

Misery Index: 2015 Q3

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 Q3	2015 Q2	Quarterly	Annual	HPI	CPI	UR
	U.S.	5.22	5.29	▼ -1.28%	▼ -15.37%	▲ 1.68%	▼ -0.57%	▼ -0.01%
	Kansas	4.42	4.46	▼ -0.82%	▼ -5.26%	▲ 1.13%	▼ -1.57%	▼ -0.01%
Kansas	Wichita, KS	4.98	5.00	▼ -0.40%	▼ -8.67%	▲ 1.43%	▼ -1.28%	▲ 0.00%
	Kansas City, MO-KS	5.02	5.21	▼ -3.58%	▼ -12.40%	▲ 1.03%	▼ -1.72%	▼ -0.04%
	Lawrence, KS	4.00	3.97	▲ 0.90%	▼ -6.51%	▼ -0.33%	▼ -1.28%	▲ 0.01%
	Topeka, KS	4.39	4.44	▼ -1.15%	▼ -7.36%	▲ 0.72%	▼ -1.28%	▼ -0.01%
Region	Oklahoma City, OK	3.79	3.82	▼ -0.83%	▼ -2.20%	▲ 1.33%	▼ -1.28%	▼ -0.01%
	Omaha, NE	3.01	2.95	▲ 2.11%	▼ -15.42%	▲ 1.74%	▼ -1.28%	▲ 0.02%
	St. Louis, MO-IL	5.11	5.46	▼ -6.35%	▼ -18.36%	▲ 1.73%	▼ -1.72%	▼ -0.06%
	Tulsa, OK	4.47	4.31	▲ 3.65%	▲ 3.95%	▼ -0.34%	▼ -1.28%	▲ 0.03%
Peer	Akron, OH	4.45	4.74	▼ -6.16%	▼ -20.02%	▼ -1.71%	▼ -1.28%	▼ -0.07%
	Grand Rapids, MI	3.53	3.87	▼ -8.94%	▼ -32.07%	▲ 3.96%	▼ -1.28%	▼ -0.09%
	Greenville, SC	5.44	5.81	▼ -6.38%	▼ -13.76%	▼ -0.65%	▼ -1.53%	▼ -0.07%
	Lancaster, PA	4.24	4.11	▲ 3.27%	▼ -10.00%	▲ 1.92%	▲ 5.41%	▲ 0.04%

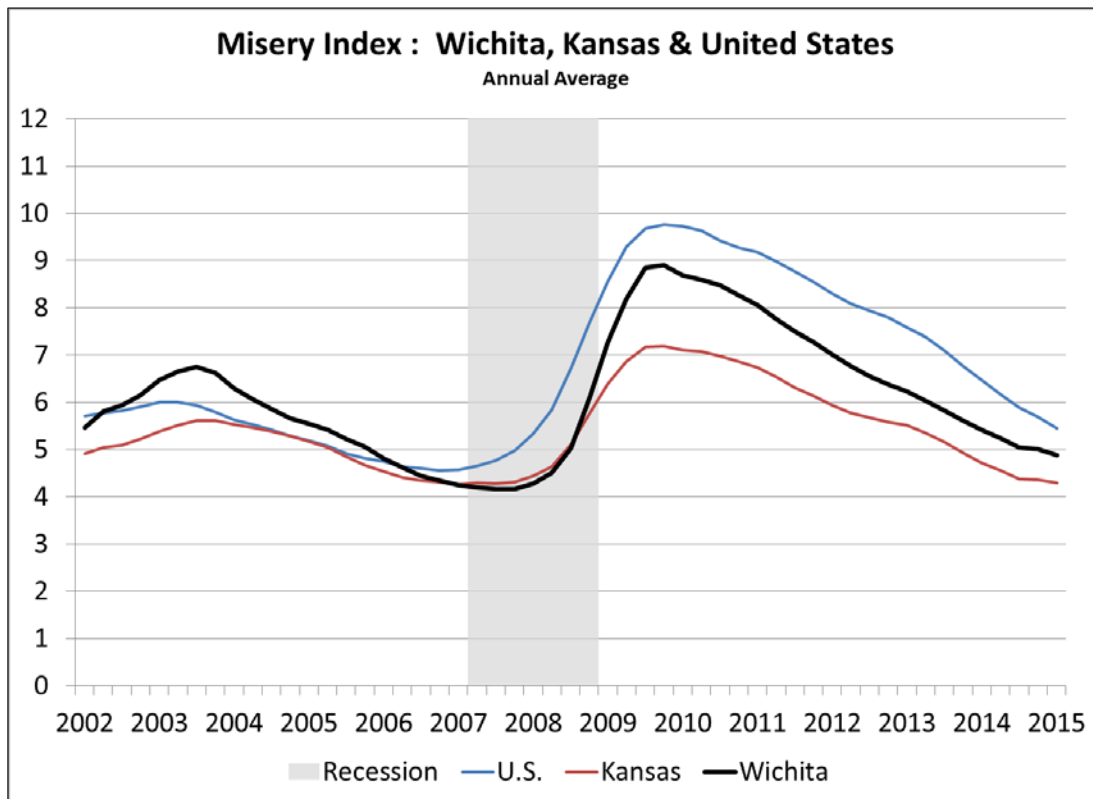
Values are impacted by rounding.

