

BY THE NUMBERS:

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

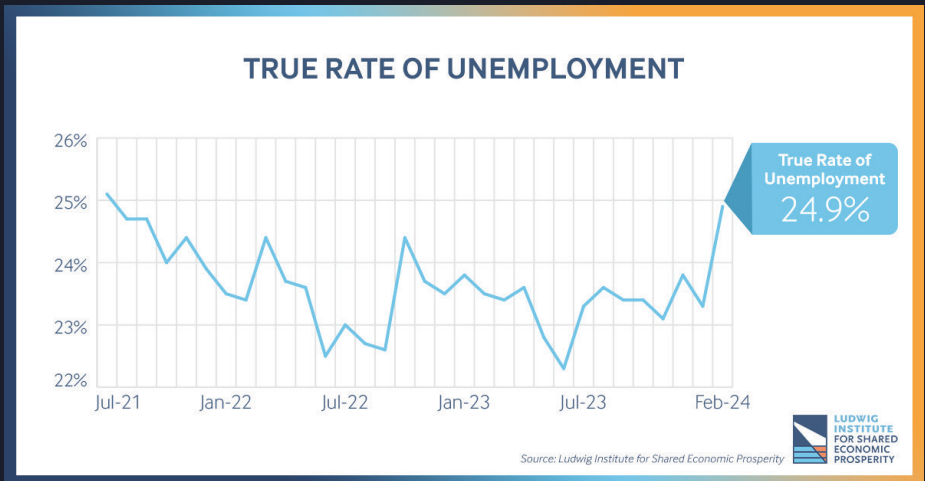


Ludwig Institute for Shared Economic Prosperity

March 20, 2024

OVERVIEW:

The Ludwig Institute for Shared Economic Prosperity (LISEP) has issued its monthly True Rate of Unemployment (TRU) for February 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 24.9% for the month of February, a 1.6 percentage point increase over the January rate.



KEY TAKEAWAYS:

- **The February TRU jumped 1.6 percentage points, from 23.3% to 24.9%** — the highest level since July 2021. By contrast, the official unemployment rate issued by the U.S. Bureau of Labor Statistics increased only marginally, from 3.7% to 3.9%. This is one of the largest month-over-month TRU increases since 1995, the earliest year LISEP has data.
- **Functional unemployment is up for all major demographic groups.** Black, Hispanic, and female workers saw the largest increases. The TRU increased 1.5 percentage points for both Black and Hispanic workers, now 27.7% and 29.3%, respectively. The TRU for White workers was up 1 percentage point, from 21.7% to 22.7%. Both Black and White workers are seeing their highest TRU since October 2022.
- **The living-wage gender gap widened further in February.** The TRU for women in the workforce jumped 2 percentage points, reaching 30%. The TRU for men increased 1 percentage point, to 20.2% — creating a gender gap of nearly 10 percentage points. This marks the highest TRU for women since August 2021 and for men since September 2021.
- **For Black and Hispanic workers the higher TRU seems to be driven in part by a higher labor force participation rate,** suggesting that many new workers were unable to secure living-wage jobs, according to LISEP. LISEP researchers surmise that overall, a combination of rising consumer prices coupled with a concentration of job growth in low-wage occupations contributed to the spike in functional unemployment.

WWW.LISEP.ORG