Another 751,000 US workers file for unemployment benefits as job growth slows

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5 November 2020

Another 751,000 American workers filed initial claims for state unemployment benefits during the week ending Oct. 31, the US Department of Labor (DOL) reported Thursday. There were also 362,883 new claims for Pandemic Unemployment Assistance, the federal program that provides benefits to independent contractors, the self-employed and gig economy workers who do not qualify for state unemployment aid.

The media highlighted the fact that initial state claims fell by 7,000 from the week before and have fallen for three weeks in a row. The narrative of the supposedly robust recovery of the economy will likely continue tomorrow when the government releases employment figures for October, which analysts expect to show an increase of more than half a million jobs. However, job growth has slowed substantially recently since first spiking in May and June when the Trump administration and both parties lifted partial lockdowns and non-essential businesses reopened.

In September, there were 661,000 new jobs, meaning it would take 17 months for the US economy to return to pre-pandemic employment levels. On Wednesday, the hiring firm ADP, which conducts a separate survey of employers, said private companies only added 365,000 jobs in October, well below expectations for 700,000 positions.

Broad masses of working people are facing an economic and social disaster that is unparalleled since the Great Depression. The total number of workers who have filed jobless claims since the pandemic began has reached 66.7 million, the equivalent of nearly 42 percent of the nation's workforce.

Currently, the number of people collecting some form of state and federal benefits is 21.5 million, compared to 1.44 million in a comparable week in 2019. The real number of jobless workers in America, however, is far higher. Millions have already exhausted their benefits, dropped out of the labor force or are being forced to work short hours with a sharp loss in pay.

The states and territories with the highest insured unemployment rates in mid-October were Hawaii (11.3 percent), California (9.5 percent), Nevada (9.2 percent), New Mexico (9.0 percent), Georgia (7.6 percent), Puerto Rico (7.6 percent), District of Columbia (7.1 percent), Massachusetts (6.9 percent), and Louisiana (6.8 percent).

The new surge in COVID-19 infections is expected to lead to a further slowdown in job growth. The latest Paychex-IHS Markit Small Business Employment Watch recorded a slowdown in small business hiring in October. At the same time, major corporations, including the airlines, hotels, retail and other industries, are using the pandemic to slash jobs and restructure their operations.

Nearly one in 10 businesses plan to lay off workers during the final three months of the year as a result of the pandemic, according to a survey of human resource executives at 330 companies conducted by the Conference Board last month, which was reported by *USA Today* earlier this week.

Over 28,000 Walt Disney workers are expected to receive email notices this Sunday informing them that their jobs have been cut at theme parks, resorts, theaters and other entertainment operations. Tens of thousands of other workers have been given layoff notices over the last several days at Boeing (7,000), Exxon Mobil (1,900), Charles Schwab (1,000), Nike (700) and ESPN (300). With a 25–30 percent decline in demand for printing and writing paper, the ND Paper company announced that it was laying off 130 of its 650 workers at its paper mill in Rumford, Maine, where one worker

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died from COVID-19 and 21 were infected in September.

Even as the number of infections hit a record high of 115,000 on Thursday and the death toll surpassed 240,000, the Dow Jones Industrial Average shot up 542 points and Wall Street enjoyed its best week since April. The corporate and financial elite have already factored in that a Biden administration would secure its interests and quickly dispense with any campaign rhetoric about increasing taxes on the wealthy, particularly with a Republican Senate. The markets were also bolstered by the anticipation of another federal bailout and Federal Reserve Chairman Jerome Powell's assurance on Thursday that the central bank would continue record low interest rates and its $4.2 trillion asset purchase program, which includes spending $120 billion a month to buy up the bad debts of the banks and other major corporations.

At the same time, the Democrats and Republicans have deprived jobless workers of any significant economic relief in a deliberate effort to pressure workers back into the factories and other workplaces to pay for the mountain of government and corporate debt. The cutoff of government stimulus checks and $600 per week federal supplement to state unemployment benefits has contributed to a massive reduction in personal income, according to a government study cited in a *Quartz* article, titled, "The boom in US GDP does not match what's happening to Americans' wallets."

The US Bureau of Economic Analysis (BEA) found that personal income decreased $540.6 billion in the third quarter, in contrast to an increase of $1.45 trillion in the second quarter. "The decrease in personal income," the report noted, "was more than accounted for by a decrease in personal current transfer receipts (notably, government social benefits related to pandemic relief programs) that was partly offset by increases in compensation and proprietors' income.

Disposable personal income decreased $636.7 billion, or 13.2 percent, in the third quarter, in contrast to an increase of $1.60 trillion, or 44.3 percent, in the second quarter, the BEA reported. Personal saving was $2.78 trillion in the third quarter, compared with $4.71 trillion in the second quarter.

As a result, an estimated 54 million Americans are going hungry, 30 to 40 million face the danger of evictions and an estimated 8 million have gone into poverty since the pandemic hit.

At the opposite pole of society, the private fortunes of America's richest 645 billionaires have risen by $845 billion—from $2.95 trillion to $3.8 trillion—and several corporations are seeing profits rise sharply. On Thursday, General Motors reported $4 billion in profits in the third quarter. This follows similar windfalls by Ford and Fiat Chrysler as all three Detroit automakers blew past Wall Street profit projections. Auto factories were reopened in mid-May after a two-month shutdown forced by a wave of wildcat strikes against the spread of the virus in the plants, which rank-and-file autoworkers carried out in defiance of the United Auto Workers union.

Workers who have been forced back into the infected factories are working harder and harder while wages stagnate. The Bureau of Labor Statistics reported Thursday that productivity in the third quarter rose by 4.9 percent, following a 10.6 percent increase in the second quarter, the largest two-quarter increase since 1965. Manufacturing productivity increases were even higher, rising at a 19 percent annualized rate.

At the same time, unit labor costs in the third quarter decreased at an annual rate of 8.9 percent and 18.2 percent in the manufacturing sector. This is driven by a 4.4 percent decrease in hourly compensation, the largest decline since 2009, when mass unemployment after the global financial crash was used to drive down wages, including a 50 percent pay cut for new hires in the auto industry overseen by the Obama administration.

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