BY THE NUMBERS:
Summary of True Rate of Unemployment For the Month of **November 2020**
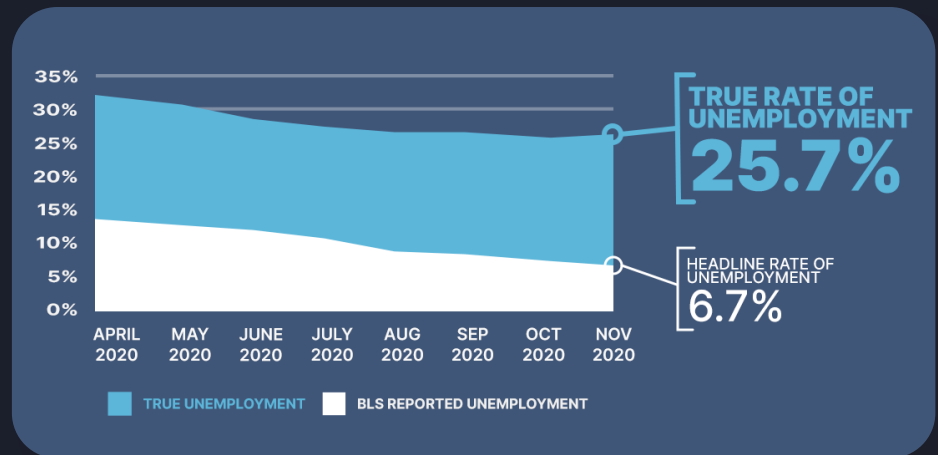
LUDWIG INSTITUTE FOR SHARED ECONOMIC PROSPERITY

OVERVIEW:

The Ludwig Institute for Shared Economic Prosperity (LISEP) has issued its monthly True Rate of Unemployment (TRU) for November 2020. The TRU, which measures the rate of "functionally unemployed" Americans, stands at 25.7% for the month of November. This is a rise of .2% over the previous month. TRU measures the percentage of the U.S. labor force that is functionally unemployed by using data compiled by the U.S. Bureau of Labor Statistics (BLS), tracking the percentage of the U.S. labor force that is unemployed, desires but cannot secure full-time employment (35+hours a week), or is working a job with wages below poverty level, defined as $20,000 annually before taxes. A summary for November follows.

TRUE RATE OF UNEMPLOYMENT 25.7%

HEADLINE RATE OF UNEMPLOYMENT 6.7%

Legend: ■ TRUE UNEMPLOYMENT □ BLS REPORTED UNEMPLOYMENT

KEY TAKEAWAYS:

- TRU increased from October to November, inching upward from 25.5% to 25.7%. This is in contrast to the BLS unemployment rate, which reported a decrease, from 6.9 to 6.7%. This is an indication that the economic recovery has slowed and in many sectors, has halted or even reversed. This is consistent with a longer-term halting recovery in TRU: Since August, TRU has decreased by a mere .4%, again contrary to BLS-reported statistics reporting a 1.7% improvement during the same time period.

- The TRU for women and minorities continues to be disproportionate, an indication that they represent a higher percentage of those with part-time or poverty-level jobs. While the BLS unemployment rate might seem to indicate fewer women are unemployed than men, at 6.1 and 6.7%, respectively, the TRU for women is more than 9 percentage points higher at 30.9%, compared to 21.5% for men.

- The TRU Out of Population – based on the entire working-age population, rather than just the BLS-defined labor force – continues to recover more slowly than the overall TRU number, an indication that more workers are dropping out of the labor force than what is being illustrated by the BLS headline numbers. TRU Out of Population stands at 54.3% for November, virtually unchanged from 54.5% in August.

- The TRU Out of Population shows an even greater disparity between women and their male counterparts. For November, the TRU Out of Population for women was 61.2%, compared to 47% for men – a gap of more than 14 percentage points.