

# BY THE NUMBERS:

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

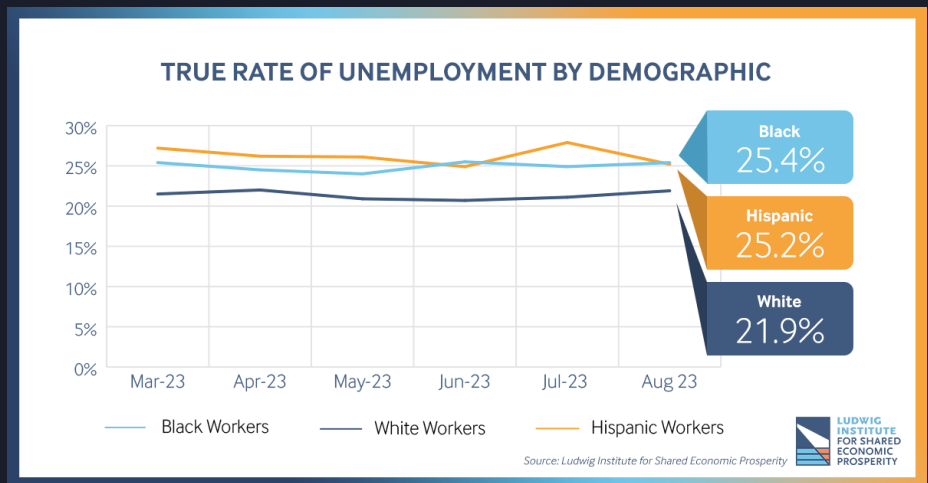


Ludwig Institute for Shared Economic Prosperity

September 14, 2023

## OVERVIEW:

The Ludwig Institute for Shared Economic Prosperity (LISEP) has issued its monthly True Rate of Unemployment (TRU) for August 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% for the month of August, a 0.1 percentage point increase over the July rate.



## KEY TAKEAWAYS:

- **The overall True Rate of Unemployment increased a mere 0.1 percentage points from July to August**, from 22.9% to 23%. Directionally this is similar to the trend reported by the U.S. Bureau of Labor Statistics, with the official unemployment rate climbing from 3.5% to 3.8%.
- **Some positive news: Hispanic workers saw a 2.7 percentage point improvement in the TRU**, dropping from 27.9% to 25.2%. This is a partial rebound from a 3 percentage point spike in July. But other groups did not fare as well, with Black workers seeing a 0.5 percentage point increase, from 24.9% to 25.4%, and White workers seeing a 0.8 percentage point jump, from 21.1% to 21.9%. The TRU for women improved by 0.3 percentage points (from 27.7% to 27.4%), while the TRU for men increased by 0.3 percentage points, from 18.9% to 19.2%.
- **While the increase in TRU seems small, a parallel 0.2 percentage point increase in the labor force participation rate may give rise for concern.** These two statistics, taken in tandem, indicate that even though more Americans are working, many are unable to find jobs paying over the poverty line. This means that many of these new workforce participants are finding themselves without full-time jobs paying a living wage.
- **The TRU for those without a four-year college degree improved in August**, down 1.5 percentage points for those with no high school (47.4%), 0.6 percentage points for those with a high school diploma (26.6%), and 0.8 percentage points for those with some college but no degree (24.4%). The TRU continued to increase slightly for those with bachelor's degrees (0.1 percentage points, to 15.1%), and increased 1.2 percentage points for those with advanced degrees, to 13.7%.