
Henry W. Bloch & Richard A. Bloch H&R Block

By M. Karen Hubbard

H & R Block was named after the founders – brothers Henry W. Bloch and Richard A. Bloch. (When they opened the business, they changed the spelling of the company name to Block.) Henry was born July 30, 1922, and Richard was born February 15, 1926, in Kansas City, Missouri. While Henry attended Harvard Business School, he read a paper by Professor Sumner Schlichter who said that big businesses had many resources assisting them while small businesses did not. The brothers saw a job that needed to be filled by providing accounting, temporary workers, collection management services, and more to small businesses. They also wanted to give something to society.

Henry and his older brother Leon started the United Business Company in 1946 with a \$5,000 loan from their aunt in Kansas City, Missouri. The business started so slowly that Leon left the company to return to law school but Henry kept working. The company finally grew enough that Henry hired his brother Richard as a partner. At first, the main focus of the United Business Company was bookkeeping and tax preparation. In 1955, the brothers decided to stop tax preparation services because it did not make much money. A client recommended that they advertise their tax preparation service in the newspaper. (Taxes are paid by people who work so the government can pay for public goods and services which are used by everyone even if a person does not pay taxes, for example: roads, highways, police/fire protection, national defense. Private businesses could not provide these goods and services because they could not make a profit.) At the time the ad was in the paper, many people had received their W-2 forms (W-2 form – United States employers are required to report their employees' wage and the tax withheld from their pay on this form) and the Internal Revenue Service (IRS) in Kansas City had just stopped preparing tax returns FREE for taxpayers. (IRS is a government agency responsible for tax collection and tax law enforcement.) Henry was out of the office when he received a message from Richard who said, "Hank, get back here as quick as you can. We've got an office full of people!"

By July 1955, a new company was begun by the brothers specializing in preparing income tax returns: H&R Block Inc. The brothers closed their United Business Company. Richard suggested that they take their business to New York City where the IRS was going to stop its free tax preparation services. The brothers tried to locate their offices as near as possible to IRS offices in New York City. They shared the responsibilities by rotating every two-week schedules between them. Neither family wanted to move to New York from Kansas City so they decided to franchise their New York operation for \$10,000 and royalties.

(Franchise means the brothers gave permission for someone else to sell their service in other places for a price.) By the 1970's, the H&R Block tax offices grew to more than 8,600. For twenty years, Henry Bloch helped increase their company's recognition by doing television commercials.

One out of every nine tax returns filed in the United States was prepared by H&R Block by 1978. With the growth of their business, the company had a problem finding qualified tax professionals. The company started H&R Block Income Tax Schools. More than 250,000 people took an income tax preparer course in 2003 through the company's schools.

H&R Block tested electronic filing (using technology), working with the IRS and Sears in 1986. They filed 22,000 returns electronically from Cincinnati and Phoenix. The test was a success reducing the amount of time it took for a taxpayer to get a refund and reducing the amount of errors. Millions of tax returns are filed electronically every year.

In 1978, Richard Bloch was told he had terminal lung cancer with three months to live. He was a fighter and participated in a two year intensive therapy and defeated the disease. In 1982, he defeated colon cancer and dedicated his life to helping others fight cancer. During this time he sold his part of the company and gave up his chairmanship position. In 1980, Richard began a free cancer hot line that helped cancer patients find treatment. He established the R.A. Bloch Cancer Foundation to manage the hot line and, to increase awareness of the disease, started the National Cancer Survivor Day which is held on the first Sunday of June. Richard died of heart failure on July 21, 2004 at the age of 78. He was married and had three daughters.

To fill his brother's position, Henry became chairman of the board in 1989. Henry retired as chairman in 2000, and now holds the title of chairman emeritus. He lives in Kansas City with his wife. They have four children, 12 grandchildren and 2 great grandchildren. Henry is known as a business man, civic leader and supporter of the arts and education working to improve the quality of life in his home town of Kansas City. He and his wife gave a very large gift to the Nelson-Atkins Museum of Art which helped to build the Bloch Building which houses the museum's contemporary and African art, etc. Henry also gave generously to create the Henry W. Bloch School of Business and Public Administration at the University of Missouri-Kansas City. In Henry's name, scholarships and faculty chairs are also given to the university.