



LIFE, LIBERTY and the pursuit of HAPPINESS

UNDER SIEGE

2019 Annual Report

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LET FREEDOM RING

Whither Missouri—and whither the United States of America? Our state and nation are fighting a two-front war: contending with the worst pandemic in the last 100 years . . . and the worst economic downturn since the 1930s. What is needed to surmount this dual challenge?

In early June, Show-Me Institute Chairman Joe Forshaw and President Rex Sinquefield sat down to address that question along with other troubling issues of the day. One takeaway from the interview: The worst-case scenario would be a socialistically inclined mega-government that set out to banish independent thought and risk-taking. Sadly, while throwing all caution to the wind in launching new entitlement programs, this new government would exercise more and more control over the choices people could make and the ideas they could express.

Such a government would put us all on the pitted and potholed road to serfdom.

The real answer lies in individual freedom and responsibility, a return to limited government, and a renewed commitment to free enterprise and free choice. In short, the real solution is in ourselves—as a free and resourceful people—and in the advancement rather than the curtailment of human liberty.

Andrew Wilson

Senior Fellow, Show-Me Institute



REX SINQUEFIELD
President



JOE FORSHAW
Chairman

REFLECTIONS FROM THE CHAIRMAN AND PRESIDENT

Joe Forshaw and Rex Sinquefeld speak out on the issues of the day (questions from Andrew Wilson in italics):

What have we learned from the pandemic and government's response—the Great Lockdown in the spring of 2020, which sent the economy into the worst crash since the early days of the Great Depression?

Joe: Prof. Neil Ferguson, the epidemiologist from Imperial College London who became known as “Professor Lockdown,” was quoted as saying he didn’t think the lockdowns had done much good. Of course, there was a good deal of the fog of war at the beginning of the pandemic in dealing with a novel and highly contagious virus. But if you look at some of these states like Michigan that have tenaciously held on to the most severe lockdown strategies even as key data started to change for the better, it has become a political thing, to where it looks like the so-called “cure” could wind up causing much more damage than the virus itself.

Rex: The virus is not the only killer. There are other ways of putting lives at risk. Locking people out of their jobs and livelihoods denies an income to millions of people and puts them into a tight box, unable to move about freely and lead useful, purposeful, and enjoyable lives. This situation leads to all sorts of stress, from heightened anxiety to increased alcoholism, depression, and suicide.

There’s also a positive side to what’s happened. Everyone is learning more about how to live in a digital world. By necessity, so much of what we do now is done through virtual contact. People have found that going to meetings on Zoom is really easy and saves a lot of time. One of the interesting questions is how much of this will remain when things return to a more normal state. There are great potential benefits that may come from making better and more creative use of digital technology in schools and the workplace—meaning not just business and commerce but also health care.

How well do you think our cities and towns in Missouri have done in dealing with the coronavirus compared with other places in the United States?

Rex: Reasonably well. Missouri has done pretty well compared to other states like Illinois, which has almost twice as many people as Missouri but more than five times as many deaths from coronavirus.

If you look at other population centers, we have basically an experiment. It was not designed as one, but it has turned out to be one. New York City and New York State have accounted for by far the largest number of coronavirus infections and deaths, both because of their greater population density and because of some blunders on the part of political leaders in failing to isolate and protect some of the most vulnerable people—particularly elderly people living in long-term care facilities. For some time, the state of New York actually required nursing homes to admit COVID-19 patients released from hospitals. Gov. Cuomo said that “even one death” from coronavirus was unacceptable, and then he insisted that the nursing homes take all these coronavirus patients.

Joe: To me, almost everything comes down to one question: Can the emergency rooms handle the patient load? As long as people think, “I can go into one of the leading hospitals in my city or town and get treatment,” that’s okay. But if people are dying in the street, that’s different. It happened in Italy, and it may have come close to that in New York, but—knock on wood—it hasn’t happened here in Missouri or in other states.

Joe, you ran a family-owned business for many years—one that your great-grandfather founded in 1871, when Ulysses S. Grant was president. Your thoughts on the lockdown from a personal perspective?

Joe: I’ve been fully retired for several years, but even so the lockdown was the biggest single change I’ve seen in more than half a century of being in or around the business world. When you are a small businessman, you are really in charge of your life, to the extent that anyone is. When you get up in the morning, you think about

the customer, because the customer is your boss. The government is there but you’d rather not see any more of it than you already do. Then, all of a sudden, to be told that *you must lock your doors, and we will put you and your business on welfare*, that was really horrifying. You’re left sitting around with nothing to do because that’s what the new boss—your own government—told you. Let’s hope it’s just in a temporary sense, but as a free and independent businessman you have suddenly become a ward of the state.

Rex: We come out of a free country and a free society and suddenly we find ourselves in one that is not so free. That’s very jarring. It creates anomie. [*Editor’s note, defined in one dictionary as “social instability caused by an erosion of standards and values.”*]

We’ve seen plenty of social unrest—with massive protests, riots, looting, the pulling down of statues, and calls for “defunding” police departments in major cities. Many people are saying that we as a country are guilty of “systemic racism.” Your thoughts?

Rex: Whatever you want to call it, I think that what we’re doing to inner-city children in this country—mostly African-American children—is a crime. It’s immoral. At the primary and secondary levels of public education, we’re depriving them of an opportunity in life. I don’t think that anyone could design a more effective way of hurting these children permanently than what we have today, where a huge fraction of eighth-grade students in inner-city schools are illiterate and can’t do math, and where there is little or no school choice. Your children go to school based on where you live, and too bad for you and your children if it’s a terrible school. We have a system that operates on the principle of what’s best for the teachers and administrators (their jobs and their pensions), not what’s best for the children and their parents.

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Free-market capitalism is built on the foundation of freedom itself, and freedom in the broadest sense is under attack.

