

7 December 2023

Supplementary forecast information release

November 2023 forecast for National Living Wage

- 1.1 The OBR is releasing the information below following requests for further detail on the forecasts presented in our November 2023 *Economic and fiscal outlook (EFO)*. We will, as far as possible, meet any requests to release supplementary forecast information where this will improve the quality of public debate on the public finances. Our full release policy is available on our website.
- 1.2 We have received a request for our forecast for the National Living Wage (NLW). The actual rate of the NLW is decided each year by the Government following recommendations from the Low Pay Commission (LPC) in accordance with its remit, and the state of the labour market and economy. The NLW rates have been set by the government up until 2024, in line with its target for the NLW to reach 2/3rds of median earnings. All other figures are OBR estimates consistent with the rest of our economy forecast, based on NLW remaining equal to two thirds of median earnings. The forecast is shown in Table 1.19. An Excel version of this table has been added to the November 2023 supplementary economy tables.

Table 1.19: National Living Wage forecast

1.19 National Minimum Wage and National Living Wage									
	£ per hour								
	2020	2021	2022	2023	2024	2025	2026	2027	2028
National Minimum Wage (NMW)	8.20	8.36	9.18	10.18					
National Living Wage (NLW)	8.72	8.91	9.50	10.42	11.44	11.60	11.76	12.08	12.44

Note: The NMW and NLW have been set up until 2024, and all other figures are OBR estimates consistent with the rest of our economy forecast. The actual rates of the NLW and the NMW, are decided each year by the Government following recommendations from the Low Pay Commission (LPC) in accordance with its remit, and the state of the labour market and economy. Since 2021 the NMW figures stated apply to those aged 21-22, while from 2024 onwards, coverage of the NLW increases to those aged 21 and over, and so our NMW forecast is discontinued.