

# Unemployment rate down despite quake

Despite the earthquake, Santa Cruz County came out slightly ahead of last year in terms of unemployment figures for the month of December.

The unemployment rate for December 1989 was 6.5 percent, .10 percent less than the December 1988 rate. The unemployment rate had been climbing steadily for past few months — it was 4.7 percent in October and 6.4 percent in November — but that end-of-the-year climb, which follows agricultural cycles, is not unusual for the area.

Tad Kimoto, manager of the Employment Development Department in Watsonville, said he thinks most of the people who lost jobs immediately after the earthquake have gone back to work.

"I think most of the companies have started up again," Kimoto said.

Other factors may be contributing to the rate. Local school officials and social services providers say many people have left the area since the earthquake. While a certain amount of seasonal migration is normal, the labor force for the county dropped by 2,000 people between

December 1988 and December 1989.

Kimoto pointed out that while some segments of the economy are hurting as a result of the quake, others are flourishing.

"Retail is down a little bit," he said, "but services are up, possibly because of the increase of earthquake-related services."

There were about 800 fewer workers in the retail trade, and small declines in a number of other non-agricultural businesses, but an additional 600 workers in services and 700 in construction more than made up for the differences.

The number of workers in agriculture — 7,600 — remained the same between the two years.

The unemployment rate in Santa Cruz County is higher than the rate for the state and the nation, both 5.3 percent for December 1989. That rate represents an increase for California, which had a 4.7 unemployment rate last year. The rate for the nation remained the same from the previous December.