

Nearly 10 million US jobs lost one year after start of the pandemic

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With the one-year anniversary since the start of the economic crisis triggered by the coronavirus pandemic fast approaching, new claims for unemployment benefits continued for yet another week at the historically unprecedented level of over 700,000.

Meanwhile, new infections and deaths remain at alarming levels while uncoordinated and incompetent vaccine rollouts leave the vast majority of populations unprotected even as governments absurdly talk of a return to “normalcy.”

The US economy has recovered only a little over one-half of the 22 million jobs lost during the pandemic. The official unemployment rate is 6.2 percent, but the real rate is closer to 10 percent when the 4 million people who have dropped out of the labor force, so-called discouraged workers, are counted. There are still over 20 million workers receiving jobless relief of some kind, including 4 million receiving traditional state unemployment benefits and others on emergency pandemic aid authorized by Congress.

New claims for unemployment benefits fell to 712,000 for the week ending March 6, a drop of 42,000 from the previous week, but still a very high number compared to a typical week in 2019 when between 200,000 and 300,000 would apply.

For the past year new weekly unemployment claims have exceeded the high point of the Great Recession of 2008–2009. In addition, there were also 478,000 new claims for Pandemic Unemployment Assistance for the week, a increase of 42,000 over the previous week. PUA was an emergency program enacted by Congress to help the self-employed and others not covered by regular state unemployment benefits.

While 379,000 new jobs were added in February, most of these were in the low-wage leisure and hospitality sector, reflecting the reckless reopening

policy of the ruling class. Other sectors such as education and construction showed continued declines.

The weekly unemployment claims report came just as President Biden signed into law the coronavirus relief bill, which calls for an additional \$300 per person weekly supplement to unemployment benefits and a one-time \$1,400 payment to most US residents.

The weekly supplement is only one-half the amount enacted under the Trump administration in March of last year and \$100 less than the \$400 initially proposed by the Democrats. The much-heralded gradual rise of the federal minimum wage to \$15 an hour got stripped out of the relief bill when Democrats capitulated to a procedural challenge.

Even when one figures in the exemption Congress gave to tax payments on the first \$10,200 of unemployment benefits and an expanded child tax credit, the COVID relief provided by Congress is far from adequate to make good the devastating impact of the COVID-19 pandemic.

While the stimulus is being presented as a social reform of grand and unprecedented scope, most provisions are limited to less than one year. The pandemic relief package is aimed primarily at preventing a complete collapse in consumer spending and bankruptcy of state and local governments while the Biden administration pursues its deadly reopening agenda. This involves forcing workers back into unsafe factories with the help of the unions while forcing the reopening of schools, a measure that will facilitate the spread of the virus under conditions where new, more deadly variants are emerging.

Eventually the stimulus money will have to be repaid to Wall Street through an assault on the working class of unprecedented savagery, of which the Trump administration was only a foretaste. Indeed there are

clear indications that the pandemic is already being used by corporations to restructure, continuing the elimination of relatively well-paid jobs and their replacement with low-wage and contingent employment.

The inadequacy of the stimulus package becomes evident when it is seen in the context of the raging social crisis that has been intensified by the pandemic.

In Nevada, one of the states hit hardest by the economic collapse, which devastated the state's casino gambling industry, 45 percent of residents are behind on basic bills. The statewide unemployment rate hit 30.1 percent last April, the highest for any state on record for at least the last 44 years. It still stands at 9.2 percent.

A 32-year-old waitress from Las Vegas quoted by the *New York Times* reported, "I feel pretty scared every day, right now, whenever I think about my bills," adding, "Basically every morning I wake up thinking about where my help is going to come from—is it here? Is it the government? I don't really know who is looking out for people like me."

Another woman told the *Times*, "Every morning I wake up thinking about where my help is going to come from."

Larry Scott, the chief operating officer for Three Square Food Bank, the largest in Southern Nevada, told the *Times*, "Stimulus money shortens the line for food from a food pantry and when it evaporates, the lines get longer again.

"We're going to have a protracted, long, long recovery here. What the politicians should be concentrating on is more than a short-term solution. Rather than a lot of money at a short time, we should have more money over a longer period of time."

On March 9, hunger relief organization Feeding America released its initial projections for food insecurity in 2021. Despite various inadequate federal relief programs, the situation for tens of millions of US citizens, including children, remains dire. The organization projects that 42 million people, including 13 million children, that is one out of every six, will experience food insecurity in 2021. Included in that number are 15 million people and 4 million children who could experience reduced food intake and the disruption of eating patterns.

Pointing to the extended nature of the economic

crisis, the report noted, "After the Great Recession of 2007, it took 10 years for food insecurity levels to recover to pre-Recession levels. It is likely to take time for food insecurity levels to recover from this recession as well."

According to US Census Bureau data some 10 million people in the US were behind in their rent and at risk of eviction in the middle of January. An estimated 16 million renters had little to no confidence they could pay rent in February. According to Moody's Analytics, nearly 12 million renters would have owed an average of \$5,850 in back rent as of this past January, over 4 times the \$1,400 one-time stimulus payment being issued by the government.

Approximately 1 in 5 renters said they were behind in their rent in January, according to an analysis by the Center on Budget Policies and Priorities, and some 36 percent of black renters say they are behind. However, the recently signed stimulus bill does not extend the federal ban on evictions, which is set to expire at the end of March.

While the stimulus package contained another \$25 billion in rental assistance, it is not enough. According to the National Low Income Housing Coalition, renters owed as much as \$70 billion in back rent through the end of December.

The recklessness, criminality and incompetence displayed by the ruling classes of all the major capitalist countries in response to the pandemic underscore the need for the working class to intervene based on its own program, prioritizing social need, not private profit. The giant industries, including health care and pharmaceuticals, must be placed under the democratic public ownership and control of the working class based on a scientific plan to confront the crisis. This requires the development of a socialist political program and leadership in the working class. Workers who agree with this fight should contact the Socialist Equality Party.



To contact the WSWP and the Socialist Equality Party visit:

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