



The Mississippi Economic Council's overview of

Relief – Recovery – Reimagine ***Securing Mississippi's Future***

A Public-Private Approach to Building a Stronger Mississippi

Prepared for the

Governor's Commission for Economic Recovery

The impact of the Coronavirus (COVID-19) fundamentally changes the way we will conduct business, provide services, deliver healthcare, and how citizens live their daily lives and care for their families and community. Governor Tate Reeves has called on the business community to join state leaders in looking forward to address issues focusing on strategies, tactics and considerations for the safety and well-being of our citizens and our state economy. The Governor's Commission for Economic Recovery will identify pathways for Mississippi to address current challenges and more importantly, position to seize future opportunities.

This is a three-step process: Relief, Recovery, and Reimagine.

Relief – Continually assess and address immediate impacts of the COVID-19 crisis on businesses' operations and employees, advancing best practices to help stabilize operations in dynamic and uncertain times, while seeking economic stability and continuity. Determine what additional measures the state, working in concert with the private sector, can take beyond the federal relief to meet the needs of our citizens and businesses. Together we'll work to buffer negative economic impacts, as Mississippi continues to further strengthen access to federal stimulus channels and expand distribution of such funds, exploring ways to support business, and to incentivize consumer spending.

Recovery – The first phase of recovery focuses on restarting our economy. Restoring confidence in economic activity will be of utmost importance once public health conditions improve and concerns are addressed. We must advance best practices and promote protective measures so our citizens and businesses can turn their full attention to restarting critical sectors of the economy. Recovery truly begins as we return economic activity to the pre-crisis levels, while setting a trajectory for growth in all areas of the economy. We know Mississippi can harness our resourcefulness to restore commerce and boost consumer confidence. To accomplish this, we must determine the appropriate measures to ensure the state's key industry sectors remain the backbone of Mississippi's economy.

Reimagine – Reshaping and transforming Mississippi's economy requires putting Mississippi in a position to optimize opportunities in a post-pandemic economy. Rethinking our sector strategies, how companies operate, and optimizing new ways of learning and working will lead to steady, long-term growth. Reimagining Mississippi's economy will make it more diversified, resilient, and attractive for new investment.



The private sector leaders must:

- Manage the crisis, while preparing for long-term growth
- Understand and prepare for a range of economic scenarios
- Determine innovative ways to respond to the crisis
- Ensure protective measures for employees and customers when the economy restarts
- Install lasting changes to embrace new opportunities that may emerge

Many of these objectives are being implemented. Businesses are having employees work remotely, adjusted work schedules, added additional safety precautions, and reduced hours. Many companies have temporarily closed. A strain exists within our healthcare facilities around the state.

Families are adjusting, as well. Dining room tables have become classrooms and offices. Activities are limited and social distancing has removed the daily interaction with friends.

Each step of the relief, recovery, and reimagine process requires we think differently about the mechanisms we have depended on for so long. We must approach things differently as we look to the future.

The initial phases of dealing with COVID-19 already have businesses and families throughout the state adapting to a new normal. Businesses are focusing on ensuring the safety of their employees and customers and finding new ways to survive in financially challenging times.

This document was prepared by the Mississippi Economic Council – the State Chamber of Commerce – as an informational outline to assist the Governor’s Commission for Economic Recovery. MEC is the state’s largest broad-based business organization. Its membership represents all sectors of Mississippi’s diverse economy.



Moving Forward - Relief

Mississippi's response to the COVID-19 has already begun to address many of the key issues surrounding the establishment of essential businesses, while at the same time putting measures in place to ensure the safety and well-being of our citizens.

Using the U.S. Department of Homeland Security, Cybersecurity & Infrastructure Security Agency (CISA) recommendations as a baseline for determining essential businesses and services, the Executive Order issued by Governor Tate Reeves further defined these services. These guidelines were in place when the statewide shelter-in-place order was put in place on April 3.

The shelter-in-place was vitally important in helping protect the health and safety of our citizens and recognizing the vital role essential businesses provide by assuring the delivery of necessary services.

Essential businesses are continuing to provide important services while implementing best practice guidance in health and safety to protect and inform their employees and customers throughout this dynamic situation.

