



WICHITA STATE  
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# Comparing Misery: 2011Q3

## Comparing Misery

### *Misery Index: Wichita, Kansas & the United States*

People in the United States, as a whole, continue to be more miserable than people in Kansas or Wichita, according to the Misery Index. U.S. misery has continued to increase, albeit at a much slower pace than previous quarters. Index values in Kansas and the MSA's in this analysis indicated improvement between the second and third quarter. The improvement is due to increased home price index values.

Wichita residents have continued to be more miserable than Kansas residents in general, but the gap has narrowed from a year ago. This can be attributed to larger declines in the unemployment rate in Wichita compared to the state. Wichita's unemployment rate was 0.7 percentage points lower in third quarter 2011 compared to third quarter 2010. The Kansas unemployment rate dropped a more conservative 0.3 percentage points. The Wichita MSA's unemployment rate remained above the Kansas unemployment rate, 8.0 and 6.8 percent respectively, in third quarter 2011.

### *Misery Index: Kansas Metropolitan Areas*

The Wichita, Kansas City, Topeka and Lawrence metropolitan areas and the state of Kansas have experienced increasing misery between third quarter 2010 and third quarter 2011. This is due to the index measures showing signs of weakness in 2010 and into the first half of 2011. However, starting third quarter 2011, the index has begun to show signs of improvement due to declining unemployment rates and improving housing values. The prices of goods and services have continued to rise.

Kansas City's Misery Index has continued to be higher than the misery rates for other metropolitan areas in Kansas. The unemployment rate has remained well above many other metropolitan unemployment rates. That being said, the KC metro did experience an increasing housing price index from second to third quarter 2011.

The Lawrence metropolitan area has remained low compared to the misery rates of other Kansas metropolitan areas. Unfortunately, from second to third quarter 2011, the unemployment rate increased from 5.8 percent to 6.3 percent. The area also experienced a slight decline in the housing

price index in the same time period. Taking the unemployment rate and housing price index into account, the Lawrence Misery Index value declined between third quarter 2010 and third quarter 2011.

The Topeka metropolitan area Misery Index decreased from 9.77 in second quarter 2011 to 8.58 in third quarter 2011, the largest improvement among Kansas MSA's. The Index decreased because of a large gain, 3.97 percent, in the home price index. However, that gain was negatively impacted by a 0.5 percent increase in the unemployment rate between second and third quarter 2011.

Misery Index values improved slightly between second and third quarter 2011 in the Wichita metropolitan area. The Wichita MSA unemployment rate increased between the two quarters, although, it improved when compared to third quarter 2010. The housing price index showed an increase of nearly 2 percent between second and third quarter 2011.

