

# Capital Region Economic Assessment Community Summary



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## SECTION ONE

# A New Approach to Building Economic Strength

Representing eight counties in the Capital region, over 150 organizations, and hundreds of community leaders and residents, **We Prosper Together** is taking a community-led approach to economic development.

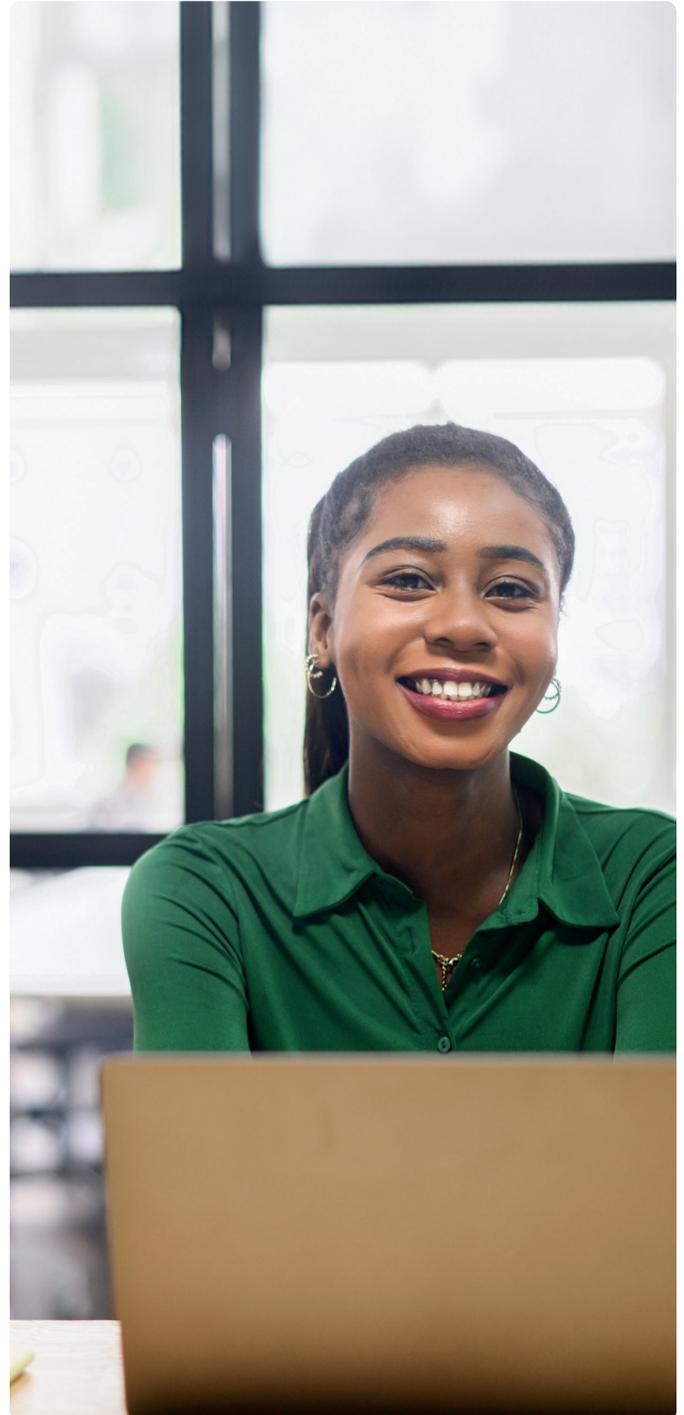
From our growing industries and rich agricultural foundation, to our diverse communities and innovation happening right in our neighborhoods, we are leveraging the broad strengths of our region. We strive for a workforce that meets the needs of our future while advancing an economy where we can all thrive for generations. We are doing so by connecting the region through our Collaborative, co-designing a shared regional plan, attracting investments, and investing in fresh ideas from our communities.

