

BY THE NUMBERS:

Summary of True Rate of Unemployment

For the Month of **March 2023**

True Weekly Earnings **First Quarter 2023**



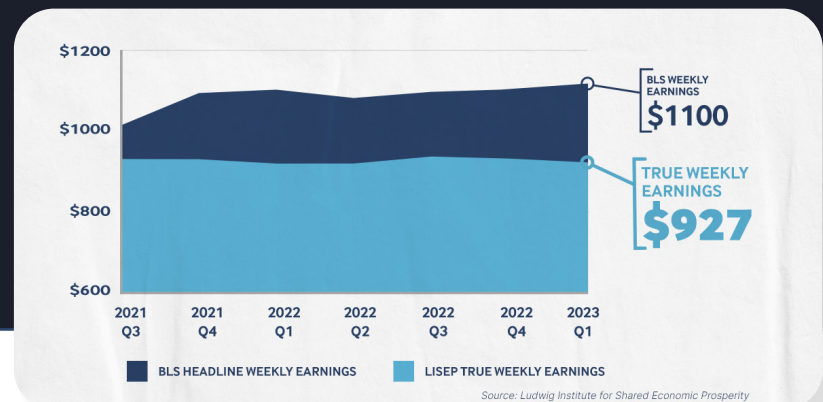
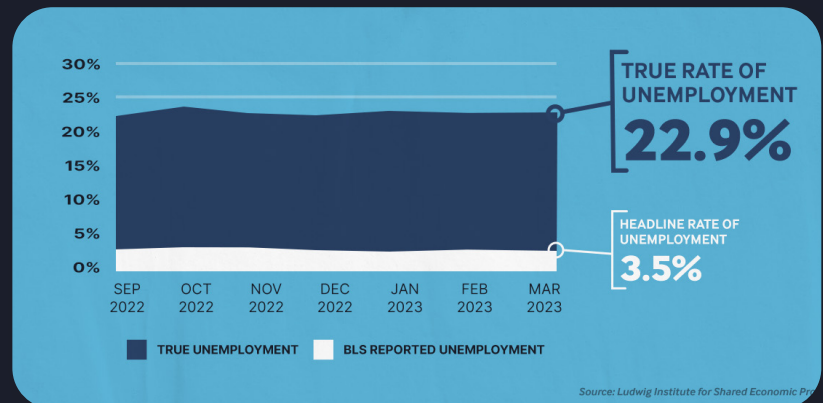
**LUDWIG
INSTITUTE
FOR SHARED
ECONOMIC
PROSPERITY**

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 March 2023, in conjunction with the quarterly True Weekly Earnings (TWE) report for Q1 2023. 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 22.9% for the month of March, which is unchanged over the February 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 \$6 a week, from \$933 to \$927.



KEY TAKEAWAYS:

- **The drop in True Weekly Earnings (TWE) for Q1 2023 means median earnings have decreased by a total of \$10 since Q3 2022.** Low wage workers, along with Black and Latino populations, fared even worse. This is in stark contrast to an analysis issued by the U.S. Bureau of Labor Statistics (BLS), which indicates that inflation-adjusted median weekly wages for Q1 trended upward.
- **For Q1 2023, the overall TWE fell from \$933 to \$927,** and is down for all racial/ethnic demographics. Median wages for Latino and Black workers took the biggest hit by 2.4% and 1.2%, respectively, while the TWE for White workers fell 0.8%. Median wages for Latino workers declined from \$750 to \$732; for Black workers, from \$775 to \$766; and for White workers, from \$1,033 to \$1,024.
- **The largest drop in TWE was for lower-wage earners,** with the TWE for the bottom 25th percentile dropping 1.9%. Higher-wage earners in the 75th percentile saw a 1% gain; 90th percentile workers saw a 2.5% gain.
- **The True Rate of Unemployment (TRU) was stable at 22.9% from February to March.** The TRU for women went down 1.9 percentage points, from 28.9% to 27%, while the male TRU went up 1.8 percentage points, from 17.5% to 19.3%. The TRU for Black workers increased 0.8 percentage points (24.6% to 25.4%) while the TRU for Hispanic workers decreased 1.4 percentage points (28.6% to 27.2%). The White TRU held fairly constant, dropping 0.1 percentage points (21.6% to 21.5%).

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