The first priority is the safety of those on the frontlines – our healthcare workers and first responders. In addition, those that supply the goods, personal protection equipment, and other vital services to support essential businesses also play a major role in helping combat the coronavirus. Many businesses across Mississippi are adjusting their processes, often shifting to provide and manufacture those goods and services.

While the focus must remain on the health and safety of all Mississippians, we must be forward-thinking in our response throughout the relief phase. It is important we embark upon this public-private initiative to address the economic crisis resulting from COVID-19 because the path to recovery involves every sector and citizen.

Protecting our businesses and their employees today will provide for a quicker, smoother transition for Mississippi's recovery and ultimately help stabilize our state's economy.

A primary objective of the Governor's Commission for Economic Recovery is to determine what additional measures the state can take beyond the federal relief to meet the needs of our citizens and businesses.

Relief – Continually assess and address immediate impacts of the COVID-19 crisis on businesses' operations and employees, advancing best practices to help stabilize operations in dynamic and uncertain times, while seeking economic stability and continuity. Determine what additional measures the state, working in concert with the private sector, can take beyond the federal relief to meet the needs of our citizens and businesses. The Governor's Commission for Economic Recovery work to buffer negative economic impacts, as Mississippi continues to further strengthen access to federal stimulus channels and expand distribution of such funds, exploring ways to support business, and to incentivize consumer spending.

Areas the Commission could explore during the Relief phase include:

Economic Continuity

For Mississippi's economy to function during an emergency, essential businesses must be able to provide goods and services. The delivery of healthcare and providing medical supplies is vitally important. Distribution of food, medicine, energy, delivery of goods, equipment, and financial services is critical, as is the ability to manufacture and supply those necessary products. Small businesses across the state are impacted severely, and workers are facing layoffs and furloughs. Any policy changes should ensure that businesses maintain the availability to provide these services and to support Mississippi's small business community.

Business Liquidity

One of the more difficult issues facing businesses, especially small businesses, is maintaining the necessary cash flow to operate. With several assistance programs becoming available at the Federal level, Mississippi must take all steps required for our businesses to take advantage of these programs. The state should also look at what other methods may exist to assist companies in the state.

Regulatory Relief

Keeping service sector and professionals working during the relief phase of the COVID-19 crisis is mandatory to help combat the virus and to help stabilize our economy. Exploring options to temporarily waive certain licensing and continuing education requirements for professionals, educators, and other services regulated by the state would allow employees to focus on the demands of the job without worrying about the education cost and time away from work.

Business Liability Protection

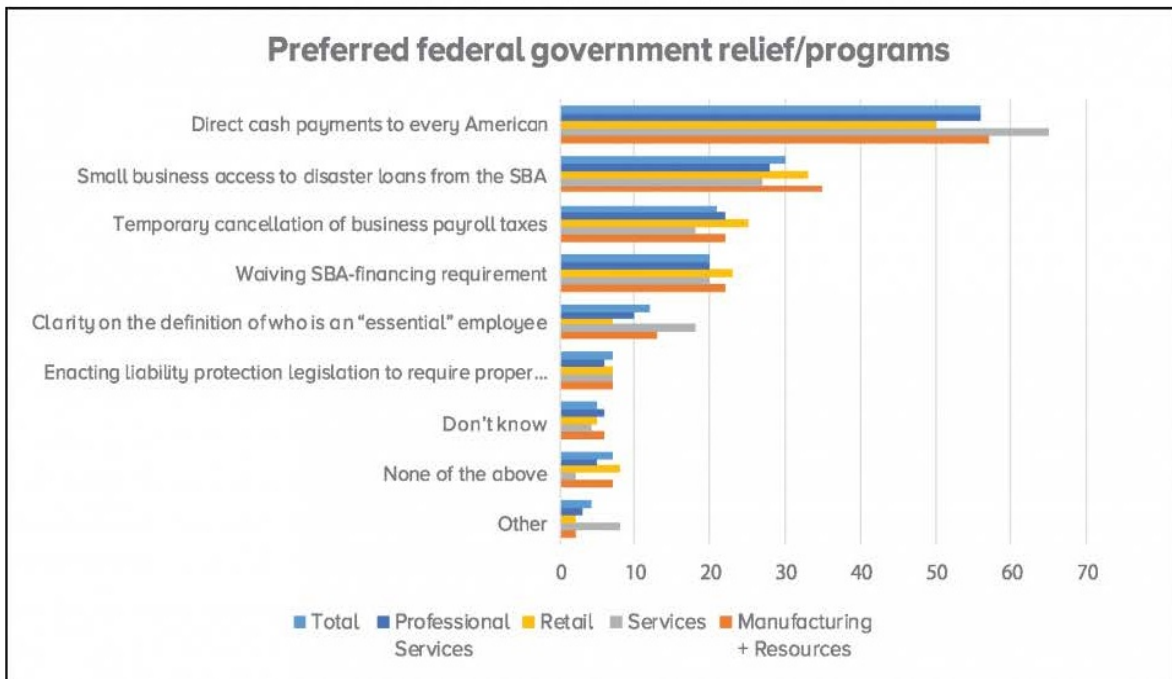
Essential businesses have taken many steps to keep workers and the workplace safe. Among these are having employees work remotely, adjusting work schedules, adding additional safety precautions, and reducing hours. Many employers are taking a variety of steps, including screenings, requiring employees to follow personal safety procedures and urging them to maintain proper hygiene. Enacting additional liability protections for the employers who are taking steps to keep their employees safe will give our essential businesses assurance that they are able to perform their service without fear of undue burdens. Also, the commission should look at measures to protect businesses, especially manufacturers, who have adjusted their operations in order to supply goods requested by the Mississippi Emergency Management Agency. This includes the manufacturing of personal protection equipment.

