

~~R.R.S.C. Industry etc~~  
Employment

# Opinion

Sentinel Editorial

10/23/77

## The Job Picture

There were more people at work in Santa Cruz County last month than ever before, but the seasonally adjusted unemployment rate edged upwards by .1 of one percent, according to the Employment Development Department.

By the state figures the jobless rate was 8.9 percent compared to 7.7 percent in July and 11.8 percent a year ago in September.

The somewhat incongruous situation is caused by the methods used in developing the unemployment and employment statistics, a procedure now under attack across the nation, including by the man who directs the study in Washington.

We find the jobless data in Santa Cruz County puzzling in the sense that the actual employment outlook seems to be better than the statistical report would show.

But even though we have our doubts about the complete accuracy of the state information, it remains the best data currently available in this important segment of the economy.

Unfortunately, the same situation prevails throughout the nation. Economists are highly critical of the federal data and George Meany of the AFL-CIO consistently maintains the jobless figures are far too low.

Others are inclined to think that the data becomes more political than statistical at times.

Julius Shiskin, commissioner of the Bureau of Labor Statistics, has expressed his own doubts about the accuracy of the figures, which are based on samplings throughout the nation.

When California shifted from its own formula to the federal formula a few years ago, state officials lamented that the new system would raise unemployment levels by more than one percent.

The latest Santa Cruz County report shows a labor force of 78,400 persons, up 3300 in a year with a total of

73,600 at work, up 4600 from a year ago while the number of jobless has declined from 8100 to 4800.

We find it somewhat difficult to believe that there are 4800 jobless in the county during a period of relatively high economic growth.

However, you get caught up in definitions in the jobless descriptions.

We find it also difficult to reconcile the figure of the total labor market. Under the present total, about 48 percent of the total population is in the labor market.

Considering the number of retired persons, the number of nonworking housewives and the number of children, we have our doubts that we have an active labor force of 78,400.

If you forget the jobless total, we have a figure of 57,875 actually at work within the county last month, again the highest figure on record.

It includes 6825 in the agricultural harvest season, 10,800 in government, 9950 in manufacturing, including 5175 in food processing, and 10,425 in the service field plus 11,525 in retail trade.

The October figures are probably going to be fairly much in line with the September report and then the totals will start a gradual decline through February when the county hits the seasonal employment low.

Under ordinary circumstances, the 8.9 jobless rate will probably go above 10 percent in January and February. And the labor market will decline by several thousand.

Regardless of the job data, Santa Cruz County has been experiencing a better-than-average economic season. The tourist business has been improved, retail trade is in excellent condition, industrial growth has been surprising and farm income hasn't been as bad as might have been expected.

All in all, business has been pretty good despite the unemployment rate.