

BY THE NUMBERS:

Summary of True Rate of Unemployment
For the Month of **September 2023**
True Weekly Earnings **Third Quarter 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 September 2023, in conjunction with the quarterly True Weekly Earnings (TWE) report for Q3 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 22.8% for the month of September, a 0.2 percentage point decrease over the August 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 \$11 a week, from \$943 to \$954.

KEY TAKEAWAYS:

- **The overall TWE rose from \$943 to \$954 a week over Q2**, a 1.1% increase. Wage growth was slow and just barely above the break even point across all level of income earners, with an increase of 0.3% (from \$598 to \$600) for the 25th percentile, 0.5% for the 75th percentile (\$1,555 to \$1,563) and 0.2% for the 90th percentile (\$2,499 to \$2,505).
- **Wage growth is slow in spite of low unemployment.** The official government jobless rate has been below 4% for the past seven quarters, yet the TWE is up only 1.7%. During the last streak of a sub-4% jobless rate — from Q2 2018 to Q4 2019 — wages rose more than 5%. Similarly, since October 2021, the TRU has been below 24% for the longest streak since 1995. Yet over this same period, TWE has only increased by 0.5%.
- **The overall September TRU stands at 22.8%**, a meager 0.2 percentage point improvement over the August rate. The TRU for Black workers improved slightly, dropping 0.3 percentage points, to 25.1%. The TRU for White workers saw the biggest improvement, with a 0.4 percentage point drop, to 21.5%.
- **In spite of the overall improvement, the TRU for Hispanic workers jumped 0.8 percentage points**, to 26% — an indication that more Hispanic workers are in jobs that pay less than a living wage. And the gender gap has grown even wider, with 0.7 percentage point improvement for men, while the female TRU remained unchanged at 27.4%.