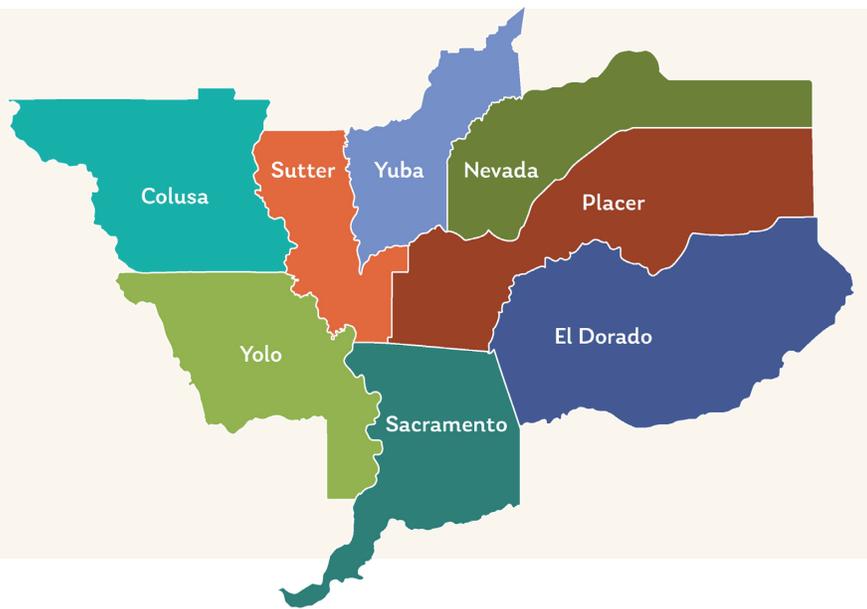
The Capital Region Economic Assessment is a holistic research report guiding our shared understanding of our region to ensure that the solutions we push forward are grounded in the lived experiences of our communities and the opportunities of the region.

Developed by Cities GPS, a multidisciplinary team of researchers, strategists, and practitioners, the report summarizes research ranging from regional economic performance data to demographic trends and interviews with stakeholders across the region, including those who have historically been excluded from economic planning.

As **We Prosper Together** continues to engage with community members, this research will support efforts in creating a path forward that uplifts the entire region.

The work of **We Prosper Together** builds off of California Jobs First's Regional Investment Initiative Program (formerly known as the Community Economic Resilience Fund or CERF), a state program investing \$600 million into 13 regions across the state to drive sustainable, equitable growth and job creation within their communities and the state.





## SECTION TWO

# Leveraging the Capital Region's Diversity to Bolster our Communities

### A Web of Diversity and Strengths

We Prosper Together bridges the diverse counties of Colusa, El Dorado, Nevada, Placer, Sacramento, Sutter, Yolo, and Yuba. Framed by the Sierra Nevada mountains in the east, the fertile Sacramento Valley in the west, crisscrossing rivers, towering forests, and vibrant towns and cities, the Capital region features a wide range of opportunities for both newcomers and those who have called our region home for generations. With access to expansive recreational activities, great schools, and a diverse base of industries, the region can be an excellent place to grow up, raise a family, and pursue a career.

Demographically, our region is home to one of the most racially, ethnically, and culturally diverse populations in the country, with half of our residents being from communities of color or members of Tribal Nations.

The eight counties of the region encompass rural, urban, and suburban communities, each with its own aspirations and priorities. Acknowledging the distinct needs and concerns of each subregion and intentionally coordinating and collaborating with each other will help to amplify the impacts from the solutions and strategies that are being put forward.

### An Economy Fueled By a Variety of Robust Industries

Our regional economy is a mix of historic strengths and emerging possibilities that together hold the promise of a diverse and resilient industry base.

Known as America's "Farm-to-Fork Capital", our region is anchored by a robust agriculture sector, with strengths ranging from food production and processing to forest management. Government is also a key source of employment, offering great state and local public-sector jobs. With the Tahoe Basin among California's most popular tourist destinations and sights to see throughout the region, tourism and hospitality make large contributions to the regional economy.

