

Mississippi Gulf Coast Regional Brief

Fourth Quarter 2010

Published February 28, 2011

This report contains statistics and commentary relative to the events and news that shaped the Mississippi Gulf Coast economy in the fourth 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 fourth quarter of 2010 and expectations for the coming months. Research conducted for this report is administered on a quarterly basis. Similar reports are available on the Gulf Coast Business Council website, dating back to the third quarter 2008. Below are some of the key findings from this report.

- The unemployment rate on the Mississippi Gulf Coast was at 8.8% in December 2010, compared to 9.0% in December 2009. There are also signs that the labor force has grown recently, suggesting that individuals who had previously removed themselves from the job market are becoming more confident in the economy and again actively seeking work. The bulk of the job losses that have occurred during the recession happened between 2008 and 2009.
- Year-over-year sales tax collections for the combined Mississippi Gulf Coast have grown for three consecutive quarters. Momentum appears to have increased in the fourth quarter, as nine of eleven municipalities reported increases in sales tax collections over the same quarter 2009.
- The manufacturing and shipbuilding industries in Jackson County have rebounded in recent months, with large contracts announced at Chevron, Northrop Grumman, and VT Halter.
- The gaming industry on the Mississippi Gulf Coast appears to be out of its recession, as gross gaming revenues have been up, though only marginally, for three consecutive quarters (when compared to prior year). Annual revenues remain roughly \$200 million less than in 2007, and over 3,000 direct jobs have been lost over the course of the recession. **Notably, a sharp increase in gasoline prices will threaten a sustained recovery to the gaming industry in the region, not to mention the overall economy on the Mississippi Gulf Coast.**
- Preliminary 2010 U.S. Census data suggests that the Mississippi Gulf Coast actually grew in population when compared to 2000, which is important when lawmakers consider redistricting (Mississippi's "coastal region" currently has 7 state senators and 17 state representatives). Compared to 2005, preliminary census data infers that the region has recouped all but 1.5% of its pre-Katrina population.

Employment

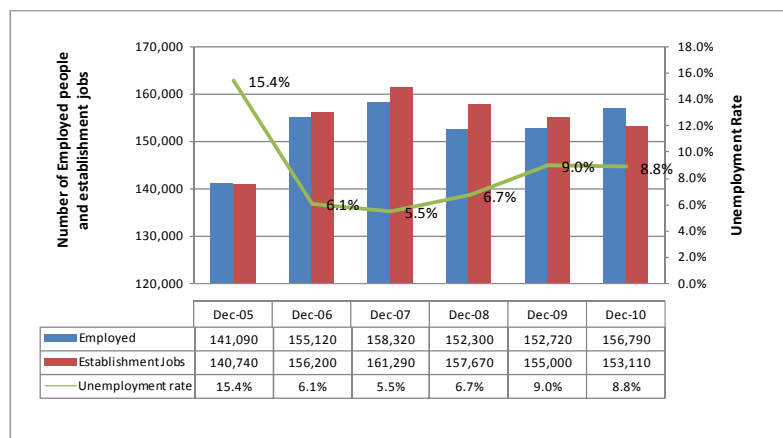
After losing roughly 6,300 establishment jobs^a between December 2007 and December 2009, the employment situation stabilized during 2010. Relative to a pulse taken at the midpoint of 2010, the job situation improved on the Mississippi Gulf Coast in the latter half of the year. The unemployment rate on the Mississippi Gulf Coast was at 8.8% in December, down slightly from 9.0% in December 2009. The labor force has also grown recently, suggesting that individuals who formerly removed themselves from the job market are again actively seeking employment.

Table 1: Historic December Employment levels for combined three coastal counties

	2010	2009	2008	2007	2006	2005
Labor Force	171,980	167,760	163,230	167,480	165,160	166,770
Employed	156,790	152,720	152,300	158,320	155,120	141,090
Unemployed	15,190	15,040	10,930	9,160	10,040	25,680
Rate	8.8%	9.0%	6.7%	5.5%	6.1%	15.4%
Establishment Jobs	153,110	155,000	157,670	161,290	156,200	140,740

Because contract jobs related to the British Petroleum (BP) oil spill are not included in the establishment jobs tracked by the Mississippi Department of Employment Security (MDES), it is difficult to assess the impacts that BP's oil spill had on employment along the Mississippi Gulf Coast. As Chart 1 illustrates, however, the number of "employed" individuals in the region was higher in December 2010 than it was in either December 2008 or December 2009, despite the fact that the region has not gained any net "establishment" jobs since 2008. Notably, to register as an "employed" individual on the Mississippi Gulf Coast one need only live in one of the three counties, as it does not matter where the job is located.

