

## Economic Contribution of Restaurants and Other Eating Places in Mississippi

In this issue, Dr. Posadas describes the economic contribution of the restaurant and foodservice industry in Coastal Mississippi. This issue is an update of [Mississippi MarketMaker Newsletter](#), Vol. 7, No. 23. The Coastal Mississippi Region consists of three counties, namely: Hancock, Harrison, and Jackson Counties. In the three coastal counties, there are 875 restaurant and related-businesses registered in the Mississippi MarketMaker. The economic contribution of the industry shows the importance of the industry to the regional economy of Coastal Mississippi. The industry was threatened by the lingering impacts of the man-made disaster associated with the prolonged and twice opening of the Bonnet Carre spillway from February to April and May to July 2019. The extent of the economic impacts of the man-made disaster to the foodservice industry of Coastal Mississippi will take some time to assess. Instead, some benchmark data about the industry during the past five years are presented.

### Employment and Wages, Salaries, and Earnings

Restaurants and other eating places ([NAICS](#) sector 7225) directly provided about 15,000 jobs per year in three Coastal Mississippi Counties since 2014 (Fig. 1). In 2019, the entire foodservice industry provided more than 16,000 jobs in the three coastal counties. The number of jobs directly created by the industry represents almost eight percent of all the jobs in Coastal Mississippi this year.

The combined wages, salaries, and proprietor earnings of all the QCEW employees, non-QCEW employees, self-employed, and extended proprietors in the three Coastal Mississippi Counties are shown in Fig. 2. Workers and owners of mobile food service businesses received more than \$36,000 average earnings in 2018. Workers in full-service restaurants earned an average \$20,000 last year. In 2018, workers in limited-service restaurants received over \$15,000 average earnings.

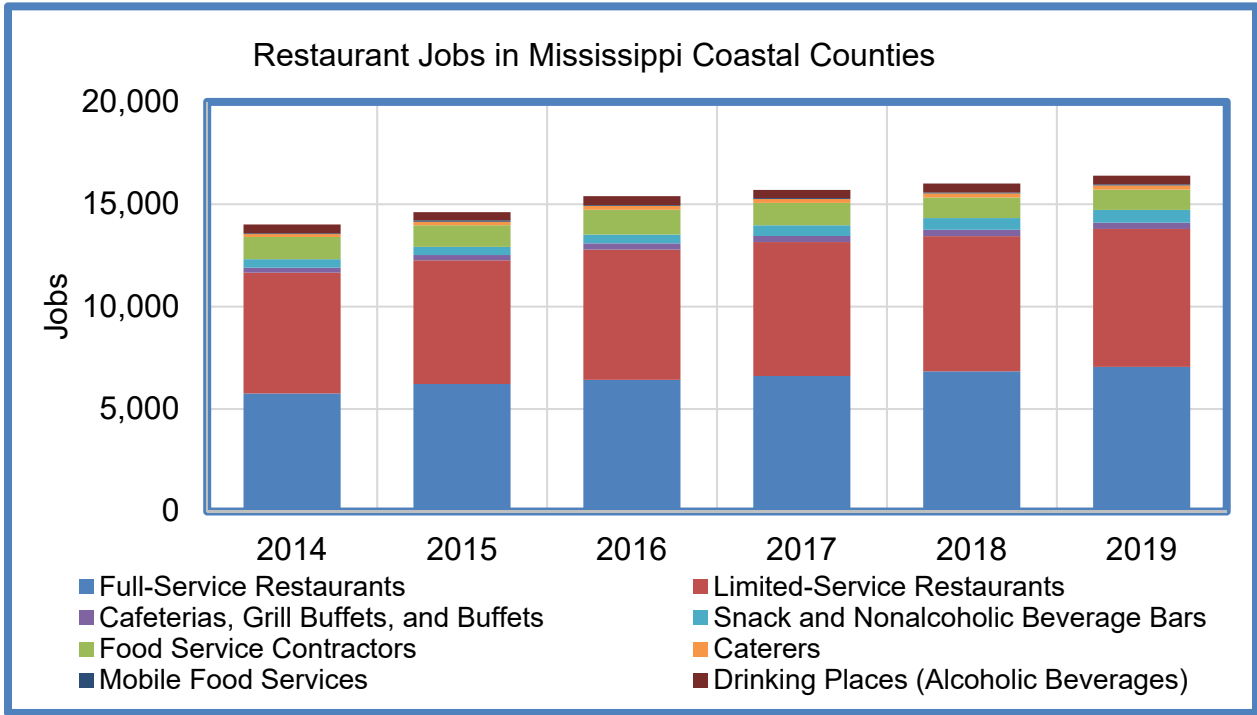


Figure 1. Annual Employment of QCEW Employees, Non-QCEW Employees, Self-Employed, and Extended Proprietors. U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages ([EMSI](#), 2019).

