BUTTE • GLENN • TEHAMA
2028–2033 CEDS
Addressing Challenges. Driving Progress.

What This Briefing Measures – Economic Scan 3CORE Region

The Regional Economic Scan examines the underlying conditions shaping the 3CORE region using employment, Gross Regional Product (GRP), GRP per Worker, taxable sales, workforce, business composition, commuting patterns, and demographic trends.

These indicators provide insight into regional economic performance, competitiveness, and long-term economic capacity. While major events such as natural disasters, drought, public infrastructure investments, and economic cycles continue to influence individual counties and communities, this briefing evaluates the broader regional economy rather than isolating the impacts of any single event or investment.

1. What Story Is Emerging for the Region?

The 3CORE Region, Butte, Glenn, and Tehama Counties, is comprised of three distinct economies. Each county contributes different industries, workforce, infrastructure, and economic assets that, when viewed collectively, expand regional competitiveness, opportunity and economic capacity.

These individual economies create a diversity that broadens the region's economic capacity by creating a larger and more complete economic system benefiting from complementary economic functions that support one another. This diversity allows businesses to gain access to specialized suppliers, research, transportation networks, education, healthcare, and a larger labor market. Workers also have access to a wider range of employment opportunities without leaving the region.

The uniqueness of the 3CORE region, with its three distinct economies, means regional collaboration does not diminish local identity, it strengthens it by allowing each county and community to build on its own competitive advantages while benefiting from a broader regional economic capacity.

2. Economic Analysis Findings

While each county has distinct industries and competitive advantages, they share common economic trends that will increasingly influence long-term competitiveness:

Economic Growth is Projected to Continue at a Very Moderate Pace. Employment, Gross Regional Product (GRP), and consumer activity are projected to grow across the region to 2033. Projected employment growth is generally below long-term, healthy benchmarks of one to two percent per year, indicating that future economic gains increasingly rely on rising productivity, business investment, innovation, and new businesses supported by both policy and regional financial networks, and on value-added economic activity, not just workforce expansion alone.

Demographic Shifts are Emerging as a Long-Term Economic Influence. An aging population is expected to influence labor force participation, healthcare demand, business succession, and future workforce availability. Housing availability, workforce attraction, and talent development will become increasingly important factors affecting regional economic capacity.

The Regional Labor Market Functions Across County Boundaries. Businesses draw workers from across county boundaries. Data suggests that nearly 49,000 residents routinely commute within and outside the region for employment, education, healthcare, and services.

Anchor Industries Continue to Drive Employment & Economic Output. Agriculture and food systems, healthcare, manufacturing, forest products, education, and micro and small businesses will remain the foundation of the regional economy. Opportunities to expand value-added production, business innovation, entrepreneurship, applied research, and business scaling have the potential to strengthen future employment, productivity, and economic output.

- **Key Takeaway**: The analysis suggests that future economic performance will depend increasingly on the region's ability to adapt to demographic change while leveraging its diverse industries, workforce, and regional partnerships to be a place for businesses to expand and new businesses to grow.

2. Three Counties. Three Economic Identities.

The region's strength comes from the fact that each county contributes different assets, industries, institutions, workforce, and market opportunities to the regional economy.

Rather than competing for the same economic opportunities, the three counties must complement one another through this connection of place to create shared systems and resources – infrastructure, workforce, services, and supply-chain connections.

County	Regional Identity	Primary Regional Contribution	Emerging Opportunities
Butte County	**Regional Center**	Education, healthcare, government, innovation, commercial services, entrepreneurship, and regional employment	Talent development, healthcare expansion, applied research, business scaling, downtowns, tourism, energy, natural resources, and advanced/value-added production
Glenn County	**Agricultural Production Economy**	Working lands, food production, pollination, ag supply chains, and agricultural value chains	Value-added agriculture, AgTech, water reliability, Sites Reservoir-related opportunities, Main Streets, Orland Airport, and applied research
Tehama County	**Diversified Rural Economy & Regional Connector**	Agriculture, forest products, manufacturing, healthcare, logistics, natural resources, visitor economy, and Interstate 5 access	Forest products innovation, biomass, manufacturing, visitor spending, Main Streets, outdoor recreation, logistics, and regional market access

3. Business Ecosystems & Economic Capacity

To analyze the dynamics of business roles and how businesses participate/contribute to the regional economy a quantitative economic measurement tool (20-Sector NAICS data) is combined with a business impact and contribution roles in the local economy (Economic Roles Businesses/Sectors) and market, business relationships, economic value, business operation interaction (Market Ecosystems) to identify where challenges and opportunities exist which can guide strategic actions

to strengthen local and regional economic capacity. These business roles provide a consistent framework for organizing the region's industries while recognizing that individual businesses may contribute to more than one role and function differently based on their market.