Chart 1: Recent December Employment Data
Source: MDES



^a Jobs located within three coastal counties of Mississippi, this excludes self-employed individuals.

The combined number of establishment jobs reported by the MDES in December 2010 was 153,110, a decrease of 1.2% from December 2009. The sectors that lost the most jobs in 2010 were Manufacturing, Government and Education, and Transportation and Warehousing. The Leisure & Hospitality sector gained jobs in 2010, after losing 3,200 between December 2007 and December 2009. The Construction sector also leveled off in 2010, after significant job losses in the three previous years. From the aggregate standpoint, the Mississippi Gulf Coast has not added net establishment jobs for 28 months, but in December 2010 Harrison County added jobs for the first time since June 2008.

Table 2: Mississippi Gulf Coast Establishment Jobs
Comparing December to prior year and to six months prior

Source: Mississippi Department of Employment Security

	12/1/2010	12/1/2009	Change	% Change	March '10	Change	% Change
Manufacturing	20,910	22,370	(1,460)	-6.5%	21,620	(710)	-3.3%
Agri., Forestry, Mining, Utilities	1,520	1,690	(170)	-10.1%	1,690	(170)	-10.1%
Construction	9,330	9,430	(100)	-1.1%	9,380	(50)	-0.5%
Wholesale Trade	2,220	2,500	(280)	-11.2%	2,390	(170)	-7.1%
Retail Trade	17,200	17,260	(60)	-0.3%	16,620	580	3.5%
Transportation and Warehousing	3,520	3,830	(310)	-8.1%	3,800	(280)	-7.4%
Information	2,240	1,910	330	17.3%	2,150	90	4.2%
Finance & Insurance, Real Estate	6,100	5,950	150	2.5%	5,720	380	6.6%
Professional Services	6,330	6,510	(180)	-2.8%	6,180	150	2.4%
Management of Companies	740	770	(30)	-3.9%	780	(40)	-5.1%
Waste Mgt.	10,540	9,880	660	6.7%	10,250	290	2.8%
Educational Services	670	680	(10)	-1.5%	660	10	1.5%
Health Care	10,440	10,300	140	1.4%	10,420	20	0.2%
Arts, Entertainment, and Recreation	140	180	(40)	-22.2%	180	(40)	-22.2%
Leisure & Hospitality	24,740	24,660	80	0.3%	24,520	220	0.9%
Other Services and Government	3,110	2,970	140	4.7%	3,030	80	2.6%
Government and Education	33,360	34,110	(750)	-2.2%	33,990	(630)	-1.9%
Total Establishment jobs	153,110	155,000	(1,890)	-1.2%	153,380	(270)	-0.2%

Chart 2: Establishment Jobs – 4Q 2010 vs. 4Q 2009

Source: MDES

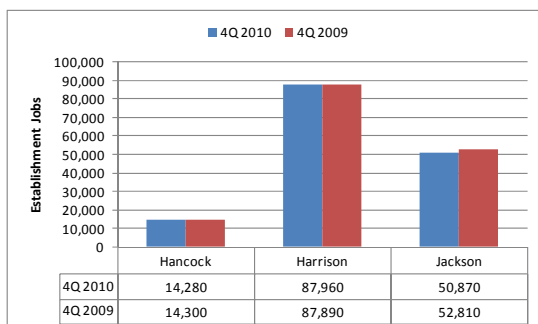


Table 3: Sectors with largest gains/losses in 2010

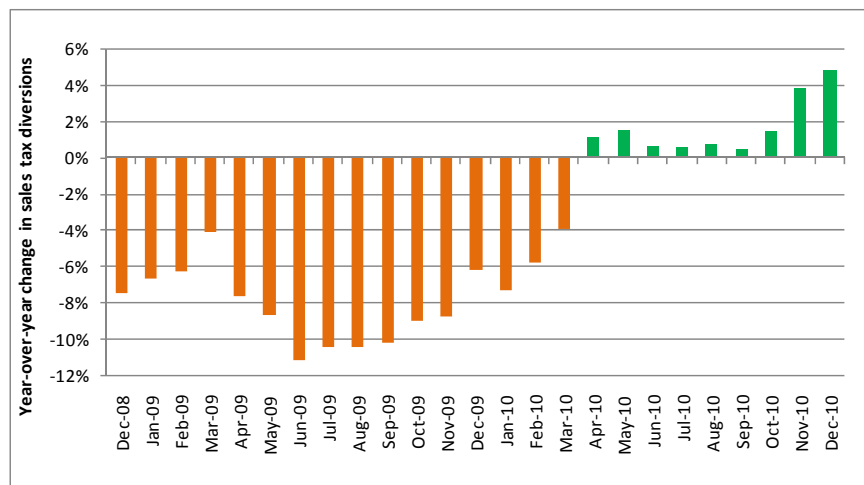
Waste Management	660
Information & Technology	330
Finance & Insurance, Real Estate	150
Manufacturing	(1,460)
Government & Education	(750)
Transportation & Warehousing	(310)

