America's AI Surge:

Powering Investment, Jobs, and Growth in Every State

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AMERICAN EDGE PROJECT

A State-by-State Look at How Artificial Intelligence is Fueling Local Economies – and the Policies Needed to Sustain America's Momentum

Forward by Doug Kelly, CEO of the American Edge Project

Artificial intelligence (AI) is catalyzing America's fastest, broadest infrastructure build-out in peacetime history. This study quantifies how that surge is benefiting every state in the country. Whether you live in a coastal tech hub, a manufacturing corridor, or a rural community, AI is now a major engine of local jobs, construction, revenue, and long-term economic growth.

For years, the national conversation around AI focused on Silicon Valley. This report reveals something far more important: AI is now an American economic story, not a regional one. What we found is striking:

- **AI-related venture capital is reaching all 50 states** – from Ohio to Georgia, Texas, and Utah.
- **Tech jobs are growing two-and-a-half times faster than the rest of the economy**, with 33 states experiencing tech employment growth of 10 percent or more from 2019 to 2025.
- **AI infrastructure is revitalizing communities nationwide**. This trillion-dollar build-out is creating new opportunities for electricians, construction workers, engineers, and logistics teams while strengthening tax bases that support schools, roads, police, and other essential services.

But AI is much more than an economic engine. While this report focuses on investment, jobs, and infrastructure, AI's true impact will be far broader – transforming how Americans learn, work, heal, build, and solve problems. It can reshape health care with faster diagnoses and personalized treatments. It can reinvent education through personalized learning. And it can unlock human potential by reducing drudgery, expanding access to knowledge, and enabling people to pursue higher-value, more meaningful work. The economic boom we're seeing now is just the early signal of a much larger transformation.

Yet this progress is not guaranteed. The United States is in a defining competition with China, whose leaders are mobilizing massive national resources to dominate global AI and imprint their authoritarian standards onto the world's digital infrastructure. The stakes are nothing less than whose values – freedom vs. control – will shape the next era of technological progress. America cannot afford to be passive or divided; we must move with clarity and urgency to ensure AI strengthens human potential, opportunity, and freedom.

How State and Local Leaders Can Use This Report

We hope this report becomes a practical tool for leaders across the country. Sample use cases include:

- **State policymakers** can use the data to drive pro-innovation legislation, modernize permitting, and strengthen energy competitiveness.
- **Economic development organizations and chambers of commerce** can use the rankings to attract AI companies, data centers, and workforce investments.

- **Civic and business leaders** can use the findings in testimony, op-eds, and public briefings to show how AI expands opportunity.
- **Advocacy groups and industry associations** can use the analysis to push back on overly broad state regulations that risk slowing growth.
- **Universities and workforce organizations** can use the job-growth data to align education and training programs with AI-era careers.
- **News media** can use the state-by-state comparisons and data visualizations to explain how AI is reshaping local economies and to ground public debates in facts, not fear.

These insights show where momentum is building, where gaps remain, and how coordinated action can unlock thousands of jobs and billions in long-term growth.

Closing Reflection
AI is often described as America's modern-day moonshot – our chance to rally the nation around a shared mission to accelerate innovation. But the truth is larger: America has a moral and civic obligation to unlock AI's potential so it lifts humanity, expands freedom, and accelerates human development worldwide. That has always been our promise. To meet that responsibility, we must act now – unified, urgent, and determined, just as we have in every era when America was called to lead.

Sincerely,

Doug Kelly

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About This Report on State-by-State AI Impact

This report by the American Edge Project (AEP) is intended for federal and state policymakers. It examines the impact of AI investments and activities on states across three fronts:

- **Investment:** Tracks venture capital (VC) flowing into each state's AI ecosystem.
- **Tech Job Growth:** Highlights net technology job gains across states from 2019 to 2025.
- **Infrastructure:** Analyzes expansion of state data centers and their impact on jobs and revenues.

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Note: For this study, AEP collaborated with PitchBook, a leading provider of financial and market data. PitchBook conducted the nationwide, state-by-state analysis of how artificial intelligence is driving economic growth across the United States. AEP supplemented that analysis, and all conclusions and interpretations presented here are our own.

