

induced economic contribution—reflecting its treatment as supply-chain and household-spending activity rather than ongoing industry operations—and is included in the overall economic contribution of the data center industry.

Benchmarking and data updates

Economic contribution estimates in this report were produced using the latest IMPLAN data set and model (released in December 2025), which incorporates the BEA's most recent comprehensive benchmarking (including updated input-output/Supply-Use tables and revisions to GDP-by-industry and related national accounts). These benchmark updates refresh industry production functions, inter-industry purchasing relationships, and value-added components, improving consistency with the current BEA economic structure. Because benchmarking can materially change estimated inter-industry linkages, each benchmark update can meaningfully shift the magnitude of multipliers, sometimes significantly for certain sectors, and thus contribution estimates may differ from results produced with earlier IMPLAN model vintages. These differences are a normal and expected outcome of each BEA benchmarking cycle.

Limitations

Input-output (I-O) models with fixed technical coefficients, such as the one employed in this study, have several important limitations.

First, the fixed-coefficient assumption implies that production technologies and input proportions remain constant. In practice, firms adapt to technological change, substitute among inputs, and adjust production methods over time. These dynamic behaviors are not captured in a fixed-structure I-O framework.

Second, I-O models assume linear, proportional relationships between inputs and outputs. Actual economic relationships are often nonlinear and context-dependent. As a result, the model does not account for price changes, substitution effects, supply constraints, or shifts in consumer preferences, all of which can materially affect economic outcomes.

Third, I-O models assume consistent, rational behavior by economic agents. In practice, household and firm decisions are influenced by social, psychological, cultural, and institutional factors that are not represented in the model. These factors can introduce deviations between modeled and actual economic responses.

Given these limitations, the results should be interpreted with caution. Although I-O models are widely used for illustrating economic linkages and estimating the magnitude of potential effects, real-world outcomes may differ due to the complexity and evolving nature of economic systems.

