

BY THE NUMBERS:

Summary of True Rate of Unemployment
For the Month of **July 2022**

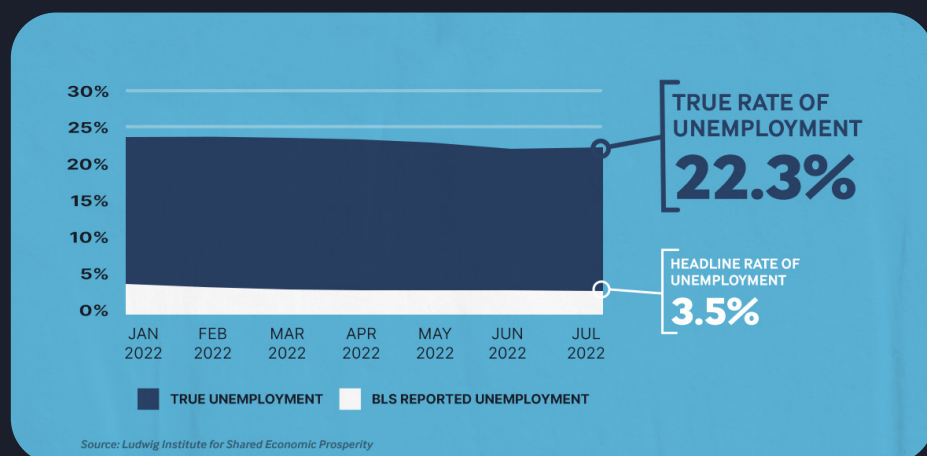


Ludwig Institute for Shared Economic Prosperity

August 16, 2022

OVERVIEW:

The Ludwig Institute for Shared Economic Prosperity (LISEP) has issued its monthly True Rate of Unemployment (TRU) for July 2022. The TRU, which measures the percentage of “functionally unemployed” in the American workforce – defined as the jobless, plus those seeking but unable to find a full-time job that pays above the poverty level after adjusting for inflation – stands at 22.3% for the month of July. This is an increase of 0.2 percentage points over the June rate.



KEY TAKEAWAYS:

- **LISEP's TRU inched upward from June to July**, increasing from 22.1% to 22.3%. In contrast, the U.S. Bureau of Labor Statistics (BLS) reported a decrease in the official unemployment rate, dropping from 3.6% to 3.5%.
- **The discrepancy between employment trends identified by LISEP as opposed to the BLS lies in what jobs are counted.** According to LISEP, a growing number of workers are being involuntarily moved to part-time status (part-time employment grew by 303,000 in July, according to the BLS) which, when combined with lingering inflationary pressures, has forced a growing number of low-wage workers below the poverty line – and thus, into the ranks of the functionally unemployed.
- **Demographically, the only groups with an improved TRU were White workers**, dropping from 20.7% to 20.5%, and males, improving from 17.7% to 17.5%. Hispanic workers saw the biggest jump in functional unemployment, climbing from 25.2% to 26.3%, with Black workers also posting an increase in TRU, from 25.5% to 25.8%. Functional unemployment also increased for women, from 26.9% to 27.5%.
- **TRU jumped for workers without a high school diploma and those with some college but no bachelor's degree**, by 1.6 percentage points (45.7% to 47.3%) and 1.8 percentage points (23.8% to 25.6%), respectively. All other educational groups saw an improved TRU.