While agriculture, government, tourism, and hospitality will continue to play major roles in the area's economy, interest in greater industry diversification is growing. Innovation and emerging strengths in precision manufacturing, agricultural technology, clean technology, business services, life sciences, and more create immense potential for growth and the creation of quality jobs.



SECTION THREE

# An Updated Approach to Economic Development

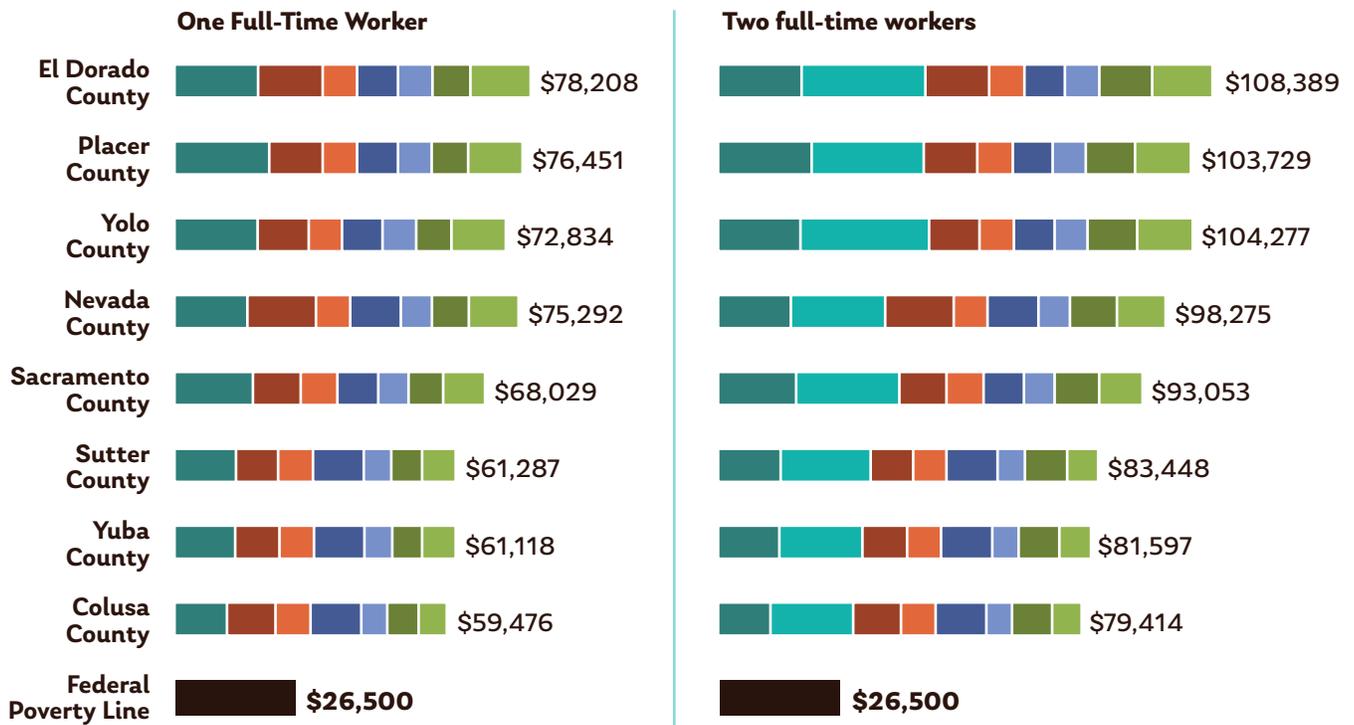
## Achieving Financial Stability and Mobility

**We Prosper Together** is working to ensure everyone in this region has access to a job that will support their family in being self-sufficient. This means that families are not only able to meet basic needs—including food, housing, transportation, and childcare—but also achieve financial stability and mobility. In order to do so, families need to be able to establish emergency savings, and put aside money for opportunities such as buying a home,

starting a business, or paying for education. These are all necessary for families to be able to build stability, thrive, and support the next generation in reaching their fullest potential.

