

# Weekly jobless claims again top one million as mass evictions loom

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**21 August 2020**

The US Department of Labor reports that 1.1 million workers filed new claims for unemployment insurance last week, continuing the record levels of filings that began in March with the explosion of the COVID-19 pandemic. An additional 543,000 workers filed claims under the Pandemic Unemployment Assistance (PUA) program that extends benefits to so-called gig workers, self-employed individuals and independent contractors.

New unemployment claims rose by some 11,000 in New Jersey, 10,000 in New York, 9,000 in Texas and 5,000 in Florida. In Massachusetts, new claims rose by 2,000 while new requests under PUA rose by 8,750.

The overall numbers represented an increase from the previous week and belie claims that the worst of the economic crisis has passed. The continued massive job losses take place following the lapse last month of the \$600 weekly federal unemployment supplement and the federal ban on evictions. The unemployment supplement was all that was keeping many households afloat given the paltry levels of most state benefits.

Neither leaders in the Republican-controlled Senate or the Democratic-controlled House of Representatives have shown any particular urgency or interest in restoring the supplement wholly or partially. Demonstrating their contempt for the plight of the near 30 million unemployed, Congress has taken a month-long recess without addressing the cutoff.

The impasse in Congress has given the Trump administration the opportunity to cynically posture as the friend of the unemployed, bypassing Congress in a Bonapartist fashion to order the payment of \$300 weekly benefits to unemployed workers using disaster relief money. It is not clear when or if that money will materialize. So far only one state, Arizona, has issued any payments. Further, it is likely that the \$300 figure will serve as the benchmark for Congress, rather than the previous \$600, if it ever gets around to renewing the

supplemental benefits.

The ending of the federal ban on evictions and the concurrent expiration of state and local eviction moratoriums raise the danger that millions may be soon tossed out onto the streets. Since the federal ban required a 30-day waiting period, large numbers of evictions are likely to start in September.

According to a report by CNBC, up to 40 million could lose their homes as a result of the economic catastrophe triggered by the pandemic. One out of five renters were behind on their payments at the end of July. Some 60 percent of renters in West Virginia were in danger of eviction.

Since mid-July, state eviction bans ended in Maryland, Maine, Michigan and Indiana. Louisiana reported a threefold increase in evictions over the same period last year.

While the number of US workers receiving unemployment assistance fell to 14.8 million last week, that is still more than twice the high point of the Great Recession of 2008-2009. Another 11.2 million unemployed gig workers were receiving benefits under the federal PUA program.

Some 57.3 million workers have filed for unemployment assistance in the last 22 weeks, a massive number that is only likely to increase. Prior to the pandemic, the highest weekly number of new unemployment claims was 695,000 in the 1982 recession. Despite the push by the Democrats and Republicans to reopen businesses, the US economy has only regained 9.3 million of the 22 million that were lost since March.

Job losses and the threat of job losses are continuing. Last week, New York Mayor Bill DeBlasio, a Democrat, warned of the layoff of 22,000 city workers in the fall. Aircraft maker Boeing said it is preparing for more job cuts as demand for airliners declines. American Airlines has said it will halt service to 15 smaller US cities after

federal funds under the CARES Act expire in October. Terms of the legislation required airlines to maintain a certain minimum level of service, and American had received a massive \$5.8 billion bailout under the program.

Most businesses have now exhausted funds from the Federal Paycheck Protection Program, which provided incentives to companies not to lay off workers. A wave of small business closures appears all but inevitable, with the leisure and hospitality sector hardest hit.

According to researchers at the University of Illinois, Harvard Business School and the University of Chicago, 100,000 small businesses have closed permanently as a result of the pandemic. A survey done between May 9 and May 11 found that at least 2 percent of all businesses in the US have been wiped out. The National Restaurant Association reports that 3 percent of restaurants have permanently closed, a number that seems conservative given the restrictions on indoor dining in many states.

The carnage is likely to increase, as small businesses lack the cash reserves to survive a long shutdown. The result will be a further concentration of wealth in the hands of the super-rich. In 2017, 47 percent of US workers were employed at small businesses, a percentage that is sure to see a sharp decline.

“We are going to see a level of bankruptcy activity that nobody in business has seen in their lifetime,” said James Hammond, chief executive of New Generation Research in remarks to the *Washington Post*.

“The longer we go into this crisis, the longer people that have been temporarily laid off may not get called back,” AnnElizabeth Konkel of the job search website indeed.com told CNBC. “Businesses can only ride out this crisis for so long.”

Despite the horrifying unemployment numbers, or perhaps because of them, the stock market trended upward Thursday following record highs reached by both the S&P 500 and Nasdaq on Tuesday. The markets, buoyed by the prospect of continuing government cash infusions, are unconcerned about the economic and social devastation impacting the working class and small-business owners.

This follows reports that annual average CEO pay of the top 350 companies in the US rose to an incredible \$21.3 million in 2019 and is expected to rise again this year. The ratio of CEO pay to average earnings of workers stands at 320 to 1, according to one study. That compares to a 69-1 ratio in 1989. Between 1978 and 2019, average CEO pay has risen a massive 1,167 percent compared to an average 337 percent rise for others in the top 0.1

percent income group. By comparison, average wages for a full-time worker rose 13.7 percent during the same period, and that is perhaps an overestimate.

Since CEO pay is increasingly tied to the rise of the stock market, companies have a direct incentive to carry out stock buybacks and other socially regressive policies that contribute nothing to the real economy.

The pandemic has increased social inequality to new levels as lower-wage service industry workers and small businesses have been devastated while giant firms such as Amazon, Apple and Facebook have seen record sales and stock prices.

Social media sites are full of posts from workers unable to pay rent or buy food and medicine. A worker from Kentucky posted on Twitter: “So yes, me and my family will be on the street. In 4 days rent is due and I have \$34.16 in my account. Back in May a local nonprofit helped house me and my family in a hotel. They paid half my rent until unemployment kicked in. Took weeks to get. They still owe me two weeks back pay. I have been in the wait queue for over 2 months...” Such stories are endless.

Meanwhile, this week the United Nations issued an appeal to countries around the world to halt evictions during the pandemic. “Losing your home during this pandemic could mean losing your life,” Balakrishnan Rajagopal, the UN’s special rapporteur on the right to housing, warned. These words will certainly fall on deaf ears.

The dire conditions facing millions of unemployed workers in the midst of a still uncontrolled pandemic stand in sharp contrast to the cliché-ridden and banal speeches by delegates and nominees alike at the Democratic National Convention this week. The only basis for the progressive resolution to this massive crisis is through the independent mobilization of the working class on a socialist program. We urge workers and young people to join and support the campaign of the Socialist Equality Party candidates Joseph Kishore for president and Norissa Santa Cruz for vice president.



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