



NEWS RELEASE

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Greater Nashville Private Capital Association Releases Inaugural 2025 Impact Report on Tennessee Private Markets

*Record \$18.6B in PE and all-time high VC deal count signal ecosystem momentum
and competitiveness as local capital base deepens during market normalization*

NASHVILLE, Tenn. (March 5, 2026) — The Greater Nashville Private Capital Association, in partnership with PitchBook and the Tennessee Department of Economic and Community Development, today released the inaugural 2025 Impact Report: Tennessee Private Markets Breakdown, the first comprehensive benchmark of venture capital, private equity, growth equity and private credit activity across the state.

The report establishes a statewide baseline for private capital formation, deployment and exit activity and indicates the market has entered a more durable and institutional phase, even as national conditions remain uneven.

Private equity exit value reached a record \$18.6 billion in 2025, driven in part by large healthcare transactions. Venture deal count rose to an all-time high of 179 transactions, with invested capital increasing more than one third year over year. Later-stage venture financings, PE growth investments and private credit funds are expanding the capital stack available to companies across the state.

“This report provides a market grade view into our private capital ecosystem,” said Bruce Evans, Chair of the GNPCA. “While activity has normalized from recent peaks, the data reflects a deeper and more resilient pool of venture capital, private equity and other forms of risk capital. It is an extremely positive development for entrepreneurs and others in Tennessee’s innovation economy, that this capital is increasingly formed, deployed and reinvested here.”

Key Findings

- Fundraising reflects momentum. Median time to close for private capital funds shortened to 12.5 months in 2025, faster than the overall U.S. benchmark. VC funds, in particular, closed more quickly than national peers.



- Private equity remains competitive. Although deal volume moderated, exit value reached a record \$18.6 billion across 35 transactions. Add-on acquisitions continue to represent a steady pipeline of middle market activity across West and Middle Tennessee, Knoxville and Chattanooga.
- Venture capital demonstrates resilience. Companies secured a record 179 VC deals in 2025, with invested capital rising to \$1.2 billion. Healthcare represents half of the state's ten highest valued VC-backed companies.
- Local investor participation is increasing. The share of VC transactions backed exclusively by in-state investors increased by more than 60 percent in 2025, reflecting a maturing capital base and deeper networks.
- Growth-stage financing pathways are expanding. Since 2020, 333 later-stage venture financings and 188 PE growth investments have supported scaling companies. Private credit funds based in the state have raised \$7.5 billion across 18 funds, providing complementary non-dilutive financing options.

“This data reinforces what we are seeing across the state,” said Stuart C. McWhorter, Deputy Governor and TNECD Commissioner. “The connectivity between investors, research institutions and operating companies continues to strengthen Tennessee’s long-term competitiveness.”

Consistent With Broader Multi Year Trends

The findings align with broader multiyear data pointing to sustained acceleration in the private capital ecosystem.

In separate ecosystem analysis conducted by PitchBook covering Q4 2019 through Q3 2025, Nashville ranks No. 1 globally for growth and No. 29 overall, an improvement from No. 62 in the prior edition. The overall ranking reflects both development and growth, signaling expansion alongside institutional depth. Nashville also ranks among leading global markets for healthcare venture activity.

While the new report focuses on statewide capital formation, these broader indicators suggest recent performance reflects a longer-term trajectory rather than a single-year spike.

Within the state, Nashville anchors healthcare, technology and later-stage capital formation. Memphis maintains strength in logistics and supply chain. Chattanooga, Knoxville and Oak Ridge contribute to advanced manufacturing, energy innovation and deep technology development. Sustained corporate investment and research collaboration continue to reinforce the foundation for private capital expansion.



GNPCA views benchmarking as core infrastructure for private markets. By establishing consistent and transparent data, the association aims to strengthen investor connectivity and elevate the state's national private capital profile.

The full 2025 Impact Report: Tennessee Private Markets Breakdown is available at gnpca.org.

About the Greater Nashville Private Capital Association

The Greater Nashville Private Capital Association is the industry association for the state's private capital ecosystem, supporting venture capital, private equity, growth equity, private credit and related market participants. Established in 2023, GNPCA exists to connect investors, elevate data discipline and strengthen the state's position in national private markets.

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