

# BY THE NUMBERS:

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

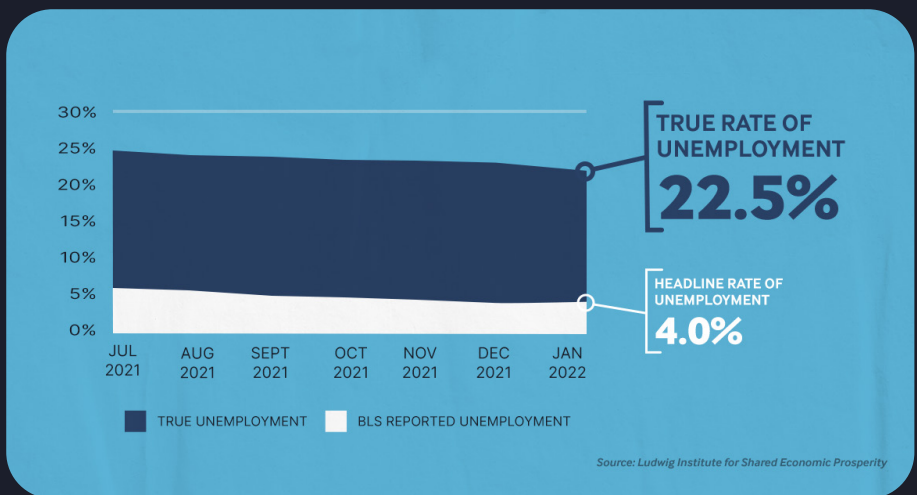


Ludwig Institute for Shared Economic Prosperity

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## OVERVIEW:

The Ludwig Institute for Shared Economic Prosperity (LISEP) has issued its monthly True Rate of Unemployment (TRU) for January 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 – stands at 22.5% for the month of January. This is a decrease of 0.8 percentage points over the December rate.



## KEY TAKEAWAYS:

- **More American workers are in living-wage jobs than any time since 2019**, with even those previously labeled as “discouraged workers” returning to the labor force. In January, the composite rate of 22.5% is down 0.8 percentage points from the December rate. This is in contrast to the government rate released by the U.S. Bureau of Labor Statistics (BLS), which reported an unemployment rate of 4%, up 0.1 percentage points from December.
- **From December to January, all major demographics saw decreases in the number of workers classified as functionally unemployed**, as measured by LISEP’s TRU. The TRU for Black workers fell from 27.3% to 25.8% (1.5 percentage points); Hispanic workers dropped 27.7% to 25.4% (2.3 percentage points); while the White worker TRU basically remained stable, decreasing 0.1 percentage points, from 21.6% to 21.5%.
- **Individuals previously labeled as “discouraged workers” are returning to the labor force**, according to the LISEP analysis. LISEP also

measures the TRU Out of the Population (TRU OOP), the percentage of the total U.S. population (age 16 and older) that is seeking but unable to find a full-time job paying above the poverty level. While the TRU measures the percentage of functionally unemployed for the entire active labor force, TRU OOP gauges the entire potential labor force, including discouraged workers and others who have dropped out of the labor pool. For January, LISEP found that the TRU OOP is now at its lowest level since October 2019, meaning that not only are workers returning to the workforce, but they are finding living-wage jobs.

- **But the gender gap persists**, with a huge gap between the ability of men and women to secure and retain employment paying above the poverty line. The male TRU dropped 0.6 percentage points and now stands at 17.7%, while the TRU for women, although down 0.8 percentage points, remains more than 10 percentage points above their male counterparts at 28%.

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