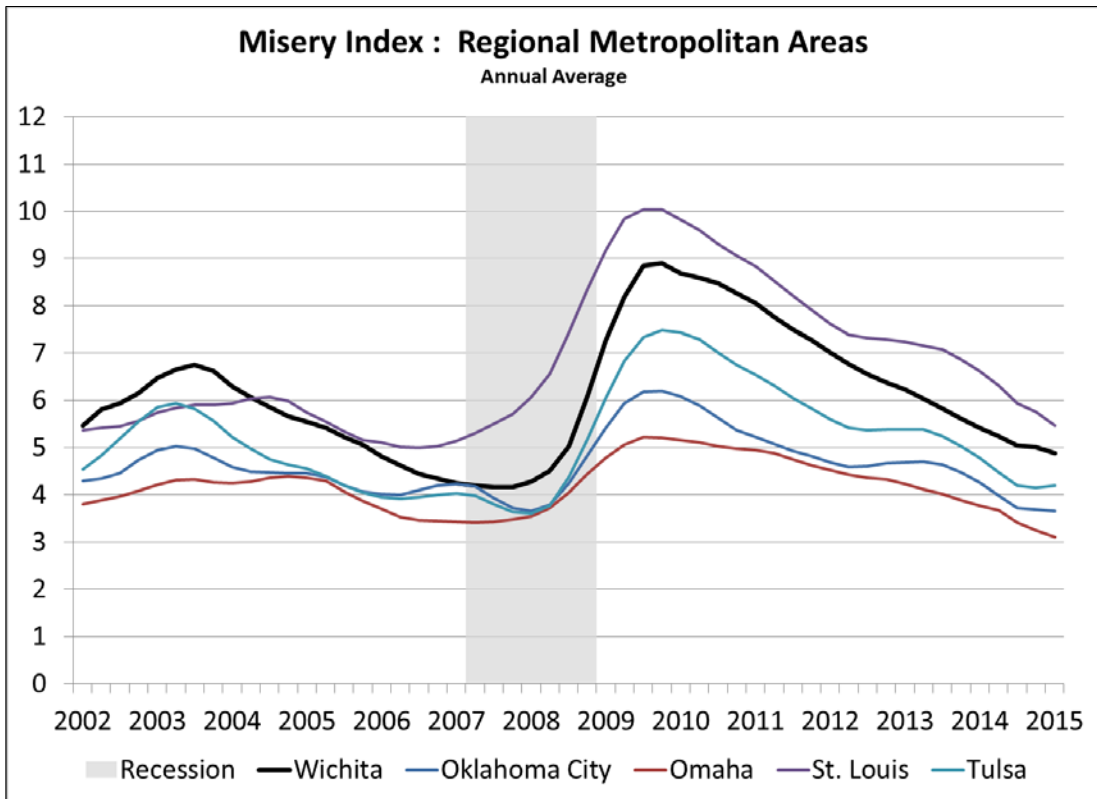
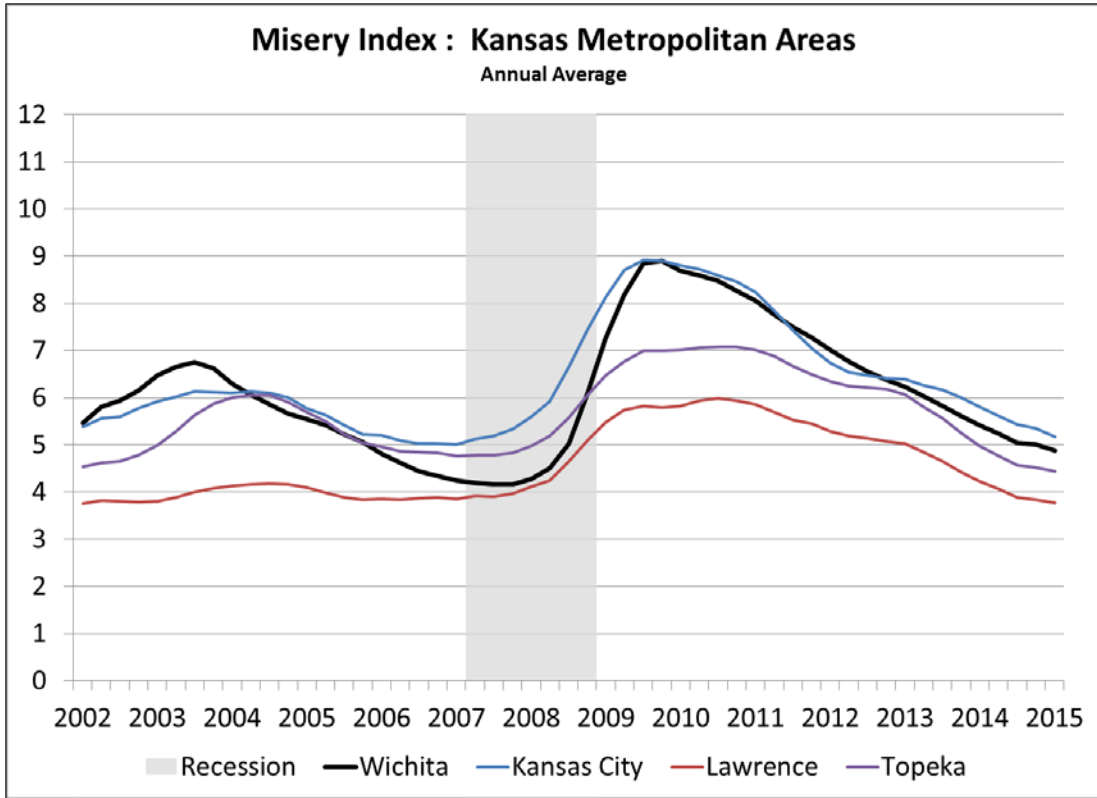
Between the second and third quarters of 2015, the general level of misery experienced by people in the United States decreased and remains well below the 2014 level. This can be attributed to a small decrease in the unemployment rate, low levels of inflation and increases in housing prices. The level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