Executive Summary

America's AI Boom is Powering Growth in Every State
Every great leap in American prosperity began with bold infrastructure investments – railroads in the 19th Century, highways in the 1950s, and broadband in the 1990s. Each faced skepticism at the time, yet each became a cornerstone of national growth and middle-class opportunity. Today's AI infrastructure build-out is the next chapter in that story.

The AI boom is spreading jobs and prosperity nationwide, driving growth in technology, energy, construction, manufacturing, and more. In the first eight months of 2025, AI attracted $144.9 billion in VC investment across nearly 3,400 deals. From Florida to California, and Texas to Minnesota, new AI hubs are emerging as magnets for companies, data centers, skilled workers, and trades jobs.

America's Competitive Edge: Private-Sector Innovation
Unlike China's top-down, state-directed model, America's success is powered by private investment and entrepreneurial drive. Our innovation ecosystem rewards competition and creativity, not government control, and every dollar invested here strengthens local economies and expands opportunity for working families.

By 2030, companies are expected to invest nearly $3 trillion in U.S. AI infrastructure to power the next generation of computing. That build-out – the largest ever in America's peacetime history – will support millions of construction and operational jobs and generate billions in new tax revenues. Across the country, AI is creating new businesses, expanding supply chains, and boosting productivity across industries.

The Stakes: America vs. China
We must act now. Since 2017, the Chinese Communist Party (CCP) has mobilized a "whole-of-society" effort to dominate global AI. Its goal is to embed Chinese technology – and its authoritarian values – into the world's digital infrastructure, gaining a lasting security and economic advantage.

The nation that leads in AI will shape global power for decades – economically, militarily, and ideologically. America must respond with the same urgency and unity that once drove the Space Race.

> **"The nation that leads in artificial intelligence will lead the world...The time to act is now."**
>
> - *Major General John M. Olson, chief data and AI intelligence officer, U.S. Department of the Air Force*

Job One: Codify President Trump's AI Action Plan
Winning the AI race starts with Congress codifying and funding President Donald Trump's AI Action Plan, the blueprint for lasting American AI leadership. His plan tackles core challenges to U.S. competitiveness, and making it law will create a durable federal playbook for growth and prevent future reversals.

This study also recommends:

- **Accelerating energy generation** with an "every-source-possible" approach, while modernizing the grid to meet AI's power needs.
- **Expanding semiconductor manufacturing** and securing domestic mineral supply chains.
- **Building America's talent pipeline** through science, technology, engineering and mathematics (STEM) education, skilled-trade training, and high-skilled immigration reform.
- **Freezing state-level AI red tape** and avoiding other regulations that undermine innovation.

AI Can Be America's Modern-Day Moonshot Moment
America has the talent, capital, and creativity to lead the world in AI. But leadership demands speed, coordination, and bold policy. If we act decisively to empower AI innovators, we can usher in a new era of strength, growth, and security. This is a race we must win – our values, security, and future are at stake.

Section One:

AI is America's New Capital Accelerator

Private investment is driving America's AI boom while keeping the United States ahead of China's state-directed technology efforts. Today's surge of capital into AI companies, data centers, and related infrastructure represents the largest private-sector peacetime build-out in our history, powering job creation, construction, and long-term U.S. competitiveness.

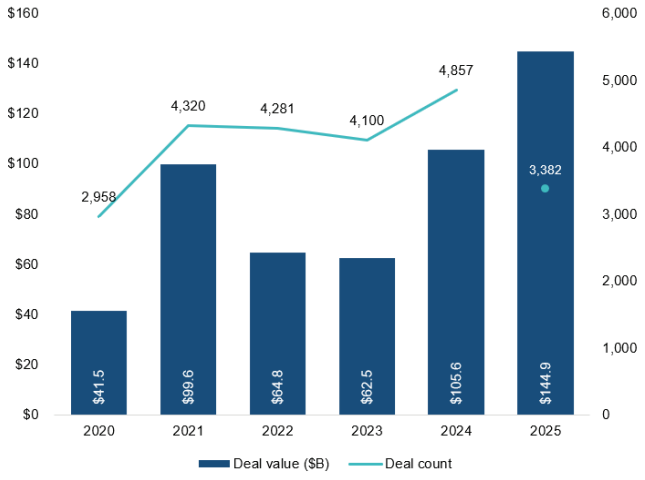
1. AI is Now the Dominant Engine of U.S. Private Investment

AI is a powerful magnet for private capital. In the first eight months of 2025 alone, **AI attracted $144.9 billion across nearly 3,400 deals** – representing more than one-third of all U.S. VC activity and nearly two-thirds of total deal value *(see table at right)*.

