

# Comparing Misery: 2011Q1

## 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 far more miserable than people in Kansas or Wichita. In fourth quarter 2010, Wichita residents were more miserable than Kansans in general. This changed in first quarter 2011; Wichita now has a lower misery rate than Kansas.

The change in the misery of Wichita residents relative to Kansas residents as a whole is due to two factors. While the Wichita MSA's first quarter unemployment rate remained above the Kansas unemployment rate (8.5 and 7.2 percent, respectively), the Wichita rate did not increase as much as the Kansas rate between fourth quarter 2010 and first quarter 2011 values (Wichita increased 0.4 percent while Kansas increased 0.6 percent). The other factor leading to Kansas's increased misery rate was a 1.86 percent decrease in home values in first quarter 2011. Wichita incurred a 1.07 percent decrease in the same time period.

### *Misery Index: Kansas Metropolitan Areas*

Wichita, Kansas City, Topeka and Lawrence metropolitan areas have shown improvement between first quarter 2010 and first quarter 2011. Lawrence improved the most, followed by Wichita. The state of Kansas as a whole has exhibited a decline from first quarter 2010 to first 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 price of goods and services has risen.

People living in Kansas City continue to be more miserable than those living in other Kansas metropolitan areas. Kansas City's Misery Index approached 9.5 in the first quarter this year. This was due to the devaluation in homes and an unemployment rate that climbed to 9.7 percent in January, the highest rate in 11 months. That being said, the metro area did show improvement from fourth quarter of 2010 to first quarter 2011.

Wichita and Lawrence metropolitan areas also showed improvement from fourth quarter 2010 to first quarter 2011. Lawrence continues to be the metropolitan winner in the state, exhibiting the lowest average misery rate over time and the lowest misery rate in first quarter 2011.

The Topeka Metropolitan Area saw an increase in misery. The increase was due to an elevated unemployment rate from fourth quarter 2010 (6.8 percent) to first quarter 2011 (7.7 percent).

*Misery Index: Peer Metropolitan Areas*

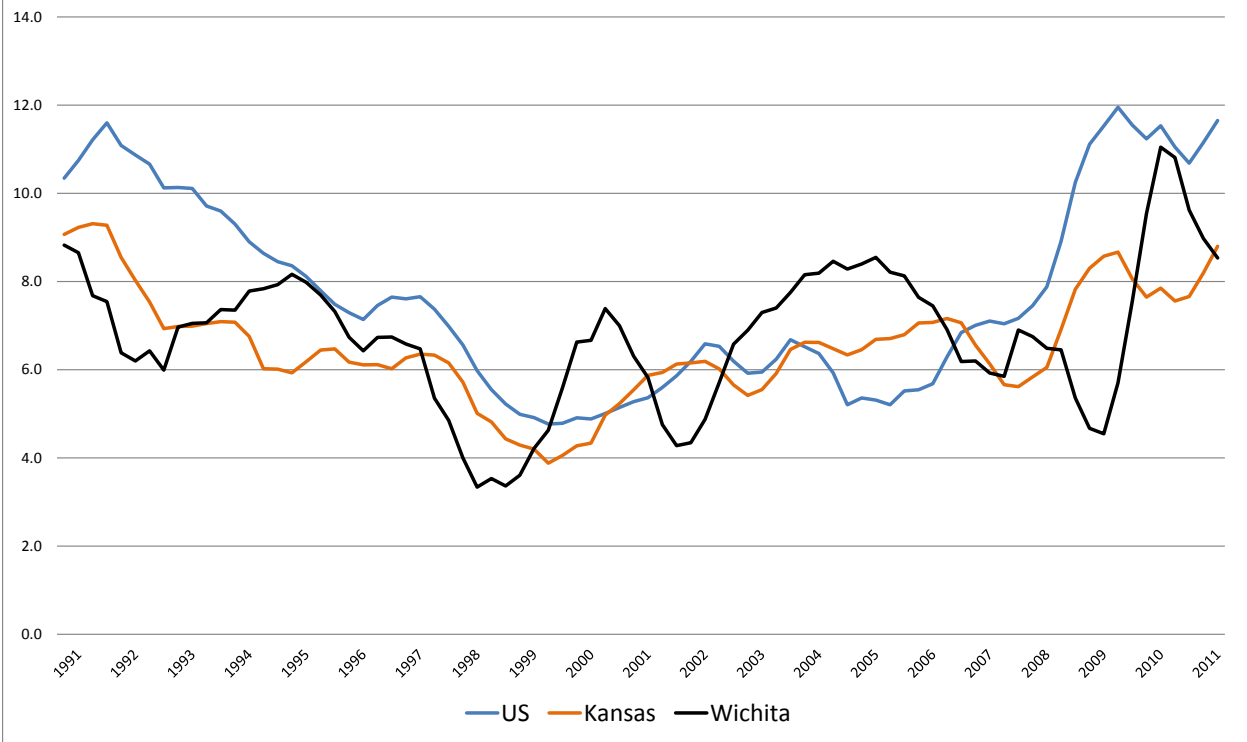
All the metropolitan areas in this analysis exhibited declining rates of misery in first quarter 2011 compared to the previous quarter and year. It should also be noted that U.S. misery rates were higher in first quarter 2011 than the misery rates of the peer metropolitan areas.

