

# Unemployment Business

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## Jobless rate jump may have silver lining

By GUY LASNIER  
Sentinel business editor

— SANTA CRUZ — In an incongruous sign the economy may be improving, the unemployment rate soared in November, hitting 10.6 percent, highest since March.

The jobless rate was 2.6 percentage points above October and 3.5 percent over November of last year.

It could also mean things are bad and getting worse.

"We're still seeing a serious unemployment picture," commented Barbara Babcock, Santa Cruz manager with the State Employment Development Department.

But Jeanette Miller, a labor market ana-

lyst with the EDD in San Francisco, offered another possibility. The jump may signal that many people who had previously given up hope are now jumping back into the job market.

"Most of the gain was from new entrants and re-entrants," Miller said. "The election is just over and Christmas is coming up," she said, speaking of the week of Nov. 12 when the EDD conducted its survey.

The state collects its statistics in a number of ways. One is a household survey by a polling firm. Respondents are asked if they are working or out of work. If out of work, they are asked if they are still

looking for work. Someone still looking is counted as unemployed. But people who are discouraged and have given up are not counted as part of the labor pool.

Miller theorized that optimism felt in November when the survey was taken may have prompted previously discouraged workers into giving the labor market another try.

"It's often the case as the economy improves," she said.

The Santa Cruz County labor pool increased from 147,200 in October to 149,900 in November, according to the EDD. Of those, 134,000 were employed and 15,900 were unemployed, the highest number of

local unemployed since the EDD started collecting the figures in 1983.

In October, the state counted 11,800 people as being jobless in Santa Cruz County. The number was 10,200 in November 1991.

All California counties experienced higher unemployment in November, Miller said. Statewide the rate was 10.1 percent, up from 9.8 percent in October and 7.3 percent in November 1991. Nationally, unemployment stood at 7.2 percent for November.

Babcock said the local employment picture continues to be hurt as businesses shut down. Burdick's Sales Co. closed in November which put about 35 people out

of work. Other smaller operations have shut down recently.

The layoff by Borland International of 200 permanent and 100 or more temporary employees from Scotts Valley took place in December and is not counted in the figures.

The late fall and winter is also a time when the jobless rate tends to rise, locally. If this year follows past patterns, December could be even higher.

Babcock also said jobs that people count on returning to are disappearing as businesses change. "It's a different picture, the jobs that people used to return to aren't around anymore," she said.