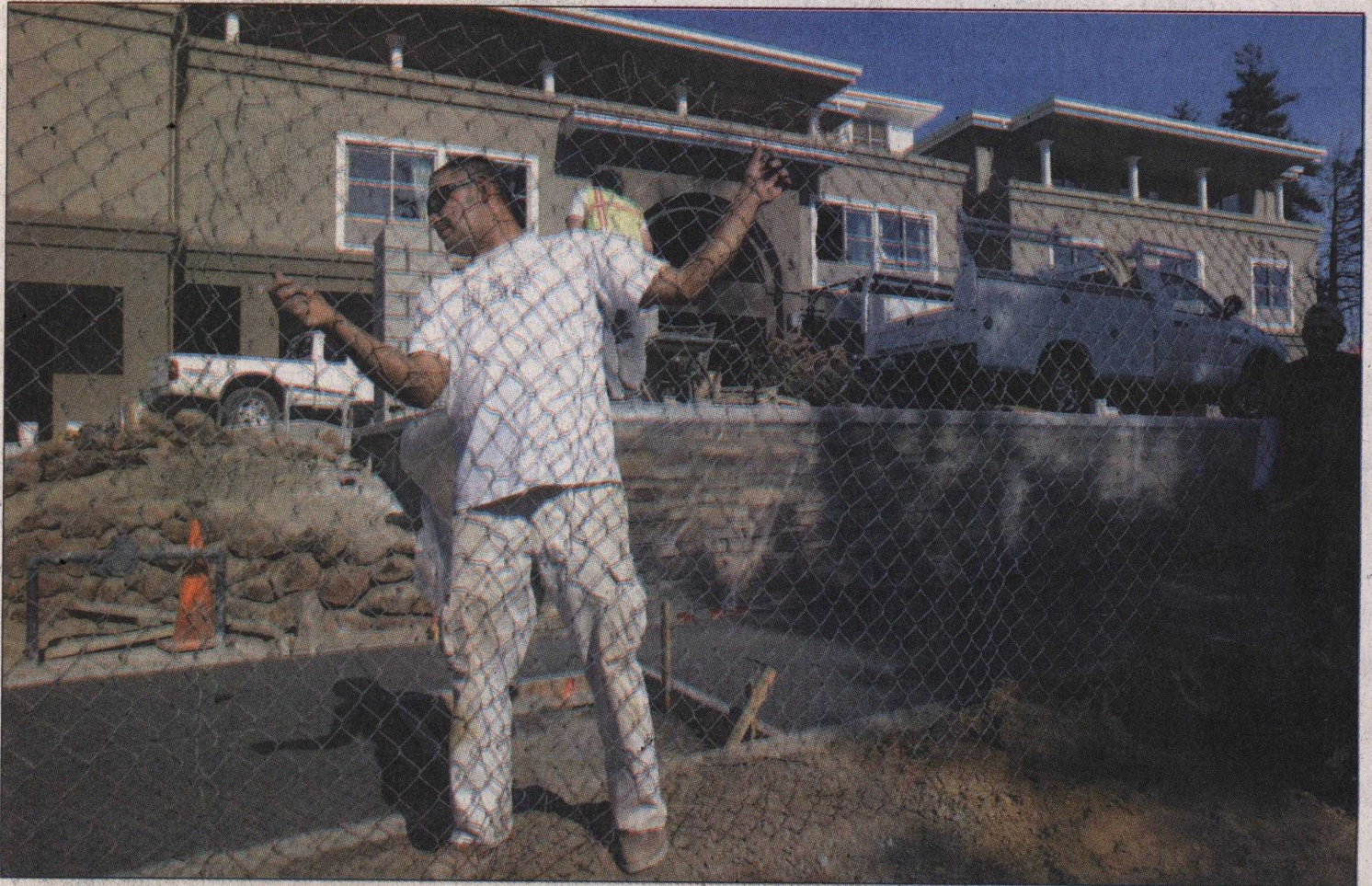


UNEMPLOYMENT RISES

COUNTY JOBLESS RATE CLIMBS TO 13.6 PERCENT



BILL LOVEJOY/SENTINEL

A worker stretches fencing around the Holiday Inn Express project on Ocean Street on Friday afternoon.

