

# Desperation swells among millions of unemployed in the US as layoffs mount and aid dries up

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Over six months after pandemic-induced lockdowns went into effect in the US—before being quickly abandoned by Democratic and Republican governors at the insistence of President Donald Trump and the financial oligarchy—the worst economic crisis since the Great Depression shows no signs of abating.

While the March-April crescendo of job losses of over 11 million has not been repeated, talk of a “V-shaped” recovery in the jobs market has been put to rest as ongoing layoffs in transportation, entertainment and hospitality sectors are adding tens of thousands more to the unemployment rolls every day. The Department of Labor (DOL) reports that 28.4 million workers are currently receiving unemployment benefits or are waiting for approval.

At the same time, small business owners who took advantage of loans offered through the Paycheck Protection Program (PPP) as part of the \$2.2 trillion CARES Act, are teetering on the brink of collapse as Small Business Administration data revealed this week that less than one percent of the over 5.2 million loans granted through the program have been turned into grants. Since the beginning of the pandemic, an estimated 100,000 small businesses have permanently closed, with many still on the hook for outstanding PPP loans.

The combined economic squeeze on workers and small businesses has led to growing food insecurity and a rise in evictions. Despite the growing indicators of widespread social displacement, hunger, and mental anguish, including 40 states reporting an increase in opioid-related mortality, the US Congress, overwhelmingly comprised of millionaires, many of whom withheld information on the danger of the pandemic to increase their stock portfolios, continues to feign interest in a fifth coronavirus relief bill while accomplishing nothing.

The latest DOL report states that the US unemployment rate stands at 8.4 percent. However, economists estimate the number to be above 11 percent due to the fact that millions of workers have given up on securing employment as demand for work outstrips available jobs, with 2.5 workers per every one job, according to the DOL, for July, the last month data is available.

Despite the coordinated abandonment of any health and safety guidelines as part of the ruling class’s homicidal “back to school” and “back to work” campaign, which has led to a resurgence of the coronavirus cases across the country, millions of people continue to stay at home and spend what little money they have on essentials.

The reduction of travel, and with it, consumer spending, like all aspects of the pandemic, will be another burden the working class will be forced to shoulder. On Thursday, domestic airline carriers American, United and Delta are set to lay off up to 40,000 workers unless more government bailout funds are secured. As part of the CARES Act, the major airlines received \$25 billion in government funding on the condition that they would not lay off workers prior to October 1.

The reduction in travel is hitting entertainment sectors particularly hard. The unemployment rate in central Florida, already 15 percent in Osceola County and nearly 12 percent in Orange County, is expected to balloon once the data is released for the month of September following multiple large-scale layoff announcements from several major resorts.

On Tuesday, Disneyworld and Disneyland resorts announced 28,000 layoffs, affecting workers at the California, Florida, Paris, Tokyo and Hong Kong locations. Disney Parks Chairman Josh D’Amaro said in a statement that the “difficult decision” to eliminate thousands of jobs “will enable us to emerge a more effective and efficient operation when we return to normal.” D’Amaro estimated that “67 percent” of those laid off are part-time, meaning they will not be eligible for full unemployment benefits, which in Florida is capped at an insulting \$275 a week for 12 weeks.

The Swan and Dolphin hotels, which are located at Disney World in Orlando, but not owned by the company, also announced 1,100 layoffs at the beginning of September. Shortly thereafter, SeaWorld confirmed that it would be terminating 1,900 workers at its Orlando location, while Universal Orlando Resort also announced in September that it was extending furloughs for nearly 5,400 workers through “at least” the end of the year.

Audits conducted within the last month in California,

Wisconsin, Florida and Nevada reveal dysfunctional call centers in which millions of calls from claimants went unanswered, with backlogs growing day after day. Laid-off workers report calling unemployment offices hundreds of times a day for weeks on end, only to be hung up on or, if they do get through, their issue is not resolved.

