More than 5 million Americans collecting jobless benefits

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As US corporations continue to slash jobs at a feverish pace, the number of American workers filing initial claims for jobless benefits rose last week to 654,000 from the previous week's upwardly revised figure of 645,000, according to the Labor Department.

The total number of people now collecting unemployment benefits has hit 5.3 million—the most since 1967 and almost double the 2.8 million workers on the dole a year ago. As a proportion of the workforce this is the largest figure since 1983, when the US was recovering from the deep recession of the Reagan years.

The number of people receiving benefits has risen to new records in six of the last seven weeks as corporations continue to shed tens of thousands of jobs and those already out of a work have had no success finding other employment.

Even as Wall Street shares rose this week, corporations dismissed thousands more workers to cut their payrolls. Among the stocks that increased sharply were those of major banks, which have been using public bailout money to finance multi-trillion-dollar mergers of technology and health care companies that have resulted in massive downsizing.

Dow Chemical, the largest US chemical maker, announced it would cut 3,500 jobs as a result of its $16.5 billion takeover of Rohm & Haas. The Midland, Michigan-based company plans to save $1.3 billion by combining purchasing operations, sharing services and closing duplicate plants and research facilities. The latest job cuts bring the total at both companies to 10,000.

PPG Industries will lay off another 2,500 employees, or 5.6 percent of its global workforce, and carry out other cost-cutting measures, including employee furloughs, salary and bonus reductions, and the elimination of its retirement fund matching contributions. The Pittsburgh-based paint, glass and chemical maker, which has been hit by the collapse of the automotive and home construction market, will close a paint-manufacturing plant in Saultain, France and other smaller operations. In September, the company idled a float glass production line at its Mt. Zion, Illinois facility and announced plant closings in Canada and the Netherlands.

The National Semiconductor Corporation, meanwhile, said it would lay off 1,725 employees, more than a quarter of its workforce, after third-quarter profits fell by 71 percent.

Dell computer said Wednesday it was laying off workers around the world, but would not say where or how many.

AMR's American Airlines also said Wednesday it would lay off 323 flight attendants on April 1 as part of plans to trim back international and domestic flights. This followed similar capacity cuts announced by Delta, United and Lufthansa.

Sony Pictures Entertainment Inc., the movie studio subsidiary of the Japanese electronics maker, is laying off 250 people—including 150 in the US, mostly in Los Angeles—and eliminating 100 open positions in an effort to cut costs. Last month Sony announced it would cut 8,000 of its 185,000 jobs around the world, plus 8,000 temporary workers who aren't included in the global workforce tally.

Several public school systems announced major layoffs, including in Los Angeles—the second largest district in the nation—where on Wednesday night the school board said it would lay off 8,800 teachers and other school employees over the next year in response to a $718 million budget shortfall. Other California districts announcing school employee layoffs included San Diego (1,200) and Lucia Mar (229). In Canada, the Toronto, Ontario schools announced 200 layoffs.

In Charlotte, North Carolina hundreds of teachers protested planned layoffs Tuesday in response to the Charlotte-Mecklenburg Schools superintendent's recommendation to cut 83 assistant principals and 456 teachers.

Last week, the Bureau of Labor Statistics (BLS) reported that the official unemployment rate in the US had hit 8.1 percent in February—the highest level in a quarter of a century. The so-called underemployment rate—which includes those who have given up looking for work and those involuntarily working part-time—was pegged at 14.8 percent, up more than 6 percent from January to February.

The millions of working people living on jobless benefits are facing economic ruin. Benefits vary from state to state, but the maximum is no more than half of weekly take home pay. This is leaving families without the resources to pay their mortgages, credit card debts and health care bills, and buy food and other necessities.

Foreclosure filings in the US climbed 30 percent in February from a year earlier, according to RealtyTrac Inc. A total of 290,631 homes received a default or auction notice or were seized by the lender, the company said in a statement Wednesday. Properties that got a foreclosure filing for the first time totaled 161,976, the highest in RealtyTrac records dating to January 2005.

"More people have lost their incomes or are underwater on their mortgages, so a new housing plan won't change those facts by itself," Barry Eichengreen, professor of economics at the University of California, Berkeley, told Bloomberg News.

Las Vegas had the highest foreclosure rate among metropolitan areas with populations of 200,000 or more. One in 60 housing units there received a filing, more than seven times the national average. Cape Coral-Fort Myers, Florida had the second-highest rate: one in every 65 housing units, according to RealtyTrac. Five California cities ranked third through seventh: Stockton, Modesto, Merced, Riverside-San Bernardino and Bakersfield.

The *Wall Street Journal* reported that the financial collapse has wiped out more than 18 percent of US households' wealth. Citing Federal Reserve figures, the newspaper said the net worth of American households was $51.5 trillion in 2008, compared to $63.7 trillion in 2007.

Reflecting the diminishing value of their homes, Americans' homeowners equity as a percentage of the value of their homes fell to 43 percent in 2008, down nearly six full percentage points from a year earlier.

The value of Americans' stock market holdings—both direct investments and through mutual funds and retirement plans—fell to $12.1 trillion at year-end 2008 from $20.6 trillion the year before, the lowest level since 1997, and the stock market has fallen further this year. It has become common for workers to refer to their 401(k) retirement plans as "201(k)s" because many have lost half or more of their values.

Retail sales continue to decline as consumers cut back on spending. The Commerce Department said retail sales declined 0.1 percent from January. Retailers have suffered sales declines in seven of the last eight months.

In a report about consumer behavior published Thursday by America's Research Group and UBS Global Equity Research, C. Britt Beemer, chief executive of America's Research Group, said "the dramatic drops in shopping levels have no match in our database in the last 30 years."