

# Misery Index: 2015 Q2

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 Q2	2015 Q1	Quarterly	Annual	HPI	CPI	UR
	U.S.	5.29	5.84	▼ -9.40%	▼ -13.21%	▲ 1.86%	▼ -0.42%	▼ -0.09%
	Kansas	4.46	4.44	▲ 0.46%	▼ -0.91%	▲ 1.30%	▼ -0.65%	▲ 0.01%
Kansas	Wichita, KS	5.00	5.00	▲ 0.13%	▼ -3.28%	▲ 0.38%	▼ -0.56%	▲ 0.00%
	Kansas City, MO-KS	5.21	5.70	▼ -8.65%	▼ -5.63%	▲ 2.61%	▼ -0.70%	▼ -0.08%
	Lawrence, KS	3.93	3.84	▲ 2.32%	▼ -5.09%	▲ 0.70%	▼ -0.56%	▲ 0.03%
	Topeka, KS	4.44	4.83	▼ -8.13%	▼ -4.05%	▲ 3.14%	▼ -0.56%	▼ -0.07%
Region	Oklahoma City, OK	3.82	3.55	▲ 7.62%	▼ -4.40%	▲ 1.98%	▼ -0.56%	▲ 0.08%
	Omaha, NE	2.95	3.30	▼ -10.49%	▼ -18.67%	▲ 1.86%	▼ -0.56%	▼ -0.10%
	St. Louis, MO-IL	5.46	5.97	▼ -8.56%	▼ -11.92%	▲ 0.94%	▼ -0.70%	▼ -0.08%
	Tulsa, OK	4.31	3.99	▲ 7.94%	▼ -3.62%	▲ 2.99%	▼ -0.56%	▲ 0.08%
Peer	Akron, OH	4.74	5.88	▼ -19.39%	▼ -13.44%	▲ 3.34%	▼ -0.56%	▼ -0.19%
	Grand Rapids, MI	3.87	4.11	▼ -5.73%	▼ -23.72%	▲ 3.35%	▼ -0.56%	▼ -0.05%
	Greenville, SC	5.81	5.79	▲ 0.43%	▲ 9.95%	▲ 2.21%	▼ -0.69%	▲ 0.01%
	Lancaster, PA	4.11	4.46	▼ -7.89%	▼ -9.00%	▼ -0.74%	▼ -1.16%	▼ -0.08%

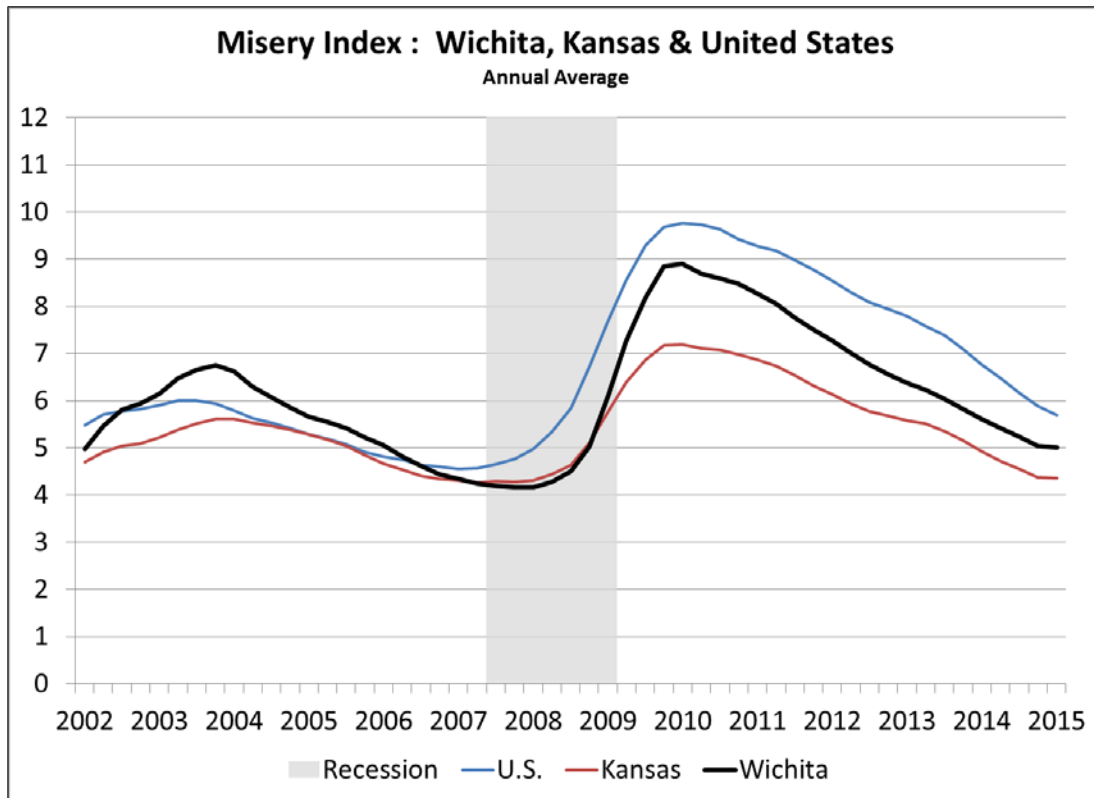
Values are impacted by rounding.

