

Economy keeps sliding down

The Pajaro Valley economy continued its downward slide in the second quarter, with home sales taking a particularly bad tumble.

Home sales in the second quarter dropped from 94 in the second quarter of 1981 to 53 this year, and unemployment claims and payments were up. First quarter figures had also indicated a slipping economy.

The sales figure covers homes sold by members of the Watsonville Board of Realtors, usually about 80 percent of all homes sold. Mobile home sales are not included.

The low volume is not unique to Watsonville. "The whole industry is fairly depressed," said Ralph Oliver, president of the Board of Realtors. "A lot of people are leaving real estate."

Since the beginning of this year, board membership has dropped from 245 to 188. Most of those who dropped out were part-timers, said Marie Bogges of the board staff.

Oliver, who said the high cost of money is one of the major reasons for the drop in sales, added that real estate people "are generally optimistic that things will self-correct."

The increase in new unemployment claims (from 3,792 in the second quarter of 1981 to 4,833 in 1982) may be partially attributable to an extension of unemployment benefits, according to LaVera Wilkins, assistant manager of the Watsonville office of the state Employment Development Department.

The federal government approved extensions in February. Many of those extensions showed up as new claims for the second quarter, although no breakdown of the figures is available.

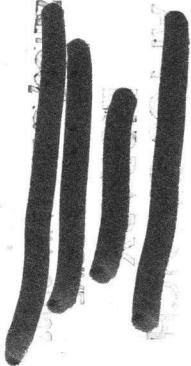
More than half of the new claims — 2,502 — were filed in April.

David Hemrick, manager of the Collection Bureau of Watsonville, said that while the collection rate slipped only slightly, his people are often spending more time than they used to in getting the money.

Pajaro Valley economic survey

	2nd Qtr. '82	2nd Qtr. '81
Home sales/avg. price. Homes sold by Watsonville Board of Realtors members. Does not include mobile homes.	53/\$99,511	94/\$96,254
Unemployment rate Santa Cruz County Residents, includes self-employed, unpaid family workers and those on strike.	10.6%	7.8%
Agricultural work force Average number employed for Santa Cruz County, based on place of work, not including self-employed. Category includes fishing and forestry industries, but most are farm workers.	5,966	6,233
Food product workers Average number employed in Santa Cruz County in the state's "Food and kindred products" category, of which about 70 percent is food processing. Not including self-employed.	4,433	4,466
Unemployment claims New claims, Watsonville office, State Employment Development Department (includes Freedom, La Selva Beach, Watsonville, Corralitos and part of North Monterey County).	4,833	3,792
Unemployment payments (in weeks) Watsonville office.	35,571	27,182
Debts Volume of new assignments, Collection Bureau of Watsonville.	Up 12% from first quarter '81	
Debt collection Percentage of debts collected by Collection Bureau of Watsonville.	37%	37.4%
At the bar How bar patrons are reacting to the economy, perceived by Jeff Hansen, owner of Wooden Nickel Too.	"Things are getting better. Everybody seems to be working. They're drinking bourbon instead of beer now."	

REFERENCE



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