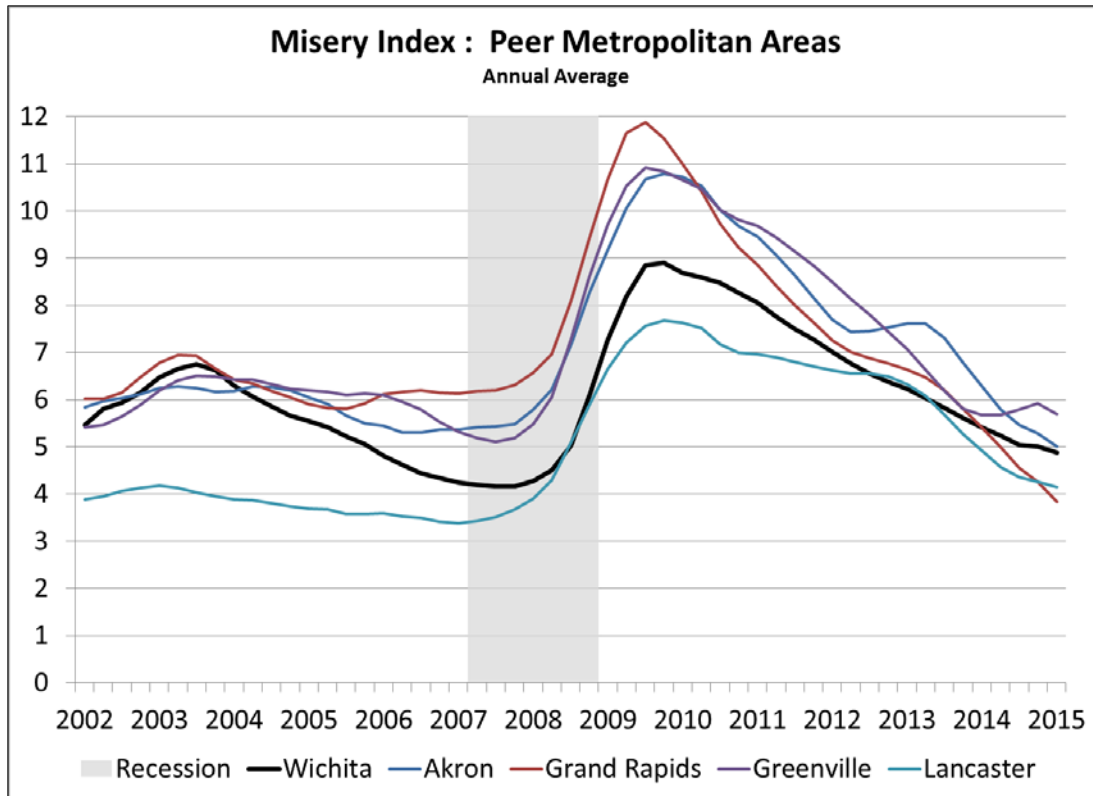
Within each of the metropolitan areas in Kansas, the misery index remains lower than in the United States as a whole. The misery level in Lawrence and Topeka is lower than the state, although Lawrence experienced an increase in misery this quarter. The misery levels in Kansas City and Wichita are above the state level and decreasing. Kansas City experienced a significant decrease between the second and third quarters. Wichita had the smallest decrease in misery between the second and third quarters of any area examined.

Within the region, two of the largest metropolitan areas, Kansas City and St. Louis, have the highest level of misery in the third quarter. Both of these areas have had a decrease in misery between the second and third quarter. Omaha had the lowest level of misery in the third quarter and had an increase in misery between the second and third quarters.

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 had the highest level of misery in the third quarter 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 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 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 November 25, 2015.

² <http://www.fhfa.gov/Default.aspx?Page=87> Data accessed November 25, 2015.

³ <http://www.bls.gov/bls/unemployment.htm> Data accessed November 25, 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](#).