



Data Centers Build More Than Technology

Data center development delivers immediate economic impact through construction activity, strengthens local supply chains, and creates long-term workforce opportunities tied to high-paying construction careers.

Immediate Economic Impact

Data centers are one of the fastest-growing segments of nonresidential construction.

- Data center spending increased **23% year-over-year in May 2026**, reaching **\$59.3 billion** (at a seasonally adjusted annual rate)
- Still represents a relatively small but growing share of private nonresidential construction (**8.0%**)

Strong Demand Outlook

- **57% of contractors** expect available dollar value of data center projects in 2026 to exceed 2025 (*AGC 2026 Outlook Survey*)
- Data centers continue to move forward despite higher interest rates, due to strong capital backing and AI-driven demand

Benefit to Local Suppliers and Businesses

Data center construction creates economic spillovers through the multiplier effect, extending impact beyond the job site

Direct effects: Activity at the project site: construction jobs, wages, materials, and equipment purchases.

Indirect effects: Demand for upstream suppliers: increased orders for inputs such as **transformers, electrical components, cooling systems, and building materials**; and services such as architectural, engineering, and trucking services

Induced effects: Local spending by workers and owners: income earned through construction and supply chain activity is spent on **housing, food, and services**, supporting local businesses

Result: Economic activity spreads beyond the project site, supporting a broad network of contractors, manufacturers, and service providers

Real World Examples

Project scale matters:

- Estimates vary widely depending on project size and scope. The Ohio study models a single mid-sized facility, while the Virginia analysis reflects larger-scale, multi-project development

[Comparative Economic Impacts of Data Centers and Manufacturing Centers in Ohio \(2025\)](#)

- **Jobs created/ supported:** Nearly 9,700 construction jobs during the build phase
- **Economic output:** \$2.4 billion in total economic output per project
- **Contribution to state GDP:** \$1 billion contribution to GDP
- **Job multiplier:** 2.27
- **Sales multiplier:** \$0.81 per \$1.00
- **Annual peak taxes & local tax revenues:** Around \$84 million

[Virginia JLARC Data Center Study \(2024\)](#)

- **Jobs created/supported:** Nearly 74,000 jobs supported annually (construction and ripple effects)
- **Economic output:** \$9.1 billion in annual economic contribution (GDP)
- **Annual peak taxes & local tax revenues:** Data centers can account for up to around 30% of local tax revenue in some jurisdictions

Workforce Development and High-Paying Career Pathways

Strong Wage and Career Opportunity

- Construction offers competitive wage growth, with average hourly earnings rising **5.0% year-over-year** as of March 2026, compared to **3.4% across the private sector**
- Construction workers also earn a premium relative to the broader economy, with average hourly earnings **20.4% higher than the private sector** as of March 2026

Increasing Use of Community-Linked Development Models

Competition for land, power, and permits gives localities leverage to negotiate benefits.

Emerging “AI Economic Zone” model includes:

- Workforce Training Programs
- University and Research Partnerships
- Local Industry Collaboration

Real World Examples

[Microsoft “Community-First AI Infrastructure” \(2026\)](#)

- Investments in workforce development and AI training
 - Contributions to local tax base
- Commitments to energy infrastructure and water sustainability.