

# BY THE NUMBERS:

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

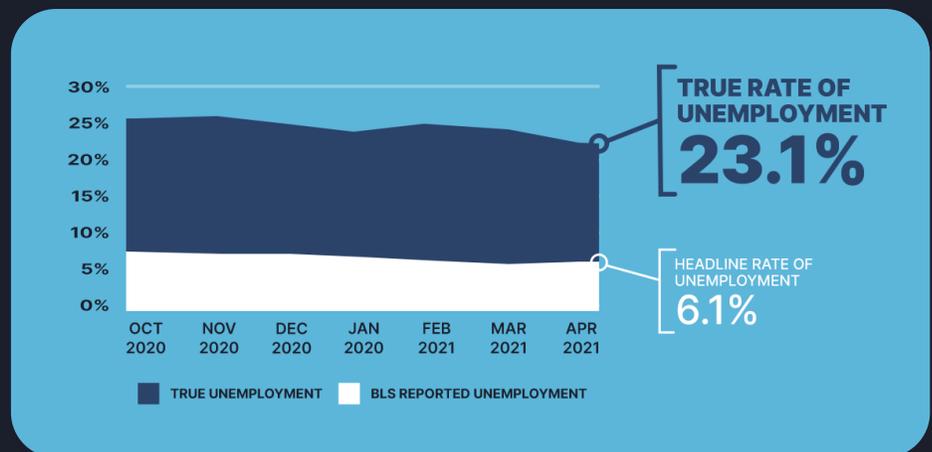


Ludwig Institute for Shared Economic Prosperity

May 20, 2021

## OVERVIEW:

The Ludwig Institute for Shared Economic Prosperity (LISEP) issued its monthly True Rate of Unemployment (TRU) for April 2021. The TRU, which measures the rate of “functionally unemployed” Americans, stands at 23.1% for the month of April. This is an improvement of 1.6 percentage points over the March 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 April follows.



## KEY TAKEAWAYS:

- **The overall True Rate of Unemployment improved from March to April**, dropping from 24.7%, to 23.1%, a 1.6 point decrease. This is the lowest TRU since December 2019, when the TRU was 22.7%. This runs contrary to the government report released by the U.S. Bureau of Labor Statistics (BLS), which reported an increase in the national jobless rate, from 6.0% in March to 6.1% in April.
- **The TRU improved for all demographics**, with Black workers posting the biggest improvement, from 31.8% to 27.6% -- dropping below 30% for the first time in more than a year. Hispanic workers saw a 1.3 percentage point drop, from 28.5% to 27.2%, while White workers improved from 22.8% to 21.6%. The TRU for men dropped a full percentage point, from 20.3% to 19.3%, thus dropping below 20% for the first time since March 2020. The rate for women also improved, from 29.3% to 27.4%.
- **The decrease in the overall April TRU to 23.1% represents the third straight month-over-month decrease**, and is two full percentage points lower than the 25.1% February 2021 rate. Furthermore, it's the largest percentage point drop since 1995 (when TRU began to be calculated). Year-over-year, the April 2021 TRU is 9.3 percentage points lower than the April 2020 rate.
- **The April 2021 TRU report is a positive sign for the economy**, an indication that more part-time workers are moving to full-time status, and that employers are paying higher wages as the economy reopens and they compete for workers in the labor force. These positive signs, however, are somewhat tempered by the reality that nearly one-fourth of American workers are unable to secure a living-wage job.

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