Wichita State University
W. Frank Barton School of Business
Center for Economic Development and Business Research

Misery Index: 2015 Q1

The Misery Index is an indicator measuring the impact of changing economic conditions on people. This index, as calculated by CEDBR, is a combination of the quarterly percent change in the Housing Price Index (HPI), the quarterly average change in the Consumer Price Index (CPI), and the quarterly average unemployment rate (UR). The combination of changes in these factors indicates the changing level of economic misery experienced by people in different geographic areas.

Misery Index

		Index Value		% Change in Index		Quarterly % Change in Index Components		
		2015 Q1	2014 Q4	Quarterly	Annual	HPI	CPI	UR
	U.S.	5.84	5.47	6.64%	-15.86%	0.81%	-0.23%	0.07%
	Kansas	4.44	3.88	14.44%	-13.69%	0.62%	-0.31%	0.15%
Kansas	Wichita, KS	4.99	4.54	9.88%	-13.19%	2.00%	-0.26%	0.10%
Kansas	Kansas City, MO-KS	5.74	4.78	20.11%	-10.51%	0.63%	-0.33%	0.20%
Kansas	Lawrence, KS	3.85	3.27	17.84%	-16.11%	-0.19%	-0.26%	0.17%
Kansas	Topeka, KS	4.83	4.07	18.74%	-14.21%	-1.96%	-0.26%	0.18%
Region	Oklahoma City, OK	3.55	3.50	1.42%	-22.22%	-0.30%	-0.26%	0.01%
Region	Omaha, NE	3.30	3.15	4.74%	-23.43%	1.05%	-0.26%	0.05%
Region	St. Louis, MO-IL	5.97	5.31	12.48%	-19.73%	0.51%	-0.33%	0.13%
Region	Tulsa, OK	4.03	3.98	1.29%	-21.44%	1.29%	-0.26%	0.02%
Peer	Akron, OH	5.88	4.95	18.71%	-18.36%	0.09%	-0.26%	0.19%
Peer	Grand Rapids, MI	4.11	3.85	6.70%	-30.06%	0.43%	-0.26%	0.07%
Peer	Greenville, SC	5.79	5.75	0.72%	7.66%	1.77%	-0.31%	0.01%
Peer	Lancaster, PA	4.46	3.78	18.01%	-16.07%	1.71%	-0.50%	0.19%

Values are impacted by rounding.

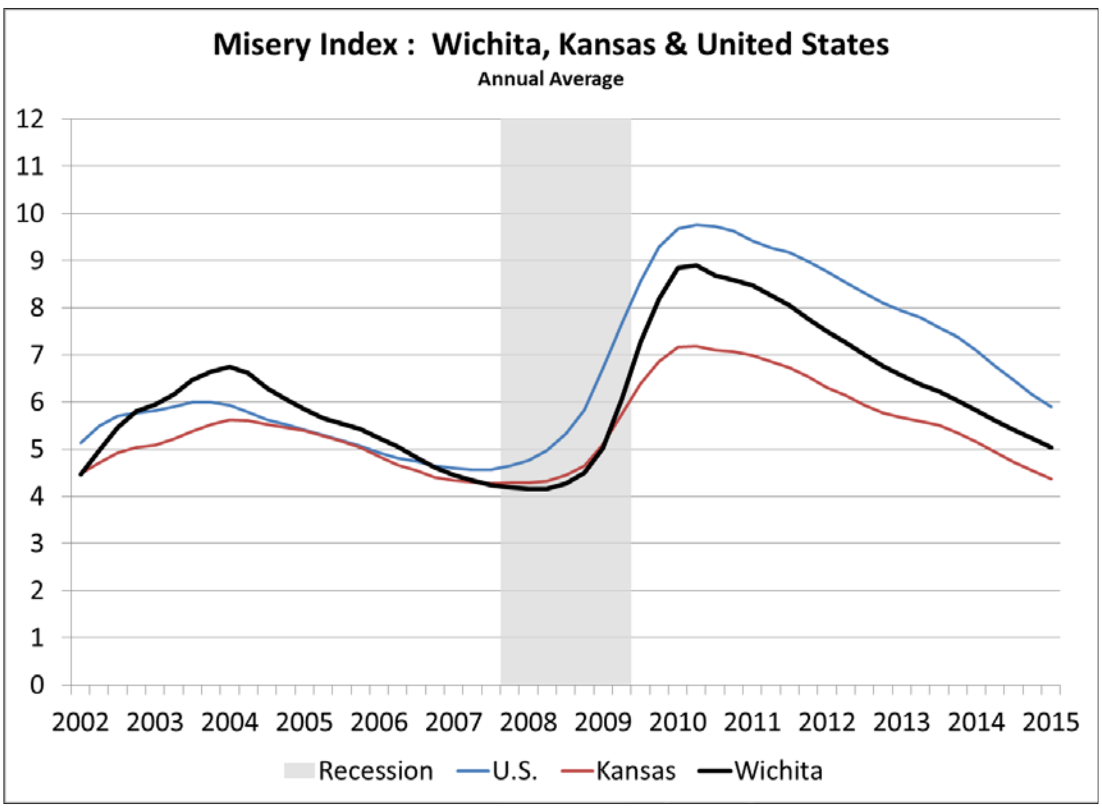
Between the fourth quarter of 2014 and the first quarter of 2015 the general level of misery experienced by people in the United States increased. This can be attributed to the general deterioration in unemployment rates in the last quarter. The increase in unemployment was partially off-set by improvements in home prices and a general decrease in inflation. Even with this slight increase in misery, the overall level of misery remains below first quarter 2014 levels.

