

# Tennessee's advanced energy sector soars, outpacing overall state economy

*New economic impact report finds advanced energy created nearly 360,000 jobs, contributes \$40 billion to state GDP*

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**KNOXVILLE, Tenn.** – The advanced energy sector is so strong in Tennessee that it outperforms the state's overall economy, employing nearing 360,000 Tennesseans in more than 18,000 businesses that contribute almost \$40 billion to the state's GDP. All this according to the 2018 Tennessee Advanced Energy Economic Impact Report released today by the Tennessee Advanced Energy Business Council (TAEBEC). TAEBEC is a statewide organization that champions advanced energy as an economic development and job creation strategy.

The 2018 report builds on data first analyzed by TAEBEC's 2015 Economic Impact Report, the inaugural study on the impact of the advanced energy sector in Tennessee. The report details the scale and scope of the state's advanced energy sector, quantifies its economic impact, and charts trends in advanced energy since the 2015 study was released. It pinpoints the number of jobs and businesses associated with advanced energy, as well as the sector's contributions to state GDP and state/local taxes.

"As the advanced energy economy continues to skyrocket, it is more critical than ever for Tennessee to grow its share of this \$1.4 trillion global market," said Matt Kisber, President and CEO of Silicon Ranch Corporation and TAEBEC President. "Advanced energy cements Tennessee's position as the number one location in the Southeast for high-quality jobs. It further enhances the state's economic development position and attracts companies to locate and expand in-state."

Key findings from the 2018 report include:

- **Advanced energy is a job-creation engine for Tennessee.**  
The advanced energy industry employs 358,360 Tennesseans and supports 18,107 business establishments. Advanced energy accounts for nearly 14 percent of total state employment. Workers in the state's advanced energy sector earn an average wage of \$59,665, significantly higher than the state's economy-wide average of \$44,317.
- **Tennessee's advanced energy sector is growing faster than the overall state economy by a significant margin.**  
Employment in Tennessee's advanced energy sector has grown by 10.3 percent, while the state economy overall has seen a growth rate of 8.3 percent. The number of advanced energy business establishments in the state grew by nearly 5 percent. Both state and local sales tax revenues have increased by over 30 percent.
- **Advanced energy boosts both the state and local economies.**

Tennessee's advanced energy sector generates \$39.7 billion in the state GDP. It contributes approximately \$823 million to state sales tax revenue, and approximately \$289 million in local sales tax revenue.

- **Advanced energy is well-positioned to drive further economic development in Tennessee.**

The advanced energy industry represents a sound candidate for inclusion as a statewide targeted industry cluster. Tennessee and its local communities commonly target specific industries and industry clusters as part of their broad-based economic development strategies. These targets then become the focus of business recruitment, expansion and retention strategies through a variety of policies including marketing, workforce development, infrastructure development and incentives.

Advanced energy is technology-neutral, and includes any technology that makes energy or transportation cleaner, safer, more secure, and more efficient. Examples include wind, solar, and new nuclear technologies, electric and plug-in hybrid vehicles, lightweight composites in the automotive industry, natural-gas fueled trucks, bioenergy, pollution-control equipment, smart grids, combined heat and power, high-performance buildings, more efficient industrial technologies, and power reliability. Advanced energy represents a booming \$1.4 trillion global market – that's nearly twice the size of the worldwide airline industry and nearly equal to global apparel revenue.

In addition to statewide data, the 2018 report analyzed Tennessee's advanced energy sector by metro area, including regional information on advanced energy in Nashville, Memphis, Knoxville/Oak Ridge, Chattanooga, Tri-Cities, Clarksville, Morristown, Jackson, and Cleveland. It further tracks Tennessee's advanced energy economy down to county-specific data. The analysis is based on NAICS code and Census Bureau data from 2016, the most recent year for which this information is available.

The Nashville metro area is the largest contributor to Tennessee's advanced energy sector, employing more than 115,000 workers. The Memphis metro area comes in second, with 55,750 employees in advanced energy. Even with these concentrations, advanced energy reaches all 95 counties in Tennessee because the sector is a cluster of diverse industries with strong growth potential not tethered to urban areas alone.

"The University of Tennessee is proud to partner with private industries and organizations to support our state's advanced energy sector," said Dr. Stacey Patterson, Vice President for Research, Outreach and Economic Development at the University of Tennessee. "The University's research assets and public-private partnerships have played a major role in boosting the state economy and cementing Tennessee's role as a power-player in advanced energy."

Research for the 2018 Tennessee Advanced Energy Economic Impact Report was conducted by the Howard Baker Jr. Center for Public Policy. Funding for the report was provided by the University of Tennessee, the Energy Foundation, and Tennessee Advanced Energy Business Council members.

[Click here to read the 2018 Tennessee Advanced Energy Economic Impact Report in full.](#)

**About the Tennessee Advanced Energy Business Council**

The Tennessee Advanced Energy Business Council champions advanced energy as a job creation and economic development strategy. It educates public officials and business leaders about the value and job creation potential of Tennessee's advanced energy economy, establishes strategic partnerships to connect assets with opportunities, and informs policy that expands and strengthens the industry. For more information, visit [www.tnadvancedenergy.com/](http://www.tnadvancedenergy.com/)

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