

Unemployment hits 5-year high

County rate reaches 11 percent in January

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SANTA CRUZ — Unemployment in the county hit a five-year high in January, according to preliminary figures from the state Employment Development Department.

"We're seeing the recession moving along," said Kathy Mechem, an EDD analyst.

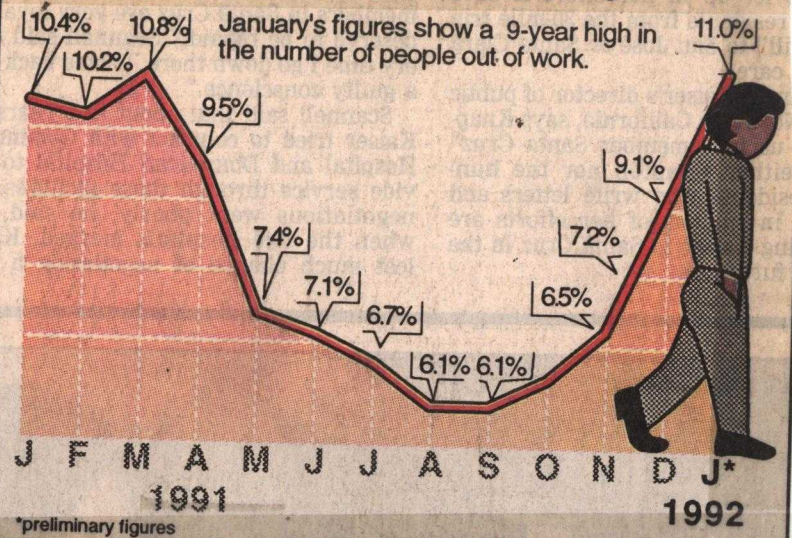
The preliminary unemployment rate was 11 percent for January, meaning 14,800 people were out of work from a workforce of

134,600. That rate jumped nearly two full percentage points from December when it was 9.1 percent.

The 11 percent rate was the highest since January 1987 when it hit 11.2 percent. The total number of people collecting unemployment benefits in Santa Cruz County in January was the highest in nine years, since 15,700 were listed as out of work in February 1983. The unemployment rate then was 14.8. The workforce was smaller in 1983.

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Santa Cruz County unemployment



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Mechem said the figures "are typical for January" when unemployment usually hits its peak in the county. The winter after the holidays is slow for agriculture, tourism, retail trades and construction. This January "followed seasonal trends," Mechem said.

The 11 percent rate for January compares with 8.1 percent in California and 7.1 percent in the United States, adjusted for the season.

Last January, Santa Cruz had a 10.4 percent unemployment rate.

The state rate increased to 8.7 in February. The rate for Santa Cruz can be expected to rise as well when February figures are avail-

able.

County unemployment typically is higher in the winter than both the state and the nation. The county does better in the summer and fall as agriculture, tourism and construction are stronger.

Separate figures for December show unemployment running higher in the cities of Santa Cruz and Watsonville than the county as a whole. Again, that is typical, Mechem said.

Watsonville reported 14.3 percent unemployment in December, according to preliminary figures. Santa Cruz city figures were 9.2 percent.

Managers of the EDD offices in both Santa Cruz and Watsonville said that people seemed to be going back to work in late February and early this month.

"My lobby is almost empty for the first time," said Tad Kimoto, manager of the Watsonville EDD office. Agriculture is picking up as the ground dries following the rains, he said.

Sandra Sims-Martin, acting manager of the Santa Cruz office, said new claims in February dropped a bit. Continuing claims rose a bit, she said. Overall, for the month, "it's pretty much staying the same," Sims-Martin said.