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

Misery Index: 2013 Q1

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.

		Index Value		% Change in Index		Quarterly % Change in Index Components		
		2013 Q1	2012 Q4	Quarterly	Annual	HPI	CPI	UR
	U.S.	8.08	7.51	7.57%	-6.86%	0.31%	-0.14%	0.08%
	Kansas	5.95	5.22	13.93%	-5.72%	0.53%	-0.14%	0.14%
Kansas	Wichita, KS	6.75	6.05	11.57%	-9.37%	0.57%	-0.14%	0.12%
Kansas	Kansas City, MO-KS	6.89	6.19	11.32%	-4.99%	-0.18%	-0.14%	0.11%
Kansas	Lawrence, KS	5.61	4.68	19.88%	-0.40%	0.41%	-0.14%	0.20%
Kansas	Topeka, KS	6.85	5.96	14.88%	0.00%	0.20%	-0.14%	0.15%
Region	Oklahoma City, OK	4.92	4.71	4.37%	-3.49%	-0.16%	-0.14%	0.04%
Region	Omaha, NE	4.65	4.05	14.70%	-7.14%	0.29%	-0.14%	0.15%
Region	St. Louis, MO-IL	7.89	6.99	12.96%	-5.80%	-0.69%	-0.14%	0.13%
Region	Tulsa, OK	5.66	5.35	5.83%	-8.33%	-0.58%	-0.14%	0.06%
Peer	Akron, OH	7.52	6.01	25.06%	-5.88%	-0.33%	-0.14%	0.25%
Peer	Grand Rapids, MI	6.49	5.85	10.93%	-13.99%	-0.12%	-0.14%	0.11%
Peer	Greenville, SC	6.85	7.03	-2.60%	-11.67%	0.52%	-0.17%	-0.02%
Peer	Lancaster, PA	7.14	6.39	11.65%	2.69%	0.79%	-0.25%	0.12%

Values are impacted by rounding.

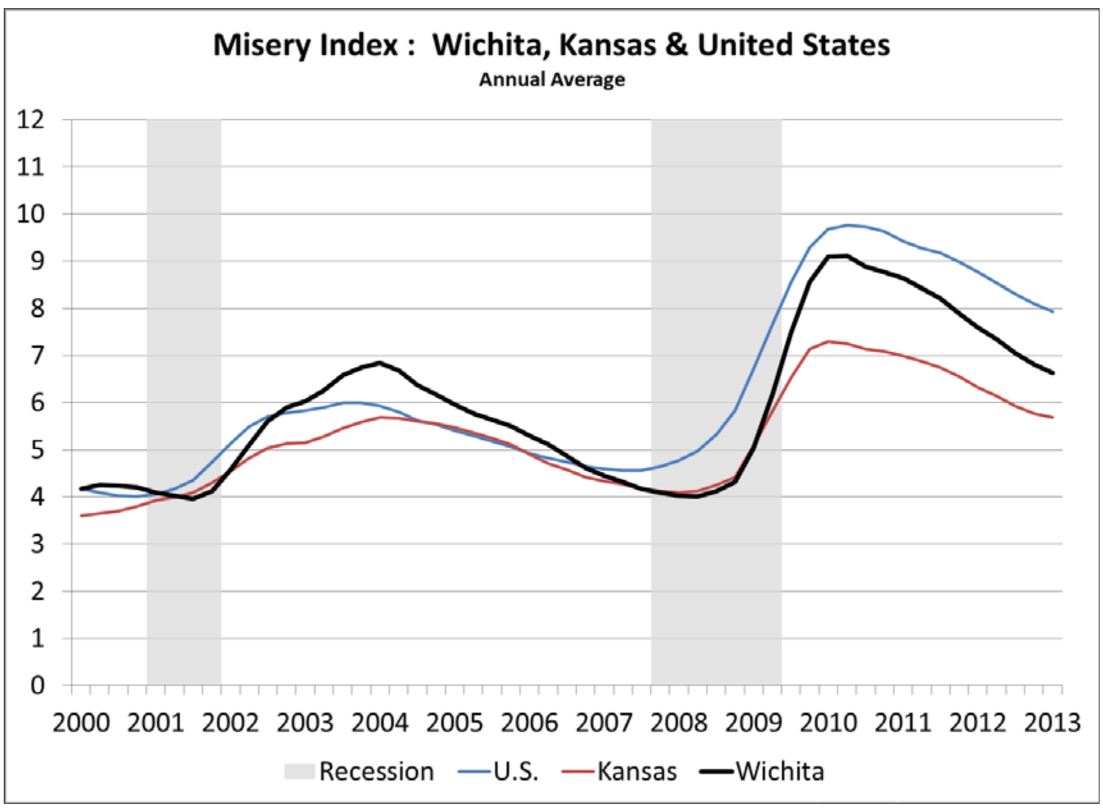
Between the fourth quarter 2012 and the first quarter of 2013 the general level of misery experienced by people in all areas covered by this report, except those living in Greenville, S.C., increased. However, the level of misery was lower in all areas, except Lancaster, Penn., when compared to the first quarter of 2012. This can be attributed to a general increase in the quarterly average unemployment rates. Additionally, there has been a decrease in inflation since the end of 2012, and housing prices have had a mixed performance.

