



Missouri's Biggest Cities Spend \$100 Million Annually Just to Give Away Money!

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By: *Patrick Tuohey*

An excellent story in the [St. Louis Business Journal](#) points out that according to a recent study by the Milken Institute, Kansas City and St. Louis are at best middling when it comes to economic growth. Reporters Brian Robbins and Jacob Kirn augmented that study by highlighting just how much Missouri's two biggest cities spend on economic development to get such unimpressive results:

Nine key organizations, including the St. Louis Economic Development Partnership, St. Louis Regional Chamber and St. Louis Development Corp., claim a role in economic development. They collect and spend some \$78 million annually, mostly from businesses and taxpayers.

...Kansas City counts roughly 10 key entities focused on development, and spends \$21 million, according to the review. Its organizations include the Unified Government of Wyandotte County/Kansas City, Kansas and Kansas City Area Development Council. Kansas City's rankings for job growth (91st), wage growth (83rd), and high-tech gross domestic product growth (96th) were better than those of St. Louis.

Note that the combined \$99 million spent in Kansas City and St. Louis is just on the staff and overhead of the organizations that offer economic incentives—it does not include the additional

hundreds of millions of dollars for the incentives themselves! While Kansas City's growth barely places us in the top half of the 200 cities studied, St. Louis fares much worse. The Lou ranks 152nd in job growth, 142nd in wage growth, and 99th in high tech GDP growth.

Despite faring slightly better than St. Louis, it appears Kansas City proper isn't getting much for its efforts. If you look at the news release webpage of the [Kansas City Area Development Council](#)—the same folks that put together the still-secret regional bid for Amazon's second headquarters—you'll find ten press releases for 2018. Several of them talk about positive developments in the Kansas City "region," but only one, [TrialCard](#), is actually about new jobs within the borders of Kansas City, Missouri. The announcement projected 225 new jobs.

Well, maybe. A [Kansas City Business Journal](#) story at the time suggested those numbers are temporary:

The Kansas City center will get up to the 200-225 employee mark beginning around November, including temporary workers, and drop to between 100 to 150 after about February, (TrialCard VP Scott) Dulitz said. Over time, he said, activity—and the employee count—could increase.

As if to underscore the *St. Louis Business Journal's* point about the money spent, the [release included](#) :

KCADC was proud to work with a number of regional partners in attracting TrialCard to the region including the State of Missouri, Missouri Partnership, City of Kansas City, Missouri, Economic Development Corporation of Kansas City, Missouri, Clay County Economic Development Council, KCP&L, Spire Energy, Cushman & Wakefield and CBRE.

The problems with Kansas City and St. Louis won't be solved by lavish economic development incentives. Instead, city leaders need to focus on the basics: infrastructure, public safety, education and the like. There is no shortcut to success—no matter how much you spend.

About the Author



Patrick Tuohey
Director of Municipal Policy

Patrick Tuohey is the Director of Municipal Policy at the Show-Me Institute.

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Show-Me Institute

5297 Washington Place	3645 Troost Avenue
Saint Louis, MO 63108	Kansas City, MO 64109
Phone: (314) 454-0647	Phone: (816) 287-0370
Fax: (314) 454-0667	

Email: info@showmeinstitute.org

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