Economic Roles of Business – *Classifies how businesses contribute to the economy*. Businesses contribute to the regional economy in different ways. Some industries generate employment, payroll, exports, and Gross Regional Product (GRP), while others support business expansion, provide essential infrastructure and services, or strengthen local communities and quality of life. The Business Ecosystem framework groups businesses into four primary business roles based on their contribution and impact to the regional economy:

Sector Business/Impact Role	Primary Economic Contribution
Anchor Drivers	Major economic drivers that generate employment, payroll, GRP, exports, and investment, i.e., Agriculture, Forest Products, Education, Health Care, Value Added Productions, Public Institutions.
Growth Businesses	Firms with the greatest opportunity to expand employment, investment, innovation, and future economic output i.e., Small & mid-Market sector-oriented, Manufacturing, Technology, Information
Enabling Businesses	Construction, infrastructure, logistics, utilities, warehousing, business services, engineering, and other industries that allow businesses and communities to operate efficiently.
Foundational Businesses	Micro and small, locally serving, businesses support residents, visitors, entrepreneurship, vitality, and quality of life, i.e. retail, restaurants, hospitality, entertainment, professional-personal services, arts and culture.

Market Ecosystems – *How businesses and markets interact to create economic value*. While businesses perform different economic roles, they also participate in broader market ecosystems that serve different customers, responding to different market forces, and creating economic value in different ways.

Business Ecosystem	Primary Market	What Drives Success
Agriculture	Global & specialty markets	Productivity, water, and value-added production
Forest Products & Manufacturing	Regional & national markets	Resources, skilled workforce, transportation
Healthcare	Population demand	Demographics, workforce, access to care
Micro & Small Business	Residents & businesses	Population, local spending, entrepreneurship
Visitor Economy	Outside visitors	Attractions, events, experiences, accessibility

- **Key Takeaway:** Businesses create economic value through different roles, markets, and ecosystems. Understanding these relationships provides a broader view of regional economic diversity and capacity.

4. Regional Competitive Advantages & Growth Opportunities

The regional analysis identified several competitive advantages and emerging opportunities that extend beyond individual county boundaries. These opportunities build upon existing regional assets, complementary county strengths, and interconnected business and market ecosystems.

Agriculture & Food Systems. Agriculture remains one of the region's largest economic drivers, supported by productive working lands, specialty crops, livestock, food processing, and established agricultural supply chains. Opportunities continue to emerge in value-added food production, agricultural technology (AgTech), applied research, specialty products, and expanded regional food systems.

Natural Resources & Forest Products. The region's forests, working landscapes, and natural resources support wood products, forest management, biomass utilization, recreation, and environmental stewardship. Continued innovation in forest products, biomass energy, and wildfire resilience presents opportunities to strengthen both economic and environmental outcomes.

Education, Research & Talent. CSU Chico, Butte and Shasta College, K–12 districts, workforce partners, and industry collaborations provide a regional advantage for talent development and applied research. Connections between education, research, and employers support workforce readiness, innovation, entrepreneurship, and business competitiveness.

Transportation & Strategic Location. The region benefits from strategic transportation assets, including Interstate 5 (I-5), State Highway 99, regional airports, rail access, and freight networks. These assets strengthen market access for agriculture, manufacturing, logistics, tourism, and business investment and connect the region with statewide and national markets.

Healthcare & Community Services. Healthcare continues to be the region's largest and fastest-growing employment sector. An aging population is increasing local and regional demand for healthcare services, creating a wide array of opportunities for workforce development, expanded healthcare partnerships, and innovation in rural healthcare delivery.

Micro & Small Business Growth. Micro and small businesses remain the region’s foundation and represent the primary source of entrepreneurship and new business formation. Opportunities exist for additional collaborative efforts using existing resources to support these businesses and assist growth businesses in scaling.

Experience Economy. The region's historic Main Streets, agricultural experiences (including wineries), outdoor recreation, rivers, public lands, destination events, arts, and cultural assets collectively create an experience economy. These assets attract outside spending, strengthen community identity, support locally owned businesses, and create opportunities to increase visitor activity throughout the region.

