

As Congress rejects renewal of unemployment benefits

US jobless claims top 884,000 for second week in a row

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For the second week in row, the US Department of Labor on Thursday reported initial jobless claims of 884,000, a huge number that is nearly 200,000 higher than the pre-pandemic record of 695,000 set during the 1982 recession.

Generally seen as a rough measure of how many people are losing their jobs, this mammoth total gives the lie to claims of an economic recovery. Over 60 million workers have applied for benefits since mid-March.

The Labor Department reports that the four-week average jobless claim number is just under a million a week, at 992,500. So-called “gig” workers and independent contractors continue to apply for benefits under the Pandemic Unemployment Assistance (PUA) program and this week’s report shows 838,916 PUA claims, an increase of more than 90,000 compared to the previous week.

A comparison of this week’s and last week’s initial and PUA claims reveals that over 100,000 more workers, or 1.7 million total, filed for government assistance.

The Labor Department reported that the seasonally adjusted insured unemployment rate was 9.2 percent for the week ending August 29. In all, the government estimates the total number of people claiming unemployment benefits to be 29,605,064, an increase of over 380,000 from the week prior.

The increasingly desperate situation confronting laid-off workers is underscored by the news that the Lost Wages Assistance (LWA) Program, enacted through an executive order issued by President Trump last month, stopped accepting state applications as of September 10. An estimated \$30 billion out of the \$44 billion in

the Federal Emergency Management Agency (FEMA) grant program has been distributed to 48 states as well as Guam and the District of Columbia.

With funding for the program quickly drying up, many states have already announced that they will stop sending payments to beneficiaries over the next month, despite the fact that millions have yet to receive anything due either to backlogs or ineligibility. For instance, workers who are receiving less than \$100 in state unemployment benefits are ineligible to receive LWA grants, while several states, such as Mississippi, have yet to distribute any funds as of this writing.

After six months it is clear that of the 22 million jobs that disappeared when lockdowns began in earnest toward the end of March, a majority are not coming back.

A September 4 report from the Bureau of Labor Statistics exemplifies the gaps in employment based on education, with 12.6 percent of workers without a high school diploma unemployed compared to just 5.3 percent of workers with a Bachelor’s degree or greater. For those with just a high school diploma, the unemployment rate is at 9.8 percent, while for those with an Associate’s degree or some college the figure is eight percent.

Despite widespread joblessness and all the misery that entails under capitalism, the US Congress, widely populated by millionaires, failed this week to come to terms on a “skinny” \$300 billion Republican coronavirus relief bill that included an extension of the \$300 per week federal jobless supplement until the end of the year. That is half the size of the federal jobless aid enacted as part of the CARES Act. That benefit expired on July 31.

The Republican Senate bill, which included hundreds of billions of dollars in previously allocated but unspent aid, also provided more than \$250 billion in additional small business loans, \$105 billion to reopen the schools, \$16 billion for coronavirus testing and tracing, \$31 billion for vaccine development and distribution, \$20 billion for farm assistance, \$10 billion for child care support and \$10 billion for the US Postal Service.

Right-wing provisions in the bill included legal immunity for businesses from potential suits from workers impacted by unsafe conditions during the pandemic and a two-year “school choice” tax credit to promote private schools at the expense of the public education system.

It did not include any additional funding for cash-strapped states and local governments, or a new cash stipend. The CARES Act provided a \$1,200 stipend for most American adults.

The bill failed to muster the 60 votes needed to overcome a filibuster and proceed to a floor vote, with 52 (all Republicans) voting in favor and 47 against. Every Democratic senator except vice presidential candidate Kamala Harris, who was not present, voted against the bill, along with Republican Rand Paul of Kentucky.

The defeat of the Republican measure, a foregone conclusion after the Democratic congressional leadership declared it “dead on arrival,” appears to mark the end of a protracted exercise in political theater in which both parties postured as advocates for workers devastated by the pandemic, but neither made any serious effort to actually provide relief.

The Democratic-controlled House of Representatives passed a \$3.2 trillion relief bill last May, knowing it would never be taken up by the Senate. That bill included restoration of the full \$600-per-week unemployment benefit through the end of 2020, plus \$1 trillion in federal aid to deficit-ridden state governments and money for food stamps, hospitals and pandemic-related needs.

Negotiations between House Speaker Nancy Pelosi and Senate Minority Leader Charles Schumer on one side and Treasury Secretary Steven Mnuchin and White House Chief of Staff Mark Meadows on the other continued in desultory fashion throughout August, finally collapsing at the end of the month.

While Republicans and Democrats rushed to pass the

multi-trillion-dollar bailout of Wall Street by a near-unanimous vote in last March’s CARES Act, neither party was serious about enacting legislation to address the worst social crisis since the Great Depression.

This is underscored by the Democrats’ agreement with Mnuchin to pass a “clean” continuing resolution before the end of the fiscal year on September 30 to keep funding the federal government and prevent a shutdown. House Speaker Pelosi, in making this agreement, signaled that the Democrats would not attempt to use the threat of a shutdown in the midst of the pandemic and mounting social unrest, and just weeks ahead of Election Day, as leverage to force the White House and the Republican Senate to provide some degree of serious relief for laid off workers.

As the *World Socialist Web Site* wrote on September 9, the two parties of American capitalism “have a common interest in using the threat of destitution and homelessness to pressure workers into returning to COVID-19-infected factories and teachers to unsafe schools in order to ‘reopen the economy,’ i.e., resume the pumping out of profits to back up the massive debt incurred in the bailout of the corporate-financial oligarchy. This homicidal policy is being spearheaded by the Trump administration, but it has the full support of the Democrats, who are implementing it at the state and local level.”

Democratic governors and mayors, facing combined budget shortfalls in the hundreds of billions of dollars, are planning massive layoffs of teachers, health care workers and other public employees, along with brutal cuts in basic social services and pensions. Not a single Democratic governor or mayor has suggested raising taxes on the wealthy to avoid cuts that will only increase the coming wave of evictions and the growth of hunger and poverty.



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