

New US unemployment claims top 712,000 as mass layoffs continue

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Historically unprecedented job losses continued in the US for the 37th straight week with the Department of Labor's (DOL) latest unemployment claims report revealing another 712,000 first-time unemployment claims filed for the week ending November 28. The figure is a slight decline from last week's revised total of 787,000, but still nearly three times the pre-pandemic average of 225,000 weekly claims.

The drop in claims owes more to difficulties in reporting due to the Thanksgiving holiday than to a prevailing trend, Ian Shepherdson, chief economist at Pantheon Macroeconomics, said in a note regarding the claims quoted by CNBC. "Initial claims likely will rebound strongly next week, probably rising above the 800K mark for the first time in eight weeks," Shepherdson added.

The out-of-control spread of the coronavirus—the result of homicidal “herd immunity” policies enacted by capitalist governments the world over—has had predictable, terrible consequences in the US with daily new cases regularly exceeding 200,000, hospitalizations of over 100,000 and a daily death total approaching 3,000.

As hospitals reach capacity limits and increasingly resistive and angry health care workers, teachers, and autoworkers begin to organize independently of the trade unions to protect their lives, coworkers, communities and families, some state and local governments have begun to enact criminally belated and limited restrictions without additional financial relief for workers and small business owners, leading to further layoffs and business closures.

The latest unemployment report also showed that 288,701 initial claims were made for the Pandemic Unemployment Assistance (PUA) bringing the combined total of new claims across state and federal programs to once again over 1 million for the week.

For the week ending November 14, the DOL reported 8.69 million people were claiming PUA benefits while another 4.56 million were claiming Pandemic Emergency Unemployment Compensation (PEUC) benefits. Overall, roughly 20.1 million people are claiming benefits across all state and federal programs according to the report, with roughly 13 million enrolled in either PUA or PEUC, both created as part of the CARES Act and set to expire in just three weeks on December

26.

The ongoing job losses are compounded by stagnant job growth in normally high employment sectors around the holidays, such as the retail and restaurant industry, which usually see increased spending. On Wednesday payroll company ADP released its job figures which showed that only 307,000 workers were added to private payrolls, nearly 170,000 less than what was predicted and 98,000 fewer jobs than were added in October.

Statistics from the data firm Womply give some indication to the squeeze small businesses owners are under, with an estimated 21 percent of all small businesses closed at the start of November, up from 5 percent in June. Womply also found that consumer spending at small businesses declined 30 percent compared to a year earlier, as millions save what little they have for necessities.

Without any available jobs, unemployed workers are forced to continue filing for unemployment. Continuing claims saw a marked decline in the latest report to 5.52 million, a drop of 569,000 from the 6.1 million reported the previous week. This metric isn't a sign however that workers are returning to work, instead it indicates that more workers have exhausted state benefits, which typically are limited to 26 weeks but can be as low as 12 weeks. The workers have moved onto federal programs, or dropped off entirely.

For hundreds of thousands of workers—nine months into the pandemic—the struggle just to receive owed benefits is still ongoing. Thousands of workers in states from Washington to Wisconsin have received letters in the last month demanding they return hundreds, or even thousands of dollars to the state in alleged “over-payments” which in many cases, were never received to begin with.

In Wisconsin, the Department of Workforce Development (DWD) sent an “overpayment” letter to 62,000 people demanding a total of \$44 million be paid back. Speaking to TMJ4, Stephanie Russell, an accountant, said the DWD sent her a letter requesting \$16,200, an amount she noted she, “never received.”

Russell contends she followed the states instructions “verbatim,” and answered all the questions regarding her application “correctly and honestly,” yet the DWD still insists

she owes the money. “It’s not funny at all but it’s almost laughable that they think someone is just going to blindly pay,” she told TMJ4. “And it’s shady. It seems really shady.”

A similar situation is unfolding in Washington where some 26,000 people who were receiving PUA benefits received an “overpayment” letter along with a suspension of future payments, after the state’s Employment Security Department determined that they were ineligible. Receiving a bill for more than \$14,000, “definitely [peaked] my anxiety and is nerve-wracking,” Blake Whitmore said in an interview with KIRO7.

