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

Misery Index: 2015 Q4

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 Q4	2015 Q3	Quarterly	Annual	HPI	CPI	UR
	U.S.	4.80	5.22	-8.01%	-12.29%	1.73%	-0.62%	-0.08%
	Kansas	3.59	4.42	-18.71%	-7.33%	0.96%	1.68%	-0.19%
Kansas	Wichita, KS	4.06	4.99	-18.59%	-10.62%	1.07%	2.85%	-0.19%
Kansas	Kansas City, MO-KS	3.96	5.02	-21.12%	-17.08%	0.91%	1.49%	-0.21%
Kansas	Lawrence, KS	2.96	4.00	-25.94%	-9.45%	0.04%	2.85%	-0.26%
Kansas	Topeka, KS	3.59	4.39	-18.12%	-11.76%	0.88%	2.85%	-0.18%
Region	Oklahoma City, OK	3.48	3.79	-8.19%	-0.81%	1.88%	2.85%	-0.08%
Region	Omaha, NE	2.90	3.05	-4.88%	-8.11%	-0.35%	2.85%	-0.05%
Region	St. Louis, MO-IL	4.49	5.11	-12.22%	-15.41%	0.51%	1.49%	-0.12%
Region	Tulsa, OK	4.15	4.47	-7.08%	4.27%	0.73%	2.85%	-0.07%
Peer	Akron, OH	4.49	4.45	1.00%	-9.27%	3.40%	2.85%	0.02%
Peer	Grand Rapids, MI	2.96	3.53	-16.00%	-23.04%	-0.17%	2.85%	-0.17%
Peer	Greenville, SC	4.71	5.47	-13.81%	-18.06%	1.46%	1.44%	-0.13%
Peer	Lancaster, PA	3.28	4.24	-22.66%	-13.12%	1.07%	0.37%	-0.23%

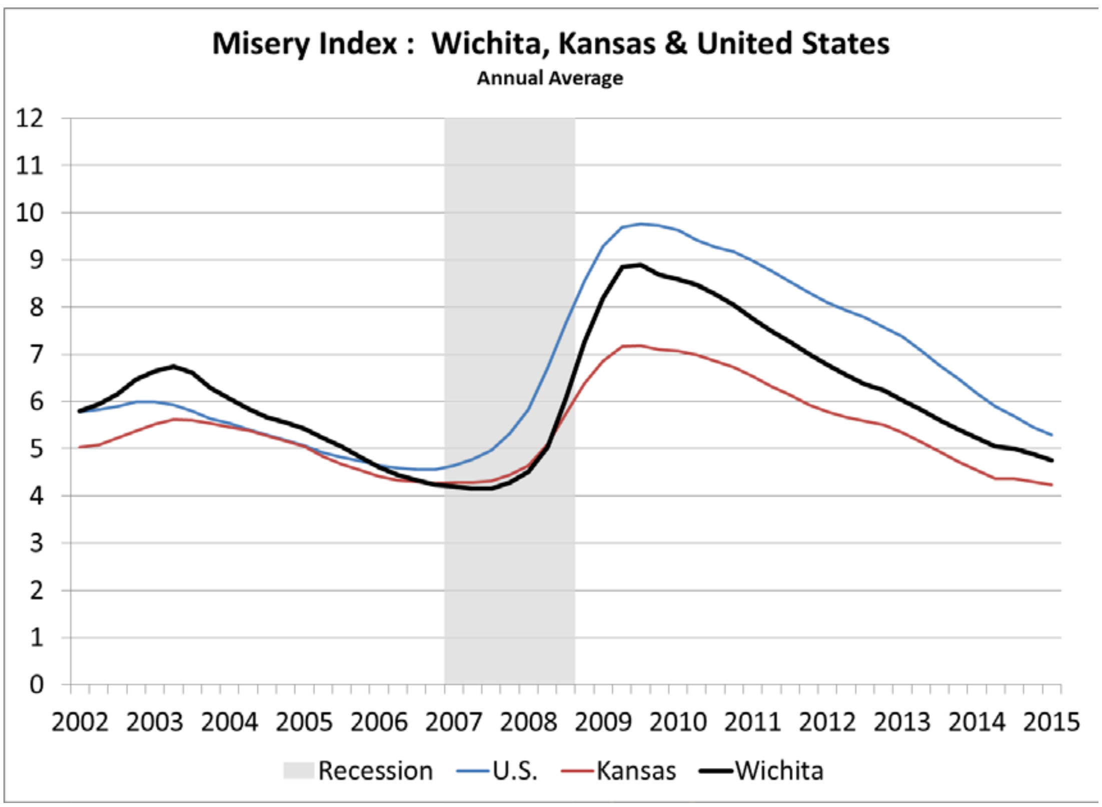
Values are impacted by rounding.

