

Over 200,000 to lose unemployment benefits in US this weekend

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This weekend, more than 200,000 unemployed workers in eight US states will be abruptly cut off from extended federal unemployment benefits, the result of an agreement between President Barack Obama and the Republican Party earlier this year. Many of these workers will be thrown directly into poverty, without even minimal cash assistance.

These ruthless actions occur amidst a continued jobs crisis in the US, with near-record long-term unemployment and stagnating job growth. While the official unemployment rate has fallen—which has been used to justify the elimination of extended benefits—this is due largely to the fact that hundreds of thousands of long-term unemployed are no longer counted as part of the labor force.

The biggest cuts will take place in the country's most populous state, California, where 95,300 people will lose their benefits, according to an estimate produced by the National Employment Law Project. Other states cutting off extended benefits include Texas (22,700), Illinois (26,100), Florida (29,400), Pennsylvania (20,000), North Carolina (20,100), Colorado (11,100) and Connecticut (10,700).

Unemployed workers in these states will see the maximum duration of their unemployment benefits cut from 99 weeks to between 73 and 79 weeks, depending on the state.

These eight states will join 25 others that have already cut extended benefits, including 15 last month. The NELP estimates that more than 400,000 have seen their jobless benefits abruptly cut off, not counting the many thousands every month who reach the end of their benefits five months earlier than they would have without the cuts.

In February, the Obama administration forged a bipartisan compromise with the Republicans in

Congress that temporarily extended benefits, but guaranteed that states would cut people off throughout the year. (See, "Obama, Democrats hail deal to slash unemployment benefits")

The duration of unemployment benefits available varies from state to state and according to the official unemployment rate in each state. The standard duration of unemployment benefits is 26 weeks (though some states have moved to reduce this). There are several tiers of emergency and extended benefits on top of this, up to the 99 weeks.

To qualify for this last tier of extended benefits, states must have an official unemployment rate that is at least 10 percent higher than in one of the past three years. Thus, not only must the jobs crisis be severe, it must be getting worse according to the official calculations of unemployment.

California's unemployment rate, for example, is 10.9 percent, but this is not 10 percent higher than in the past three years. In some parts of the state, unemployment is much more severe, but this has no impact on eligibility for extended benefits.

Some states have proceeded more ruthlessly in cutting off benefits. In Florida, for example, someone applying for unemployment benefits now (rather than earlier, when official unemployment was higher) would be eligible for as little as 33 weeks of benefits. This is despite an official unemployment rate of 9 percent.

Nationally, the unemployment rate fell to 8.1 percent in April, but only 115,000 jobs were added—not enough to keep up with the growth of the working-age population. The labor force participation rate—the percentage of Americans 16 years or older who are working or looking for work—fell to 63.6 percent, its lowest level since 1981.

Long-term unemployment, meanwhile, remains at

near record highs. Of the officially unemployed, the average duration of unemployment is 39 weeks.

Already, millions of people have stopped receiving benefits after exhausting the previous maximum duration of 99 weeks. A report issued by the Government Accountability Office earlier this year estimated that two million of the 7.5 million workers who lost their jobs between 2007 and 2009 had exhausted their benefits by January 2010. An additional 3.5 million lost benefits in 2010 and 2011.

As extended benefits are cut off, the ranks of the unemployed not eligible for benefits will swell rapidly. American capitalism is creating an entire layer of the population that has little or no prospect of a job, confronting a future of permanent destitution.

According to the NELP report, “The percentage of unemployed workers collecting some form of unemployment insurance is dropping dramatically. In 2010, approximately two in three jobless workers qualified for either state or federal unemployment benefits. Last year, the number fell to 54 percent. The ongoing expirations of Extended Benefits program will soon push the percentage of unemployed receiving some form of unemployment benefits to less than one in two.”

The desperate plight of the unemployed finds no reflection in the 2012 elections. Earlier this week, Obama presented a supposed “jobs” agenda for the remainder of his term that consists almost entirely of corporate tax breaks. In the aftermath of the elections, whoever wins, the ruling class is preparing an even more drastic attack on unemployment benefits and other social programs.



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