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Contents

Abstract

This study examines the effect of Tax Incremental Financing (TIF) on economic growth in assessed value and in employment. We find that the average property value in a TIF area grows by slightly more than its non-TIF counterpart. While both TIF and non-TIF properties tended to grow over time, the average property in a TIF area may grow by slightly more than its non-TIF counterpart. We also found that TIF does not statistically significantly affect employment or employment growth over time. While there does not appear to be a multiplicative effect of the presence of enterprise zones and TIF on employment, TIF works with property tax abatements in incentivizing job creation. Our analysis of the effect of TIF on economic development outcomes informs policy makers of the likelihood that a given area will adopt TIF in the context of the “but-for” question.



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Appendices

Appendix Descriptive Statistics of Matched Outcomes

Outcome	Non-TIF	TIF
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Outcome	Mean	Standard deviation	Mean	Standard deviation
	Mean	Standard deviation	Mean	Standard deviation
AV	206,732	983,007.8	290,873.8	1,829,710
Change in AV	3.723	62.694	4.014	139.5188
Jobs	15.849	62.761	25.896	85.087
Change in jobs	-0.107	2.393	0.071	2.688

Note. AV = assessed valuation; TIF = tax increment financing.

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