

A Component of the Act 1 Index: STATEWIDE AVERAGE WEEKLY WAGE (SAWW)

Statewide Average Weekly Wage (SAWW)

- A state measure
- Capturing most sectors of industry within the Commonwealth
- Calculated on a calendar year basis
- Prepared by the Center for Workforce Information & Analysis of the PA Dept. of L&I

How the legislation defines the index.

Act 1, in section 302 Definitions, defines the “statewide average weekly wage” as that amount determined by the Department of Labor and Industry in the same manner that it determines the average weekly wage under section 404(E) (2) of the Unemployment Compensation Law, except that it shall be calculated for the preceding calendar year.

How the PA Department of Labor & Industry prepares the data.

The statewide average weekly wage is used by the PA Department of Labor & Industry to establish a maximum workers’ compensation weekly rate. The Unemployment Compensation Law requires employers to quarterly report the number of people in Pennsylvania that are covered by unemployment compensation. Certain aspects of employment in Pennsylvania, such as those who are self-employed, are not captured by this data because they are not covered under the Unemployment Compensation Law. In addition, employers are required to report quarterly wages. The Department of L&I computes an average quarterly wages per employee and the sum of the average quarterly wages per employee is then divided by 52 to provide a weekly figure.

For example, to arrive at the 2004 statewide average weekly wage figure, L&I calculated the following figures:

| Quarter | Average Quarter Wages (per employee) |
|---------|--------------------------------------|
| 1 | \$9,196 |
| 2 | \$8,891 |
| 3 | \$8,912 |
| 4 | \$9,700 |
| TOTAL | \$36,699 |

The resultant sum of \$36,699 is then divided by 52 weeks in the year to provide a statewide average weekly wage (SAWW) of \$705 for 2004.

The average weekly wage referenced in the Unemployment Compensation Law and published annually in the PA Bulletin is computed on a fiscal year basis. Because the legislation stipulates that the SAWW will be calculated for the preceding calendar year, the CWIA has recalculated existing data. Therefore, the SAWW used for the purposes of the Homeowner Tax Relief Act will slightly differ in amount from the figure used for the purposes of calculating unemployment compensation.

How to access the data.

The Center for Workforce Information and Analysis (CWIA) within the PA Department of Labor & Industry collects and calculates the data. For further information, contact the Center at (717) 787-6466. To access the information online, go to www.paworkstats.state.pa.us. Choose the “products” link on the top right, then scroll down to the “statewide average weekly wage.” Click on either excel or PDF PA Average Weekly Wage by Calendar Year.