**This research sets the annual income needed to achieve self-sufficiency in our region, which differs by family makeup and cost of living, and varies by county.**

Annual self-sufficiency standard for select family types in the Capital region, c. 2021



**Family Type:**

Two adults and two kids  
(1 preschooler, 1 schoolager)

Housing

Food

Healthcare

Savings

Federal Poverty Line

Childcare

Transportation

Miscellaneous

Taxes

Source: Brookings / Cities GPS analysis of University of Washington Self-Sufficiency Standard for California, 2021. Brookings / Cities GPS adds taxable emergency savings and non-taxable retirement savings to the self-sufficiency standard.

## Closing the Gaps: More Opportunities to Prosper

With so many choosing to raise their families in the Capital region, it's important that all are able to get the most out of what this area has to offer. **More than 61% of families in the Capital region are achieving self-sufficiency.** While that is a higher share than many other regions in California, too many families continue to struggle in earning enough to cover their basic needs, including food, healthcare, and transportation.

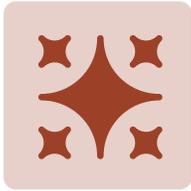
**Age, race, ethnicity, and gender shape the odds in struggling to make ends meet.** Large portions of workers who are struggling are young, mid-skilled, and people of color. Over half of the workers unable to meet the self-sufficiency standard are people of color. These factors correlate with persistent barriers to educational and economic success, reflecting a long history of limited access to opportunity for people of color in the U.S.

Our region is home to a large workforce of skilled, hard-working community members. But for many, **barriers to reaching self-sufficiency lie in a lack of access to living-wage jobs.** More than half of struggling adults in the region hold some level of post-secondary education, and another 34% earned a high school diploma or G.E.D.



A primary finding of this research indicates that **closing the gaps in access and investing in solutions that create jobs that lead to self-sufficiency** is not only critical for our region's future but also in **reducing inequity.**





SECTION FOUR

# Catalyzing the Creation of Quality Jobs

## Our Region Needs More Quality Jobs

Ensuring that every family is able to improve their financial situation over time is the essence of an inclusive regional economy. Quality jobs provide paths to financial self-sufficiency and generational wealth-building. It allows more families to establish a level of security and stability. And it starts to repair past damage done to historically disinvested communities.

Over one-third of the region’s jobs qualify as quality jobs. Another 18% qualify as “promising jobs”, or jobs that offer a pathway to a quality job within the next ten years. Using this research to inform the focus areas and strategies to create more quality jobs and improve the quality of existing ones is just one of the many steps toward building a future where everyone in the region can prosper.

