

# US states begin eliminating unemployment aid even as nearly half a million jobless claims were filed last week

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The US Department of Labor (DOL) reported Thursday that combined federal and state unemployment claims last week topped 500,000, demonstrating that over a year after the worst public health disaster in a century and steepest economic crisis to hit the working class since the Great Depression, millions of workers continue to struggle to find safe, well-paying and consistent work.

For the week ending May 15, according to the report, an estimated 444,000 workers filed for state unemployment, while over 95,000 initial claims were filed under the CARES Act's Pandemic Unemployment Assistance program, designed for so-called "gig" and contract workers.

The nearly 540,000 combined claims between state and federal programs are over twice the pre-pandemic average of 225,000. Overall, some 15,975,000 jobless claims were filed across all programs, and under any other circumstances, the figures in the report would be considered catastrophic. However, the somewhat stagnant trajectory of new jobless claims is being hailed in the capitalist press as a sign that the economy is "back on track."

On Thursday, White House Press Secretary Jen Psaki claimed the jobless numbers were a vindication of the Biden administration's economic policies and the American Rescue Plan, which halved federal unemployment payments from the \$600-a-week under the CARES Act to only \$300.

In reality, over 8 million jobs have yet to return since March 2020, with last month's jobs report revealing that roughly 2.7 million workers have been out of work for over a year, representing about 29 percent of all jobless workers.

Following April's job report, which showed only 266,000 new jobs were added, well below Wall Street economists' hyped "expectations" of 1 million new jobs, a coordinated campaign by businesses and governors alike emerged, demanding an end to all pandemic-related unemployment benefits in order to resume the exploitation of the working class and boost the production of profits.

Unconcerned with the health and wellbeing of the majority of the population, Wall Street and their politicians are attempting to blunt demands by workers for safe jobs and increased wages by ending the miserly federal unemployment benefits included in the American Rescue Plan. The \$300 federal unemployment supplement is set to expire September 6, however, as of this writing, 22 states have announced they will be terminating the benefit by the end of July, affecting some 3.6 million people.

While every state so far that has announced it will be ending the supplement is governed by a Republican, Democrats have signaled they support the ending of benefits as well. Meanwhile, the Biden White House, in its trademark fecklessness, has claimed it can do nothing to prevent Republican governors from denying unemployment benefits to eligible workers.

Speaking for a growing number of Democrats and their wealthy backers, Democratic West Virginia Senator Joe Manchin told *Politico* last week he will "never vote for another extension" of unemployment benefits given the existence of vaccines, of which less than half of the population has received a single dose in the US. Even as states move to close down COVID-19 testing centers and lift all remaining mask mandates and social distancing restrictions, the seven-day weekly

average of coronavirus cases remains above 30,000 with nearly 600 reported deaths daily.

Republican Governor of Montana Greg Gianforte led the charge to eliminate the federal benefit earlier this month. Demonstrating how the attack on workers' unemployment benefits is a bipartisan class policy, Gianforte was backed by Montana Democratic Senator Jon Tester. Tester said he agreed with his proposal to eliminate the checks in June, telling *Politico* it was not an "unreasonable" thing to do. In a separate recent comment to the *Missoula Current*, Tester emphasized that "it's important to get people back to work as soon as possible. I know there's a lot of businesses out there looking for people to go to work."

New Hampshire Democratic Senator Jeanne Shaheen, likewise, agreed with Manchin and Tester, telling *Politico* that federal unemployment benefits "should not be extended."

While no Democratic governors have so far announced their intention to eliminate the federal unemployment benefit early, at least 37 states, Democratic and Republican alike, have enacted rules requiring anyone collecting jobless aid to search for work and provide proof they are doing so. This time-consuming process is designed to frustrate workers in need of aid and is compounded by the fact that dilapidated state unemployment systems and broken phone trees often result in eligible workers losing out on their benefits while trying to adhere to changing unemployment eligibility rules.

In Wisconsin, Republican legislators have advanced legislation to excise the weekly payments, which Democratic Governor Tony Evers said he was "strongly considering vetoing," but that he had not "decided yet" if he would. There is no doubt that many other Democratic governors are likewise considering ending the payments.

While capitalists complain of "lazy" workers and of a "labor shortage," the fact is that millions of working class families have been affected by the virus, leading to over 910,000 deaths in the US. Many working age adults have been killed by the virus and millions more are hesitant to return to low-wage jobs where they must come face to face with customers. In general, the jobs which are available are generally low-paying with inconsistent schedules.

The DOL report revealed that Nevada, heavily reliant

on the tourist industry, has the highest unemployment rate in the country, at 6.1 percent. In Las Vegas, where casinos are set to resume 100 percent capacity limits on June 1, many previously laid off workers who have been called back to work have been forced to accept reduced pay or fewer hours.

"It's very frustrating every day I work there, there is no certain time," an MGM worker explained to the *World Socialist Web Site*. Even before the pandemic, he noted, "I remember almost a month where I have no days to work. How can you survive and pay your obligations if you are not making days? I don't want to go back there."

Another Nevada worker explained the difficult situation educated workers like herself find themselves in, "I've been told I am 'over qualified' because of my master's degree, but then I am struggling with even getting a job with my masters, so what am I supposed to do?"

As jobless workers struggle to survive, find work, pay their bills and feed their families, the CEOs overseeing the lowest paid workers in the US increased their compensation by 29 percent last year, for an average *increase* of \$4 million, while workers' wages declined by 2 percent, a \$550 decrease.



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