

RRSC - Industries/Econ
Employment

Sentinel Editorial

The Job Report

9/29/74

There were more people at work in Santa Cruz in August than there were a year ago, but there were also more residents out-of-work than in August, 1973.

This type of a report is indicative of all the recent studies by the State Department of Employment Development.

Since the state is now condemned to the U.S. version of the employment report, it is difficult to compare data from one year to the other so an accurate comparison is almost impossible.

This year the state switched from their way of reporting employment data which simply counted both the people at work and without work in the county to the federal system which places both employment and unemployment by place of residence.

The difference, of course, is the so-called commuter employe. Unfortunately, the new state data is so completely different that you simply can't make comparisons.

The new information, for example, places our labor force at 65,800 persons, a total we strongly question. It sets the unemployment at 4600, a 7 per cent jobless rate, as compared with 3500 unemployed and a 5.6 rate a year ago. The new report also maintains that the job outlook was far better in August than it was in June when the unemployment rate in the coun-

ty was set at 8.3 per cent.

Under normal conditions, and the situation in the county may not be quite at this level today, the job picture normally is best in October due to seasonal factors.

It usually stays fairly good through December, then falls off sharply hitting the low in February.

We would expect that the same conditions may prevail this fall and winter although the changes could become more drastic than usual if the economy fails to improve.

Generally speaking, the economy in the county has been fairly good this season despite inclement weather affecting the visitor industry and some uncertainty about national outlook.

The construction industry has been hurt, but compared to some sectors conditions are better here despite the drop in residential building.

For work within the county, there were 42,700 at work last month compared to 41,000 a year ago in nonagricultural activities. Employment in agriculture dropped from 4800 a year ago to 4600 this August.

Work in construction was set at 2200 jobs compared to 2300 a year ago while manufacturing accounted for 8000 jobs compared to 7100 a year ago with the major gain in food processing.

Work in durable good manufacturing held

steady at 2500 for the past year.

Transportation, communications and utilities had 2100 jobs compared to 2000 in 1973 while there was a good gain in retail employment, up to 9500 from 9000 last year.

Finance, insurance and real estate accounted for 1500 jobs, a gain of 100 in the past year.

The services employed 9500 persons compared to 9000 a year ago.

There was a seasonal decline in government employment with 8000 at work compared to 8300 a year ago. The government job figures are more than 1000 under normal government employment due to the summer closing of educational facilities.

All in all, the August employment report was a little better than we had expected. We expect that the same situation actually applied to employment during September.

The next report will be on October employment, and will not be available until late November. It could be far more significant in terms of what the national economic picture may play on local conditions.

The weather always plays a role in employment in Santa Cruz and this year should be no exception. An early rainy season could definitely have an adverse effect upon the employment outlook.