



FOR IMMEDIATE RELEASE
November 19, 2020

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Ability of Americans to Find a Living-Wage Job Remains Stalled Over Past Month, According to Ludwig Institute Analysis

True Rate of Unemployment stood at 25.5% in October, compared to 6.9% government rate

WASHINGTON, D.C. – The opportunity for Americans to find a living wage job during the month of October remains stagnant in spite of improving unemployment data released by the U.S. Bureau of Labor Statistics (BLS), according to an analysis by the Ludwig Institute for Shared Economic Prosperity (LISEP).

LISEP's True Rate of Unemployment (TRU) for the month of October was 25.5 percent, indicating that more than one-fourth of the American workforce is either unemployed or cannot find a job that takes them over the poverty line. This is only a marginal improvement since September when TRU was 26.1. By contrast, the BLS unemployment rate for October was 6.9 percent, a full percentage point below the September rate of 7.9 percent.

"While the improving BLS numbers appear to be promising, they simply don't tell the whole story," said LISEP Chairman Gene Ludwig. "What we have found is that while the employment picture may appear to be improving ever so slightly, a number of those gains are in low-wage or part-time jobs – nothing capable of sustaining a family."

Introduced last month, TRU measures the percentage of the U.S. labor force that is *functionally* unemployed. Using data compiled by BLS, TRU tracks the percentage of the U.S. labor force that does not have a full-time job (35+ hours a week) but wants one, has no job, or does not earn a living wage, conservatively pegged at \$20,000 annually before taxes. An income of \$20,000 or less per year is below the poverty level set by the U.S. Department of Health and Human Services in every state.

Other LISEP findings for the month of October include:

- TRU for Black Americans remains significantly higher than the national average at 31.1 percent, a slight improvement over the 32.0 percent rate in September;

- TRU for Hispanic Americans *increased*, from 30.8 in September to 31.9 in October;
- TRU for women remains higher than the national average and improved only slightly, from 30.8 to 30.4.

“Large swaths of the American workforce have yet to experience even the hint of an economic recovery, and it will take bold policy initiatives from Washington to reverse this alarming trend,” Ludwig said. “The creation of full-time, living-wage jobs must be a priority in the months ahead. These numbers reveal that too many working families are being left behind.”

LISEP issued the white paper “Measuring Better: Development of ‘True Rate of Unemployment’ Data as the Basis for Social and Economic Policy” upon announcing the new statistical measure last month. The updated paper and methodology can be viewed [here](#). LISEP issues the TRU one to two weeks following the release of the BLS unemployment report, which occurs on the first Friday of each month. The TRU rate and supporting data are available on the LISEP website at www.lisep.org.

LISEP was created in 2019 by Ludwig and his wife, Dr. Carol Ludwig. The mission of LISEP is to improve the economic well-being of middle- and lower-income Americans through research and education, and seeks to advance the dialogue around policy solutions to improve the well-being of all Americans.

In addition to his role as LISEP chair, Gene Ludwig is founder of the Promontory family of companies and Canapi LLC, the nation’s largest financial technology venture fund. He is the CEO of Promontory Financial Group and chairman and CEO of Promontory MortgagePath, a technology-based mortgage fulfillment and solutions company. Ludwig is the former vice chairman and senior control officer of Bankers Trust New York Corp., and served as the U.S. Comptroller of the Currency from 1993 to 1998. He is also author of the book [The Vanishing American Dream](#), which investigates the economic challenges facing low- and middle-income Americans. It was released in September by Disruption Books.