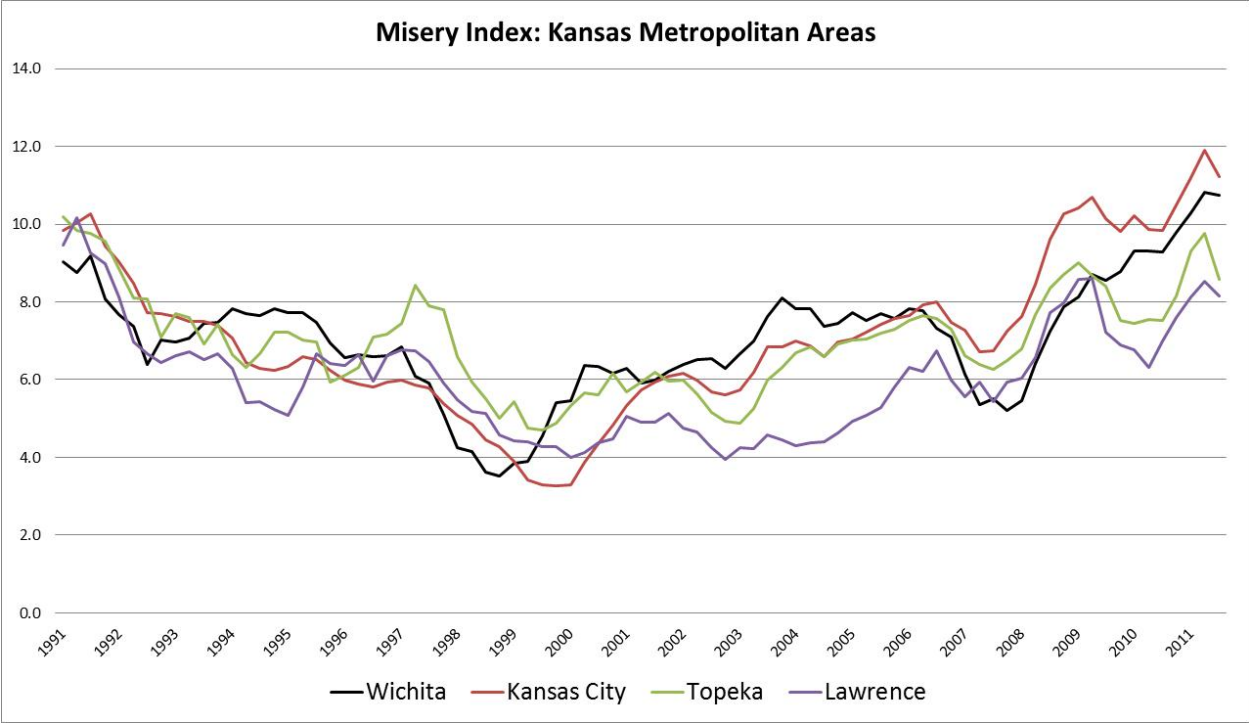
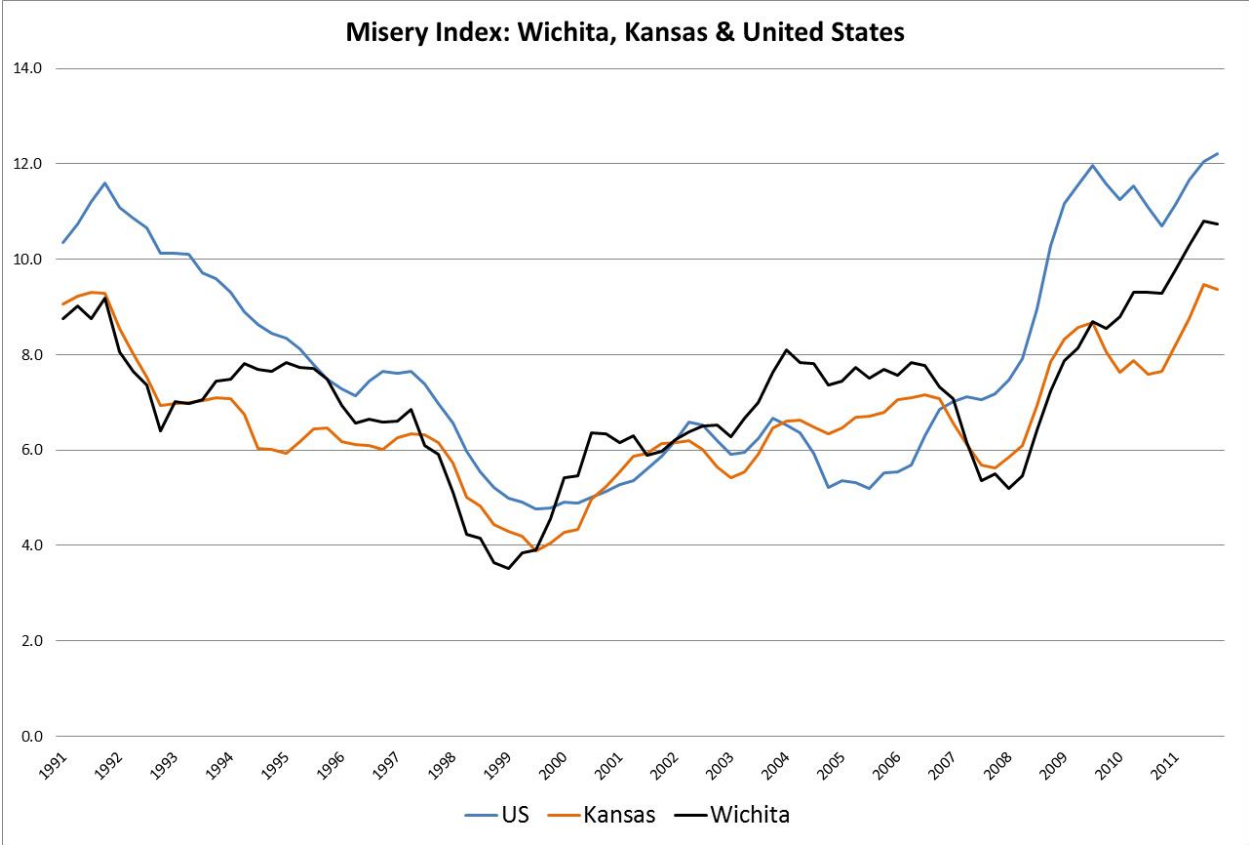
*Misery Index: Peer Metropolitan Areas*

Wichita, Omaha, Lincoln, St. Louis, Oklahoma City and Tulsa Index values increased between third quarter 2010 and third quarter 2011. All the metropolitan areas indicated improvement between second and third quarter 2011.