In Florida, where last month Republican governor Ron DeSantis, a Trump acolyte, admitted that the unemployment system was designed to pay out the “least number of claims,” claimants still report not receiving funds even after sending in the requisite documentation.

As of September 18, more than 152,000 Floridians were waiting to be paid, according to the state’s own dashboard, while an estimated two thirds of the state’s unemployment funds have already been depleted, leaving many new applicants without access to funds without new legislation or until next year. DOL data for Florida shows that for the month of April only 36.44 percent of approved first unemployment payments were made within 14 to 21 days after the claim was approved. In May this decreased to 31.7 percent.

For those workers who have managed to get through annoying phone trees and have had their claims successfully processed, the expiration of state unemployment benefits, which is capped at 26 weeks a year in many states, combined with the ending of the Lost Wages Assistance Program (LWA), administered through the Federal Emergency Management Agency, portends more hardship.

While nearly every single US state and territory was approved for the \$300 weekly payment meant to last six weeks, at least 15 states will end the program this week, or have already ended it, including: Arizona, California, Idaho, Iowa, Louisiana, Massachusetts, Minnesota, Missouri, Montana, New Hampshire, Oklahoma, Tennessee, Texas, Utah and West Virginia.

Conversely, states such as Michigan that were approved weeks ago to begin distributing funds have yet to send funds to most of those who are eligible, while in Nevada, where the unemployment rate in Las Vegas is above 16 percent, Department of Employment, Training and Rehabilitation (DETR) Administrator Elisa Cafferata still does not expect LWA payments to begin depositing into workers accounts for at least “another four to five weeks.”

DETR is currently in the process of phasing out a privately run call center, Alorica, which was awarded a \$5 million contract in April to assist with handling the deluge of unemployment claims. However, after months of complaints and a backlog of more than 80,000 unpaid valid claims since March, the state terminated the contract. Cafferata admitted that the department is still “chipping away at the backlog” and claiming to have resolved an estimated 18,161 claims in the last two months, leaving more than 60,000 waiting.

In Wisconsin, a recent analysis from the Legislative Audit Bureau found that fewer than one percent of calls directed to

the Department of Workforce Development unemployment call centers between March 15 and June 30 were answered. Approximately 93.3 percent or over 38 million calls placed during that time period were blocked or callers received a busy signal, while roughly 6 percent of callers hung up before reaching someone, leaving only .5 percent of calls answered.

Speaking to a local Fox affiliate, Kathleen Meachem of Appleton, Wisconsin explained the mind-numbing tedium of trying to get through the lines. “I would sit some days and literally just hit repeat dial to unemployment,” Meachem said. “There were some days that I had 500 calls to them and was unable to get through.”

Last month, Sharon Hillard, Employment Development Director (EDD) for the state of California, told lawmakers that the state had a backlog of 1.6 million claims, which Hillard estimated would not be resolved “until January 2021.” The state is currently not accepting any more applications to address the backlog and to prevent what it says are “fraudulent claims.”

As in Wisconsin and Nevada, long wait times and unanswered phone calls to EDD have left millions frustrated and without funds. In addition to long wait times, the state’s unemployment website itself was not optimized for mobile devices, forcing millions to access it on a desktop computer, something hard to come by for low-income workers, especially with the pandemic closing down public libraries.

Speaking to the *Sacramento Bee*, Pearl Jow, a 53-year-old resident of Palm Desert, spoke on the hardships she faces, now that the state will be ending LWA payments next week for her and some 3.2 million people who had been receiving payments. Jow lost her job at a logistics company at the start of the pandemic in March and has been receiving \$110 a week in unemployment benefits.

“How am I supposed to cover basic bills on \$110 a week?” Jow wondered. “Literally, I’ve been living on oatmeal and peanut butter sandwiches.” Speaking on congressional inaction, Jow remarked, “They act like they have all the time in the world. Twenty-four hours is a life-or-death situation, and no one cares, and no one is listening.”



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