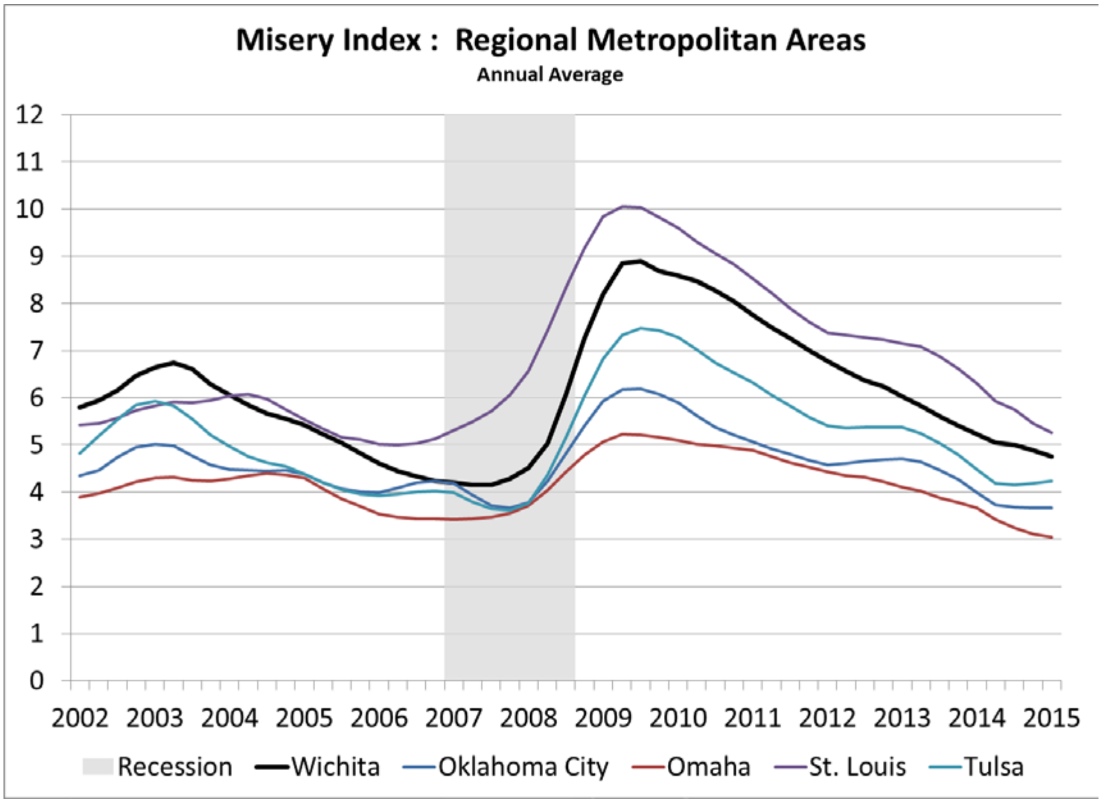
Between the second and third quarters of 2015, the general level of misery experienced by people in the United States decreased and remains well below the 2014 level. This can be attributed to continued decreases in the unemployment rate, low levels of inflation and increases in housing prices. The level of misery in Kansas decreased slightly between the second and third quarters and remains somewhat below the 2014 level.

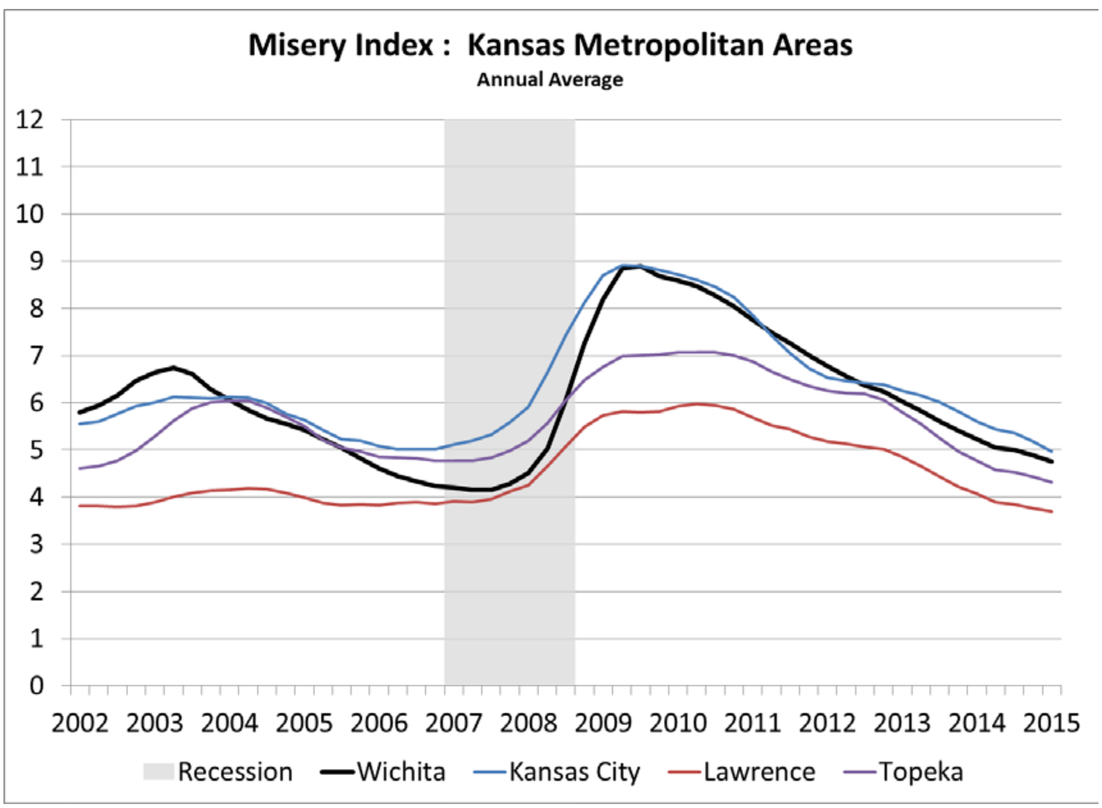
Within each of the metropolitan areas in Kansas, the misery index remains lower than in the United States as a whole. The misery level in Lawrence is lower than the state as a whole. Misery in Topeka is equal to the state. The misery levels in Kansas City and Wichita are above the state level. Misery in Kansas City and Lawrence is decreasing faster than the state level. Misery in Topeka and Wichita is decreasing more slowly than the state as a whole.

