

Laid-off Whirlpool workers will face greater hardship due to 2022 Unemployment Insurance changes

Iowa lawmakers should restore UI system to support workers and economy in transition

This summer, 650 workers at the Whirlpool plant in Amana will be laid off. Lost will be good-paying, union-represented positions that have anchored the local economy for generations. The announcement sent a shockwave through eastern Iowa, where few comparable manufacturing opportunities remain.

The workers will be hit twice: first by losing their jobs, and again by discovering that Iowa's unemployment insurance (UI) system no longer offers the protections it once did.

In 2022, the state shortened the time people can receive UI benefits, lowered the bar for what qualifies as "suitable" reemployment, and put more pressure on workers to accept low-paying jobs (sidebar). Laid-off Whirlpool workers will bear the brunt of these changes.

A typical laid-off Whirlpool worker would have received up to \$3,100 more in unemployment just three years ago

Consider an assembly operator with five years of experience, earning \$24 an hour. She is raising two children and, with Whirlpool's steady paycheck, could afford rent, child care, a car and groceries.

Under previous law, she would have been eligible for up to 26 weeks of UI benefits, with a maximum weekly payment of about \$594.³ If she remained unemployed for 21.3 weeks (the average length of unemployment in the U.S.), she could expect to receive around \$12,652 in insurance benefits to help sustain her family's basic needs and the local economy while searching for another job at a comparable wage. But under the 2022 law:

- ▶ Her benefit duration is now capped at just 16 weeks, lowering her total benefits payments by \$3,148.

UI 'reforms' harm workers

In 2022, Iowa enacted big changes to its unemployment insurance laws. At the time, labor advocates and policy organizations like Common Good Iowa warned these changes would harm workers — especially those laid off through no fault of their own, like soon-to-be-displaced Whirlpool employees.

Here's what changed:

- ▶ **The maximum duration of UI benefits was reduced from 26 weeks to just 16 weeks**, even though finding new work often takes longer than it used to¹ — especially in rural areas and in industries like manufacturing that have fewer available positions.²
- ▶ The definition of "suitable work" was revised so **after just a few weeks, workers must accept lower-paying jobs** — even if those jobs are far below their skill levels or previous wages.
- ▶ Job search requirements were intensified, **increasing the pressure to take any job quickly**, rather than the right job for a worker's skills and long-term stability.

These anti-worker provisions undermine the core purpose of UI: to give people breathing room to find a new job that matches their experience and income rather than settling for poverty wages.

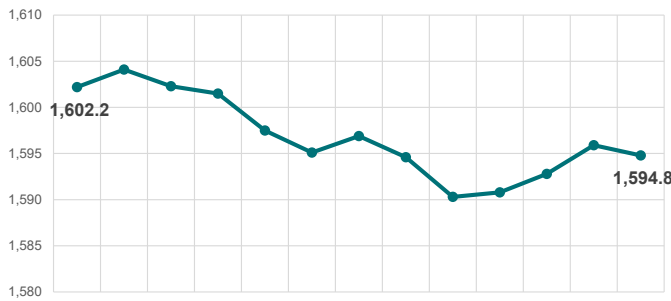
- ▶ After just six weeks of unemployment, if she receives an offer for a job paying as little as \$16.80 an hour, she must take it or lose benefits.
- ▶ By taking the lower-paying job instead of continuing to search for a better one that matches her skills, she will save the state of Iowa a few thousand dollars in UI payments, but she effectively reduces her annual salary by \$15,000.

Shrinking employment makes adequate UI benefits more, not less, important

The Whirlpool layoffs are part of a larger, worrisome trend: Iowa is steadily losing manufacturing jobs. According to the nonpartisan Legislative Services Agency, Iowa’s manufacturing employment has declined by 7,600 jobs over just the past year.⁴ Even as the administration touts its unemployment reforms, Iowa’s overall labor force participation still lags pre-pandemic levels. In total, Iowa has 7,400 fewer jobs than it did a year ago.⁵

Changes in jobs, Iowa, February 2024-February 2025

Total nonfarm (in thousands)



Source: U.S. Bureau of Labor Statistics

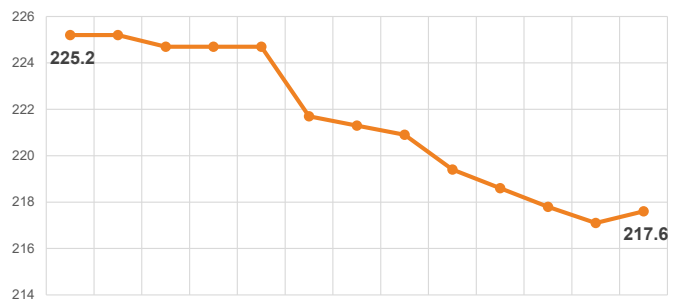
By failing to adequately support workers through periods of unemployment, the state makes it more difficult for individuals to find their place in an increasingly challenging economy. It also drives up income inequality by stifling wages.

Unemployment insurance is an economic tool, not a handout

Unemployment insurance was meant to be a help, not a punishment. It is a proven policy tool that helps workers, families, and local economies stay afloat during periods of disruption. It protects purchasing power and gives people a chance to find the right job — not just the first job.

For the Whirlpool workers facing unemployment this summer, the stakes are high. They need a system that recognizes their value and gives them time to rebuild — not one that pushes them into underemployment or out of the workforce.

Manufacturing (in thousands)



¹ As of February 2025, over a third of workers who lose their jobs experience unemployment for at least 15 weeks, according to the U.S. Bureau of Labor Statistics. See https://www.bls.gov/news.release/empsit.t12.htm?utm_source=chatgpt.com

² Several studies have found differences in unemployment recovery by industry and geography, including the USDA Economic Research Service and the Federal Reserve Bank of St. Louis. See <https://www.ers.usda.gov/topics/rural-economy-population/employment-education/rural-employment-and-unemployment> and <https://www.stlouisfed.org/>

[publications/regional-economist/january-2016/unemployment-by-industry-duration-must-be-considered-too?utm_source=chatgpt.com](https://www.legis.iowa.gov/publications/regional-economist/january-2016/unemployment-by-industry-duration-must-be-considered-too?utm_source=chatgpt.com)

³ Assuming high quarter wages of \$12,480 earned from full-time work at \$24 per hour and two dependents, the recipient would receive 1/21 of the high quarter wages as their weekly benefit amount. See Iowa Code Chapter 94.

⁴ Legislative Services Agency, 2025. Downloaded from <https://www.legis.iowa.gov/docs/publications/IET/615763.pdf>

⁵ Ibid.

To learn more about unemployment insurance policy, contact Sean Finn at sfynn@commongoodiowa.org or visit www.commongoodiowa.org.