With the blessings of the Biden administration

Republican-led states begin cutting off federal unemployment benefits

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On Saturday, Mississippi, Missouri, Iowa and Alaska became the first four US states to eliminate the $300-a-week federal unemployment supplement authorized by the Biden administration's "American Rescue Plan" enacted in March. The elimination of this vital, if inadequate, lifeline, set to expire nationally on September 6, will affect some 70,000 unemployed workers in Mississippi and roughly 300,000 workers across the four states that ended the benefit.

To date, a total of 25 states, all controlled by the Republican Party, have announced plans to halt the federal jobless benefit by July 10, impacting an estimated total of 4 million workers. However, the Biden White House has made clear that it will do nothing to prevent state governments from prematurely ending the federal supplement and has reaffirmed its own determination to end the program nationwide in less than three months.

On June 4, White House Press Secretary Jen Psaki told reporters that Republican governors "have every right" to "not accept" the federal benefit, adding, "That's OK."

Last month, Biden announced that he would allow states to revive a requirement, dropped last year due to the pandemic, that workers applying for unemployment benefits provide proof that they had sought work and not rejected a job offer. In line with his false claims that the pandemic is all but over in the US, that the economy is rapidly recovering and that previous social distancing and masking requirements are no longer needed, he stated that he would not let workers "game the system."

The bipartisan attack on jobless benefits is part of the deadly drive by the ruling class to blackmail workers back into factories, schools and work locations with virtually no protection against COVID-19. In many cases, the jobs on offer provide wages that are barely, if at all, higher than the combined state and federal jobless benefits laid-off workers are currently receiving.

The *Washington Post*, owned by Amazon's Jeff Bezos, who has become the world's richest person by exploiting workers who toil in his global network of low-wage warehouses and distribution centers, has called the early termination of jobless benefits "a giant economic experiment."

The cut-off of unemployment benefits comes even as the pandemic continues to claim some 500 lives a day in the US, while less than 45 percent of the population has been fully vaccinated and new and more virulent strains of the virus, such as the Delta variant, are spreading in Europe and the US. More people have died from COVID-19 globally since the beginning of 2021 than in all of 2020.

The vicious back-to-work drive is accompanied by a virtual media blackout of the fact that the official US death toll from COVID-19 has surpassed 600,000 and is projected, assuming there is no resurgence of the infection rate, to hit 1 million by October 1. Some estimates place the actual pandemic death toll to date closer to 1 million than 600,000.

Following Mississippi, Missouri, Iowa and Alaska, federal unemployment benefits will expire on June 19 in Alabama, Idaho, Indiana, Nebraska, New Hampshire, North Dakota, West Virginia and Wyoming. They will end on June 26 in Arkansas, Florida, Georgia, Ohio, Oklahoma, South Dakota, Texas and Utah. Montana has set June 27 as the end date, followed by South Carolina (June 30), Tennessee and Maryland (July 3) and Arizona (July 10).

Alaska is one of only four states, along with Arizona, Ohio and Florida, that will eliminate only the $300-a-week federal supplement payment prior to the national end date. The other 21 have announced that they will shut down every unemployment program created as part of the March 2020 CARES Act. This includes the Pandemic Unemployment Assistance program, created for self-employed people, “gig” workers and independent contractors who would not normally qualify for state benefits. It also includes the Pandemic Emergency Unemployment Compensation program, created for long-term unemployed workers whose state aid, which in some cases lasts for only 12 weeks, has expired.

The early termination of these programs will result in $22 billion in lost funds for those affected, according to the Century Foundation. Overall, 15.3 million workers, or nearly 1 in 10 in the US, are collecting some form of unemployment benefit, according to the Department of Labor.

The combined state and federal unemployment payments typically average out to about $625 a week, or about $15 an hour for full-time work, which is more than many service industry jobs offer in wages.

Speaking to NBC News, unemployed worker Sherry Pratt of New Hampshire described the current predicament facing millions of workers. “I don’t think there’s a labor shortage, I think there’s a living wage labor shortage,” Pratt said.

While workers attempt to scrape by on meager wages, overall pay for the 200 top CEOs in the US rose 14.1 percent last year, compared to just 1.9 percent for the median worker.

The cutting off of benefits comes as prices for basic goods continue to skyrocket across the country. In May, the Consumer Price Index recorded a 13-year high of 5 percent inflation, up from 4.2 percent in April. The last time inflation surged by that much was in August 2008, just before the onset of the global financial crisis.

The *Detroit Free Press* reported Sunday that General Motors was having difficulty filling its quota of several hundred additional temporary workers at its Flint, Michigan, and Fort Wayne, Indiana, truck assembly plants. The positions pay a miserable $16.67 an hour, with no benefits for the first 90 days and no fixed work schedule. Laid-off workers in these states are currently receiving combined state and federal jobless benefits that nearly equal the pay of GM temps.

The article features the remarks of United Auto Workers local officials at the two plants, who, in their role as cheap-labor contractors for the auto companies, are urging GM to forego its practice of testing job applicants for marijuana and even add a few pennies to their poverty-level wage package.

At many restaurants and service-industry businesses, teenagers are being recruited to take the place of laid-off workers who have no desire to risk their health in return for a poverty-level wage. Recent data published by the Federal Reserve Bank of St. Louis shows that for the month of May, the jobless rate for teens dropped to 9.6 percent, the lowest figure since 1953. The figure is roughly 3–5 percentage points lower than average, and well below the 32 percent spike during the first months of the pandemic.

For many of these teens, taking such a job has become a matter of economic necessity under conditions where their parents have been laid off and are unable to find decent-paying, steady, safe work. Linda Rodriguez, who oversees JPMorgan Chase’s Summer Youth Employment program, told CBS News that many “low-income families are depending on teens to bring home more money.”

To facilitate the hyper-exploitation of youth, the Department of Labor has rules in place that allow employees under 20 to be paid less than the minimum wage, sometimes as low as $4.25, during their first 90 calendar days of employment.

While there are daily reports in the capitalist press warning of hyper-inflation due to pandemic-related government social spending, there has been comparatively little discussion of the Federal Reserve ending its monthly financial asset purchasing program, which costs $120 billion per month. The over $1 trillion the Fed has spent on this program since its inception is significantly greater than the less than $800 billion the federal government has spent so far on federal unemployment programs, according to the Peter G. Peterson Foundation.

The artificial inflation of the stock market has led to an obscene rise in the wealth of billionaire pandemic profiteers, who increased their collective wealth by 60 percent in 2020, from $8 trillion to $13.1 trillion.

The staggering rise in the wealth of the ultra-rich is the result of a bipartisan policy, facilitated by a tax code that allows the world’s richest parasites to go years without paying federal income taxes, even as workers’ real wages shrink in the face of rising inflation.