BY THE NUMBERS:
Summary of True Rate of Unemployment
For the Month of **December 2022**
True Weekly Earnings Fourth Quarter 2022
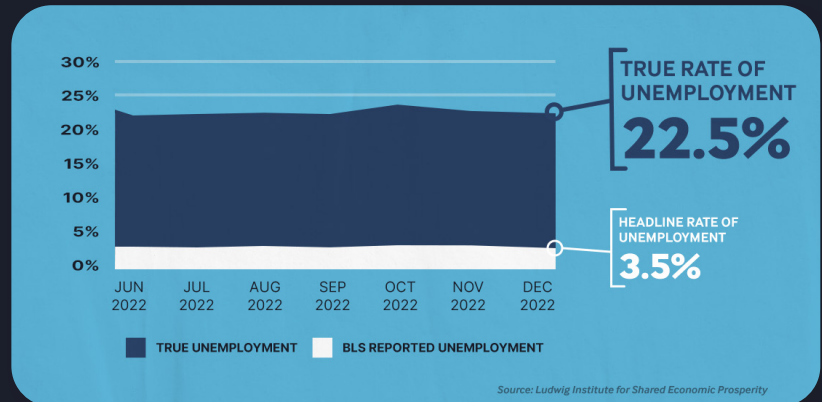
LUDWIG INSTITUTE FOR SHARED ECONOMIC PROSPERITY

OVERVIEW:

The Ludwig Institute for Shared Economic Prosperity (LISEP) has issued its monthly True Rate of Unemployment (TRU) for December 2022, in conjunction with the quarterly True Weekly Earnings (TWE) report for Q4 2022. The TRU, which measures the percentage of "functionally unemployed" Americans – defined as those unable to find a full-time job that pays above the poverty level – stands at 22.5% for the month of December. This is a decrease of 0.4 percentage points from the November rate. TWE, a measure of real median weekly earnings after adjusting for inflation that includes all participants in the workforce (including part-time and unemployed job seekers), dropped by $4 a week, from $927 to $923.

TRUE RATE OF UNEMPLOYMENT
22.5%

HEADLINE RATE OF UNEMPLOYMENT
3.5%

TRUE UNEMPLOYMENT   BLS REPORTED UNEMPLOYMENT

Source: Ludwig Institute for Shared Economic Prosperity

BLS WEEKLY EARNINGS
$1,085

TRUE WEEKLY EARNINGS
$923

BLS HEADLINE WEEKLY EARNINGS   LISEP TRUE WEEKLY EARNINGS

Source: Ludwig Institute for Shared Economic Prosperity

KEY TAKEAWAYS:

- **True Weekly Earnings (TWE) fell from $927 to $923 a week for Q4,** in spite of the rate for Black workers remaining steady at $767 a week, and the TWE for White workers rising from $1,019 to $1,022 a week, primarily due to a significant drop in Latino weekly earnings – from $760 to $742.

- **LISEP's TWE report is in stark contrast to an analysis issued by the BLS,** which indicates that inflation-adjusted median weekly wages for Q4 trended upward. Unlike the BLS analysis, the entire labor force is considered in LISEP's number – not just full-time earners. When this is taken into account, real median wages were outpaced by inflation and decreased by 0.4%.

- **Wage earners on the lower end of the spectrum – the 25th percentile – saw their real earnings fall more rapidly,** from $589 to $585/week, a decrease of 0.8%. The top 10% of wage earners saw a much more modest decrease of 0.2%.

- **The overall True Rate of Unemployment (TRU) dropped 0.4 percentage points, from 22.9% to 22.5%.** All major demographics, with the exception of Latino workers, showed positive trends. The TRU for Black workers dropped 0.5 percentage points, from 26.1% to 25.6%, with the TRU for White workers falling 0.4 percentage points, from 21.6% to 21.2%. The rate for Latino workers jumped nearly a full percentage point, from 25.5% to 26.4%.

WWW.LISEP.ORG