

Comparing Misery: 2011Q4

Comparing Misery

Misery Index: Wichita, Kansas & the United States

Misery in the United States declined between third and fourth quarter 2011. The decline can be attributed to a decline in the unemployment rate and the housing price index. That being said, people in the United States, as a whole, continue to be more miserable than people in Kansas or Wichita. Index values have increased, indicating more misery for the United States, Kansas and Wichita, since fourth quarter 2010.

Kansas residents experienced an increasing level of misery between third and fourth quarter 2011. At the same time, Wichitans experienced a decline in misery. Wichita residents are more miserable than Kansas residents in general, but the gap has continued to narrow. Wichita's unemployment rate declined from 8 percent in third quarter 2011 to 7.1 percent in fourth quarter 2011. The Wichita housing price index improved a mere 0.5 percent between third and fourth quarter 2011, but declined 0.8 percent from fourth quarter 2010. The Kansas unemployment rate dropped 0.8 percentage points from third to fourth quarter 2011. The Kansas home price index increased 0.4 percent in the same time period.

Misery Index: Kansas Metropolitan Areas

While Kansas experienced increasing misery between third and fourth quarter 2011, the Wichita, Kansas City, and Lawrence metropolitan areas experienced declining misery. All areas have experienced the negative impact of rising prices and the positive impact of lower unemployment rates. The home price index has helped some and hurt other metropolitan areas.

Kansas City's Misery Index dropped from 11.85 in third quarter 2011 to 11.60 in the fourth quarter. This is a drop of 2.09 percent. The unemployment rate helped pull the index value down, declining 1.3 percent year-over-year. Gains in the housing price index were experienced between the third and fourth quarters of 2011, although the housing index was down from fourth quarter 2010 to fourth quarter 2011. The Kansas City Misery index increased 10.81 percent when comparing fourth quarter 2010 to fourth quarter 2011.

The Lawrence metropolitan area index has remained low compared to the misery rates of other Kansas metropolitan areas. From third to fourth quarter 2011, the unemployment rate decreased from 6.3 percent to 5.2 percent. The area also experienced a slight increase in the housing price index in the same time period. Even with improvement in the unemployment rate and housing price index, the Lawrence Misery Index value increased from fourth quarter 2010 to fourth quarter 2011.

The Topeka metropolitan area Misery Index decreased from 9.26 in third quarter 2011 to 9.73 in fourth quarter 2011. The home price index improved a significant 3.5 percent between second and third quarters 2011. Some of that improvement was lost with a decline in the home price index of 0.5 percent from third to fourth quarter. The unemployment rate improved 0.6 percentage points between third and fourth quarter 2011. It should be noted that the Misery Index value has increased year-over-year.

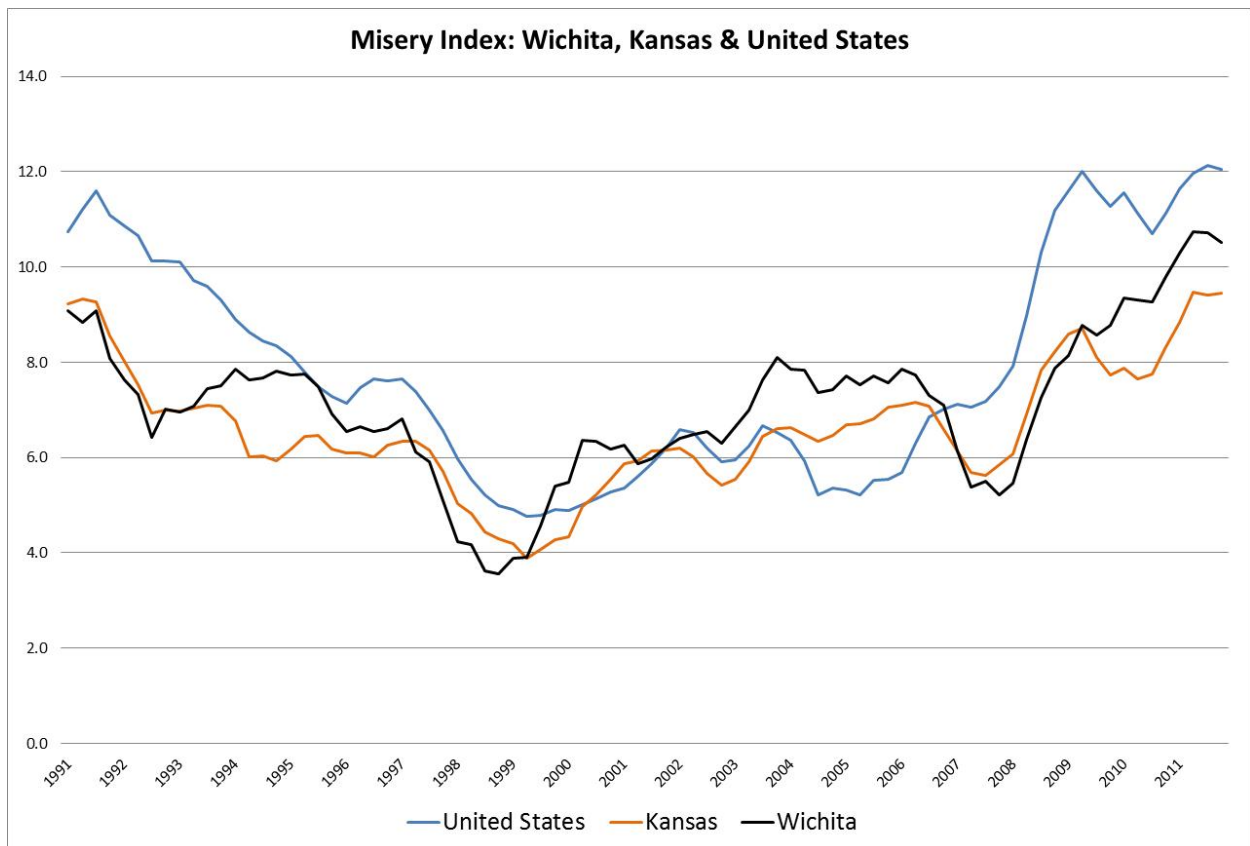
Misery Index values declined between third and fourth quarter 2011 in the Wichita metropolitan area. Gains came from improved housing price values and an improving unemployment rate. The Wichita MSA maintained an increased level of misery when compared to fourth quarter 2010, despite improvements in the unemployment rate.

