

Comparing Misery: 2012Q1

Comparing Misery

Misery Index: Wichita, Kansas, & the United States

Misery in the United States and Kansas declined between fourth quarter 2011 and first quarter 2012. The declines are due to the average annual unemployment rate declining between the two periods. Misery in Wichita increased due to declines in the home price index values. Index values continued to be highest in the United States and lowest for Kansas, with Wichita's Misery Index falling between the two.

Misery Index: Kansas Metropolitan Areas

Misery has increased year-over-year in all Kansas metropolitan areas. The Lawrence Metro area increased the most, 5.46 percent, followed by Topeka, Wichita and Kansas City metro areas.

Looking more closely at Index components, the following occurred from fourth quarter 2011 to first quarter 2012:

- Unemployment increased in Kansas City, while housing values declined.
- Unemployment increased in Lawrence, while housing values increased.
- Unemployment increased in Topeka, while housing values declined.
- Unemployment increased in Wichita, while housing values declined.

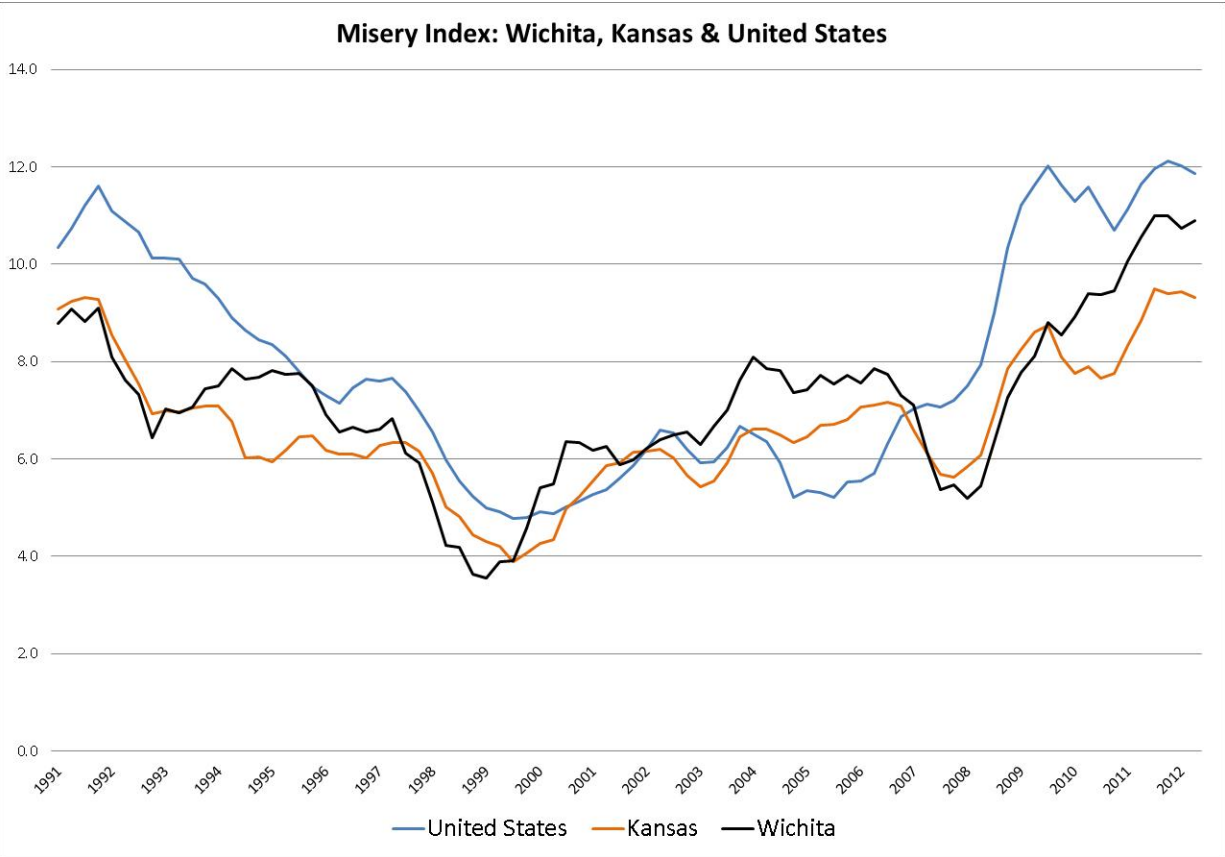
At the same time, all metropolitan areas, excluding Wichita, experienced declines in misery since fourth quarter 2011.

