

Tens of millions of Americans struggle to pay rent as unemployment benefits and eviction moratorium near expiration

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As the expiration of the federal moratorium on evictions looms at the end of the year, millions of working class Americans have fallen significantly behind on rent and utility payments.

According to Moody's Analytics, 12 million renters will owe an average of \$5,850 in back rent and utility payments by January 1.

A survey by the Federal Reserve Bank of Philadelphia found that 7.5 million renter households (23.5 percent) that had at least one person working in February of this year have experienced unemployment at some point between March and August. They warn that evictions will increase 50 percent next year as millions struggle to pay back months of rent and utilities at once.

So far, more than 60 million workers have filed for unemployment this year, with 11.1 million currently collecting state benefits.

With these considerable disruptions to the labor market, the International Labor Organization estimates that North American workers have lost 15.3 percent of their work hours. In the United States, two-thirds of this cut in working hours came from job losses, with half of that coming from unemployment.

The Bureau of Labor Statistics recorded 159 million workers in November 2019, with an average hourly wage of \$28.3 an hour. The Organization for Economic Cooperation and Development (OECD) estimates that the American working class averages 1,779 hours worked a year per worker.

Using these figures, it can be estimated that American workers worked a total of 282.86 billion hours this year and lost approximately 42.4 billion hours during the pandemic, worth an estimated value of \$1.2 trillion, or \$10,000 per household.

With such substantial monetary losses for the working

class, with the poorest and most disadvantaged certainly bearing the greatest cost, it is no wonder that so many families are struggling to pay their bills and a testament to the failure of the capitalist system to support them.

The Cares Act was signed into law on March 27, providing \$300 billion in direct cash payments and \$260 billion in supplemental unemployment insurance benefits. The enhanced unemployment benefits lasted for four months, after which rates returned to normal but with a 13-week extension to the maximum number of weeks allowed by each state.

According to data from the Department of Labor, the average weekly unemployment benefits for the second quarter—April, May and June—were just \$318, even with the funding for extended benefits.

Four weeks of this sum is not even enough to cover rent alone in many cities. A review by Clever Real Estate found that workers could survive on unemployment insurance in just 12 out of 109 metro areas.

Now, with millions of Americans suffering from the pandemic, the Democrats and Republicans negotiate over pennies, taking turns rejecting deals that do not even come close to alleviating the crisis.

The Republicans, true to form, have offered nothing for housing and utility assistance. The Democrats proposed \$50 billion for low-income renters. Ultimately, a \$25 billion compromise was reached as part of the \$908 billion stimulus package currently being discussed in congress.

Twenty-five billion dollars is a grossly insufficient amount. Mark Zandi, chief economist for Moody's Analytics, estimates that there will be \$70 billion in unpaid debt by January.

The political parties of the ruling class have demonstrated their complete indifference to the plight of

the working class.

In 2019, US renters paid \$512 billion for housing. With millions out of work and hundreds of billions of dollars in wages lost, it is impossible to expect workers to somehow conjure their debt payments from thin air by January.

To the extent that the US government offers anything, it is only to prop up the profits of the capitalist system, funneling trillions into the stock market and providing millions to big business through the Paycheck Protection Program, while small businesses owners and workers are left with nothing.

Even with the meager assistance that the federal government is offering, it will be extremely difficult for workers to pay off their debts.

Between 2001 and 2018, the median wage of a renter rose just 0.5 percent while median rent rose 13 percent. More than 8 million renter households pay more than half of their income toward rent, affecting 23 million people.

The Census Bureau's most recent Household Pulse survey found that 83 million adults reported struggling to pay for essentials such as food, housing, transportation and medical care. Now, 66 percent of people receiving unemployment benefits will lose them on December 26 and face eviction at the end of the month.

All evictions must be halted, workers must be given full income support, essential workers must be granted substantial hazard pay and adequate utilities must be provided to all people without charge.

This is what is required to fight the pandemic and ensure that no person is forced from their home. Neither the Republican nor Democratic party can be trusted to provide workers with relief. Only an independent movement of the working class based on a socialist program demanding financial assistance and an end to evictions can save lives and bring the pandemic under control.



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