

# Independent review backs Chancellor pledge for higher National Living Wage

The [independent review into the evidence on minimum wages](#) by leading expert Professor Arindrajit Dube has concluded a more ambitious National Living Wage (NLW) is the right approach, following the Chancellor's pledge to increase the NLW further.

The review, published Monday 4 November, concludes minimum wages in a range of countries have had a negligible or zero effect on jobs, but significantly increased the earnings of the lowest paid. The Chancellor has pledged a more ambitious NLW so that on current projections it is set to reach £10.50 per hour by 2024, as part of his commitment to do more to end low pay.

Chancellor of the Exchequer, Sajid Javid, said:

The evidence is clear that our approach is the right one.

We will end low pay by putting the National Living Wage on a path to increase to £10.50 over the next five years.

I thank Professor Dube for his important work and recommendations.

Professor Arindrajit Dube said:

Based on the overall evidence—with a special emphasis on the recent, high quality, evaluations of the National Living Wage and other more ambitious policies internationally – my report concludes that there is room for exploring a higher NLW in the UK up to two-thirds of the median wage.

It will also be important to empirically evaluate and recalibrate any such ambitious policy based on new evidence down the road.

The report, '[Impacts of minimum wages: review of the international evidence](#)', examines the international evidence from Germany, the US and other countries on the impacts of minimum wages, as well as recent research on the impact of the NLW in the UK.

Professor Dube, from the University of Massachusetts Amherst, National Bureau of Economic Research and IZA Institute of Labor Economics, was commissioned by the government to review minimum wage policies in Spring 2019. As part of his work, Professor Dube consulted with the Low Pay Commission, academics and policy experts in collating his evidence and developing his findings.

The previous NLW target was to reach 60% of median earnings by 2020. In line

with the conclusions of the Dube Review, the Chancellor Sajid Javid has pledged to increase the NLW towards a new target of two-thirds of median earnings by 2024, provided economic conditions allow. The Chancellor additionally committed to expand the living wage to more young people by bringing down the age threshold for the NLW to cover all workers over the age of 21.

The government will respond fully to the review in due course.

### **Further information**

The NLW increased by 4.9% on 1 April 2019 to £8.21. This means a full-time minimum wage worker's annual pay has risen by over £2,750 since its introduction.

The proportion of low paid jobs is at its lowest since records began in 1997.