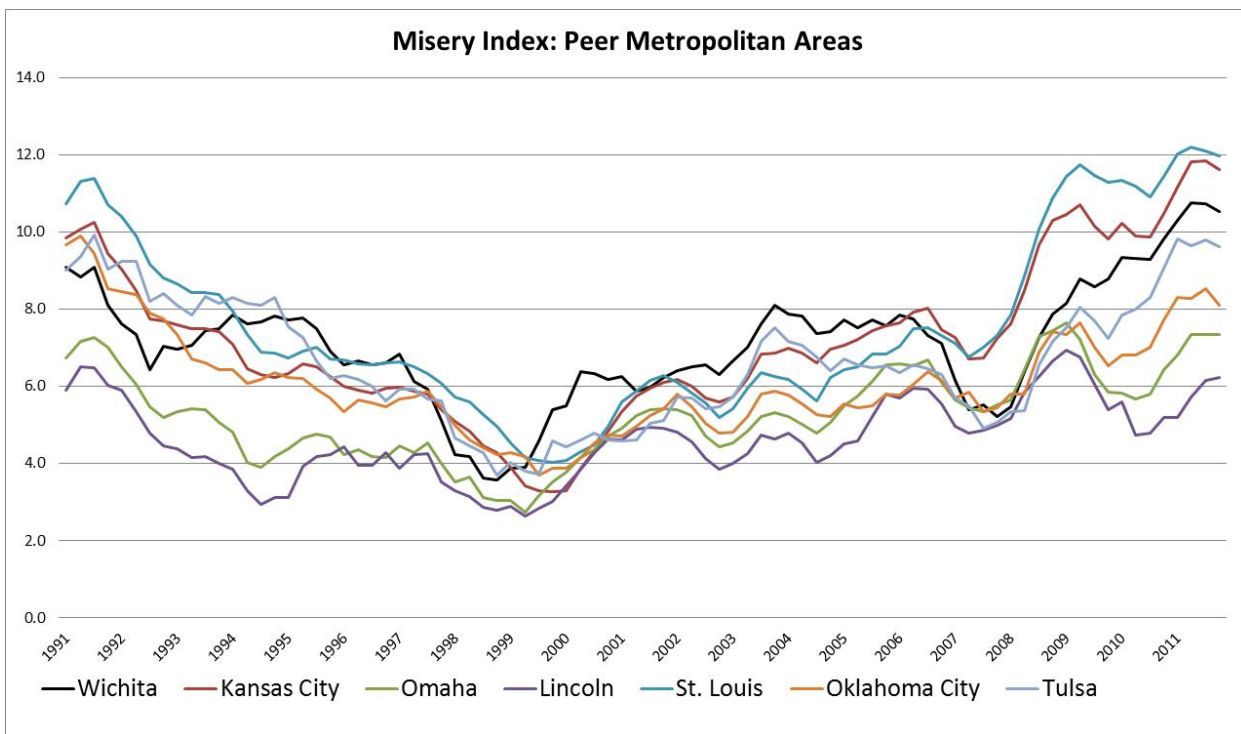
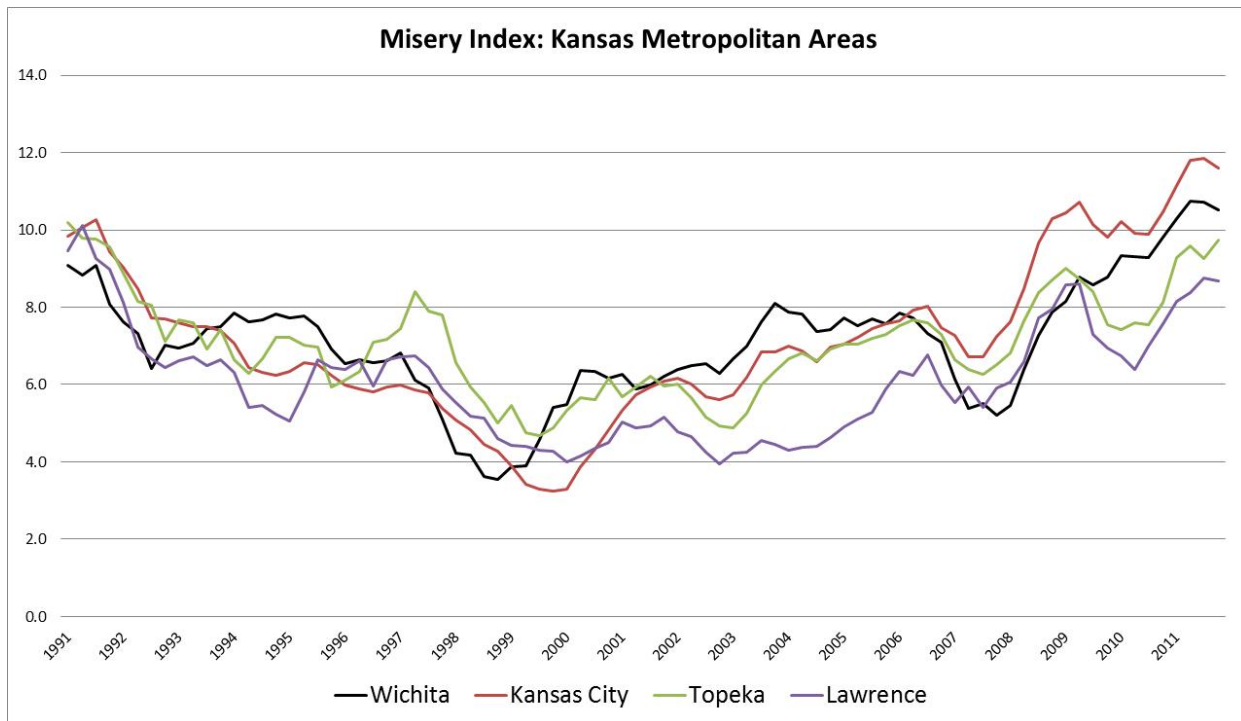
Misery Index: Peer Metropolitan Areas