Transportation and Logistics

As a rural state, Mississippi's transportation infrastructure is critical during the COVID-19 crisis. Facilitating faster and more efficient delivery of goods will help our businesses and citizens have the products, materials, and necessities needed during this time. State and local governments should ensure safe and reliable transport of goods to businesses throughout the state.

Technology Infrastructure

With the advent of remote workplaces and continuing education for elementary, secondary, and post-secondary students through virtual classrooms, technology has never been more important. Many companies have stepped up to make access more accessible, but we still have areas of our state where broadband technology use is limited. Determining additional ways that these services can be provided is vital in order to close the digital divides in our state.



Source: *Special Report on Coronavirus and Small Business*
– U.S. Chamber of Commerce/MetLife

Preparing Path Forward - Recovery

The immediate health and safety of Mississippi's citizens is at the forefront of how we are dealing with the COVID-19 crisis. However, we must also be preparing for the steps needed to help restart and to restore our state's economy.

The concern among employers has continued to rise. In a recent flash survey conducted by Litter, 93 percent of employers were extremely or somewhat concerned about ensuring workplace conditions and policies comply with applicable safety and health regulations. In addition, 92 percent were concerned about staffing shortages during the crisis.

In a U.S. Chamber of Commerce-MetLife small business survey, approximately one-quarter of businesses in the U.S. have already closed in response to COVID-19. The poll said more temporary shutdowns are likely before we reach the point of restarting the economy. In fact, 40 percent of those that haven't closed predict they might have to temporarily close within two weeks of the survey.

The greatest concern for small businesses is how long it will be before they can reopen. The U.S. Chamber-MetLife report states, "the clock is ticking on permanent shutdowns." In fact, 43 percent of those surveyed believe they have less than six months before they will face permanent closure.

Even though 46 percent of small businesses expect it will be six months to a year before the U.S. economy returns to normal, there is optimism. Fifty-seven percent of companies are positive about their overall business health, the report states.

The statistics above show the importance of developing a strong recovery plan, as small businesses are a significant part of our economy in Mississippi. A recent presentation for the Council of State Chamber by McKinsey & Company outlined the most vulnerable jobs because of the coronavirus. The presentation, "*The Economic Impact of COVID-19, Near Term Effects on US Workers, and Shape of Recovery*," shows more than a third of private-sector jobs that are most vulnerable at companies with fewer than 100 employees. The McKinsey report says 86 percent of the jobs in jeopardy pay less than \$40,000 annually.

For Mississippi to ensure our state's key sectors recover to pre-crisis levels, attention must be given to strengthening our workforce, protecting employees and customers, and rebuilding consumer confidence.

Recovery – The first phase of recovery focuses on restarting our economy. Restoring confidence in economic activity will be of utmost importance once public health conditions improve and concerns are addressed. We must advance best practices and promote protective measures so our citizens and businesses can turn their full attention to restarting critical sectors of the economy. Recovery truly begins as we return economic activity to the pre-crisis levels, while setting a trajectory for growth in all areas of the economy. We know Mississippi can harness our resourcefulness to restore commerce and boost consumer confidence. To accomplish this, we must determine the appropriate measures to ensure the state's key industry sectors remain the backbone of Mississippi's economy.