From a broad perspective, the two key economic indicators which will confirm the end of the recession on the Mississippi Gulf Coast are establishment jobs and overall spending (sales tax collections). While gains in employment are not anticipated in the first quarter 2011, if growth in sales tax collections continues, opportunities for aggregate job growth may surface along the Mississippi Gulf Coast during the second quarter 2011.

The Economy

The overall economy on the Mississippi Gulf Coast improved moderately in the latter half of 2010, and it is likely that this momentum will carry over into 2011. After 27 consecutive months of year-over-year declines in monthly sales tax collections, the combined Mississippi Gulf Coast reported an increase in sales tax diversions in March 2010 (for sales that occurred in February), and the ensuing three month average for sales tax collections has increased for nine consecutive months going into 2011.

Chart 3: Sales Tax Diversions on the Mississippi Gulf Coast (3 month average)
Source: Mississippi Department of Revenue



At the municipality level, nine out of eleven cities along the Mississippi Gulf Coast collected more sales tax revenues in the fourth quarter 2010 than in the same quarter 2009. In D'Iberville, momentum was maintained at its Promenade development (anchored by Dick's Sporting Goods and Target), which was unveiled in October 2009. Long Beach and Gautier were the only cities to post a decline, but Long Beach's decline is likely due to the recent addition of a Super-WalMart in Pass Christian and Long Beach's downtown area has recently gone through a significant renovation, including the addition of several new restaurants.

Table 4: Historic Fourth Quarter Sales Tax Collections
Source: Mississippi State Tax Commission

	2010	2009	2010 vs 2009	2004	2010 vs 2004
BAY ST LOUIS	282,160	276,860	1.9%	311,605	-9.4%
BILOXI	2,568,189	2,355,566	9.0%	3,168,442	-18.9%
D'IBERVILLE	1,494,679	1,465,514	2.0%	888,814	68.2%
GAUTIER	575,350	595,816	-3.4%	575,585	0.0%
GULFPORT	4,887,235	4,720,007	3.5%	4,606,141	6.1%
LONG BEACH	315,616	322,893	-2.3%	363,667	-13.2%
MOSS POINT	398,463	393,927	1.2%	351,120	13.5%
OCEAN SPRINGS	1,129,813	1,110,154	1.8%	957,709	18.0%
PASCAGOULA	1,412,161	1,322,692	6.8%	1,362,475	3.6%
PASS CHRISTIAN	274,982	232,980	18.0%	326,373	-15.7%
WAVELAND	543,468	511,472	6.3%	568,136	-4.3%
Combined Cities	\$13,882,115	\$13,307,881	4.3%	\$13,480,066	3.0%

Despite recent progress in consumer spending on the Mississippi Gulf Coast, the value of new investment continues to lag behind previous years. In Table 5, summary estimates of future commercial contracts (*source: Treen Reports*) for the fourth quarter of 2010 is compared to prior years. Part of the drop off is related to Katrina recovery projects phasing out. With the recent extension of certain GO Zone provisions, primarily bonus depreciation and certain tax-exempt financing opportunities, investors will be motivated to start new projects (or finish sidelined ones) in 2011. Because the economy on the Gulf Coast is only just beginning to recover from the recession, an additional extension in 2012 is desirable but not necessarily likely. Notably, similar legislation, which was employed in the aftermath of the 2001 terrorist attacks in New York, was extended for seven years; in the five years that have followed Hurricane Katrina, the recession and recently the BP oil spill have side tracked the Gulf Coast's recovery from Katrina, so a strong argument should be made for an extension into 2012.

“Despite recent progress in consumer spending on the Mississippi Gulf Coast, the value of new planned investments continues to lag behind previous years.”

