

BY THE NUMBERS:

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

True Weekly Earnings **Second Quarter 2023**

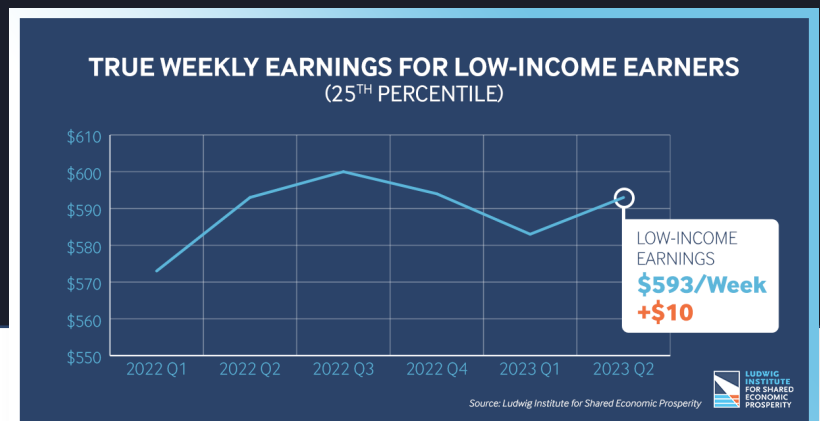
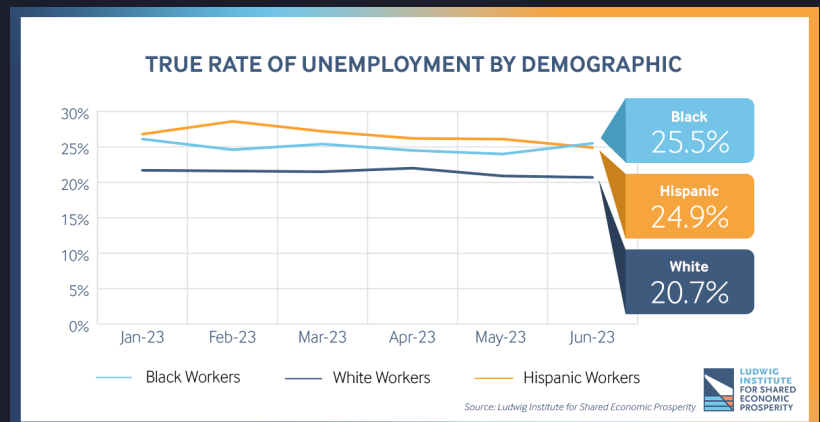


Ludwig Institute for Shared Economic Prosperity

July 19, 2023

OVERVIEW:

The Ludwig Institute for Shared Economic Prosperity (LISEP) has issued its monthly True Rate of Unemployment (TRU) for June 2023, in conjunction with the quarterly True Weekly Earnings (TWE) report for Q2 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 21.7% for the month of June, a 0.7 percentage point decrease over the May 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), increased by \$2 a week, from \$933 to \$935.



KEY TAKEAWAYS:

- **The overall TWE rose from \$933 to \$935 a week over Q1**, a negligible 0.2% increase. Yet low-wage workers (25th percentile) experienced a notable 1.7% increase after adjusting for inflation, from \$583 to \$593 a week. Meanwhile upper-middle income earners (75th percentile) saw a 1.3% decrease, from \$1,561 to \$1,541 a week, and the highest wage earners (90th percentile) experienced a 1% decrease, from \$2,501 to \$2,477.
- **TWE growth was notably better for ethnic minorities**, with Black workers seeing a 1.7% increase in earnings (\$771 to \$780) and Hispanic earners experiencing a 1.2% gain (\$737 to \$746). The gain for White workers was 0.5%, from \$1,031 to \$1,037. But the gender pay gap continues to widen, with women gaining a scant 0.2% (\$819 to \$821), while men saw a 2.2% gain (\$1,030 to \$1,053).
- **The TRU overall dropped by 0.7 percentage points**, from 22.4% to 21.7% – the lowest functional unemployment rate since January 1995, the earliest LISEP has data. While Black workers saw a significant 1.5 percentage point spike (from 24% to 25.5%), the composite TRU number was offset by a 1.2 percentage point improvement for Hispanic workers (from 26.1% to 24.9%), and a 0.2 percentage point decrease in the TRU for White workers (20.9% to 20.7%).
- **Women in the workforce also saw a significant improvement in TRU**, dropping 1.1 percentage points, from 27.5% to 26.4%. For men, the rate dropped from 18% to 17.7%, a 0.3 percentage point improvement.

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