Unemployment
Local unemployment rate tops state, national averages

By JONDI GUMZ

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SANTA CRUZ — The county unemployment rate rose to 13.6 percent in March from 13.2 percent in February, according to the state, which reported Friday that 20,400 local residents are out of work.

The local jobless rate tops the state rate, a record-high 11.5 percent, and the national rate of 9 percent.

Retail stores and computer manufacturing each lost 100 jobs in March, reflecting the shutdown of retailer Circuit City and layoffs at Plantronics. Construction,

which tends to pick up in March, was unchanged.

"Who can afford to build?" asked Ellie Spitler, whose husband works in construction. "So many contractors are going under."

She said the couple's firm, which once employed 50 people, now consists of her husband and her son, who works part time.

Mike McAllair, 61, working the check-out at New Leaf Community Market in Felton, sees shoppers buying less.

"A lot of people are looking for work, and there are not many jobs around," he said. "People don't have money to spend."

SEE JOBS ON A2



A mason works at the nearly completed Ocean Street hotel Friday afternoon.

BILL LOVEJOY/SENTINEL

JOBS

Continued from A1

Janice Shriver of the state Employment Development Department said retail jobs in the county remained steady between February and March over the past 19 years, so a drop in that sector was unusual. Compared to a year ago, department stores have made big cuts, with a smaller pullback at food stores.

Construction jobs are still shrinking due to the housing crisis brought on by bad loans.

Santa Cruz developer Bill Brooks said he has two "shovel-ready" housing projects awaiting financing.

He needs \$6 million to start construction on a 46-unit project on Blue Bonnet Lane on Scotts Valley. He expects the 1,500-square-foot units would sell in the \$600,000 range.

"I did 22 units at High and Cardiff (streets) in Santa Cruz and they're selling at

that price," he said.

The appraiser, however, is skeptical because there were few sales at that price range six months ago.

Brooks plans to redesign the \$400 per square foot luxury condo project approved for the Lau property on Pacific Avenue in Santa Cruz into something more affordable.

The March jobless figures in Santa Cruz County topped the previous high for the month, 13.2 percent in 1993, but unemployment hasn't reached the peak of 14.6 percent, in January 1993.

The local jobless rate falls in between San Jose, 11 percent, and Salinas, 15.7 percent. Shriver said unemployment is high in Monterey and San Benito counties due to the agricultural base.

Historically Santa Cruz County farm jobs increase by 500 in March, she said. This year's increase was 100, perhaps due to poor weather.

Some local residents see the economic picture bright-

ening.

Susan Lansdowne, 62, of Felton, owns rental property and said she has no problem keeping it full.

"A lot of people are falling into hard times, but people I know are getting work," she said.

Her niece lost a job as a carpenter but now does tree work.

Contractors hustling to finish the Holiday Inn Express on Ocean Street in Santa Cruz in two weeks say

they have work lined up.

"We've had more work than we can do," said Loren Brown of Coast Pipeline in Aptos.

Bob Hogan of Scotts Valley-based Hogan and Pinckney called the economy "difficult" but said he has a backlog of work. His upcoming projects include rebuilding the Taco Bell on 41st Avenue in Capitola and building a shopping center for Bei-Scott on 41st Avenue.

WHERE JOBS DRIED UP

BIGGEST DROPS IN SANTA CRUZ COUNTY FROM A YEAR AGO

- Construction, down 1,000 workers
- Retailers other than grocery and department stores, down 500
- Arts entertainment recreation, down 300
- General merchandise stores, down 300
- Accommodation and food service, down 200
- Durable goods manufacturing other than electronics, down 200
- Nondurable goods manufacturing other than food/beverage, down 200
- Wholesale trade, down 200
- Food and beverage stores, down 100
- Federal government, down 100

SOURCE: State Employment Development Department