

Missouri

From 2002 to 2008, Missouri's spending increased the most in the health (139%), debt service (84%), and hospitals (49%) categories. The increase in health spending was the second-greatest in the nation in terms of percentage. In terms of per capita spending, Missouri went from 46th in the nation in health spending in 2002 to 20th in 2008. The spending categories that saw the least growth were police (+1%), administration (-1%), and parks and recreation (-27%). Missouri ranked in the bottom ten states in spending growth in six of 12 categories. The state's overall general spending increase of 26% ranked 46th-highest.

Missouri's total overall revenue growth of 32% ranked 42nd for the period, and its total tax revenue growth rate of 26% ranked 48th. Personal income taxes were the fastest growing tax revenue category, increasing 42% and ranking 29th-highest. Corporate income tax revenue, the fastest growing tax revenue category in most other states, rose 28%, ranking 43rd.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	619,674	33	754,740	35	-2	22%	36
Education	6,717,220	41	8,604,958	45	-4	28%	44
Government Administration	547,846	39	541,561	48	-9	-1%	43
Health	485,805	46	1,163,167	20	+26	139%	2
Highways	1,871,062	23	2,034,235	31	-8	9%	35
Hospitals	888,708	16	1,322,145	20	-4	49%	21
Interest on Debt	567,965	27	1,045,801	19	+8	84%	9
Natural Resources	293,627	33	347,965	35	-2	19%	26
Parks and Recreation	50,672	41	37,236	49	-8	-27%	42
Police Protection	211,894	25	214,579	35	-10	1%	47
Public Welfare	5,496,624	21	6,231,774	40	-19	13%	48
Salaries and Wages	3,216,297	37	3,661,593	41	-4	14%	42
Direct Expenditures	13,634,499	37	17,982,716	42	-5	32%	34
General Expenditures	18,707,684	43	23,621,358	44	-1	26%	46
Total Expenditures	20,840,783	43	26,788,804	45	-2	29%	43

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	3,615,391	25	5,118,849	25	0	42%	29
General Sales Tax ²	2,854,718	37	3,228,274	41	-4	13%	41
Corporate Income Tax ³	300,459	36	384,010	46	-10	28%	43
Total Taxes	8,728,932	42	10,965,171	47	-5	26%	48
Total Revenue	19,085,356	37	25,243,465	42	-5	32%	42

¹ Personal income tax per capita rankings are out of 43 since seven states do not collect personal income taxes.

² General sales tax per capita rankings are out of 45 since five states do not collect general sales taxes.

³ Corporate income tax per capita rankings are out of 46 since four states do not collect corporate income taxes.

Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Missouri’s population increased by 4%. This yields a “baseline” growth of 24% for the period. The figure below compares the difference in Missouri’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.

