

## **ECONOMIC IMPACTS AND DISASTER ASSISTANCE FOR GULF OF MEXICO COMMUNITIES AFFECTED BY THE DEEPWATER HORIZON OIL SPILL**

**Principal investigator: Benedict Posadas, Ph.D., Mississippi State University**

### **Project Summary:**

**The damages to the Gulf of Mexico (GOM) natural resources caused by the Gulf of Mexico oil spill (GOMOS) will take some time to be cleaned up and the restoration period to get the resources back to their original pre-GOMOS status is still indefinite. In the meantime, the production of goods and services by various economic sectors located in the GOM states are adversely affected leading to reduced levels of economic activity, lower levels of employment and personal income, and reduced tax revenues among the affected GOM states and communities.**

### **Project Justification:**

**The closures of significant portions of GOM federal and state waters to commercial and recreational fishing due to GOMOS have altered the recreation and consumption decisions of residents and tourists in affected communities. The expected changes in the total flow of goods and services generated by the damaged natural resources have affected not only households but also the tourism-related business establishments and coastal communities dependent on these natural resources.**

### **Project Description:**

**The overall goal of this project is to evaluate the community impacts of GOMOS to the GOM coastal counties and parishes. The outputs of this project will include community-wide estimates of the impacts of GOMOS to the levels of retail sales, tax revenues, personal income, number of employed persons, and unemployment rates and economic information necessary to develop disaster assistance programs to affected GOM communities.**

**The total extent of the spatial and temporal impacts of GOMOS to the GOM states are still uncertain such that the scope of this project would include primarily the coastal counties and parishes from the Texas-Mexico border up to the Florida Keys.**

### **Organizational Information:**

**Primary surveys of coastal GOM counties and parishes will be conducted in Year 1. Secondary economic datasets of the coastal counties and parishes will be compiled from federal and state agencies and reliable commercial estimates. The economic impacts of the oil spill to the coastal counties and parishes will be estimated by using survey and secondary data, and IMPLAN and EMSI softwares and databases in Year 2.**

### **Conclusion:**

**Static and dynamic economic impact analysis of the coastal counties and parishes will be conducted to estimate the medium-term and long-term impacts of GOMOS.**