

BY THE NUMBERS:

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

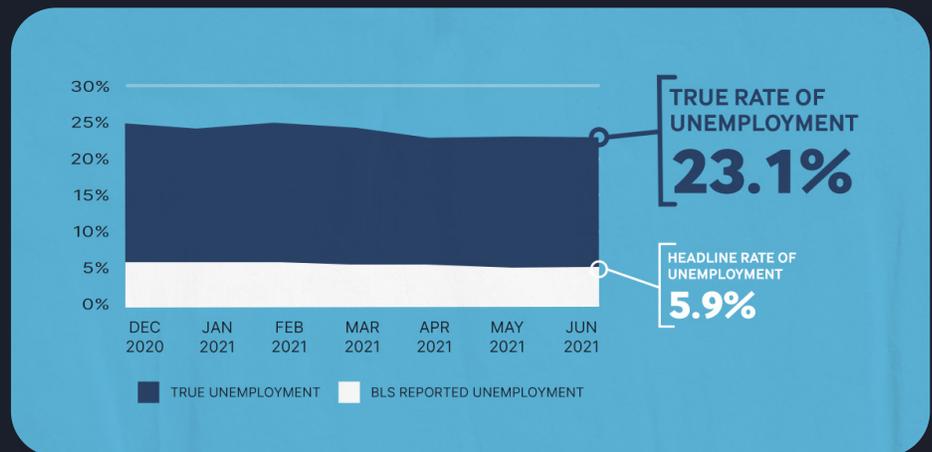


Ludwig Institute for Shared Economic Prosperity

July 16, 2021

OVERVIEW:

The Ludwig Institute for Shared Economic Prosperity (LISEP) issued its monthly True Rate of Unemployment (TRU) for June 2021. The TRU, which measures the rate of “functionally unemployed” Americans, stands at 23.1% for the month of June. This is a decrease of 0.6 percentage points over the May 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 June follows.



KEY TAKEAWAYS:

- **The overall True Rate of Unemployment decreased from May to June**, dropping from 23.7%, to 23.1%, a 0.6 percentage point decrease. This matches the lowest TRU of the year, and is counter to the trend reported by BLS, which went up 0.1 percentage points, from 5.8% to 5.9%.
- **The decrease in TRU is an indication that more low-income workers are moving into living-wage jobs**, but demographically, only White workers saw an improvement, dropping from 21.8% in May to 21.3% in June. The TRU for Hispanic workers increased, from 26.8% to 27.0%, with Black workers jumping from 28.4% to 29.2%.
- **Both women and men saw significant improvements**, with the rate for women dropping from 28.1% to 27.8%, while the TRU for men dropped a full percentage point, from 19.5% to 18.5%.
- **The June 2021 TRU is the best rate for White, female and male workers since 2019**. Meanwhile, the TRU for Black workers is 2% higher than the beginning of the pandemic in March 2020.