



PREPARED FOR  
Harrison County Development Commission



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# ECONOMIC IMPACT OF COVID-19 ON HARRISON COUNTY, MISSISSIPPI INDUSTRIES

**Confidential**



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## 1. Background

Harrison County, Mississippi (including the cities of Gulfport, Biloxi, D'Iberville, Long Beach, and Pass Christian) is the primary county of the Gulfport-Biloxi metropolitan statistical area (MSA)<sup>1</sup> and has a wide mix of business specialties: retail, manufacturing, pharmaceuticals, healthcare research, composite technology, and shipbuilding. The county hosts several military installations, which make significant contributions to the county economy.

This analysis of the COVID-19 pandemic's impact is for the Harrison County Development Commission, an entity established in 1958 to promote and develop harbors, seaports, industrial sites, and other related facilities. The commission's axiom is *beautifully productive in a community that never stops moving and doing*. Area industries such as manufacturing, military, and defense contractors, and the path to eventual comeback for the county economy will be analyzed.

The global COVID-19 pandemic has impacted every community and industry in the nation. Information about the pandemic spread, government response, and implementation of social distancing has evolved quickly. Consequently, any forecasts should be considered subject to change as more information becomes available. Moreover, the timing of the economic comeback is dependent on when therapeutics and a vaccine for COVID-19 are widely available.

Government actions and policies in response to the pandemic also change quickly, which have a profound influence on the national and regional economies. On April 3, 2020, Mississippi Governor Tate Reeves issued Executive Order 1466 (the "shelter-at-home" order), imposing a temporary restriction on recreational, entertainment, and non-essential retail businesses. On April 24, 2020, Governor Reeves decided to let the "shelter-at-home" order expire on April 27, 2020, but some restrictions remained.<sup>2</sup> For example, in this new order, while retail stores and restaurants are allowed to open at 50% capacity, entertainment and recreation venues such as movie theaters and salons will remain closed. On May 14, 2020, the Mississippi Gaming Commission announced that casino operations would be allowed to resume on May 21, 2020 with capacity limited to 50% occupancy.<sup>3</sup>

Federal actions also impact the regional economy. On March 27, 2020, the U.S. Congress passed and the President signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act temporarily expands unemployment insurance benefits and provides a \$1,200 payment to eligible Americans. In addition, this law includes the Paycheck Protection Program (PPP) that allocates \$349 billion in loans to small

<sup>1</sup> The Gulfport-Biloxi MSA also includes nearby Hancock and Stone counties.

<sup>2</sup> Source: <https://www.usnews.com/news/best-states/mississippi/articles/2020-04-24/reeves-stay-at-home-order-to-expire-but-vigilance-needed>.

<sup>3</sup> Source: <https://www.wlox.com/2020/05/15/casino-reopening-guidelines-include-guest-screening-sanitation-rules/>

businesses to help them continue to pay their employees.<sup>4, 5</sup> In late April, Congress passed, and the President signed, another bill to inject \$310 billion to replenish the PPP program.<sup>6</sup> Those policies will allow many businesses to keep their employees, thus moderating the effects of the COVID-19 pandemic on the economy.

In this analysis, Chmura evaluates the impact of COVID-19 on Harrison County, focusing on the manufacturing sector, military bases, and defense contractors. While other industries such as hospitality will also be impacted by the COVID-19 pandemic, this report provides an analysis for the prospects for the comeback of lost jobs in the county.

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<sup>4</sup> Source: <https://www.washingtonpost.com/business/2020/03/25/trump-senate-coronavirus-economic-stimulus-2-trillion/>.

<sup>5</sup> This program provides forgivable loans to small businesses so they can pay their employees during the pandemic. The loans will be forgiven as long as they are used to cover payroll, most mortgage interest, rent, and utilities over an eight-week period and if employee and compensation levels do not decrease. Source: <https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf>.

<sup>6</sup> Source: <https://www.marketwatch.com/story/house-set-to-pass-bill-that-replenishes-coronavirus-aid-program-for-small-businesses-2020-04-23>.