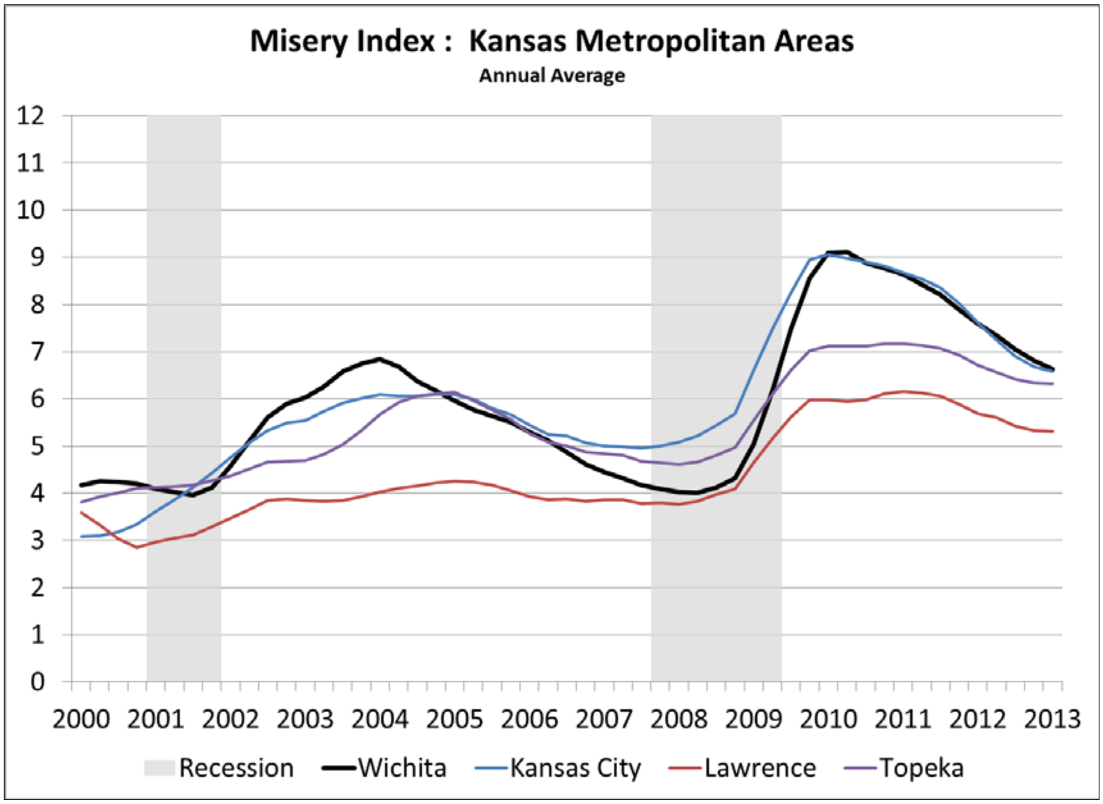
Within Kansas, Lawrence experienced the most significant increase in misery, followed by Topeka. However, Lawrence had the lowest level of misery in the state, which can be attributed to the relatively low unemployment in the area. Wichita and Kansas City experienced less significant increases in the level of misery, due to the relatively smaller increases in unemployment. The increase in the level of misery in the Kansas City area was partially offset by a decrease in the price of housing.

