

Comparing Misery: 2011Q2

Comparing Misery

Misery Index: Wichita, Kansas & the United States

The Misery Index indicates that people in the United States, as a whole, continue to be more miserable than people in Kansas or Wichita. Wichita residents have continued to be more miserable than Kansas residents in general. This can be attributed to continued high rates of unemployment in the Wichita MSA and the onset of housing price declines.

The Wichita MSA's unemployment rate has remained above the Kansas unemployment rate, 7.7 and 6.4 percent respectively, in second quarter 2011. In addition, the Kansas home price index has declined at a quicker pace than the Wichita MSA home price index. These two factors help to account for the slower increase in the Wichita MSA misery index as compared to Kansas in second quarter 2011.

Misery Index: Kansas Metropolitan Areas

Wichita, Kansas City, Topeka and Lawrence metropolitan areas have experienced increasing misery between second quarter 2010 and second quarter 2011. The state of Kansas as a whole has exhibited an increase in misery from second quarter 2010 to second quarter 2011. This is due to all of the index measures showing signs of weakness. The unemployment rate has continued to be unstable, housing values have declined, and the prices of goods and services have risen.

Kansas City's Misery Index has continued to be higher than the misery rates for other metropolitan areas in Kansas. This is due to the devaluation of homes and an unemployment rate that has remained well above other metropolitan unemployment rates. That being said, the KC metro area index has shown improvement since first quarter 2010 due to a decrease in the average annual unemployment rate.

Wichita and Topeka metropolitan area Misery Indices increased from first quarter 2011 to second quarter 2011. The Indices increased because of continued declines in the home price index, as well as rising general price levels. That being said, The Wichita MSA and the Topeka MSA saw a 0.8 percent decline and a 1.0 percent decline in their respective unemployment rates between first and second quarter 2011.

The Lawrence Metropolitan Area also saw an increase in misery in second quarter 2011. Although the Lawrence Index increased at a quicker pace than the other metropolitan areas, the Lawrence Index is much closer to its average value (a 6.02 average value, currently at 8.61). The average annual Index value for Lawrence continues to be the lowest in the state.

Misery Index: Peer Metropolitan Areas

Wichita, Omaha, Lincoln and St. Louis Index values increased from first quarter 2011. Oklahoma City and Tulsa Index values declined from first quarter 2011. Excluding St. Louis, all the metropolitan areas in this analysis, in second quarter 2011, exhibited misery rates below the U.S. misery rate.

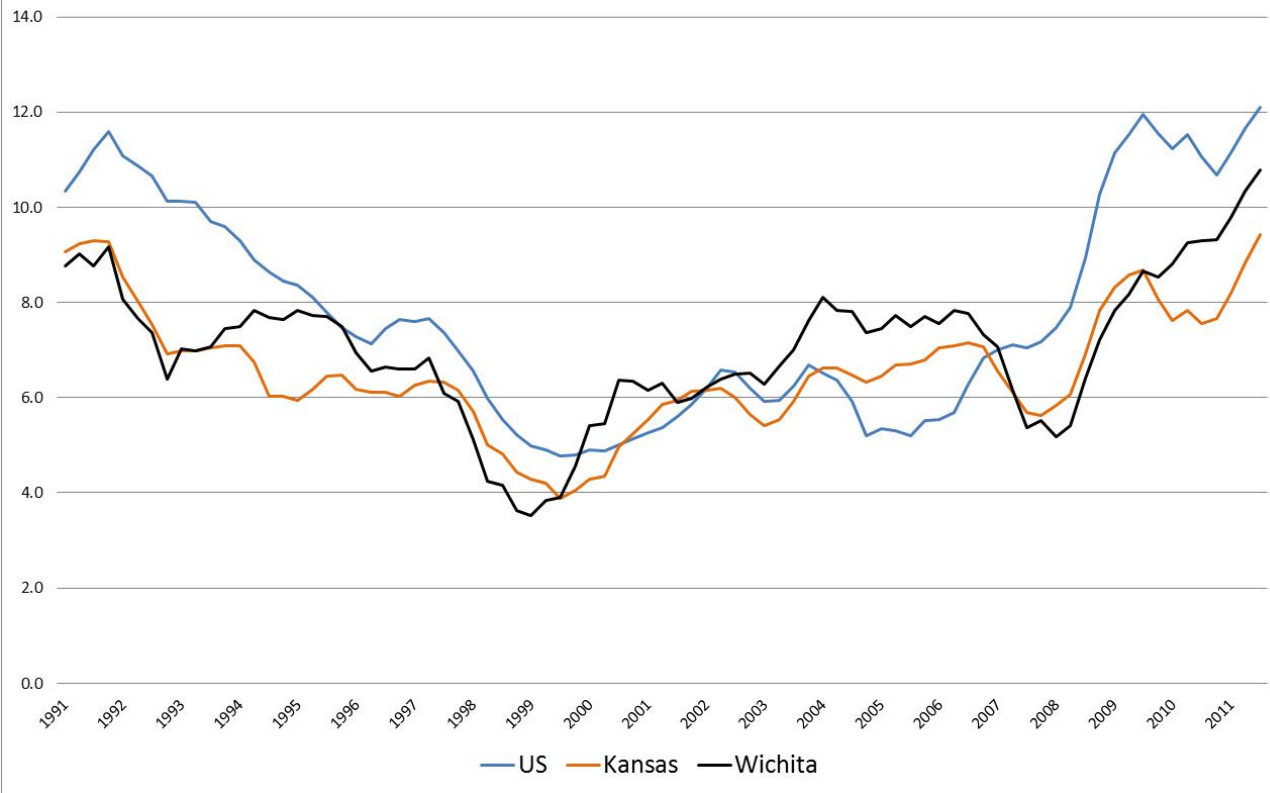
Nebraska metropolitan areas continue to exhibit the lowest levels of misery. In addition to exhibiting a low level of misery, the Lincoln MSA misery level is much closer to its annual average index value indicating stability. Lincoln and Omaha have exhibited declining unemployment rates, but inflation and decreasing housing values have pushed misery index values upwards.