Nebraska metropolitan areas continue to exhibit low levels of misery. In addition to exhibiting a declining rate of misery between fourth quarter 2010 and first quarter 2011, the Lincoln MSA also exhibited misery rates well below its annual average. Omaha misery levels exhibited improvement in first quarter 2011 when compared to fourth quarter 2010.

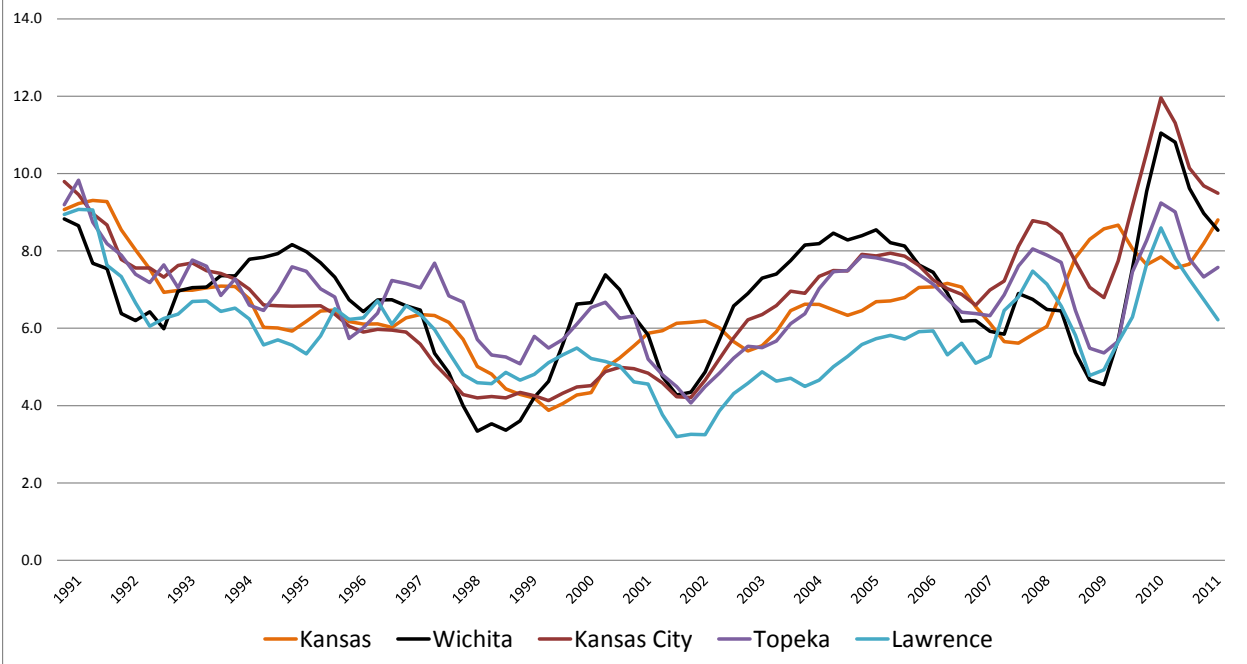
St. Louis exhibited the highest misery rate in first quarter 2011, which is primarily due to high rates of unemployment.

