

Memphis Economic Impact Study

TVA's efforts in economic development have a direct positive impact on Memphis and the surrounding region – a recent economic impact study outlines the details

Overview

Historically, the Tennessee Valley Authority (TVA) has played a significant role in recruiting, expanding and retaining businesses in Shelby County. Many organizations indicate that energy service – cost, reliability and clean energy – is a key factor in the decision to expand or move. Economic impacts from these activities have presented themselves in the most tangible forms, including new jobs, labor income, as well as contributions to gross domestic product, and new sales to regional businesses.

TVA commissioned The Center for Economic Competitiveness, a subsector of the Greater Memphis Chamber, to review the five-year period from Oct. 1, 2015 to Sept. 30, 2020 and complete an economic impact study. In the study, the Center more fully identified, evaluated and articulated the lasting impact of the economic development efforts driven by TVA as it partners with state and local agencies.

By the Numbers

The findings were clear: TVA's efforts in economic development have financial, societal and growth implications for the City of Memphis and the surrounding area – the efforts are accelerating Memphis in the region. When simplifying the findings into solely the numbers, a few specifics stand out:

- Temporary construction activities supported 6,416 jobs, \$434 million in labor income, and \$980 million in new sales to county businesses.
- Upon full operation, new economic impacts across all economic ripple effects amount to over 9,049 new jobs, \$741 million in new labor income, \$1.8 billion in new sales to area businesses and \$1 billion added to the county's gross domestic product.
- Retention-based estimates (keeping jobs local) have sustained 6,400+ jobs, \$640 million in labor income, \$1.3 billion in sales and \$820 million in county gross domestic product.

Attracting new jobs aligned to local skills

Beyond the numbers, the jobs being attracted and retained in Memphis meet the talent market and skillset of Memphians where they currently are – 43% of the roles do not require above a high school diploma, which matches the 28% of Shelby County residents who do not have higher education beyond a high school diploma or equivalent.

There is also little on-the-job training required to advance, which provides for longer career paths at the companies.

Diversifying industry in Memphis

During the period studied, the type of company and diversity of sectors is expanding. In the past, many companies moved distribution or logistics operations to Memphis; recently, companies are moving headquarters, broader corporate or significant operations to Memphis.

Of the announcements during the study period, 53% were headquarters, 41% manufacturing and 6% distribution. This further expands jobs available, diversifies the caliber of roles and presents opportunities for higher base salaries. Upon completion of all projects and when economic ripple effects are realized, the labor income impact for all jobs (direct, indirect and induced) totals \$741.2 million across 9,050 jobs, resulting in an average wage of \$81,900, inclusive of benefits.

Creating long-term opportunities

While the construction-related jobs for some of the economic development projects may present one-time opportunities, Memphis is also attracting and retaining companies that will allow these workers to remain in the area after the construction project concludes.

The crosswalk of transferrable skills from one sector to another are compatible enough it allows temporary construction workers the opportunity to transfer to longer-term roles within other sectors.

Many partners are involved in the success of economic development, but the numbers and broader trends demonstrate TVA is directly involved in accelerating the growth of Memphis.