

# Part-time Illinois: Work hours have dropped since ObamaCare signed into law



By Naomi Lopez Bauman, Director of Health Policy

## Executive summary

Illinois is in the midst of a decadeslong struggle to overcome numerous challenges ranging from corruption, high unemployment, underfunded pensions and high taxes. At a time when the state can't afford any additional obstacles, recent data provide support to the claim that employers have been cutting employee hours to avoid the costliest aspects of ObamaCare since it was signed into law in 2011.

To examine how the Affordable Care Act, commonly referred to as ObamaCare, is affecting employment in the state, this report examines average hours of labor in three sectors where average hours are closest to 30 hours per week – the threshold under the law for determining full-time employment status.

For employers, the distinction between full- and part-time status under the ObamaCare law is significant. In many cases, employers can avoid costly penalties associated with ObamaCare by replacing full-time workers with part-time employees. In addition, employers may also expand the business' workforce with part-time workers instead of full-time workers. This means workers are seeing reduced hours and lost pay.

The three sectors that fall into both the lowest-paid and lowest work hours categories are: retail trade, food and beverage, and general merchandise. They comprise about one-fifth of the state's total employment. Of these three sectors, all three now have average work hours below 30 hours per week.

Based on data from the Illinois Department of Employment Security, the Illinois Policy Institute calculated:

- Retail: The number of lost hours in the retail sector is the labor equivalent of about 36,000 Illinois jobs lost in that sector since 2011.
- Food service: The number of lost hours in the food and beverage sector is the equivalent of 10,000 jobs lost.
- General merchandise: Lost hours in the general merchandise sector is equivalent to 20,000 jobs lost.
- Since 2011, Illinois has lost the equivalent of about 66,000 jobs in these sectors through reduced work hours – more than the number of jobs added in all sectors over the past year.

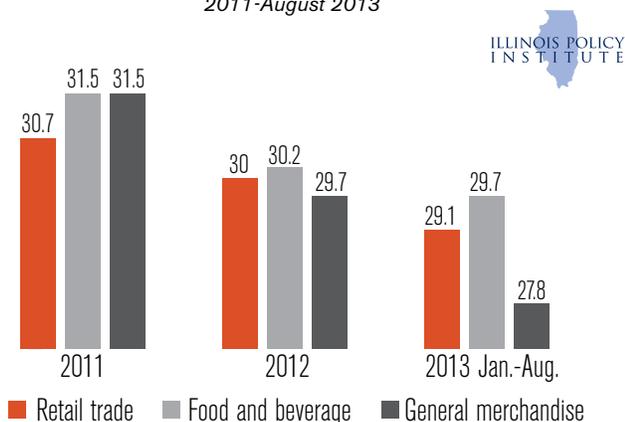
While many internal and external factors have been contributing to the state's seemingly intractable unemployment and underemployment, it is difficult to ignore the correlation between the ObamaCare implementation and the state's current labor trends.

There is no doubt that Illinoisans need affordable health care access. But the public and lawmakers need to know that this approach – trading insurance for work – is wrong for Illinois.

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## Average work hours for Illinois' lowest-paid sectors drop below 30

2011-August 2013



Source: Illinois Department of Employment Security, Current Employment Statistics (CIS) Program at <http://www.ides.illinois.gov/page.aspx?item=915>