

BY THE NUMBERS:

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

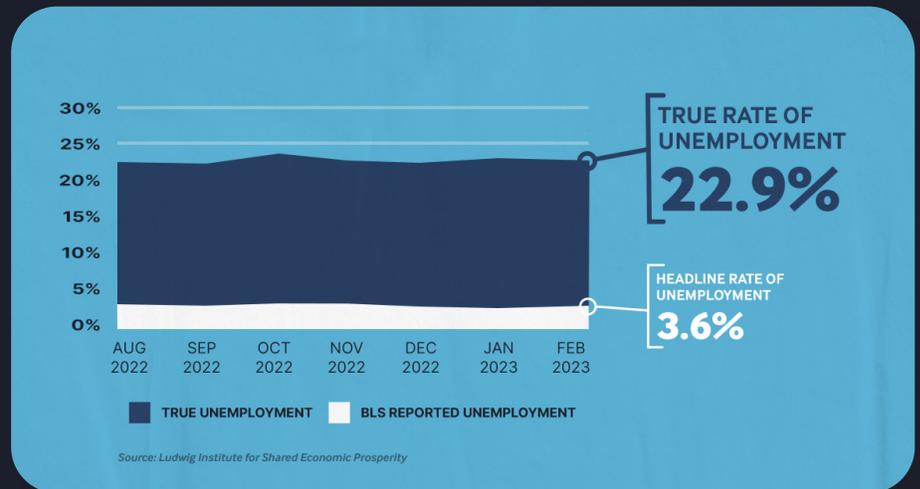


Ludwig Institute for Shared Economic Prosperity

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OVERVIEW:

The Ludwig Institute for Shared Economic Prosperity (LISEP) has issued its monthly True Rate of Unemployment (TRU) for February 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 22.9% for the month of February. This is a decrease of 0.2 percentage points over the January rate.



KEY TAKEAWAYS:

- **The TRU for the month of February dropped 0.2 percentage points, to 22.9%**, an indication that more workers are finding full-time, living-wage jobs. By contrast, the U.S. Bureau of Labor Statistics (BLS) reported an increase in the official jobless rate, from 3.4% to 3.6%.
- **Black workers saw a significant improvement in living-wage employment**, with the TRU dropping from 26.1% to 24.6%, while the TRU for White workers improved marginally, from 21.7% to 21.6%. The rate for Latino workers, however, jumped 1.8 percentage points – from 26.8% to 28.6%.
- **The significant disparity between men and women in the workforce continues to grow**, with the TRU for men dropping 1.1 percentage points (from 18.6% to 17.5%), while the TRU for women jumped nearly a full percentage point, from 28.0% to 28.9%. This could be due, in part, to strong growth in construction – a male dominated industry – while the share of women in the retail and leisure industries declined.
- **It is encouraging to see workers holding their own even in the face of inflation**, but the growing inability of certain groups to keep up – particularly a widening gender gap – is a reason for concern. Observing these inequalities and implementing measures to address them should be a top priority for policymakers.

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