

Job Outlook Not Bright

The outlook for employment in the Santa Cruz area doesn't look too good for the next few months barring some unforeseen changes in economic activity.

In a report to the County Industrial Commission, George Washburn, manager of the State Department of Human Resources, said the current unemployment rate was about 10 per cent for Santa Cruz county.

Washburn said December unemployment was 7.2 per cent, an increase compared to the 5.7 per cent unemployment in December, 1968.

Looking ahead to next month and the normal seasonal decline in Santa Cruz county, Washburn said the unemployment rate would probably be in the 13 per cent area and possibly higher.

By comparison, February unemployment in the 1960s ranged from a low of 10.2 per cent in 1966 to a high of 16.4 per cent in 1963. In actual numbers the amount of jobless in February, normally the lowest month in the year for work in the county, ranged from 3500 in 1960 to 5700 in 1963. It was 5400 in February of 1969.

However, the total amount of employment in the county jumped from 25,400 in 1960 to 36,500 last February, an increase of more than 11,000 jobs, a major accomplishment.

Actually the total increase in employ-

ment in the county in the past decade is even more spectacular, average monthly employment was 28,800 in 1960 and about 40,500 last year, a gain of 11,700 jobs.

Although the final 1969 employment and unemployment data hasn't come out of the computer yet, we would estimate that average employment at 40,500, up 400 jobs in the year. However, the labor force jumped 900 from 42,900 to 43,800 with the result that average unemployment increased from 2800 in 1968 to 3300 in 1969.

By comparison 1968 was a surprisingly good year on the job front, the labor force went up 1700, employment went up 2100 and the number of jobless dropped 400.

The outlook for this year is not optimistic. The large amount of rain has curtailed seasonal and outside work and manufacturing employment isn't expected to rise in the next few months.

While the uncertainty in the housing industry has curtailed work in that field there still will be a major amount of work in the county this year completing projects started earlier such as at UCSC and the Lipton Tea plant while the Sears project is expected to help the new contractual construction situation.

Generally speaking, we do not expect any major changes in employment or un-

employment with the exception that the amount of unemployment will be higher than in the past three years, possibly dropping back to 1965 levels.

Our highest amount of unemployment in the last decade or more was during the recession in 1958 when it reached 19.4 per cent, nearly one-fifth of the labor force of 22,400 persons.

The 1960-69 decade was probably the best decade for employment in the county's history, not only in total figures but also in the diversification of employment.

Where our dominant employment was formerly in the retail trades and in agriculture, today it is pretty well divided between manufacturing, retail trade, the services and government. Agriculture has become fifth in the employment categories.

While the changes have been significant and important to maintaining a stable economy, the challenge this year and into the 1970s will be to protect the diversification and hopefully to improve the amount of employment in relationship to the total labor force.

Developing new jobs will remain one of our most vital tests because even though we have a remarkable achievement in establishing more work, our unemployment ratio has remained higher than both the state and national average.