Tennessee at a Glance

Since January 2011

- 168,100 net new private sector jobs
- 11th in the nation for private sector job growth at a rate of 7.65%
- More than 66,000 jobs committed through TNECD projects
- Record-breaking 2013: 23,005 new jobs committed from 187 projects
- 13.4% growth in personal income over the last three years
  - 3rd in the Southeast
Top Business Climate

Low Taxes
Low business taxes and one of only nine states with no income tax on wages

Worker’s Compensation Reform
2013 legislation provided for a new streamlined claims process that does not involve the state court system

Pro-Business Administration
Governor Haslam has filled key cabinet posts with accomplished private sector executives who understand business

Tort Reform
2011 legislation limited potential court-awarded damages by placing a cap on liability and eliminating forum-shopping
Fiscal Responsibility

1st
Lowest State Debt Per Capita
\textit{The Tax Foundation}

2nd
Lowest State and Local Taxes Paid Per Capita
\textit{The Tax Foundation}

3rd
Best Run State
\textit{Barron’s Magazine}
Tennessee Accolades

Tennessee Named "2013 State Of The Year" For Economic Development
Source: Business Facilities

Largest improvement in the nation in high school graduation rates from 2006 - 2010; poised to achieve a 90% graduation rate by 2020
Source: America’s Promise

Tennessee is ranked the #1 state for Automotive Manufacturing Strength for the fourth consecutive year, and the #4 state for Automotive Parts Suppliers (behind Michigan, Ohio and Indiana).
Source: Business Facilities

Area Development Magazine, 2013

#1 for Overall Infrastructure and Global Access

Area Development Magazine, 2013

#1 for Distribution and Logistics Access

Memphis International Airport

#1 Busiest Cargo Airport in the Western Hemisphere
Additional Accolades

Tennessee was named the second most competitive state in the U.S. for economic development by Site Selection magazine. (May 2014)

Our state ranked fifth in Site Selection magazine’s top state business climate rankings. (November 2013)

Tennessee was named the third best state in country for business by Chief Executive magazine. (May 2014)

In addition to being named “State of the Year”, Tennessee was well-placed in many of Business Facilities other rankings. (August 2013)
  • Ninth for Best Business Climate
  • Eighth for Renewable Energy Leaders - Power Generation
  • Third for Best Infrastructure
  • Fourth for Auto Parts Suppliers
  • Seventh for Best Education Climate
Corporate Headquarters in Tennessee
Home to 8 Fortune 500 Companies
R&D Assets

Approximately $2.8 billion is invested annually in research and development across Tennessee’s research institutions.

St. Jude
Memphis
R&D: $299 million

Vanderbilt
Nashville
R&D: $543 million

Tennessee Board of Regents
Statewide
R&D: $83 million

University of Tennessee
Knoxville
R&D: $300 million

ORNL
Oak Ridge
R&D: $1.6 billion
R&D Intensity, Percent Change (2000-2010)

R&D Intensity

- United States: 4%
- Southeast: 24%
- Tennessee: 34%
The Milken Institute ranks Tennessee # 19 in the country in Risk Capital and Entrepreneurial Infrastructure (up from 45th in 2010) and 2nd in the Southeastern United States.

Governor Haslam’s INCITE Co-Investment initiative was a major factor in Tennessee’s leap in Milken’s rankings.

Tennessee’s Entrepreneurial Activity Index was .30 percent, reflecting 300 entrepreneurs per 100,000 citizens in the recently released “Index of Entrepreneurial Activity” from the Kauffman Foundation.

The state’s index is slightly higher than the national average of 0.28, or 280 entrepreneurs per 100,000 citizens.
Entrepreneurship in Tennessee

• Launch Tennessee (LaunchTN) is a public-private partnership focused on supporting the development of high-growth companies in Tennessee.
• Startup companies create more than 65 percent of all new jobs and LaunchTN was created to help these companies succeed.
• Recently, Memphis ranked No. 5 on WalletHub.com’s “Best Cities To Start a Business” list.
• CNN Money ranked Nashville No. 6 in its “Most business friendly-cities” list for 2013.
• In 2013, LaunchTN had the following impact on Entrepreneurship Development:
  o Facilitated over $16 million in seed-capital investment to the accelerated startups
  o Regional accelerators hosted over 300 entrepreneurial events, engaged over 400 mentors and accelerated over 100 companies
• LaunchTN has built a network of small-business accelerators around the state. Each targets a group of specific industries, and all offer access to LaunchTN’s growing network of investors and mentors.
INCITE Co-Investment Fund

- The INCITE Co-Investment Fund is a key component of Gov. Bill Haslam’s INCITE initiative to drive growth and create knowledge-based jobs in Tennessee by encouraging investment in the state’s developing small businesses.
- The INCITE Co-Investment Fund was created in 2011, using $29.7 million of federal funding awarded under the State Small Business Credit Initiative.
- In its first two years of operation, the Fund augmented investments in 30 companies, leveraging $50 million in outside capital into $75 million.
- By late 2013, INCITE had invested about $19 million of the $29.7 million originally provided by the federal government in 2011.
- There is $10 million in matching funds available in 2014.
Small Business Impact

Small businesses are defined as those with 500 or fewer employees by the Small Business Administration.

471,026
Number of non-employer firms in Tennessee, which include 338,013 Sole Proprietorships, 27,169 Partnerships, and 111,842 Corporations.

Non-employer firms have no paid employees, annual business receipts of $1,000 or more, and are subject to federal income taxes.

138,964
Number of small businesses in Tennessee

PERCENTAGE OF THE PRIVATE SECTOR WORKING POPULATION EMPLOYED BY A SMALL BUSINESS

81.3%

108,163
Number of jobs small businesses in Tennessee created from 2002-2012

$20.4 BIL.
Total 2012 revenues for non-employers in Tennessee, a 3% increase from 2011

The fastest-growing sector for freelance businesses in Tennessee include Arts, Entertainment & Recreation, Retail Trade, and Educational Services.

Ted Townsend | Assistant Commissioner, Strategy
312 Rosa Parks Ave, 27th Floor
Nashville, TN 37243
615.532.9060
Ted.Townsend@TN.Gov

THANK YOU

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In 2013, Tennessee companies exported $32 bn in goods and the state ranks 14th in the country for total exports.

A total of 7,172 companies exported from Tennessee locations in 2012.

Foreign-owned companies have invested $27.7 bn in Tennessee and 117,659 Tennesseans currently work for businesses based outside of the United States.

ECD has eight representative offices outside of the United States that promote foreign direct investment and trade.

Haslam Administration’s first trade mission was in 2012-- to Seoul -- leveraging the recent free trade agreement with South Korea.