

Mississippi Gulf Coast Regional Brief

Second Quarter 2010

Published August 9, 2010

This report contains statistics and commentary relative to the events and news that shaped the Mississippi Gulf Coast economy in the second quarter of 2010. This report is not comprehensive but provides insight on various issues, including the labor force, the overall economy, housing, tourism, and infrastructure. For more information regarding this report, please contact Jack Norris at the Gulf Coast Business Council Research Foundation at 228-897-2020.

Executive Summary

This report contains information and commentary reflective of the Mississippi Gulf Coast and is intended to provide a regional perspective of economic conditions during the second quarter of 2010 and expectations for the coming months. Research conducted for this report is done so on a quarterly basis and has been done so since the third quarter 2008. Below are some of the key findings from this report.

- The oil spill that resulted from the explosion of the Deepwater Horizon drilling rig – operated by British Petroleum (BP) – had an impact on the economy on the Mississippi Gulf Coast, but preliminary findings suggest that the extent of the short term (May and June) impacts have not been as severe as originally anticipated.
- While job sectors such as charter boat fishing and the Mississippi Gulf Coast’s seafood industry faced immediate and sizeable losses, the overall employment situation on the Mississippi Gulf Coast, excluding BP contract workers, showed signs of improvement. Harrison County added establishment jobs for the first time in 22 months.
- Aggregate sales tax diversions received by cities on the Mississippi Gulf Coast during the second quarter (for sales that took place between March and May) grew for the first time in 13 quarters. At the sector level, restaurants saw prevailing positive trends reverse, however, while hotel collections, likely subsidized by BP related occupants, grew.
- Efforts made at the local and state levels to administer a large portion of the \$15 million designated BP funds for a marketing campaign, as well as \$600 thousand spent by the Harrison County Tourism Commission at the onset of the oil spill, were likely instrumental in mitigating damage done to the tourism industry on the Mississippi Gulf Coast.
- The gaming industry reported a calendar quarter increase in gross gaming revenues compared to prior year for the first time since the second quarter of 2007.
- The housing market continues to be challenged by high costs of insurance, though volumes of homes sold increased moderately compared to prior year for the third consecutive quarter. Proposed legislation such as Congressman Gene Taylor’s Multiple Peril Insurance Act would likely provide immediate relief. Senator Wicker is also actively pushing for insurance solutions.

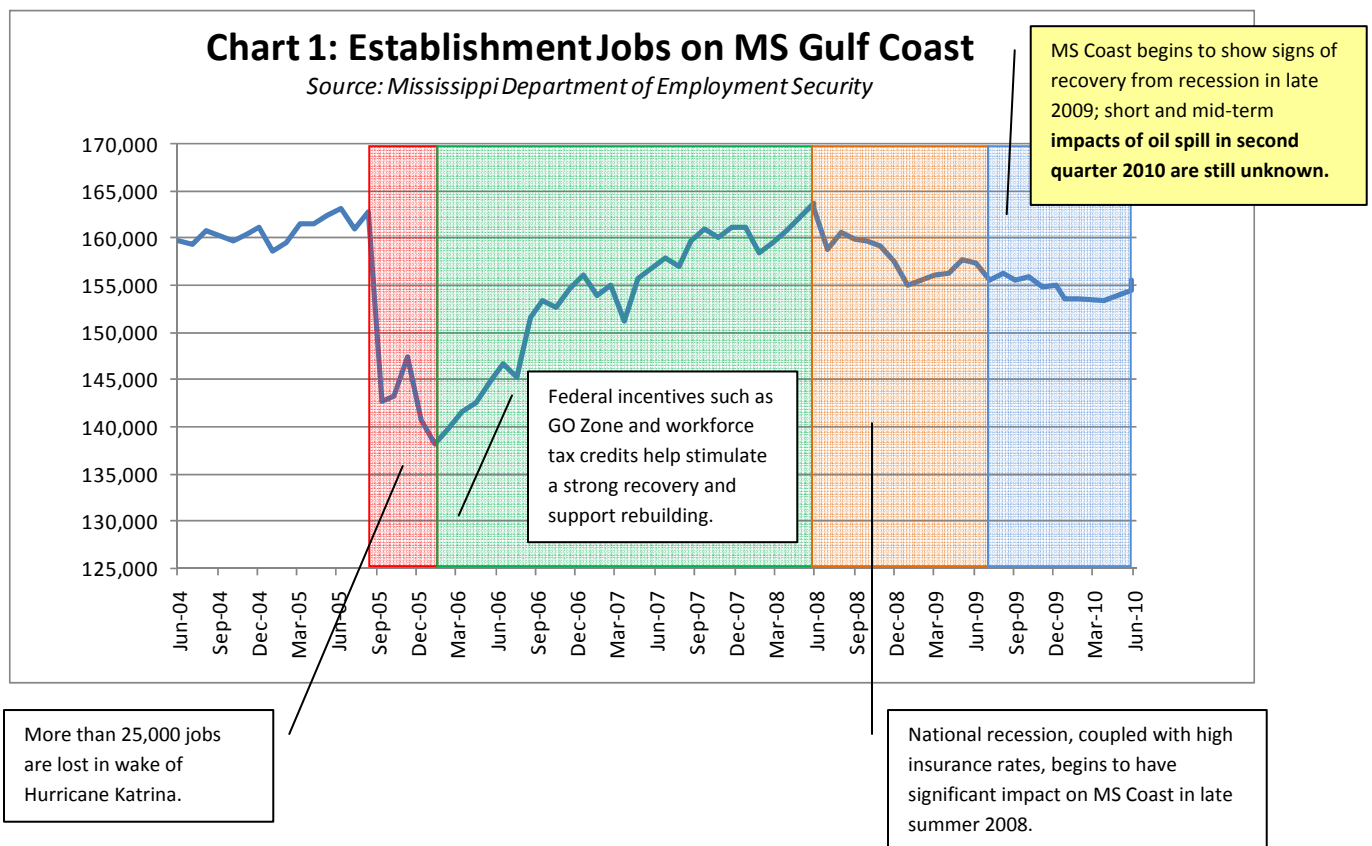
Special note: This report is not intended to represent an official assessment of the comprehensive economic impact that the oil spill has had on the economy on the Mississippi Gulf Coast. The Gulf Coast Business Council Research Foundation is assisting other organizations, including the University of Southern Mississippi and Mississippi’s Institutions for Higher Learning, to provide such analyses.

