

# BY THE NUMBERS:

Summary of True Rate of Unemployment  
For the Month of **March 2021**

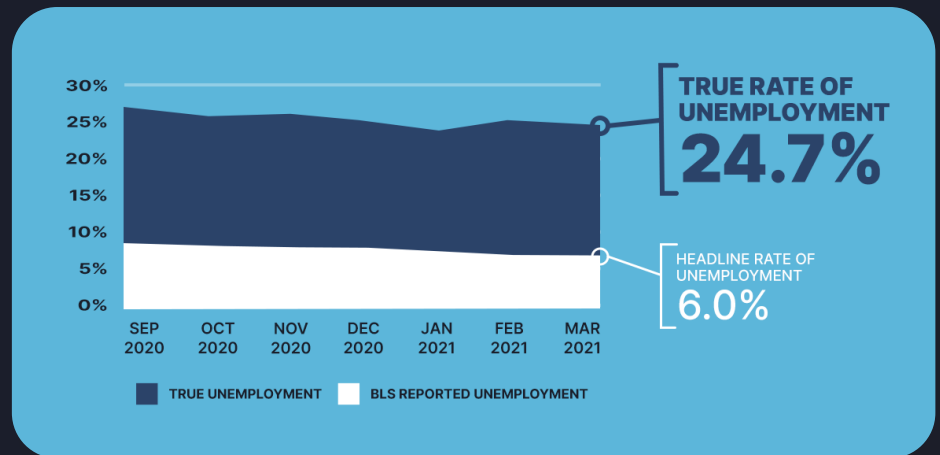


Ludwig Institute for Shared Economic Prosperity

April 22, 2021

## OVERVIEW:

The Ludwig Institute for Shared Economic Prosperity (LISEP) has issued its monthly True Rate of Unemployment (TRU) for March 2021. The TRU, which measures the rate of “functionally unemployed” Americans, stands at 24.7% for the month of March. This is an improvement of 0.4 percentage points over the February rate. 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 or more hours a week), or is working a job with wages below the poverty level, defined as \$20,000 annually before taxes. A summary for March follows.



## KEY TAKEAWAYS:

- **The overall True Rate of Unemployment improved from February to March**, dropping from 25.1%, to 24.7%, a 0.4 point decrease. Similarly, the government report released by the U.S. Bureau of Labor Statistics (BLS) reported a decrease in the national unemployment rate, from 6.2% in February to 6.0% in March.
- **Black workers, however, lost ground for the month of March.** The TRU stands at 31.8% for Blacks, a 1.7 percentage point increase over February, and the highest Black TRU rate since the 32.7% reported in September 2020.
- **This is in stark contrast to the official unemployment report issued by the Bureau of Labor Statistics.** The BLS pegged the March Black unemployment rate at 9.6%, a 0.3 percentage point improvement over February. One possible explanation for the disparity between the LISEP TRU and the BLS-reported unemployment rate is that while more Black workers are finding employment, these new jobs are largely low-wage positions that fail to raise workers above the federal poverty level.
- **Meanwhile, LISEP reports an improving TRU for other demographics.** Among those posting marginal gains are Whites (22.8%, down from 23.0%); Hispanics (from 30.9% to 28.5%); men (20.8% to 20.3%); and women (30.0% to 29.3%).

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