

BY THE NUMBERS:

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

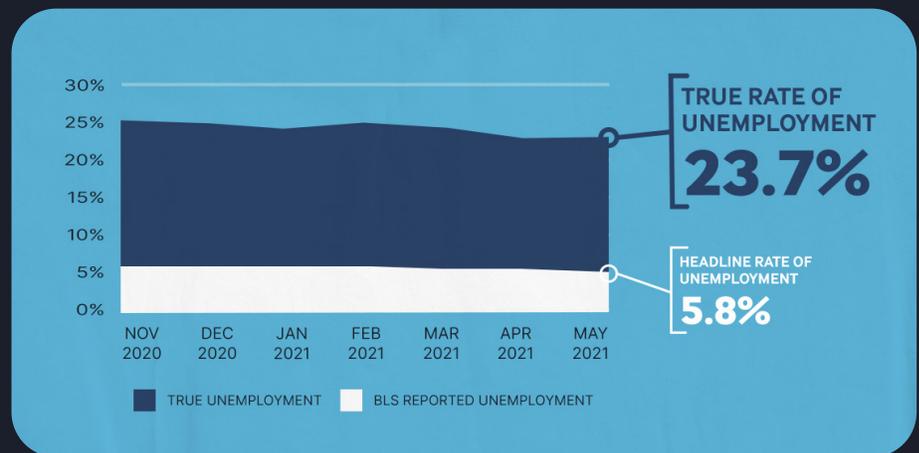


Ludwig Institute for Shared Economic Prosperity

June 17, 2021

OVERVIEW:

The Ludwig Institute for Shared Economic Prosperity (LISEP) issued its monthly True Rate of Unemployment (TRU) for May 2021. The TRU, which measures the rate of “functionally unemployed” Americans, stands at 23.7% for the month of May. This is an increase of 0.6 percentage points over the April 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 May follows.



KEY TAKEAWAYS:

- **The overall True Rate of Unemployment increased from April to May**, increasing from 23.1%, to 23.7%, a 0.6 percentage point increase that may be due in part to seasonal fluctuations, particularly after a record drop the previous month. This is the third consecutive month that the TRU has remained under 25%.
- **Only minor fluctuations were measured for all demographics**, meaning a substantial racial gap remains. Black workers posted the highest TRU at 28.4%, followed by Hispanics at 26.8%, compared to White workers with a TRU of 21.8%.
- **The gender gap persists as well**, with 28.1% of women seeking, but unable to find, full-time, living wage jobs. This is 8.6 percentage points higher than men, with a TRU of 19.5%.
- **While a stable TRU is a positive sign, with more workers finding living-wage jobs than prior to the pandemic**, the overall TRU remains alarmingly high at 23.7% – meaning nearly one-fourth of American workers are still unable to find a full-time job paying wages taking them over the poverty line. This is an indication that additional policy measures are warranted to encourage the creation of stable, living-wage employment opportunities.