Oklahoma metropolitan areas exhibited declines in their Index values due to significant declines in the unemployment rate, coupled with relatively flat home price index values.

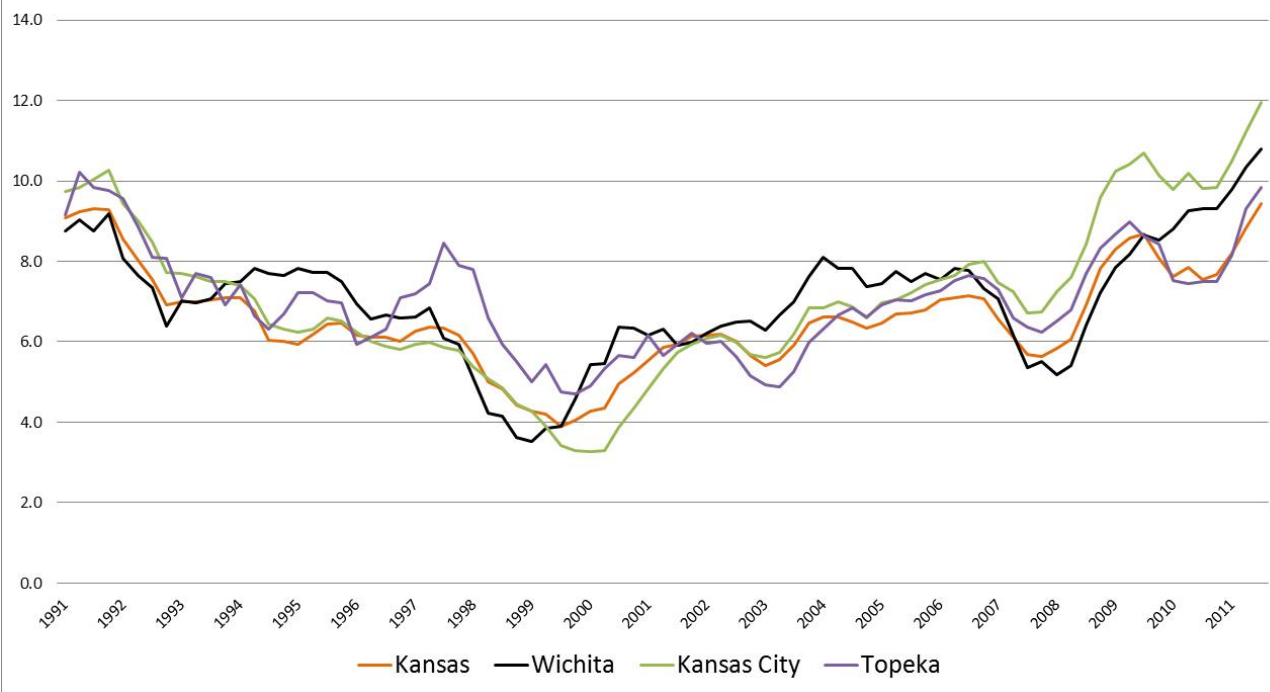
Misery Rates*						
	US	Kansas	Wichita	Kansas City	Topeka	Lawrence
<i>Average ANNUAL Misery Rate - Since 1990Q4</i>	7.78	6.56	7.02	7.08	7.01	6.02
2010 Q2	11.06	7.55	9.31	9.82	7.50	6.27
2011 Q1	11.66	8.82	10.33	11.22	9.31	7.93
2011 Q2	12.11	9.43	10.79	11.94	9.83	8.61
<i>Year-over-Year Percent Change</i>	9.46%	24.88%	15.97%	21.61%	31.14%	37.29%
<i>Quarter-over-Quarter Percent Change</i>	3.83%	6.93%	4.47%	6.46%	5.59%	8.54%
	Wichita	Omaha	Lincoln	St. Louis	Ok. City	Tulsa
<i>Average ANNUAL Misery Rate - Since 1990Q4</i>	7.02	5.24	4.61	7.49	6.08	6.62
2010 Q2	9.31	5.69	4.65	11.13	6.80	7.88
2011 Q1	10.33	6.87	5.21	12.01	8.42	9.88
2011 Q2	10.79	7.42	5.66	12.32	8.19	9.72
<i>Year-over-Year Percent Change</i>	15.97%	30.50%	21.59%	10.75%	20.42%	23.35%
<i>Quarter-over-Quarter Percent Change</i>	4.47%	8.07%	8.48%	2.60%	-2.67%	-1.54%

*Values are impacted by rounding.