We know how to reform public schools, because we've seen the incredible results achieved by charter schools in Florida [see Susan Pendergrass's article on p. 10 of this annual report] and a number of other places, including New York City. New York's Success Academy charter school has a predominantly Black and Hispanic student body, and the students there pass tests in English and math at a higher rate than at any other school district in the whole state.

Think about that! Students in some of the poorest areas of New York City are outperforming students in affluent suburban districts where parental income is multiples higher. And it's not because the charter schools are "cherry-picking" the best students. Students are assigned to charter schools through a lottery system—that is, by chance—and not as a result of superior test scores.

Joe: Rex, you talked about how people have learned to make better use of digital technology during the lockdown. That hasn't worked out so well here and

across the country in public education. Most schools and school districts were woefully unprepared for any kind of a sudden and massive shift to remote learning. The teachers hadn't trained or prepared for it, the students weren't prepared for it, and their parents weren't prepared for it. But there has been one bright spot. Charter schools as a group seem to have responded far more quickly and creatively than traditional public schools. According to a new study, leading networks of ten or more charter schools were more than twice as likely as their counterparts in traditional public schools to monitor student progress and more than three times as likely to grade their work.

I think that's a great reflection of the kind of marketplace mentality that arises when you have school choice and a sizeable group of schools—the ones with charters—that live or die on their ability to win the support of students and their parents. The charters give charter schools the freedom to set their own hours, create their

own curriculums, and hire and fire teachers as they see fit (operating outside the purview of teachers unions and local school districts).

The charter schools in our two biggest cities may not be doing as spectacularly as those in New York City, but they are doing pretty well. With 36 percent of the total public-school enrollment in St. Louis City and 46 percent in Kansas City, they account for six of the ten highest-performing schools in each of the two districts. Susan [Pendergrass] tells us that these schools are out in front of traditional schools in moving into online education.

Missouri's economy has lagged behind that of most other states for many years. What do we need to do to change that?

Rex: You're right. Missouri's performance has been horrible, just dreadful. Should you care whether GDP growth in Missouri is just 1 percent when other states are growing at 2 percent or more? You should, because, compounded over time, little differences become big differences. In speaking at a Show-Me Institute event last year, two economists neatly illustrated the point in a lecture called "The Missing Million." They looked at Missouri's changing demographics and economic performance in the 50 years since Neil Armstrong became the first man to walk on the moon. If Missouri's population had simply kept pace with other states since 1969, we'd be home to 1.2 million more people—*the missing million*—and the average Missouri worker would be making almost \$3,500 more per year.

The only way to change that is to eliminate the primary cause of our stultification, which is high taxes, specifically our taxes on income and profits. If they stay up there, then we are one of the heavier-taxing states, and nothing will change. A good place to begin would be getting rid of the 1-percent earnings tax in St. Louis City and Kansas City and replacing it with a sales tax.

Whither America? Lincoln said, "If destruction be our lot, we must ourselves be its author and finisher." What do we need to do to get back to where we were at the beginning of this year—with a booming economy—and to make sure we do not become the author of our own destruction?

Rex: We have to win the battle of ideas. I think that people need to have a renewed education and appreciation of free-market capitalism. Why it works, how it works, that it works. And they need a new education about the horrors and failures of socialism.

Joe: For the first time in my lifetime, I feel frightened for the future of our country. Free-market capitalism is built on the foundation of freedom itself, and freedom in the broadest sense is under attack. This goes way beyond too much regulation and government interference in the marketplace. Right now people are talking about dismantling the entire thing called the American experiment. We have a lot of work to do in preserving freedom and making sure we don't self-destruct.



Joe Forshaw, Chairman



Rex Sinquefeld, President

Aug 3, 2020

MISSOURI REAPS THE WHIRLWIND

By Elias Tsapelas

For years, Missouri's lawmakers have resisted calls to rein in the state's unsustainable spending, and state taxpayers are now poised to pay the price for that inaction. When COVID-19 arrived in Missouri, it brought with it an economic downturn and a budget crunch of historic proportions. But could the worst have been avoided?

Show-Me Institute analysts have long warned that Missouri was unprepared for an economic downturn. According to Moody's Analytics, our state ranked 49th in the nation for its ability to weather an economic storm. Missouri's government-run programs have been growing more expensive each year, and policymakers have refused to bring them under control. The problem isn't complicated: Spending growth that outpaces the economy is unsustainable.

Missouri's bleak fiscal outlook is not all the result of COVID-19, but the virus has exposed past policy failures. According to the National Bureau of Economic Research, the United States entered a recession in February. This announcement followed reports that Missouri's tax revenue collections had fallen roughly \$600 million behind where they were at the same time in 2019. Since our state can't spend money it doesn't have, such a massive shortfall would seem to necessitate immediate spending cuts. Unfortunately, Missouri's legislature had other plans.

One of the Missouri legislature's most important responsibilities is to pass a balanced budget. But our elected officials responded to the current economic realities with the largest budget in state history. The new \$35-billion spending plan represents an increase in spending of nearly 20 percent over last year.

Crafting a balanced budget this year was already going to be difficult because of the recession. As unemployment rates go up, the cost of entitlement programs such

as Medicaid increases, because more people become eligible. Meanwhile, the state receives less tax revenue to pay for those services, because fewer people are working and shopping.

Over the past five months, Missouri's Medicaid rolls have increased by approximately 95,000, bringing enrollment above 935,000—meaning that roughly 1 in 6 Missourians are now on the program. During the same period, more than 615,000 Missourians filed for unemployment. With more of the budget going to programs like Medicaid, less money is available for other state priorities like education and public safety. So how did the legislature justify such a large budget? By pinning its hopes on a bailout from the federal government and refusing to consider the possibility that the bailout won't materialize.

