

No relief for unemployed in sight as 840,000 in US file new jobless claims

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The dire economic hardship faced by millions of American workers shows no sign of easing as unemployment claims continue at historically unprecedented levels, job cuts mount and the Trump administration and Congress refuse to authorize any relief.

The US Labor Department reported 840,000 new claims for unemployment insurance last week, only a slight decline from the previous week, but still well ahead of the pre-pandemic record of 695,000 weekly unemployment claims. The latest numbers do not yet reflect massive airline layoffs after the September 30 expiration of prohibitions on permanent layoffs, which were contained in the CARES Act bailout of the industry.

On October 1, American Airlines started to send out furlough notices to 19,000 workers and American Airlines sent out another 13,000. Alaska, Allegiant, Hawaiian and Spirit have also announced jobs cuts, bringing the total to some 50,000 in the airline industry. Other layoffs included Disney, which slashed some 28,000 jobs, while insurer Allstate said it was cutting 3,800 jobs.

In relation to the American Airline job cuts, one worker noted bitterly on social media, “The economy is not recovering, it bounced due to trillions in free money stimulus that's gone now, and if you think the [government] is going to give money away forever you're a tad naive. Welcome to your new reality, your old one is gone for good.”

A flight attendant at Delta Air Lines told the *World Socialist Web Site*, “I just saw Doug Parker, the CEO of American Airlines, on the evening news demanding more money for the airlines as if he cared about the flight attendants that are about to be furloughed. United and American are blackmailing the country. They say they're going to layoff 32,000 workers between them if they don't get more stimulus money.”

While ignoring the jobless, Congress is currently discussing another \$25 billion bailout for the airline industry, rewarding the same companies that are carrying out massive cuts.

“The companies are all pushing for another Cares Act,” the Delta flight attendant said. “They say, ‘We will be forced to cut more routes without additional aid.’ But what good did the last bailout do? We are right back in the same situation, facing layoffs.”

Flight attendants have little confidence in their union, the Association of Flight Attendants, which campaigned vociferously for the CARES Act and is pushing for more money for the Payroll Support Program, which amounts to little more than a multi-billion dollar slush fund for the airline companies and manufacturers.

Another flight attendant posted on Facebook, “AFA will lose \$332,000 a month from United flight attendants. That's why AFA wants it (PSP) extended.”

With less than one month until the US presidential election, there is no relief in sight for the unemployed as well as millions of workers on short hours. The economic suffering in the US was never broached in the presidential and vice presidential debates, and neither the Trump administration nor the Democrats and Republicans in Congress have shown any sense of urgency in restoring supplemental unemployment benefits that ran out at the end of July.

According to the Labor Department, 3.8 million workers lost their jobs permanently in September, about twice the number of permanent job cuts in April. Education was hard hit. Even as many schools reopened, employment at public educational institutions fell by 280,000, and another 69,000 at private schools were impacted.

While the number of workers receiving unemployment pay fell to 11 million—down from 12 million the previous week—that partly reflects the fact that workers are exhausting their benefits, which are limited to 26 weeks in most states. In addition, over 11 million workers continue to receive aid under a special pandemic assistance program targeting self-employed or “gig economy” workers.

Commenting on the relentless pace of layoffs, Eliza Forsythe, an economics professor at the University of Illinois, Urbana-Champaign told the *Wall Street Journal*,

“It’s more of the same, but it’s also still jaw-dropping that we have that many new claims even now as we’re six, seven months into this whole recession and recovery.”

This week’s unemployment data was compromised by the fact that California, the most populous state, stopped processing claims last week due to an extreme overload of its system. This forced the Labor Department to use an estimated figure based on California’s prior week report.

In addition to the 26 million people receiving some form of unemployment aid, more than 5 million small businesses relied on some form of federal relief over the summer.

According to the National Federation of Independent Business, one in five small businesses said in August they would have to close in the next six months without a significant improvement in the economy or more government assistance. This included 40 percent of restaurants, a sector that has been particularly devastated by the pandemic. Many only were able to hang on during the summer due to outdoor dining, which will end soon as the weather changes in most areas of the country.

Adding to social anger is the obvious fact that the pandemic, which has claimed more than 217,000 lives in the US and created such disruption and hardship, has proved a boon to the super wealthy. The vast bulk of the \$4 trillion handed out by Congress in pandemic relief has found its way to the bank accounts and stock portfolios of the corporations and the rich.

While the US has been the developed country hardest hit by pandemic-related job losses, US billionaires now hold 36 percent of the world’s total billionaire wealth, or \$3.6 trillion.

According to one report, the 643 wealthiest Americans saw their wealth rise by \$845 billion between March 18 and September 15. During that period, some 62 million US workers applied for unemployment benefits.

The social crisis afflicting tens of millions in the US has not been mentioned in the presidential debates. Nevertheless it dominates the thinking of the ruling class. Both the Democrats and Republicans are terrified of the potential for a mass eruption of social opposition that could eclipse the protests over police violence. This is behind the open moves by the Trump administration to establish a presidential dictatorship with the support of right-wing militias and elements within the police and military.

It should be pointed out of the \$4 trillion allocated under the CARES Act, only 16 percent went to actually fighting the pandemic, including testing and contact tracing. Meanwhile, big corporations gobbled most of the \$2.3 trillion in aid to business, with few or no strings attached. Small businesses, however, were mostly left out. For example, only 20 percent of small businesses in the state of

New York, among the areas hardest hit by the pandemic, received federal aid.

With the end of the federal \$600 weekly supplemental unemployment insurance at the end of July as well as the expiration of bans on foreclosures and utility shutoffs, millions are being threatened with destitution.

According the US Census Bureau, one-third of US adults say they have difficulty meeting household expenses. In addition to lack of food, families face the pressure of paying rent and basic utilities like heat, gas and water.

Another Census Bureau survey found that 22.3 million US adults reported they sometimes or often did not have enough to eat in the previous week. Fourteen percent of adults with children faced the same dilemma.

There has been a 50 percent increase in demand faced by food banks since the start of the pandemic and many are overstretched. According to Michael Ledger, CEO of Feeding the Gulf Coast, hunger has skyrocketed during the pandemic, impacting one in five adults and one in three children.

“Our child nutrition program has been working around the clock. As a matter of fact, right now, all four of our programs typically wouldn’t be running—we currently are running simultaneously right now,” Ledger said in a recent interview with PBS.

Moratoriums on utility shutoffs have expired in all but 21 states and the District of Columbia. During the pandemic families have been accumulating debts to the utility companies that now could total \$24.3 billion by the end of the year, according to one estimate reported by the *Washington Post*. The critical issue facing the working class is to develop a mass movement in opposition to austerity and the threat of dictatorship. We call on workers and young people to support the campaign of our candidates Joseph Kishore for president and Norissa Santa Cruz for vice president and help advance the program of the Socialist Equality Party. Capitalism has failed. The vast wealth created by the labor of millions of workers must be redirected to fighting the pandemic and meeting social need, not fattening the bank accounts of the super wealthy.



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