

Another 745,000 jobless claims filed as Senate takes up Biden's COVID-19 relief bill

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Continuing the year-long trend of historic job losses unseen since the Great Depression, the latest US Department of Labor (DOL) weekly unemployment claims report for the week ending February 27 revealed another 745,000 workers filed first-time jobless claims.

The figure is an increase of 9,000 from last week's revised total of 736,000. While slightly lower than the 750,000 expected claims forecasted by bourgeois economists, it is four times the weekly figure typical before the coronavirus pandemic, and far worse than any similar figure during the recession that followed the 2008 Wall Street crash.

The historically unprecedented number gives some indication to the vast levels of joblessness, economic insecurity and social despair afflicting wide swathes of the working class one year into the pandemic, which has claimed over 530,000 lives in the US.

In addition to state claims, the DOL reported that 436,696 claims were filed under the federal Pandemic Unemployment Assistance program, bringing the total number of state and federal claims filed for the week above 1.1 million, a figure that hasn't declined since the pandemic began.

The PUA program was created under the CARES Act last March for workers who would not typically be eligible for state unemployment programs. Eligible workers include independent contractors, the self-employed and hyper-exploited "gig" workers, many of whom have been forced to take on multiple jobs with companies such as Uber, Instacart or Lyft in order to stay alive.

The joblessness crisis is especially acute for workers previously employed in entertainment, restaurant, and service-oriented industries, which have been decimated over the last year due to purposeful policies which induced the spread of the virus throughout the country coupled with the government's haphazard and

inconsistent COVID-19-induced lockdowns.

The DOL report also registered some 18 million people claiming unemployment benefits across all state and federal programs, a decrease of over 1 million from the previous week, but still representing nine times more people claiming benefits compared to this time last year.

The decrease in unemployment benefits paid out is more a function of workers seeing their eligibility expire as opposed to any significant increase in hiring in public or private sectors. Even as Democratic and Republican governors alike rush to abandon any public health measures in their endless effort to satisfy the profit-driven demands of Wall Street, hiring has yet to pick up as millions of students, parents and workers continue to resist unscientific, dangerous and irrational demands to return to school or work.

Despite the massive social need, dismal unemployment reports, and pandemic deaths on a scale unseen in a century, Biden and the Democrats are offering the woefully inadequate \$1.9 trillion "American Rescue Plan" as a cure-all. The bill, far from making jobless workers whole, is a vehicle for sustaining a bare minimum of consumption spending, prevent the outright collapse of city and state governments, and buy the Biden administration time to force students back to school while workers and parents are herded back to crowded worksites.

The bill advanced, passing a procedural vote on Thursday along party lines, with Vice President Kamala Harris casting the tie-breaking vote in a 50-50 Senate. It will be debated over the weekend with a vote expected sometime in the next two weeks. Biden has signaled his intention to sign the bill into law by March 14, when federal supplemental unemployment benefits, provided in the last emergency relief signed by President Trump in December, are set to expire.

Republican intransigence towards any measures that

would benefit the working class was demonstrated in a political stunt by Wisconsin's multi-millionaire senator Ron Johnson, an ardent Trump supporter and conspiracy theorist. On Thursday, Johnson vindictively slowed the passage of the bill by at least 10 hours by requiring a public reading of the entire 628-page legislative package.

The pointless stunt will only delay the beginning of the 20 hours slotted for debate under the reconciliation process by which the bill will be passed. This process means that only a simple majority is needed to pass the bill, as opposed to the 60 votes typically required to overcome a filibuster.

Contradicting claims by Vermont Senator Bernie Sanders and Democratic Socialists of America member and New York representative Alexandria Ocasio-Cortez that the election of Biden, coupled with Democrats controlling the House and Senate, would herald an era of "progressive reform," the bill has been stripped of the proposal to raise the minimum wage from its present level of \$7.25 an hour to \$15 an hour.

Another change for the worse was Biden's recent agreement with Democratic senators to limit the eligibility of \$1,400 stimulus checks, which make up the largest portion of the bill at an estimated \$422 billion. Under the House version passed last month and in the two bills passed under Trump, single individuals making up to \$75,000 and couples making up to \$150,000 were eligible for the full stimulus amount, which gradually phased out for individuals making above \$75,000 before zeroing out at \$100,000 for individuals and at \$200,000 for couples.

Agreeing to demands by Democratic senators Joe Manchin (West Virginia) and Jeanne Shaheen (New Hampshire) on Wednesday, Biden kept the beginning of the phase-out process at \$75,000, but drastically lowered the top end of the phase-out, from \$100,000 to \$80,000 for individuals, and from \$200,000 to \$160,000 for a family, regardless of how many children they have.

This involves a significant swath of middle income families, particularly in metro areas like New York, Chicago and Los Angeles. According to an estimate from the Penn Wharton Budget Model, the change would affect about 7 million families, while the Institute on Taxation and Economic Policy estimated that 11.8 million fewer adults and 4.6 million fewer children would receive a payment.

Other measures included in the bill:

- About \$246 billion will be used to maintain unemployment benefits which are set to expire on March 14. The new bill would extend unemployment eligibility

through August 29 and raise the weekly amount from \$300 to \$400, a third less than the \$600 a week that was included in the CARES Act last year.

- Some \$350 billion is earmarked for state and local budgets, with the most populous states California (\$42.3 billion), New York (\$23.5 billion), Texas (\$27.3 billion) and Florida (\$17.3 billion), slated to receive the most funding. Since last year, state employment rolls have declined by 1.3 million.

- \$170 billion to reopen schools. This is not nearly enough to update dilapidated ventilation and air conditioning systems, an estimated 36,000 of which need to be replaced according to the Government Accountability Office.

- An expansion of the Child Tax Credit to \$3,000 per child, up from \$2,000. Currently this only applies to this year, however, there have been some reports that Biden is aiming to make the measure permanent.

- \$50 billion for coronavirus testing and contact tracing and \$16 billion for vaccine distribution.

- \$30 billion in emergency rental assistance, which is only \$5 billion more than what was included in the \$900 billion December relief bill. A January 2021 report from Moody's Analytics estimated that there are over 10 million delinquent renters, owing an average of \$5,600 in back rent, for a total of about \$57 billion rent owed.



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