

# Jobless rate jumps to 15 percent, highest ever

State report of 600 new local government jobs in December proved to be in error

By JONDI GUMZ

jgumz@santacruzsentinel.com

SANTA CRUZ — The Santa Cruz County jobless rate climbed in January to 15 percent, which appears to be a new record, from 13.3 percent in December.

The local unemployment rate, released by the state Wednesday, topped the national rate of 10.6 percent, the state rate of 13.2 percent and the Santa Clara County rate of 12.1 percent.

Locally, construction and retail each dropped 600 jobs, and farm jobs shrank

2,200.

In addition, the state's report of 600 local government jobs added in December proved to be in error.

Instead, local government, which includes city and county government, public schools, the county Office of Educa-

tion and Cabrillo College, lost 100 jobs in December and 200 more in January.

Usually Jorge Villalobos, analyst with the state Employment Development Department, can compare current data to the 19-year average but not this time. That information was not accessible because of

SEE **JOBLESS** ON A2

## JOBLESS

Continued from A1

the annual benchmarking process for labor statistics, he said.

He did say January's jobless rate is higher than it was in 1993, when it reached 14.6 percent. Because of the benchmarking process, he was unable to review data from 2005 to 2008.

Sentinel files, however, show the jobless rate did not exceed 9 percent in January for any of those years.

The benchmarking process corrects errors in the data gathering process that can compound over time.

The state's monthly unemployment figures are based on a survey of employers and households, and use a statistical model to capture employers that may have opened or closed.

Sampling errors can occur because not all employers are surveyed. So once a year the state reviews data from payroll taxes paid by employers to pick up missing information and revise the statistics.

That was the case for the 600 local government jobs.

County officials contended all along that the 600 jobs figure was incorrect.

"I had a lot of calls on that," Villalobos said, adding that it was the only sector with a 700-job correction.

Thought Villalobos did not have historical data, he said retail jobs generally drop after the holiday shopping season ends and construction and farm work are slower in January.

Kim Hogan of the Santa Cruz County Builders Exchange was not surprised.

"We have a lot of jobs, but not the

## FEWER JOBS IN SANTA CRUZ COUNTY

INDUSTRY	JANUARY JOBS	CHANGE FROM DECEMBER
Logging, construction	2,500	Down 600
Manufacturing	5,000	Down 100
Trade, transportation, utilities	16,500	Down 600
Information	900	0
Financial activities	3,300	Down 0
Professional and business	9,000	Down 300
Private education, health services	12,500	Down 200
Leisure and hospitality	10,700	Down 200
Other services	3,800	Down 100
Government	21,700	Down 300
Total Nonfarm	85,900	Down 2,400
Total Farm	5,900	Down 2,200
<b>TOTAL</b>	<b>85,900</b>	<b>DOWN 4,600</b>

SOURCE: California Employment Development Department

same type of jobs we used to get," she said. "Usually we're starting to get school projects, but they're not coming like they normally do, and there's not as much regular commercial work."

Most of the work involves Caltrans road projects, or chain stores, companies that have preferred contractors who generally are not local.

Bidding for work is intense. Hogan said one Santa Cruz contractor has come in daily to review jobs, but despite submitting 30 bids he hasn't gotten one.

"This is not the deepest recession since the Great Depression," said Bruce Woolpert, president of Watsonville-based Granite Rock Co., one of the county's larger employers, asserting that the housing market for median-priced homes has stabilized.

But employers have cut twice as many jobs, and capital spending by business has been cut an additional

60 percent, compared to past recessions, he said, adding, "Individual and businesses are pulling back and things are more predictable."

Mike Termini, owner of Triad Electric in Santa Cruz, reported a bright picture, saying his company has a schedule and has hired several journeyman-level electricians in the month.

"Our jobs are on a much slim margin than a year ago but we more private work being put out bid," he said.

January also was a good month for manufacturing production manager Kevin McDonald, who had moved from Scotts Valley to Felton to his rent while job-hunting. He called back to work in Silicon Valley by his former employer.

State unemployment figures for February are scheduled for release March 26.