

As Wall Street hits record high

Millions in US face weeks without income due to delay in paltry “relief” bill

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29 December 2020

On Sunday night, President Donald Trump signed a \$2.3 trillion bill that combines a \$900 billion bipartisan coronavirus “relief” package with a \$1.4 trillion omnibus spending bill. Trump had been withholding his signature, claiming to oppose the minuscule size of the \$600 direct payment included in the bill.

The delay in signing the bill has already caused confusion regarding the resumption of unemployment payments to some 14 million people. On Saturday, two programs created by last March’s CARES Act, the Pandemic Unemployment Assistance (PUA) program and the Pandemic Emergency Unemployment Compensation (PEUC) program, expired. PUA was designed to provide relief for workers who wouldn’t normally qualify for state benefits, such as contractors, the self-employed and so-called “gig” workers. PEUC provided up to 13 weeks of unemployment aid to workers who had exhausted their state benefits, which for most last 26 weeks, but for others, depending on the state where they reside, can last a mere 12 weeks.

The legislation specifies that payments are to begin after December 26, 2020 and end no later than March 14, 2021. States are not allowed to begin disbursing the \$300 weekly unemployment payments until the bill becomes law, and with the one-week delay, millions may be receiving only 10 weeks’ worth of payments instead of 11, beginning in 2021.

In an email to the *Hill*, Elizabeth Pancotti, a policy adviser at Employ America, estimated it could take up to six weeks for jobless workers to begin receiving payments again. “Some states may be able to stand this up in a week or two if we get guidance quickly from [the US Labor Department] but allowing the programs to lapse has created such a mess at many state UI [unemployment insurance] offices, so it could be 4-6 weeks before

workers receive payment,” Pancotti wrote.

This means that some 14 million unemployed workers will not be receiving anything for at least a week and perhaps considerably longer. Among them are millions who will be unable to put food on the table or pay for needed health care, prescription drugs, gasoline, cell phone bills and other basic necessities.

Last Tuesday, Trump posted a video in which he denounced the bill he had previously promised to sign, calling it a “disgrace” for the paltry size of the direct payment it provides—\$600 as compared to the \$1,200 provided under the CARES Act. He demanded that the stipend be raised to \$2,000—itself totally inadequate to offset the loss of income suffered by working-class families and small business owners during the pandemic and the accumulated debt from unpaid rent, car payments, student debt, mortgage payments and other obligations.

After a weekend of uncertainty, Trump released a statement on Sunday night advising that he had signed the legislation and that the House of Representatives would take up a measure to increase the direct payment from \$600 to \$2,000 for single adults who made under \$75,000 in 2019, or \$4,000 for couples who reported earnings under \$150,000. On Monday, the House, in a 275–134 vote, passed the measure. However, it is not expected to pass in the Republican-controlled Senate.

According to the Center on Budget and Policy Priorities, approximately 9.2 million renters who have lost employment income during the pandemic are behind on rent, while the Census Bureau estimates that more than 11.3 million households are behind on rent or will not be able to meet rent obligations next month. Overall, Moody’s Analytics estimates that renters collectively owe some \$70 billion, with 12 million owing an average of nearly \$6,000.

On Monday, the Dow Jones Industrial Average surged by more than 200 points, setting a new record, buoyed by the miserly scale of the “relief” and repeated assurances from the Federal Reserve that it will continue to pour billions into the financial markets every day to keep stock prices rising and the personal fortunes of the rich and the super-rich expanding at a near-exponential rate. The so-called relief bill provides generous “extender” tax breaks to major companies such as NASCAR and Anheuser-Busch, and increases the deduction executives can claim on “business” lunches from 50 percent to 100 percent.

The bill continues the bipartisan war on immigrants with \$15 billion set aside for Customs and Border Protection, nearly \$8 billion allotted for Immigration and Customs Enforcement, and an additional \$20 million for “border processing coordinators.”

On the same day the House Democrats voted for the measly increase in the stipend to \$2,000—expecting the measure to die in the Senate—they voted overwhelmingly to overturn Trump’s veto of the defense authorization bill, which provides \$740 billion for Washington’s war machine. Even if the \$2,000 stipend does make it through the Senate, it will do little to alleviate the social catastrophe that has left over 330,000 people in the US dead from COVID-19. Other indices of the social disaster include:

- Over 73 million unemployment claims since mid-March
 - 50 million people facing food insecurity, according to Feeding America
 - Over 162,000 evictions in 27 US cities, according to the Eviction Lab at Princeton University
- On Sunday evening, House Speaker Nancy Pelosi hailed Trump’s signing of the bill as a “down payment” to help “struggling Americans stay afloat.” One social media user responded to Pelosi by writing:

“To stay afloat many people are homeless right now, kids are hungry. My child can have a Xmas [because] I had to choose between food or a place to stay. You guys keep saying you care about Americans but it does not show. Because 600 would have never been an option if any of you guys cared.”

Justin Saboo wrote to Pelosi on Twitter that it was “... very amusing to all of us that you think \$600 will help struggling Americans ‘stay afloat.’ \$600 won’t even pay one month of rent. Yet, somehow, you think \$600 will ease everyone’s pain. You wouldn’t know anything about that with your \$114 million wealth would you?”

In the \$900 billion “relief” bill, only \$166 billion is

earmarked for \$600 direct payments to US citizens and their children, while \$120 billion is allocated for the extension of federal unemployment benefits through mid-March.

Over a third of the bipartisan relief bill is dedicated to the Small Business Administration, including \$284 billion for the misnamed Paycheck Protection Program, which was ostensibly created to provide low-interest grants and loans to small businesses, but has instead been used by large corporations, sports teams, the politically connected and wealthy landlords to enrich themselves while laying off thousands of workers. The program has generated nearly \$3 billion in revenue through fees for large US banks such as JPMorgan and Citibank.

The bill contains only \$20 billion for the purchase of vaccines, with an additional \$22 billion to help states with testing and contact tracing. Only \$9 billion is earmarked for vaccine distribution, which is already well behind intended benchmarks, with less than 2 million vaccines administered in the US thus far.

The \$25 billion in rental assistance is several factors lower than what is needed, meaning that millions of families will face eviction in roughly one month, pending further congressional action. Another \$15 billion was provided to the major airlines, which already received \$25 billion earlier this year and still proceeded to lay off over 90,000 workers.

The \$1.4 billion set aside to continue the construction of Trump’s border wall is slightly less than the \$2 billion set aside for the Federal Emergency Management Agency, to be distributed to states in order to assist the hundreds of thousands of families that will be paying for coronavirus-related funeral expenses.



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