY FINDING

- Employment has nearly recovered to pre-pandemic levels.
- Forecast employment growth averages approximately **0.6% annually through 2030**.
- This rate is below the **1-2% annual growth benchmark** as identified for healthy economy.
- Future economic growth will depend on expanding industries that create new jobs and attract investment.

3.2 Major Sector Employment helps identify the industries most likely to influence Chico's future economic performance. While overall employment growth is projected to remain modest, the forecast suggests growth will not occur evenly across all sectors. Some industries are expected to expand and create new employment opportunities, while others may continue to experience slower growth or decline due to changing market conditions, technology, consumer behavior, and broader economic trends.

Table 2. Major Sector Employment

Sorted by 2024 employment. Forecast values EFA.

Sector	2019	2024	2030	Change 2019-2024	Change 2024-2030	CAGR 2019-24	CAGR 2024-30
Totals	**46,936**	**46,355**	**47,909**	**-1.2%**	**3.4%**	0.2%	0.6%
Health care and social assistance	11,650	12,603	13,328	8.2%	5.8%	-1.6%	0.9%
Retail trade	6,616	5,715	5,485	-13.6%	-4.0%	3.0%	-0.7%
Accommodation and food services	5,625	5,213	5,238	-7.3%	0.5%	1.5%	0.1%
Educational services	4,526	5,130	5,524	13.4%	7.7%	-2.5%	1.2%
Professional and business services	4,564	4,549	4,802	-0.3%	5.5%	0.1%	0.9%
Other services	3,253	2,912	3,058	-10.5%	5.0%	2.2%	0.8%
Finance, insurance, real estate, leasing	2,528	2,242	2,344	-11.3%	4.5%	2.4%	0.7%
Manufacturing	1,675	1,892	1,796	13.0%	-5.1%	-2.4%	-0.9%
Construction	2,145	1,741	1,752	-18.9%	0.6%	4.3%	0.1%
Wholesale trade	1,133	1,149	1,199	1.4%	4.3%	-0.3%	0.7%
Arts, entertainment, and recreation	980	958	1,052	-2.2%	9.7%	0.5%	1.6%
Government / public administration	612	628	631	2.7%	0.4%	-0.5%	0.1%
Information	721	553	534	-23.3%	-3.5%	5.4%	-0.6%
Transportation and warehousing	378	522	569	38.0%	9.0%	-6.3%	1.4%
Agriculture, forestry, fishing, and hunting	342	334	325	-2.4%	-2.6%	0.5%	-0.5%
Utilities	188	214	272	13.7%	27.1%	-2.6%	4.1%

KEY FINDING

Future job growth is expected to be concentrated in healthcare, education, and professional services, while traditional retail and some goods-producing sectors continue to face headwinds.

- Healthcare remains Chico's largest employment sector and is projected to continue growing through 2030.
- Education and professional services are also expected to contribute a significant share of future job growth.
- Retail continues to employ a large number of workers but is projected to decline over the forecast period.

- Manufacturing and information sectors remain strategically important despite slower projected employment growth.

3.3 Gross Regional Product (GRP) measures the total value of goods and services produced within the local economy and is one of the best indicators of overall economic output. While employment measures the number of jobs, GRP helps measure the amount of economic value being generated by those jobs**.**

Following this period of strong post-pandemic recovery, Chico's economy is projected to grow approximately 5% annually in nominal terms through 2030. After accounting for inflation, this equates to roughly 2% annual real growth (below the healthy growth rate of 3-4% annually).

Table 3. Chico Gross Regional Product (GRP) Recovery and Forecast

GRP recovered through 2024. "Real" percentage changes are inflation adjusted based on statewide price data. 2024 Some sector-level data has been suppressed

Year	Estimated GRP ($)	Nominal Growth	Real Growth Annual
2019	$3,457,745,700		
2020	$3,551,392,300	2.7%	1.0%
2021	$3,744,349,500	5.4%	2.3%
2022	$3,946,353,500	5.4%	0.3%
2023	$4,286,953,000	8.6%	5.7%
2024	$4,722,436,600	10.2%	14.7%
2025	$4,965,003,100	5.1% CAGR	2.0%
Forecast 2030	$6,378,029,300	5.1%	1.8-2.0% Real CAGR

KEY FINDING

A healthy annual economic **GRP target is 3-4% real annual growth**. The current forecast indicates only a 1.8-2.0% annual growth, *a gap of 1-2% Real GRP* Growth. To reach the healthy goal target additional economic output will need to be generated through business expansion, workforce growth, increased productivity, and higher-value industry development.

