



III. Economic contribution



Methodology at a glance

- The analysis uses 2023-2024 industry-level employment, labor income, and other data from the U.S. Census Bureau, BEA, and BLS.
- Economic effects are measured using an input–output modeling framework, which captures activity directly associated with data centers and the additional activity supported throughout the supply chain and through household spending.
- **Direct effects:** Employment, labor income, value added, and tax payments within the data center industry.
- **Indirect effects:** Economic activity supported through in-state supplier purchases (e.g., construction, utilities, professional services).
- **Induced effects:** Economic activity supported when workers in direct and supplier industries spend their earnings.

To measure the economic activity of the U.S. data center industry, we considered four metrics: employment, labor income, value added, and tax payments, as defined below.

Employment	The number of full-time and part-time payroll and self-employed jobs averaged over the year.
Labor income	Total wages, salaries, and benefits, as well as proprietors' income.
Value added	The total output of each sector less the associated value of intermediate inputs. ³ The sum of the value added across all sectors in the economy is GDP. An industry's value added represents its contribution to GDP.
Tax payments	Fiscal support through taxes to the federal government and state and local governments.

³ Intermediate inputs are goods and services that are used in the production process to produce other goods or services. Bureau of Economic Analysis "What are intermediate inputs?" <https://www.bea.gov/help/faq/185>.