

# Latest Whirlpool layoffs highlight the harm of Iowa's weakened unemployment insurance

Lawmakers should undo 2022 changes to support workers and economy in transition

**This month, over 300 workers at the Whirlpool plant in Amana will be laid off.** This is in addition to 250 layoffs last summer and another 250 reportedly under consideration. These are good-paying, union-represented positions that have anchored the local economy for generations. In the past five years, Whirlpool has reduced its Amana manufacturing workforce from over 3,000 to less than 1,000 today.

While the layoffs themselves are devastating, many workers will be hit twice: first by losing their jobs, and again by discovering that Iowa's unemployment insurance system no longer offers the protections it once did (sidebar).

## A typical laid-off Whirlpool worker would have received over \$5,000 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 Iowa's previous UI law, she would have been eligible for up to 26 weeks of benefits, with a maximum weekly payment of approximately \$594.<sup>3</sup> If she remained unemployed for 25.7 weeks (the average length of unemployment nationally), she could expect to receive around \$15,266 in insurance benefits to help sustain her family while searching for another job at a comparable wage. But under the 2022 changes:

- ▶ Her benefit duration is now capped at just 16 weeks, lowering her total benefits payments by \$5,762.
- ▶ After just six weeks of unemployment, if she receives an offer for a job that pays \$16.80 per hour, she must accept it or lose benefits.

## UI 'reforms' harm workers

In 2022, Iowa enacted big changes to its unemployment insurance laws. At the time, advocates including Common Good Iowa warned these changes would harm laid-off workers, like 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 to<sup>1</sup> — especially in rural areas and in industries like manufacturing that have fewer available positions.<sup>2</sup>
- ▶ 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 changes were sold as "pro-work," but in reality, are deeply anti-worker.** They undermine the core purpose of UI: to give people breathing room to find a new job that matches their experience rather than settling for poverty wages.

Adding insult to injury, last year Governor Reynolds signed a bill halving the taxable wage base for unemployment insurance taxes, threatening the long-term stability of the state's Unemployment Trust Fund.

▶ By taking the lower-paying job, she may save the state of Iowa a few thousand dollars in UI payments, but she is effectively reducing her annual salary by \$15,000.

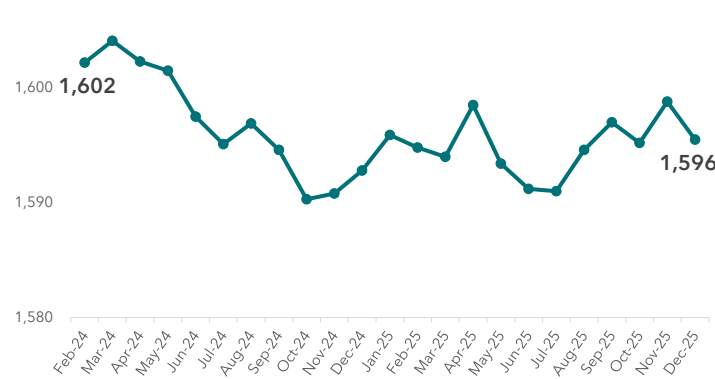
Instead of being able to search for a new job in advanced manufacturing or another position that matches her skills, this worker could be forced into a low-wage job, cutting her income by thousands of dollars per year.

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

The Whirlpool layoffs are part of a larger, concerning trend: Iowa is steadily losing manufacturing jobs. According to the nonpartisan Legislative Services Agency, Iowa’s manufacturing employment has declined by more than 9,000 jobs over the past two years.<sup>4</sup> Despite touting its unemployment reforms across the nation, Iowa’s administration overall labor force participation still lags behind pre-pandemic levels. Iowa has fewer jobs than it did two years ago.<sup>5</sup>

### Changes in jobs, Iowa, February 2024-December 2025

Total nonfarm (in thousands)



Source: U.S. Bureau of Labor Statistics

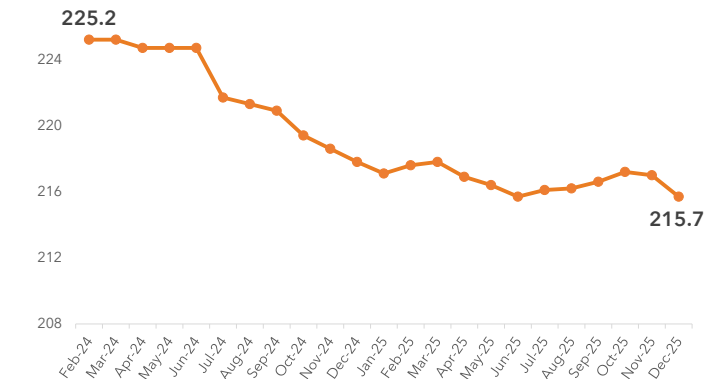
By failing to adequately support workers through periods of unemployment, the state makes it more difficult for individuals to remain in the workforce and drives up income inequality by stifling wages.

### Unemployment insurance is an economic tool, not a handout

Unemployment insurance was never meant to be a punishment. It is a smart, proven policy tool that helps workers, families and local economies stay afloat during periods of disruption. It protects purchasing power, prevents long-term poverty 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 out of the workforce or into underemployment.

Manufacturing (in thousands)



<sup>1</sup> 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](https://www.bls.gov/news.release/empsit.t12.htm?utm_source=chatgpt.com)

<sup>2</sup> 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/docs/publications/regional-economist/january-2016/unemployment-by-industry-duration-must-be-considered-too?utm_source=chatgpt.com)

<sup>3</sup> 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.

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

<sup>5</sup> Ibid.

To learn more about rebuilding Iowa's unemployment insurance system, contact Sean Finn at [sfynn@commongoodiowa.org](mailto:sfynn@commongoodiowa.org) or visit [www.commongoodiowa.org](http://www.commongoodiowa.org).