3.3 GRP per Worker (Economic Productivity). Gross Regional Product (GRP) per worker provides a measure of economic productivity by estimating the amount of economic output generated per job. While employment measures the number of workers in the economy, GRP per worker helps indicate how much economic value each worker generates.

Between 2019 and 2024, Chico's GRP per worker increased from approximately $74,000 to more than $102,000, indicating that economic output recovered and expanded faster than employment:

- Employment is essentially flat (-1.2%)
- GRP increased 36.6%
- GRP per Worker increased 38.3%

These trends suggest Chico is generating more economic output with a workforce that remains near pre-pandemic levels. The increase likely reflects a combination of economic recovery, sector growth, business investment, and changes in the composition of economic activity.

Table 4: GRP per Worker

Productivity measure: interpret 2024 cautiously due to the GRP caveat.

Year	Estimated GRP ($)	Jobs	GRP per Worker	Compare to CA
2019	$3,457,745,700	46,594	$74,210	$166,337
2023	$4,286,953,000	44,835	$95,616	$175,754
2024	$4,722,436,600	46,021	$102,615	$179,848
2030	$6,378,029,300	47,583	$134,040	Forecast N/A

Despite these gains, Chico's GRP per worker remains below the statewide average. This is partially attributable to the community's economic structure, which is concentrated in healthcare, education, retail, hospitality, and other service-oriented industries that typically generate lower output per worker than technology, finance, and advanced manufacturing sectors that are more prevalent in larger metropolitan regions.

KEY FINDING

Chico's GRP per worker has increased significantly, indicating that economic output is growing faster than employment. This is an encouraging trend, particularly as employment growth and overall economic output are projected to expand more slowly than healthy long-term benchmarks.

However, productivity gains alone may not be sufficient to achieve healthy economic growth objectives, suggesting that both workforce growth and higher-value economic activity remain important to future economic performance.

3.4 Taxable Sales provide insight into consumer spending activity and Chico's ability to capture spending from residents, workers, students, patients, visitors, and regional consumers. Because Chico functions as a primary retail, healthcare, education, and service center, taxable sales help measure the strength of regional market influence and commercial activity.

Taxable sales remain above pre-pandemic levels but below the extraordinary peaks observed during the post-Camp Fire rebuilding period and the post-pandemic recovery. These elevated years were influenced by construction activity, recovery spending, inflationary pressures, and other temporary economic factors that increased taxable transactions throughout the region. While taxable sales have moderated, Chico continues to function as a primary retail, healthcare, education, and service hub.

On a per-capita basis, taxable sales have declined since their 2022 peak and are now below 2019 levels. This may reflect a combination of spending normalization, changing consumer behavior, e-commerce growth, inflationary pressures on household budgets, and increased regional competition. While the decline does not necessarily indicate economic weakness, it suggests Chico's ability to capture regional consumer spending should continue to be monitored as an important indicator of economic vitality.

Table 5: Citywide Sales & Use Tax Revenues by Major Industry Group

HdL revenue data. Rate changes in 2023 and 2025 should be considered when comparing across years.

Major Industry Group	2019	2022	2025	2019-2025 % Change	2022-2025 % Change
Autos & Transportation	$3,228,399	$3,898,226	$3,625,418	11.5%	-7.5%
Building & Construction	$3,970,816	$6,340,094	$4,983,373	25.5%	-27.2%
Business & Industry	$2,381,168	$2,244,526	$1,938,623	-18.6%	-15.8%
Food & Drugs	$1,468,078	$1,504,819	$1,664,474	13.4%	9.6%
Fuel & Service Stations	$2,040,532	$2,904,413	$2,243,320	9.9%	-29.5%
General Consumer Goods	$7,129,495	$7,279,377	$6,201,194	-13.0%	-17.4%
Restaurants & Hotels	$2,862,005	$3,109,099	$3,274,078	14.4%	5.0%
Transfers/Unidentified	$15,336	$10,376	$83,360	443.6%	87.6%
TOTALS	**$23,095,829**	**$27,290,930**	**$24,013,840**	**4.0%**	**-13.6%**
State & County Pools TOTALS	$4,230,549	$5,482,758	$5,455,463	29.0%	-0.5%
GRAND TOTALS	**$27,326,378**	**$32,773,688**	**$29,469,303**	**7.8%**	**-11.2%**

Table 6: Taxable Sales Per Capita

Year	Population	Taxable Sales Per Capita
2019	100,850	$22,871
2022	104,267	$26,077
2025	108,026	$20,854

KEY FINDING

Taxable sales remain above pre-pandemic levels, indicating Chico continues to serve as the region's primary commercial center. However, declining per-capita sales suggest spending growth is not keeping pace with population growth, making regional spending capture an important indicator to monitor going forward.

