

BY THE NUMBERS:

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

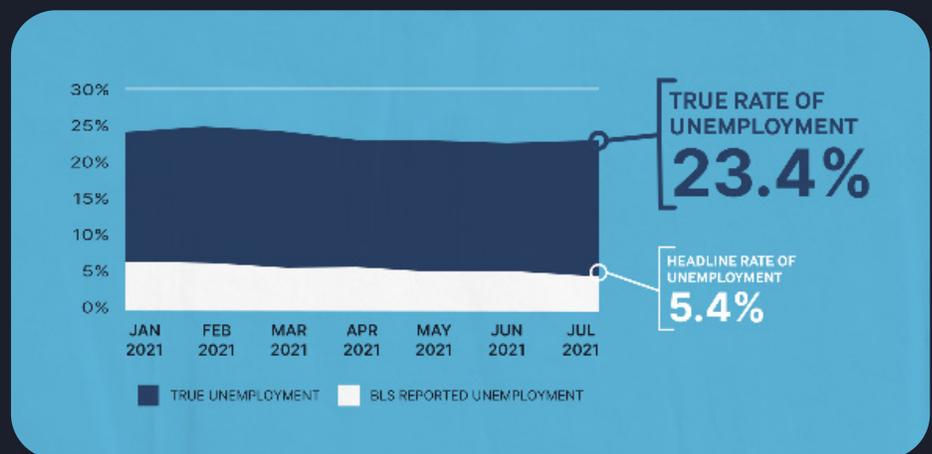


Ludwig Institute for Shared Economic Prosperity

August 19, 2021

OVERVIEW:

The Ludwig Institute for Shared Economic Prosperity (LISEP) has issued its monthly True Rate of Unemployment (TRU) for July 2021. The TRU, which measures the rate of “functionally unemployed” Americans, stands at 23.4% for the month of July. This is an increase of 0.3 percentage points over the June 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 July follows.



KEY TAKEAWAYS:

- **The overall True Rate of Unemployment increased from June to July**, rising from 23.1% to 23.4%, a 0.3 percentage point increase. This is counter to the trend reported by the BLS in the July unemployment report, which indicates a 0.5 percentage point decrease, from 5.9% to 5.4%.
- **The BLS data shows that while Americans are finding jobs, fewer are working in living-wage positions.** The rise in TRU, combined with the drop in the BLS-reported jobless rate, indicates that while workers are finding some form of employment, overall they are losing ground in their ability to provide for a family, which is compounded by pandemic-related price spikes on essential goods and services.
- **Only Hispanic workers saw an improvement in their opportunity to find a living wage job**, with all other demographics declining. The Hispanic population saw a significant improvement, dropping 1.6 percentage points (27.0% to 25.4%). The White population saw a 0.3 percentage point increase (21.3% to 21.6%) and the TRU for the Black population was up 0.6 percentage points (29.2% to 29.8%). Overall, both males and females saw an increase in functional unemployment: men were up 0.7 percentage points (18.5% to 19.2%), while women were up 0.5 percentage points, 27.8% to 28.3%.
- **Among educational groups, only those who ended their education with a high school diploma saw improvement**, with a TRU dropping from 28.1% to 26.6%, a 1.5 percentage point decrease. Those with some college but less than a bachelor's degree took the biggest hit, with TRU climbing 5.6 percentage points (20.6% to 26.2%). Those with no high school diploma have the highest TRU among all demographics at 46.0%, up 1.8 percentage points over June.

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