For those who have received PUA benefits, some 13 million so far, a Government Accountability Office report released on Monday revealed that 27 of the 41 states participating in the program reported paying out a weekly benefit that was not much, or at all, higher than the minimum weekly benefit. The PUA insurance is supposed to be based on a claimants’ tax returns and other proofs of income and adjusted accordingly. In 29 of those states the minimum PUA benefit is below the weekly poverty limit with states such as Illinois paying out as little as \$51 a week, while the minimum payment for worker in Alabama is a Scroogelike \$45 a week.

While millions grapple with pandemic unemployment benefits, the end of the year will also mark the end of the Centers for Disease Control and Prevention’s eviction moratorium, leaving up to 40 million people at risk of eviction, according to the Aspen Institute. Barring action, January 1 will also mark the resumption of collections on defaulted student loans by the US Department of Education; as of June 2019, the national student loan debt reached \$1.6 trillion with an estimated 44.7 million people in the US having some debt.

With the virus running rampant, and another coronavirus relief bill purposefully stuck in months long “negotiations” between the two parties of big business in Congress, and a vaccine still months away for millions, the corporations and Wall Street are taking advantage of the crisis by restructuring the labor force through mass layoffs and job cuts, fueling the rise of share values with Thursday’s Dow Jones Industrial Average closing out at a near record 29,969.52.

On Wednesday Southwest Airlines, which received \$3.2 billion in CARES Act relief, announced it was sending Worker Adjustment and Retraining Notification (WARN) notices to 6,828 workers. The company had previously sent out batches of notices earlier in the month leaving 7,273 workers at risk of losing their job between January and April 1, 2021. Despite thousands of workers accepting early retirements and buyouts earlier this summer to avert layoffs, Russell McCrady, vice president of labor relations for Southwest laid the blame on workers for refusing to agree to another \$500 million in costs cuts.

“Due to a lack of meaningful progress in negotiations, we had to proceed with issuing notification to employees who are valued members of the Southwest family,” McCrady wrote in a statement. “We are willing to continue negotiations quickly to

preserve jobs if we can achieve the support that allows Southwest to combat the ongoing economic challenges created by the decline in demand for air travel.”

Even though the airline industry has received over \$25 billion through the CARES Act, a recent US Transportation Department report found that between passenger and cargo airlines, nearly 29,000 fewer workers were employed compared to the previous month. Since March 2020, 81,749 jobs have been eliminated in the industry, with United Airlines, which received \$2.75 billion in CARES Act funding eliminating 29,243 jobs or 32 percent of its workforce, while Delta, which received \$5.4 billion in grants and low-interest loans through the CARES Act, also cut 32 percent of its workforce, some 28,751 workers.

Joining the parade of layoffs, and after previously announcing layoffs totaling 28,000 across major theme parks, Walt Disney announced last week an additional 4,000 jobs would be eliminated, with roughly 1,800 of the cuts taking place in Florida. The company, which revealed during an earnings call in August that it had \$23 billion in cash reserves, reinstated executive pay and salaries following the release of the earnings report. Last year Disney CEO Bob Iger, through salary and bonuses, “earned” \$47.5 million.

As jobless workers go to bed hungry and parents explain to their children why they will not be receiving holiday gifts this year, the uber-wealthy continue to hoard all of the wealth created by the working class for themselves. A recent report by the liberal-leaning Economic Policy Institute found that between 1979 and 2019, wages for the top 1 percent have increased by 160 percent while wages among the bottom 90 percent increased by only 26 percent over the same period

At the pinnacle of wage earners, the top 0.1 percent, the growth is even more staggering with a 345.2 percent increase in income since 1979. For comparison’s sake, the average worker in the bottom 90 percent earned \$30,880 in 1979 and is today only earning \$38,923; meanwhile, the average member of the upper 1 percent made \$291,329 in 1979, now commands a salary of \$758,434. For the top 0.1 percent the level of theft is even more staggering, from \$648,725 in 1979, to \$2,888,192 as of 2019.

The enrichment of a wealthy few, while those that create all of society’s wealth, the working class, toil in poverty and struggle to survive, is not a new development, but it is a confirmation of the Marxist analysis of the irrationality of the capitalist system and a call to action for all those who wish not only to understand reality, but also to change it, by joining the Socialist Equality Party and taking up the fight for socialism.



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