3.5 Taxable Sales by Industry Group. Examining taxable sales by industry group provides additional insight into how spending activity is distributed throughout the local economy and how consumer and business spending patterns have changed over time.

The data suggest that taxable sales growth since 2019 has been concentrated in several sectors closely associated with regional demand, including Building & Construction, Restaurants & Hotels, Food & Drugs, and Autos & Transportation. Building & Construction experienced particularly strong growth during the post-Camp Fire rebuilding period, reflecting elevated construction and recovery-related activity throughout the region.

Several sectors have experienced *declines* relative to both 2019 and the post-recovery peak, including General Consumer Goods and Business & Industry. These shifts may reflect changing consumer preferences, increased e-commerce activity, inflationary pressures, and broader changes in spending behavior.

Table 7: Citywide Sales & Use Tax Revenues Summary (1% Bradley-Burns)
Calendar year by Major Industry Group
Source: HdL Adjusted for Economic Data

Major Industry Group	Calendar Year 2019	Calendar Year 2024	Calendar Year 2025	Change 2019-2025	Change 2024-25
Autos & Transportation	$ 3,228,399	$ 3,426,068	$ 3,625,418	12.3%	5.8%
Building & Construction	$ 3,970,816	$ 4,905,144	$ 4,983,373	25.5%	1.6%
Business & Industry	$ 2,381,168	$ 1,818,142	$ 1,938,623	-18.6%	6.6%
Food & Drugs	$ 1,468,078	$ 1,676,921	$ 1,664,474	13.4%	-0.7%
Fuel & Service Stations	$ 2,040,532	$ 2,232,958	$ 2,243,320	9.9%	0.4%
General Consumer Goods	$ 7,129,495	$ 6,372,911	$ 6,201,194	-13.0%	-2.7%
Restaurants & Hotels	$ 2,862,005	$ 3,199,517	$ 3,274,078	14.3%	2.3%
TOTALS	**$ 23,095,829**	**$ 23,646,954**	**$ 24,013,840**	3.9%	1.5%
State & County Pools TOTALS	**$ 4,230,549**	**$ 5,335,362**	**$ 5,455,463**	28.9%	2.3%
GRAND TOTALS	**$ 27,326,378**	**$ 28,982,316**	**$ 29,469,303**	7.8%	1.7%

KEY FINDING

The taxable sales data suggest Chico continues to capture significant regional spending activity, but the composition of that spending is evolving. Growth appears strongest in sectors tied to regional services, healthcare, construction activity, dining, and essential consumer spending, *while traditional retail categories face increasing competitive pressures.*

RECAP: Employment & Economic Activity

Chico has largely recovered from the economic the Camp Fire and pandemic disruptions. However, indicators suggest future growth may be more modest than past recovery trends:

- Employment has nearly recovered, but forecast job growth averages approximately 0.6% annually, below the 1–2% healthy growth benchmark.
- GRP has surpassed pre-pandemic levels, but projected real growth remains below the 3–4% annual growth target.
- GRP per worker has increased, indicating economic output is growing faster than employment and productivity is becoming increasingly more important to economic stability.
- Taxable sales remain above 2019 levels, but have moderated since the 2022 peak, suggesting a return to more typical spending patterns. Industry-level sales data indicate Chico continues to capture significant regional spending activity, although spending patterns are evolving across sectors.
- Chico's role as a regional employment and service center is an economic strength but increasingly relying on a broader regional workforce and consumer base to support future growth.

Taken together, the data suggest Chico has largely completed its post-pandemic recovery and entered a period of slower expansion. While demand for jobs, services, healthcare, education, and commercial activity remains strong, projected employment and economic output growth fall below healthy long-term benchmarks, making workforce capacity, productivity, business growth, and regional spending capture important factors to monitor going forward.