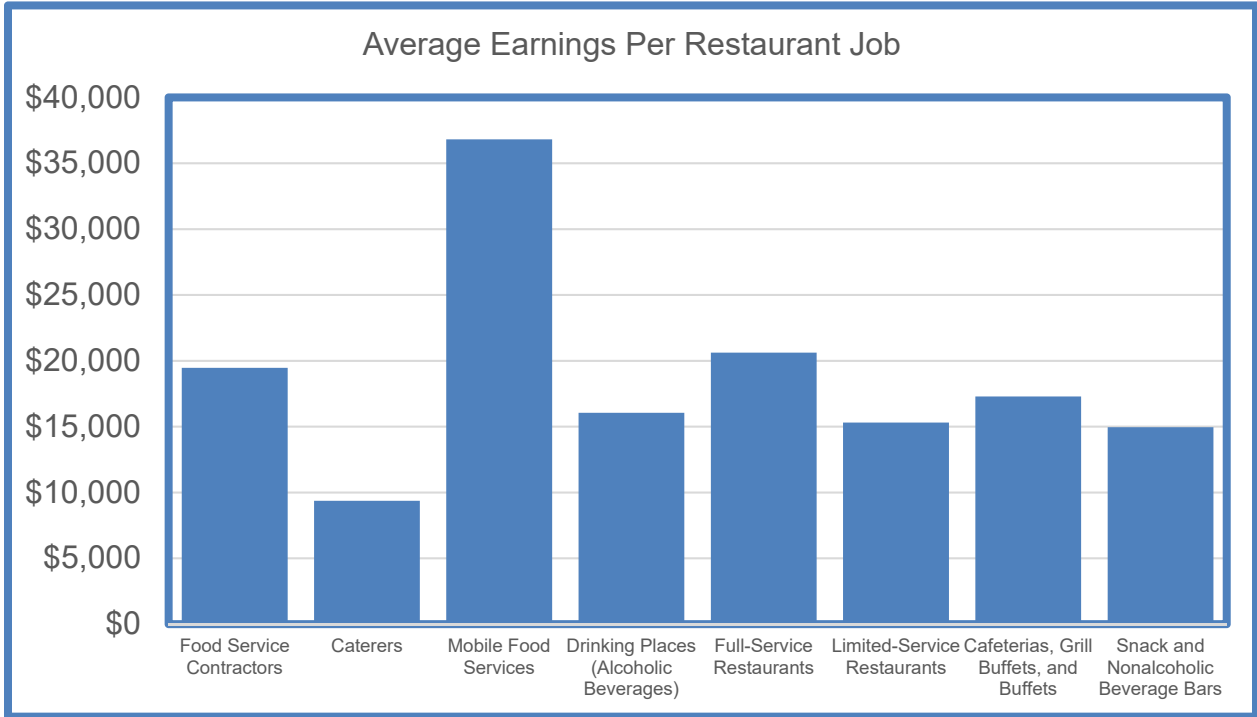


Figure 2. Average Earnings of QCEW Employees, Non-QCEW Employees, Self-Employed, and Extended Proprietors. U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages ([EMSI](#), 2019).

## Distribution of Workers by Gender

The 2018 industrial overview released by [EMSI](#) (2019) showed that among workers and owners in the three Coastal Mississippi Counties, 44 percent were male (Fig. 3). About 56 percent of the workers and owners were female.

Socio-Demographic Characteristics of Workers and Owners of Restaurants		
Industry Gender Breakdown	Coastal Mississippi	
Gender	2018 Jobs	2018 Percent
Males	7,078	44%
Females	8,929	56%
Total	16,007	100%

Figure 3. Distribution of QCEW Employees, Non-QCEW Employees, Self-Employed, and Extended Proprietors by Gender. U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages ([EMSI](#), 2019).

## Distribution of Workers by Age

The 2018 industrial overview released by [EMSI](#) (2019) showed that among workers and owners in the three Coastal Mississippi Counties are relatively young, averaging 33 years old (Fig. 4).