## 2. Industry Impact

The economy of Harrison County is diversified. As of the fourth quarter of 2019, total employment in Harrison County was 102,150, including over 9,000 estimated military personnel at military bases. Based on the two-digit industry level of the North American Industry Classification System (NAICS), the largest sector in the county is accommodation and food services, employing 22,829 workers or 22% of all workers. The next-largest sectors in the region are government and military (15,306 workers or 15%), health care and social assistance (14,992 or 15%) and retail trade (11,979 or 12%).

The county had a total of 3,087 workers employed in the manufacturing sector in the fourth quarter of 2019. The largest manufacturing industry is chemical manufacturing, with a location quotient of 1.79,<sup>7</sup> indicating the county has a favorable concentration of chemical firms relative to other places in the nation. Such a high location quotient indicates that the concentration of skilled labor, training providers, and suppliers to chemical manufacturing should attract other chemical manufacturers to expand into the region. Food and transportation equipment manufacturing round out the top three manufacturing industries in the county (Table 2.1).

Overall, the COVID-19 pandemic is estimated to have a minor impact on the manufacturing businesses in Harrison County. This assessment is consistent with anecdotal cases obtained from Chmura’s research and interviews with local economic development professionals. Based on Harrison County Development Division, many manufacturers have not experienced any disruption during the pandemic.

Chmura estimates that during the pandemic, less than three percent of the manufacturing jobs in Harrison County were affected by COVID-19 closures.

**Table 2.1: Harrison County Manufacturing Employment**

Industry	2019Q4 Employment
Chemical Manufacturing	900
Food Manufacturing	383
Transportation Equipment Manufacturing	324
Fabricated Metal Product Manufacturing	219
Machinery Manufacturing	208
Computer and Electronic Product Manufacturing	207
Nonmetallic Mineral Product Manufacturing	202
Furniture and Related Product Manufacturing	145
Printing and Related Support Activities	137
Primary Metal Manufacturing	127
Miscellaneous Manufacturing	102
Plastics and Rubber Products Manufacturing	36
Petroleum and Coal Products Manufacturing	31
Beverage and Tobacco Product Manufacturing	22
Electrical Equipment, Appliance, and Component Manufacturing	20
Apparel Manufacturing	13
Textile Product Mills	5
Wood Product Manufacturing	5
Leather and Allied Product Manufacturing	1
<b>Total Manufacturing</b>	<b>3,087</b>

Source: Chmura and JobsEQ by Chmura

<sup>7</sup> The location quotient is a measure of the relative size of the selected region's industry employment compared to the national average. A number greater than 1.00 means that the industry employment for the region exceeds the industry's national average, and a number less than 1.00 means that it falls short of the industry's national average.

To arrive at the above estimate, Chmura first analyzes different industries and their risk of exposure to the pandemic. A national study by Moody's Investors Service classifies industries into having low, moderate and high levels of exposure.<sup>8</sup> Among various manufacturing industries in Harrison County, food manufacturing is assumed to be low risk, which means they are not expected to lose any jobs. Chemical manufacturing is classified by the Moody's study as having moderate risk, with limited expected job losses. Similarly, metal and mining products manufacturing are also assumed to have moderate exposure to the pandemic. Of all manufacturing industries in Harrison County, only transportation equipment and furniture manufacturing are judged to have high exposure to COVID-19, because they rely on consumer discretionary income and are not considered basic necessities.

Outside manufacturing, several other industries are expected to see limited impacts. For example, agriculture, forestry, fishing and hunting are estimated to lose a minimal number of jobs. Those industries are outdoors, and workers can more easily maintain a social distance. Similarly, the commercial mariner industry is not expected to be affected by the pandemic, as it is an outdoor-based industry which has experienced healthy growth in recent years.<sup>9</sup> Another Harrison County industry that will experience only a moderately negative impact is professional, scientific, and technical services, as many of those jobs can be performed remotely.

