

Another 770,000 new U.S. unemployment claims filed as unprecedented job losses continue one year into pandemic

Jacob Crosse
18 March 2021

Bucking economists' prognostications of a "recovering" job market, the release of the weekly Department of Labor (DOL) first-time unemployment state claims report on Thursday revealed another devastating 770,000 jobless claims for the week ending March 13, as the worst economic calamity to hit the working class since the Great Depression of the 1930's continues.

In addition to sky-high state claims, over 282,000 jobless claims were filed under the federal Pandemic Unemployment Assistance program (PUA), bringing the weekly total to over 1 million combined claims.

The PUA program, created under the CARES Act last March and renewed under the American Rescue Plan signed into law by President Joe Biden last Thursday, was designed to provide unemployment benefits for workers in the growing "gig" or temporary employment economy, which is increasingly the only source of work for younger, less-experienced, "over-experienced" and laid off workers.

In the last 52 weeks, there has not been a single week where combined state and federal claims did not exceed 1 million. There also has not been a single week in which state claims have not exceeded the previous weekly high of 665,000 weekly claims, set in March 2009 during the Great Recession, or the record high of 695,000 claims registered in October of 1982.

In the past year 81,790,000 state claims have been filed, nearly seven times the yearly average of 13 million. Even as millions of workers have lost their jobs, sold their belongings and cut back on food in order to survive, and over 550,000 in the US tragically and needlessly succumbed to COVID-19, "pandemic profiteers" such as Amazon's Jeff Bezos and Tesla's Elon Musk have seen their wealth soar, as billionaires the world over added nearly \$4 trillion to their wealth last year.

While over 22 million jobs were lost when lockdowns were first implemented in March and April, the over 80 million claims filed in the last year do not correlate directly to over 80 million job losses. The figure is more a result of technologically outdated and purposely confusing state unemployment systems which in many cases force jobless workers to apply multiple times in order to qualify for benefits, only to be followed by requests to reapply again in order to maintain or re-up the eligibility of said benefits.

These broken and frustrating state unemployment systems, which have been purposely underfunded, neglected and designed

to frustrate those in need of income, are part of concerted effort on the part of the ruling class and its lackeys in both big business parties to deny previously earned benefits to eligible workers, while forcing them back into dangerous factories and work sites in order to create surplus labor value for the ruling class.

Illustrating the bipartisan decades-long social counter-revolution against the working class, a recent article in the *New York Times* found that since 1980 the average wage replacement provided by state unemployment systems has declined from around 37 percent in 1980 to under 34 percent today. In addition, the number of jobless workers actually receiving unemployment benefits has dropped from 37 percent of eligible workers to about 30 percent in that same time period.

Last year in Tennessee, roughly 60 percent of unemployment applicants were rejected outright. The figure was higher in Arizona, where almost 70 percent of unemployment insurance applications were denied, with only 15 percent of jobless workers receiving anything from the state, discouraging thousands from applying. Likewise, in Florida an estimated 1 in 10 unemployed workers ever received a payment.

According to the DOL report, as of February 27, roughly 18.2 million workers were collecting some form of unemployment benefit, with over 4 million workers filing continuing claims through their state.

For comparison's sake, roughly 24.9 million jobless workers filed continuing claims in May of 2020. The reduction of over 20 million in the last 10 months is not a function of 20 million jobless finding work, but more of expiring eligibility, leading to either a cut-off of benefits or a shift to the federal Pandemic Emergency Unemployment Compensation program (PEUC).

Roughly 12 million workers are still enrolled in either the PUA program or the PEUC program, which was created for workers who had exhausted their state benefits, which for many are less than \$300 a week and last as little as 12 weeks.

While last month's job report claimed that the unemployment rate had dropped to 6.2 percent, it revealed that over 4 million workers had been without work for over six months, thereby dropping off the official unemployment rate statistic despite not having found work. The rate of the long-term unemployed (LTU) as a share of the unemployed has steadily increased throughout the pandemic, reaching 41.5 percent this past month, four percent off

the historical peak of 45.5 percent set in April 2010 during the Great Recession.