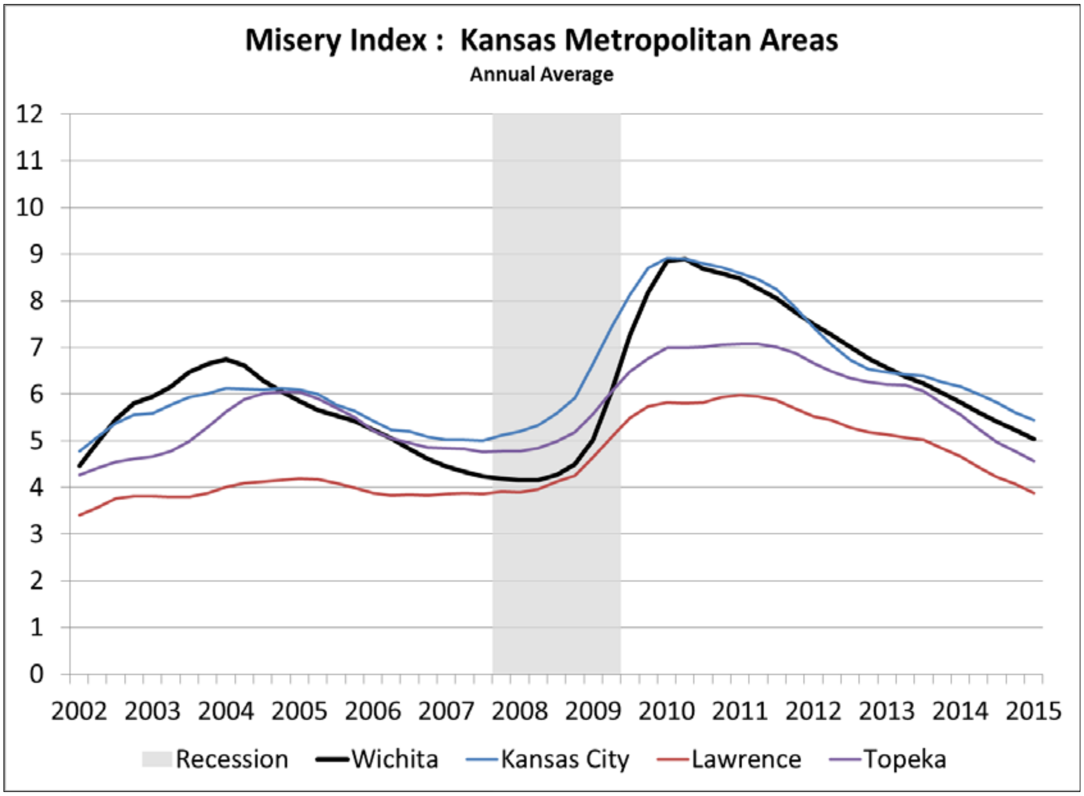
Within each of the metropolitan areas in Kansas, the misery index remains lower than in the United States as a whole. However, misery in Kansas metropolitan areas increased by more than the United States in the first quarter. Lawrence remains the only metropolitan area of the state that has a level of misery below the state of Kansas as a whole. Kansas City continues to have the highest level of misery of the Kansas metropolitan areas.

