Artificial Jobs: The Illusion of Big Tech's Data Center Employment Claims

Some artificial intelligence (AI) leaders proudly tout the long-term job-destroying potential of their technology — in one case stating AI will bring about 20 percent future unemployment. In fact, tech corporations are killing jobs right now by shifting investment into capital-intensive data centers and cutting employment elsewhere. Anthropic, for example, recently announced $50 billion in data center investment with only 800 permanent jobs,[1] while Google is poised to pour billions more into Anthropic and cut 7,500 jobs elsewhere in the company.[2]

But for the most part, the booming data center industry is touting its virtue as a job creation engine, with great economic benefits for impacted communities and the economy at large. The reality is more in line with the job-slashing prognostications of some AI industry leaders.

Food & Water Watch (FWW) analysis reveals that as few as 23,000 people nationally likely worked in the data center industry as recently as 2024. This is based off data center activity in Virginia, the state with the largest and longest established data center industry, combined with national data from the Bureau of Labor Statistics (BLS). This was 0.01 percent of total U.S. jobs but accounted for 4.4 percent of U.S. electricity usage.[3]

Virginia Shows the Limited Long-Term Employment Promise of Data Centers

Virginia data centers generate just 1 permanent job for every $13 million invested, based on Virginia Economic Development Partnership (VEDP) data dating back to 1990.[4] In contrast, it cost a mere $137,000 to create 1 job outside of the data center sector — nearly 100 times less investment.[5]

FWW estimates that data centers in Virginia employed approximately 7,600 people in 2024.[6] Since the VEDP data may not include all data centers or adequately account for expansions, FWW used BLS data to capture the overall size of the data center industry. Our figure is higher than using VEDP data alone (which amounts to 5,400 permanent staff, assuming all these data centers are still open and employing the announced number of people).[7]

FWW estimates that as few as 23,000 people nationwide held a permanent data center job in 2024. This is assuming that Virginia's data center employment per megawatt (MW) was nationally representative. (The Virginia government estimates state data center capacity at 5,050 MWs in 2024 — approximately 33 percent of total U.S. capacity.[8])

Data centers may spur the growth of jobs outside of the centers themselves, but estimating indirect jobs created from investments is often speculative and fraught with methodological issues. Even using VEDP data on secondary jobs, however, the investment required to create just 1 permanent job from 1998 through 2025 remained high at $7.8 million.[9]

info@fwwatch.org
202.683.2500 (DC)
510.922.0720 (CA)
foodandwaterwatch.org

JANUARY 2026

Additionally, newly built data centers are employing even fewer people per invested dollar. From 2020 through late 2025, Virginia's data centers have only created 1 direct, permanent job for every $54 million invested — 168 times more than what it cost to create 1 permanent non-data center job ($322,000).[10]

Despite minimal economic benefit, data centers benefit from billions of dollars in sweetheart tax deals. According to the Northern Virginia Technology Council (NVTC), several states have exempted data center equipment from sales and use taxes — including Pennsylvania, Connecticut, Utah, Maryland, Illinois, North Carolina, and of course, Virginia.[11] Virginia's tax exemption cost the state $673 million in lost revenue in 2022 alone.[12] That equals the median income of nearly 8,000 Virginian households[13] — compared to the estimated 7,600 jobs at Virginia's data centers.

Industry Reports Wildly Overstate Data Center Employment

The national advocacy group Data Center Coalition commissioned a PricewaterhouseCoopers (PwC) report on employment at data centers. According to the report, data centers in 2023 directly employed 603,000 people nationally and supported 4.7 million jobs.[14] Employment at "data centers" is strongly correlated with state population, suggesting that the report may be including numerous jobs in unrelated industries. For example, it ranked the top 3 states for data center employment as California, Texas and Florida, while it ranked Virginia at 9th (which is 12th for overall population and 1st for data center capacity).[15]

PwC massively overestimates the economic impact of data centers by including the entirety of the North American Industrial Classification System (NAICS) code for "Data Processing, Hosting, and Related Services" (518210). Using the entire 518210 sector to represent data center employment is seriously flawed. For example, in 2024, Virginia had about 33 percent of national data center capacity, but only 4 percent of national 518210 sector jobs reported by BLS. [16] While 518210 includes data centers, it also includes support services for web hosting and optical scanning among other potentially software intensive sectors.[17] In addition to using an excessively broad industry definition, PwC also counts part time jobs rather than calculating full time equivalence and adds a multiplier for indirect jobs.[18]

While industry advocacy organizations have an incentive to inflate the job creation benefits of their sector, data center advocates in Virgina found low permanent employment potential at a steep investment cost. The NVTC is a pro-data center advocacy group sponsored by companies like Amazon (which owns data centers) and Dominion Energy (Virginia's largest electric utility).[19] NVTC estimates that through 2023, data centers in Virginia cumulatively cost $203 billion to build and employed 12,140 people.[20] Even taken at face value, these figures mean that it costs $16.7 million in investment just to create a single data center job.[21]