Next year's budget doesn't rely on higher state taxes or anticipated higher revenues; instead, it offsets spending with federal funds that may never come. Missouri has already received billions from the federal government for coronavirus relief, and our elected officials are betting that more money is on the way. In fact, if they get the federal money they're counting on next year, Missouri will be far more reliant on the federal government than ever before, with an unprecedented 40 percent of all state spending coming from federal taxpayers, up from just over 30 percent two years ago.

Never mind that Missouri taxpayers are also federal taxpayers; choosing to make the state more dependent on federal money is risky and unwise in its own right. It's why the recent passage of Medicaid expansion could prove so disastrous for Missouri. Medicaid is already the state's most expensive program, and it fails to provide high-quality health care to enrollees today. Expansion is expected to grow the program's rolls by more than 280,000 and would cost more than \$2.7 billion per year.



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The problem isn't complicated. Spending growth that outpaces the economy is unsustainable.

Doubling down on such a poor investment is bad for those who depend on the program and even worse for taxpayers.

Medicaid expansion does nothing about the problems plaguing the current program, and its costs will be borne by taxpayers. Expansion supporters argued for its passage by claiming that drastically increasing coverage will somehow save money, though this obviously can't be true. Federal Medicaid spending is not free for Missourians, and our state will still have to pay 10 percent of the costs for new recipients.

Over the past decade Missouri's policymakers have wisely opposed efforts to expand the program, but now the decision has been taken out of their hands. The enormous incoming Medicaid obligations make their budgetary decisions that much more confusing. Taking more federal dollars today will make it harder to respond to tomorrow's budgetary challenges. Just as there's no guarantee that the federal government will continue covering such a large share of Medicaid costs, we don't know whether future COVID-19 relief will come—or if it does, what strings might be attached.

In March, when Congress passed the first coronavirus relief bill, it put several limitations on where the included federal dollars could be spent. In some cases, the funds even put state taxpayers on the hook for expenses that would persist long after the relief had dried up. For example, the CARES Act stipulated that the aid provided could go only toward COVID-19 relief, which meant the funds couldn't be used to balance the budget. In addition, if states wanted funding to shore up their Medicaid programs, they had to agree to stop verifying whether program enrollees were eligible to receive services.

The first relief bill should have made lawmakers wary of counting on a bailout from the federal government. Unfortunately, when times are tough it's often easier to wait for outside help than to make the difficult decisions that righting the fiscal ship would require.

EDUCATION: LESSONS FOR MISSOURI FROM THE SUNSHINE STATE

By Susan Pendergrass

The latest grades for Missouri public schools from the U.S. Department of Education (the so-called Nation’s Report Card) are the kind that no parent would want to see for a child. They paint a picture of a student who started out above average but then lost his way and is now falling further and further behind.

Since 1998, 12 states have moved ahead of Missouri in elementary school reading proficiency, and 19 have done so in math. Missouri has gone from the top half (15th in math and 22nd in reading) all the way down to the bottom third (34th in both subjects). We are slowly falling to the bottom of the class.

In the late 1990s, Florida was in even worse shape than Missouri is today. Florida’s 4th-graders ranked 39th in math and 43rd in reading. Since then, however, Florida has leapfrogged over 36 other states (obviously including Missouri) in moving to the top of the class—4th in math and 6th in reading. What happened?

Over the past two decades, governors and state education leaders in the Sunshine State have made it a priority to create a choice-rich environment for parents and students. Florida has more than 650 charter schools. Charters operate as part of the public school mix in more than two thirds of the state’s school districts, including one all-charter-school district. Florida families can take advantage of publicly funded scholarships for low-income students, students with disabilities, bullied students, and students reading below grade level. Parents and students can also apply for enrollment and transportation to any public school outside their immediate neighborhood that has open seats.

By contrast, Missouri has charter schools in just two of its 518 school districts (Kansas City and St. Louis City), and those were authorized as punishment for the low performance of the existing public schools. Families living anywhere else in the state are stuck with their assigned public school unless they can pay for private



school out of pocket or homeschool their children. Just 3 percent of Missouri families can choose a charter school, while nearly half of all Florida families exercise some form of school choice.

Over the past two decades, Missouri's educational establishment—meaning school superintendents, teachers unions, and school boards (all three with strong lobbying organizations in Jefferson City)—has resolutely opposed any attempt to expand competition and choice in the provision of public education.

At the top of the state's educational pyramid, Missouri's Department of Elementary and Secondary Education (DESE) gives high ratings to nearly every school district in the state—making it easy for parents who don't pay close attention to believe that their schools are among the best in the nation. In other words, DESE reinforces the tyranny of an underperforming status quo. No one really thinks we can protect our children from the consequences of a failing education system by pretending that the problem doesn't exist. But that doesn't mean that maintaining a facade of success hasn't been effective. When we consider its real purpose—to shield the educational establishment from accountability—I have to admit, however grudgingly, that at least so far it has worked like a charm.

Where's the Leadership in a Time of Crisis?

The coronavirus pandemic exposed a lack of leadership and foresight in public education systems across most states, including Missouri. Faced with an urgent crisis, DESE twiddled its thumbs.

Beyond telling school districts that “schools should focus on whatever alternative methods of instruction best support students,” DESE has provided little if anything in the way of new ideas, enhanced support, or practical guidance. Its COVID-19 information website provides information on average daily attendance, school

finances, and matters related to serving students with special needs. But what about *how* to educate hundreds of thousands of students who have been locked out of their schools?

The responsibility for educating students has been pushed off to districts, then to schools, then to teachers, and, ultimately, to parents. And while many parents suddenly found themselves at home, that didn't make them professional teachers. You'd think the head of Missouri's public education system would have been able to offer some serious, substantial guidance. Nope. As a result, many districts could do little more than provide links to well-known educational resources such as Khan Academy and Cool Math Games. The message to parents wasn't helpful, but at least it was simple: *You're on your own; figure it out for yourselves.*

Some districts didn't punt everything to parents. For instance, the Academie Lafayette charter school was quick to implement online learning platforms, holding live sessions for students in grades 6 through 8. It also held virtual education training sessions for teachers and distributed wireless internet hotspots.