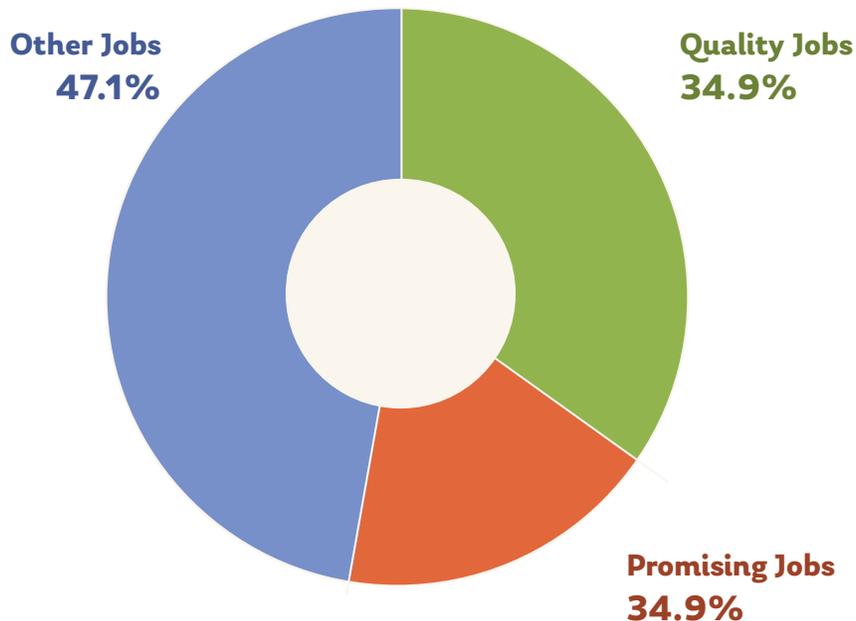


### What is a Quality Job?

Quality jobs are jobs that:

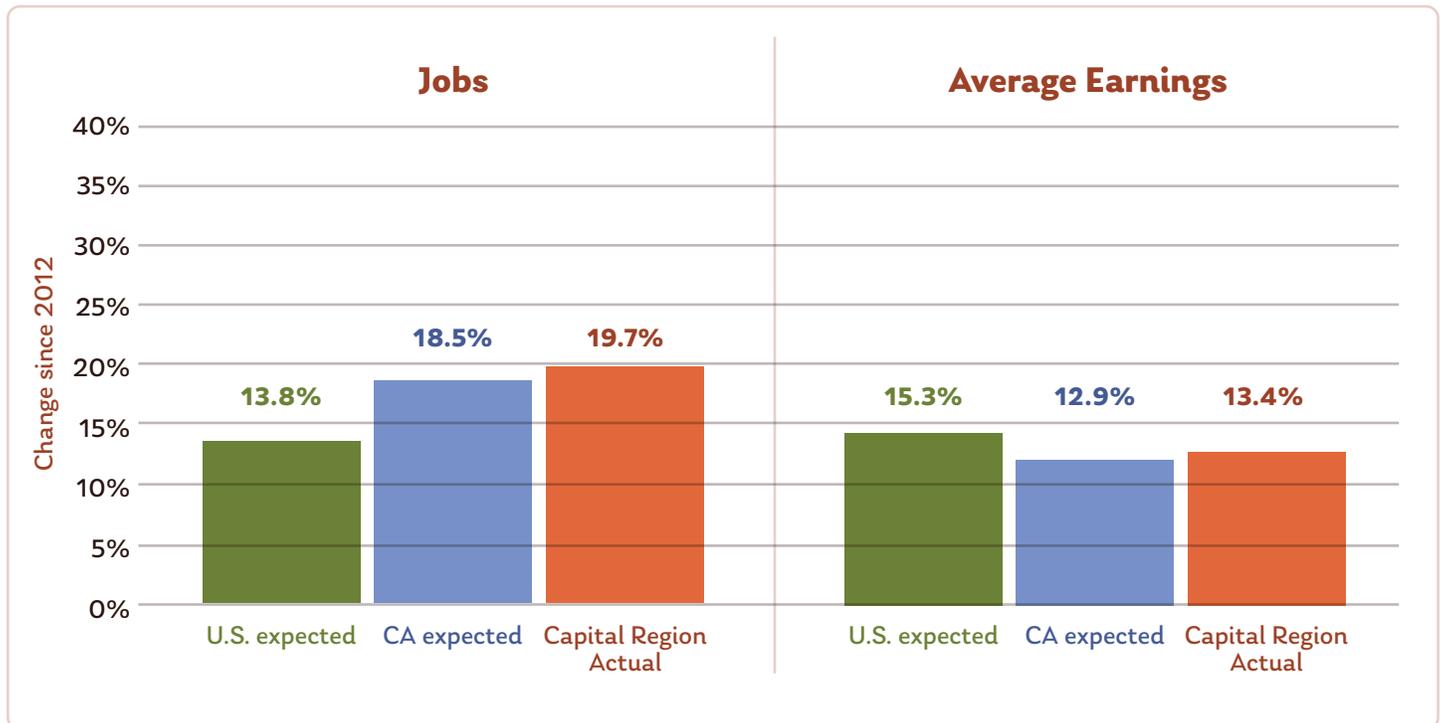
- Pay an annual wage that allows families to be self-sufficient and financially stable (our research sets this wage at \$59,568 to \$69,972 depending on the county)
- Offer employer-sponsored health insurance (a proxy for other worker benefits)
- Are stable or can continue to lead to another quality job