Regional Infrastructure & Strategic Investments. Major regional investments—including Sites Reservoir, energy infrastructure, broadband expansion, water reliability, transportation improvements, industrial site readiness, and community infrastructure—have the potential to expand economic capacity and support future business investment across the region.

- **Key Takeaway:** The region's greatest opportunities will be built upon its diversity and existing strengths as a region while creating pathways to address challenges and convene teams to strategically advance opportunities furthering economic growth and stability.

5. Regional Implications

While each county has distinct economic strengths and opportunities, several common trends emerged across the region that may influence future economic growth, competitiveness and capacity:

1) Economic growth is projected at a very moderate pace (below normal standards), increasing the importance that businesses will need to operate with improved productivity and business investment to achieve economic value creation.
2) Workforce availability, labor force participation, housing mix and availability, and an aging population are emerging as long-term constraints on regional economic growth.
3) The future talent pipeline—from K–12 schools through higher education, career technical education, apprenticeships, and workforce partnerships—will become increasingly important to replacing an aging workforce and meeting the needs of existing and emerging industries.
4) Agriculture, healthcare, manufacturing, forest products, and education will continue to serve as the region's primary economic anchors.
5) Micro and small businesses form the foundation of the regional economy, yet they are often the most vulnerable to economic disruptions, natural disasters, workforce shortages, and changing market conditions. Their long-term resilience and ability to adapt will remain important to regional economic stability and community vitality.
6) Clustering and growth of small and mid-market firms to their industry growth projections could influence future employment and economic output.
7) Some counties and communities are continuing to manage disaster recovery, reconstruction, and reoccupation, highlighting wildfire resilience, forest management, infrastructure, energy and water reliability as part of risk avoidance.
8) Regional taxable sales continue to be influenced by public infrastructure investment and disaster recovery spending, including more than $155 million in recovery investments supporting Butte County's continued recovery from the Camp, North Complex, and other disasters. As these investments mature over time, maintaining taxable sales growth will increasingly depend on private-sector investment, business equipment and supply expansion, population growth, and visitor spending.
9) Regional commuting patterns reinforce that workforce, education, healthcare, and transportation operate as interconnected regional systems rather than independent county systems which can be leveraged.
10) Emerging opportunities in value-added agriculture, AgTech, forest products innovation, biomass, energy and transportation, the experience economy, and strategic investments such as Sites Reservoir provide opportunities to strengthen long-term regional economic growth.
11) Artificial intelligence (AI) is expected to be more complementary than substitutive to the region's workforce over the next five years.

❖ **Key Takeaway:** The complementary economic identities of Butte, Glenn, and Tehama Counties provide the foundation for regional collaboration while allowing each county to build upon its own unique competitive advantages.

3CORE REGION

Three Counties. Three Distinct Economic Identities.
One Interconnected Regional Economy.

BUTTE COUNTY • GLENN COUNTY • TEHAMA COUNTY

THREE DISTINCT ECONOMIC IDENTITIES

REGIONAL CENTER

Education, healthcare, government, innovation, business services, and regional commercial hub.

AGRICULTURAL PRODUCTION ECONOMY

Working lands, water resources, agricultural production, pollination, and agri-food value chains.

DIVERSIFIED RURAL ECONOMY & REGIONAL CONNECTOR

Agriculture, forest products, manufacturing, healthcare, I-5 corridor, logistics, and visitor economy.

CONNECTED REGIONAL SYSTEMS

WORKFORCE
Talent, labor mobility, and participation

HEALTHCARE
Access, capacity, and growing demand

TRANSPORTATION
I-5 corridor, connectivity, and logistics

EDUCATION
K-12, colleges, training, and innovation

SUPPLY CHAINS
Ag, manufacturing, distribution, and business networks

HOUSING
Availability, affordability, and choice

FOUNDATIONS FOR REGIONAL STRENGTH

STRONG BUSINESSES
Anchor, growth, and small business expansion

A STRONGER WORKFORCE
Attraction, retention, skills, and participation

RESILIENT COMMUNITIES
Housing, livability, infrastructure, and quality of life

INNOVATION & DIVERSIFICATION
Value-added, technology, entrepreneurship, and new opportunities

REGIONAL COLLABORATION
Partnerships that leverage strengths across counties

CONNECTED BY PLACE
Linked by shared systems, infrastructure, workforce and opportunity.