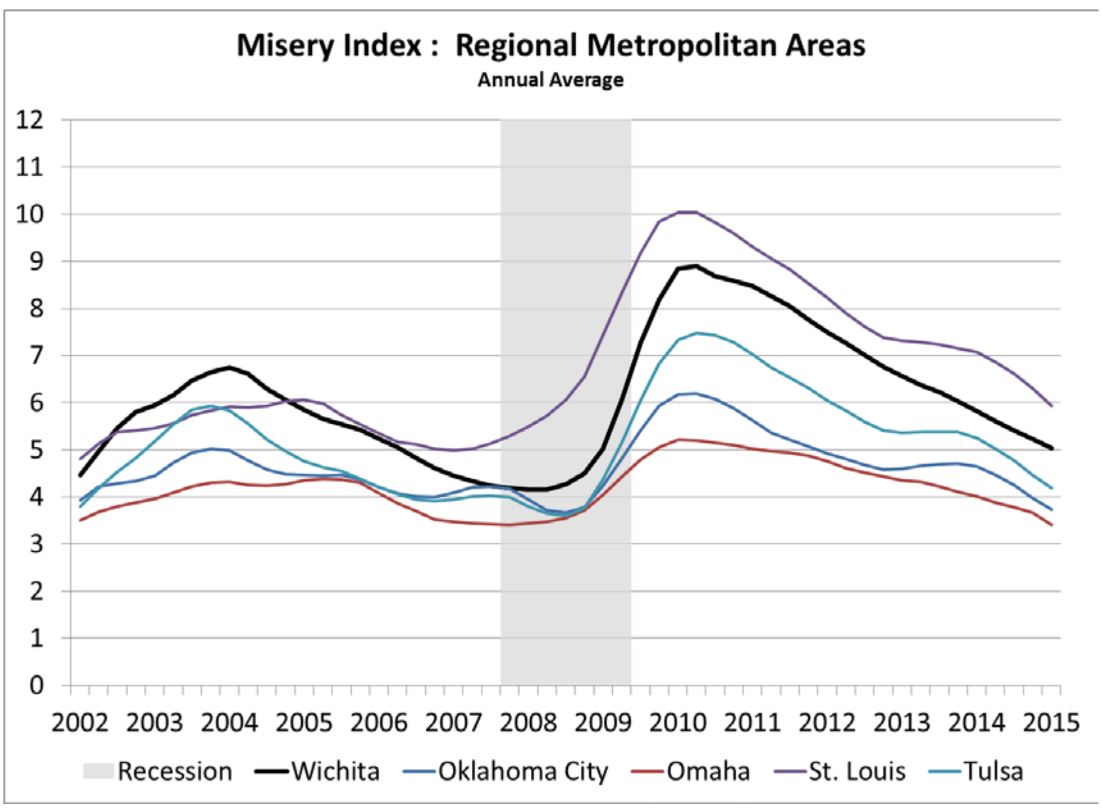
Within the region including Kansas, all areas experienced increases in the level of misery in the first quarter and the levels of misery continue to be improved over the past year. The two metropolitan areas partly in Missouri, which are Kansas City and St. Louis, continue to experience the highest levels of misery in the region.

For comparison, the misery index for four metropolitan areas similar to Wichita in population, demographics, and industrial mix are also provided. Within these peer communities; Akron currently has the highest level of misery, followed by Greenville. However, the average annual rate of misery in Greenville is above the Akron.

As the economy continues to recover from the recession, the annual average misery rates in most areas continue to slowly decline. Akron, Grand Rapids, Oklahoma City and Omaha have achieved annual average levels of misery below prerecession levels. Within the state, Topeka and Lawrence have achieved prerecession levels.




Misery Index : Kansas Metropolitan Areas
Annual Average
12
11
10
9
8
7
6
5
4
3
2
1
0
2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015
Recession
Wichita
Kansas City
Lawrence
Topeka