Employment

While certain sectors, namely the seafood and charter boat industries, were impacted substantially by the oil spill during the second quarter, it appears that the aggregate employment situation on the Mississippi Gulf Coast continued to demonstrate progress even in difficult times. As a disclaimer, the following should be considered:

1. The information compiled in the tables and charts below is based off of data obtained from the Mississippi Department of Employment Security (MDES) and is not intended to represent a comprehensive analysis of oil spill-specific impacts on the Mississippi Gulf Coast.
2. The data that was analyzed in this report is reflective of June 2010, but certain smaller employers are only required to file returns with MDES on a quarterly basis, suggesting that July figures (available in late August) might change.
3. As of July 5, there were 5,642 reported in-state contractors working in some capacity for BP¹. These jobs are not included in the tables and charts below.
4. MDES establishment job data does not include self-employed individuals.

To better understand the current employment situation on the Mississippi Gulf Coast, reference Chart 1 below for a brief history of establishment jobs² reported by MDES.



In Table 1 establishment jobs on the Mississippi Gulf Coast are broken down into sectors. While the overall gulf coast is down 1,830 jobs from prior year, the Construction sector more than accounts for all of the net jobs lost while the Leisure & Hospitality sector appears to have stabilized when comparing changes to recent trends. Notably, the Leisure & Hospitality sector gained 1,200 jobs during the second quarter; while the second quarter traditionally is known for gains within that sector, it grew at a faster clip in 2010 than it did in 2009.

Table 1: Mississippi Gulf Coast Establishment Jobs
Comparing June to prior year and to prior quarter

Source: Mississippi Department of Employment Security

	June '10	June '09	Change	% Change	March '10	Change	% Change
Manufacturing	21,580	21,580	0	0.0%	21,620	(40)	-0.2%
Agri., Forestry, Mining, Utilities	1,650	1,770	(120)	-6.8%	1,690	(40)	-2.4%
Construction	9,380	11,480	(2,100)	-18.3%	9,380	0	0.0%
Wholesale Trade	2,370	2,500	(130)	-5.2%	2,390	(20)	-0.8%
Retail Trade	16,650	17,020	(370)	-2.2%	16,620	30	0.2%
Transportation and Warehousing	3,360	3,470	(110)	-3.2%	3,800	(440)	-11.6%
Information	2,230	1,920	310	16.1%	2,150	80	3.7%
Finance & Insurance, Real Estate	5,840	5,760	80	1.4%	5,720	120	2.1%
Professional Services	6,130	6,580	(450)	-6.8%	6,180	(50)	-0.8%
Management of Companies	780	830	(50)	-6.0%	780	0	0.0%
Waste Mgt.	11,020	10,530	490	4.7%	10,250	770	7.5%
Educational Services	640	620	20	3.2%	660	(20)	-3.0%
Health Care	10,260	9,910	350	3.5%	10,420	(160)	-1.5%
Arts, Entertainment, and Recreation	290	240	50	20.8%	180	110	61.1%
Leisure & Hospitality	25,720	26,030	(310)	-1.2%	24,520	1,200	4.9%
Other Services and Government	3,240	3,240	0	0.0%	3,030	210	6.9%
Government and Education	34,450	33,940	510	1.5%	33,990	460	1.4%
Total Establishment jobs	155,590	157,420	(1,830)	-1.2%	153,380	2,210	1.4%

