



# Counting Economic Development Jobs

Published on *Show-Me Institute* (<https://showmeinstitute.org>)



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H&R Block, [which once messed up its own tax accounting](#), has a weird way of counting job growth. This may be the result of how eager Kansas City is to hand out taxpayer subsidies and how hesitant the city or state is to actually measure the result of the subsidy.

According to Missouri's [Department of Revenue](#), in 2015 H&R Block reported 2,211 "new jobs" created at their Kansas City World Headquarters as a result of their TIF deal. A reasonable person might conclude that this means that there are 2,211 new jobs in addition to those that already existed, and those new jobs are the result of the taxpayer-subsidized construction. That does not appear to be the case. An April story in [The Kansas City Star](#) reports,

A year ago at this time, the company reported 90 staff cuts, mostly at its Kansas City headquarters, a result of business being down early in that year's tax season. It had 2,200 full-time employees at the end of tax season a year ago. This round of layoffs leaves it with 1,735 full-time employees.

Block doesn't have 2,211 "new jobs," it has (or rather, *had*) 2,200 *total* jobs. It also claims to have retained none of the 1,493 jobs it projected it would retain. How these jobs are counted is a mystery. According to a Missouri Department of Economic Development official, the job numbers are, "self defined and self reported." The Department of Revenue does not audit the claims. We don't know how Block came up with their numbers.

We looked around for other ways to measure job growth. HOK, the group that designed the Block building, [report on their website that](#) ,

H&R Block's headquarters consolidates 1,600 employees from six locations into a 17-story high-rise in downtown Kansas City.

From about 2006 through 2016 Block went from 1,600 employees to 1,735; a net gain of 135 "new jobs." It's likely that modest job growth would have happened without the shiny new building. Remember, taxpayers are forgoing 23 years of tax revenue, "[covering 95 percent of the H&R Block headquarters project's \\$308 million cost](#) ."

That's a lot of money to spend for a net gain of 135 jobs. Defenders of the Block deal may respond that the country has undergone a Great Recession and online tax filings have likely impacted Block's business performance. This only underscores the reason why municipalities—led by elected officials who may have no background in investing—should not be betting taxpayer dollars in speculative developments.

Ten years after making a huge commitment of public funds, Kansas City is left with an [underutilized building](#) housing a business with anemic job growth. There are [rumors that H&R Block may soon be sold](#) to another company that could move it out of the city altogether, as happened with other subsidized companies Applebees and Freightquote. That is not an economic development track record of which anyone should be proud.

## About the Author



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