4. Economic Drivers & Future Opportunities

In Section 3.0, *Economic Conditions-Employment & Economic Activity* analysis indicates Chico has largely recovered from the Camp Fire and pandemic period, but future employment and economic output growth are projected to be more modest than desired.

Section 4.0 is about which industries, business types, and economic activities will contribute most to jobs, productivity, and regional competitiveness, helping to identify the factors most likely to influence future economic performance.

Chico's economy is supported by a mix of regional anchor industries, growth opportunities, foundational business sectors, and visitor- and experience-related activity. While individual sectors contribute differently to employment, payroll, economic output, and regional competitiveness, they form Chico's economic base.

Table 8: Chico's Economic Drivers Framework

Category	Key Sectors	Why They Matter
Anchor Drivers	Healthcare, Education, Ag & Food Systems	Major employers, regional draw, workforce development, export activity, and economic stability
Core Drivers - Growth & Diversification Opportunities	Manufacturing, Technology, Information	Productivity growth, higher wages, innovation, economic diversification, and business expansion
Core - Emerging Drivers	Manufacturing, Technology, Information, Creative	These are typically niche within a sector creating a small cluster, still in the small under 20 employee categories but potential for growth
Support Drivers aka Foundational Economy	Construction, Professional Services, Transportation & Logistics, Government, Local Services, Retail, Hospitality	Supports business operations, quality of life, entrepreneurship, hospitality and community vitality
Support Drivers - Hospitality & Experience Economy	Retail, Hospitality, Arts & Entertainment, Recreation, Conferences & Events	Captures spending from regional consumers, students, patients, visitors, vendors, contractors, and business travelers

1) **Anchor Drivers.** These sectors generate employment, attract activity from throughout the region, support workforce development, and contribute significantly to overall economic stability. Healthcare and education serve as major regional anchors, while agriculture and food systems remain important anchors of the broader regional economy, providing opportunities for value-added business activity, innovation, and supply chain development.

2) **Core Drivers - Growth & Diversification Opportunities & Emerging Drivers.** Manufacturing, information, finance and technology-related industries represent potential opportunities for future growth and diversification. These sectors generate higher levels of productivity, wages, business investment, and economic output.

   While some have experienced slower growth or employment declines in recent years, they remain strategically important because of their potential contribution to long-term competitiveness and economic diversification.

   Emerging Drivers are typically represented in this sector, with niche industries emerging within a larger established sector.

3) **Support Drivers - Foundational Economy.** Construction, professional services, local services, and government activity provide the foundation that supports broader economic growth.

Small businesses as a group (not sector, those under 20 employees) account for the overwhelming majority of establishments within Chico and play an important role in entrepreneurship, innovation, local services, and community character.

Support Drivers - Hospitality & Experience Economy. Unlike traditional tourism destinations, Chico's experience economy is supported by a broader mix of regional consumers, students, patients, visiting families, healthcare professionals, vendors, contractors, business travelers, conference attendees, visiting scholars, and individuals participating in cultural, recreational, and entertainment activities as a regional hub and traditional tourism overnight visitors.

This market activity supports restaurants, lodging, retail businesses, entertainment venues, cultural organizations, recreation providers, and numerous small businesses throughout the community. Chico is fortunate to be supported by Explore Butte County with a countywide tourism strategy and local Travel Chico.

4) **Support Drivers – Arts & Creative Sector is typically a niche within the Hospitality & Experience Economy**

Although the Arts, Entertainment, and Recreation sector represents a relatively small share of total employment, rts, culture, recreation, festivals, and community events help support visitation, talent attraction, local spending, and Chico's role as a regional destination. the Creative Sector is viewed less as a primary economic driver and more as an important contributor to community and cultural development and place competitiveness.

4.1 Business Mix & Economic Structure. While the "Industry Lens" (Economic Drivers Framework) identifies the industries that influence Chico's economy, business size provides a second lens for understanding how economic activity is organized. Chico's economy is both broadly entrepreneurial and highly dependent on a relatively small number of larger employers.

Small businesses make up nearly **93%** of all firms and form the foundation of Chico's economy. They support entrepreneurship, local services, neighborhood commercial activity, hospitality, community character, and quality of life. However, while small businesses represent nearly all establishments, they account for approximately **36% of jobs** and **30% of payroll**.