Looking forward, it is expected that industries such as manufacturing will continue their operations with little impact. As other consumer-related industries such as hospitality start to reopen, demand for manufacturing products will increase.<sup>10</sup>

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<sup>8</sup> Source: [https://www.moody.com/newsandevents/topics/Coronavirus-Credit-Effects-007054?cid=JJU2QJXDP3908&stop\\_mobi=yes](https://www.moody.com/newsandevents/topics/Coronavirus-Credit-Effects-007054?cid=JJU2QJXDP3908&stop_mobi=yes)

<sup>9</sup> Source: <https://msmarketmaker-wordpress-com.cdn.ampproject.org/c/s/msmarketmaker.wordpress.com/2020/05/16/commercial-marinas-in-mississippi-and-alabama-gulf-coasts/amp/>. Chmura's JobsEQ data showed that employment in this industry expanded by 20 to 65 in the fourth quarter of 2019.

<sup>10</sup> Source: <https://www.inquirer.com/business/recovery-economy-zandi-moodys-virus-covid-19-jobs-prediction-20200423.html>.

## 3. Impact on Military Bases & Defense Contractors

### 3.1. Military Bases

The military presence in Harrison County is a critical part of the local economy. Major military installations in the county include Keesler Air Force Base (AFB) and the Naval Construction Battalion Center, home of the Atlantic Fleet Seabees. Other sites include the Air/Army National Guard at Gulfport-Biloxi Regional Airport and Coast Guard installations. Those military bases employ more than ten thousand military, civilian, and contract workers that serves to diversify the county's economy, especially during the COVID-19 pandemic.

Keesler AFB is the preeminent U.S. Air Force training enterprise, and the second-largest Air Force training base in the nation. In Fiscal Year (FY) 2018, the base hosted a total of 11,543 employees, including military, civilian, and contract workers.<sup>11</sup> During that fiscal year, the total economic impact of the base was estimated at \$1.59 billion.<sup>12</sup>

Despite several positive cases of COVID-19 at Keesler AFB, it is expected to remain open and experience minimal impact during the pandemic.<sup>13</sup> The base took precautionary measures to limit the spread of the virus. In late March, Keesler AFB decided to close access to the base exchange to military retirees and Veteran Health Identification cardholders. The commissary (grocery store) is still open to all active military and retirees. Essential goods like food, medicine, cleaning supplies, and diapers are available at the commissary.<sup>14</sup> Those measures will have a limited effect on Keesler AFB and its economic impact in the county.

In fact, the base may see some additional activities due to COVID-19. The U.S. Air Force plans to use Keesler Air Force Base as an alternate site for basic training during the pandemic. This shift will allow the training pipeline to continue and help ensure the health and safety of trainees and instructors. It will also provide relief to Joint Base San Antonio-Lackland, Texas' sole training infrastructure. In early April, 60 trainees arrived at Keesler AFB to the proof of concept Basic Military Training detachment.

Seabee Base is a Naval Construction Battalion Center (NCBC) located in the county. The NCBC exists to maintain and operate facilities, provide services and material in support of Naval Construction Force Units and other fleet and assigned organizational units deployed from or homeported at NCBC Gulfport, and perform other functions and tasks as may be assigned by higher authority.<sup>15</sup> The latest data from FY2018 show that there are over 1,200 active military personnel at the base.<sup>16</sup> As of early April, there were confirmed cases of COVID-19 at this base, but it did not close down.<sup>17</sup>

Operations of these military bases depend on the federal budget. It is unlikely that their operations will be impacted in this fiscal year due to COVID-19, as the military budget has been appropriated. As a result, the presence of these military bases provides some stability for the county's economy as it comes back from the pandemic.

<sup>11</sup> Fiscal Year 2018 started October 1, 2017 and ended September 30, 2018.

<sup>12</sup> Source: Economic Impact Statement, Keesler Air Force Base Fiscal Year 2018. This is the latest fiscal year where such data were available, provided by Harrison County Development Commission.

<sup>13</sup> Source: <https://www.sunherald.com/news/coronavirus/article241502306.html>.

<sup>14</sup> Source: <https://www.wlox.com/2020/03/23/keesler-airforce-base-exchange-closed-retirees-cardholders-until-further-notice/>.

