

BY THE NUMBERS:

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

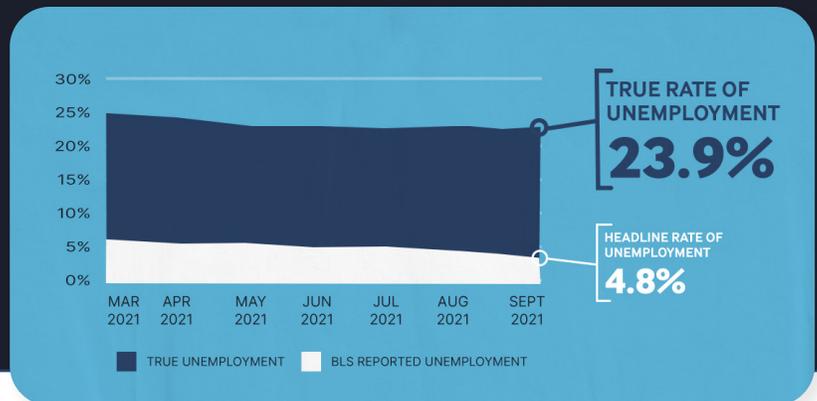


Ludwig Institute for Shared Economic Prosperity

October 21, 2021

OVERVIEW:

The Ludwig Institute for Shared Economic Prosperity (LISEP) has issued its monthly True Rate of Unemployment (TRU) for September 2021, in conjunction with the quarterly True Weekly Earnings (TWE) report for Q3 2021. The TRU, which measures the percentage of “functionally unemployed” Americans – defined as those unable to find a full-time job that pays above the poverty level – stands at 23.9% for the month of September. This is an increase of 1.1 percentage points over the August rate. TWE, a measure of real median weekly earnings after adjusting for inflation that includes all participants in the workforce (including part-time and unemployed job seekers), was up 1.93% for the third quarter and now stands at \$846 a week.



KEY TAKEAWAYS:

- **The overall True Rate of Unemployment increased from August to September**, rising from 22.8% to 23.9% overall. However, the increase can be attributed in part to the yearly release of the Annual Social and Economic Supplement (ASEC) report, which provides new data on the self-employed population, and was not incorporated in previous months. This is in contrast to the Bureau of Labor Statistics (BLS) unemployment report for September, which showed an improvement in the jobless rate, from 5.2% down to 4.8%.
- **But even with that statistically driven anomaly, the TRU showed some encouraging signs.** The Black TRU dropped 0.8%, from 28.7% to 27.9%, compared to an increase in the White TRU, from 21.2% to 22%. With a difference of 5.9%, this is the lowest Black-White gap since the beginning of the pandemic.
- **True Weekly Earnings hit an all-time high of \$846 a week after adjusting for inflation, a 1.93% quarterly increase.** Black workers saw the biggest gain with an increase of nearly 5% (4.93%, from \$660 to \$692), while Hispanic workers saw a 2.08% gain (\$675 to \$689), followed by White workers with a 1.08% increase (from \$930 to \$946). Earnings for female workers increased faster than for men, jumping from \$731 to \$745, a 2.0% increase. The male TWE increased just 0.68%, from \$940 to \$953.
- **Income inequality narrowed somewhat during Q3**, with lower income earners posting the biggest gains. Earners in the 25th percentile saw a 2.51% increase in pay, while earnings for the top, the 90th percentile, rose only 0.11%.