

BY THE NUMBERS:

Summary of True Rate of Unemployment
For the Month of **October 2021**

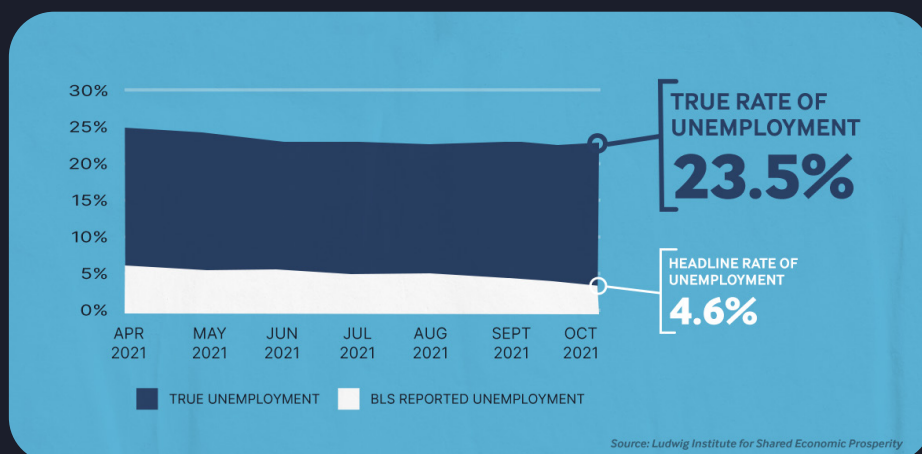


Ludwig Institute for Shared Economic Prosperity

November 16, 2021

OVERVIEW:

The Ludwig Institute for Shared Economic Prosperity (LISEP) has issued its monthly True Rate of Unemployment (TRU) for October 2021. The TRU, which measures the rate of “functionally unemployed” Americans, stands at 23.5% for the month of October. This is a decrease of 0.4 percentage points over the September rate. TRU measures the percentage of the U.S. labor force that is functionally unemployed by using data compiled by the U.S. Bureau of Labor Statistics (BLS), tracking the percentage of the U.S. labor force that is unemployed, desires but cannot secure full-time employment (35 or more hours a week), or is working a job with wages below the poverty level, defined as \$20,000 annually before taxes. A summary for October follows.



KEY TAKEAWAYS:

- **The overall True Rate of Unemployment decreased from September to October**, dropping from 23.9% to 23.5%, a 0.4 percentage point decrease. This aligns with the trend reported by the BLS in the October unemployment report, which indicates a 0.2 percentage point decrease, from 4.8% to 4.6%.
- **For the fourth consecutive month, a higher percentage of Black workers is finding living-wage jobs**, with functional unemployment for this group improving by 1.2 percentage points, from 27.9% to 26.7%. The Black TRU has improved more than 3 percentage points over the July 2021 level (29.8%), and is the lowest since December 2019, which was also 26.7%.
- **Hispanic workers led all demographics with a 1.4 percentage point improvement in TRU** (from 28.8% in September to 27.4% in October), while White workers lost ground with a TRU up 0.3 percentage points to 22.3% from 22.0% in September.
- **But even as the racial gap for living-wage jobs has narrowed, the gender gap widened.** Male workers saw a significant improvement in the October TRU report, dropping 1.4 percentage points, from 19.9% down to 18.5%. Women, meanwhile, moved in the opposite direction, rising from 28.7% to 29.1%, a 0.4 percentage point gain. The 10.6 percentage point gap between male and female workers is the first time the differential has moved into double digits since the beginning of the pandemic, when the difference was 11.1 percentage points in May 2020.

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