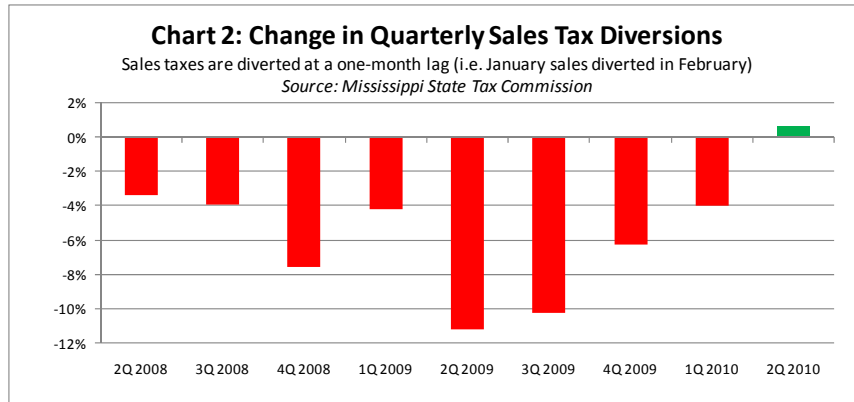
Perhaps most notable is that Harrison County broke a 22-month trend of posting year-over-year declines in establishment jobs in June; the combined Mississippi Gulf Coast is likely nearing a point where it should also reverse that trend and begin to experience sustained job growth.

The wild card in the Gulf Coast's recovery from the recession remains the oil spill, however, and as more data becomes available and more focused studies are conducted, a better idea how the oil spill will inevitably shape south Mississippi's economy will be presented.

The Economy

Referencing a broad economic indicator to gauge the current state of the local economy, such as sales tax collections, yields similar results as available employment data: **the Mississippi Gulf Coast is showing real signs of economic recovery while the impacts of the oil spill remain difficult to quantify.**

One of the most significant signs of recovery on the Mississippi Gulf Coast is evident when referencing second quarter sales tax diversions, which account for sales that took place between February and May: aggregate sales were up over prior year for the first time in 13 quarters. Chart 2 illustrates recent sales tax collection trends, focusing on the period of time closest associated with the national recession; the initial declines the Mississippi Gulf Coast experienced were the result of post-Katrina rebuilding tapering off in late 2007 and early 2008.



Sales tax diversions to cities on the Mississippi Gulf Coast grew during the second quarter when compared to prior year. This was the first time in 13 quarters that sales tax collections (which are reported on a one month lag) increased on the Coast.

Referencing the above chart, it can be inferred that the prevailing trend on the Mississippi Gulf Coast was one of improving economic conditions which ultimately resulted in a significant breakthrough in the second quarter. **Though there no fool proof approach to forecast future outcomes exists, it will be interesting to see whether the oil spill influences comparable trends in the third and fourth quarters of 2010.**

While it is encouraging that overall sales tax diversions were up for the second quarter, there are signs that June diversions, which represent May sales, experienced downward pressures, *potentially* as a result of the oil spill. Reference Tables 2 and 3 below for prevailing trends leading up to the oil spill and

Table 2: Comparing January - April Sales to prior year

	2010	2009	Change
BAY ST LOUIS*	392,210	420,399	-6.7%
BILOXI	3,391,474	3,332,923	1.8%
D'IBERVILLE	1,787,129	1,453,150	23.0%
GAUTIER	751,958	878,353	-14.4%
GULFPORT	6,171,210	6,524,604	-5.4%
LONG BEACH	447,069	435,144	2.7%
MOSS POINT**	650,424	557,294	16.7%
OCEAN SPRINGS	1,504,109	1,537,993	-2.2%
PASCAGOULA	1,769,038	1,823,942	-3.0%
PASS CHRISTIAN	304,306	118,862	156.0%
WAVELAND	747,470	775,937	-3.7%
Combined Cities	17,918,407	17,860,609	0.3%