<sup>15</sup> Source: [https://www.cnbc.navy.mil/regions/cnrse/installations/ncbc\\_gulfport.html](https://www.cnbc.navy.mil/regions/cnrse/installations/ncbc_gulfport.html).

<sup>16</sup> Source: <https://www.acq.osd.mil/eie/Downloads/BSI/Base%20Structure%20Report%20FY15.pdf>.

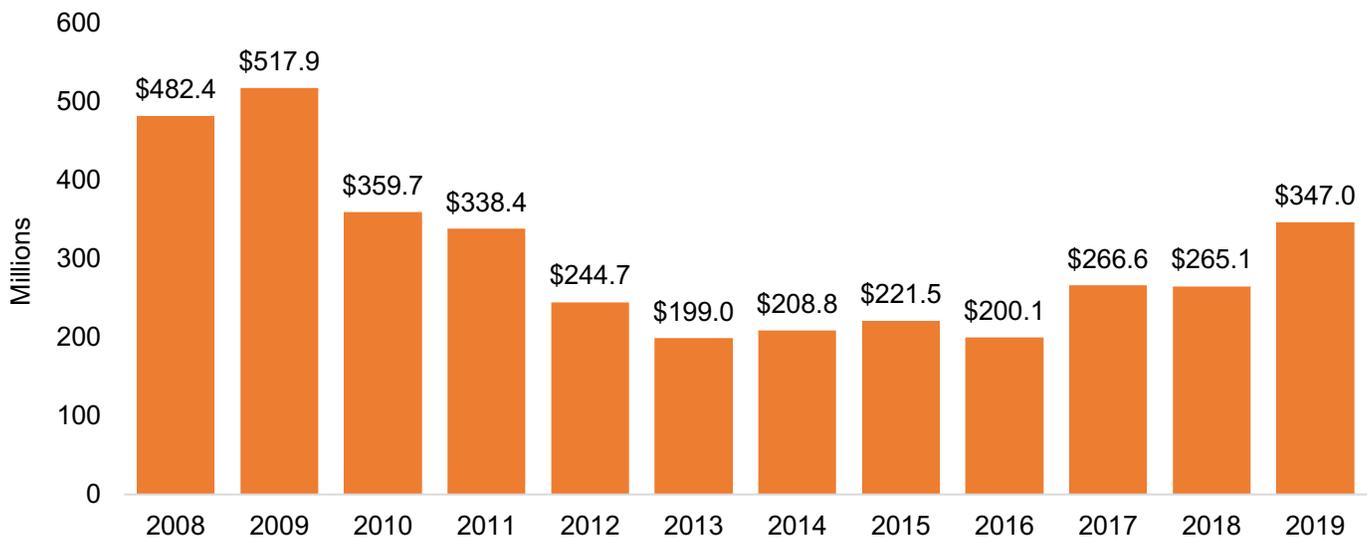
<sup>17</sup> Source: <https://www.wlox.com/2020/03/23/ncbc-commander-gives-public-update-covid-situation-base/>.

## 3.2. Defense Contractors

### 3.2.1. Perspective from the Last Recession

Due to the presence of Keesler Air Force Base and NCBC Gulfport, federal defense contract spending is a significant contributor to economic activity in Harrison County. In FY2019,<sup>18</sup> nearly \$350 million in defense contracts were performed in the county (adjusted for time and place of performance).<sup>19</sup> This was an increase from \$265.1 million (in nominal terms) in the previous fiscal year.

**Figure 3.1: Value of Federal Defense Contracts Performed in Harrison County**



Source: FedSpendTOP by Chmura

In the short-term, defense contract spending may not be impacted since the federal budget for FY2020 has already been approved. Rather, it is likely that COVID-19 and the anticipated recession will affect federal contract spending after the pandemic. As a result, changes that occurred after the last recession may inform the future of contract spending.