By contrast, mid-market and anchor employers represent a small share of total firms but generate a disproportionate share of employment and payroll. Firms with more than 20 employees account for only about **7% of businesses**, but nearly **64% of jobs** and more than **70% of payroll**. Anchor employers alone represent less than **1% of businesses**, yet account for nearly **30% of jobs** and **36% of payroll**.

Table 9: Business Size Structure

EDD LMID Q3 2024, Chico MSA. Workbook aggregates suppressed 500+ size categories into Anchor totals.

Category	Businesses	% Businesses	Jobs	% Jobs	Payroll ($000)	% Payroll
Small (0-19)	7,985	92.7%	23,348	36.4%	$262,526	29.5%
Mid-Market (20-99)	565	6.6%	21,777	34.0%	$307,193	34.6%
Large (100+)	64	0.7%	18,992	29.6%	$319,112	35.9%
Total	8,614	100.0%	64,117	100.0%	$888,831	100.0%

This structure creates both strength and vulnerability. Chico benefits from a diverse small-business base, but its employment and payroll base is highly influenced by a relatively small number of mid-market and anchor employers. Retaining and supporting these employers is important to economic stability, while helping more small firms scale into the mid-market segment may represent one of Chico's strongest opportunities for future job growth, payroll growth, and economic output.

KEY FINDING

Chico's long-term economic vitality depends on both sides of its business structure: maintaining a healthy small-business ecosystem and supporting the mid-market and anchor employers that generate a disproportionate share of jobs, payroll, and economic activity and understanding how these protect stability and regional influence and increase productivity and economic output.

RECAP: Employment & Economic Activity, Economic Drivers

Section 3, Employment & Economic Activity analysis indicates that future employment and economic output growth are projected to be more modest than target benchmarks. Viewed through both the industry and business mix lenses, data suggest opportunities to improve economic performance lie in:

1. maintaining strong anchor industries,
2. expanding higher-value growth sectors,
3. sustaining a healthy small-business ecosystem, and
4. increasing the number of mid-market firms that generate a disproportionate share of jobs, payroll, and economic output.

5. Chico's Regional Importance is Increasing, but Workforce Capacity May be a Constraint

For decades, Chico has served as the primary center for healthcare, higher education, retail activity, professional services, government services, and regional commerce. As a result, Chico functions as both a local economy and a regional service center, influencing employment, healthcare demand, consumer spending, educational activity, and business growth well beyond its city boundaries.

However, Chico does not function as a self-contained labor market. In 2023, approximately 23,475 workers commuted into Chico, while 18,746 Chico residents commuted elsewhere, resulting in a net inflow of nearly 4,700 workers. Only about half of the people working in Chico both live and work within the city.

Table 10: Chico Commuting Patterns

Census OnTheMap/LEHD data from workbook. 2023 shows a net inflow of 4,729 jobs.