Share of jobs that are “opportunity jobs” in the Capital Region



## Our Region Outperformed Expectations for Jobs and Earnings

Proving that our region has a significant opportunity to create more quality jobs, the research found that we have outperformed expectations on job growth and average earnings over the last ten years. Our industries have grown faster than expected when compared to our U.S. and California counterparts. As a whole, our region was less severely impacted by the COVID-19 pandemic downturn, with better-than-average economic performance during the pandemic and a strong recovery compared to the rest of the country. During this period, El Dorado, Placer, Sutter, and Yuba Counties experienced the most dramatic growth and resilience.



## Where Does the Opportunity Lie?

While most industries contributed to job growth in the region, industries that directly serve our local communities—such as healthcare, local government, and hospitality—played an especially important role, making up 81.6% of our region’s employment growth. Industries that employ workers in the skilled trade industry such as manufacturing, logistics, utilities, and construction, saw faster job growth in our region compared to the rest of the state.

But this pattern of growth is difficult to sustain. As we move forward in creating an inclusive economy, we can’t discount tradable sectors, or sectors that sell goods or services to people outside of our region. These sectors supercharge economic growth by bringing in new money into the local economy and create a higher percentage of quality and promising jobs.



Shaping an economy that works for everyone will require us to both **invest in industries with high potential for quality job creation** and drive efforts to **transform jobs in industries that already employ large numbers of workers into high-quality jobs.**



## SECTION FIVE Moving Forward

### What Are The Implications?

Informing the development of **We Prosper Together's** upcoming regional plan, including what we will prioritize and the strategies we will take, this research leaves us with a few high-level implications:

**Support those who strive to thrive:** Supporting struggling families and communities in the region is necessary to foster a more inclusive regional economy.

**Improve access to quality jobs:** Investment in industries with high concentration of quality jobs should be paired with efforts to expand access to quality jobs and improve job quality throughout the economy.

**Leverage underutilized talent to support key sectors:** Many struggling workers have knowledge and skills that are relevant to quality jobs in key industries but lack access or pathways to quality jobs.

**Address uneven economic growth:** Inclusive economic development will require targeted investment in key industries, deliberate actions to address disparities, support for entrepreneurship and small business growth, and thoughtful modernization of traditional industry sectors.

**Recognize the importance of the Capital Region's working lands:** Whether it's agriculture or hospitality, much of the region's economy is linked to its rich natural resources. Effective land and resource management can help steward the region's natural assets and encourage more economic growth.

**Integrate systems that support families and businesses:** Create an economic environment focused on ensuring an inclusive, sustainable, and innovative society.



## Shifting Into Action

The Capital Region Economic Assessment draws out key strengths and challenges of the region and analyzes where the greatest opportunities exist to create the most impact for our region. Paired with input from our communities through surveys, listening sessions, roundtables, and more, this research sets a solid foundation for our next step: the development of strategies and priorities that will create equitable, sustainable economic growth that benefits everyone in our communities.



### What Can You Do?

- Check out how **We Prosper Together** is using this information to work with community members across the region to develop an economic plan of action by visiting our website at [weprospertogether.org](http://weprospertogether.org).
- Learn more about what opportunities our region holds to create a future in which each and every one of us can prosper by reading the full report at [weprospertogether.org/research](http://weprospertogether.org/research).
- Interested in taking matters into your own hands? Visit our website to join the We Prosper Together collaborative. Don't hesitate to reach out with any questions by emailing us at [info@weprospertogether.org](mailto:info@weprospertogether.org).