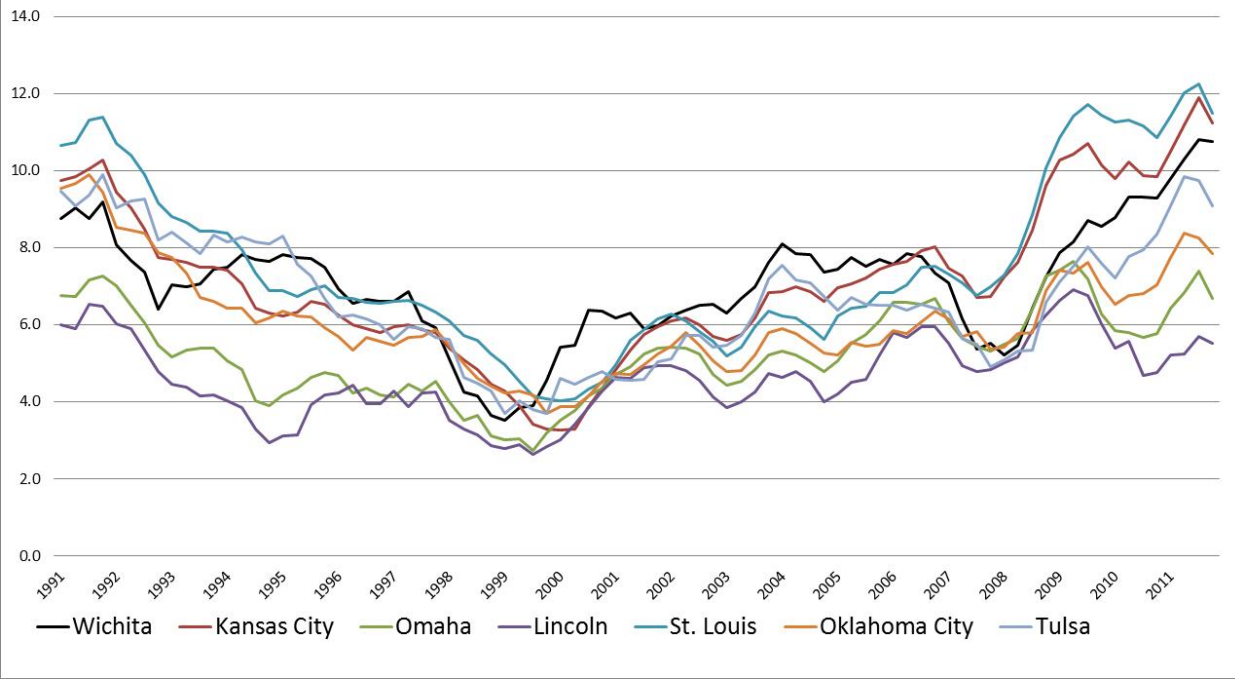
Nebraska metropolitan areas continue to exhibit the lowest levels of misery. Lincoln and Omaha have exhibited declining unemployment rates through the first three quarters of 2011, with Lincoln recording a low of 3.7 percent. Inflation and decreasing home values put upward pressure on the misery index values in Lincoln in third quarter 2011. Omaha saw improvements in the home price index value in the same time period.

<b>Misery Rates*</b>						
	<b>US</b>	<b>Kansas</b>	<b>Wichita</b>	<b>Kansas City</b>	<b>Topeka</b>	<b>Lawrence</b>
<i>Average ANNUAL Misery Rate - Since 1990Q4</i>	7.83	6.60	7.06	7.13	7.03	6.05
2010 Q3	10.69	7.66	9.29	9.84	7.53	6.99
2011 Q2	12.04	9.46	10.81	11.89	9.77	8.52
2011 Q3	12.20	9.37	10.75	11.22	8.58	8.14
<i>Year-over-Year Percent Change</i>	14.14%	22.36%	15.67%	13.99%	14.04%	16.50%
<i>Quarter-over-Quarter Percent Change</i>	1.32%	-1.01%	-0.58%	-5.66%	-12.13%	-4.41%
	<b>Wichita</b>	<b>Omaha</b>	<b>Lincoln</b>	<b>St. Louis</b>	<b>Ok. City</b>	<b>Tulsa</b>
<i>Average ANNUAL Misery Rate - Since 1990Q4</i>	7.06	5.26	4.63	7.54	6.10	6.65
2010 Q3	9.29	5.76	4.75	10.86	7.02	8.35
2011 Q2	10.81	7.38	5.70	12.24	8.24	9.74
2011 Q3	10.75	6.68	5.51	11.48	7.84	9.09
<i>Year-over-Year Percent Change</i>	15.67%	16.02%	16.06%	5.72%	11.59%	8.84%
<i>Quarter-over-Quarter Percent Change</i>	-0.58%	-9.49%	-3.31%	-6.17%	-4.94%	-6.68%

\*Values are impacted by rounding.



### 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 Statistics<sup>1</sup>
- House Price Index (HPI) from the Federal Housing Finance Agency<sup>2</sup>
- Unemployment Rates (UR) from the Bureau of Labor Statistics<sup>3</sup>

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 and methodology details please click [HERE](#).

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<sup>1</sup> <http://www.bls.gov/cpi/> Data accessed December 22, 2011.

<sup>2</sup> <http://www.fhfa.gov/Default.aspx?Page=87> Data accessed December 22, 2011.

<sup>3</sup> <http://www.bls.gov/bls/unemployment.htm> Data accessed December 22, 2011.