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## County jobless rate hits 13-year high

### October unemployment figure climbs to 6.2% despite gain of 300 jobs during month

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THE PRESS DEMOCRAT

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Sonoma County's jobless rate hit 6.2 percent in October -- the highest in more than 13 years -- as the economy slipped deeper into recession, state analysts said Friday.

Troubles in the housing and finance sectors are spreading to other areas of the local economy. Retail, hospitality, manufacturing and business services all lost jobs between September and October.

About 16,900 county residents were unemployed last month, a 46 percent increase from October 2007, when joblessness stood at 4.4 percent.

The local economy has shed 1,300 jobs over the past year. Last month's unemployment rate was Sonoma County's highest for any month since January 1995 and the worst October since 1992.

Unemployment was a revised 5.9 percent in September.

Expect the rate to hover above 6 percent for the rest of the year, said Ben Stone, executive director of the county's Economic Development Board.

"I think employers are very cautious," he said.

In most years, retail hiring for the Christmas season brings down Sonoma County's jobless rate in November and December. But nervous consumers are holding tight to their pocketbooks, and stores are bracing for a drop in holiday sales.

There won't be much of a spike in retail jobs this year, Stone said.

"Retailers are being prudent about hiring," he said.

#### Retail hit in state

Retail was October's biggest job loser statewide, said Chris Thornberg of Beacon Economics, a consulting firm in San Rafael.

"Consumers are likely to further clamp down on spending in response to the housing and financial crisis," he said.

Still, Sonoma County gained 300 jobs between September and October. The biggest gain was in education, reflecting noncontract teachers' return to school.

Employers are hiring, but fewer are looking for permanent workers, said Mary Lynn Bartholomew, Santa Rosa regional director for Spherion, a national recruiting and staffing firm.

"I'm seeing a lot of temporary placements," Bartholomew said.

Demand has been weak in construction and manufacturing, but it is rising in insurance and health care, she said.

#### Workers glum in survey

California workers are less confident about the future, according to a Spherion survey released Friday. Nearly 75 percent see fewer jobs available, and 25 percent said they'd have difficulty finding a new job.

About two-thirds of workers are confident about the future of their own employer, down slightly from September.

There were a few bright spots in October's job report. The financial sector -- banking, real estate and insurance -- gained about 100 jobs during the month.

Sonoma County had the seventh-lowest unemployment rate among California counties in October, said Devla Singh, labor market consultant for the state Department of Employment Development.

Mendocino County's jobless rate rose to 6.7 percent last month, up from 6.4 percent in September. In Lake County, unemployment was 11.2 percent, compared with 10 percent in September.

The state's jobless rate, excluding seasonal factors, was 8 percent in October. Adjusted for seasonality, the California rate jumped to 8.2 percent, the highest in 14 years.

There were 1.5 million unemployed statewide last month, up 95,000 from September and 487,000 more than in October 2007. Nearly 528,000 were receiving regular jobless benefits.

But the fund from which California makes those payments is on the brink of insolvency. The state's unemployment insurance fund is expected to have a deficit of \$2.4 billion at the end of 2009, forcing it to borrow from the federal government for only the second time since the program was established in the 1930s.

If no steps are taken to increase the fund's revenue or reduce its payouts, its deficit is projected to hit \$4.9 billion by the end of 2010.

#### Benefit cut proposed

Gov. Arnold Schwarzenegger has proposed raising payments from employers into the fund by \$56 to \$427 an employee, as well as reducing benefit levels from the current wage replacement rate of 50 percent to 45 percent and raising income eligibility requirements.

President George W. Bush on Friday signed a bill that Congress approved to keep unemployment checks flowing to jobless Americans through the holiday season.

The Senate passed the measure after a report released Thursday said new claims by laid-off workers for jobless aid had reached a 16-year high and the number of people looking for work had surged past 10 million.

The unadjusted U.S. rate hit 6.5 percent in October.

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