With states ending pandemic benefits and evictions mounting

Combined US federal and state unemployment claims rose to 470,000 last week

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The release Thursday of the Department of Labor's (DOL) latest weekly unemployment claims report gives an indication of the economic and social crisis facing workers and their families more than 16 months into the coronavirus pandemic. According to the report, 373,000 jobless workers applied for state unemployment benefits, a slight increase over the previous week, and an additional 99,000 filed for assistance under the Pandemic Unemployment Assistance (PUA) program.

The report was received with consternation within corporate boardrooms and both big business parties. They had hoped that the early termination of supplementary unemployment benefits by over half of the states would have forced more workers to accept dangerous and low-paying jobs, despite the new surge in COVID-19 infections fueled by the reopening of businesses and schools and the lifting of virtually all remaining social distancing and safety measures, carried out in the face of the spread of the virulent Delta variant.

The DOL report also found that more than 14.2 million Americans were still receiving some form of unemployment payment through June 19. Meanwhile, economists estimate that there are some nine million job openings across the US, the majority centered in the low-paying service, retail and seasonal tourist industries.

The 472,000 combined state and federal claims filed for the week ending July 3, which is double the pre-pandemic average, came despite the fact that 26 states have announced plans or have already begun to eliminate the meager $300-a-week federal supplement included in the Biden administration's "American Rescue Plan," which was signed into law this past March.

Biden has already announced that he will not seek to extend the federal benefit when it expires on September 6, and the White House has explicitly endorsed the "right" of Republican-led state governments to turn down the federal funding and terminate the program prematurely, on the grounds that the extra $300 a week is a "disincentive" to work.

In plain English, this translates into: Either work for poverty wages and risk infection and possible death from COVID, or starve!

Economists estimate that cutting unemployment pay prematurely in the 26 states will force some four million jobless workers and their families to participate in what NBC News described last month as a "bold experiment" in compelling workers to fully resume pumping out corporate profits.

However, the "bold experiment" has to date fallen short of expectations. Economists with Morgan Stanley in a recent analysis reported by *Forbes* found that: "... generous [sic] unemployment benefits are likely no more of a factor than other impediments, including childcare, transportation and health concerns, to workplace re-entry."

The same report found that states that eliminated benefits on June 19, including Alabama, Idaho, Nebraska, New Hampshire, North Dakota, West Virginia and Wyoming, had only slightly larger declines in continued unemployment claims through

May compared to states that are eliminating benefits but have not yet done so—12 percent compared to 8.7 percent. States that have not announced plans to terminate benefits early saw a 4 percent decline in continued unemployment claims through May.

The group of economists, led by Sarah Wolfe and Ellen Zentner, wrote that they could find “only mixed evidence” that ending benefits early had an effect on workers seeking employment, adding: “Stripping out the disincentive effect of unemployment benefits on the labor market recovery is not simple.”

As the ruling class and the entire political establishment rush to fully “reopen” the economy, they are centrally concerned by the development of a tight labor market, which gives workers, particularly lower paid workers, a degree of leverage in seeking better-paying positions and, in general, pushing for wage increases after decades of stagnating or declining wages. This hinders the drive to utilize the pandemic to further cut wages and increase the exploitation of the working class.

The Biden administration’s response is three-pronged: Allow the pandemic-triggered relief to expire, support the corporatist trade unions in their efforts to suppress mounting working class militancy, and promote identity, and particularly racial, politics to divide and disorient the working class.

Even with the temporary $300-a-week federal supplement, the combined total of state and federal benefits falls far short of meeting the basic needs of working class families. In many states, the amount does not replace even half of a worker’s normal earnings.

Despite having control of both houses of Congress and the presidency, the Democratic Party has not lifted a finger to preserve the $300-a-week stipend, which is already a 50 percent cut from the $600-a-week supplement passed as part of last year’s CARES Act.

The coming expiration of federal unemployment benefits, coupled with the ending of the Centers for Disease Control eviction moratorium at the end of July, has pushed thousands of families into homeless shelters, tents or cramped living situations with friends or relatives.

This past week, the Eviction Lab at Princeton University made public data collected in conjunction with the *Las Vegas Review-Journal* over the past year showing that despite the moratorium, thousands of evictions have been processed in metro-Las Vegas, including 4,559 in November 2020 alone.

“The fact that in November filings were 50 percent above what they are normally—that’s not the case in really any of the other cities we track,” Jacob Hass, a research specialist at the Eviction Lab, told the newspaper. Haas noted that the November spike occurred after Democratic Governor Steve Sisolak allowed the state-wide moratorium to expire on October 15, before renewing it on December 14.

Overall, between March 15, 2020 and May 27, 2021 Clark County (Las Vegas) had an estimated 22,400 eviction filings, which is more than any other similarly sized area studied by the researchers. For comparison’s sake, Dallas County, Texas, which has a larger population than Clark County, had nearly 4,000 fewer evictions, 18,600, over the same time period. Philadelphia County in Pennsylvania recorded 5,200 evictions total.