States like Florida are offering \$200 stipends to teachers who complete virtual instruction training. What is Missouri doing to equip teachers and parents? Where was the Missouri Course Access Program (MOCAP)? MOCAP was already in place before the pandemic, so you'd expect that quality online education would have been available months ago.

Next fall, when school administrators and teachers complain about how far students have fallen behind, we need to ask our public education leaders why our state wasn't better prepared to respond to the coronavirus crisis and why parents and even students were left to figure it out for themselves.

FREEDOM VS SOCIALISM: THAT'S (STILL) THE QUESTION IN OUR STATE AND COUNTRY TODAY

By Brenda Talent

Benjamin Franklin spoke truth when he said, “Those who would give up essential Liberty, to purchase a little temporary Safety, deserve neither Liberty nor Safety.” Liberty is not an accidental byproduct of a strong and prosperous society; it is the ultimate source of that strength and prosperity.

Not everyone understands that, particularly in Congress.

Under a proposed extension to the so-called Heroes Act sponsored by Speaker of the U.S. House Nancy Pelosi, the federal government would extend an extra \$600 in weekly unemployment insurance benefits through January 31, 2021. According to the *Wall Street Journal*, that would mean that nearly half of the U.S. workforce would make more money by not working than by

returning to their jobs. The bill would also include a second round of \$1,200 rebate checks to individuals, this time including a similar amount for up to three dependents.

Since when did handing out taxpayer money to able-bodied people for *not* working become an act of heroism?

Our federal government was running a projected deficit this year of about \$1 trillion before the coronavirus hit, pushing the national debt to more than \$21 trillion. With an annual deficit in fiscal 2020 of a staggering \$3.7 trillion and an anticipated deficit of \$2.1 trillion in fiscal 2021, total U.S. indebtedness may spiral to \$30 trillion in the next few years—or about \$100,000 in debt for every American.



So what is the greatest threat facing our state and country today?

I believe it is the determination of political and cultural leaders who are proponents of progressive or socialist ideas to separate—and, indeed, to alienate—people from a strong sense of individual freedom and personal responsibility. With their encouragement, we are now seeing an anything-goes mentality on the part of many people and even some prominent economists, who are blithely unconcerned that the United States government is now borrowing more than 50 cents for every dollar it spends.

There is only one way out of this downturn, and it is not through bigger or more intrusive government. Nor is it through a self-proclaimed “caring” government bringing out wheelbarrows full of cash to pay millions of people in the prime of their working lives for doing nothing. And it certainly won’t pay (*i.e.*, produce a beneficial result for the long-term future of our country) to pursue other reckless policies promoted by the Left, such as forgiveness of most student loans and a full government takeover of health care—which currently accounts for about one seventh of the total U.S. economy.

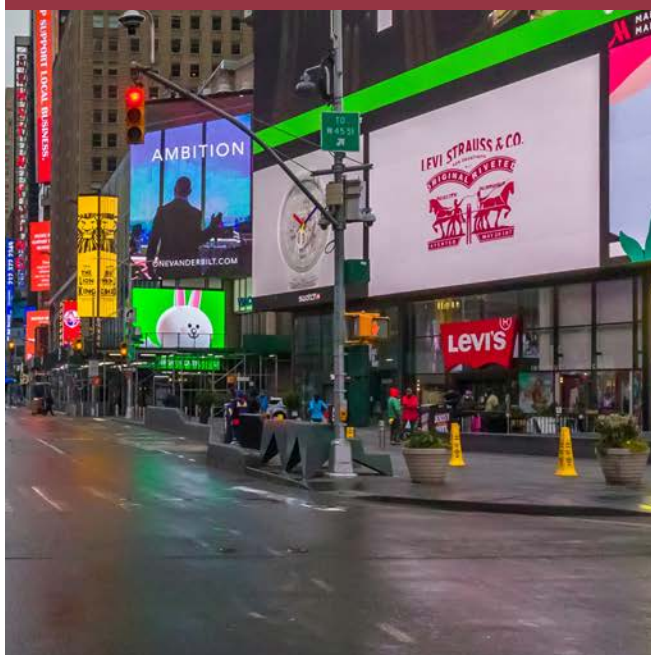
A word about the pandemic: It was perfectly clear months ago that COVID-19 was mostly a threat to the

elderly and to a much smaller proportion of younger people made vulnerable by respiratory and other health problems. Yet in many states, and in most of the countries in Europe, while political leaders forced the young and healthy to isolate, *they neglected to protect those in elder-care facilities*. So while our children were being denied access to schools, parks, and playgrounds, and a huge number of healthy people of prime working age were denied access to the workplace, our parents and grandparents were dying by the thousands in nursing homes from a disease that we knew was a particular danger to them.

So here’s a question to ask yourself: What in the world about how government has handled this crisis should give anyone confidence that it should be more and more empowered to take over our lives going forward?

As I think most people reading this will agree, if today’s economic/public health crisis proves anything, it’s how right Franklin was when he said it was a bad bargain to “give up essential Liberty, to purchase a little temporary Safety.”

Let’s hope we as a people won’t make the wrong choice, leading to a loss of both liberty and safety.



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What in the world about how government has handled this crisis should give anyone confidence that it should be more and more empowered to take over our lives going forward?

A LEGISLATIVE SESSION LIKE NO OTHER ENDS WITH GOOD NEWS

By Patrick Ishmael

Suffice it to say, Missouri's 2020 legislative session was . . . unusual. After a normal opening of the chambers in January and regular legislative action through February, by March the Missouri House and Senate were like the rest of state—shut down. For the next six weeks, the People's business continued in fits and starts with the uncertainty of the pandemic as its backdrop, but by mid-May the legislature had made progress on a number of issues, including several Show-Me Institute priorities.

