

Economy
1990-2000
1992

Middle class squeezed by recession

Moving out to escape the recession

By DENISE FRANKLIN
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SCOTTS VALLEY — Stuart and Cindy Harding don't want to leave their 2,500-square-foot, custom-built home in affluent Scotts Valley Heights.

"This is one of the nicest places I've ever lived," said 40-year-old Stuart, father of 2-year-old William and a daughter due in May. Still, the Hardings are headed to Las Vegas.

The recession is causing this family, and others in Santa Cruz County, to pack up and leave for places where the cost of living is less and jobs are more abundant.

Out of work and low on funds, those who are relocating are opting to move themselves, rather than hire moving companies.

"Right now there is not much household goods moving at all," said Linda Malone of Atlas Van Lines in Santa Cruz. "People can get U-Hauls too, and if they have lost their jobs and are moving, they find this is a cheaper way to move."

Managers of local U-Haul and Ryder truck rental outlets said their business is up about 35 percent from this time last year. And most of this business is people moving out of state because of

the recession, they said.

"There has been a drop in people hiring out movers to move," said Sean Tabatabai, owner of Ryder Truck Rental in Santa Cruz, who also provides a moving service. "They are doing it more themselves. My Ryder business has picked up quite a bit. I am seeing people from affluent areas like Seascapes and La Selva Beach who are doing their own moving."

Growth in Santa Cruz County has slowed considerably, judging from data kept by the Department of Motor Vehicles. The number of licensed drivers in the county grew by 4,700 between 1988 and 1989 but by only 800 between 1989 and 1990. Figures for 1991 are not yet available, but there could be fewer than the 164,400 drivers here in 1990.

Owners of truck rental companies said recession-struck customers are heading for Oregon and Washington, where the cost of living is cheaper. They also are going to Las Vegas, said Tabatabai, where the economy has been growing.

Twice as many people left the state for Nevada, Oregon and Washington as arrived from

Please see MOVING — A4



Bill Lovejoy/Sentinel

Vineyards Homes project in Scotts Valley started fast but sales eventually lagged, below.

Recession exclusive

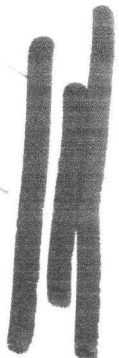
SANTA CRUZ — Today the Sentinel winds up its package of stories relating the national recession to our local population.

TODAY

- Why leaving Santa Cruz County often seems like the only answer for some local families suffering economic blues.
- How home buyers can do their part to turn the economy around — Page 4.



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Moving out

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those places, according to a report in the March issue of the California Journal.

The Hardings have another reason for choosing Las Vegas as the spot where they will open a retail water store. Cindy's parents live there and will provide support as the Hardings get settled.

Stuart was laid off in October from his job with Read-Rite, a company that supplies the data storage industry. The layoff was caused by a reorganization of the company, not by the recession, Stuart said.

But his inability to find a \$60,000 job locally in electronic component sales is definitely recession-related, he said.

"I chose to look for a job in my field — electronic component sales — because if I chose to go outside of my field and not having direct experience, I found out very quickly I would take a substantial salary cut," he said.

To pay their bills, the Hardings decided that Stuart could not accept a job that paid less than \$60,000 a year. Cindy, a registered nurse, chose not to look for work because of her pregnancy. She will go back to work after their daughter is born.

"Because of the recession and the amount of layoffs in electronics, there are so many people out there looking that employers are being very selective to find the person who exactly meets their qualifications," Stuart said.

Before Christmas, Stuart contacted 15 to 20 companies, all of which said there were no openings. Moreover, the companies said they wouldn't be making any employment decisions until after the first of the year.

Stuart put off his job search for the remainder of 1991, and the family traveled to Las Vegas for the holidays.

In January, Stuart began his job search again. He contacted about 12 companies, some as far away as Colorado and New York. He was a final candidate for jobs at five companies, but three delayed filling the position, one decided not to fill the job, and one turned Stuart down.

They have been able to manage financially for four months because of a generous severance package Stuart negotiated with his former company. But their savings are dwindling and they can't afford to wait several more months for employment to come Stuart's way.

They've begun to pack, have selected a real estate agent, and have called moving companies, many which have offered them good deals because business is slow, Cindy said.

Stuart sees one good thing about

Job layoffs in Santa Cruz County

Seagate Technologies	651
Green Giant	370
Watkins-Johnson Co.	125
Bariteau Linen Service	100
National Refractories	91
Watsonville Community Hosp.	65
Santa Cruz Operation	65
T.J. Lipton	40
Chi Pants	25
Colshire Inc.	22
Plantronics	15
Spectra-Mat Inc.	15

Source: Santa Cruz County Career Works

Sentinel graphic

the recession — it has forced him to pursue a dream.

"I do have an MBA and there was always something in the back of my mind telling me that I have the education, why not take the risk of starting my own business. But because I always had a good job that paid the bills, I never took the risk," he said.

Now they will, in Las Vegas, where their mortgage will be a quarter less than it is here and where Cindy can find good pay four days a month at a hospital.

And, Stuart said, although the city population is 800,000, there's only one other retail water store.