It is likely that the NVTC is also overestimating data center employment in Virginia by including non-data center investment that happens to share the same NAICS industry designation.[22] While FWW's analysis includes only investments from the VEDP data base which include "data center" in the description and are in the appropriate NAICS code, FWW was able to reproduce a similar estimate by counting all jobs in the 518210 sector.[23] These non-data center jobs in technology services in Virginia are substantially more labor intensive; examples include a data labelling services provider, a digital identity company, and several cyber security firms.[24]

FWW found that even using recent growth of 518210 jobs as a proxy for data center employment increases suggests a lackluster track record — especially when compared to the enormous energy cost. According to Dominion Energy's two most recent integrated resource plans, the company hooked up 933 MWs of data center capacity in 2023[25] and 977 MWs in 2024.[26] Meanwhile, Virginia added 2,148 additional jobs in the entire 518210 sector — 1.12 jobs per MW. If we apply this rate to total data center capacity, it equals 5,679 jobs across Virginia (assuming a consistent employment potential of all data center capacity).[27] Each MW of capacity requires as much power as is consumed by approximately 700 houses in Virginia in 2024.[28]

Conclusion

While the data center industry would like to promote its developments as a boon to local communities, FWW shows that the actual job record of data centers is remarkably dismal. Policymakers must view claims made by data center suitors seeking tax handouts, environmental permits, and siting permission with extreme skepticism. These misleading economic promises are yet another reason that FWW is calling for a national moratorium on data center development.

Endnotes

1 Anthropic. [Press release]. "Anthropic invests $50 billion in American AI infrastructure." November 11, 2025.

2 Bergman, Ben. "Google is in talks to pour more money into Anthropic, which could push the AI startup's value to $350 billion." *Business Insider.* November 5, 2025; Vaziri, Aidin. "7,500 Google and YouTube employees offered buyouts." *San Francisco Chronicle*. October 31, 2025.

3 Shehabi, A. et al. Lawrence Berkeley National Laboratory. "2024 United States Data Center Energy Usage Report." LBNL-2001637. December 2024 at 5 to 6; Food & Water Watch (FWW) analysis of U.S. Bureau of Labor Statistics (BLS). Quarterly Census of Employment and Wages (QCEW). Total Covered. Available at bls.gov/data.

4 FWW analysis of Virginia Economic Development Partnership (VEDP) data. Accessed November 4, 2025. Available at https://announcements.vedp.org/Announcements/. Note: NAICS 518210 where description includes "data center"

5 *Ibid.*

6 *Ibid.* Note: FWW also found that this result falls within the 95 percent confidence interval using the least squares method to calculate a linear correlation between growth in the closest BLS sector in Virginia and change in data center load reported by Dominion Energy.

7 *Ibid.*

8 Joint Legislative Audit and Review Commission (JLARC). "Data Centers in Viriginia." December 9, 2024 at 5 and 22.

9 FWW analysis of VEDP data.

10 *Ibid.*

11 Northern Virginia Technology Council (NVTC). "The Impact of Data Centers on Virginia's State and Local Economies 5th Biennial Report." April 2024 at 25.

12 *Ibid.*

13 FWW analysis of U.S. Census Bureau data. Available at https://fred.stlouisfed.org. Accessed November 2025.

14 PricewaterhouseCoopers (PwC). Prepared for the Data Center Coalition. "Economic Contributions of Data Centers in the United States 2017 – 2023." February 2025 at 6.

15 *Ibid.* at 8.

16 JLARC (2024) at 5 and 22; FWW analysis of BLS QCEW data. Accessed November 2025.

17 Office of Management and Budget. "North American Classification System Manual 2022." 2022 at 418.

18 PwC (2025) at 6.

19 NVTC (2024) at 2 and 6.

20 *Ibid.* at 6.

21 *Ibid*.

22 FWW analysis of VEDP data. Accessed November 4, 2025.

23 *Ibid.*

24 *Ibid*.

25 Dominion Energy. "Virginia Electric and Power Company's 2024 Integrated Resource Plan." Before the Virginia State Corporation Commission. Case No. PUR-2024-00184. October 15, 2024 at 13.

26 Dominion Energy. "Virginia Electric and Power Company's 2025 Update to the 2024 Integrated Resource Plan." Before the Virginia State Corporation Commission and North Carolina Utilities Commission. Case No. PUR-2025-00184. October 15, 2025 at 17.

27 FWW analysis of BLS QCEW data. Accessed November 2025; JLARC (2024) at 5 and 22.

28 U.S. Energy Information Administration. Retail sales of electricity to ultimate customers. Available at https://www.eia.gov/electricity/data.php.