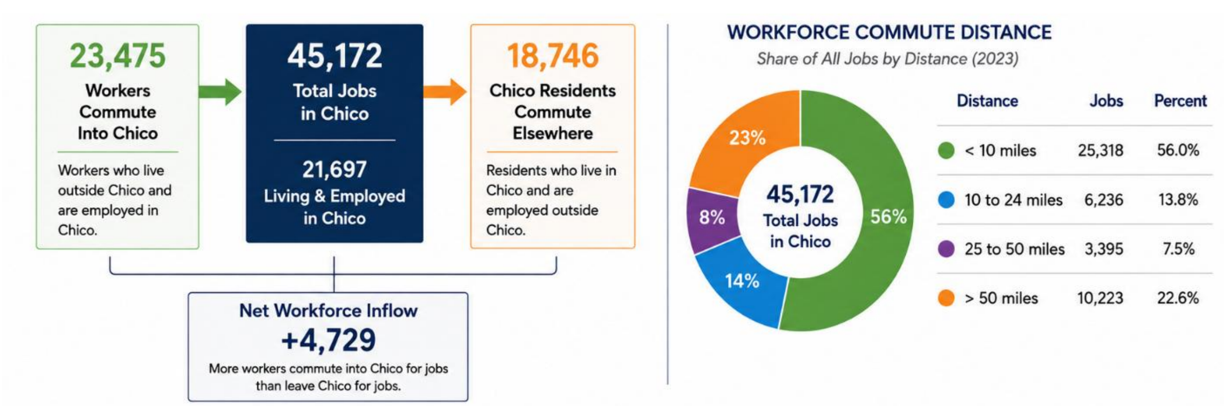

Table 11: Chico's Regional Economic Role

Regional Function	Evidence of Regional Draw	Economic Importance
Healthcare	Regional hospital system, specialty care, medical offices, and healthcare services serving residents throughout Butte County and surrounding communities	Major employment sector, high-wage jobs, regional service center
Higher Education	CSU Chico and Butte College attract students, faculty, staff, conferences, visiting scholars, and related spending from outside the city	Workforce development, talent production, economic activity, innovation
Retail & Commercial Services	Regional shopping destination for much of Butte County and surrounding areas	Consumer spending, taxable sales, small business support
Professional & Business Services	Legal, accounting, financial, engineering, consulting, and other business services serving a broader regional market	Business support, higher-wage employment, economic diversification
Government & Public Services	County government functions, courts, public agencies, and regional service providers are concentrated in Chico.	Employment center and regional administrative hub
Entertainment, Events & Visitor Activity	Sporting events, conferences, university events, performances, dining, recreation, business travel, vendors, and family visitation	Supports hospitality, retail, restaurants, and local spending

KEY FINDING

The data indicates Chico remains the primary employment, healthcare, education, retail, and professional services center. Rather than becoming less important regionally, Chico's role appears increasingly central to the economic performance of surrounding communities. Also highlights an important economic consideration: *Chico depends on workers from surrounding communities to support business growth and regional service demand*.

As regional population and workforce growth slow, Chico's ability to sustain economic expansion may increasingly depend on attracting, retaining, housing, and connecting workers to employment opportunities throughout the region.

6. Workforce Capacity May Become the Primary Constraint on Future Growth

As population growth slows and labor markets tighten, workforce availability and capacity may become one of the most important factors influencing future economic growth and diversification. There are three lens to looking at workforce's impact on economic growth – current demand, supply and long-term talent pipeline.

6.1 Demand for workers remains strong across multiple sectors. Review of Lightcast Q1 2026, March 2026 suggests the volume of postings indicates employers are actively trying to hire. This is not a situation where job growth is being constrained by a lack of business demand. Healthcare dominates labor demand, but significant hiring activity also exists in education, management, business operations, transportation, administrative support, and service occupations.

Many of the highest-demand occupations are tied directly to Chico's anchor industries - healthcare, education-related, management and business and financial operations occupations. The data shows significant demand for occupations requiring specialized education, credentials, technical skills, certifications, or experience which are among the highest-paying. *The data also suggest employers may be competing for a limited pool of available workers across multiple industries and occupations*.

Table 12. Top Posted Occupations

Occupation (SOC)	Unique Postings (Sep 2025 - Feb 2026)	Median Posting Duration
Healthcare Practitioners and Technical Occupations	2,585	18 days
Sales and Related Occupations	750	21 days
Management Occupations	678	21 days
Office and Administrative Support Occupations	672	21 days
Healthcare Support Occupations	574	21 days
Transportation and Material Moving Occupations	390	18 days
Food Preparation and Serving Related Occupations	388	22 days
Educational Instruction and Library Occupations	362	21 days
Installation, Maintenance, and Repair Occupations	315	23 days
Business and Financial Operations Occupations	310	20 days
Community and Social Service Occupations	268	27 days
Arts, Design, Entertainment, Sports, and Media Occupations	211	27 days
Construction and Extraction Occupations	200	31 days
Building and Grounds Cleaning and Maintenance Occupations	194	20 days
Production Occupations	152	20 days
Protective Service Occupations	147	20 days
Life, Physical, and Social Science Occupations	115	22 days
Personal Care and Service Occupations	109	19 days
Computer and Mathematical Occupations	102	28 days
Architecture and Engineering Occupations	91	20 days
Legal Occupations	45	24 days
Farming, Fishing, and Forestry Occupations	31	14 days
	8,689	

KEY FINDING

The persistence of these openings suggests the issue is here and that future economic growth may be influenced less by the availability of jobs and more by the region's ability to attract, retain, train, and connect workers to employment opportunities. The challenge likely reflects a combination of factors that need to be verified with employers, such as:

- Workforce availability
- Specialized skills
- Recruitment difficulties
- Retention challenges
- Housing availability
- Regional labor force constraints

6.2 Regional Workforce Dependence. As noted in Section 5, Chico depends heavily on workers commuting from surrounding communities, making workforce capacity a regional issue rather than a local one.