The Governor's Commission for Economic Recovery will focus on restarting Mississippi's economy in an organized manner that balance the safety of the state's workforce and all Mississippi citizens. Doing so will slow the pace of layoffs and help businesses to begin to rehire employees. Also, measures must be put in place to help customers overcome fear so dining, entertainment, tourism, and cultural venues can be brought back as all sectors of the economy resume operations.

The expectation will be an increasing demand for numerous items, such as clothing, durable goods, recreation services, and travel. A recent Morning Consult Economic Intelligence report, "*Using Consumer Confidence to Track a Recession During the COVID-19 Pandemic*," stated these are the services most at risk. Consumers are tending to focus on necessities, food, energy, housing, and healthcare. Bolstering consumer confidence is important. As the shift from the restart to the recovery progresses, businesses will be able to learn from the adjustments they have made in their operations and better positioned to explore new opportunities.

Areas the Commission could explore during the Recovery phase include:

Creating Economic Stability

During the crisis, companies are being provided relief for payroll protection and other aid to assist in keeping their business operational. As the recovery begins, and these programs are phased out, we need to focus on areas where the state can create long-term economic stability. Before the crisis, there were discussions of studying the state's tax system to ensure Mississippi has a competitive structure that is fair and equitable for both businesses and our citizens. It is important to position Mississippi for long-term growth and sustainability and to identify the key components creating an economic environment conducive to recovery opportunities.

Workforce Availability

Developing a skilled workforce has been a priority for private-sector leaders, as well as state officials. Having a qualified workforce is vital for bolstering Mississippi's economy and creating greater opportunities for growth. The key to developing this workforce will require a combination of academic and industry credentials, along with life and practical skills. Increased post-secondary education and attainment is imperative to assure a diverse, prepared workforce. Integration of workforce programs is required for having effective workforce training. Strong coordination, and collaboration among all entities involved will be required for setting benchmarks and producing successful outcomes. A review of all funding mechanisms would allow the proper utilization of existing policies and programs. Private sector programs must have the ability to work hand-in-hand with public community colleges, institutions of higher learning, and workforce certification programs for this to be successful.

Educational Assessments

To develop a strong economy, early childhood education and attainment at the K-12 level need focused attention and action to set the stage for developing a skilled workforce. The COVID-19 crisis has changed the delivery of instruction. Opportunities now exist for greater awareness of education innovation and workforce opportunities. Effective initiatives to improve education in Mississippi has gained the state national attention. We must build on these successes to increase Mississippi's economic competitiveness. Now is the time to look at ways to include skills training for critical thinking, decision making, problem-solving, communicating, reading

comprehension, listening, leadership, and teamwork at all levels of education. Soft skills related to appropriate workplace behaviors and employer expectations is also essential. Finally, the COVID-19 crisis has highlighted the importance of available, quality childcare that contains strong educational components based on known best practices in early childhood learning and development.

Tourism & Retail

Mississippi's tourism and hospitality industry is one of the hardest hit areas of our economy. The closure of casinos, entertainment venues, restaurants, hotels, air travel, and the cancelation of sporting and recreational events has not only put those businesses at risk, but it will have a lingering impact on Mississippi's budget. As these industries restart, they will likely face the biggest challenges in terms of ensuring precautions are in place focusing on the safety of customers and employees. A level of confidence must exist to ensure risk concerns are mitigated. These safety issues aren't likely to be as prevalent in the retail sector. However, consumers will need assurances of safety in order to spur a resurgence among small businesses across the state.

Infrastructure's Importance

Protecting and preserving our state's road and bridge infrastructure plays a significant role in helping drive our state's economy. Continuing to focus on projects designed to maintain Mississippi's infrastructure would boost employment. A recent *Washington Post* story points out moving forward with additional transportation spending "would not only put people back to work in the short term, but would also improve the nation's transportation capacity, lifting economic growth." Recent commitments to increase spending must remain a priority, as we look for ways to find additional funding avenues.