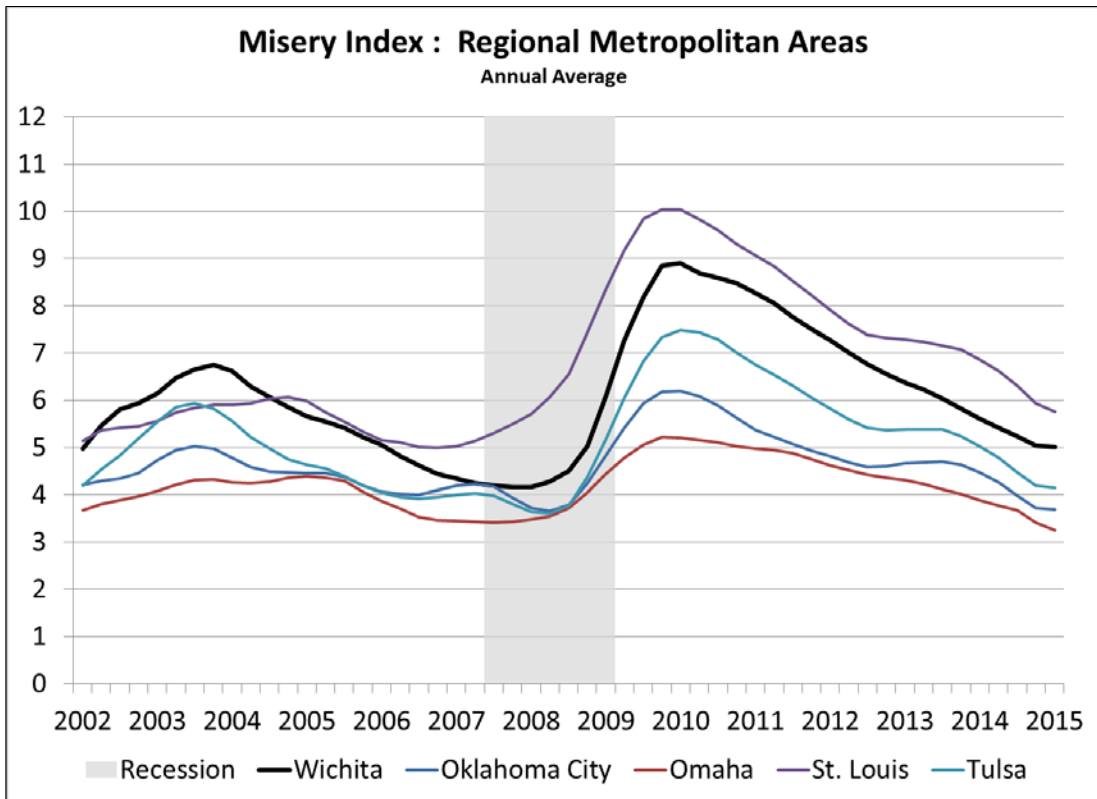
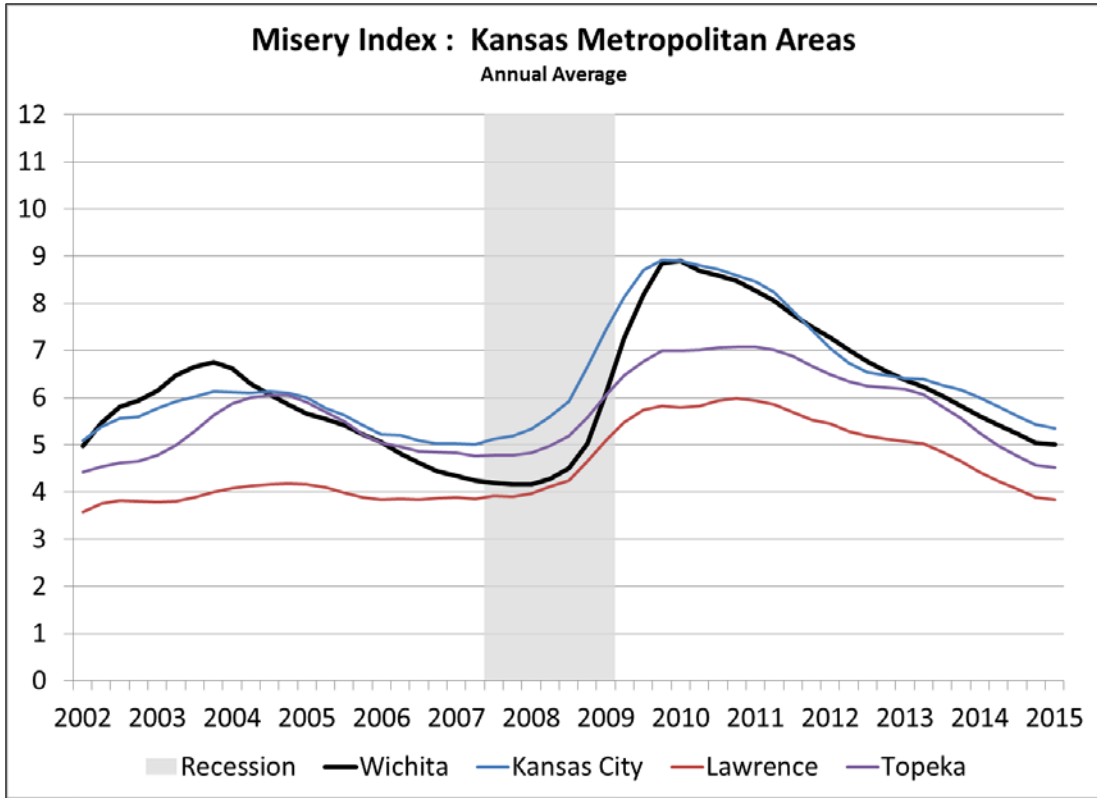
Between the first and second quarters of 2015 the general level of misery experienced by people in the United States decreased. This can be attributed to a small decrease in the unemployment rate, low levels of inflation and increases in housing prices. The level of misery in Kansas increased slightly between the first and second quarters, mostly attributed to a small increase in the quarterly average unemployment rate.