Misery Index : Regional Metropolitan Areas
Annual Average
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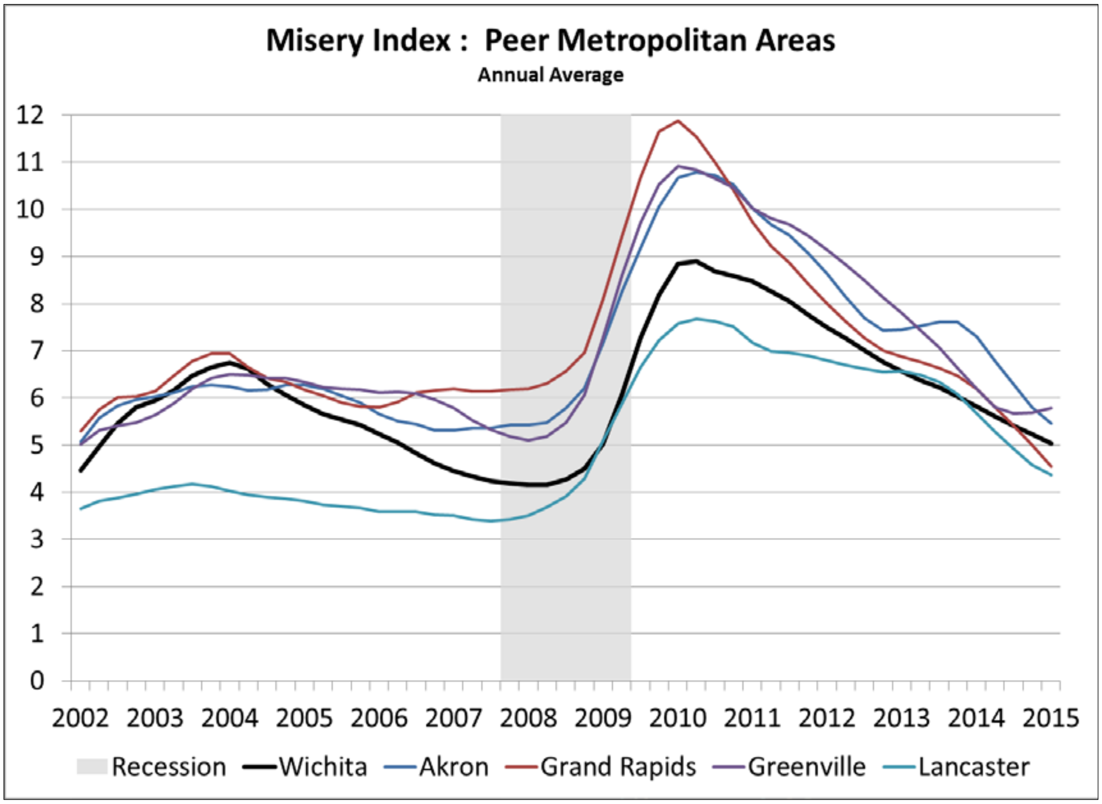
Recession
Wichita
Oklahoma City
Omaha
St. Louis
Tulsa



Methodology

The Misery Index calculated by the Center for Economic Development and Business Research (CEDBR) includes the following information:

- The Consumer Price Index (CPI) from the Bureau of Labor Statistics[1]
- House Price Index (HPI) from the Federal Housing Finance Agency[2]
- Unemployment Rates (UR) from the Bureau of Labor Statistics[3]

Not seasonally adjusted, monthly data values for the Consumer Price Index – All Urban Consumers were used to calculate the quarterly inflation rates. The specific indices used are as follows. U.S. city average, with a base period of 1982-84, was used for the United States inflation rate. Midwest urban, with a base period of 1982-84, was used for the Kansas inflation rate. Midwest – Size Class A, with a base year of 1982-84, was used for the Kansas City and St. Louis metropolitan area's inflation rates. Midwest – Size Class B/C, with a base year of December 1996, was used for the Wichita, Topeka, Lawrence, Grand Rapids, Omaha, Akron, Oklahoma City and Tulsa metropolitan area's inflation rates. Northeast urban – Size Class B/C, with a base period of December 1996, was used for the Lancaster metropolitan area inflation rate. South – Size Class B/C, with a base period of December 1996, was used for the Greenville metropolitan area inflation rate.

[1] http://www.bls.gov/cpi/ Data accessed May 27, 2015.
[2] http://www.fhfa.gov/Default.aspx?Page=87 Data accessed May 27, 2015.
[3] http://www.bls.gov/bls/unemployment.htm Data accessed May 27, 2015.

The HPI is a measure of single family home prices within specific areas. This series is used because the index is produced for a wide range of geographic areas. The CEDBR used the "All-Transactions Index" values for each respective area. The percentage change from the previous quarter was used in the Misery Index. The HPI is a positive indicator for consumers. Therefore, if the HPI is increasing, the Misery Index will decline.

The CEDBR used not seasonally adjusted, area specific, unemployment data (the official unemployment rate) to calculate the Misery Index. The unemployment rate is a negative indicator for consumers. Therefore, if the unemployment rate is increasing, the Misery Index will also increase.

For additional information and methodology details please click HERE.