For obvious reasons, health care was in the spotlight. Although important reforms that Show-Me Institute analysts had called for since 2016 had been introduced and heard in committee, nothing was guaranteed. It was no sure thing, for example, that interstate license reciprocity—which would allow out-of-state doctors to practice in Missouri more easily—was going to get the attention it deserved in the Senate after passing the House.

After the pandemic interrupted the session, however, things moved rapidly. The governor issued several executive orders to promote regulatory waivers related to health care—license reciprocity, telemedicine, and scope of practice in particular. In fact, the Institute released both a blueprint and a paper that advocated for progress on all three of these fronts as a way to promote health care access in the weeks that followed the closure of the legislature. The governor's quick action was welcome and wise.

Temporary waivers are, however, just that—temporary. For lasting progress the governor's waivers had to be made permanent, and as the session restarted Institute researchers and others called for many of the governor's waivers to become law. To its credit, the Missouri

legislature obliged on many items, despite a compressed schedule. Interstate license reciprocity passed in the adoption of House Bill (HB) 2046, which our friends at the Goldwater Institute said “sets an example that other states should follow.” We couldn't agree more.

While the pandemic unexpectedly made health care reforms a priority, not every legislative push in 2020 was related to the coronavirus outbreak. Among other policy initiatives pursued were two that Institute analysts had pushed hard for in recent years: tax-incentive reform and municipal spending transparency. With HB 1854, the Missouri legislature would have required citywide votes on certain taxing districts to ensure developers aren't able to “choose their voters” and redirect tax dollars to themselves. In addition, the bill would have established the Missouri Local Government Expenditure Database, to which cities could upload their spending records for public access. If cities can take your money, they should be reporting how it's spent; the database would have been a step in this direction. Unfortunately, the governor vetoed the omnibus bill. That these ideas passed the legislature is a big step; the work of making these reforms law, however, will have to continue next session or in a special session this year.

Other welcome but temporary measures still await action to be made permanent by legislation, such as allowing school districts greater flexibility in when they start their school years. Given the unpredictability of the public health situation in the months and years ahead, letting that decision be made locally is common sense. One or more special sessions are expected to address at least some of those waivers; what that timeline looks like remains, at this writing, unclear.



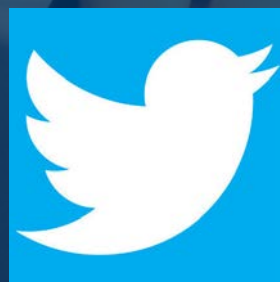
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The chambers took important steps toward liberty in their limited time, and more progress may be in the offing.

If the state opens a special legislative session, though, it should not limit itself to making waivers permanent. Other items like Learn Safely Scholarships and establishing direct access to state online learning resources are important precisely because the legislature ran out of time to address all of the consequences of the coronavirus pandemic. Additionally, legislators should ensure that local bureaucrats cannot again arbitrarily and haphazardly shut down small businesses and protect big businesses like Walmart should the public health crisis further intensify in the fall. If it's essential for Walmart to stay open, then it's essential for its mom-and-pop competition to remain open too.

Legislative sessions can be unpredictable, and 2020 had more surprises than any in recent memory. Still, the chambers took important steps toward greater liberty in their limited time, and more progress may be in the offing later this year. Institute researchers will keep pushing to secure new reform victories, but we will also remain vigilant to help protect the ones we've already achieved. The list of things to protect grew in 2020; we hope that list gets longer still by year's end.

SHOW-ME INSTITUTE IN THE MEDIA



THE SHOW ME INSTITUTE PODCAST

In 2019 the Show-Me Institute and Show-Me Opportunity launched the Show-Me Institute Podcast. Each episode is a free-flowing conversation focused on free-market solutions to issues that impact Missourians. Topics include expanding educational freedom, increasing government transparency, and uncovering the hidden taxes that line the pockets of private developers. Below are a few of the public policy experts who have appeared as guests on the podcast over the past year.



Virginia Walden Ford

Leading advocate for improved educational opportunities in America's schools and the subject of the 2019 film Miss Virginia



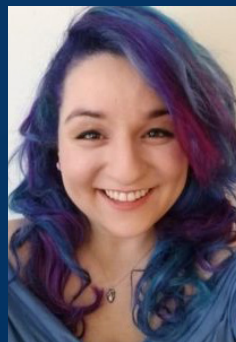
Corey A. DeAngelis

Adjunct Scholar at the Cato Institute's Center for Educational Freedom and Director of School Choice at the Reason Foundation



Andrew G. Biggs

Resident Scholar at the American Enterprise Institute



Shoshana Weissmann

Senior Manager of Digital Media and Communications and Fellow at R-Street

Listen and subscribe to the Show-Me Institute Podcast at [SoundCloud.com/Show-Me-Institute](https://soundcloud.com/show-me-institute) or on Apple Podcasts.

LIVE EVENTS

Constitutional Revision in Missouri: A Panel Discussion



Friday, October 4, 2019
 Presentation 5:30 p.m. to 6:45 p.m.
 Reception to follow

State Historical Society of Missouri
 Center for Missouri Studies
 605 Elm Street, Columbia, MO 65201

Approved for 1.5 Hours of Missouri CLE

Michael Wolff Dean Emeritus SLLJ School of Law	Justin Dyer Director of the Kinder Institute on Constitutional Democracy
James Layton Attorney	John Dinan Professor of Politics Wake Forest University

Cost: Free

CONSTITUTIONAL REVISION IN MISSOURI

On October 4 in Columbia, Missouri, a panel of legal experts including Justin Dyer, Michael Wolff, James Layton, and John Dinan provided insights on Missouri's initiative, referendum, and amendment provisions and evaluated the opportunity for constitutional revision in Missouri via the assembly of a constitutional convention. Audio of the event can be heard at [SoundCloud.com/Show-Me-Institute](https://www.soundcloud.com/show-me-institute).