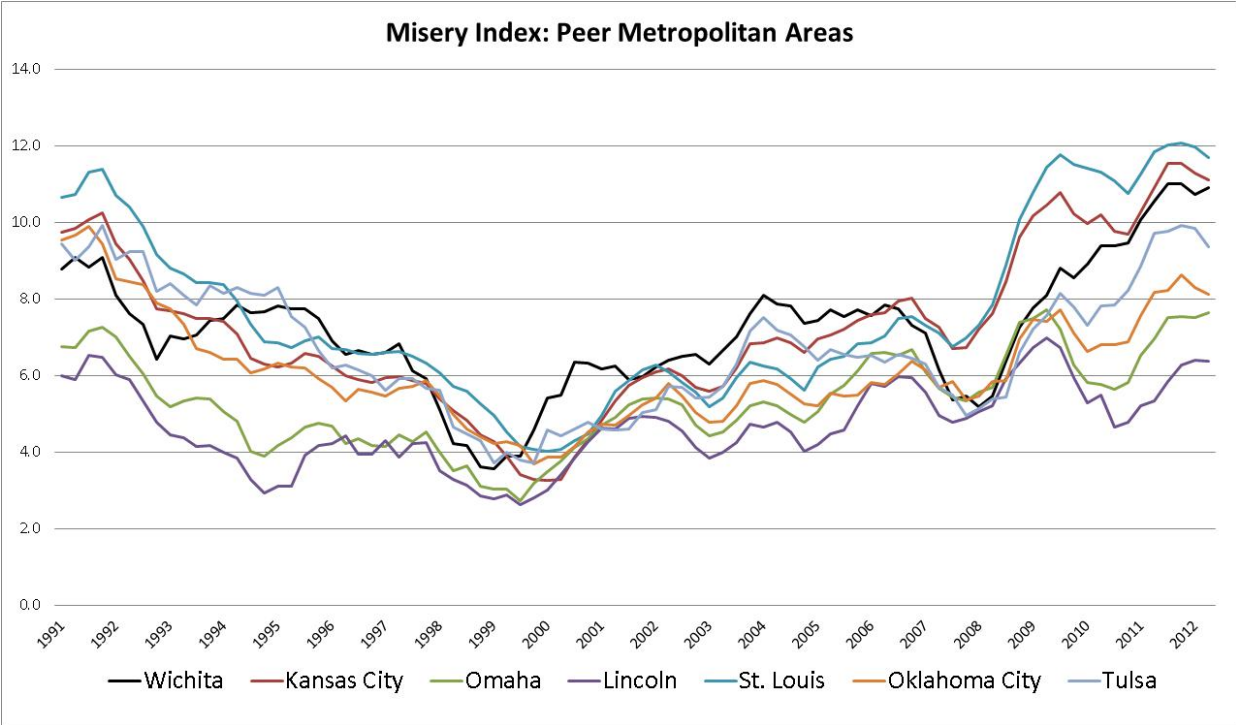
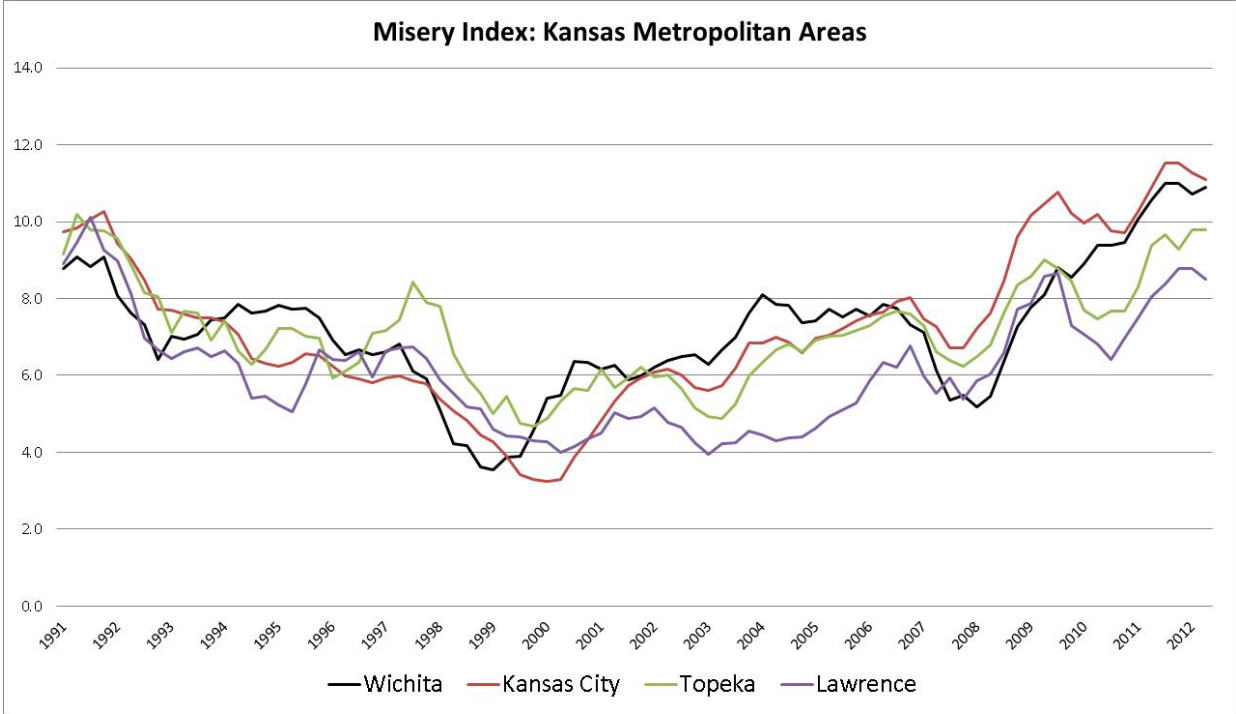
Misery Index: Peer Metropolitan Areas

