Social distress mounts in the US as new weekly jobless claims rise to 870,000

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For the twenty-seventh week straight first-time claims for unemployment benefits continued at historically unprecedented levels, with a seasonally adjusted 870,000 workers filing for benefits the week ending September 19. This number is up from 866,000 the week before, according to the US Labor Department. Another 630,000 filed under the Pandemic Unemployment Assistance program that provides assistance to the self-employed and other "gig economy" workers.

At the same time, continuing claims for unemployment assistance fell to 12.6 million for the week ending Sept. 12, a decrease of 167,000. This slight decline may reflect the fact that some workers are exhausting their unemployment benefits, which provide a maximum of 26 weeks, or even less, in most states. As of the beginning of September, another 11.5 million were claiming benefits through the pandemic assistance program.

The large number of active unemployment claims, 24.1 million total, far surpasses anything seen in the Great Recession, which never exceeded a level of seven million. The current numbers understate the extent of the crisis as they do not reflect workers who are facing reduced hours or on furlough.

The largest weekly increases in new filings were in New York and Georgia. New claims in New York rose by over 9,000 last week and first-time filers in Georgia increased by more than 6,000. California alone had over 230,000 new filings, an increase of 4,400.

The number of jobs in the hospitality and leisure sector, which includes bars, restaurants, hotels and theaters, is still down 25 percent from pre-pandemic levels. New job openings are scarce, with 2.5 job seekers for every open position.

Despite the reopening of the economy pushed by President Donald Trump and enacted by Democratic and Republican governors, mass layoffs are continuing to hit workers throughout the country.

Blue Cross Blue Shield of Michigan has made voluntary separation offers to more than 10,500 employees as it moves to slash administrative costs. Real estate company Brookfield Properties announced a 20 percent across-the-board staff reduction. Its retail arm employs 2,000 people.

Faced with major budget deficits, public school systems are carrying out staff reductions, including Baltimore City Public Schools, which has sent layoff notices to 450 and the Schenectady City Schools, which is cutting 60 positions. Colleges are also carrying out job cuts as they face major budget strains, including University of Akron, which is cutting 70 staff and San Francisco State, which is cutting 130 positions. Many community colleges have also announced cuts.

Responding to the latest jobless numbers, David Zhao, an economist with employment website glassdoor.com, noted in a statement Thursday, "Economic recovery propelled by sheer momentum can only go so far amid a pandemic." He added, "This stagnation signals enormous ongoing churn underneath the labor market as layoffs continue."

The continued high level of new unemployment claims speaks to enormous economic distress amidst the pandemic, with daily new infections remaining high and moving upwards. These numbers stand in contrast to the boasts of the Trump administration about an easing of the crisis, touting the decline in the official unemployment rate, which fell to 8.4 percent in August, more than double what it was in February.

In a cynical legislative charade, in which each party blames the other for failing to act, the Democrats and Republicans in Congress are blocking the extension of

emergency funding to the unemployed. Further, the stopgap weekly payments of $300 funded by money diverted by the Trump administration from Federal Emergency Management Agency funds are due to run out this week.

The deliberate starving of the unemployed is a policy being carried out with the support of Democrats and Republicans to help enforce the homicidal return-to-work policy of the ruling class. This policy is dictated by Wall Street, whose overriding aim is to restart production in order to meet the profit demands of big business and the finance houses. The brutal idea is to create such economic hardship that workers will have no choice but to work under unsafe conditions as COVID-19 infection are being allowed to again surge upward with the reopening of schools, colleges and workplaces.

The cutoff of assistance to the unemployed stands in stark contrast to the financial bonanza reaped by US billionaires through the flooding of government money to prop up the markets, $3 trillion since March. The US Federal Reserve has now pledged to pour another $120 billion a month, $1.5 trillion a year, to purchase financial assets. However, even these massive amounts are not enough to satisfy the appetites of Wall Street, which is demanding even more.

Meanwhile, despite official homilies to entrepreneurship, small businesses are being allowed to go bankrupt by the thousands, having long run out of money from the Paycheck Protection Program (PPP), even if they were able to qualify after most money appropriated by Congress was gobbled up by big corporations.

The cutoff of the federal supplement is putting further pressure on renters and homeowners whose jobs have been impacted by the pandemic. According to the US Census Bureau, in August more than one in four renters said that they did not think they would be able to meet rent in September. Figures published by the *Washington Post* reveal the number of eviction filings surged in many cities, including Kansas City, Missouri; Richmond, Virginia; and Fort Worth, Texas.

While the US Centers for Disease Control issued its own eviction ban for certain properties on September 4 following the end of the federal ban, it only lasts to the end of the year. Meanwhile, Congress has not appropriated any additional funds for rent assistance, meaning millions will still face eviction without any possibility of payment in just three months.

NBC News cited an analysis by Mark Zandi, chief economist at Moody's Analytics, who estimated that US households owe over $25 billion in back rent, which could surge to $70 billion by the end of the year.

The continuing demand on food banks, another sign of social distress, is straining capacity. Local news channel 19Now spoke with Melony Samuels, the director of the New York food bank Bed-Stuy Campaign Against Hunger, who said that they were not prepared for a crisis of this length or depth. "Here we are six months now, devastated, still panicking and it seems to be just getting worse." In April, the charity was providing 250,000 meals a week. It is now providing 315,000 meals a week.

According to Feeding America, between March and June four out of ten people visiting food banks had never used a food bank previously. The organization reports that more than 54 million in the US, including 18 million children, may face hunger this year. Already strained food banks faced an average 50 percent increase in demand nationwide since the start of the pandemic. According to a data analysis of US Census and Department of Agriculture figures, the proportion of children facing hunger is 14 times higher than it was last year.

Additional strains are being put on food resources by the ongoing wildfire disasters on the US West Coast and Hurricanes Sally and Laura that struck the Gulf Coast.

Dr. Megan Sandel, from the Boston University School of Medicine told the *Intercept*, "What I see every day from the pandemic is amazingly increased numbers of severely underweight children coming to our clinic, and parents really panicked about how they're going to find enough food."

There is no actual shortage of food in the US. In fact, 31 percent of food is thrown away at the retail and commercial level with a value of $161 billion, twice as much as the government spends on food assistance.