Table 3: Comparing May sales to prior year

	2010	2009	Change
BAY ST LOUIS	72,427	104,583	-30.7%
BILOXI	845,209	807,741	4.6%
D'IBERVILLE	444,492	369,159	20.4%
GAUTIER	216,277	209,398	3.3%
GULFPORT	1,594,792	1,742,961	-8.5%
LONG BEACH	115,985	118,803	-2.4%
MOSS POINT**	136,702	137,653	-0.7%
OCEAN SPRINGS	370,842	395,079	-6.1%
PASCAGOULA	448,578	476,992	-6.0%
PASS CHRISTIAN	87,192	29,847	192.1%
WAVELAND	293,572	194,521	50.9%
Combined Cities	4,628,079	4,588,746	0.9%

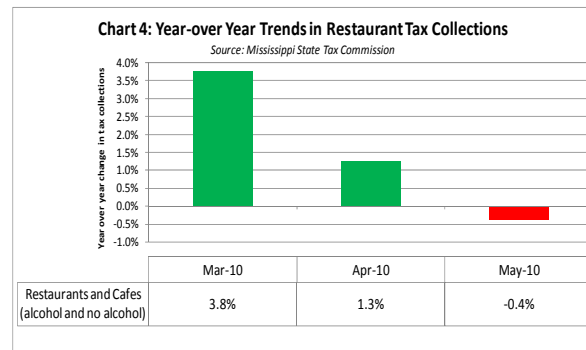
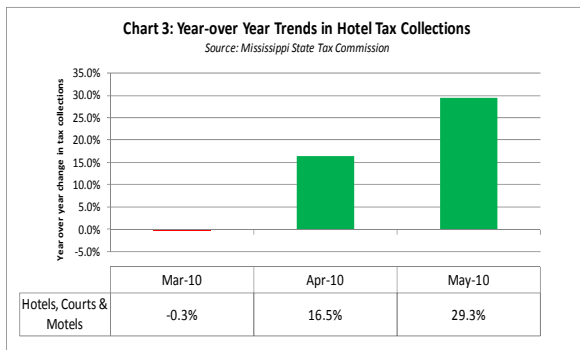
*In spring 2009 Bay St. Louis received a lump sum distribution for a recently annexed area.
**Moss Point received an unusually large diversion for April due to a one-time sale.

actual May performance. In Table 2 prevailing year-over-year trends for sales tax growth/declines are established and in Table 3, actual May results are documented. In seven of eleven cities, prevailing trends worsened or became less positive. **While said changes are of interest when creating a preliminary perspective of oil spill impacts, it is not recommended that conclusions are drawn until more extensive research on a larger sample of data has been conducted.**

Notably, the Mississippi State Tax Commission is working with several Universities and research entities – including the Gulf Coast Business Council Research Foundation – to provide analyses of sales tax data at the sector and sub-sector levels. At the time of publication of this report, only data from May 2010 was available. Two key observations from the data are illustrated in Charts 3 and 4 below.

Two preliminary observations about potential oil spill impacts in May

1. Though it is generally agreed that tourism related visitation on the Mississippi Gulf Coast is down because of the oil spill, the number of people in the region working with the oil spill has likely grown overall hotel sales when compared to prevailing trends (Chart 3).
2. Prevailing trends for restaurants on the Mississippi Gulf Coast have worsened, as sales were actually down in May after increasing leading up to the oil spill (Chart 4).



In summary, overall sales did not appear to be substantially impacted in the second quarter because of the oil spill, but while overall sales tax collection levels remain in tact, **there are likely cases where certain losses are being offset by gains by another business. Aggregate numbers do not represent individual business performance.** Data is not available for industries that have been directly impacted, such as Seafood and Charter Boats. Excluding hotels, previously positive trends in most tourism and retail related categories were likely diluted, but not necessarily reversed.

The Gulf Coast Business Council Research Foundation will continue to provide economic updates through its standard reporting while offering assistance to parties engaged in more comprehensive research focusing on the economic consequences of the oil spill.

There are signs that the outlook for Mississippi Gulf Coast’s construction sector, which has experienced the largest number of job losses during the recession (2,960 jobs lost since June 2008), might be improving. During the second quarter, the value of commercial permits, which in some cases includes government-funded projects, increased compared to prior year for only the second time in the previous eight quarters, though levels remain below 2008.

