



THE STOUFFER REPORT

Senator Bill Stouffer
Senate District 21

Capitol Building, Room 332
Jefferson City, MO 65101

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Smart Policies Result in Economic Growth

Due in large part to smart, business-friendly legislation enacted over the past two years, Missouri's economy is again on the upswing. Missouri's lawmakers and statewide officials have implemented reforms to energize our state's economy and lower taxes on hardworking Missourians. These pro-growth policies have led to 18 months of steady job growth and economic improvement. Meanwhile, Missouri's General Revenue Fund has reaped the benefits of these smart policies. Year-end revenue tallies show the highest rate of growth in more than two decades.

Missouri has created 50,000 new jobs in the past 18 months, and our state is now home to a historic 2.8 million jobs. Over Missouri's 2006 fiscal year, which ended June 30, state general revenue (GR) showed a 9.2 percent rate of growth, a figure well outside the historical norm. Only twice in the past 20 years has GR grown by more than 9 percent. Total net collections outpaced the estimated 4.9 percent growth by \$292.4 million. Meanwhile, common-sense, cost-cutting improvements have saved Missouri an additional \$30 million.

These unprecedented economic advances are no accident. Over the past several years, lawmakers have implemented lawsuit and workers' compensation reforms while exercising smart fiscal management. Officials and policymakers are requiring the state to live within its means, and we have avoided using one-time funding sources that bloat Missouri's budget with no means for future funding.

Meanwhile, Missouri's private industries are making the most of a growing economy. Small-business owners and entrepreneurs are building on the significant improvements in Missouri's economy to create jobs and continue moving our state forward.

To be clear, 4.9 percent growth is an ambitious estimate, and Missourians should not expect to continue growing at a rate of 9.2 percent. Growth in GR for next fiscal year is currently estimated at 4.5 percent. The estimate accounts for national trends, such as continued high energy prices and higher interest rates, and the number will be reviewed and revised as necessary by the governor and General Assembly prior to the 2007 legislative session. I make no promises as to next year's performance, but I am confident our economy will continue moving forward.

Indicators such as this show our state is moving in the right direction, and I vow to continue these efforts to provide for the citizens of our great state.

If you have questions or comments about this or any other issue, please call toll free (866) 768-3987 or by email at bstouffer@senate.mo.gov.

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