Table 5: Summary Estimates of future commercial contracts

	2008	2009	2010
Hancock County	\$92,076,000	\$81,848,000	\$34,455,000
Harrison County	\$526,613,000	\$383,396,000	\$216,141,600
Jackson County	\$99,547,900	\$72,959,500	\$58,669,000
Totals	\$718,236,900	\$538,203,500	\$309,265,600

As has been the trend in recent quarters, the frequency of positive economic news along the Mississippi Gulf Coast is outpacing that of unfavorable economic news. Below are examples of news events which shaped the economy in the region over the last several months and will continue to do so in 2011.

- Chevron Corporation announced that Chevron Lubricants will commence construction of a \$1.4 billion Pascagoula Base Oil Project, which is expected to create 1,000 jobs over the next two years and 20 permanent jobs¹. Construction is expected to be complete in 2013.
- In December Moody's Investor Services Inc. issued the City of Gulfport a bond rating of Aa3. Gulfport is one of only seven Mississippi municipalities with such a rating, and this is largely due to Gulfport achieving an operating surplus of \$275,985 for fiscal year 2010 after original forecasts projected a \$2.7 million deficit. In Hancock County, \$4 million in storm recovery loans were forgiven by the Federal Emergency Management Agency, removing a significant burden from Bay St. Louis' budget.
- Six major expansion projects costing \$150 million are in progress at the Veteran's Affairs hospital complex in Biloxi. Much of the work will be completed in 2011.
- Signal International in Jackson County plans to hire at least 200 workers, representing an increase in employment of roughly 25%. The need for workers is related to four big projects in the works at the marine and fabrication yard².

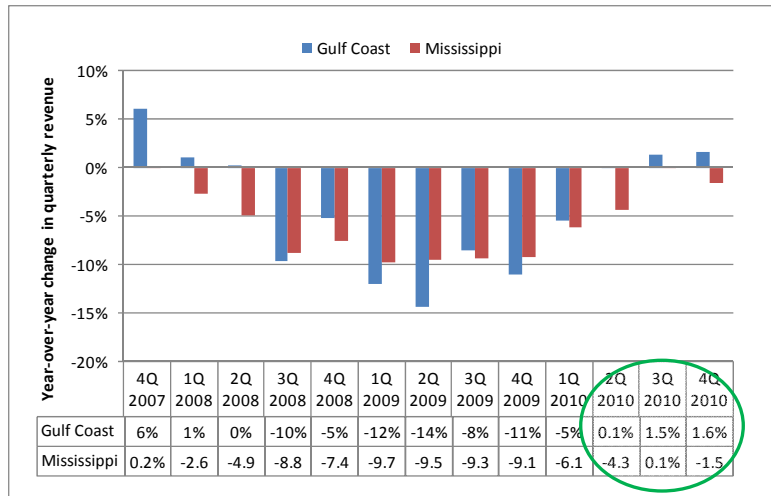
- In Hancock County, a two-story, \$6 million terminal will break ground in mid-2011 at Stennis International Airport near Stennis Space Center. A \$750,000 expansion of the aircraft parking apron is also in the works, and Selex Galileo will be constructing two aircraft hangars capable of handling two C-130's. Drum stick maker Hot Sticks and the Lazy Magnolia brewery are also expanding³.
- The Gulfport-Biloxi International Airport reported a significant year-over-year increase in passenger traffic in 2010, and its fixed based operator, Million Air, will open its new 12,500 square-foot passenger terminal with conference rooms, a business center, and U.S. Customs Facility this year⁴.
- In Pascagoula, Northrup Grumman was awarded an \$89 million contract with the U.S. Coast Guard to purchase material to start production on a fifth cutter. The work done at the Pascagoula shipyard will include two of the eight 418 foot-long Legend-class cutters which are the flagships of the Coast Guard fleet. In November, Northrop Grumman was also awarded a \$480 million contract for a cutter⁵.
- The first tanker carrying liquified natural gas is expected to arrive at the new \$1.1 billion Gulf LNG terminal in Pascagoula this summer. Four Jackson County schools will share \$395,468 in tax revenue from Gulf LNG's new terminal⁶.
- VT Halter Marine has laid the keel for an \$87 million oceanographic survey ship and in February announced a \$144 million contract to build a second carrier vessel for Honolulu-based Pasha Hawaii.
- Singing River Health System has celebrated the groundbreaking of a \$5.7 million neuroscience building in Ocean Springs.
- A \$24 million renovation project is underway at Hancock Medial Center.
- In 2011 a groundbreaking for a new Super-WalMart is expected in Biloxi near Edgewater Mall. Biloxi is also launching \$355 million in infrastructure repairs⁷.
- The \$17 million small craft harbor restoration in Gulfport is currently ahead of schedule and expected to be complete in 2011.
- While overall cargo tonnage was down at the Port of Pascagoula in 2010, most of which can be attributed to Russia's ban on frozen poultry from the U.S., other cargo, such as forest products and chemicals, increased⁸. In Gulfport, a Florida contractor has been hired to complete an environmental impact statement on the Port's plans to expand and elevate to the South. In Hancock County, the Port Bienville complex will add 7,000 feet of rail capacity.
- In Long Beach, a \$10 million construction project will bring a 36,000 square-foot Science Building to the University of Southern Mississippi's Gulf Park campus.

