

# Economy takes turn for worse

The economic picture in the Pajaro Valley for the first quarter of 1982 was not a rosy one.

Compared to the first quarter of 1981, more unemployment claims were paid, home sales were down (although the average sale price was up) and the Collection Bureau of Watsonville had a heavier case load.

The number of weeks of unemployment claims paid by the Watsonville office of the state Employment Development Department jumped from 53,684 to 59,009, although the number of new claimants dropped slightly.

Arnold Hamilton, manager of the Watsonville Employment Development Department, said the unusually high rainfall during the first quarter was a major factor in pushing the payment figure up.

The rains have pushed back the agriculture harvest — and the opportunity to work for people in that industry — by several weeks, Hamilton noted.

When things go bad for the agriculture industry in the Pajaro Valley, it tends to have a residual effect on business throughout the area, Hamilton said. The unemployment rate for Santa Cruz County was higher for the first quarter this year than last (14.6 per cent to 12.4 per cent). There is no rate available for the Watsonville area.

At the Collection Bureau of Watsonville, David Hemrick said the increase in case load volume is in part due to the economic downturn, but said the ability of the bureau to get more business is also a factor. The collection ratio (which improved slightly for the first quarter this year) historically goes up in the second quarter, Hemrick said.

The drop in home sales is not unique for Watsonville — sales are down all over the country. The figure includes about 80 percent of the homes sold in this area, said Marie Bogges of the Watsonville Board of Realtors staff.

# Pajaro Valley economic survey

|   | 1st Qtr. '82  | 1st Qtr. '81 |
|---|---|--------------|
| <b>Home sales/avg. price</b>  | 35/\$98,536   | 45/\$84,918  |
| Homes sold by Watsonville Board of Realtors members.  |   |              |
| <b>Unemployment rate</b>  | 14.6%   | 12.4%        |
| Santa Cruz County residents, includes self-employed, unpaid family workers and those on strike.   |   |              |
| <b>Agriculture work force</b>   | 3,466   | 3,366        |
| 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. |   |              |
| <b>Food product workers</b>   | 3,530   | 3,530        |
| 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.      |   |              |
| <b>Unemployment claims</b>  | 5,457   | 5,512        |
| New claims, Watsonville office, state Employment Development Department (includes Freedom, La Selva Beach, Watsonville, Corralitos and part of North Monterey County).            |   |              |
| <b>Unemployment payments (in weeks)</b>   | 59,009  | 53,684       |
| Watsonville office  |   |              |
| <b>Debts</b>  | Up 25.8 percent from first quarter 1981.  |              |
| Volume of new assignments, Collection Bureau of Watsonville.  |   |              |
| <b>Debt collection</b>  | 28%   | 27%          |
| Percentage of debts collected by Collection Bureau of Watsonville.  |   |              |
| <b>At the bar</b>   | "When you get to the working class, people are drinking draft beer instead of whiskey." |              |
| How bar patrons are reacting to the economy, perceived by Jeff Hansen, owner of Wooden Nickel Too.  |   |              |