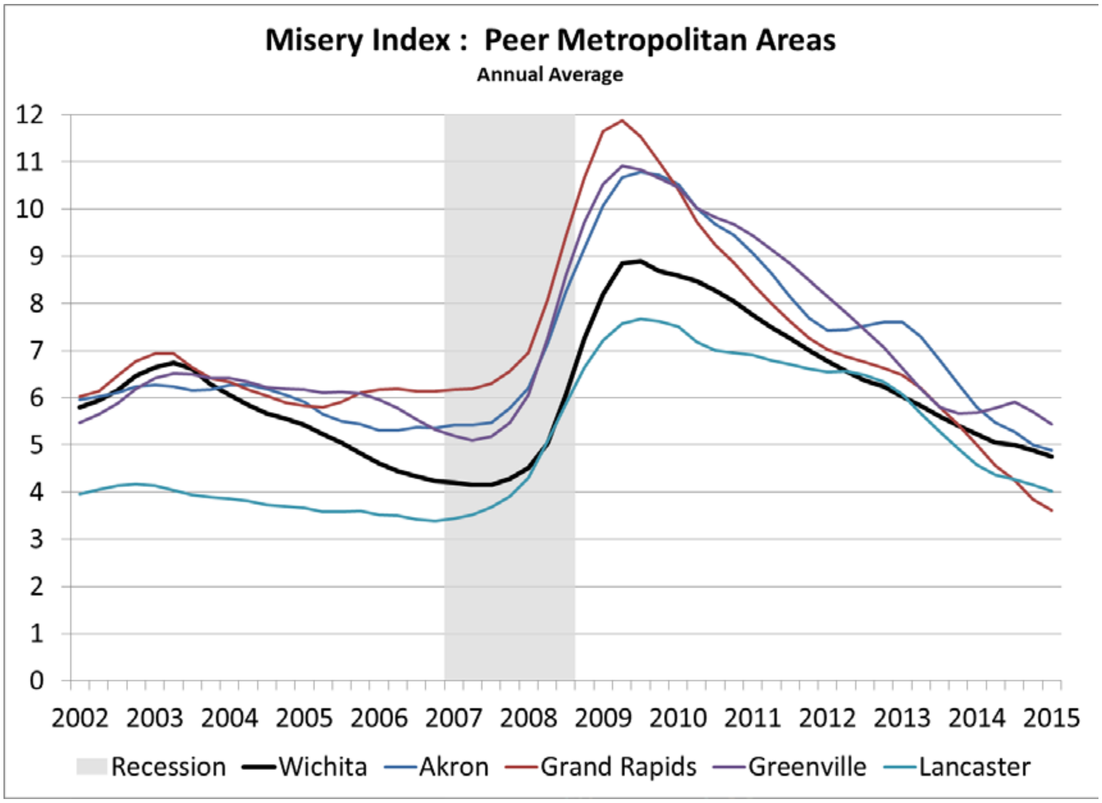
Within the region, St. Louis continues to have the highest level of misery, followed by Tulsa and Wichita. The lowest level of misery in the region continues to be in Omaha, followed by Lawrence. All areas in the region have a lower level of misery than the United States as a whole

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; Greenville continues to have the highest level of misery. The level of misery in Akron is currently higher than the level of misery in Wichita. These two cities generally have the most similar levels of misery. However, the average annual rate of misery in Greenville and Akron is above Wichita.




Misery Index : Regional 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
Oklahoma City
Omaha
St. Louis
Tulsa


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



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

[1] http://www.bls.gov/cpi/ Data accessed February 25, 2016.
[2] http://www.fhfa.gov/Default.aspx?Page=87 Data accessed February 25, 2016.
[3] http://www.bls.gov/bls/unemployment.htm Data accessed February 25, 2016.

inflation rate. South – Size Class B/C, with a base period of December 1996, was used for the Greenville metropolitan area inflation rate.

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.