Approximately 10 percent of the workers and owners are 55 years old and above. The 45-55 years old workers and owners added 12 percent of the total. About 17 percent belonged to the 35-44 years old age group. Approximately 62 percent of the workers and owners are below 35 years old.

<b>Socio-Demographic Characteristics of Workers and Owners of Restaurants</b>		
<b>Industry Age Breakdown</b>	<b>Coastal Mississippi</b>	
<b>Age group</b>	<b>2018 Jobs</b>	<b>2018 Percent</b>
14-18	1,810	11%
19-21	2,163	14%
22-24	1,744	11%
25-34	4,093	26%
35-44	2,704	17%
45-54	1,917	12%
55-64	1,131	7%
65+	447	3%
Total	16,009	100%
Average Age (yr)	33.25	

Figure 4. Distribution of QCEW Employees, Non-QCEW Employees, Self-Employed, and Extended Proprietors by Age Group. U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages ([EMSI](#), 2019).

**Distribution of Workers by Race or Ethnicity**

The newly released industrial overview ([EMSI](#), 2019) also sorted workers and owners by race or ethnicity (Fig. 5). Majority of the workers are Whites (57.9%), followed Black or African American (28.3%), by Hispanic or Latino (6.5%), and Asian (4.5%). The remaining workers and owners are Native American or Alaska Native (0.44%), with two or more races (2.0%), and Native Hawaiian or Other Pacific Islander (0.07%).

<b>Socio-Demographic Characteristics of Workers and Owners of Restaurants</b>		
<b>Industry Race Breakdown</b>	<b>Coastal Mississippi</b>	
<b>Race/Ethnicity</b>	<b>2018 Jobs</b>	<b>2018 Percent</b>
White	9,271	57.92%
Hispanic or Latino	1,054	6.58%
Black or African American	4,544	28.39%
Asian	735	4.59%
Two or More Races	321	2.01%
American Indian or Alaska Native	70	0.44%
Native Hawaiian or Other Pacific Islander	12	0.07%
Total	16,007	100%

Figure 5. Distribution of QCEW Employees, Non-QCEW Employees, Self-Employed, and Extended Proprietors by Race or Ethnicity. U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages ([EMSJ](#), 2019).

### **Restaurant Businesses Registered in MarketMaker**

If you need an online database of local restaurants and other eating places, you may use the search tool in [Mississippi MarketMaker](#) or other state [MarketMaker](#) programs. More than 700,000 restaurant businesses in the United States registered their business profiles in MarketMaker. You can sort the results alphabetically, by relevance, or by the distance to your current location.

By searching for restaurants only in the three Coastal Mississippi Counties, a total of 875 restaurant and related businesses are found registered in Mississippi MarketMaker (Fig. 6). The entire foodservice businesses directly employed more than 16,300 workers in 2019 in the three coastal counties. The entire foodservice industry directly contributed almost eight percent of all the jobs in the coastal region in 2019.

