



FOR IMMEDIATE RELEASE
May 11, 2021

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**ABI Praises Governor Reynolds’ Decision to End Supplemental
Federal Unemployment Benefits**
Decision Comes as Iowa Employers are Desperately Seeking Individuals to Fill Jobs

DES MOINES, Iowa – The Iowa Association of Business and Industry, the state’s largest and oldest business organization representing 1,500 employers and more than 330,000 employees statewide, applauds Governor Kim Reynolds’ leadership on the announcement to stop federal extended unemployment benefits.

Governor Reynolds announced this morning that Iowa would be ending its participation in the federal pandemic-related unemployment benefit programs mid-June:

- Federal Pandemic Unemployment Compensation (FPUC)
- Pandemic Unemployment Assistance (PUA)
- Pandemic Emergency Unemployment Compensation (PEUC)
- Mixed Earners Unemployment Compensation (MEUC)

The announcement comes as governors and policymakers across the country are seeking to incentivize and encourage those who are currently unemployed to rejoin the workforce.

“ABI members contact me every day looking for workers,” said ABI President Mike Ralston. “Iowa had a workforce shortage prior to the pandemic. The continued extended benefits have only exacerbated the challenge and slowed our recovery. ABI members are grateful to Governor Reynolds for her willingness to stop additional extended benefits. Her decisive, strong leadership has been one of the key reasons for our recovery and we look forward to getting more Iowans back to work in good paying jobs, with excellent benefits. As businesses bounce back, employers are looking for qualified employees to take jobs at all skill levels. Her decision today will facilitate the rehiring of Iowans at a faster pace, which is what our members support.”

Iowa continues to recover from the pandemic, with the state’s unemployment rate at 3.7 percent in March. The state also has the seventh highest GDP growth. Iowa employers have been open for business and have taken extreme safety measures to protect the health of their team members.



Iowa's Unemployment Trust Fund is funded through taxes paid by employers. The trust fund has paid out more than \$1.3 billion dollars in state benefits since the beginning of the pandemic and more than \$2.6 billion dollars in federal unemployment benefits since March 2020, according to Iowa Workforce Development data.

Even without the additional federal benefits, Iowa provides some of the most robust benefits for an unemployment safety net in the country, and at the same time, is a state with one of the lowest costs of living.

Iowa is not alone in its decision to end the supplemental federal unemployment benefits. Similar actions have taken place in Montana, South Carolina, and Arkansas, while other states are considering taking the same measure as a means of encouraging people to re-enter the workforce.

ABI looks forward to continued conversations with the legislature about getting Iowans back to work, increasing their skill and ensuring a sustainable trust fund for the future.

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