The Omaha and Lincoln MSAs have experienced increasing levels of misery. Their Misery Index values increased due to rising price levels. All other MSAs recorded decreasing levels of misery between third and fourth quarter 2011. The largest decrease was in Oklahoma City. Oklahoma City's decreasing index value can be attributed to significant quarterly gains in the housing price index of 1.9 percent between third and fourth quarters.

Misery Rates*						
	US	Kansas	Wichita	Kansas City	Topeka	Lawrence
<i>Average ANNUAL Misery Rate - Since 1990Q4</i>	7.89	6.64	7.10	7.19	7.07	6.09
2010 Q4	11.13	8.32	9.80	10.47	8.13	7.57
2011 Q3	12.13	9.41	10.71	11.85	9.26	8.77
2011 Q4	12.04	9.45	10.51	11.60	9.73	8.67
<i>Year-over-Year Percent Change</i>	8.13%	13.59%	7.23%	10.81%	19.73%	14.58%
<i>Quarter-over-Quarter Percent Change</i>	-0.77%	0.49%	-1.89%	-2.09%	5.08%	-1.07%
	Wichita	Omaha	Lincoln	St. Louis	Ok. City	Tulsa
<i>Average ANNUAL Misery Rate - Since 1990Q4</i>	7.10	5.29	4.65	7.61	6.13	6.69
2010 Q4	9.80	6.42	5.19	11.44	7.71	9.05
2011 Q3	10.71	7.34	6.14	12.10	8.52	9.78
2011 Q4	10.51	7.34	6.22	11.96	8.09	9.61
<i>Year-over-Year Percent Change</i>	7.23%	14.40%	19.94%	4.58%	4.83%	6.10%
<i>Quarter-over-Quarter Percent Change</i>	-1.89%	0.03%	1.31%	-1.18%	-5.08%	-1.81%

*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 March 9, 2012.

² <http://www.fhfa.gov/Default.aspx?Page=87> Data accessed March 9, 2012.

³ <http://www.bls.gov/bls/unemployment.htm> Data accessed March 9, 2012.