

US weekly combined unemployment claims spike above 950,000

Jacob Crosse
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The latest Department of Labor first-time unemployment claims report revealed an increase of 61,000 state claims compared to the prior week, bringing the weekly total to over 719,000.

In addition to the 719,000 state claims, the report also revealed another 237,025 initial claims were filed under the Pandemic Unemployment Assistance program (PUA), created under the CARES Act. This brought the combined state and federal claims to 951,548, nearly four times the pre-pandemic average of 225,000 claims.

The PUA program, designed for self-employed, contract, and so-called “gig” workers, along with the Pandemic Emergency Unemployment Compensation (PEUC) program, will both expire in September, barring congressional action. Out of the 18.2 million workers that were claiming some form of unemployment assistance in mid-March, nearly 7,350,000 of those continuing claims were filed under PUA, while roughly 5,515,000 claims were for the PEUC program.

Despite efforts from Republican and Democratic governors alike to abandon limited lockdowns and health and safety measures in the interests of “reopening the economy” and generating profits for the ruling class, the stubbornly high claims showed that millions are struggling to find permanent, steady and well-paying work.

After limited lockdowns were implemented and then abandoned last spring, some 22 million jobs were lost. One year later, roughly 9 million have yet to return. While trillions of dollars have been made available for Wall Street speculators, large multinational corporations and the politically well-connected, millions of jobless workers and their families remain on the brink of destitution and homelessness. For those that have found work, it has generally been part-time

and transitory, such as rideshare, grocery shopping and food delivery services, which also lack steady wages and benefits compared to “traditional” employment.

While millions remain out of work, April’s job report is expected to show an increase in employment upwards of 500,000. However, the majority of these jobs are centered in the low-paying service, restaurant, travel and hospitality industries, which have been decimated due to COVID-19 induced lockdowns.

A February report from McKinsey & Company illustrated the character of the unequal “recovery” in the US. Their research found that the total unemployment rate among those who make under \$30,000 a year was at 17.34 percent as of February 2021, compared to only 3 percent for those who reported earning above \$150,000.

For workers earning between \$30,000 and \$50,000 total unemployment was at 9.32 percent, while those who made between \$99,000 and \$150,000 were recorded at only 3.24 percent. The increased employment rate for the working class tracks with statistics provided by the Federal Reserve last month which estimated that the real jobless rate was between 9 and 10 percent.

While the DOL report found that the overall total of 18.2 million workers claiming unemployment decreased by over 1.5 million from the week prior, this was not an indication that over a million workers found jobs. Instead, state benefits continue to expire, forcing the unemployed to apply for assistance through federal programs. In addition to expiring eligibility requirements, several state governments are reimposing job search requirements in an attempt to blackmail workers back into dangerous job sites.

In Michigan, where COVID-19 hospitalizations are skyrocketing and daily new infections are exceeding

5,400, Democratic Governor Gretchen Whitmer and the state legislature refused to renew an important element in the state law that would have allowed jobless workers to continue claiming COVID-19 as a valid reason to receive state unemployment. The change, which took effect on April 1, followed another anti-worker decision by Whitmer, which would have allowed jobless workers to claim unemployment benefits for 26 weeks instead of 20.

After the extension passed the legislature last year, Whitmer vetoed the proposal in December, calling it a “tax break for big businesses.” As of March 6, nearly 640,000 Michiganders were receiving some form of unemployment pay, with nearly 75 percent of the funds distributed via federal pandemic benefits and not state programs.

In Nevada, where the official unemployment rate remains at 5.4 percent and over 5,200 have succumbed to COVID-19, Democratic Governor Steve Sisolak’s Department of Employee Training and Retention announced this week that those receiving unemployment payments would have to submit proof that they are actively searching for jobs. Some claimants will also be “randomly” selected to meet with “virtual representatives” as part of the “Reemployment Services and Eligibility Assessment program.”

Despite claims from President Joe Biden and the Democratic party that the misnamed \$1.9 trillion “American Recovery Act” represented the most “progressive” legislation since the “New Deal” and “Great Society” programs, millions of workers have already used up the fleeting and insufficient benefits included in the legislation. Among the miserly benefits touted in the program include one-time \$1,400 relief checks and \$300-a-week-unemployment checks, down from the \$600 included in the CARES Act last year.

CNN has reported, and the Internal Revenue Service has confirmed, that some 8 million eligible people have yet to receive their \$1,400 stimulus payments due to the IRS having incorrect filing information. In a note to CNN, Erin Collins from the National Taxpayer Advocate said the issue “is [a] problem the law and the IRS have created,” Collins said. “The rug is being pulled out from under eligible individuals with outstanding debts.”

Unlike the \$600 stimulus checks passed under the

Trump administration in December, the last batch of checks do not include protections that would have prevented the checks from being seized by creditors, debt collectors or for child support payments.

Mark, an unemployed worker in Las Vegas, spoke to this reporter on the current crisis saying that it’s been “frustrating” trying to find a decent job.

Despite putting in multiple applications for low-paying work he feels he’s overqualified for, Mark hasn’t received a call back from any prospective employers.

“It seems like every job I’ve been looking at has been starting at \$11 an hour. Starting wages have been depressed, probably because so many people are out of work,” he said.

Mark described the “American Rescue Plan” as “inadequate,” and said the election of Biden has brought no relief.

“Nothing’s changed, things have gotten worse, the media is ignoring all the terrible things Biden is doing. Everything Trump was doing, Biden is doing. CNN would report Trump’s lies, but just when Biden lies, they are called ‘misstatements.’ Like, the \$2,000 checks we were promised would have been nice. There hasn’t been any talk about further relief. It’s like we got the \$1,400 and that is it. Yet my rent is still going up, now it is over \$1,000 a month.”

Mark recalled that “[Vice President Kamala] Harris campaigned on \$2,000 a month, what happened to that? The \$1,400 was gone almost immediately.”

“We can’t wait for the Democrats to follow through on their promises,” Mark said. “The Democrats and the Republicans are both parties of big business. Workers need their own party that will fight for them, like the Socialist Equality Party.”



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