SPEAKERS SERIES ON ECONOMIC POLICY

“The Inclusive Economy: How to Bring Wealth to America’s Poor”

Wednesday
 November 13, 2019

5:30 p.m.
 Reception

6:00 p.m.
 Presentation

Cost: Free

Saint Louis University Richard A. Chaifetz School of Business
 Anheuser-Busch Auditorium
 3674 Lindell Blvd. at Spring Ave. in Saint Louis

Guest Speaker: Michael Tanner—Cato Institute Senior Fellow

THE INCLUSIVE ECONOMY: HOW TO BRING WEALTH TO AMERICA’S POOR

At Saint Louis University and the Kansas City Public Library, the Cato Institute’s Michael Tanner led a discussion on his latest book, *The Inclusive Economy*. His remedy is not more government intervention in spending or redistribution, but rather a series of actions that address the racism, gender discrimination, and economic dislocation feeding poverty. The solutions range from criminal justice reform to greater educational flexibility and the elimination of savings barriers for the poor.

OPPORTUNITIES TO IMPROVE MISSOURI SCHOOL FUNDING
 A WORKSHOP PRESENTED BY THE SHOW-ME INSTITUTE AND THE REASON FOUNDATION

Thursday, November 7, 2019
 9:30 a.m. to 2:00 p.m.

University of Missouri–St. Louis
 Millennium Student Center
 Century Room C
 1 University Blvd.
 Saint Louis, MO 63121

Arion Smith, Reason Foundation
 Christian Barnard, Reason Foundation
 Susan Pendergrass, Show-Me Institute
 Marty Lueken, EdChoice
 James Shults, University of Missouri–St. Louis
 Bill Kent, The Blome School

And a special presentation by Senator Bob Ouder




COST: Free

For more information or to RSVP, please contact Zach Lammert: (314) 454-9547 or z.lammert@showmeinstitute.org

WORKSHOP: OPPORTUNITIES TO IMPROVE MISSOURI SCHOOL FUNDING

In November, the Show-Me Institute and Reason Foundation held a workshop at the University of Missouri–St. Louis to discuss school finance policy that directly affects all of Missouri’s students and classrooms. Speakers included experts in the field of education policy from across the country.

VIRTUAL EVENTS

ECONOMIC RECOVERY AFTER A PANDEMIC

TELEPHONE TOWN HALL

Guest Speaker:
ANDY PUZDER
Senior Fellow at the Pepperdine University School of Public Policy

Moderated by:
SENATOR JIM TALENT

APRIL 3, 2020
1:00 P.M. – 2:00 P.M.

CALL IN NUMBER:
(314) 408-3030

Sponsored by:
Show-Me Institute and Show-Me Opportunity



ECONOMIC RECOVERY AFTER A PANDEMIC WITH ANDY PUZDER

During this special Telephone Town Hall, Andy Puzder, author of *The Capitalist Comeback* and a senior fellow at the Pepperdine University School of Public Policy, discussed the economic impact of the coronavirus pandemic and what a possible recovery might look like with Senator Jim Talent.

HOW TO REOPEN AMERICA

A VIRTUAL TOWN HALL

Guest Speaker:
DR. ARTHUR B. LAFFER
Presidential Medal of Freedom Award Recipient

SENATOR JIM TALENT
Moderator

MAY 4, 2020
11:30 A.M.

A ZOOM WEBINAR

Sponsored By: Show-Me Institute and Show-Me Opportunity



HOW TO REOPEN AMERICA: A VIRTUAL TOWN HALL

During this Virtual Town Hall, economist and Presidential Freedom Award honoree Dr. Arthur B. Laffer led a discussion on reopening the U.S. economy after the coronavirus pandemic shutdowns. During the conversation, Dr. Laffer and Senator Jim Talent discussed ways that federal, state, and local governments could encourage hiring and spur economic recovery.

Health Care in Missouri: Opportunities for Reform in 2020

Guest Speakers:
Patrick Ishmael & Elias Tsapelas

Show-Me Institute
3645 Troost Avenue
Kansas City, MO
64109

Thursday, February 13th
7:30 a.m. – 8:30 a.m.

Cost: Free




HEALTH CARE IN MISSOURI: OPPORTUNITIES FOR REFORM IN 2020

In early 2020, the Show-Me Institute held multiple policy events focused on health care reform in Missouri. During these presentations, Show-Me Institute Senior Analyst Elias Tsapelas and Director of Government Accountability Patrick Ishmael discussed why 2020 could be a year of action for Missouri and not another year of missed opportunities.

PUBLICATIONS

COMMENTARIES PUBLISHED IN 2019

February 11: “Failure Is Not an Option for Missouri School Districts—But Is That a Good Thing?” by Susan Pendergrass.

February 15: “New York Shouldn’t Have Offered Amazon \$3 Billion. No One Should Have,” by Patrick Ishmael.

February 18: “Why the Green New Deal Will Not Fly in Missouri,” by Andrew Wilson and James W. Seeser.

February 21: “Cyclical Poverty Is a Problem in Missouri. What Can Be Done about It?” by Emily Stahly.

March 13: “School Choice Is Good,” by James Shuls.

March 14: “What It Would Take to Bring Green Energy to Kingdom City, Missouri,” by Andrew Wilson and James W. Seeser.

April 9: “Electricity Choice Would Be Good for Missouri Consumers,” by Patrick Ishmael and Josiah Neely.

April 16: “A Moonshot of Mistakes: Missouri’s Missing Million,” by Patrick Ishmael.

