

# BY THE NUMBERS:

Summary of True Rate of Unemployment  
For the Month of **January 2023**

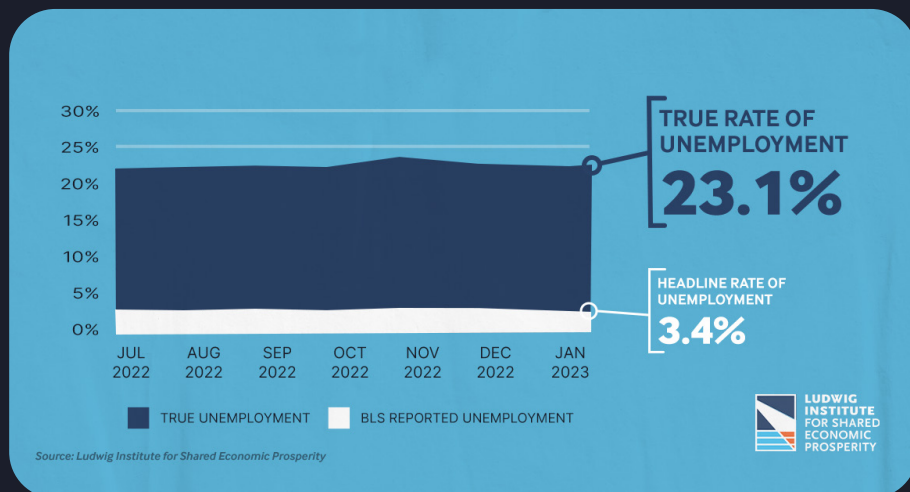


Ludwig Institute for Shared Economic Prosperity

February 15, 2023

## OVERVIEW:

The Ludwig Institute for Shared Economic Prosperity (LISEP) has issued its monthly True Rate of Unemployment (TRU) for January 2023. The TRU, which measures the percentage of “functionally unemployed” in the American workforce – defined as the jobless, plus those seeking but unable to find a full-time job that pays above the poverty level after adjusting for inflation – stands at 23.1% for the month of January. This is an increase of 0.6 percentage points over the December rate.



## KEY TAKEAWAYS:

- **The TRU for the month of January jumped 0.6 percentage points, to 23.1%.** All major demographics experienced an increased TRU of about a half of a percentage point: the TRU for Black workers increased from 25.6% to 26.1%; White workers saw an increase from 21.2% to 21.7%; and Hispanic worker TRU jumped from 26.4% to 26.8%. The TRU for male workers increased from 18.1% to 18.6%, and for women, the increase was from 27.6% to 28.0%.
- **The TRU runs contrary to the Bureau of Labor Statistics (BLS) monthly report,** with a jobless rate of 3.4% for January – an improvement of 0.1 percentage points over the previous month, and the lowest rate in 54 years. But the TRU moving in the opposite direction indicates that even though more jobs are being created, a lower percentage of those jobs are classified as paying a living wage.
- **As reported by the BLS, the labor participation rate increased slightly in January,** from 62.3% to 62.4% – a positive sign for the economy. But a large percentage of those workers entering or returning to the job market are finding it difficult to secure a living-wage job, which is a reason for concern.
- **The rise in TRU indicates that more Americans are entering or reentering the workforce only to be greeted by bad jobs.** Policymakers are urged to work to address these concerns in a targeted yet thoughtful way, with a strategy that not only creates jobs, but good-paying jobs.

[WWW.LISEP.ORG](http://WWW.LISEP.ORG)