As population growth slows and labor force expansion becomes more limited in the region, the availability of workers may increasingly influence Chico's ability to support business expansion, fill critical occupations, and sustain long-term economic growth.

6.3 Talent Pipeline (Butte County). Trends point to a workforce aging faster than it is being replenished, signaling potential longer-term risks for Chico’s economy. These workforce challenges are already evident today and are expected to intensify over time.

Table 13: Talent Pipeline Factors Effect Region Over Time

SHORT-TERM 0–5 YEARS	MEDIUM-TERM 5–10 YEARS	LONG-TERM 10+ YEARS
TODAY: DEMAND IS STRONG, HIRING IS CHALLENGING	**BUILDING PRESSURE: SHORTAGES BECOME MORE VISIBLE**	**STRUCTURAL CONSTRAINT: GROWTH AT RISK**
• Strong employer demand across healthcare, education, management, transportation, and service occupations • Persistent job openings indicate hiring challenges already exist • Workforce remains relatively stable due to growth in older working-age cohorts • Labor availability increasingly influences business growth	• The retirement wave accelerates • Fewer replacement workers available • Labor shortages become more visible, especially in skilled roles • Increased competition for workers • Pressure on wages and recruitment increases	• More retirees than workforce entrants • Structural imbalance in the labor force • Risk of slower economic growth unless offset by in-migration or student retention • Potential shift toward a service-heavy, older-skewing economy • Greater dependence on attracting workers from outside the region
EVIDENCE: High volume of job postings with many positions remaining open for extended periods (Lightcast, Sep 2025–Feb 2026).	**IMPACT:** Employers face greater difficulty filling positions; workforce gaps begin to constrain operations and growth plans.	**IMPACT:** Workforce availability becomes a primary constraint on long-term economic growth and community vitality.

Other effects by talent pipeline cohort could be:

1) Shrinking Talent Pipeline (0–19, -2.7%) This is notable because CSU Chico is a major talent feeder—if local youth decline and student retention post-graduation is weak, the pipeline tightens further.
2) Modest Growth in Early-Career Workers (20–39, +2.6%) The growth is relatively small compared to older cohorts, which means it may not offset future retirements.
3) Strong Growth in Mid-Career Workers (40–59, +8.8%) This group will transition into retirement within 10–20 years, adding to future pressure.
4) Rapid Growth in Near-Retirees (60–79, +9.5%) This could risk the loss of institutional knowledge and skilled labor, as well as increase demand for healthcare, senior services, and age-friendly infrastructure. It could shift the economy toward a “retirement destination” dynamic, rather than a growth-oriented workforce hub.

KEY FINDING

Employer demand remains strong across healthcare, education, management, professional services, and skilled occupations, while demographic trends indicate slower workforce growth and increasing retirement pressure.

RECAP: Workforce Capacity – Primary Constraint on Future Growth

The data suggest workforce capacity is already emerging as a constraint on economic growth and may become more significant over time. Employers across healthcare, education, management, business operations, transportation, and service industries continue to report strong hiring demand, while Chico relies heavily on workers commuting from surrounding communities to fill many of those positions.

At the same time, demographic trends indicate slower population growth, workforce aging, and a talent pipeline that may not fully replace future retirements. These trends suggest the gap between workforce demand and workforce supply could widen over time.

While additional employer input is needed to better understand the underlying causes, workforce challenges may reflect a combination of labor availability, skills alignment, recruitment and retention difficulties, housing availability, transportation access, childcare availability, and broader regional labor force constraints.

As a result, **workforce capacity may become the increasingly important factor influencing Chico's ability to sustain business growth, support anchor industries, expand higher-value sectors, and achieve stronger long-term employment and economic output growth**.

7. Talent Retention May Become a Competitive Advantage

The previous workforce analysis suggests future economic growth may be influenced by the region's ability to supply workers to meet demand. At the same time, Chico possesses workforce and educational assets that few communities of similar size can match.

CSU Chico and Butte College collectively educate and train thousands of students each year while serving as major employers, workforce development partners, and economic drivers. These institutions contribute to the talent pipeline that supports healthcare, education, business services, technology, manufacturing, government, and numerous other sectors throughout the region.

As workforce growth slows and replacement needs increase, the ability to retain students, graduates, and workforce trainees may become a priority for Chico's long-term economic performance

KEY FINDING

Chico benefits from significant talent-producing institutions. The ability to connect students and graduates to local employment opportunities may become one of the region's most competitive advantages.