With momentum building in the regional economy, the likelihood for sustained job growth along the Mississippi Gulf Coast is something that may materialize in 2011.

Tourism

Gaming is the anchor of the Mississippi Gulf Coast’s \$1.6 billion tourism industry, and the eleven casinos which operate in Harrison and Hancock Counties have reported year-over-year growth, albeit minimal, for three consecutive quarters.

Chart 4: Quarterly Gaming Revenues – Gulf Coast vs. Overall Mississippi
Source: Mississippi Department of Revenue



Leading up to April 2010, the gaming industry on the Mississippi Gulf Coast had posted seven consecutive quarterly declines in gross gaming revenues and the \$1.1 billion reported in 2010 is still roughly \$200 million less than levels reported in 2007. In addition to local governments having roughly \$8 million less to operate with^b as a result of the slowdown in the local gaming industry, the regional economy has also seen more than 3,100 direct gaming jobs lost as a result of the recession.

In December, *Golfweek* magazine released its “top 50 casino courses” in the nation and five of those are located on the Mississippi Gulf Coast. In fact, the only state (with more golf courses ranked in the nation’s top 50) than Mississippi was Nevada. The second annual *Mississippi Gulf Resort Classic* is slated for March 31 – April 3, 2011. The PGA Champions Tour event was a large success in its inaugural 2010 campaign.

Local Golf Courses in Top 50 in the Nation	
#2	Fallen Oak (Beau Rivage, Saucier)
#23	Grand Bear (Grand Casino Biloxi, Saucier)
#39	The Preserve (Palace Casino, Vancleave)
#40	Shell Landing (IP Casino, Gautier)
#48	The Bridges (Hollywood Casino, Bay St. Louis)

The Ohr O’Keefe Museum in Biloxi is now open to the public, the Infinity Science Center in Hancock County is in its last phases of construction, and the Walter Anderson Museum in Ocean Springs is considering an expansion as the facility marks its 20th anniversary in 2011.

^b The overall gaming tax rate is 12%, and 8% goes directly to the state’s general fund. 3.2% goes to the cities where casinos operate and 0.8% go to the counties...200,000,000 x 0.04 = 8,000,000

After hosting a very successful United States Tennis Association state tournament in June 2010, leaders in Ocean Springs and other parts of the Mississippi Gulf Coast are preparing to host another large tennis tournament. The recently constructed \$1 million Halstead Tennis Complex is adding a pavilion in 2011.

Gulfport-Biloxi International Airport

Overall passenger traffic was up at Gulfport-Biloxi International Airport in 2010 when compared to 2009. Volumes were also up in general aviation, air taxi, and military usage of the Gulfport-Biloxi International Airport complex.

Chart 5: Enplanements and Deplanements
Source: Gulfport-Biloxi International Airport

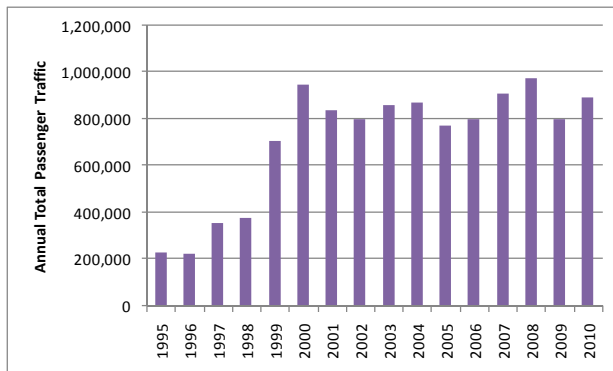
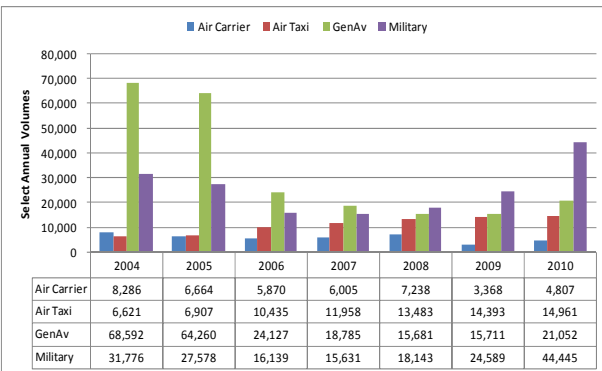


Chart 6: Other Airport Revenue Generators - Volumes
Source: Gulfport-Biloxi International Airport

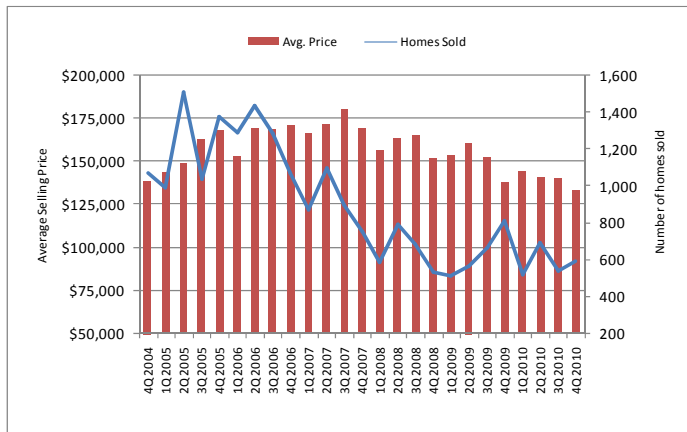


In late 2010 the business community on the Mississippi Gulf Coast created an initiative (the *Travel Vault* program) aimed at keeping Air Tran on the Mississippi Gulf Coast. The gist of the program was to obtain a commitment from the business community to utilize Air Tran service to or through Atlanta in 2011. Though the initial effort generated several hundred thousand dollars worth of commitments, the overall target was not met, and Air Tran announced that it would be leaving the market in March 2011. Not long after the Air Tran announcement, however, Vision Airlines announced expanded service to the Mississippi Gulf Coast through not only Atlanta, but also Houston and St. Petersburg, Florida. The addition of Vision Airlines, which has been providing charter service to Beau Rivage since 2009, is very important as Vision is a low-fare air carrier and will help keep pricing to or from Gulfport-Biloxi International Airport very competitive.

Real Estate

The residential real estate market has been relatively stable over the last several quarters, but low volumes of home sales, which are generally down 40% - 50% from pre-Katrina levels, continue to inhibit any opportunity for housing values to see any significant improvements.

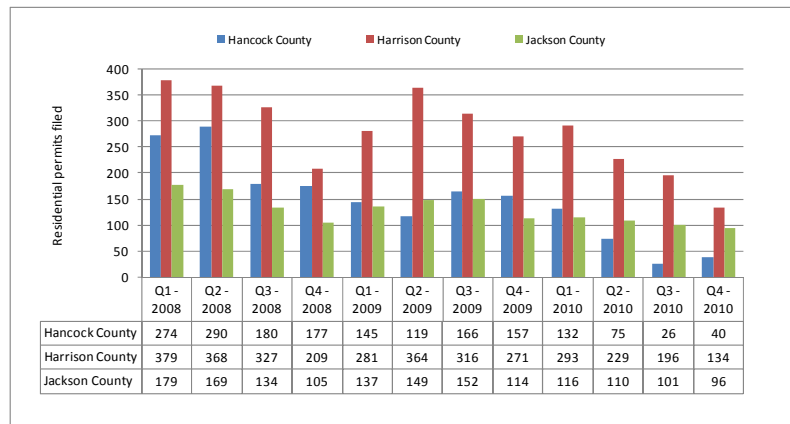
Chart 7: Average selling price and average volume of homes sold
Source: Multiple Listing Services



The low volumes of home sales on the Mississippi Gulf Coast, which are generally down 40% - 50% from pre-Katrina levels, continue to inhibit any opportunity for the average selling price to make significant progress in the region.

Chart 8: Volume of residential permits applied for
Source: Treen Reports

The recently announced \$132 million in federal funding for qualified South Mississippi homeowners whose homes have yet to be repaired since Hurricane Katrina will likely impact the number of residential permits filed in 2011.



In November it was announced that additional Hurricane Katrina related recovery money was being allocated to South Mississippi. The program is open to people living in the six southernmost counties of Mississippi and qualified applicants can take advantage of up to \$75,000 in grant money to rebuild Katrina-damaged homes⁹.

In Jackson, Representative Scott Delano (District 117, located in Harrison County), has filed House Bill 1199, which has passed the House and has been referred to the Senate. HB 1199 will create the Mississippi Windstorm Mitigation Coordinating Council ("the Council") and represents an effort to bring

the insurance industry and state agencies together to find ways to reduce insurance companies' risk and homeowners' premiums¹⁰. Generally speaking, the Council will take best practices from other hurricane-prone regions along the Gulf of Mexico and Eastern Seaboard and utilize those in Mississippi while also collaborating more with regions such as south Alabama, Georgia, and South Carolina to seek out long-term, sustainable solutions.

Legislative

Below is a list of legislation that the Gulf Coast Business Council is closely monitoring in the current legislative session in Jackson. Notably, the Gulf Coast Business Council does not necessarily endorse the specific legislation below; rather, the Gulf Coast Business Council believes that the legislation will have an impact on the Mississippi Gulf Coast.

- HB 1161 – (Watson). The legislation would make it possible for hosts (which are organized as non-profits) of large golf tournaments, such as the Mississippi Gulf Resort Classic, to be exempt from paying sales taxes on supply and material costs associated with hosting the event. Golf Tournaments such as the Viking Classic in Madison have substantial economic impacts within the regions that they are located.
- HB 1162 (Peranich) – This creates an incentive for persons, corporations, or other entities to repair and renovate hotels in Mississippi and also creates a hotel renovation project sales tax incentive fund.
- HB 1107 (Peranich) – To include hotels having a minimum of fifty guest rooms or suites, a minimum private investment of \$15 million, and \$200,000 per guest room in the definition of the term “tourism project”, allowing smaller properties to take advantage of sales tax incentives.
- SB 2726 (Bryan) – The current legislation would ban smoking in all state and local government and university buildings and government vehicles. Generally speaking, local municipalities are still able to employ smoking bans regardless of any statewide legislation.
- HB 763 (Fredericks) – This will revise the location in which a person may engage in commercial harvesting of crabs, oysters, shrimp, bait shrimp or saltwater fish.
- HB 768 (Fredericks) – Will designate the first weekend of “National Fishing and Boating Week” in June each year as “Free Fishing Weekend” and will provide that any person may saltwater sport fish without a license during the free fishing weekend.
- SB 2914 (Gollott) – This legislation would prohibit a restaurant from misrepresenting the country of origin of shrimp and crawfish and provide a penalty for doing so.
- SB 2949 (Baria) – This would designate certain portions of highways, roads, and streets in Hancock County as “Scenic Byways to Space” and “Beach Boulevard Scenic Byway”.

- HB 1163 (Brown) – This would repeal conflicting rules that govern dual enrollment programs in public schools in Mississippi upon the creation and accepted recommendation from a committee charged with clarifying dual enrollment legislation.

The Gulf Coast Business Council is also closely monitoring any and all legislation related to redistricting, insurance, and gaming in Mississippi.

Education

Below is a table containing historic enrollment levels at the school-district-level on the Mississippi Gulf Coast. Eight of the eleven school districts which operate on the Mississippi Gulf Coast saw enrollments increase in 2010 relative to 2009. Interestingly, public school enrollments in the region are down 5% from 2004 levels while preliminary 2010 Census data suggests that the overall population in the region is down by less than 2% from pre-Katrina levels. Later this year the Census Bureau will release more detailed information about the recent survey which will help answer any questions about how the population on the Mississippi Gulf Coast has been replenished.

Table 6: Historic Public School Enrollments

	2010	2009	2008	2007	2006	2005	2004
Hancock County	4,459	4,424	4,354	4,300	4,265	4,180	4,324
Bay St. Louis and Waveland	1,797	1,691	1,651	1,679	1,624	1,441	2,383
County Totals	6,256	6,115	6,005	5,979	5,889	5,621	6,707

2010 vs. 2004 Enrollment (Overall County) -7%

	2010	2009	2008	2007	2006	2005	2004
Harrison County	13,828	13,364	13,216	13,083	12,745	12,217	13,170
Biloxi	5,008	4,862	4,719	4,878	4,711	5,244	6,305
Gulfport	5,708	5,688	5,549	5,581	5,480	4,326	6,291
Long Beach	2,877	2,778	2,769	2,746	2,818	2,742	3,272
Pass Christian	1,637	1,629	1,512	1,471	1,489	1,343	1,980
County Totals	29,058	28,321	27,765	27,759	27,243	25,872	31,018

2010 vs. 2004 Enrollment (Overall County) -6%

	2010	2009	2008	2007	2006	2005	2004
Jackson County	9,304	9,173	8,988	8,923	8,706	8,326	8,431
Moss Point	2,665	2,923	3,057	3,124	3,216	3,257	3,862
Ocean Springs	5,379	5,423	5,417	5,222	5,065	4,737	5,418
Pascagoula	6,954	7,015	7,124	7,130	6,965	6,748	7,559
County Totals	24,302	24,534	24,586	24,399	23,952	23,068	25,270

2010 vs. 2004 Enrollment (Overall County) -4%

Red shaded cells indicate a decline from prior year enrollment

Green shaded cells indicate growth from prior year enrollment

From a school accountability perspective, ten of eleven public school districts on the Mississippi Gulf Coast received a “successful” or better rating in 2010. Efforts are underway at the state level to incorporate increasingly higher standards to compare Mississippi schools to national standards by 2013.

Table 7: 2010 School Accountability Reports

Star	High Performing	Successful	Academic Watch	Low Performing	At Risk of Failing	Failing
Pass Christian	Long Beach	Bay-Waveland			Moss Point	
	Gulfport	Hancock County				
	Biloxi	Harrison County				
	Ocean Springs	Pascagoula				
	Jackson County					

Stennis, Military, and Technology

In December Keesler Air Force Base graduated its first Cyberspace officers¹¹. The class of 15 cyber warriors originated from bases all over the United States and in Korea, and Keesler will be providing this high-tech training throughout the year. The program is critical to America’s efforts to defend strategic interests and repel internet based attacks on America’s computer systems.

In February, NASA test fired an engine that will be used for low orbital commercial cargo deliveries to the International Space Station. The first planned launch of the Orbital Science Corporation’s AJ26 engine is slated for 2012.

Population

Preliminary 2010 Census data was published in early 2011. The good news is that it does not appear that the Mississippi Gulf Coast will be at risk of losing significant representation at the state level (the Coast currently has 7 Senators and 17 Representatives). Of concern is that while preliminary population estimates suggest that the three coastal counties have populations in 2010 that are roughly 1.5% below pre-Katrina levels, enrollment in the region’s public school system has decreased disproportionately higher; later in 2011 when detailed Census data is available, it will be interesting to see if any specific segments (primarily age) of population that the Gulf Coast lost. Considering that enrollments in 2010 were down (on average) by five percent, the fact that overall population is down by less than two percent suggests that the Gulf Coast has not rebuilt its population in the wake of Hurricane Katrina proportionately.

Table 8: U.S. Census Population Estimates

	2010	2005	2000	2010 vs. 2005	2010 vs. 2000
Hancock	43,929	46,097	42,967	-4.7%	2.2%
Harrison	187,105	195,843	189,601	-4.5%	-1.3%
Jackson	139,668	134,474	131,420	3.9%	6.3%
Totals	370,702	376,414	363,988	-1.5%	1.8%

CEO & Business Owner Confidence

Business confidence along the Mississippi Gulf Coast reached a milestone in the fourth quarter 2010, reaching an all-time high. The survey has been administered quarterly since the fall 2008. To read the report in its entirety, visit the Gulf Coast Business Council website.

Closing Remarks

The recession on the Mississippi Gulf Coast began in late 2008 and, from a jobs and spending aspect, the overall region will officially see the recession end in 2011. Compared to the high point of 2008, the Mississippi Gulf Coast entered 2011 with more than 10,000 fewer establishment jobs. Though at a glance the number of lost jobs on the Mississippi Gulf Coast appears to be staggering, it's important to remember that in the wake of Katrina more than 25,000 coast residents found themselves unemployed, and over the last two quarters, even in the wake of the BP oil spill, the Mississippi Gulf Coast economy has proven to be resilient. Should the momentum that was established in the latter half of 2010 carry over into 2011, job growth can be expected, and the overall economy will officially transition from one that was recessing into one that is again growing.

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 April 2011.

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- ¹ Msbusiness.com, January 31, 2011
 - ² Clarionledger.com, October 25, 2010
 - ³ Sunherald.com, January 1, 2011
 - ⁴ *Alliance Insight*, January 2011
 - ⁵ Msbusiness.com, January 18, 2011
 - ⁶ Msbusiness.com, February 8, 2011
 - ⁷ Sunhearld.com, December 26, 2010
 - ⁸ Msbusiness.com, January 16, 2011
 - ⁹ Wlox.com, November 14, 2010
 - ¹⁰ Msbusiness.com, February 9, 2010
 - ¹¹ Sunherald.com, December 7, 2010