The Omaha and Wichita MSAs experienced increasing levels of misery from fourth quarter 2011 to first quarter 2012. Their Misery Index values increased due to increased unemployment, declining home values and rising prices. All other MSAs recorded decreasing levels of misery during that time period. The largest decrease was in Tulsa. That city's decreasing Index value can be attributed to a declining unemployment rate.

Misery Rates*						
	US	Kansas	Wichita	Kansas City	Topeka	Lawrence
<i>Average ANNUAL Misery Rate - Since 1990Q4</i>	7.93	6.67	7.17	7.22	7.11	6.11
2011 Q1	11.64	8.85	10.56	10.89	9.37	8.05
2011 Q4	12.02	9.44	10.73	11.28	9.78	8.77
2012 Q1	11.86	9.32	10.89	11.10	9.77	8.49
<i>Year-over-Year Percent Change</i>	1.91%	5.35%	3.15%	1.84%	4.29%	5.46%
<i>Quarter-over-Quarter Percent Change</i>	-1.33%	-1.28%	1.55%	-1.62%	-0.10%	-3.20%
	Wichita	Omaha	Lincoln	St. Louis	Ok. City	Tulsa
<i>Average ANNUAL Misery Rate - Since 1990Q4</i>	7.17	5.33	4.68	7.65	6.16	6.73
2011 Q1	10.56	6.96	5.33	11.85	8.17	9.72
2011 Q4	10.73	7.51	6.39	11.96	8.30	9.85
2012 Q1	10.89	7.65	6.38	11.69	8.13	9.36
<i>Year-over-Year Percent Change</i>	3.15%	9.96%	19.71%	-1.33%	-0.49%	-3.68%
<i>Quarter-over-Quarter Percent Change</i>	1.55%	1.87%	-0.11%	-2.23%	-2.08%	-4.96%

*Values are impacted by rounding.





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 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](#).

¹ <http://www.bls.gov/cpi/> Data accessed May 22, 2012.

² <http://www.fhfa.gov/Default.aspx?Page=87> Data accessed May 29, 2012.

³ <http://www.bls.gov/bls/unemployment.htm> Data accessed May 22, 2012.