In addition to these labor-force drop-outs, which don't factor into the official federal unemployment rate of 6.2 percent, a study from the research firm Oxford Economics estimated that some 2 million workers have left the labor force after being forced to retire early, which is more than twice the number recorded in 2019.

Even with scientifically ill-advised reopenings underway in the Democratic- and Republican-controlled states alike, the labor force participation rate among young and middle aged workers still remains below pre-pandemic figures. For workers 16 or older the participation rate is at 61 percent, two percent lower than the 63 registered in February 2020, while labor participation for workers between 25 to 54 has declined from 83 to 81 percent over the same period.

Nearly 10 million jobs have yet to return since the ending of lockdowns which began last year, with economists predicting it could take up to a decade for all the jobs lost to return.

While Biden and the Democrats have hailed the passage of the inadequate American Rescue Plan last Thursday as the most progressive piece of legislation in generations, the fact is the limited social measures included in the plan, such as child tax credits, stimulus checks, and \$300-a-week federal unemployment benefits, fall woefully short of the urgent needs of millions of workers and their families and will expire at the end of the year.

After stripping the bill of an increase in the federal minimum wage to the still-poverty wage of \$15 an hour, one of the only meaningful temporary poverty reducing measures included in the bill for those not collecting unemployment payments is the delivery of \$1,400 stimulus checks to single people making under \$75,000 a year or couples making under \$150,000.

The delivery of the stimulus began this week with the Treasury Department and the Internal Revenue Service reporting that roughly 90 million checks, costing \$242 billion, had been sent out as of Wednesday. On Thursday, Vermont Senator Bernie Sanders asked his Twitter followers what the \$1,400 payments would "mean for you and your family," hoping to elicit a positive response from his followers. Instead many responded by pointing out that the checks do not meet the needs that millions of workers are facing after a year of the pandemic.

"It's going to give me almost enough to cover a month of rent. That's it. Not even going to me, it's to my LL. [land lord] It took months of work to get us what amounts to crumbs, while corporations & the uber rich got billions in handouts without a second thought during this pandemic," Twitter user @RyanVons replied.

@lolaslands responded incredulously, "You think \$1,400 is life changing or something? I'll be embarrassed for you. Most people can't even pay their rent with that amount of money."

Robbie Kacey said she was "disgusted" after not receiving the last \$600 stimulus, meaning another "protracted battle with the IRS...if we can ever reach them."

Compounding the worry of millions of workers that have not received their stimulus checks yet was the revelation earlier this week that, unlike the \$600 checks approved last December, the latest payments can be garnished by private debt collectors.

As for the \$300-a-week extension of the federal unemployment benefit, a DOL memo released Monday advised that payments may not arrive "until mid-April or later."

In an interview with CNBC, Andrew Stettner, a senior fellow at the The Century Foundation, estimated that some two million people, whose benefits lapsed on March 14, might not see any payments for at least another month.

In contrast to jobless workers who are forced to wait weeks for unemployment or stimulus checks, on Wednesday Federal Reserve Chairman Jerome Powell confirmed that no expense would be spared in propping up the stock market through the purchase of \$120 billion-a-month in Treasury bonds and mortgage-backed securities.

Unlike the federal unemployment benefit, which Biden and the Democrats reduced from the \$600-a-week in the CARES Act, to \$400 and then \$300, the \$120 billion-a-month purchasing spree by the Fed has not been reduced since it began last June, totaling over \$1.2 trillion so far, or enough for at least two more rounds of \$1,400 stimulus checks for everyone in the United States.

While Wall Street is assured that the money spigot will remain open for them, in Wisconsin no unemployed workers will be eligible to receive the \$300 federal unemployment benefit until the Republican-controlled legislature grants a waiver to bypass a one-week waiting period restriction for unemployment applicants enacted by former Republican Governor Scott Walker in 2011.

The legislature had previously passed a waiver exception in February this year, but only until March 14. Speaking for significant sections of the ruling class, Republican Assembly Speaker Robin Vos said that the Republican caucus had not talked about extending the waiver and that he was concerned about "creating a disincentive to work."

"It's a concern to a lot of us, myself included," Vos added.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact