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# Making Mississippi Cool: Craft Beer and the Creative Economy

Katherine E. Hogan

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The University of Southern Mississippi

Making Mississippi Cool: Craft Beer and the Creative Economy

by

Katherine Hogan

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## Abstract

The goal of this research is to define and explore two main constructs within Mississippi: craft beer as a phenomenon and the creative economy. As the two play a large role in many aspects of Mississippi's culture and economy, characteristics of the two have the capability of interconnecting and building off the other. In this study, both craft beer and the creative economy in Mississippi will be examined. The findings of this study will answer the question: is there a relationship between the craft beer phenomenon and the creative economy?

Key Terms: craft beer; microbrewery; macro brewery; brewpub; contract brewing company; regional craft brewery; creative economy; sub premium, premium, super premium, imports, and craft beers, IPA

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## I. Introduction

### Topic Overview

“Mississippi’s rich creative legacy defines who we are as a people. The state is the birthplace of America’s music and has produced some of the South’s greatest writers. Our creative heritage continues to serve as an inspiration for countless artists, entrepreneurs and innovators, and the creative spirit found in Mississippi is just as vibrant and alive today as it was in decades past.” - Haley Barbour, Governor of Mississippi 2004-2012 (Mississippi Development Authority)

Mississippi serves as a canvas to a wide number of creative individuals throughout the state. The clustering of groups and individual citizens who participate in providing creative investments, projects, and culture to the Magnolia State belong to what is known as Mississippi’s creative economy. The creative economy consists of many different sectors including but not limited to visual and performing arts, literary and publishing, culinary arts, museums and heritage, and film, video and media (Mississippi Development Authority). Decades of creativity by Mississippians can be seen in many forms not only across the state but all around the country. From a small banner on Mississippi license plates that broadcasts the state as “The birthplace of America’s music” to being the birthplace and residence of the Nobel prize winning author William Faulkner, Mississippi contains a rich history of creative people and businesses that continue to shape the culture and society of both urban and rural Mississippi today.

One of the most recent creative industries to emerge across Mississippi is the craft beer. Craft beer breweries are booming across the United States, making craft beer a phenomenon that provides consumers with creative products that make drinking social, authentic, and exciting. Currently, seven breweries call Mississippi home. They are located in the cities of Ocean Springs, Kiln, Jackson, Hattiesburg, Gulfport, Oxford, and



Water Valley (Mississippi Brewers Guild). Products from these breweries are sold in states all across the Southeast along with many bars and restaurants throughout their home state.

### **Problem**

Because the creative economy and the craft beer phenomenon have become important components of contemporary Mississippi society, it stands to reason that the two must intersect in various ways. As a result of the craft beer boom being relatively new, there is little published academic research available on the topic of craft beer in general in the U.S., much less specific to Mississippi. While craft beer and the creative economy are individual topics of their own, the problem of this research consists of the potential relationship between the two. The aim of this study is to examine the two factors and explore in what ways they might coordinate to play a role in Mississippi.

### **Research Question**

The central question of the research presented in this thesis is: Is there a potential relationship between craft beer and the creative economy of Mississippi?

### **Importance**

In recent years, the Mississippi Development Authority and its tourism sector previously led by Malcolm White has made a tremendous impact on Mississippi. Malcolm White is a key leader in advancing Mississippi creatively. Not only was he the Mississippi tourism director but he is also a successful creative entrepreneur himself. He helped restore an old building over thirty years ago that is now a hot nighttime destination in Jackson called Hal & Mals which serves as a music venue, restaurant, and bar. White and his brother are also the individuals behind Jackson's popular St. Patty's

Day parade which also serves as a fundraiser and has generated over half a million dollars for Batson Children's Hospital (Watkins 2016). Along with many other ventures, Malcom has contributed to the idea that building up the creative economy in Mississippi is key to advancing Mississippi culturally and economically. By putting more emphasis on the creative economy and working with businesses and tourism leaders throughout the state, this topic has become important to Mississippi business. The Mississippi Development Authority created its own Community Development division which produces studies and news about the creative economy.

Craft beer breweries in Mississippi are gaining attention by hosting events, participating in festivals, and pushing for new legislation. The breweries have attained a reasonable size consumer base as a result of their authentic products and the connections the brewers build with their communities. Southern Prohibition (SoPro) in Hattiesburg is a wonderful example of a brewery that is bringing brewery-community relations to life. SoPro often participates in community events such as promoting the annual Downtown Crawfish Jam by selling tickets along with other local restaurants and businesses while also promoting their products at the event. By promoting one another, local businesses can share customers and draw in more people to events. As just one local example, when walking into Computer Karma of Hattiesburg, one can see Lazy Magnolia Brewery stickers on the wall along with other business advertisements. Not only does it help other businesses by promoting one another, but many customers such as myself respect a business more after seeing them support others. By advertising and working with local communities, breweries are gaining more consumers and spreading the word about their products all across Mississippi and the close surrounding region.

## **Research methods**

The foundation of this thesis is qualitative research methodology: in particular, a combination of literature review and in-depth interviews with brewery owners, bar owners and managers, lobbyists, and other figures involved with the creative economy and craft beer industry. Available academic research papers, professional trade publications, and other documents provide additional sources of data for analysis.

## **Terminology**

With the rise of the craft beer industry, the evident question to ask is simply, what is craft beer? With all the brews existing out there, certain qualifications exist to be considered a craft beer. One, size matters. A craft brewer must be relatively small, not producing more than six million barrels which amounts to three percent of the overall beer market. Second, a microbrewery must be independent. This means only 25 percent or less of a microbrewery can be owned by another business in the alcohol industry. For example, Four Peaks Brewing Company in Arizona was purchased in late 2015 by Anheuser- Busch Inbev. While it previously could have been labelled a craft brewery, it is no longer considered part of the craft beer community because a large parent company now owns it (Kell 2015). Lastly, craft beer must be traditional. The brewing process involves using rare and new ingredients to create an original flavor and their fermentation processes to create a product. For example, beverages of flavored malt do not fall into the beer category (Craft Beer).

When drinking a beer from a large brewery, one might already know what it tastes like but the likelihood of them gaining a personal connection with the site or individuals where it was brewed is much rarer than as with craft beer. Because

microbreweries are small, offer tours, and have a close connection between the beer and the brewer, the availability to see a craft beer being brewed and to meet the individuals behind this product is larger than that of a macro beer which goes through a large distribution process that may leave it far from production site. Macro beers, or big brand beers such as Coors, Miller, or Budweiser, remain relatively the same over time, along with their marketing and existence in almost every bar, convenience store, and grocery store. By reserving the label of “craft beer” to small breweries, craft beer obtains an identity and uniqueness unlike large brews like Budweiser, Miller, or Coors.

Craft beer drinkers experience much more diversity and surprise when trying various craft beers, often being able to draw a personal connection and gain a new experience during consumption. The brewer of Left Hand Brewing in Colorado explains, “The authenticity of craft brewing is one of the cool things about it. It’s one of the things attractive to people – the fact you can come down to the tasting room, and there are the guys who work here, it’s all made here, they can have a pint and rub shoulders and talk to them about what they’re doing. There is almost a sense of ownership in the community” (Brad Tuttle 2012). Craft beer is defined by authenticity, uniqueness, and individuality; it is creative.

In the early 2000s, economic development theorist Richard Florida developed the idea of the growing Creative Class in his book *Rise of the Creative Class*. Florida describes the Creative Class as a relatively large group of individuals in the United States work force that is changing focus of business across the country and globe. Florida claims the creative economy is moving the economy from old tradition big corporate-style business to local, small creative industries.

Geographers Rob Krueger and Susan Buckingham describe creativity as it appears in the creative economy, “creativity involves rethinking problems, starting ‘from first principles experimentation; originality; the capacity to rewrite rules, to be unconventional; to discover common threads amid the seemingly disparate; to look at situations laterally and with flexibility’” (Rob Krueger and Susan Buckingham 2010). This description resonates almost perfectly with the up and coming craft beer industry in the United States. Craft beer follows the general concepts of a business that could contribute to the creative economy. As Krueger and Buckingham discussed, creativity focuses on taking problems and thinking about them in other ways rather than simply imposing a mainstream solution.

### **Expected outcome**

The expected outcome of this study is that a significant relationship between the creative economy and craft beer in Mississippi will be found. In initial research, both share common, core characteristics. Mississippi’s microbrewers are very talented, creative individuals who have built their businesses from bottom up with hard work and originality. This type of business occurs among many of those who play a part in the creative economy. In addition, craft beer is popular for its unique qualities, ingredients, and flavors that separate it from big beer brands. Because of known qualities of craft beer and the creative economy of Mississippi, one can assume that a relationship between the two certainly exists.

### **Research Organization**

Two main parts divide the following research. . First, the literature review and detailed methodology provide the background for research on the topic. Here, the craft

beer phenomenon and the creative economy are explained and defined individually. After giving an overview of both topics, the findings will conclude with the results of the found research, organized by the shared themes found between the creative economy and craft beer. As the findings build, an evident answer to the question “Is there a relationship between craft beer and the creative economy of Mississippi” will be explained.

## **II. Literature Review**

### **Creative Economy**

The idea of the creative economy has become a hot topic for economists and economic developers within the past two decades. Not only has the idea become widespread in its application across the United States, but many other countries are also acknowledging the idea of the creative economy. In 2004, the United Nations Secretary-General set up a panel on Creative Industries and Development for the United Nations Conference for Trade and Development, which worked with representatives from around the world to define and shine light on this upcoming idea of how creativity affects business. When the United Nations released the “Creative Economy Report 2008,” it acknowledged a trend around the world that focuses on utilizing intellectual creativity and originality to build up communities. While no exact definition or model for the creative economy exists today, the topic is widely understood by a general explanation described in the United Nations conference report,

“At the heart of the creative economy lie the creative industries. Loosely defined, the creative industries are at the crossroads of the arts, culture, business and technology. In other words, they comprise the cycle of creation, production, and distribution of goods and services that use intellectual capital as their primary output. Today’s creative industries involve the interplay of traditional, technology-intensive and service-oriented subsectors. They range from folk art, festivals, music, books, painting, and performing arts to more technology-intensive subsectors such as the film industry, broadcasting, digital animation and video games, and more service-oriented fields such as architectural and advertising services. All these can generate income through trade and intellectual property rights.” (United Nations Conference on Trade and Development 2008).

The United Nations report explains the idea of “creativity” as embodying characteristics like authenticity, imagination, originality, innovation, uniqueness,

and ingenuity. Different types of products fall into the category of being creative as long as they associate with being a new idea, different style, a source of intellect, or deviation from mainstream items or services. Creative items come from the bottom up, often representing culture with symbols, texts, colors, or religious significance.

The 2008 report lays out general guidelines of what defines the idea of the creative economy as follows:

- The creative economy is an evolving concept based on creative assets potentially generating economic growth and development
- It can foster income generation, job creation and export earnings while promoting social inclusion, cultural diversity and human development
- It embraces economic, cultural and social aspects interacting with technology, intellectual property and tourism objectives
- It is a set of knowledge-based economic activities with a development dimension and cross-cutting linkages at macro and micro levels to the overall economy
- It is a feasible development option calling for innovative multidisciplinary policy responses and interministerial action
- At the heart of the creative economy are the creative industries (United Nations Conference on Trade and Development 2008).

Today's modern champion of constructing the idea of the Creative Class is urban studies theorist Richard Florida. In the early 2000s, Florida began developing his theories of what it means to be part of the Creative Class. He defines the Creative Class as a social class that is defying traditional forms of work, driven by creativity in the work force. One of Florida's main arguments is that creative work is subversive in nature, as in it constantly interrupts mainstream ways of life and society. By "breaking the mold" of traditional ways, creativity in the economy allows services and goods to become more attractive, efficient, and relevant to cultures by gaining a sense of identity (Florida 2012).



Currently in the United States, the Creative Class accounts for over 30 percent of the overall workforce and totals to more than 38 million employees (Florida 2012). In fact, in 2011, a report by the media networking site LinkedIn noted that the most used word by its members to describe their working talents was “creative” (Florida 2012). Not only is creativity valued in small communities and businesses, but Americans entering the workforce also consider creativity to be a quality of value. By describing oneself as creative when job searching, the individual shows that their goals consist of striving to improve communities and adjust over time.

According to Florida, the population of the Creative Class falls into two categories. First is the Super-Creative Core. This group consists of individuals who create new ideas, technologies, and products. Examples include writers, editors, poets, researchers, analysts, engineers, scientists, artists, actors, designers, and more. Innovation is a key characteristic of the Super-Creative Core. By bringing new ideas, thoughts, and discoveries to society, members of this group allow society to grow, change, and build a sense of identity (Florida 2012).

The second group Florida mentions is the creative professionals. This group works to make society a better place and improve the quality of life by using creative problem solving techniques. Doctors, lawyers, business managers, and highly educated people who come up with new ideas and discoveries naturally through their work make up this group. By problem solving and coming up with ways to improve or fix situations, these employees, like the Super-Creative Core, constantly add new ideas to society. While both groups participate in the workforce and contribute evolving ideas, the main difference is that the goals through the jobs of Super-Creative Core individuals is to

produce prolific work while creative professionals produce these conceptions naturally through their daily work (Florida 2012).

To draw the creative class into a community, the community must have factors that make it attractive to creative people. Locality development occurs when development can spread throughout a sizeable variety of people due to its attractive, non-exclusive qualities. Creative industries contribute to locality development. In order to draw in creative workers and consumers, localities build up a sizeable creative base rather than having only one or two creative businesses. These creative clusters pop up in cities and contain different aspects including parks and recreational activities, an arts and crafts scene, an entertainment scene with nightlife, and even alternative modes of transportation. These “desired activities” have the ability to reduce crime and improve local schools and public services ultimately improving the quality of life for citizens (Liu, Kolenda, Fitzpatrick, and Todd 2010).

Human capital investment is also key to the creative economy. Educated, creative individuals are in abundance in towns that contain a university. Instead of allowing those educated students to leave upon graduation, a community should invest in these individuals to keep them in the area and strengthen the work force. According to Liu, Kolenda, Fitzpatrick, and Todd, human capital is perhaps the most important aspect of local development. Human capital draws in creative individuals and allows communities to excel and compete with other regions. Universities have the capability to integrate the community and its needs directly into the curriculum and provide a student base to fulfill these community needs and projects. For example, Georgia Tech in Atlanta “provides not only real estates but also assigned mentors, specific business advice, and best-practice

sharing among startup business owners” (Liu, Kolenda, Fitzpatrick, and Todd 2010 pg. 264). This way, the university is able to work directly with the local leaders and business owners to develop a student friendly downtown area that provides adequate housing and transportation means for their students while also benefitting the local community. This is just one of the many examples of how universities benefit the local economy. However, universities also contribute to communities in a number of ways such as building up nightlife scenes, introducing agricultural programs, and providing facilities and equipment for their programs.

This city-building concept directly conflicts with the recent idea that “The New Economy operates in a ‘space’ rather than a place,” as stated by Kevin Kelly in 1998 (Florida 2003 pg. 2). While this concept can be applied to some industries, many academic researchers claim that creative industries flourish on the idea of “place.” The music industry is one that has the potential to fill space rather than place because of the growing diversity of media. Because music is accessed through the Internet, television, and social media, musicians could technically settle anywhere and still have their creative product experienced by listeners, especially considering how musicians go on tour and travel often. The counterargument to this, however, that supports creative clustering is seen in cities such as Los Angeles, New York, and Nashville where musicians flock in order to thrive off one another’s talents and have more access to the music industry (Florida, Jackson 2010). Places provide musicians and listeners with a “music scene” in which “many different genres and sub- genres that carve out specialized niches in a highly fragmented market. In this way, many different scenes exist at any one time and these scenes tend to define themselves and cluster in specific geographic locations”

(Florida Jackson 2010 pg. 312). These locations often become genre specific such as New Orleans jazz, Memphis blues, and Nashville's country scene.

Like music, location can be vital in an industry such as craft beer, particularly in a state like Mississippi. Cities like Austin, Silicon Valley, New York City, and Hollywood prove that creative clusters occur in specific cities where creative-based industries drive the economy allowing growth and stronger industries (Florida 2003 pg. 2). Specific industries thrive where they are supported and allowed to expand. In any case, a craft beer brewery in Mississippi would not aim to set up in a dry county or a county near many dry counties. Instead, they would want to be close to places like the Gulf Coast where tourism is common. They may also be attracted to a college town like Hattiesburg that has a nightlife and social scene. Many cities such as Covington, Kentucky are taking advantage of the potential benefits that the creative economy has to offer. Its leaders have implemented many incentives to draw in creative individuals, such as artisans, to relocate to the city's art sector. Incentives go as personal as awarding creative gift boxes as incentives (Hatcher, Over, Gallardo 2011).

There are also many critiques of the creative economy, but the theory remains highly influential for economic development practice. In a study of the economic developer bias against the creative economy in Kentucky, researchers found no significant bias either for or against the creative economy among Kentucky professional economic developers. The developers anticipated that the more rural areas of Kentucky would have a more negative view of the creative economy in the beginning. Because the results showed that 50 percent of those studied believed that the creative economy could boost areas in Kentucky, one could assume that this could also be the case in other states

such as Mississippi that also contain rural identities. (Hatcher, Oyer, Gallardo 2011 pg. 155). While much of the creative economy exists in more urban, metropolitan areas, rural areas can adapt creative industries as well. Lazy Magnolia Brewery in rural Kiln, MS is a prime example of this.

After studying forty middle-sized communities in Canada by analyzing their population by income, sexuality, diversity, education level, and career field, Gary Sands and Laura A. Reese found evidence contrary to Richard Florida's assumptions that if cities generate tolerance and diversity, it will draw in talent and technology that will boost economic prosperity. While they found the presence of a creative economy in most cities, they found little to no correlation between the creative class, tolerance, and diversity. They also found correlations linking diversity, high technology, and the creative class to economic growth did not exist. As these assumptions could vary depending on location and population, the general claims of Richard Florida in this sense does not apply evenly to all sectors of the creative economy (Sands and Reese 2008). While the creative economy and its participants remain a prominent idea in modern economic development, academia has found both arguments in support and denial that it has the potential in which many claims provide it.

### **Craft Beer in the United States**

In just two years between 2010 and 2012, craft beer sales in the overall beer market of the United States increased from ten percent to 19 percent. That is nearly a fifth of the entire market dollar value (Snider 2016). While this market has been drawing in large numbers of new, curious customers, the overall beer market has experienced a flat rate of growth and even losses. Just a couple of decades ago, craft beer barely made a

dent in the beer industry representing a mere 1.3 percent of the market volume in 1994. By 2014, craft beer held 11 percent of the market volume, a number that continues to rise. Today, more craft breweries exist across the country than ever before as a result of the craft beer craze (Shelton 2016). Craft beer is in high demand in many retail outlets. According to Kroger's company representative, new craft beer and a larger variety in stores is in high demand by customers. The company is working to free up cool shelf space to meet demands. The grocery chain Whole Foods Market is also responding to the demand in many ways. Not only are they upping their selections, but they even introduced an in-store brewpub at their location in Houston's Galleria (Goldschmidt 2015).

While millions of viewers tuned in to watch the nearly undefeated Carolina Panthers take on the veteran quarterback Peyton Manning and the Denver Broncos in the 2016 Super Bowl 50, one big brewer was more than determined to use the event to make a bold statement to US beer drinkers across the country: that Budweiser was "not backing down." Describing their products in a Super Bowl commercial as not small, not a hobby, not sipped, not soft, not imported, not a fruit cup, not following, not for everyone, and not backing down, Budweiser was directly challenging their latest competitor. The product comparison Budweiser drew on was obvious to any beer drinker: craft beer. With the quick rise in popularity of craft beer across all states, it is no surprise that Budweiser along with other big brewers' sales are threatened by the growing craft beer industry.

To understand craft beer, it is important to understand the overall beer production and growth of America's beer industry and why it is changing. Five general categories of beer make up the market: sub premium, premium, super premium, imports, and craft. Sub

premium consists of the lower-grade beer brands like Busch Light and Natural Light. Often taste and quality is not a factor in the choice to buy sub premium brews but rather the price is the motivator. Premium beers are a step up and tend to be traditional beers such as Bud Light, Coors Light, and Miller. The super-premium climbs the beer ladder a little more while consisting of higher end large brands such as Blue Moon, Shock Top, and Magic Hat. Many super premium brews are spin offs of big beer companies, but tend to have a “craft” sense to them while not actually qualifying in the craft category.

Imports make up a sizeable portion of the market with brands like Heineken and Corona. Lastly, craft beer takes the final spot. In 2013, a study by Demeter Group Investment Banking shows a positive 13.9 percent growth in craft beer and a 2.8 percent increase in imports, while pointing out a negative growth in the others with a once percent decrease in super premium, 2.3 percent decrease in premium, and 4.3 percent decrease in sub premium (Menashe 2013). The results portray a changing taste in American beer preferences from mediocre brands to higher end brands.

The financial difference between craft beer and big beer is noticeable but not extravagant. Craft beer is often more expensive than larger industry beer due to the secondary costs smaller brewers experience that macro breweries do not. Secondary costs of microbreweries are the costs brewers must pay because of not being able to mass-produce their ingredients, bottles, yeast and other items like big beer companies can. Instead, they must buy them from businesses at higher costs. Ingredients for craft brewers are more expensive in result of their inability to mass-produce the ingredients themselves. For example, a company like Anheuser Busch- Inbev would cultivate its own yeast

because of its massive size, but a craft brewer has to purchase it from a yeast harvester who must also gain a profit.

Like yeast, malt and hop in the beer are also price-driving factors. Macro breweries for the most part produce beer with lower alcohol contents; therefore use much less malt. Malt is the element that determines the alcohol content. Because of the flavors and specialties of craft beers, this requires the use of more malt while still paying more for the product than a large brewery. A large brewer would pay roughly 22 cents a pound compared to the 40 to 50 cents that a craft brewer would pay. Indian Pale Ale (IPA) beers have been much more popular in the craft beer industry due to the higher quality hops small brewers use instead of the cheap commercialized hops used by macro breweries. The price spending of hops between large breweries and craft breweries is nearly 50 cents (Satran 2014).

When considering the higher priced ingredients, plus tax and shipping rates, a craft brewer sells an average 6-pack to a retail store for an estimated \$7.48. After marking up the price and including taxes, a store would sell a pack of craft beer for nearly \$12 (Satran 2014). Because of the higher price of craft beer, it attracts a different, wealthier audience. In fact, nearly 60 percent of frequent craft beer drinkers have an average yearly income of \$75,000 or more (Morris 2014). With a new audience, craft breweries have found new ways to reach out and make beer attractive to their customer base.

Millennials, the generation born in the decades from the 1980s to 2000s, play a large role in these changes. A study produced by Slingshot LLC in 2012 conducted a survey of millennial beer drinkers. 94 percent of those claimed they had consumed a new



beer in the previous month. Within the past week, 54 percent of them had indulged in craft beer. While young consumers are more willing to try new beer, they are more susceptible to influence by peers and social media. Craft beer apps and heavy advertising make it easier to learn about craft beer in today's society. Restaurants and bars that carry different beers rely on social media to market their promotions and products (Granese 2012). Because of the advance in forms of communication among both old and new generations, locally owned craft breweries have easier means of advertising and raising awareness about their products with the growth of social media and technology available to Americans today. Craft beer has developed a social, more personal quality that large beer brands lose by being commercialized.

The National Brewers Association publishes large quantities of statistics and studies of the craft beer market. Of the market itself, the Brewers Association claims that the industry provided over 360,000 jobs in 2012 and filtered more than \$33.9 billion into the United States economy. The export market in 2013 showed an exponential growth of 49 percent (Povich 2014).

According to the National Brewers Association, as of 2015 the craft beer sales and production across the United States continue to rise. While overall beer sales have decreased by .2 percent, craft beer sales show a 12.8 percent increase. Overall, craft beer now consumes 12.2 percent of the entire beer market. In sale growth quantities, craft beer has seen a 22 percent dollar increase which equals \$22.3 billion of the total beer's \$105.9 billion. In conjunction with craft beer sales, craft beer productions have also experienced an increase to 13 percent of all beer production as of 2015. (National Brewers Association).

## **Craft Beer in Mississippi**

The craft beer market in Mississippi is mostly new; therefore, the majority of the current literature on the subject comes from newspapers, online articles, and websites such as the National Brewers Association. The current state of the craft beer industry in Mississippi falls short compared to those of other states. With only seven breweries, Mississippi ranks 50<sup>th</sup> in the number of breweries per state. It ranks 51<sup>st</sup> in the number of breweries per capita which stands at 0.3 breweries per capita. The 2014 economic impact stood at 223 million ranking 45<sup>th</sup> in the US, but per capita, the economic impact ranked 51<sup>st</sup> in economic impact per capita. In 2014, Mississippi microbreweries produced 24,725 barrels of beer ranking 44<sup>th</sup> equaling to .4 gallons per adult above the legal drinking limit (National Brewers Association).

Mississippi has a long history of resisting progressive alcohol movements. In fact, it has always been one of, if not the most, dry states in the United States. When US prohibition began in 1907 with the 18<sup>th</sup> amendment, the ban of alcohol was nothing new to Mississippians. The state had enacted its own prohibition laws nearly thirteen years prior. It was also the final state to do away with prohibition, dragging it on until 1966 (Clark 2014). As of 2015, 23 Mississippi counties were completely dry. Many others are partially wet counties. Data collection shows the direct correlation between dry counties, especially those dry for liquor, and citizen consumption. People in dry counties tend to drink less than those in wet counties (Royals 2015). Because of this, the long history of a conservative drinking culture and legislature in Mississippi directly affects consumers and craft beer brewers.

## **Craft Beer Law**

An article in the Jackson Free Press from 2012 explains the “craft-beer bill” in Mississippi. On April 9, 2012, Mississippi passed a bill that opened the door to craft breweries in that state. Before this bill, it was illegal to produce any beer with an alcohol percentage over 5 percent, but this bill enabled brewers to create beer with an alcohol percentage cap of 8 percent by weight or 10 percent by volume. Another bill this same year enabled brewers to give out samples to their customers. Prior to these changes, these restrictions had significant effects on brewers in Mississippi. It stunted constrained brewing capabilities because only so many beers can be made with an alcohol percentage lower than 5 percent (Nave 2012). Because these law adjustments were made so late compared with other states, Mississippi remains behind in the craft beer business today. In fact, most of the states with the lowest numbers in craft beer production are located in the south. Southern states such as Mississippi, Alabama, Louisiana, Kentucky, Oklahoma, Georgia, and South Carolina are known as the “desert” of the craft beer industry. Along with Mississippi, these states passed legislation later than most resulting in their lag in craft beer production (Reid, McLaughlin, and Moore 2014).

Before 2012, only one craft beer brewery, The Lazy Magnolia, existed in Mississippi. While the craft beer industry was booming in other areas of the United States, Mississippi was quickly slipping and losing its possibility of becoming competitive in the market. When lawmakers finally resolved to raise the Alcohol by Volume limit for brewers in Mississippi to 10.2 percent in April 2012, craft beer lovers in Mississippi gained hope of bringing new versions of beer to the state. Today, seven breweries are spread throughout the state (Burns, 2015). Breweries in Mississippi have

experienced success in the past few years due to the great reception of craft beer by the public.

With Mississippi ranking in the bottom few states in numerous measures of economic success, it is no surprise that the craft beer industry in the state follows the trend, being beat out by nearly every other state in the US (National Brewers Association). While the current profits of craft beer in Mississippi do not contribute enough to make a significant dent in the economy, the positive relations of microbreweries with local communities and urban areas present hope for the future of craft beer. In areas such as Jackson, Hattiesburg, and the Mississippi coast, local, state, and regional brewed beer appears in many restaurants and bars contributing to the creative economy sector.

### **III. Methodology**

To gather information regarding craft beer and its relationship to Mississippi's creative economy, this thesis utilizes qualitative research and the concept of grounded theory. There are many reasons for this choice, in part because of the lack of available statistical data. Because the creative economy lacks exact definitions and standards, aspects of this part of the economy will vary by individual and business. Since the creativity and innovativeness of products and services cannot easily be captured using quantitative research methods, qualitative research methods of interviewing will provide first-hand information involving the craft beer industry in Mississippi. In this way, I believe I received a more thorough look into an industry that has a very personal touch that is driven by a sense of creative individuals and community involvement.

Through a series of interviews with individuals that directly encounter the craft beer industry in Mississippi such as local craft beer brewers, individuals in the bar and restaurant business, and lobbyists working to break down barriers for the craft beer industry, perceptions of individuals with first-hand experience of the growth and impact of craft beer can be obtained. By using grounded theory to guide my research, the findings often changed from my original perceptions of where the interviews would lead. Many aspects of the relationship between Mississippi's creative economy and craft beer come from my interviews not just because the interviewee went into depth on them, but also because they mentioned key topics and comparisons that I was able to build on to reach conclusions. Grounded theory methods such as interviews "foster seeing your data in fresh ways and exploring your ideas about the data through early analytical writing. By adopting grounded theory methods, you can direct, manage, and streamline your data

collection, and, moreover, construct and original analysis of your data” (Charmaz 2006 pg. 2).

The interviewees for this project ranged in profession, age, and role in Mississippi’s creative economy. My thesis advisor, Dr. Mark Miller, referred a couple of the sources to me. From these individuals, I was referred to more that could contribute to this study. Several other professors at the University of Southern Mississippi provided contacts for me to reach out to, most of which were successful. On a couple of occasions, I found individuals in news articles that I was interested in interviewing for my project. After reaching out to them via contact information, I received responses that they were willing to meet with me.

The contacts I chose to interview had different perspectives on craft beer and Mississippi’s creative economy. From the lobbyists, I learned more about legislation and the importance of building up a string network of people around the craft beer community. From restaurant owners and individuals who worked in other businesses, I received useful information about the role craft beer plays in those businesses. Finally, the brewers explained the production side of craft beer. I chose to interview two representatives of two prominent Mississippi craft breweries--- Lazy Magnolia and Lucky Town Brewery--- for several reasons. First, Lazy Magnolia is the oldest Mississippi brewery. Its owners created this brewery from the bottom up and have been involved in much of Mississippi’s craft beer growth. Lazy Magnolia is also in a rural area while Lucky Town is in the state capital and Mississippi’s largest city. Because this provides two contrasting locations, I expect to get different perspectives.

Although I have not cited each individual I interviewed specifically in this study, each one provided valuable information to the study overall. While some information was used directly in the writing, other information narrowed the research to fewer topics. It also allowed the priority of specific topics to show such as the topic of craft beer legislation.

During my interviews, I did not strive for specific answers to specific questions, but let the interviews guide the researcher's ideas of the relationship between Mississippi's creative economy and craft beer. I received a brief overview of many different aspects of the topic spanning from a grassroots organization that drove the craft beer law to how millennials make an impact, and then to how current legislation still prevents microbreweries from expanding from my interviews. As a result, I was able to get ideas and conduct further research on topics such as legislation outside of the interviews.

## IV. Findings

### Craft Beer Movement in Mississippi

A relationship between craft beer and Mississippi's creative economy can be seen from the start of microbreweries in Mississippi. Although Lazy Magnolia has existed since the early to mid-2000s, 2012 marked the start of growth in the number of breweries popping up in Mississippi. In an interview with Troy Coll, Secretary of Raise Your Pints, he explained the creativity and determination in the movement leading up to the craft beer law in 2012.

Raise Your Pints began with a group of beer lovers who named their group Mississippians for Economic & Beverage Advancement (MEBA). They formed Raise Your Pints in 2008 to bring more beer options to Mississippi drinkers. The Raise Your Pints website states,

“Our vision is a Mississippi with a world class beer culture. Our mission; to promote and enhance craft beer culture in Mississippi by working to lift the ban on high gravity beer (**Done!**); clarify the status of homebrewing as a legal, fun, and wholesome hobby (**Done!**); promote Mississippi's beer, brewpub, and brewing industries and small businesses; and work to broaden the appreciation of craft beer for all Mississippians” (Raise Your Pints).

After building up a large group of supporters, Raise Your Pints worked for nearly five years before getting the craft beer law approved in 2012. This law raised the beer brewing alcohol by weight cap from 5 percent to 8 percent. According to Coll, it was a major milestone for the future of craft beer in Mississippi.

Troy Coll got involved in Raise Your Pints by being a member of the Keg and Barrel's Hattiesburg Beer Club. The group met at Keg and Barrel to hang out and try new



beers. After realizing the potential that having Mississippi breweries could bring to local beer culture, they began working with others around the state to raise not only awareness for beer legislation change but also to raise money to support lobbying for a new bill. They did this by selling items such as t-shirts and paraphernalia while also receiving donations and recruiting new members, especially businesses. Overall, they raised thousands of dollars to accomplish their mission.

While Raise Your Pints continues to participate in the ongoing legislation issues with craft beer, Mississippi Brewers Guild is another group that has risen to support craft breweries. Both groups are non-profit, grassroots organizations that rally people in the state for a cause. While Mississippi Brewers Guild is brewery-based, Raise Your Pints is consumer-based. When working together, both sides of the craft beer industry are represented: the producers and the consumers. These organizations align with Mississippi's creative economy because they involve businesses such as local restaurants, bars, and venues. By pushing for better laws that will allow microbreweries to create more products and interact more with communities, these organizations are pushing for the growth of economic development and the creative economy.

For example, Keg and Barrel of Hattiesburg is by far one of the most well known beer bars in Mississippi. It was named as one of *Draft Magazine's* top 100 Best beer Bars in America in 2010 and 2011. It is currently named one of Craftbeer.com's Great American Bars of 2016, and has received other awards as well (Keg and Barrel). With a large beer selection, and a city that has a variety of consumers, the Keg and Barrel is an example of a business in the creative economy. Troy explained how Hattiesburg has a wide spectrum of people because it contains the University of Southern Mississippi, the

U.S. Army Camp Shelby Joint Forces Training Center, and major medical facilities. By supporting a beer club and a non-profit lobbyist organization while also participating in many local events, the Keg and Barrel has supported the growth of the craft beer industry along with other aspects of Hattiesburg's creative economy. Coll explained why the Keg and Barrel is attractive to customers. While the Keg and Barrel is known for its beer selection, it also has a family friendly atmosphere. It provides a common place that is friendly to a large variety of people not only of Hattiesburg, but also for passers-by and visitors. Some may visit for the beer selection, but the Keg and Barrel has a reputation of being a local business that supports the community and gains support in return (Coll 2016).

### **Craft Beer and Local Business**

The Keg and Barrel provides not just an extensive craft beer selection, but also a craft beer experience. As Richard Florida emphasizes, "creative people favor active, participatory recreation over passive spectator sports. They like indigenous street-level culture --- a teeming blend of cafes, sidewalk musicians, and small galleries and bistros, where it's hard to draw the line between the participant and observer, creativity and its creators" (Florida 2012 pg. 134-135). Whereas one could buy a six pack of craft beer and drink it at home for often a lower price, people go to places like the Keg and Barrel and The Mahogany Bar in Hattiesburg. In a city like Jackson, they might visit The Bulldog or Hops & Habanas for the atmosphere and experience.

The craft beer law in 2012 did more than just encourage more brewers to open up their own breweries throughout the state. This study found that some local bars and restaurants have experiencing sales growth since 2012 as more Mississippians have

latched on to the craft beer phenomenon. This was found through an interview with Jarred Patterson, manager of several restaurants of the New South Restaurant Group. The New South Restaurant Group in Hattiesburg contains restaurants that have seen a positive impact from craft beer consumers, and it is reflected in the restaurants' sales. Crescent City Grill, Purple Parrot Café, Mahogany Bar, and Branch are owned by Hattiesburg's own Robert St. John and managed by Jarred Patterson. These restaurants are centrally located in between downtown Hattiesburg and the newer area of Hattiesburg. They are also close to the University of Southern Mississippi. Their food selections and atmospheres draw in a variety of customers. All sharing the same building, each restaurant offers a unique contribution of both food and beverages. The Branch has an extensive cocktail selection while Mahogany Bar's collection contains beer, whiskey and wine (Patterson 2016).

Jarred Patterson aims to give customers a great experience while also being involved in the beer and wine training of employees as well as training others like servers and hosts. Patterson was spotlighted in the *Hattiesburg American* article "Up and Coming: Jarred Patterson" as one of Hattiesburg's up and coming due to his work managing these restaurants. When asked why he chose a career in Hattiesburg, he referred to its creative community, "I honestly believe in the craft culture that this city has. I love the culture of things being made locally by real people who really care about their craft" (Cruz 2015).

In an interview with Jarred Patterson, a significant impact of craft beer on these restaurants was found. When comparing sales of craft beer and food since July 2012, a trend of rising sales exists. In Mahogany Bar, craft beer sales made up just 30 percent of

total beer sales in 2012. Today, craft beer takes up 85 percent of total beer sales, and 45 percent of overall alcohol sales. 45 percent is a major portion considering Mahogany Bar boasts extensive whiskey and wine selections as well. In 2015, *Draft Magazine* named Mahogany Bar as one of America's 100 top best beer bars.

Accompanying the craft beer sales increase, Mahogany Bar's total food and overall sales have increased in a range of 12 to 15 percent since 2012. Along with Mahogany Bar, all of the restaurants Jarred manages have seen increases in craft beer sales. Between Crescent City Grill, Purple Parrot, and Mahogany Bar, craft beer sales have experienced a 200 percent increase since 2012 (Patterson 2016). Having a solid craft beer selection has provided a positive impact for sales of these restaurants, which have a great voice in the Hattiesburg community. These restaurants are well known for buying local, supporting other nearby businesses and charities, and play a vital role in Hattiesburg's local and creative economy.

### **Craft Beer and the Community**

In a March 2016 issue of *The Atlantic*, James Fallows lists "Eleven Signs a City Will Succeed." After travelling across the US with his wife to explore revitalizing cities and their successes (including Mississippi's "Golden Triangle"), Fallows claims that a successful city has craft beer breweries. Fallows states, "One final mile marker, perhaps the most reliable: A city on the way back will have one or more craft breweries and probably some small distilleries too." After directly mentioning Mississippi as a state that is seeing breweries pop up in its cities, he claims that breweries draw in a younger crowd and entrepreneurs (Fallow 2016).

In a state that struggles economically, craft beer and its impact on local creative communities may offer positive economic contributions. Yalobusha Brewing in Water Valley, Mississippi is an example of a microbrewery that is assisting in the revitalization of its city, Water Valley. A *Clarion-Ledger* article quoted Yalobusha Brewing Company owner, Andy O'Bryan, stating, "If I can convert one person from drinking a Budweiser product to drinking mine," O'Bryan said "...that's creating a job, that's helping us grow, that's adding new tanks, it's helping Water Valley, and it's helping Mississippi, one person at a time" (Swayze 2016).

Microbreweries have business connections with other members of the local community. Lucky Town Brewery in Jackson, for example, gets some of its supplies from local companies such as their packaging from a business in Pearl and their t-shirts from a business in Clinton (Simmons 2016). Lazy Magnolia Brewery also purchases much of its ingredients and supplies from local businesses in rural Kiln, MS. By supporting one another and promoting local business, craft beer works with local communities and the creative economy other than simply supplying a product. Buying local allows them to filter money back through the community and contribute to building up other businesses through purchasing rather than simply selling.

While brewing craft beer is a task that takes much effort and time, Mississippi's microbreweries also aim to get involved in their communities. They have products that draw consumers in, but in order to do so, craft brewers get involved with communities and market their products to get their name out there. Breweries interact with their communities in a number of different, creative ways.

Southern Prohibition of Hattiesburg now offers yoga classes for \$12 which includes up to 36 ounces of free beer samples. They teamed up with Green House Yoga, also of Hattiesburg, to host the event. Similarly, SoPro hosts “Sip N’ Swing,” a West Coast Style Swing class led by a teacher of the local Hattiesburg Ballroom and Beyond. Events such as “Vicki’s on Mobile: Return of the Tapas @ SoPro Taproom” where SoPro pairs up with a local downtown restaurant to serve food and beer brings businesses and consumers together. These few examples are some of many of Southern Prohibition’s list of creative events that display Hattiesburg’s creative businesses. Other examples include hosting a movie night with a local film company, setting up booths at local festivals and crawfish boils, and more (Southern Prohibition).

Like Southern Prohibition, other breweries enjoy being involved in their local communities. Whether it is going out and participating in a community event or hosting one, breweries all over the state are coming up with ways to connect individuals to their beer and communities. Lazy Magnolia in Kiln, MS is available as a location for people to host events. It hosts its First Friday event each first Friday of every month where live bands perform, food is available, and beer samples are provided at the brewery. This event attracts up to 200 people and provides individuals a new way to experience craft brewing. Lucky Town Brewery in Jackson participates in events like the annual St. Paddy’s Day parade, Jackson’s gumbo festival, and as many events as possible to get their name out and be involved with their community (Lucas Simmons 2016). Microbreweries across Mississippi follow the trend of interacting with their local communities and being more than just a brewery. They are making cities cool and

bringing people out by incorporating their products and creative events with other businesses through their involvement.

## **Creativity Among Mississippi Breweries**

When glancing at the relationship of craft beer and Mississippi's creative economy, the most obvious correlation between the two are provided by microbreweries themselves. When performing research through interviews and analysis of sources, the most evident connection between craft beer and the creative economy was found in how creative Mississippi breweries provide their products with culture and identity. Through their history, artwork, and names, Mississippi-brewed craft beer is hardly a product someone could pick up at a store and not notice that it is not your average beer. These brewers are creative when making their products; they give beer something new. They provide them with stories, new flavors, and a relationship with the region surrounding them.

Many names of products and microbreweries in Mississippi's craft beer industry are modelled after the Mississippi environment. Chandeleur Brewing Company in downtown Gulfport is named after the Chandeleur Islands just off the Mississippi Gulf Coast. These islands are the brewery owners' favorite place to fish where they aim to catch the local delicacies of speckled trout and redfish. In fact, these two are most likely to be found fishing when they are not working away in the brewery (Chandeleur Brewing Company).

Lazy Magnolia is another brewery that gets its name from the region. It is named after the Mississippi state tree, the Magnolia Tree. Leslie Henderson explains how the name came about during an interview with Craft BeerTV. Leslie and Mark Henderson, the founders of Lazy Magnolia Brewery, used to brew beer in the backyard of their home. They had some Magnolia trees which shaded them while brewing that grew late every



year as a result of the poor soil along the Mississippi rivers, hence the name Lazy Magnolia. About the name, Mark Henderson says in the interview, “We like to think that ‘Lazy Magnolia’ represents all the things we like about the South. It’s a different speed of life. It’s all about kicking back, having a beer, sitting with friends on the back porch enjoying life” (Craft Beer in Motion 2009).

Lazy Magnolia’s products also feature names and ingredients revolving around the deep south lifestyle such as their most popular brew, Southern Pecan. Pecans are a popular ingredient in Mississippi and now they are incorporated into beer. They also have Lazy Saison which is described as, “Lazy Afternoons are part of life in the Gulf South. Around here we have two seasons: Summer and Football. One season, you're watching fireflies while chatting with friends on the porch swing. The next season you're enjoying some great food at a tailgate party with those same friends. At least, that's what we were doing when we decided to brew Lazy Saison” (Lazy Magnolia). These are just a couple examples of beer names that tribute Mississippi’s culture.

Some local individuals influence Mississippi brews. For example, Lucky Town Brewery will have a “Hal White IPA” named after the late Hal White who was an influential character in the Jackson area (Simmons 2016). Brother of previously mentioned Malcolm White, Hal White co-operated the popular Hal & Mal’s restaurant, bar, and music venue in Jackson. He made Hal and Mal’s into the staple Jackson gathering place it has been for generations. He is known for contributing to the development of Jackson’s social scene and contributing to Jackson’s downtown area over the years (Cleveland 2013).

Yalobusha Brewing Company also has a beer devoted to one of Mississippi's influential characters. Larry Brown Ale is named after Mississippi native, the late Larry Brown. Brown left a legacy of being one of Mississippi's great authors. He had a number of popular published works, some of which were turned into movies. Larry Brown was also a recipient of the Mississippi Governor's Award for Excellence and the Arts as well as the Mississippi Institute of Arts and Letters fiction award. A portion of the profits made from Larry Brown Ale will be given to an English scholarship at Mississippi State University (Bryant 2015). While these two beers are not the only ones named after specific individuals, they show the close relationship craft beer has with the individuals of Mississippi. Having a creative product like craft beer named after a creative Mississippian, the product represents much more than just a beverage. It represents a state that appreciates its creative individuals.

Mississippi craft beer also contains elements that make it relevant to the region and make it more drinkable. Lucas Simmons at Lucky Town Brewery explained why he only uses cans to package his products instead of bottles. He claims that canned beer is easier to drink here in Mississippi. Cans are easier to transport; you can easily throw them in an ice chest or bag and head to the beach in the summers or fit more in the fridge at a barbeque (Simmons 2016). Lazy Magnolia owners claim some of their best brews are the ones with low alcohol contents near 4-5%. Why? The laid-back culture in the south often consists of spending times outdoors with friends and families. When drinking beers with lower alcohol content, people can enjoy more and make the most of their time. Lower ABV contents are also friendlier to the hot Mississippi heat (Craft Beer in Motion 2009).

## **Craft Beer Legislation**

When performing research on how craft beer plays a role in Mississippi's creative economy, the findings often led to how current state legislation lacks progressive laws involving craft beer. Although one could find many examples of contributions that microbreweries are making to Mississippi's creative economy, potential for local microbreweries to expand their impact is restricted by the state's beer laws. Progressive laws, such as those allowing microbreweries to have a taproom for example, assist in the craft beer industry's growth. Microbreweries in Mississippi can only offer samples out of their on-site taprooms, where their products are offered on tap, rather than being allowed to sell beer from those taps. Allowing on-site sales from the taprooms could boost profits of microbreweries and encourage more visitors to come to the microbrewery. As previously mentioned, Mississippi was one of the last to raise the alcohol by volume limit that opened the door for craft beer brewery growth in the state. It is also one of the only two states left in the U.S. that still does not allow microbrewers to sell their beer directly to customers (National Brewers Association).

Mississippi microbreweries follow a three-tier system to sell their products. The tiers consist of the microbrewery, the distributors, the retailers, and then the consumers. In this system, the microbreweries produce the beer before selling it to a wholesaler who then distributes the products to retailers. From here, the product is then sold to consumers.

The three-tier system proves to be disadvantageous for microbreweries in Mississippi, but the use of this system is justified for many reasons. By having an existing third party between microbreweries and other retailers, competition between the

two is kept fair for consumers, and the interests of various parties are separated (Mississippi Brewers Guild). Distributors prevent retailers from being influenced by individual producers which allows more beer options for consumers. This method of getting products to consumers also allows the government to monitor beer sales and maintain a more accurate beer tax collection process (Mississippi Brewers Guild).

While the three-tier system provides positive business benefits to many markets around the US, most states offer microbreweries exceptions to this system. Due to the size of microbreweries, the likelihood of them exerting a large force in the market is small. As a result, states can allow them to distribute beer themselves. The state of Washington, for example, has a market where “in-state brewers producing less than 200,000 barrels of malt-liquor annually are exempt from the definition of a supplier and thus are not required to distribute their products in the state of distributors” (Kurtz, Clements 2014).

Mississippi microbreweries have to abide by the three-tier system rule where they are dominated by the distributors and have to follow extensive procedures involving business with them. This makes opening up a microbrewery difficult since one can only sell a product through a distributor. If a brewer cannot get a contract with a distributor, they cannot make sales. Mississippi craft brewers also face other restrictions that other states either enforce less strict versions of or do not have at all. Some examples include being limited to only 36 ounces of tasting samples at the brewery whereas other states allow more. Mississippi laws do not allow sales on site for both on or off site consumption. Mississippi also enforces a relatively high sales tax of seven percent compared to those of other states (Mississippi Brewers Guild). By continuing to enforce

strict legislation on Mississippi-produced craft beer, microbreweries will not catch up in the current American craft beer phenomenon until changes are made.

In February 2016, the Mississippi Brewers Guild, a partnership of brewpub and brewery owners of Mississippi, lobbied to have legislation passed to lighten the restrictions on craft beer sales. Presented by State Representatives Toby Barker of Hattiesburg and Patricia Willis of Diamondhead, MS to state lawmakers, Bill 846 would have allowed the sale of beer from Mississippi's small brewers to consumers (Lothrop 2016). A small brewer in Mississippi is defined as one that annually produces 225,000 barrels or less. This bill would also give microbreweries the freedom to open a separate location within reasonable distance that would serve as a taproom or brewpub (Lothrop 2016). A brewpub is defined as, 'A restaurant-brewery that sells 25 percent or more of its beer on site. The beer is brewed primarily for sale in the restaurant and bar' (National Brewers Association). A taproom would consist of the selling of beer on site at the brewery. In regards to these changes, sales directly to consumers would cap at ten percent of total sales or 2,000 barrels (Lothrop 2016). The bill also focused on maintaining the three-tier system, but did consist of provisions to this.

After two weeks, Bill 846 died in February 2016 just as has other previous craft beer legislation. This would be the third bill of its kind denied by Mississippi policy-makers. Industry lobbying likely plays a significant role in the outcome of any such bill. The Craft brewers' opposition is that of the wholesalers who have more monetary and political influence due their size and longer history (Lothrop 2016). While this legislation will continue being pushed, the only other two states facing similar difficulties as Mississippi, Alabama and Georgia are also talking about craft beer sales legislation.

Alabama craft brewers, however, have seen success in Alabama legislation change and will surely see the beneficial outcomes in upcoming months.

This research found that upcoming elections also affect craft beer legislation. Politicians prefer to stray away from issues involving alcohol especially in a state where many still support keeping counties dry and keeping government more conservative. In the aftermath of the most recent bill being thrown out, sources in the craft beer industry anticipate difficult economic times in the next few years. Some Mississippi breweries especially those trying to establish themselves are in danger of failing. Because of the strict laws, microbreweries have a tough time making on site profits through tourism efforts such as brewery tours and events with the 36-ounce sample limit. Craft breweries need a way to make more profits on site since the three-tier system provides them no advantage over big beer companies.

In a state such as Mississippi where poverty level is among the highest in the United States along with many other economic categories, choosing the more expensive product, which is craft beer, may not be the most feasible option to customers. For example, if one were trying to buy beer for the whole weekend or an event where they will need more than a six-pack, would they choose the cheaper option of beer like Coors or Bud Light or go for the craft option, which could be several dollars more per six-pack? Unfortunately, many Mississippians might revert to the latter. This is why microbreweries could benefit from being able to make more sales on site. Without implementing more progressive laws involving craft beer in Mississippi, the craft beer industry will not reach its potential regarding how many creative ideas, products, and community connections it brings.

## V. Conclusions

Through the use of qualitative research methods, the researcher found many of the originally expected outcomes of this study. A significant relationship between craft beer and Mississippi's creative economy does exist. By allowing the research to guide the topics that were in turn emphasized by the interview subjects (craft beer movement in Mississippi, craft beer and local businesses, craft beer and the local community, creativity among craft brewers, and craft beer legislation), the research indicated several broad topics that suggest further opportunities for future research and discovery beyond the scope of this thesis.

Because this project began nearly a year ago in 2015, the researcher did not anticipate how quickly the craft beer industry in Mississippi would evolve. As a result, since the conclusion of this thesis, the National Brewers Association has updated its statistics from 2014 to 2015. Mississippi's statistics did change between the two years though not significantly. The importance of the craft beer legislation was also not anticipated. It initially was not thought to be relevant to the topic, however, the importance of this topic was highlighted through interviews with multiple sources. As a result, it was included in the research.

The researcher found that this study had some limitations. First, the craft beer and creative economy sectors in Mississippi were found to be very complex taken separately. Together, they were even more so. This topic could have much more potential for exploration that further research beyond this can bring to it. Next, the research and data are necessarily limited, by the researcher's time and resources, to a small pool of interviewees. Lastly, the sensitivity seen among the craft beer industry in lieu of the

recent failing bill was noticeable in interviews, yet interviewees were reluctant to speak about the topic.

Although the interviews proved to be helpful to the research, they often lacked much concrete evidence of a true connection between craft beer and Mississippi's creative economy. From this, the researcher learned how to allow the interviews to take common themes and topics brought up in interviews and further research them outside of the interview. Because the creative economy is not a topic that does not have specific key factors to compare craft beer to, the findings had to maneuver around previous knowledge gained on the creative economy through research. The researcher also learned to study up on the history and accomplishments of the interviewee's business or involvement before meeting with them so they did not have to go backwards to define small terms and issues. By doing so, the interviewer can get more out of the research and ask more prepared questions. As always, it was important to understand that some subjects might not respond or be willing to do an interview. Also, topics like the craft beer legislation could come up and keep many subjects unavailable for a while so preparing backups for any such complications is necessary.

Overall, the relationship between these two separate topics held a common theme: Mississippians are determined to grasp the idea of creativity and utilize it in the state's economy. Evidence of this was found at the state and local government levels, the business level, and on the individual level. Whether the connection is realized or not, it is occurring in many aspects of Mississippi's economy. With the creative economy and millennial generation changing the way cities in the US work, this new appreciation of



individual creativity has the potential to change lives, towns, and states across the country and craft beer is one great example of it.

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## Appendices

### Appendix A: Institutional Review Board Approval



#### **INSTITUTIONAL REVIEW BOARD**

118 College Drive #5147 | Hattiesburg, MS 39406-0001

Phone: 601.266.5997 | Fax: 601.266.4377 | [www.usm.edu/research/institutional.review.board](http://www.usm.edu/research/institutional.review.board)

#### **NOTICE OF COMMITTEE ACTION**

The project has been reviewed by The University of Southern Mississippi Institutional Review Board in accordance with Federal Drug Administration regulations (21 CFR 26, 111), Department of Health and Human Services (45 CFR Part 46), and university guidelines to ensure adherence to the following criteria:

- The risks to subjects are minimized.
- The risks to subjects are reasonable in relation to the anticipated benefits.
- The selection of subjects is equitable.
- Informed consent is adequate and appropriately documented.
- Where appropriate, the research plan makes adequate provisions for monitoring the data collected to ensure the safety of the subjects.
- Where appropriate, there are adequate provisions to protect the privacy of subjects and to maintain the confidentiality of all data.
- Appropriate additional safeguards have been included to protect vulnerable subjects.
- Any unanticipated, serious, or continuing problems encountered regarding risks to subjects must be reported immediately, but not later than 10 days following the event. This should be reported to the IRB Office via the "Adverse Effect Report Form".
- If approved, the maximum period of approval is limited to twelve months.  
Projects that exceed this period must submit an application for renewal or continuation.

PROTOCOL NUMBER: 15110402

PROJECT TITLE: Can craft beer contribute to Mississippi's creative economy?

PROJECT TYPE: New Project

RESEARCHER(S): Katherine Hogan

COLLEGE/DIVISION: College of Arts and Letters

DEPARTMENT: History

FUNDING AGENCY/SPONSOR: N/A

IRB COMMITTEE ACTION: Expedited Review Approval

PERIOD OF APPROVAL: 11/11/2015 to 11/10/2016

**Lawrence A. Hosman, Ph.D.**

**Institutional Review Board**

Appendix B: Short Consent Form

INSTITUTIONAL REVIEW BOARD  
**SHORT FORM CONSENT**

<b>SHORT FORM CONSENT PROCEDURES</b>		
<p>This document must be completed and signed by each potential research participant before consent is obtained.</p> <ul style="list-style-type: none"> <li>• All potential research participants must be presented with the information detailed in the Oral Procedures before signing the short form consent.</li> <li>• The Project Information section should be completed by the Principal Investigator before submitting this form for IRB approval.</li> <li>• Copies of the signed short form consent should be provided to all participants.</li> <li>• The witness to consent must be someone other than the Principal Investigator or anyone else on the research team.</li> </ul> <p style="text-align: right; font-size: small;">Last Edited July 22<sup>nd</sup>, 2014</p>		
Today's date: _____		
<b>PROJECT INFORMATION</b>		
Project Title: Can craft beer contribute to Mississippi's creative economy?		
Principal Investigator: Katherine Hogan	Phone: 251-370-7864	Email: Katherine.hogan@eagles.usm.edu
College: University of Southern Mississippi	Department: History/Geography	
<b>CONSENT TO PARTICIPATE IN RESEARCH</b>		
<p>Participant's Name: _____</p> <p>Consent is hereby given to participate in this research project. All procedures and/or investigations to be followed and their purpose, including any experimental procedures, were explained. Information was given about all benefits, risks, inconveniences, or discomforts that might be expected.</p> <p>The opportunity to ask questions regarding the research and procedures was given. Participation in the project is completely voluntary, and participants may withdraw at any time without penalty, prejudice, or loss of benefits. All personal information is strictly confidential, and no names will be disclosed. Any new information that develops during the project will be provided if that information may affect the willingness to continue participation in the project.</p> <p>Questions concerning the research, at any time during or after the project, should be directed to the Principal Investigator using the contact information provided above. This project and this consent form have been reviewed by the Institutional Review Board, which ensures that research projects involving human subjects follow federal regulations. Any questions or concerns about rights as a research participant should be directed to the Chair of the Institutional Review Board, The University of Southern Mississippi, 118 College Drive #5147, Hattiesburg, MS 39406-0001, (601) 266-5997.</p>		
_____	_____	
<b>Research Participant</b>	<b>Witness to Consent</b>	
_____	_____	
<b>Date</b>	<b>Date</b>	