Within the region, including Kansas, St. Louis continues to have the highest level of misery in the first quarter of 2013, with an index value of 7.89. St. Louis was followed by Kansas City, Topeka, and Wichita with index values of 6.89, 6.85 and 6.75, respectively.

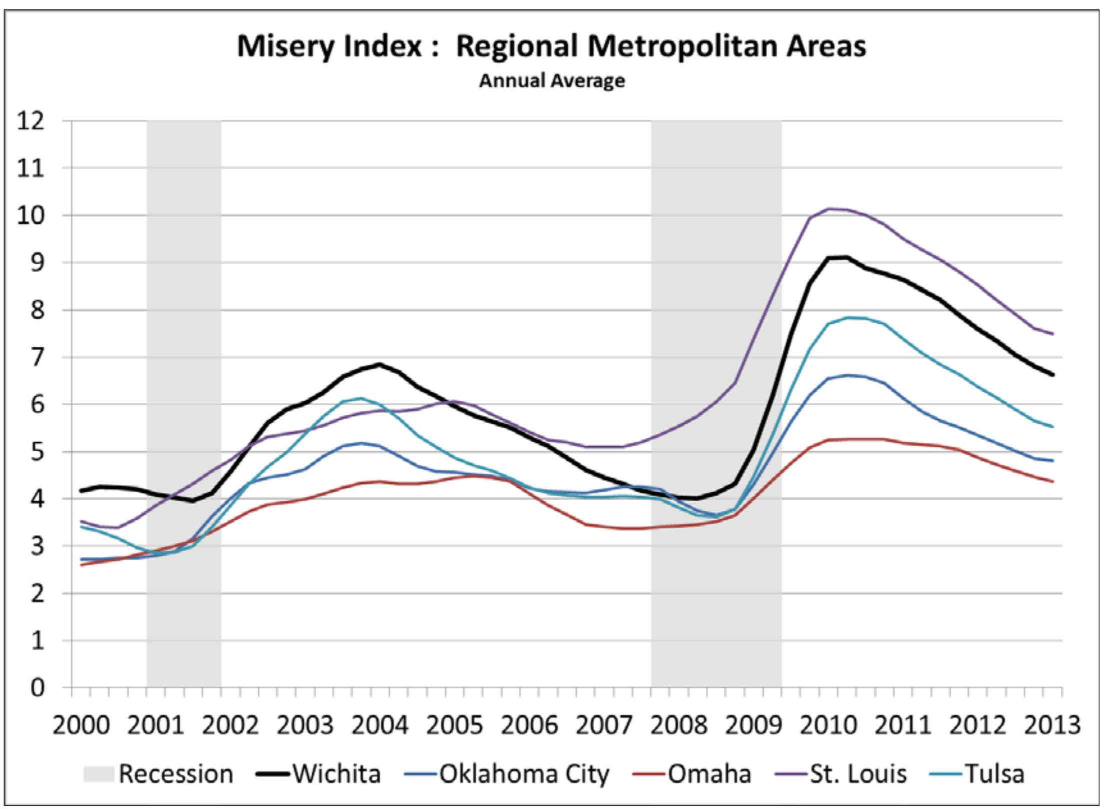
For comparison, the misery index for four metropolitan areas similar to Wichita in population, demographics, and industrial mix are also provided. Within these peer communities, Akron and Lancaster experienced larger increases in the level of misery than Wichita. Grand Rapids continues to be the only peer community with a misery level lower than Wichita, with an index value of 6.49 compared to Wichita's 6.75.