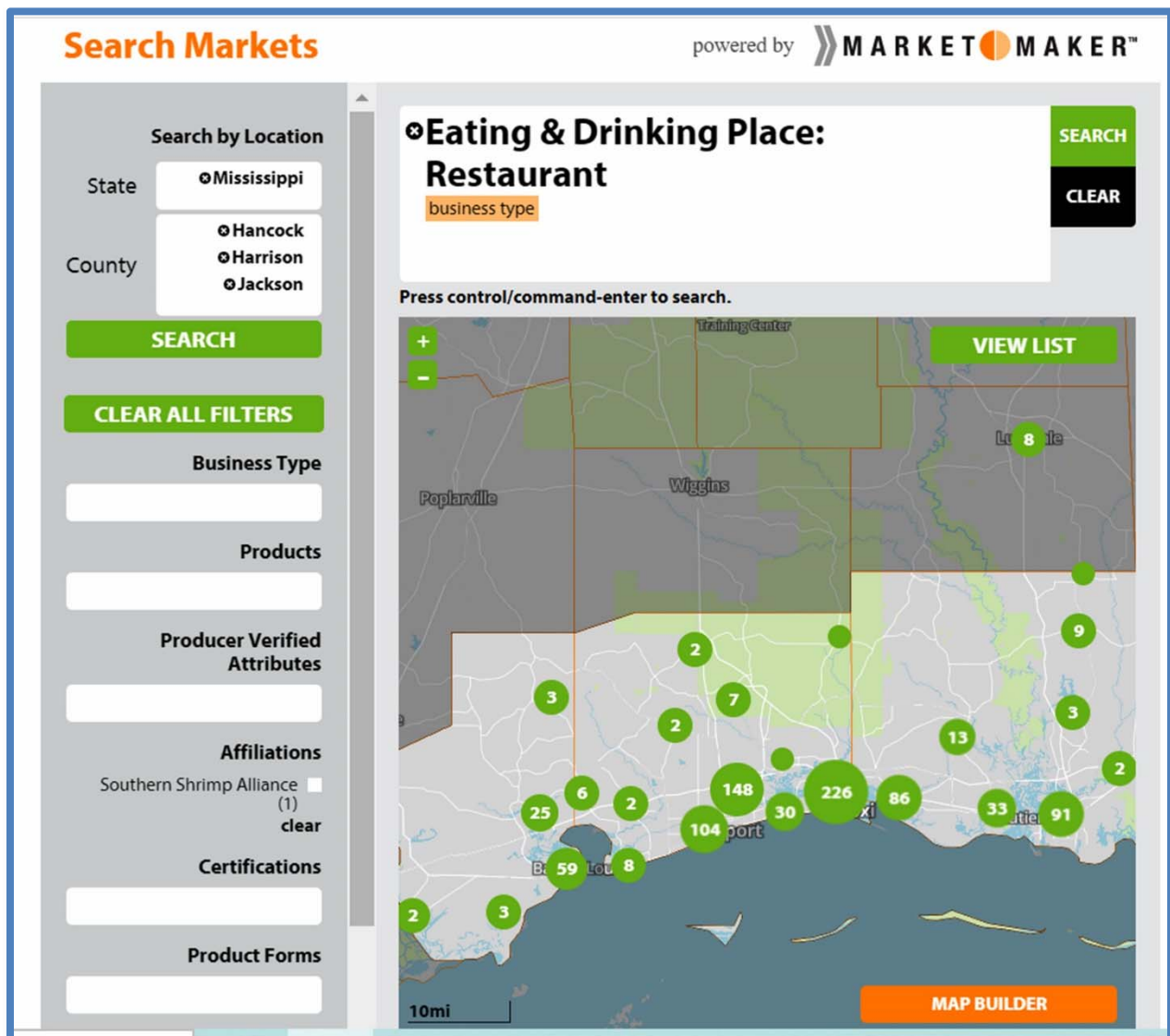


Figure 6. Map of the Locations of Restaurants in the Three Coastal Mississippi Counties ([Mississippi MarketMaker](#), 2019).

### Gross Regional Product

The [Bureau of Economic Analysis](#) (2019) defines the gross domestic product (GDP) as the value of the goods and service produced in the United States. The gross regional product (GRP) is simply the GDP for the region of study. [EMSI](#) (2019) measures the GRP as the sum of total industry earnings, taxes on production and imports, and profits, less subsidies.

The gross regional product (GRP) in the three coastal counties generated by the foodservice industry was estimated at over 420 million dollars in 2018 ([EMSI](#), 2019).

The GRP of the food service industry represents about 2.6 percent of the total GRP in Coastal Mississippi.

The full-service restaurants contributed more than 48 percent of the gross regional product in Coastal Mississippi. The limited-service restaurants added about 40 percent in the GRP of the three coastal Mississippi counties. Fig. 7 shows the contributions of the other foodservice sectors to GRP in the coastal counties.