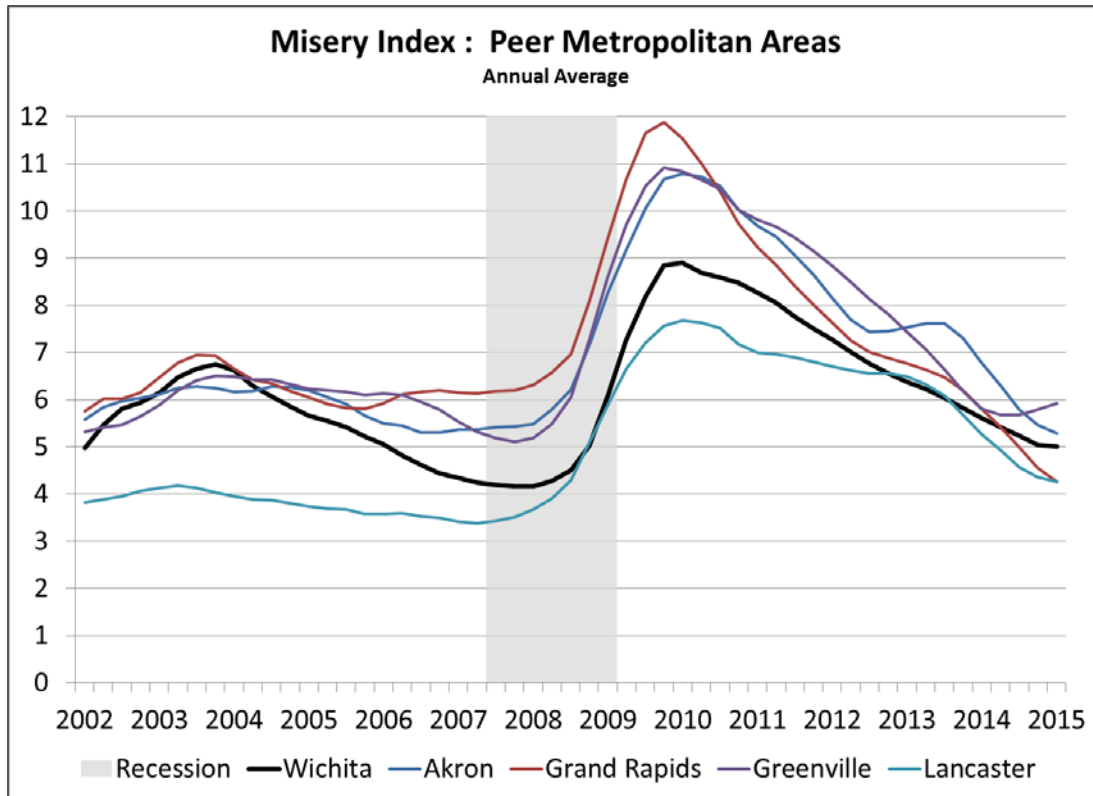
Within each of the metropolitan areas in Kansas, the misery index remains lower than in the United States as a whole. The misery level in Lawrence and Topeka is lower than the state. The misery level in Kansas City is above the state level and decreasing. The misery level in Wichita is above the state level and increased very slightly.

Within the region, there was a broad range of changes in misery. Oklahoma City and Tula both had increases in misery, although the general level of misery in these cities remains low. Omaha and St. Louis both had decreases in misery. Omaha continues to have the lowest level of misery in the region, while St. Louis continues to have the highest.

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 currently has the highest level of misery, followed by Wichita. However, the average annual rate of misery in Greenville and Akron is above Wichita.







## 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 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

<sup>1</sup> <http://www.bls.gov/cpi/> Data accessed August 27, 2015.

<sup>2</sup> <http://www.fhfa.gov/Default.aspx?Page=87> Data accessed August 27, 2015.

<sup>3</sup> <http://www.bls.gov/bls/unemployment.htm> Data accessed August 27, 2015.

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](#).