

BY THE NUMBERS:

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

True Weekly Earnings **First Quarter 2024**



**LUDWIG
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PROSPERITY**

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 March 2024, in conjunction with the quarterly True Weekly Earnings (TWE) report for Q1 2024. 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 (pegged at \$25,000 a year in 2024 dollars) – stands at 24.2% for the month of March, a 0.7 percentage point decrease over the February 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), decreased by \$23 a week, from \$974 to \$951.

KEY TAKEAWAYS:

- **The overall TWE dropped \$23 a week in Q1, from \$974 to \$951** — a 2.4% decrease, the largest quarterly drop since the Great Recession in Q1 2009. This drop effectively erased all of the post-COVID wage gains, with TWE now at its lowest level since Q1 2021 (\$945/week).
- **All racial and ethnic demographics saw decreases in median weekly earnings**, with Black workers seeing the single largest drop — 5.6%, from \$829 to \$780 a week. This is the largest quarterly decrease in TWE since 1984, according to LISEP. Hispanic workers saw a drop from \$774 to \$761 a week, while the TWE for White workers fell from \$1,084 to \$1,072. This is a decline of 1.6% for both demographics.
- **March’s functional unemployment rate improved by 0.7 percentage points**, falling from 24.9% to 24.2%. While a positive trend, this is less than half of what was lost when functional unemployment jumped 1.6 percentage points in February. The average rate of the last quarter of 24.1% was a full 0.7% above Q4 2023.
- **Functional unemployment for Black workers rose by 0.3 percentage points**, from 27.7% to 28.0%, while the rate for Hispanic workers improved by a percentage point, dropping from 29.3% to 28.3%. The TRU for White workers remained unchanged at 22.7%. The TRU for women fell 1.2 percentage points, to 28.8%, while the TRU for men dropped from 20.2% to 20.1%.

