

Pandemic-related unemployment programs expire for over 7.5 million jobless workers in the US

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The Labor Day holiday this weekend marks the end of pandemic-related unemployment benefits for millions of jobless workers after the Democratic Party-controlled Congress and President Joe Biden refused to lift a finger to extend the programs which have served as a critical lifeline.

Despite the fact that COVID-19 continues to spread uncontrolled throughout the country, resulting in at least 660,000 deaths as of this writing, the ruthless logic of the capitalist system demands that workers return to work producing profits for the ruling class, even if it kills them and their families. An average of 164,000 people are testing positive for the virus every day.

Research conducted by the Century Foundation found that the ending of the CARES Act's pandemic unemployment aid programs, such as Pandemic Unemployment Assistance (PUA), Federal Pandemic Unemployment Compensation (FPUC) and Pandemic Emergency Unemployment Compensation (PEUC), will leave some 7.5 million workers with no unemployment benefits on Labor Day, September 6, 2021.

"This is a five-alarm fire that we're treating as if nothing were wrong," Andrew Stettner, a senior fellow with the Century Foundation, told Politico. "It is an act of policy negligence to allow a record number of workers to be completely cut off from unemployment benefits as the Delta variant surges, jeopardizing the economic progress we have made."

The elimination of the unemployment programs, meager as they were, will spell catastrophe for millions of jobless workers and their families, many of whom have been forced to subsist on the paltry payments to pay for basic necessities, such as food, shelter and medicine.

While the US government is consigning millions of people to hunger, homelessness and poverty, no such worries plague Wall Street bankers and money managers, who will continue to grow fat off of the Federal Reserve's monthly \$120 billion injections, which Chairman Jerome Powell

indicated last Friday would continue.

The Dow Jones Industrial Average continues to set record highs, lining the pockets of the ultra-wealthy and politically connected. Meanwhile, the latest report from the Department of Labor gives some indication of the large number of people reliant on unemployment benefits who will now be without any income. For the week ending August 14, over 12 million claims were made across all unemployment programs. This includes 5.4 million for the PUA and 3.8 million continued claims under the PEUC.

The PUA program was designed for so-called "gig" and contract workers, who would typically not qualify for traditional state unemployment benefits, while the PEUC is designed for workers who have already exhausted state benefits, which in many states typically last between 20 and 26 weeks, but in some states, such as Florida, can be as little as 12 weeks.

The FPUC initially provided an additional \$600-a-week federal bonus on top of state-level unemployment benefits. However, this ended last July and was only reinstated briefly by then-President Donald Trump at \$300 a week, half of the previous amount, and revived by the Democrats this year at the same level.

A March analysis from *Forbes* found that there is not a single state where the average weekly state benefit is more than \$475, with a vast majority doling out between \$236 and \$320 a week, that is, between \$12,272 and \$16,640 a year. For comparison's sake, a full-time minimum wage worker working 40 hours a week, 52 weeks a year, can expect to earn just over \$15,000.

An unemployed worker from Detroit told the *World Socialist Web Site* that the cutoff of pandemic relief "has made it very difficult to pay bills and forces me to panic.

"Three hundred dollars a week is not enough to pay bills or even buy groceries for two weeks. The Pandemic Unemployment Assistance (PUA) and the Pandemic Emergency Unemployment Compensation (PEUC) at least

gave me a few hundred extra dollars to pay bills. Not to mention student loans will go back to normal deductions soon.”

The elimination of benefits began earlier this summer, in June, when 26 states, all but one governed by a Republican, began ending the federal benefits prematurely. The cutoff was done with the blessing of the Biden administration, with White House Press Secretary Jen Psaki telling reporters on June 4 that Republican governors “have every right” to “not accept” federal unemployment payments, adding, “That’s OK.”

The cutting of benefits was hailed in the capitalist press, including NBC News, as a “bold, mass, social and economic experiment” to see if starving workers would be prodded back to work during a public health catastrophe.

The results of this criminal “experiment” were revealed in a recent paper, authored by economists and researchers at Columbia University, Harvard University, the University of Massachusetts Amherst and the University of Toronto. The paper found that ending benefits early did not translate into mass hiring. Instead, in the “cutoff states” studied between June and August, the researchers found that the majority who lost benefits, seven out of eight, did not find new jobs.

“Most people lost benefits and weren’t able to find jobs,” wrote University of Massachusetts Amherst Economics Professor and co-author of the paper, Arindrajit Dube. While the cutoff did not fuel job growth, it did result in a nearly \$2 billion reduction in consumer spending from June through the first week of August in the “cutoff states.”

“They turned down federal transfers, and that money didn’t come back into the state [from new jobs income],” University of Toronto Assistant Professor of Economics Michael Stepner told CNBC.

The elimination of the benefits follows the recent Supreme Court ruling that overturned the Centers for Disease Control and Prevention’s (CDC) eviction moratorium. While vindictive landlords and right-wing judges continued to file and process evictions throughout the pandemic, including nearly half a million in the 31 cities tracked by the Princeton Eviction Lab since March 2020, the complete elimination of the moratorium has left some 3.5 million people at risk of eviction in the next two months, according to a mid-August U.S. Census Bureau Household Pulse Survey.

One estimate from Goldman Sachs suggested that 750,000 renter households would likely lose their homes by the end of the year. The same analysis found that between 1 and 2 million households would not receive any federal support, putting them at risk of eviction.

The cutting off of benefits, coupled with the ending of the eviction moratorium, is forcing millions of workers and their families to move in with friends and relatives to avoid

homelessness. The cramming of people into small apartments and rental homes exacerbates the spread of the deadly Delta variant of the coronavirus.

This has been given a further boost thanks to the duplicitous trade unions, which have worked hand in glove with the ruling class to reopen schools for in-person learning. This anti-scientific policy has led to the mass infection of children and hundreds of preventable deaths among educators and school personnel, while at the same time fueling community spread of the virus.

While Biden and the Democrats touted the passage of the American Rescue Plan in March as the “most progressive” and “transformative” piece of social legislation since the New Deal of the 1940s, the fact is that many of the “benefits” contained within the bill are mired in red tape or are fleeting, such as enhanced unemployment benefits.

Another example is the estimated \$46.6 billion in federal rental assistance included in the bill, which was supposed to help offset the over \$70 billion in back rent owed, according to the National Low Income Housing Coalition. However, the Treasury Department revealed this past week that only \$5.1 billion, or 11 percent, of the funds had been distributed through July, leaving millions of renters without access to the much needed support. Like state unemployment systems, the process for applying for and getting approved for the aid is purposely convoluted and difficult to navigate.

The incompetence, criminality and indifference to human suffering displayed by the ruling classes in all capitalist countries in response to the pandemic demonstrate the need for the working class to intervene independently with its own socialist program, which prioritizes the preservation of human life and social need above private profit.



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