

# Millions in the US face catastrophe as federal unemployment relief set to expire amid surging pandemic

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Tens of millions of Americans who have lost their jobs during the coronavirus pandemic face financial catastrophe as the federal government moves forward with a plan to end the \$600 weekly federal expansion of state unemployment benefits by the end of July.

While the pandemic continues to surge and sets infection records daily—the seven-day rolling average of new COVID-19 infections in the US has now surpassed 50,000—a bipartisan agreement is being worked out in Congress to terminate the federal aid and force workers into destitution or back to work to face sickness and death.

At a press conference on Tuesday, Senate Majority Leader Mitch McConnell, Republican of Kentucky, said that the unemployment benefit that was included in the CARES Act passed in March will not be in the new coronavirus relief bill being planned for a vote in the Senate by the end of July.

Speaking for the interests of the American corporate and financial elite, McConnell said of the \$600 benefit that the government should not be “paying people a bonus not to go back to work... And we’re hearing it all over the country that it’s made it harder actually to get people back to work.”

McConnell, who was opposed to the expansion of unemployment payments in the first place, said, “I think it was a mistake,” and that any new bill that included the benefit is “never going to pass the Senate.”

In an interview with Fox Business Network on Wednesday, President Donald Trump backed up McConnell’s view saying that the CARES Act jobless benefit gave Americans “a disincentive to work.”

While the Democrats—knowing full-well that the Republican majority will not approve it—have said they are in favor of an extension of the federal benefit, a deal is

being worked out behind the scenes that will tie any new aid to economic conditions in each state or offer some kind of reduced “back to work bonus.”

Whatever the agreement worked out by the end of the month, it is clear that the US political establishment is preparing a new round of government funding that will be doled out to the corporations and stock market while the working class will be cut off from minimal aid as part of the “reopening of the economy,” even as it is projected that daily confirmed coronavirus infections could rise to 100,000 in a matter of weeks.

The consequences of this policy will be devastating for workers who, as some analysts have put it, will fall off a fiscal cliff on July 31. For many individuals, the loss of the \$600 federal supplemental benefit will mean that their state-only unemployment checks will drop to \$385 per week. One report says that the federal cutoff will reduce benefits for 31 million workers by 61 percent.

Exposing as a fraud the claim that the supplemental benefit is keeping workers from returning to work, new research by the Economic Policy Institute (EPI) published on June 29 shows that some 17.6 million workers have no prospect of returning to a job at all.

The EPI report, which came out before the official unemployment numbers for June were released on Thursday, notes, “Of the 32.5 million workers who are either officially unemployed or otherwise out of work because of the virus, 11.9 million workers, or 7.2 percent of the workforce, are out of work with no hope of being called back to a prior job.”

To this total, EPI found that, “5.7 million workers, or 3.5 percent of the workforce, are out of work and expect to get called back to a prior job but likely will not.”

For millions of workers, the termination of the \$600 per week benefit will lead to devastating consequences as

families are forced to make decisions between feeding themselves or paying for utilities and rent.

Bob Pinnegar, President and CEO of the National Apartment Association, told *Forbes* on Wednesday, “The enhanced unemployment benefits are very important to people, especially those that are in lower paying jobs. They’re really helping them to make ends meet and to be able to put food on the table, to pay their utilities and to pay their rent. The challenge is going to be going forward.”

A massive housing crisis is inevitable as the 120-day federal eviction moratorium is also set to expire on July 25, at the same time the supplemental unemployment benefits end. Since many rental properties do not qualify for the eviction program to begin with, a large number of families will be thrown out of their homes in August.

A measure of the priorities of the American ruling establishment is the fact that the CARES Act has not addressed the needs of the poorest sections of the population, especially when it comes to food insecurity. A report on Friday in the *Hill* said, “Congressional stimulus packages passed so far allow states to increase SNAP [Supplemental Nutrition Assistance Program] benefits for two months for some, yet the poorest 40 percent of participants, including five million children, have yet to see any benefit increase.”

Data from June 11 through June 23 published by the House Pulse Survey of the US Census Bureau shows that about 11.8 million children live in households that missed a mortgage or rent payment or sought deferment, while 3.9 million children are experiencing COVID-19 induced food shortages.

While Congress and President Trump are proceeding with an aggressive back-to-work agenda, the reality is that millions of workers are resisting being forced to work under conditions of an expanding pandemic which is just beginning to infect ever broader segments of the population.



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