

BY THE NUMBERS:

Summary of True Rate of Unemployment
For the Month of **May 2022**

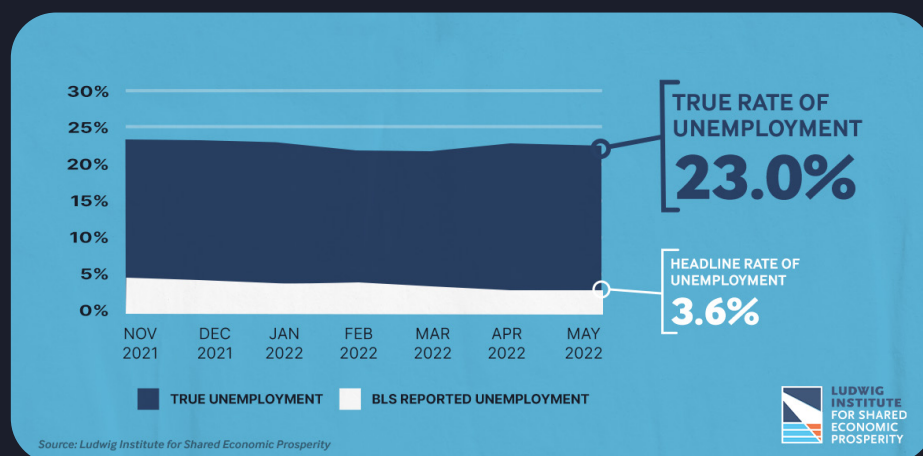


Ludwig Institute for Shared Economic Prosperity

June 14, 2022

OVERVIEW:

The Ludwig Institute for Shared Economic Prosperity (LISEP) has issued its monthly True Rate of Unemployment (TRU) for May 2022. The TRU, which measures the percentage of “functionally unemployed” Americans – defined as the jobless, plus those unable to find a full-time job that pays above the poverty level after adjusting for inflation – stands at 23% for the month of May. This is a decrease of 0.1 percentage points versus the April rate.



KEY TAKEAWAYS:

- **LISEP's TRU remained virtually unchanged,** dropping from 23.1% in April to 23%. In its official May unemployment report, the U.S. Bureau of Labor Statistics (BLS) reported no change in the nation's jobless rate for the third straight month, at 3.6%. BLS also reported the addition of 390,000 jobs.
- **Inflation appears to be taking a bigger bite out of worker paychecks,** in spite of nominal gains in employee wages. A flat TRU is a strong sign that inflation is forcing low- and middle-income workers into a position where their jobs no longer provide a living wage that keeps them above the poverty line.
- **There were some bright spots in the May TRU report, however.** Functional unemployment among Black workers fell, from 26.5% to 25.2%, and the rate for women improved from 28.1% to 27.5%. The rate for White workers improved almost a full percentage point, dropping from 22.0% to 21.1%. But meanwhile, the TRU for Hispanic workers took a big jump, from 25.7% to 27.1%, and functional unemployment for men jumped from 18.6% to 19.2%.
- **In the broader context, improvements are being made in living-wage job growth.** In May 2021, the TRU was 25.5%; in May 2020 the rate was 31.4%. Still, owing largely to an accelerating inflationary trend, a TRU of 23% indicates that nearly one-in-four American workers are seeking, but unable to find, a full-time, living-wage job – something that should be top-of-mind for policymakers.