

US unemployment claims approach 40 million since March

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The United States Department of Labor reported on Thursday that more than 2.4 million Americans applied for unemployment insurance last week, bringing the total number of new claims to 38.6 million since mid-March, when social distancing measures and statewide stay-at-home orders were first implemented in an effort to slow the spread of the coronavirus.

Even with the push by the Trump administration since then to reopen the economy and the easing of lockdown orders in all 50 states—despite a continued rise in COVID-19 infections and deaths—the US marked its ninth straight week in which more than 2 million workers filed for unemployment. While this is down from the peak at the end of March when 6.8 million applied for unemployment insurance, it still dwarfs the worst weeks of the Great Recession in 2008.

It is expected that the official unemployment rate for May, which is to be reported by the federal government in the first week of June, will approach 20 percent, up from 14.7 percent last month. This is a significant undercount, with millions of unemployed immigrants unable to apply for benefits, and many other workers who are not currently looking for work and therefore are not counted as unemployed.

Fortune magazine estimates that real unemployment has already hit 22.5 percent, which is nearing the peak of unemployment reached during the Great Depression in 1933, when the rate rose above 25 percent. Millions more are expected to apply in the coming weeks, pushing the numbers beyond those seen during the country's worst economic crisis.

But even these figures do not capture the extent of the crisis now unfolding across the country. Millions have been blocked for weeks from applying for unemployment compensation because of antiquated computer systems, and a significant share of those who

have applied have been denied any payments. On top of this there are significant delays in processing applications in multiple states, including Indiana, Missouri, Wyoming and Hawaii. Meanwhile, Florida, which has some of the most stringent restrictions, has refused to extend its paltry three-month limit on payments for the few who manage to qualify.

Sparked by the pandemic, the greatest economic crisis since the 1930s is already having a devastating impact on the millions who have seen their jobs suddenly disappear, while millions more will see wages, benefits and hours dramatically curtailed whenever they are able to return to work. Optimistic projections that the US economy would quickly bounce back once stay-at-home orders were lifted are now becoming much gloomier.

A University of Chicago analysis from earlier this month projects that 42 percent of lost jobs will be permanently eliminated. At the current record number, this will mean a destruction of 16.2 million jobs, nearly double the number of jobs which were lost during the Great Recession just over a decade ago.

“I hate to say it, but this is going to take longer and look grimmer than we thought,” Nicholas Bloom, a Stanford University economist and one of the co-authors of the study, told the *New York Times*.

A survey by the Census Bureau carried out at the end of April and beginning of this month found that 47 percent of adults had lost employment since March 13 or had someone in their household do so, and 39 percent expected that they or someone else in the home would lose their job in the next month. Nearly 11 percent reported that they had not paid their rent or mortgage on time and more than 21 percent had slight or no confidence that they would do so next month.

With millions missing their rent or mortgage

payments, tens of thousands of families will be thrown out on the street in the coming weeks and months, leading to a dramatic rise in homelessness even as the coronavirus continues to spread. While many states took steps in March to place a moratorium on evictions, and eviction notices were unable to be filed due to court closures, those measures are now expiring and courts are reopening.

The Oklahoma County Sheriff announced Tuesday via their Twitter page that the department would resume enforcing evictions on May 26. Nearly 300 eviction cases were filed in Oklahoma City between Monday and Tuesday. This process is being repeated in cities and counties across the country. Evictions are also set to resume in Texas next week, where many families were ineligible for aid due to the undocumented status of one or another parent. The CARES Act provision, which blocks evictions from properties with federally subsidized mortgages, expires on July 25; in Texas this only accounts for one-third of homes.

Meanwhile, another wave of layoffs and furloughs is expected by the Congressional Budget Office at the end of June, when the multi-billion-dollar Payment Protection Program (PPP) expires. Sold as a bailout which would help small businesses keep workers on their payroll in the course of necessary shutdowns, the PPP was in fact a boondoggle for large corporations, their subsidiaries and those with connections to the Trump administration. Many small business owners have not seen any aid, and many do not qualify for loan forgiveness.

Amid historic levels of social misery in the working class, times have never been better for those at the heights of society, with America's billionaires adding \$434 billion to their total net worth since state lockdowns began. Financial markets have soared, underwritten by \$80 billion per day from the Federal Reserve.

Amazon CEO Jeff Bezos, who is rescinding a \$2-an-hour hazard pay increase for his warehouse workers at the end of the month, led the pack, increasing his personal wealth by \$34.6 billion since the onset of the pandemic. Facebook CEO Mark Zuckerberg was close behind, adding \$25 billion to his fortune. Tesla CEO Elon Musk, who reopened his California auto plant in defiance of state regulators and with the support of

President Trump, saw a 48 percent increase in his wealth to \$36 billion in just eight weeks as the stock market rebounded from its collapse. All told, the nation's 620 billionaires now control \$3.382 trillion, a 15 percent increase in two months.



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