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When will the government checks come?

Almost every media outlet in the United States carried the news: 3.28 million claims for unemployment insurance (UI) were made the week ending March 21. This figure is the highest since the Department of Labor began reporting such figures in 1967.

The 281,000 claims for UI the previous week were the lowest in the past 50 years. In New York City, which now accounts for roughly 5 percent of global COVID-19 cases, there has been a 1,000-percent increase in unemployment claims from the second week of March to the third. According to the New York Post, 2.7 million people accessed New York State's website during the week ending March 21 and 1.7 million calls were recorded.



It is left up to the states to handle unemployment claims. In state after state, there were reports of online servers collapsing due to the flood of calls and telephone lines going down. California officials believe that tens of thousands of claims were not processed.

Most states basically demand that the initial claim be made online through the internet and then completed through a telephone interview with an agent before a check is cut.

The \$2.2 trillion Coronavirus Aid, Relief, and Economic Security, CARES Act, signed into law on March 27, promises enhanced unemployment benefits—\$600 a week on top of the state payment, with extended weeks of coverage. It also promises to include “informal” workers. Unless the states’ bureaucracy processes and accepts a claim, however, workers won’t find these benefits available.

The number of claims filed and reported is definitely lower than the real number of workers laid off. The rules establishing how unemployment insurance is going to be paid to gig workers, part-time workers, tipped workers — those who have been excluded from traditional unemployment compensation — have yet to be established. And, of course, undocumented, agricultural and domestic workers who have lost their jobs will be denied aid.

Since laid-off workers will need the money to put food on the table and other essentials, they will be unable to pay many other bills by April 1 when monthly bills arrive. Treasury Secretary Steven Mnuchin has publicly promised that the \$1,200 payments established by CARES to each adult U.S. citizen and \$500 for each dependent child will be made in three weeks. This is an ambitious goal. The Trump regime’s record up to now is of being far behind what is needed.

These payments could only be processed in three weeks for unemployed and other workers who included information on their 2018 or 2019 tax returns that allowed the government to directly deposit funds into their bank accounts. But 6.5 percent of all U.S. families, according to a 2017 study by the Federal Deposit Insurance Commission, don’t have a bank account. A full 25 percent are “underbanked,” meaning the financial institutions they use, such as credit unions, don’t offer all the services of a full-service bank. To deliver funds for these families, the government will have to cut a check.

The families paid by check will all be poor, disproportionately Black and Latinx, with many headed by single mothers, who live paycheck to paycheck. Some 53 percent of American households have no savings accounts available for an emergency. Of that group, 61 percent can make ends meet for no longer than two months with the cash they have on hand.

Janet Holtzblatt of the Tax Policy Center, a Washington think tank devoted to studying the IRS, estimates that it will be at least two months for any checks to be cut in the best of circumstances. If the coronavirus starts to sicken more of the federal workforce issuing the checks, even that estimate looks optimistic.

Unemployment insurance was won in the 1930s by a broad, progressive struggle by the working class, led by communists and socialists. The pandemic makes it obvious that this struggle must be broadened to demand that the government ensure everyone gets food, housing, medical supplies and utilities.

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