May 9: “Restarting Missouri’s Low-Income Housing Tax Credit Is Still a Bad Idea,” by Elias Tsapelas.

May 13: “Great News for Students and Parents—in Tennessee and Florida,” by Susan Pendergrass.

May 15: “Kansas City’s Economic Development Subsidies—and the Way They Are Studied—Need Significant Reform,” by Patrick Tuohey.

July 30: “Why Do Our Best Superintendents Always Leave?” by James Shuls.

August 8: “CIDs and TDDs: The Root of Missouri’s Hidden, Multi-Billion Dollar Tax Bill,” by Graham Renz.

August 21: “For Public Records, Open to One, Open to All,” by Patrick Ishmael.

August 22: “On Border Wars and Subsidies,” by Patrick Tuohey.

September 25: “An Open Letter to Waddell & Reed Employees,” by Patrick Tuohey.

October 18: “Stop Taxing the Working Poor in St. Louis and Kansas City,” by Andrew Wilson.

November 5: “Skepticism Is Warranted on Missouri/Kansas Border War Truce,” by Patrick Tuohey.

November 6: “Stubbornness on School Choice Comes with a Price,” by Susan Pendergrass.

November 13: “St. Louis Ranked in the Middle in Ease-of-Doing-Business Study,” by Patrick Tuohey.

December 16: “The End of History as We (No Longer) Know It,” by Andrew Wilson.

PAPERS PUBLISHED IN 2019

“2019 Blueprint: Moving Missouri Forward.”

“Academic Progress and Missouri’s Annual Performance Report,” by Abigail Burrola. Released January 2019.

“Missouri’s Budget: A Primer,” by Elias Tsapelas. Released January 2019.

“Intergenerational Poverty in Missouri,” by Emily Stahly. Released February 2019.

“Creating Pathways to Self-Sufficiency,” by Emily Stahly. Released February 2019.

“New Public-Sector Labor Law in Missouri,” by James N. Foster, Brian C. Hey, and Allison J. Hartnett. Released April 2019.

“The Missing Million: Missouri’s Economic Performance since the Moon Landing,” by Rik W. Hafer and William H. Rogers. Released April 2019.

“End Certificate of Need in Missouri,” by Patrick Ishmael. Released April 2019.

“Government Spending Records Should Be Free and Open to the Public,” by Philip Oehlerking and Patrick Ishmael. Released May 2019.

“Breaking Down Expenses and Revenues: Kansas City and St. Louis Compared to Six Other Cities,” by Elias Tsapelas. Released May 2019.

“Kansas City’s 2018 Study of Economic Development Incentives,” by Patrick Tuohey. Released May 2019.

“Overgrown and Noxious: The Abuse of Special Taxing Districts in Missouri,” by Graham Renz and Patrick Tuohey. Released June 2019.

“Missouri’s Report Card and ESSA Requirements,” by Abigail Burrola and Susan Pendergrass. Released September 2019.

“Amending Missouri’s Constitution,” by John Dinan. Released September 2019.

“What Happened in Kansas,” by Dennis Jansen. Released October 2019.

“Constitutional Reform in Missouri: 1945 to the Present,” by Justin Dyer. Released October 2019.

“The Missouri Annual Performance Reports,” by Susan Pendergrass. Released October 2019.

“Opportunities to Improve Missouri’s Education Funding Formula,” by Aaron Smith and Susan Pendergrass. Released October 2019.

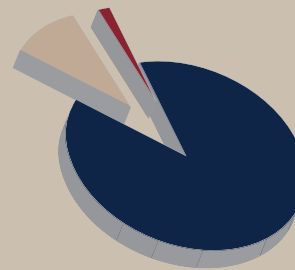
“MNEA’s Initiative Petitions: Out with School Choice and In with Lawsuits,” by Susan Pendergrass. Released October 2019.

“Missouri Condition of Education: 2019,” by Abigail Burrola and Susan Pendergrass. Released November 2019.

“School Performance in Missouri,” by Susan Pendergrass. Released November 2019.

FINANCIALS*

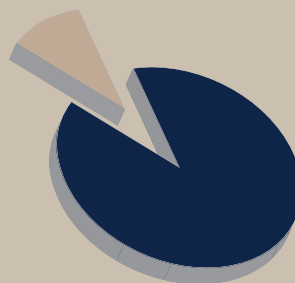
REVENUE



● Individual Donations	\$2,312,411	88.05%
● Foundation Grants	\$276,696	10.54%
● Other Income	\$37,006	01.41%

Total: \$2,626,113

EXPENSES

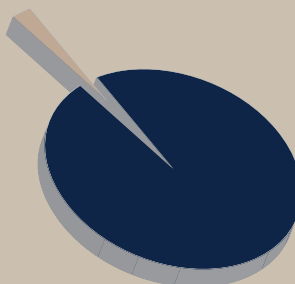


● Program	\$2,134,612	88.99%
● Overhead	\$264,078	11.01%

Total: \$2,398,690

Note: The board of directors covers the overhead expenses of the Show-Me Institute. Since 2006, donations from supporters have funded education and research exclusively.

STATEMENT OF FINANCIAL POSITION



● Current Assets	\$2,737,703	97.40%
● Fixed Assets	\$73,062	02.60%

Total: \$2,810,765

*Show-Me Opportunity, a supporting organization, is included in this consolidated financial report.

BOARD OF DIRECTORS



Joe Forshaw - Chairman and Treasurer

Joseph Forshaw is past president and CEO of Forshaw, a Saint Louis-based, family-owned business founded in 1871. He served for several years as an advisory director for Commerce Bank and is the managing partner of several family real estate partnerships. An alumnus of Saint Louis University High School, Forshaw received both his B.A. and J.D. degrees from Saint Louis University.



