

Executive summary

Data centers play an increasingly prominent role in digital infrastructure across many industries, reflecting rising data volumes and expanded use of technologies such as real-time analytics, AI, and cloud computing. In 2023 and 2024, increased adoption of AI coincided with higher demand for compute-intensive data center capacity, contributing to elevated levels of investment during the study period.

Reflecting changes in how data center services are organized and delivered, this analysis adopts an expanded, function-based definition of the data center sector that captures data center services wherever they are produced, rather than limiting measurement to a single industry classification. Under this definition, the industry's role extends beyond physical infrastructure, with associated economic activity observed across multiple sectors of the economy. This expanded definition reallocates existing economic activity across industries rather than introducing new activity, ensuring that economy-wide totals are preserved.



Economic contribution

As summarized in **Table E-1**, including direct, indirect, and induced effects from data center construction and operations, the total number of jobs supported by the industry nationwide increased from 4.7 million in 2023 to 5.5 million in 2024 (17 percent growth). At the national level, each direct job in the data center industry is estimated to support 4.5 additional jobs in the broader U.S. economy in 2024. These employment effects are distributed across many sectors, reflecting the industry's diverse economic linkages.

These broad employment effects also translate into substantial labor income and GDP contributions, underscoring the industry's extensive upstream and household spending linkages. Driven by the compensation levels associated with the industry and its supply chain, the total labor income supported by the industry (including the direct, indirect, and induced effects) rose from \$431.1 billion in 2023 to \$525.3 billion in 2024 (22 percent growth). Furthermore, the sector's total contribution to the U.S. economy's value added, or GDP, grew from \$768.0 billion in 2023 to \$926.9 billion in 2024 (21 percent growth), highlighting its measurable influence on overall national economic output.¹

¹. Value added is a term commonly used by economists to describe how much an industry contributes to a nation's or state's GDP. It represents the additional value created at a particular stage of production. Value added is measured as the difference between the total revenue of the industry and the total cost of its materials, supplies, and services purchased from other businesses, other than capital goods. Value added can also be derived as the sum of employee compensation, proprietors' income, pretax income to capital owners from property (including depreciation), and taxes on production and imports (including excise taxes, property taxes, fees, licenses, sales taxes, and custom duties paid by businesses).