Changes in defense contract spending lagged the 2007 to 2009 recession by a year or more. At the national level, defense contract spending continued to expand in FY2009, leveled off in FY2010, and began to decline in FY2011. Similarly, defense contract performance in Harrison County peaked in FY2009 at \$517.9 million. In FY2010, spending on contracts performed in the county dropped to \$359.7 million, as Congress passed the Budget Control Act of 2011 (BCA 2011) that significantly reduced federal spending and impacted Harrison County.<sup>20</sup> Contracts performed in the county continued to decline to a trough of \$199.0 million in FY2013, and following a national trend, remained low through FY2017. In the immediate aftermath

<sup>18</sup> Fiscal Year 2019 started October 1, 2018 and ended September 30, 2019.

<sup>19</sup> The FPDS (Federal Procurement Data System) and FSRS (Federal Subaward Reporting System, together USAspending.gov) are the official source of contract award data for federal contracts. However, U.S. Government Accountability Office (GAO) studies have found inaccuracies in the FPDS and have recommended actions to improve the data. In light of these shortcomings, Chmura created processes and proprietary algorithms to improve the accuracy of USAspending.gov. The resulting database, FedSpendTOP (FEDeral SPENDING by Time of Performance), adjusts contract work performed by both time and place. The values of the awards are adjusted by contract length to more accurately depict the value of work performed during contracts spanning multiple fiscal years. FedSpendTOP data also capture the effects of subcontract work being performed in places different from the prime awards.

<sup>20</sup> For a brief summary of the initial cuts in 2011, see <https://budget.house.gov/committee-report/summary-budget-control-act-2011>.

of the recession (FY2010 to FY2012), spending on defense contracts in the county declined at an average annual rate of 17.5%.

The top three defense contractors by performance in Harrison County accounted for \$70.6 million in FY2019, or 20% of all defense contracts in the region (Table 3.1). Defense contracts in the region are centered around boat building and related technology. Given the long-term horizon for boat building contracts, and federal measures to ensure prime and subcontractors can continue to be paid and maintain their workforce, these contractors may be expected to weather the short-term effects of COVID-19 with little interruption. Indeed, company websites for the contractors listed in Table 3.1 show no sign of interruption due to the pandemic response.<sup>21</sup>

**Table 3.1: Top Defense Contractors by Value of Federal Contracts Performed in Harrison County (FY2019)**

Sector	Spending
Leidos Holdings, Inc.	\$25,526,849
United States Marine, Inc.	\$23,876,095
Seemann Composites, Inc.	\$21,166,701

Source: FedSpendTOP by Chmura

Federal contracts in these sectors may help with the initial comeback in the county. Contractors with finalized or multi-year federal contracts may be less impacted by an economic slowdown in the immediate future, but may face a lagged decline in the federal budget similar to the previous recession. The next section discusses the potential impacts of COVID-19 on federal budgeting and procurement.

### 3.2.2. Federal Procurement Budget Response to COVID-19

Several measures to ease the short-term effects of COVID-19 on federal procurement are underway. At the federal level, the Department of Defense (DoD) is allowing payments to contractors who are unable to work due to COVID-19.<sup>22</sup> The Coronavirus Aid, Relief, and Economic Security (CARES) Act also includes a section which allows the DoD to “reimburse paid leave where contractor employees could not access work sites or telework, but actions were needed to keep such employees in a ready state.”<sup>23</sup> It is expected these measures will allow contractors and subcontractors to maintain their skilled workforce and supply chains. A memo from the Undersecretary of Defense declares most contractors and their subcontractors as essential critical infrastructure workforce.<sup>24</sup> For prime contractors, DoD contracts contain clauses that allow for an adjustment of contract schedules under certain conditions, such as the current pandemic; requests to modify contracts are considered on a case-by-case basis.<sup>25</sup> Additionally, the contracts for some prime contractors are being modified to pay more now for progress on the contract, raising the limits on progress payments from 90 to 95 percent.<sup>26</sup>

In the next few years beyond the immediate COVID-19 response, cuts to defense spending may be expected. It will be due to the extraordinary measures implemented by the federal government during the COVID-19 pandemic which significantly increased both spending and the federal deficit. The federal government may take steps to cut spending and reduce the deficit, similar to what happened after the last recession. One rough estimate suggests that even if the defense budget stays at a fixed 3.2% of Gross Domestic Product (GDP), expected declines in economic output due to COVID-19 would lead to a

<sup>21</sup> Company websites accessed April 27, 2020.

