

BY THE NUMBERS:

Summary of True Rate of Unemployment
For the Month of **January 2024**

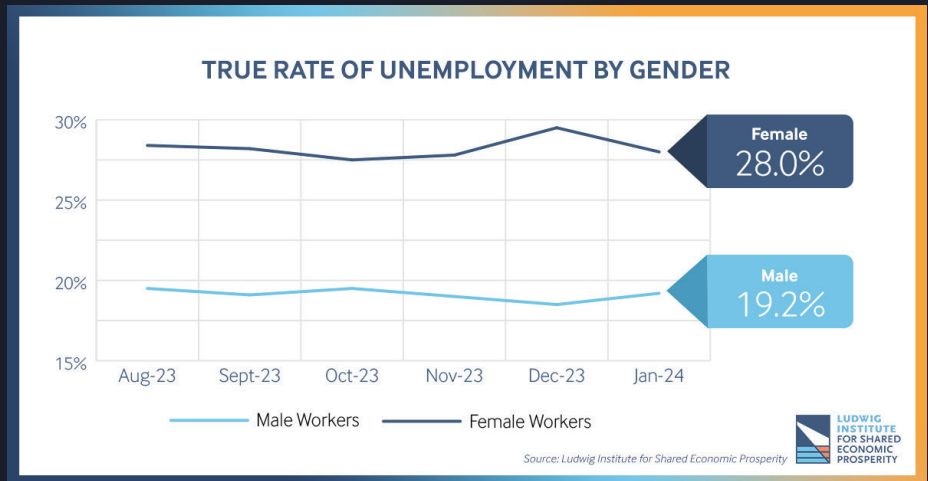


Ludwig Institute for Shared Economic Prosperity

February 14, 2024

OVERVIEW:

The Ludwig Institute for Shared Economic Prosperity (LISEP) has issued its monthly True Rate of Unemployment (TRU) for January 2024. 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 (pegged at \$25,000 a year in 2024 dollars) – stands at 23.3% for the month of January, a 0.5 percentage point decrease over the December rate.



KEY TAKEAWAYS:

- **The overall True Rate of Unemployment decreased by 0.5 percentage points from December to January**, from 23.8% to 23.3%. With the official Bureau of Labor Statistics (BLS) unemployment rate holding steady at 3.7% and a 62.5% Labor Force Participation Rate, LISEP suggests more workers transitioned to full-time, living-wage jobs in January.
- **Black workers posted the most significant reduction in functional unemployment**, with a TRU that dropped from 27.1% to 26.2%, a 0.9 percentage point improvement. The TRU for White workers improved by half a percentage point, dropping from 22.2% to 21.7%, while Hispanic workers saw a 0.1 percentage point drop in functional unemployment, from 27.9% to 27.8%.
- **Women in the workforce saw a significant improvement in living-wage employment.** This, when combined with an increase in functional unemployment for men, led to a 2 percentage point closure of the functional employment gender gap. The TRU for men jumped 0.8 percentage points, from 18.4% to 19.2%, while the TRU for women improved by 1.3 percentage points, dropping to 28%.
- **LISEP notes that while the January TRU report is overall positive**, it's crucial to consider other data points for a comprehensive analysis and advises interpreting within its context. Considering the decades of declining living-wage opportunities, policymakers must commit to sustained action, acknowledging the struggles of working families and building the foundation for greater prosperity and upward mobility.

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