Increasing the number of students, graduates, and workforce trainees who remain in the region could help address workforce needs, support business growth, strengthen anchor industries, and improve the region's ability to achieve stronger long-term employment and economic output growth.

8. Paradise Recovery Remains an Important Regional Variable

The Camp Fire fundamentally altered population distribution, housing demand, workforce patterns, consumer spending, and service demand throughout Butte County. While much of the discussion surrounding Paradise focuses on rebuilding and recovery, the pace of that recovery also has important implications for Chico and the region’s future economic performance.

Many long-term regional forecasts assume continued population and housing recovery in Paradise. As residents return and housing stock is rebuilt, Paradise may contribute to the broader regional labor force, housing supply, consumer base, and service economy. As a result, the pace of Paradise's recovery influences workforce availability, healthcare demand, educational enrollment, consumer spending, and growth patterns throughout the region.

Table 14: Paradise Recovery Indicators

Census Population/Housing. Continued Paradise recovery affects regional labor, service, and consumer demand assumptions.

Year	Population	Housing Units	Occupied Units	Vacancy Rate	Persons per Household
2020	4,710	2,493	2,172	12.9%	2.17
2021	5,698	3,001	2,615	12.9%	2.18
2022	6,990	3,702	3,226	12.9%	2.17
2023	8,147	4,365	3,804	12.9%	2.14
2024	8,889	4,801	4,184	12.9%	2.12
2025	9,686	5,294	4,614	12.8%	2.10
2026	10,581	5,822	5,074	12.8%	2.09

KEY FINDING

The workforce analysis suggests future economic growth may increasingly depend on the availability of workers throughout the broader region. In that context, continued recovery in Paradise may represent one of the region's most important opportunities to expand workforce capacity and housing availability without relying solely on population growth within Chico.

Conversely, if recovery occurs more slowly than projected, Chico may continue absorbing a larger share of regional population growth, housing demand, workforce demand, healthcare utilization, educational activity, and consumer spending than many forecasts currently assume.

As a result, Paradise recovery should be viewed not only as a rebuilding effort, but also as a regional economic factor that may influence Chico's future workforce capacity, housing conditions, service demand, and long-term economic competitiveness.

Executive Findings

1. Recovery Has Occurred, but Future Growth Is Projected to Slow
2. Chico's Regional Role Continues to Strengthen
3. Workforce Capacity May Become the Primary Constraint on Future Growth
4. Future Growth Opportunities Are Concentrated in a Relatively Small Number of Areas
5. Chico Possesses 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:

- Anchor and core economic drivers must remain competitive and continue to grow.
- Mid-market firms may represent the greatest opportunities for future job, payroll, and economic output growth.
- Small businesses remain foundational to community vitality, entrepreneurship, and local services and must be maintained.

- Workforce capacity is already emerging as ***the constraint*** and may increasingly influence the region's ability to support business expansion and economic growth.
- Productivity, talent retention, and growth in higher-value industries is key to achieving stronger economic outcomes, Chico's CSU and Butte College assets may a critical role here as well as being an anchor driver.
- With aging of 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.

RECAP: **Executive Summary Finding**	**Why it Matters**
Chico has largely recovered	Employment, GRP, and taxable sales have recovered from the Camp Fire and pandemic disruptions.
Future growth is projected to be modest	Employment growth (~0.6%) and real GRP growth (~2%) are below healthy growth benchmarks.
Demand remains strong and Chico's regional role is increasing	Chico continues to attract workers, consumers, students, patients, and businesses from throughout the North State.
Workforce capacity is already becoming a growth constraint	Employers report persistent hiring demand while labor force growth is slowing regionally, suggesting workforce availability may increasingly limit economic expansion.
Anchor employers and mid-market firms drive the economy	A small number of employers generate a disproportionate share of jobs, payroll, economic output, and regional economic activity.
Small businesses remain foundational	Retaining anchor employers and helping mid-market firms grow has an outsized impact on jobs, payroll and economic output.
Productivity and higher-value growth matter	Increasing output per worker, supporting growth sectors, and expanding higher-value industries may be critical to achieving stronger economic performance.
Talent retention is an opportunity	CSU Chico, Butte College, and workforce partners provide a competitive advantage if more students and trainees remain in the region.
Paradise recovery remains a regional variable	Housing, workforce supply, consumer demand, and regional growth patterns remain interconnected