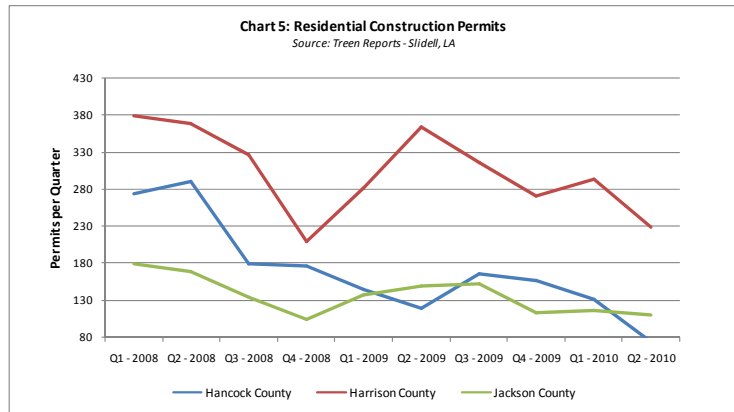
Table 4: Summary Estimates of future commercial contracts

	Q2 - 2008	Q3 - 2008	Q4 - 2008	Q1 - 2009	Q2 - 2009	Q3 - 2009	Q4 - 2009	Q1 - 2010	Q2 - 2010
Hancock County	\$23,038,000	\$19,786,000	\$16,199,000	\$31,620,000	\$7,455,000	\$37,387,000	\$5,386,000	\$4,976,000	\$13,440,000
Harrison County	\$113,592,000	\$145,033,000	\$67,463,000	\$23,368,000	\$106,238,000	\$204,458,000	\$49,332,000	\$29,416,600	\$110,016,000
Jackson County	\$52,012,000	\$12,009,000	\$10,547,000	\$19,661,500	\$20,924,000	\$19,200,000	\$13,174,000	\$11,977,000	\$38,646,000
Totals	\$188,642,000	\$176,828,000	\$94,209,000	\$74,649,500	\$134,617,000	\$261,045,000	\$67,892,000	\$46,369,600	\$162,102,000

Source: Treen Reports - Slidell, LA

Included in the above permits are a \$36 million expansion at the Palace Casino, \$1 million in renovations at Hard Rock Hotel & Casino, \$2 million in site developments at Northrop Grumman (Gulfport site), \$1 million in additions to the Chiquita facility at the Port of Gulfport, more than \$11 million in government buildings in Hancock County, and a \$3 million specialty medical facility (Comprehensive Pain & Rehabilitation) in Pascagoula. The volume of commercial permits filed was at the highest level since third quarter 2009 and the second highest tally dating back to third quarter 2008.

The residential permitting process, however, continued to slow. Though residential permits might be loosely correlated to commercial activity, they closely follow residential real estate trends. Notably, while still significantly below pre-Katrina levels, volumes of home sales have stabilized in recent quarters. High costs of insurance coupled with the recession continue to inhibit the residential real estate market.



As most of the Katrina-related construction projects are wrapping up, the outlook for the economy on the Mississippi Gulf Coast will increasingly rely upon private investment. Recent success stories such as the 700,000 square foot development in D’Iberville likely have had positive impacts on more recently announced projects, such as the planned Super Wal-Mart in west Biloxi. The tourism industry on the Mississippi Gulf Coast, which generates around a third of all of Mississippi’s tourism spending, represents a significant opportunity for new economic development over the course of the next five years. Projects such as the \$570 million port restoration in Gulfport, continued improvements at Stennis Space Center and in Jackson County’s manufacturing sector, all will pave the way for job and personal income growth throughout the region.

While the Deepwater Horizon oil spill, which was initially capped on July 15 (as of August 5 a *static kill* of concrete was being applied to the heavy mud which stopped the leak), has received the lion's share of media coverage, several events occurred during the second quarter that will have positive impacts on the economy on the Mississippi Gulf Coast. Below are a few examples:

- Northrop Grumman announced in July plans to close its 5,000 employee shipbuilding facility at Avondale in New Orleans. The phase-out process is expected to be finalized in 2013, and plans are to consolidate Northrop's gulf coast military shipbuilding operation at its existing facility in Pascagoula. Avondale represents one of six shipyards that are responsible for the bulk of the Navy's work; Pascagoula can expect more business in the long run, with Pascagoula positioned very well to accommodate new demand.
- In June, ground was broken on a Jackson County Maritime Trades Academy that will help train more people for shipbuilding jobs. The facility, funded by a \$20 million grant from Hurricane Katrina recovery funds, will be administered in partnership with Northrop Grumman and Mississippi Gulf Coast Community College and be able to accommodate more than 1,000 apprentices at a time.
- Construction began on the \$42 million, 72,000 square foot Infinity Science Center in Hancock County. The tourism and interactive learning destination, which will be visible from Interstate 10, will create 992 jobs³ and will attract several hundred thousand visitors annually. A target open date of August 2011 has been established; the last phase of funding is currently underway and individuals and businesses interested in contributing should visit www.infinitysciencecenter.org.
- The \$570 million restoration of the State Port at Gulfport is progressing, with more than \$27 million being spent during the current design and environmental review phase; by December 2010 a 60 acre fill project is expected to be completed. Ultimately the project will expand the existing footprint by 80 acres and also elevate the facility to 25 feet above sea level. The Port at Gulfport is the third busiest container port on the Gulf of Mexico, trailing only Houston and New Orleans.
- On June 24, Omega Protein Corporation, which currently employs more than 300 Mississippi residents, announced plans to implement a new shrimp hull processing facility at its Moss Point location. The facility will have synergies with local shrimp processors.
- VT Halter Marine Inc. secured a \$165 million contract with the U.S. Navy for a fourth Fast Missile Craft for the Egyptian Navy and also entered into contract with subsidiaries of Overseas Shipholding Group to build two 8,000 ATB tugs.
- Trinity Offshore LLC, based in Gulfport, signed contracts worth over \$27 million to build two 6,800 horsepower, 80 metric-ton support/escort tugs.