<sup>22</sup> Source: <https://www.defense.gov/Newsroom/Releases/Release/Article/2144750/dod-allows-payments-to-contractors-who-cannot-work-due-to-covid-19-facility-clo/>.

<sup>23</sup> Source: [https://www.acq.osd.mil/dpap/policy/policyvault/Managing\\_Contracts\\_under\\_COVID-19\\_Memo\\_DPC.pdf](https://www.acq.osd.mil/dpap/policy/policyvault/Managing_Contracts_under_COVID-19_Memo_DPC.pdf).

<sup>24</sup> Source: <https://media.defense.gov/2020/Mar/22/2002268024/-1/-1/1/DEFENSE-INDUSTRIAL-BASE-ESSENTIAL-CRITICAL-INFRASTRUCTURE-WORKFORCE-MEMO.PDF>.

<sup>25</sup> Source: [https://www.acq.osd.mil/dpap/policy/policyvault/Managing\\_Contracts\\_under\\_COVID-19\\_Memo\\_DPC.pdf](https://www.acq.osd.mil/dpap/policy/policyvault/Managing_Contracts_under_COVID-19_Memo_DPC.pdf).

<sup>26</sup> Source: <https://www.nextgov.com/cio-briefing/2020/03/pentagon-modify-hundreds-contracts-covid-19-response/164207/>.

corresponding decline of \$350 to \$600 billion in DoD budgets, or “roughly comparable to a second sequestration.”<sup>27</sup> However, sequestration was a broad cut across all areas of spending. It is possible that future rounds of cuts will be more targeted in accordance with military strategy and priorities. Considering the reluctance to cut force levels, pay and benefits, and research and development as in past defense cuts, procurement is the most likely target of budget cuts.<sup>28</sup> Many uncertainties remain, including the length of the pandemic and upcoming presidential and congressional elections.

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<sup>27</sup> Source: <https://www.rand.org/blog/2020/04/defense-budget-implications-of-the-covid-19-pandemic.html>.

<sup>28</sup> Source: <https://thehill.com/opinion/national-security/492756-defense-budget-cuts-following-the-pandemic-will-be-hard-to-swallow>.

## 4. Comeback of Hospitality Industry

While manufacturing, military, and defense contracting industries in Harrison County are expected to experience minimal or moderate impacts during the COVID-19 pandemic, similar to the rest of the nation, the hospitality industry in Harrison County experienced a significant number of job losses. With the reopening of retail, restaurants, and casinos, even at a reduced capacity, the hospitality industry in Harrison County will make a comeback.

Experts in the hospitality industry have studied the issues that affect the comeback of this sector, and they anticipate that the following key factors will decide the paths to comeback for different tourism destinations.<sup>29</sup>

- Local infection rates
- Local healthcare capacity
- Effective implementation of test, track, and trace
- Varying national, state, and provincial restrictions
- Destinations' historic market composition
- Wild cards: effective drug therapy, seasonality, vaccine

The most important factors affecting the comeback trajectory of a tourism destination is the destination's market composition. Specific to hospitality and tourism, the regional or national destinations which are not in COVID-19 hot spots and those without a high percentage of international tourists are expected to recover quickly. On the other hand, destinations with heightened levels of COVID-19 infections, such as New York or New Orleans, and cities with a large percentage of international visitors or fly-in customers (New York or Las Vegas) may expect a delayed comeback.

Based on those factors, it is expected that the comeback for Harrison County's tourism industry would be rather quick. That is because the Gulfport-Biloxi area is primarily a regional destination, drawing visitors from Mississippi, Louisiana, and other nearby states. For example, based on a 2017 visitor study by Longwoods International on the Mississippi Gulf Coast, 83% of overnight visitors were from Mississippi, Louisiana, Florida, Alabama, Texas, and Georgia. In addition, 79% of Mississippi Gulf Coast overnight visitors arrived by personal car or truck.<sup>30</sup> The percentages for day trippers were even higher. Those factors all indicate an early comeback for the area.