Stephen F. Brauer - Director

Stephen Brauer is chairman and CEO of Hunter Engineering Company. From 2001 to 2003, he served as U.S. Ambassador to Belgium. He has served on numerous charitable and civic boards, including the Saint Louis Area Council of Boy Scouts, Saint Louis Art Museum, and the Missouri Botanical Garden. He is a former member of the Board of Trustees of Washington University in Saint Louis and a part owner of the St. Louis Cardinals.



Rex Sinquefield - President

Rex Sinquefield is co-founder and former co-chairman of Dimensional Fund Advisors, Inc. He also is co-founder of the Show-Me Institute. In the 1970s, he co-authored (with Roger Ibbotson) a series of papers and books titled Stocks, Bonds, Bills & Inflation. At American National Bank of Chicago, he pioneered many of the nation's first index funds. He is a life trustee of DePaul University, and he serves on the boards of the Saint Louis Symphony Orchestra, the Saint Louis Art Museum, the Missouri Botanical Garden, Opera Theatre of Saint Louis, and Saint Louis University. He received a B.S. from Saint Louis University and his M.B.A. from the University of Chicago.



Jennifer Bukowsky - Director

Jennifer Bukowsky is a constitutional and criminal defense attorney in Columbia, Missouri. She serves on the Missouri Supreme Court's Task Force on Criminal Justice and is vice president of the Federalist Society-Jefferson City Lawyers Chapter. She was an adjunct professor of law at the University of Missouri and is a *Missouri Times* columnist and a weekly guest on the Gary Nolan Show. She received a J.D. with highest honors from the University of Missouri School of Law in 2006 and earned master's and bachelor's degrees in accounting from the University of Missouri-Columbia in 2001.



Megan Holekamp - Vice Chairman

Megan Holekamp is a Real Estate Broker at Janet McAfee Inc., the largest independently owned luxury real estate broker in Saint Louis. She has served on the Development Board of Edgewood Children's Center, as class chair for the Parents Association at Mary Institute and Saint Louis Country Day School, and as the co-chair of the Center of Creative Arts' annual fundraising gala. Over the years, she has also volunteered with a number of organizations, including WINGs Pediatric Hospice and Ladue Chapel Presbyterian Church. She holds B.S. degrees in business administration and marketing from Washington University.



James G. Forsyth III - Director

James Forsyth is president and CEO of Moto, Inc., which operates the MotoMart chain of gas stations and convenience stores. He is also president and CEO of two other family-owned businesses: Forsyth Carterville Coal Company and Missouri Real Estate. He serves on the boards of St. Luke's Hospital, YMCA of Southwestern Illinois, and Commerce Bank of Saint Louis. He has served on the boards of Webster University and Forsyth School. He holds a bachelor's degree in economics from the University of Virginia.



W. Bevis Schock - Secretary

Bevis Schock is a lawyer in solo practice in Saint Louis. He founded the Shrink Missouri Government PAC, which challenged the constitutionality of Missouri's campaign contribution limits before the United States Supreme Court in 2000. He received a B.A. in history from Yale University and a J.D. from the University of Virginia.



Louis Griesemer - Director

Louis Griesemer is chairman of Springfield Underground, Inc. He is past president of Parkville Stone Company in Parkville, Missouri, and Barnhart Limestone in Barnhart, Missouri. From 2007 to 2008 he served as chairman of the National Stone, Sand, and Gravel Association. He currently serves on the advisory board for UMB Bank in Springfield and on the board of Burgers' Smokehouse in California, Missouri. He holds a bachelor's degree from Washington University in Saint Louis.



Hon. Robert M. Heller - Director

Robert Heller is a retired judge who served for 28 years on the Shannon County Circuit Court in Missouri, where he presided over a broad range of civil and criminal cases both locally and throughout the state. He has served as a member of several Missouri court-related committees and as a district chair for the Boy Scouts of America. He holds a J.D. from the University of Missouri-Columbia and a B.A. in philosophy from Northwestern University.



Gregg Keller - Director

Gregg Keller is the Principal of Atlas Strategy Group and is widely regarded as one of the preeminent public affairs professionals in the country. A former executive director of the American Conservative Union, the Conservative Political Action Conference (CPAC) and the Faith & Freedom Coalition, Keller has been an advocate for free market public policy at local, state and national levels for 20 years.



John Lamping - Director

John Lamping is a former Republican member of the Missouri State Senate, representing District 24. During his time in office he served as Chair of the Families and Pensions Committee and the Joint Committee on Pensions. Lamping has also served on several nonprofit boards and was on the Board of Trustees for Saint Louis University High School. He holds a bachelor's degree in economics from Princeton University and an M.B.A. in finance from New York University.



Michael Podgursky - Director

Michael Podgursky is Chancellor's Professor of Economics at the University of Missouri-Columbia, where he served as department chair from 1995 to 2005, and Director of the Sinquefeld Center for Applied Economic Research at Saint Louis University. He is a former fellow of the George W. Bush Institute at Southern Methodist University. He earned a bachelor's degree in economics from the University of Missouri-Columbia and a Ph.D. in economics from the University of Wisconsin-Madison.



Kevin Short - Director

Kevin Short is managing partner and CEO of Clayton Capital Partners. In addition to contributing to various national trade and business publications, he is the co-author of Cash Out Move On: Get Top Dollar and More Selling Your Business. He is chairman of the Today & Tomorrow Educational Foundation, past president of the Board of Education, and current chairman of the Finance Council for the Archdiocese of Saint Louis. In addition, he is a board member of the Children's Scholarship Fund, and past board member of the Chess Club and Scholastic Center of Saint Louis.

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**ADVANCING LIBERTY WITH RESPONSIBILITY
BY PROMOTING MARKET SOLUTIONS
FOR MISSOURI PUBLIC POLICY**

2019

ANNUAL REPORT

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