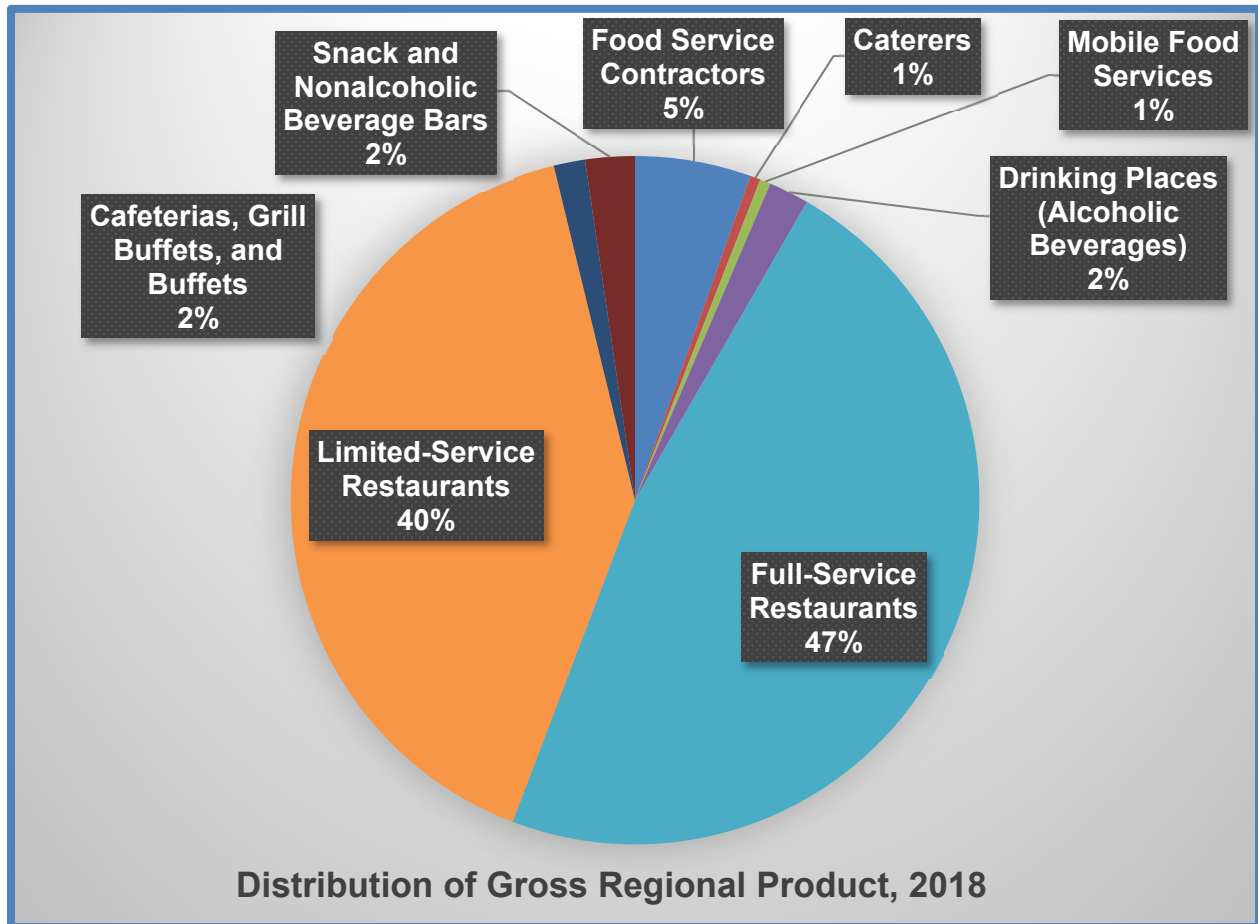


Figure 7. Distribution of Gross Regional Product in the three Coastal Mississippi Counties in 2018 by Sector ([EMSI](#), 2019).

### Disaster Implications

To save lives, properties and the way of life in New Orleans and surrounding communities, the Bonnet Carre spillway was opened to release floodwater into Lake Pontchartrain and eventually into the Mississippi Sound. The livelihoods and way of life of the restaurant businesses and surrounding communities dependent on coastal tourism and the seafood industry are threatened by lingering effects of the man-made

disaster associated with the prolonged and twice opening of the Bonnet Carre spillway since February to April and May to July 2019.

The massive volumes of freshwater which were dumped into the fertile fishery grounds of the Mississippi Sound brought with them harmful freshwater algae which bloomed all over the coast. Beaches were closed, and advisories were in place until Labor Day weekend and beyond. Massive losses in vital marine resources in Coastal Mississippi disrupted commercial and recreational fishing activities. The disruption of the local supply chains of seafood products adversely affected local seafood processing, wholesaling, retailing, and restaurant activities.

This man-made disaster is an externality that causes consumer and producer losses. Market forces cannot create a system of payments for the offended parties. The government needs to intervene and compensate for the losses suffered by consumers and producers. The effects of the disaster confronting the Mississippi Sound will linger for some time, and the economic hardships will further erode the quality of life of coastal households, businesses, and communities.

**Suggested Citation:**

Posadas, Benedict C. Economic Contribution of Restaurants and Other Eating Places in Mississippi. Mississippi MarketMaker Newsletter, Vol. 9, No. 9. September 30, 2019. <http://extension.msstate.edu/newsletters/mississippi-marketmaker>.