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The State of Missouri's Families: Facing Lower Wages, Higher Prices & Reduced Access to Critical Services

St. Louis, MO -- Governor Matt Blunt's 2008 State of the State Address, delivered last night to the Missouri General Assembly, described an economic situation that is unfamiliar to many of Missouri's working families.

"Governor Blunt's claim that 'Missourians are prospering' during these difficult economic times is, unfortunately, not true for most families in our state," said Amy Blouin, Executive Director of the Missouri Budget Project. "Instead, many Missouri families are simply not better off than they were last year or even five years ago."

According to the U.S. Census, **the average Missouri family earned nearly \$5,000 less at the end of 2007 than they did in 2001.** In addition, in the last year **the number of uninsured Missourians increased by 15 percent to 770,000 people** – a rate that was three times faster than the average growth in the United States as a whole – due in large part to the drastic 2005 cuts in Medicaid.

Furthermore, the Missouri Budget Project estimates that by Fiscal Year 2010 (just 18 months from now), Missouri will face a \$300 million or larger budget shortfall. This is due to a series of tax reductions in 2007, along with long term debts and obligations, and the inflationary demands to continue current programs. This means that in a year and a half, Missourians will be faced with \$300 million in further cuts to the critical programs and services they need in this difficult economy.

(more)

“With wages falling in our state, and prices rising on everything from food and fuel to health care and higher education, Missouri’s working families are beginning to fall behind,” Blouin continued. “With a projected budget deficit fast approaching, it is critically important for our state leaders to be prudent and fiscally responsible this year when selecting budgetary priorities. They should work to ensure all Missourians have access to the programs and services they need, especially relating to health care and education.”

Blouin said several of the Governor’s 2008 spending priorities fall short of this fiscally prudent goal. For example, the Governor’s “Insure Missouri” health care proposal misses the mark on several major areas of concern.

Notably, the proposed program ignores seniors, individuals with disabilities and children who lost eligibility under the 2005 Medicaid cuts, while providing a more limited package of health benefits to working parents and caretakers. It also sets up an additional layer of bureaucracy, rather than building on the existing Missouri HealthNet program, and wastes valuable resources that could be used to provide health care services.

“Although there are significant concerns about the holes in coverage and additional bureaucracy in the Insure Missouri proposal, with some important changes it could mark a positive step forward for health care coverage in Missouri,” Blouin said.

“The Missouri Budget Project looks forward to working with the Governor and legislative leaders to enhance this plan and create a real solution to Missouri’s health care crisis.”