Tourism

The full extent of the \$1.6 billion tourism industry on the Mississippi Gulf Coast, which directly employs over 25,000 people, has been impacted as a result of the oil spill is not yet known, but it is clear that the repercussions could have been worse. Notably, any forgone tourism dollars can be attributed more to *perceptions* that the Mississippi Gulf Coast has been inundated with oil than to physical oil reaching the Mississippi Sound, resulting in a decline in visitation; relative to Louisiana, documented oil in the Mississippi Sound and the Mississippi coastline has been minimal.

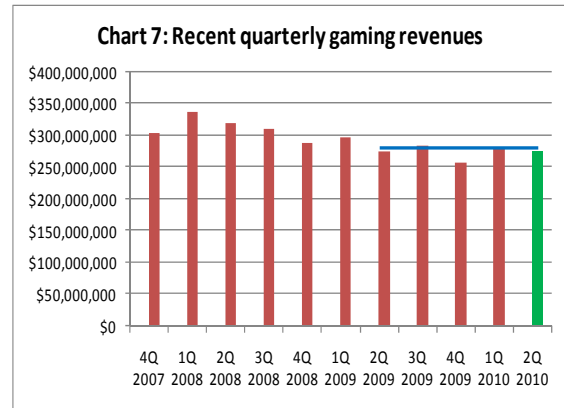
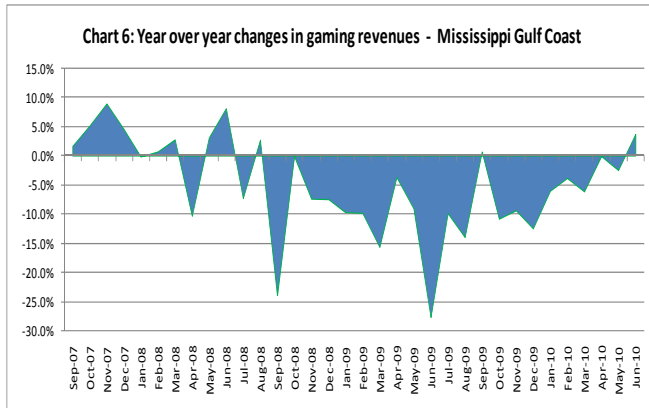
As alluded to earlier in this report, while the charter boat sector was virtually shut down by the oil spill, the overall tourism industry, albeit aided by contract workers occupying hotel rooms, has been able to mitigate losses and generate respectable returns. Much of this can be attributed to a \$15 million advertising campaign funded by BP and managed by the Gulf Coast Tourism Steering Committee, which included local leaders from the Hancock County Tourism Bureau, the Harrison County Tourism Commission, the Ocean Springs Chamber of Commerce Tourism Bureau, and the Jackson County Chamber of Commerce. The comprehensive marketing program, which has been administered in partnership with the Mississippi Development Authority, will continue to run in the third quarter in markets across the southeastern United States, including Atlanta, Memphis, and Tampa.

Members of the Gulf Coast Business Council facilitated a Tourism Initiative that brought together various stakeholders from the tourism industry to monitor progress and to gather information on a bi-weekly basis. Included in this group were representatives from the following sectors: charter fishing, hotel/lodging, golf, conventions, sporting events, restaurants, gaming, and the tourism commissions. These meetings were and continue to be instrumental in assessing the impacts of the oil spill on the tourism industry, and the general consensus is that there have been positives that have offset at least some of the negatives when regarding the industry as a whole. **There are concerns, however, that the artificial stimulus provided via visiting BP and oil spill interests will not be replaced by lost visitors.**

Events that are known to have been negatively impacted by the oil spill include *Smokin the Lake*, *Smokin the Sound* and the *Deep Sea Fishing Rodeo*. Notably, officials at the Gulf Coast Sports Commission speculate that reduced visitation of the above events combined with potentially losing world class fishing events such as the already rescheduled *Billfish Classic* and a *Southern Kingfish tournament*, might result in up to 10,000 room nights being lost as a result of the oil spill, with total lost spending easily exceeding \$3 million. At the county level, preliminary reports are that Hancock and Jackson counties have been impacted proportionately more than Harrison County.

