Millions of US workers blocked from applying for jobless benefits

Kevin Reed
29 April 2020

While the US government has proceeded expeditiously to hand over trillions of dollars to the Wall Street banks and corporations, millions of workers who have lost their jobs during the COVID-19 pandemic have been blocked from applying for unemployment benefits.

A survey published Tuesday by the Economic Policy Institute (EPI) shows that the widely reported figure of 26.5 million workers who applied for jobless benefits over the past five weeks significantly underestimates the actual number of people who have lost their jobs since March 15.

The EPI survey reveals that for every 10 people who have successfully applied for unemployment benefits during the pandemic, three or four more tried to apply but could not get through to make a claim. An additional two people did not try to apply at all because the process was so onerous.

EPI summarizes the survey results in the following way: "When we extrapolate our survey findings to the full five weeks of UI [unemployment insurance] claims since March 15, we estimate that an additional 8.9–13.9 million people could have filed for benefits had the process been easier."

The EPI further states: "These findings imply the official count of unemployment insurance claims likely drastically understates the extent of employment reductions and the need for economic relief during the coronavirus crisis."

The inability of millions of workers across the country to even apply for unemployment benefits stands in stark contrast to the trillions of dollars that have been transferred from the US Treasury and the Federal Reserve to corporations, banks and the super-rich.

At present, the amount of "emergency assistance" provided to the corporations and banks by the US government—since President Trump signed the initial $2.2 trillion CARES Act on March 27—stands at between $4.2 and $6 trillion.

The denial of resources to unemployed workers while unlimited funds are made available to the ruling elite demonstrates that the officially stated purpose of the CARES Act—voted for unanimously by both Democrats and Republicans—as "fast and direct economic assistance for American workers, families and small businesses" is an utter fraud.

The unemployment benefits program included in the CARES Act has been, to a large extent, an elaborate exercise in deliberate mass deception. When Congress and the White House presented the additional 13 weeks of state-based unemployment insurance beyond the typical 26 weeks, plus an additional $600 weekly federal supplement through July 31, 2020, as a social safety net during the COVID-19 crisis, they knew very well that millions of unemployed workers would be unable to take advantage of it.

The Democrats and Republicans knew that many workers would not be able to get through to the antiquated systems in the state capitals across the country, which would be completely overwhelmed and unprepared for the number of people seeking to apply for benefits. They were counting on these systems being so backed up with delays and confusion that workers would give up and end up receiving little or nothing of the government money.

The banks, corporations and wealthiest individuals, on the other hand, were to get vast sums of money without delay.

In an example of the ease with which government money is flowing into the accounts of the largest corporations in America, the *Washington Post* reported on Monday that nearly half of the "payroll support fund" allocated to the airline and cargo industries had been disbursed. The *Post* report said: "As of this week, $12.4 billion of the $29 billion in grants has been paid out to 93 carriers to keep front-line workers on the job, Treasury officials said. In all, airlines and air cargo carriers are eligible for more than $50 billion in grants and loans."

Additionally, the Federal Reserve will shortly begin buying $500 billion in bonds issued by large US corporations. Although this cash is being provided officially as a "financial lifeline" that is to be paid back, there are no provisions in the Fed's credit program requiring companies to maintain jobs or restrict the funds from being used for executive compensation, stock buybacks or shareholder dividends.

The EPI survey, starting with 24.4 million people who applied for unemployment benefits between March 15 and April 18, shows that the actual number of unemployed workers in the US is somewhere between 33.3 and 38.3 million people. This means that between one-quarter and one-third of the workers who have lost their jobs during the pandemic (8.9 to 13.9 million workers) have been blocked from applying for

© World Socialist Web Site

benefits.

EPI explained the methodology behind its study: “To gauge how well the UI [unemployment insurance] system is handling the new caseloads, we used Google Surveys to ask 25,000 people, ‘Did you apply for unemployment benefits in the last 4 weeks?’”

EPI asked those who responded to this question which one of six different scenarios corresponded to their experience, such as, “I applied successfully,” “I tried but could not get through,” “I did not apply because it was too difficult.”

When added to the number of people who were officially without a job prior to the pandemic—7.1 million workers—the EPI survey results would put the jobless rate in the US at somewhere between 24 and 27 percent, eclipsing the highest rates of unemployment during the Great Depression of the 1930s.

In addition to jobless workers who have been prevented from applying for government assistance, a number of surveys have shown that substantial numbers of those who have successfully applied have not received any benefits.

A study by the *Washington Post* published on April 23 says that there is a backlog of three million unpaid jobless claims across the US, although “the true backlog is probably far greater.” A Pew Research Study showed that only 29 percent of the 7.37 million who filed for jobless assistance in March, or 2.1 million people, actually received the benefits.

Many states across the country are continuing to report “glitches” and “backlogs” in processing unemployment applications that have been successfully submitted. Among the states reporting delays in processing applications are:

> • California: A report on Monday in the *Los Angeles Times* said that for Californians applying for unemployment assistance, “the last month has been a perfect storm of failures for a state government with a long history of technology problems.” Of the 3.2 million new unemployment claims filed in the last month, 76 percent of those applying have received benefits. This means that 768,000 applicants have not yet received an unemployment check.
>
> • Florida: The state of Florida has published an online dashboard showing a total of 1.9 million applications for “reemployment insurance” since March 15. Because of confusion created by the state instructing applicants who had applied before April 5 to apply a second time, there are multiple applications in this total. Florida then reports 824,412 “Confirmed Unique Claims Submitted,” and of these, just 392,051 (47.6 percent) that have been paid any benefits.
>
> • Oregon: A large percentage of the 300,000 unemployed in Oregon who have filed for government assistance have not received a check and cannot find out the status of their claim. The state’s antiquated systems have been overwhelmed by the volume of applications, and, according to a report in the *Oregonian*, thousands of workers have been given faulty information about their applications. “The department’s phone lines are overwhelmed, preventing callers from getting through,” the newspaper reports.

Amidst the dysfunction, chaos, incompetence and bureaucratic mismanagement of state unemployment programs in the US, there is a definite policy at work. The ruling class and both of its parties are intentionally withholding financial assistance from broad sections of the working class who are being devastated by the economic impact of the coronavirus pandemic, while offering up unlimited funds in the trillions of dollars to the corporate-financial oligarchy.

There is a deliberate policy of using mass unemployment and the prospect of destitution, homelessness and hunger to blackmail a section of workers into going back to work under unsafe conditions. This policy is, moreover, aimed at the imposition among all workers of a permanent restructuring of economic and class relations, such that full-time jobs, wages, health care, pensions and social services such as education are gutted.

It is becoming increasingly clear that the financial collapse of 2008 was a foretaste of the social and political assault on the working class that is now unfolding. At the same time, millions of workers all over the world are seeing the true reality of capitalism—the subordination of everything, including human life itself, to the ruthless drive of the parasitic elite to increase its wealth. The conditions are being created for revolutionary upheavals. The conclusion that must be drawn is the necessity for a unified international struggle of the working class to put an end to the capitalist system and establish socialism.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site