As the economy continues the slow recovery from the recession, the annual average misery rates in most areas continue to decline. Although most areas have experienced an increase in economic misery in the first quarter of 2013, the average annual rate for the period ending March 2013 was lower than the period ending March 2012.

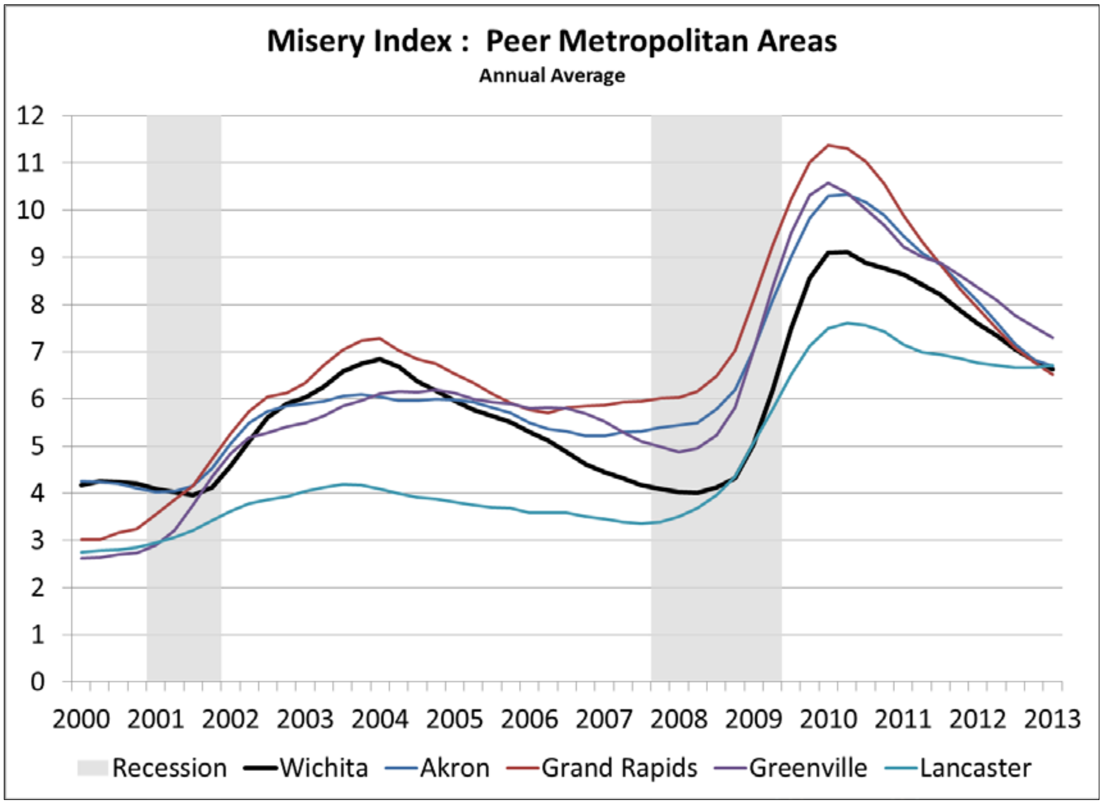




Misery Index : Kansas Metropolitan Areas
Annual Average
12
11
10
9
8
7
6
5
4
3
2
1
0
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
Recession
Wichita
Kansas City
Lawrence
Topeka



Misery Index : Regional Metropolitan Areas
Annual Average
12
11
10
9
8
7
6
5
4
3
2
1
0
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
Recession
Wichita
Oklahoma City
Omaha
St. Louis
Tulsa



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 1982-1984, 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 inflation rate. South – Size Class B/C, with a base period of December 1996, was used for the Greenville metropolitan area inflation rate.

[1] http://www.bls.gov/cpi/ Data accessed May 28, 2013.
[2] http://www.fhfa.gov/Default.aspx?Page=87 Data accessed May 28, 2013.
[3] http://www.bls.gov/bls/unemployment.htm Data accessed May 28, 2013.

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.