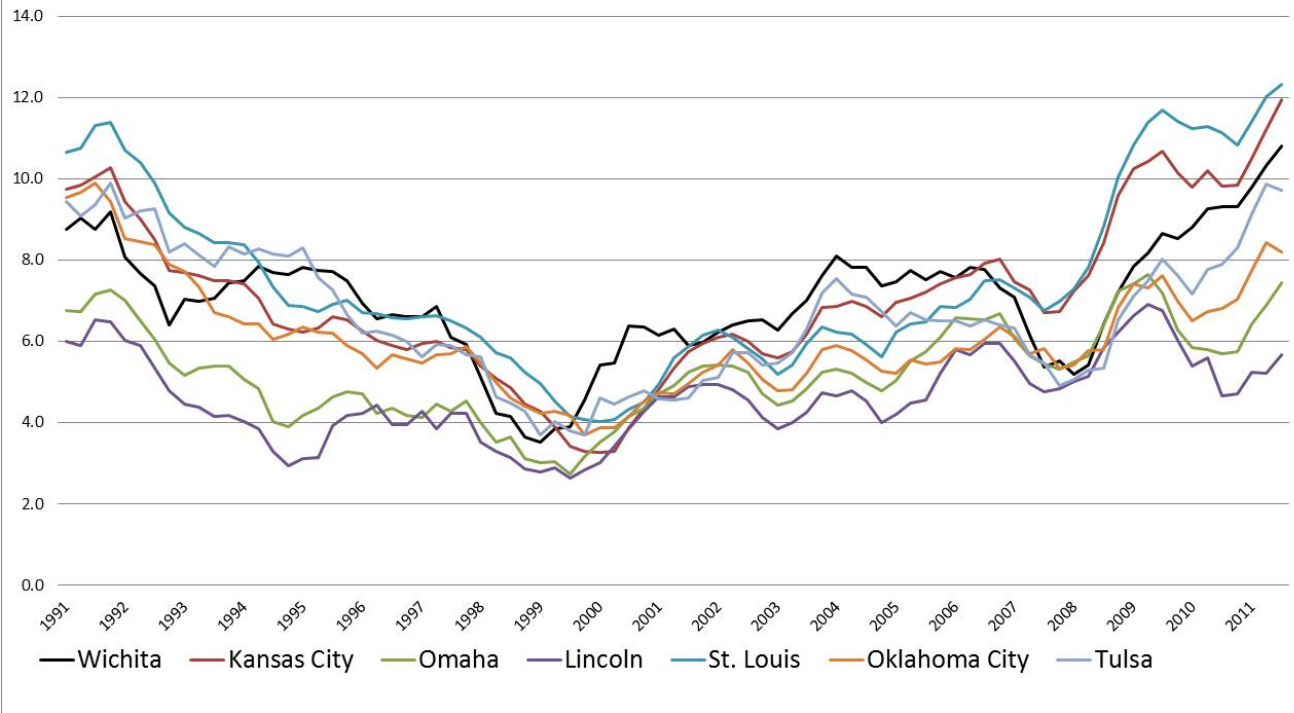
Misery Index: Wichita, Kansas & United States



Misery Index: Kansas & Kansas Metropolitan Areas



Misery Index: Peer Metropolitan Areas



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 Statistics¹
- House Price Index (HPI) from the Federal Housing Finance Agency²
- Unemployment Rates (UR) from the Bureau of Labor Statistics³

Not seasonally adjusted, monthly data values for the Consumer Price Index – All Urban Consumers, U.S. city average, with a base year of 1982-84, were used to calculate the quarterly inflation rate of the United States. Original, monthly data values for the Consumer Price Index – All Midwest Urban Consumers, with a base year of 1982-1984, were used to calculate the quarterly inflation rate of Kansas, Kansas metropolitan areas and peer metropolitan areas. The CPI, or calculated inflation rate, is a negative indicator for consumers. Therefore, if the CPI is increasing, the Misery Index will increase as well.

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 Indexes” 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 please click [HERE](#).

¹ <http://www.bls.gov/cpi/> Data accessed June 3, 2011.

² <http://www.fhfa.gov/Default.aspx?Page=87> Data accessed June 2, 2011.

³ <http://www.bls.gov/bls/unemployment.htm> Data accessed between June 3, 2011.