Technology Advances

Technology continues to change the way we conduct business. The advances in technology have played a major role in helping businesses, workers, and students during the COVID-19 crisis. As noted earlier, businesses have been providing interim open wi-fi access for companies and students, but we still have areas of our state where availability and reliability of broadband technology is limited. As the economy restarts, some of this new access could be lost. One opportunity is to determine ways to increase availability so our citizens can take advantage of the advancements taking place in technology.

Supply Chain Continuity

One of the most critical components of the relief process was ensuring the supply chain for essential services was flowing properly. As the recovery begins, it will be important to review how supply chain issues were addressed and look for ways to improve. Manufacturers throughout the state are vital in this process. A review to determine the availability of supplies needed within the medical industry for both the delivery of services and the protection of healthcare workers must be a priority. Doing so could determine what systems are necessary for allowing business and industry within the state to play a role in preparing the state's healthcare system. Further, non-healthcare essential businesses must also be able to access the protective supply chain as well.

Looking Ahead - Reimagine

Numerous scenarios and models are examining what the path economic recovery might take. These include timeframes for restarting the economy, and ultimately growing the economy to pre-crisis levels.

Regardless of the timeframe, it is imperative that Mississippi be in position to take advantage of economic growth. The Governor's Commission for Economic Recovery can play a significant role in helping identify key initiatives to put our state on the path to a sustainable expansion of Mississippi's economy.

Reimagine – Reshaping and transforming Mississippi's economy requires putting Mississippi in a position to optimize opportunities in a post-pandemic economy. Rethinking our sector strategies, how companies operate, and optimizing new ways of learning and working will lead to steady, long-term growth. Reimagining Mississippi's economy will make it more diversified, resilient, and attractive for new investment,

This long-term approach can help reshape and transform our state and create ways for our diverse citizenry to take advantage of unprecedented growth. It will be important to look for ways to diversify the economy and create an environment for attracting new investment and jobs.

Areas the Commission could explore during the Reimagine phase include:

Talent Retention and Attraction

Retaining and attracting a highly qualified workforce requires providing high-skill, high-paying jobs. Keeping our best and brightest at home also means determining what other aspects may play a role in recent graduates' decisions on where they will work. Advances in K-12 and post-secondary education could also increase Mississippi's ability to attract new companies and additional investment in the non-traditional sectors, many of which tend to have higher wages.

Educational Attainment

Increasing educational achievement of Mississippians places more of our citizens in position to be workforce- and college-ready. Mississippi is one of only a few states that doesn't have an educational attainment goal. Such a goal is a step toward preparing our citizens for a market that is dependent on a workforce that holds both college degrees and industry credentials, along with life and practical skills. Our future relies on ensuring our citizens can acquire the skills necessary to gain employment with high earning power.

Educational Innovation

To prepare citizens to be future innovators and future leaders, we must look for ways to expand beyond the traditional model and address disparity and disadvantages facing students and communities. Using the lessons learned during the crisis, Mississippi should look for ways to broaden virtual classrooms in our public schools. This could allow all students the opportunity to take classes that aren't offered at the school they attend. This could be a public-private pursuit, combining education innovation with advances in technology to place all students on equal footing. This system of delivery would provide knowledge that otherwise might be lost.

Economic Development Realignment

Optimizing Mississippi's economic development efforts requires we explore a new approach that allows an intense focus on business recruitment and retention. A realignment of our economic development agency could relieve pressures placed on its staff to deal with issues not directly related to new projects and investments. The state must be given the ability to attract highly qualified and experienced economic development officials. The state should also look at new approaches to simplify incentives available to potential investors and encourage innovators and small businesses. Doing so could put Mississippi at the forefront of economic development.

Summary

The Governor's Commission for Economic Recovery is established to address the economic impacts COVID-19 is having on business sectors across Mississippi and to put the state in position to thrive once the economy begins to rebound as the crisis subsides.

The recommendations outlined for the relief, recovery and reimagine phases of this process are designed to help serve as a guide for the members of the Commission, as it develop strategies for promoting public policy that will enhance Mississippi's economic competitiveness.

There are no specific policy recommendations within this document, as the full impact of the COVID-19 crisis in our state, the nation and global economy is still unknown. As a result, the scope and work of the commission is likely to evolve as issues and opportunities surface. This could lead to the expansion of duties beyond what is outlined here.

Under the direction of Governor Tate Reeves, the Commission's goal will be to set Mississippi on a path to long-term, sustainable growth.