In addition, Mississippi is one of the first states to have relaxed the "shelter-at-home" order. On April 24, 2020, Governor Reeves decided to let the "shelter-at-home" order expire on April 27, 2020.<sup>31</sup> As a result, retail stores are allowed to open at 50% capacity. Similarly, restaurants are allowed to open at 50% capacity as well. On May 14, the Mississippi Gaming Commission announced that casino operations would be allowed to resume May 21 with capacity limited to 50% occupancy.<sup>32</sup>

The re-opening of those business will allow the Gulfport-Biloxi region to capture some additional visitors during the comeback for two reasons. First, some major destinations with national and international clients, such as the Caribbean or Las Vegas, are on a path of delayed comeback and are not expected to recover until 2021. As a result, visitors who typically go to those beach or casino destinations may look for alternatives. Studies done early this year have showed that 85% of individuals planning to travel in the next six months plan to change their travel plans, and 50% plan to cancel completely

<sup>29</sup> Source: The Roads to Recovery for Travel & Tourism, webinar presented by Resonance Consultancy, April 21, 2020.

<sup>30</sup> Source: Mississippi Gulf Coast 2017 Visitor Research, by Longwoods Travel USA.

<sup>31</sup> Source: <https://www.usnews.com/news/best-states/mississippi/articles/2020-04-24/reeves-stay-at-home-order-to-expire-but-vigilance-needed>.

<sup>32</sup> Source: <https://www.wlox.com/2020/05/15/casino-reopening-guidelines-include-guest-screening-sanitation-rules/>

due to the pandemic. After many weeks of being confined at home, more than half of survey respondents are eager to travel for leisure.<sup>33</sup>

In addition, there might be more permanent changes in the tourism industry after the pandemic. Industry experts predict that the recent trend in city tourism will be reversed, and regional travel and road trips will become more popular. In addition, there might be changes in preference for short-term rentals versus hotels. A recent survey found that 40% of American travelers plan to change the type of destination they choose to visit. Of potential destinations, beaches and resorts top the list, followed by small towns/rural areas, and then larger cities/metro areas. Many prefer destinations close to home. Those trends point to opportunities for hospitality establishments in Harrison County, not just for the next couple of years during the comeback, but also for long-term growth to capture some of those permanent shifts in consumer behavior.

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<sup>33</sup> Source: The Roads to Recovery for Travel & Tourism, webinar presented by Resonance Consultancy, April 21, 2020.

## 5. Conclusion

In the midst of the COVID-19 pandemic, there are several positive signs for the economy in Harrison County.

Overall, manufacturing, military, and defense contracting industries in Harrison County are expected to experience minimal to moderate impacts during the pandemic. Several other industries are expected to experience limited impacts such as the commercial mariner industry; agriculture, forestry, fishing, and hunting; and professional, scientific, and technical services. Looking ahead, as other consumer industries reopen, demand for manufacturing products will increase.

The operations of military bases in the county are unlikely to be impacted, providing some stability for the county's economy. In fact, the U.S. Air Force plans to use Keesler Air Force Base as an alternate site for basic training during the pandemic. Similarly, with federal measures taken to ensure prime and subcontractors can continue to be paid and maintain their workforce, the more than \$347 million in defense contracts performed in the county in FY 2019 may be expected to continue with little interruption.

The county's tourism industry is expected to make a quick comeback. Mississippi is one of the first states to have relaxed the "shelter-at-home" order. With the reopening of retail, restaurants, and casinos, even at a reduced capacity, the hospitality industry is making a comeback. The area is primarily a regional destination, drawing visitors from Mississippi, Louisiana, and other nearby states. Further, the reopening of hospitality businesses will allow the region to capture some additional visitors as they look for alternatives to typical major destinations. Long term, preferences may change due to the pandemic toward destinations closer to home and away from urban areas, boosting tourism in the Gulfport-Biloxi region.