

# First-time jobless claims in US top 1 million for 17th straight week

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First-time official jobless claims in the US dropped to 1.3 million for the week ending July 11, according to the US Department of Labor in its weekly unemployment insurance claims report released Thursday. Though a decrease of 10,000 from the revised level of the previous week, the numbers demonstrate a state of deep economic crisis for US capitalism, with the past week being the 17th in a row in which new applications for unemployment reached over 1 million.

The official new jobless claims very likely represent an undercount. The official numbers reflect only those claims filed through state unemployment offices and do not include 928,488 applications filed through the temporary Pandemic Unemployment Assistance federal relief program, placing the unadjusted first-time application filings at 2.43 million for the second week of July.

Official unemployment in the US still stands in the double-digits at 11.9 percent, somewhat higher than the official figure for June at 11.1 percent. Although lower than the unemployment rates in April and May, 14.4 percent and 13 percent respectively, more US workers are out of work than at the peak of unemployment during the last recession at 10.6 percent in January 2010, following the 2008 Wall Street crash.

First-time applications for unemployment are used as a rough gauge of layoffs. Economists are not so exuberant about the slight drop, as the real number of new claims outpaced predictions of 1.24 million new applications for July. Furthermore, economists are warning that the decrease is likely to be only temporary and workers can expect to face higher unemployment in the coming months due to the scaling back of economic reopening by many US states following a major upsurge in new daily case counts of COVID-19.

Continued claims for US unemployment benefits rose on an unadjusted basis by more than 838,000 to 17.3 million over the past week. The real unemployment numbers in the US are also very likely undercounted as official numbers do not include workers out of work who are not eligible for state or federal unemployment assistance for any reason, including having hours drastically scaled back, or undocumented workers who have lost their jobs in the United States.

According to MarketWatch, Florida, Georgia and California saw the highest new unemployment claims over the past week, a reversal from the week prior in which all three states recorded decreases in the number of new unemployment claims filed, which suggests a strong relationship between the tumultuous rollercoaster of unemployment for workers and the premature reopening of the states' economies by Democratic and Republican officials.

The US recorded 72,063 new coronavirus cases on Thursday, with 37 US states reporting a rising number of new reported cases, causing several state officials to move back on the reopening of restaurants, bars, salons, gyms and other businesses that opened in the past month. In some states, such as Michigan and Ohio, Democratic and Republican officials have hinted at scaling back other key industries such as manufacturing that were deemed "essential," which state governments recklessly reopened before lockdowns formally ended and played a major role in the increasing number of cases in the United States over the following weeks.

With or without the massive surge in cases, the possibility of an increase in real unemployment numbers in the following weeks remained. Many of the jobs created month-over-month in May and June were those brought back by small businesses forced to close under state lockdowns through loans granted by the

federal Paycheck Protection Program, which covered only eight weeks of wages and other expenses, and their expiration was expected to usher in a new round of layoffs.

In addition to the announcement of 61,000 planned layoffs in the US airline industry in the past week, several other corporations, such as motorcycle manufacturer Harley-Davidson, have also announced plans to lay off workers in the US and around the world this year. Dozens of corporate bankruptcies announced since the pandemic took hold in the US in March will also result in job cuts.

The \$600 weekly federal unemployment benefit for US workers is set to end at the end of July, with the potential to throw millions of workers out of their homes, increasing food insecurity and making medical care farther out of reach during a public health crisis.

In spite of the relentless spread of the pandemic in the US due to the hasty decisions to reopen state economies, Wall Street profits continued to climb over the past week. While the wealth of the capitalist class has risen during the course of the pandemic, the working class is given no relief and faces rising unemployment and increased danger of infection.

In the wake of rising unemployment and the ending of inadequate temporary benefits, state governments acting on behalf of big business interests will use economic blackmail to force workers back into unsafe workplaces. This is a trend repeated throughout the world—in Latin America, Asia and Europe—revealing the true nature of the global capitalist system, which has no answer but to sacrifice the lives of the working class for the profits of a few.



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