

As cutoff of \$600 weekly benefit and wave of evictions loom, Congress takes a holiday

Shannon Jones
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With tens of millions of workers facing the triple threat of the cutoff of the \$600 weekly federal supplement to their state unemployment compensation, the resumption of evictions in most states, and a renewed upsurge in the coronavirus pandemic, the response of the US Congress was to go on vacation.

The Democratic-controlled House and the Republican-controlled Senate adjourned July 3 without taking up an extension of the \$600 weekly supplement provided in the CARES Act, which is set to expire on July 25. Congress will not return to work until Monday, July 20, and there is little prospect that the full supplement will be extended, given intransigent opposition from corporate America, which has branded the payments a “disincentive” to forcing workers back into unsafe workplaces.

The \$600 supplement has been a lifeline for tens of millions of workers thrown onto unemployment lines by the COVID-19 pandemic and the resulting economic crisis. Large numbers of workers, particularly those in part-time and other contingent forms of work, actually saw an increase in income, because combined state and federal benefits brought them up to nearly \$1,000 a week—above the official poverty line.

The looming unemployment benefit cutoff coincides with the expiration of temporary eviction moratoriums in 20 states, including Texas and Wisconsin. Eviction bans in nine others are set to expire by the end of the month, as well as the federal ban, which affects only properties insured or underwritten through federal agencies. A study by the real estate firm Amherst projects that almost 28 million households are at risk of eviction due to job losses related to the pandemic.

The Trump administration and most congressional Republicans are opposing renewal of the \$600 unemployment supplement, proposing either a

complete cutoff, an extension at a much lower level, or the transformation of the unemployment benefit into an incentive bonus for going back to work—essentially paying workers to risk their lives and the lives of their families and friends under conditions of a worsening pandemic.

The same options have been embraced by sections of the Democratic Party, with at least one prominent Democrat, Connecticut Governor Ned Lamont, a multimillionaire, telling a local Chamber of Commerce that the \$600 benefit “discourages work.” Some Senate Democrats have proposed to extend the supplement at lower levels indexed to the official unemployment rate (which grossly undercounts the actual jobless toll).

The House of Representatives passed an extension of the \$600 benefit into early 2021, but the vote in May on the so-called Heroes Act was purely for show. Speaker Nancy Pelosi and other Democratic leaders knew the bill would go nowhere given Republican opposition. The vote allowed them to proclaim their sympathy with struggling workers at zero cost.

The 18 days until the cutoff will be consumed by backroom horse-trading between the House Democrats, the Senate Republicans and the White House, with all factions vying for the support of Wall Street and big business.

Since the eruption of the COVID-19 pandemic, the response of all factions of the US ruling establishment has been to prioritize support for Wall Street. After enacting a multitrillion-dollar bailout of the big corporations, they soon dropped efforts to contain the pandemic as well as measures to further ameliorate its economic impact on workers.

The end of the federal \$600 unemployment supplement would plunge millions of families overnight into poverty, under conditions where there

are 19.3 million people drawing jobless benefits, compared to just 1.7 million in early March. That number is three times higher than the peak during the 2008-2009 Great Recession.

Jobless benefits vary widely state by state, but generally provide only a fraction of prior wages. In Florida, for example, the maximum weekly benefit is a starvation level \$275.

More than one million new claims for unemployment have been filed in each of the past 16 weeks, another staggering number that speaks to the depth of the economic catastrophe engulfing the US.

Adding to the hardship, food prices are rising at the fastest rate in 50 years. The Consumer Price Index for food is up 3.4 percent and accelerating, but it is much higher for staple goods like canned food and pasta.

Perhaps the most immediate threat to large numbers of working class families hit hard by unemployment is that they have been unable to make rent payments in April, May and June, and now face the threat of imminent eviction and homelessness. A similar situation confronts millions of homeowners who face foreclosure.

The COVID-19 Eviction Defense Project based in Colorado warned that 20 percent of the 110 million renters in the US are at risk of eviction by September 30, some 500,000 in the state of Colorado alone.

Breonne DeDecker, a housing rights advocate in New Orleans, warned, "Extra unemployment is going to expire, and the CARES Act protections are going to expire, and we are going to see a huge public health and housing crisis the likes we haven't seen since immediately post Katrina." DeDecker added, "Ultimately, reopening eviction court without ensuring that tenants can actually deal with their accumulated rent debts is a disaster."

Eviction filings through June 27 were up 13 percent compared with previous years in Milwaukee, Wisconsin. The state lifted a foreclosure moratorium in late May.

An eviction moratorium in Pennsylvania expires July 10 and the one in Michigan expires July 15. In Arizona, currently the site of a major coronavirus resurgence, the statewide ban on evictions expires July 22.

Pennsylvania housing advocates expect a surge of evictions when the moratorium expires. Kenneth Pick, executive director of the Berks County redevelopment

authority in the city of Reading, warned that the end of the moratorium could lead to a surge in evictions and a potential homelessness crisis.

"We think there will be a considerably large number of people facing eviction when the moratorium is finally lifted," he said, adding that the numbers still were not clear. "No one has been able to figure it out because no one has been able to file evictions."

A study by the Urban Institute estimated that there were 8.9 million renter households where at least one person lost a job between February and April. Many of these households were already in precarious financial straits and could face eviction once moratoriums end.

The economic fallout from the pandemic has been especially severe for immigrant workers, who are not eligible for unemployment benefits and may fear to challenge evictions due to their immigration status.

The threat of mass impoverishment for millions of unemployed workers takes place under conditions of rising social anger expressed in the mass protests over police violence and job actions by autoworkers, nurses and other sections of workers over lack of protection from the spread of COVID-19.

This poses the necessity for the working class to establish its political independence from the parties of big business and advance a socialist program directed against the capitalist system, whose only solution to the mounting crisis is war and social reaction. No progressive resolution to the present crisis is possible except by breaking the stranglehold of Wall Street over economic and political life.



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