On a more positive note, the Mississippi Coast Coliseum hosted a very successful Antiques Roadshow (to be aired on PBS) in July and registrations for the upcoming *Cruisin the Coast* (October) are up when compared to same point in time prior year. On July 30, Mississippi waters were reopened to both commercial and recreational fishing.

The gaming industry fared relatively well in the second quarter. In June the eight casinos in Biloxi broke a 23 consecutive month streak of year-over-year declines in gaming revenues and the second quarter 2010 represents the first calendar quarter since the second of 2007 where the Mississippi Gulf Coast's combined casinos generated more revenues that prior year.



Another positive statistic is the total number of passengers utilizing the Gulfport-Biloxi International Airport. Through June, year-to-date traffic is up 12.7% over prior year; in 2010 additional flight service has been added to Atlanta and new flight service to Branson, Missouri, has been established.

Other milestones that occurred in the second quarter include the opening of a Sheraton Four Points in Biloxi, a successful Southern Gaming Summit (largest casino trade show outside of Nevada in the world), and the Mississippi GRAMMY® Musical Celebration, which was hosted by Hard Rock Hotel & Casino.

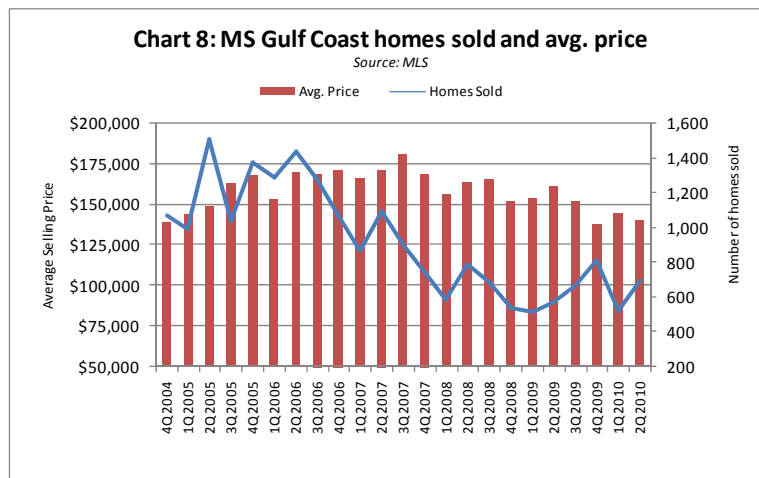
Looking ahead, and taking into consideration ongoing impacts of the oil spill, the following will influence the progress of the Mississippi Gulf Coast in its efforts to establish itself as a premier travel destination.

- **Perceptions of potential visitors on how the oil spill has impacted the region will continue to be a challenge.** Though short term aggregate impacts have not been substantial, it is likely that BP related travelers have offset otherwise lost business. Many outward indicators, such as inquiries for golf packages and advance hotel bookings, are down. **Additional marketing campaigns will be needed to address negatively impacted perceptions.**
- The Mississippi Gulf Coast must take advantage of its new, state-of-the-art convention facilities in Biloxi. Adding a headquarter hotel is paramount to long-term growth in convention business.
- Measures should be taken to ensure that events such as the PGA's Champions Tour (Mississippi Gulf Resort Classic) remain on the Mississippi Gulf Coast. The inaugural event, which was held in April, drew tens of thousands of visitors and was viewed by millions more on the Golf Channel. In addition to immediate, short term positive impacts, this event will play a sizeable role in branding the Mississippi Gulf Coast as a premier tourist destination.

- Other sporting events, such as the United States Tennis Association’s state and regional tournaments should be sought; in June the Mississippi Gulf Coast hosted a very successful state tournament that attracted over 1,000 participants.
- **Momentum gained in forming the Gulf Coast Tourism Steering Committee should be maintained, and tourism officials and stakeholders from all three counties should continue to work together to promote the Mississippi Gulf Coast as a singular tourism destination.**

Real Estate

Moderate progress was made in the real estate market on the Mississippi Gulf Coast during the second quarter but challenges, particularly the high cost of insurance, remain. Though the volume of home sales remains far below pre-Katrina averages, the second quarter did represent the third consecutive quarter where volumes increased over prior year. The average selling price of homes has remained relatively constant, but any chances of sustained appreciation will likely require a corresponding increase in demand.