<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>	7.72	6.53	6.77	6.82	6.78	5.79
2010 Q1	11.53	7.85	11.05	11.96	9.24	8.59
2010 Q4	11.15	8.19	8.98	9.68	7.33	6.74
2011 Q1	11.65	8.80	8.53	9.49	7.58	6.22
<i>Year-over-Year Percent Change</i>	1.05%	12.15%	-22.75%	-20.64%	-18.02%	-27.65%
<i>Quarter-over-Quarter Percent Change</i>	4.48%	7.38%	-4.93%	-1.97%	3.37%	-7.74%
	<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>	6.77	5.02	4.40	7.24	5.86	6.38
2010 Q1	11.05	7.55	7.38	13.07	8.50	9.55
2010 Q4	8.98	5.59	4.39	10.59	6.87	8.29
2011 Q1	8.53	5.16	3.53	10.26	6.71	8.28
<i>Year-over-Year Percent Change</i>	-22.75%	-31.71%	-52.18%	-21.51%	-21.11%	-13.33%
<i>Quarter-over-Quarter Percent Change</i>	-4.93%	-7.80%	-19.62%	-3.09%	-2.35%	-0.17%
*Values are impacted by rounding.						

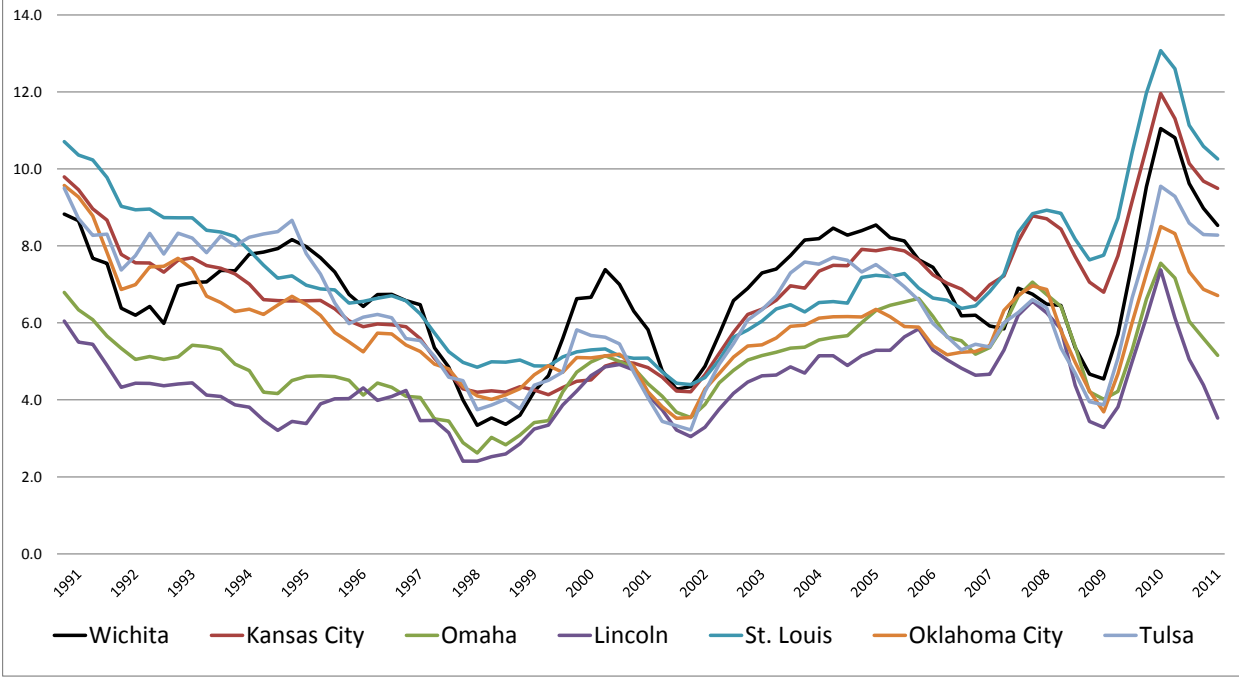
Misery Index: Wichita, Kansas & United States



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 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 please click [HERE](#).

---

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

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

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