

Data Centers: Common Concerns

The bottom line: Data centers are the backbone of the modern economy.

They power everything from hospital records and banking systems to the AI tools driving the next generation of American jobs and investment. Communities that host data centers gain a stable tax base, long-term careers, and a competitive edge.

The industry has not always gotten it right. Communities raise legitimate concerns, and we're listening. The commitment is to build better: more efficient, more transparent, and more accountable, without placing a burden on local communities.

This document addresses common community concerns.

Concern: "Data centers are raising energy prices."

Fact: Data center operators strive to pay their fair share. Seven major data center developers have pledged not to shift electricity costs to residential ratepayers. Data centers can also serve as anchor tenants for grid modernization and energy infrastructure investment that benefit the entire community. Such upgrades can actually serve to lower customer costs.

Concern: "Data centers don't benefit local communities."

Fact: Data centers generate durable tax revenue that funds schools, public safety, and infrastructure.

- **By the numbers:** Data centers generate \$ 162.7 billion in total tax revenue annually. That is roughly \$1,000 for every household in America.
- Virginia's data center cluster is generating hundreds of millions annually in local tax revenue, allowing counties to hold down – or even reduce – residential property tax rates while increasing investments in local schools and transportation.

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Concern: “Data centers strain local water resources.”

Fact: Concerns about water availability are understandable. To address them, data centers are working with water utilities to develop and deploy technologies to preserve water resources. These include water reuse, which dramatically reduces water consumption.

Concern: “Data centers don’t create real jobs.”

Fact: The data center industry creates careers, not just jobs. In fact, over 600,000 people were directly employed by data centers in 2023 (Technicians, electricians, HVAC, security). The total number of jobs supported by industry that year was 4.7 million (construction, operations, supply chain).

Furthermore, in many communities, the industry has developed and supported workforce pipelines with local community colleges. These programs support both the expansion of American technology while advancing the careers and earning potential of Americans.

By the numbers:

- The average data center technician salary is \$85,000 per year, with senior roles exceeding \$120,000, in communities where the median household income is often much lower.
- A single hyperscale data center campus typically sustains 100–150 permanent full-time operations jobs with benefits, and those roles grow as capacity expands.

Concern: “Data centers operate in secret while getting billions in tax breaks.”

Fact: Responsible development starts with listening; before, during, and after development.

Tax breaks are usually at the state level on sales and use taxes, and do not impact local revenue. Communities with data centers gain new revenue that can be invested locally.

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