Notably, Congressman Taylor’s efforts to include wind coverage in the National Flood Insurance Program through federal legislation, which began in 2007, are again at the forefront. At the time of this report’s publication, Congressman Taylor’s multiple peril bill (Multiple Peril Insurance Act of 2009/HR 1264) is on the House floor and is expected for a vote in the very near future; Senator Roger Wicker also has legislation (Coordination of Wind and Flood Perils Act of 2010) that will eliminate the confusion between wind and water caused damage by a hurricane. On July 27, the Gulf Coast Business Council passed a second resolution in support of Congressman Taylor’s multiple peril legislation.

Regarding workforce and affordable housing, the Gulf Coast Renaissance Corp. announced in June that it has closed more than 500 home sale loans since the group was founded (by the Gulf Coast Business

Council) in 2006. Renaissance Corp. has provided closing and down payment grants, mortgage assistance, and home ownership counseling services to residents of the six southernmost counties in Mississippi, and the MyHome MyCoast program is expected to have funding available for an additional 200 closings. On a Hurricane Katrina recovery note, only 79 of the more than 40,000 FEMA travel trailers that were once located in the three coastal counties remain in service.

Legislative

Senators Wicker and Cochran are in the process of identifying tax incentives to offer small businesses who have suffered lost income as a result of the BP oil spill. The process is in the very early stages and it is hopeful that our congressional delegation will be able to include some of the much needed tax credits similar to those that were offered in the original GO Zone legislation that was enacted as a response to Hurricane Katrina.

CEO & Business Owner Confidence

At the end of the second quarter, chief executives and business owners within the three counties of the Mississippi Gulf Coast were asked to complete a survey regarding their perceptions of the regional economy, reviews of the second quarter of 2010, and an outlook for the proceeding six months. The survey is administered by the Gulf Coast Business Council Research Foundation at the end of each survey through a partnership between local Chambers of Commerce. After rising in four out of five previous quarters, the overall measure of Business Confidence on the Mississippi Gulf Coast posted a decline in the second quarter 2010. When asked what primary concerns were for the upcoming six months, 28% of respondents opted to write in a comment related to the oil spill. The most frequent oil spill-related write-in responses were: impacts to tourism industry, impacts on real estate, and a general uncertainty about impacts on overall economy. When compared to previous surveys, future hiring plans were not impacted significantly, as the majority of respondents continue to plan to maintain existing staffing levels. To view the results of this and previous CEO & Business Owner Confidence surveys, please visit www.msgcbc.org/research.

Closing Remarks

The Regional Brief has been prepared on a quarterly basis since October 2008. The purpose of the report is to present a broad overview about the state of the economy on the Mississippi Gulf Coast, and to do so at regular intervals in order to identify trends and establish benchmarks. While this particular report has made references to the oil spill, and even inferences to its impacts, it is important to remember that this does not represent a comprehensive attempt to quantify the economic toll of the event.

At this juncture, it is unknown how the oil spill will ultimately impact the economy in this region, but what is known is that leading up to the event, and even as the event unraveled, the economy on the Mississippi Gulf Coast was making real progress towards recovering from the great recession. As the Gulf Coast transitions from the first phase (capping the well and addressing short-term needs) of the oil spill into the next phase (monitoring the mid-term and long-term impacts) the following questions should be asked:

1. If the oil spill does not reverse the pace of the economy on the Mississippi Gulf Coast, to what extent will it set back its recovery?
2. Will the seafood industry recover and what will the implications be to the industries that it directly and indirectly impacts?
3. How long will it take to change negative perceptions about the Gulf of Mexico and at what cost?
4. Because the long-term environmental impacts of the oil spill are still unclear, are provisions for future, yet to be identified costs being made?

In the coming weeks and months, the Gulf Coast Business Council Research Foundation will continue to collaborate with the University of Southern Mississippi, Mississippi's Institutions for Higher Learning, the Mississippi Development Authority, and other agencies to provide sound research on oil spill related economic impacts that can be used to address the above questions, make informed decisions, shape useful policy, and identify areas of focus for comprehensive economic impact studies.

If you have any questions about this report or about any future reports please contact the Gulf Coast Business Council Research Foundation.

The Gulf Coast Business Council Research Foundation will continue to partner with area chambers of commerce to administer and report its quarterly **CEO and Business Owner Confidence** surveys with the goal of assessing current economic conditions and expectations each quarter and contrasting those positions to the prior quarter. The next survey will be conducted in October 2010.

¹ BP Deepwater Horizon MC252 Mobile Unified Command Daily Briefing Pack, July 5, 2010

² Establishment jobs are jobs located within respective counties, regardless of whether these jobs are filled by residents or non-residents. Self employed individuals are excluded from this statistic, which is compiled by the Mississippi Department of Employment Security.

³ *The Journal of South Mississippi Business*, May 2010