This surge highlights how private capital, not government planning, is powering America's innovation edge.

Venture and corporate investors are backing both broad AI platforms and specialized applications, often through creative revenue-sharing and co-development models, such as Microsoft's partnership with OpenAI.

US VC deal activity in AI & ML and share of US deal activity



AI VC Deal Value & Count, 2020-25	2020	2021	2022	2023	2024	2025
Deal value ($B)	$41.5	$99.6	$64.8	$62.5	$105.6	**$144.9**
Deal count	2,958	4,320	4,281	4,100	4,857	**3,382**
Share of all VC deal value (%)	23.7%	27.7%	27.4%	37.6%	49.1%	**64.6%**
Share of all VC deal count (%)	21.0%	22.0%	23.4%	26.8%	31.9%	**36.2%**

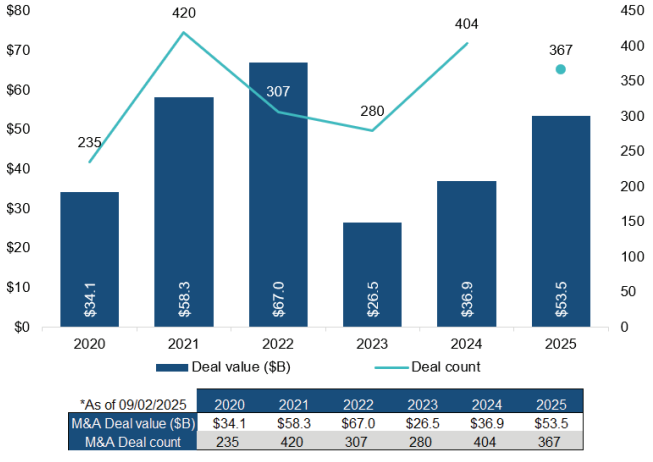
*As of 9/02/2025

2. America's AI M&A Boom is Driving Scale, Liquidity, and Global Competitiveness

Merger and acquisition (M&A) activity is also accelerating, fueling innovation as AI founders join larger platforms driving new growth. These deals generate liquidity, reward innovators, and create scale for advanced AI applications and research and development (R&D).

For startups, M&A gives capital and infrastructure to bring innovations to market faster. Joining larger players offers access to financing, distribution, and compute power to amplify impact.

US M&A Activity in Artificial Intelligence and Machine Learning



*As of 09/02/2025	2020	2021	2022	2023	2024	2025
M&A Deal value ($B)	$34.1	$58.3	$67.0	$26.5	$36.9	$53.5
M&A Deal count	235	420	307	280	404	367

By early September 2025, **367 strategic and financial acquisitions totaled $53.5 billion, putting 2025 on track for record AI dealmaking**. Bottom line: America's innovation ecosystem is expanding – from startups to scale-ups – creating a powerful flywheel of private-sector growth.

3. Private Capital is Our Competitive Edge Against China's State-Funded Tech Push

The United States relies on private investment to accelerate and expand AI innovation. In contrast, China's uses state investment, coercion, and theft to advance its goal of becoming the world's dominant AI power.

Beijing aims to spend $2.8 trillion **by 2030** to dominate key strategic technologies, including AI, advanced microchips, and quantum computing. China's subsidies fund new computing power, military AI research, and national data programs.

As the chart shows, since 2015, China's government-backed VC activity in AI has surged, funding tens of thousands of AI firms. Ultimately, **in the race for tech and AI leadership, the real contest is clear: private innovation versus state control.**

China Government VC Investment Trends in the AI Sector

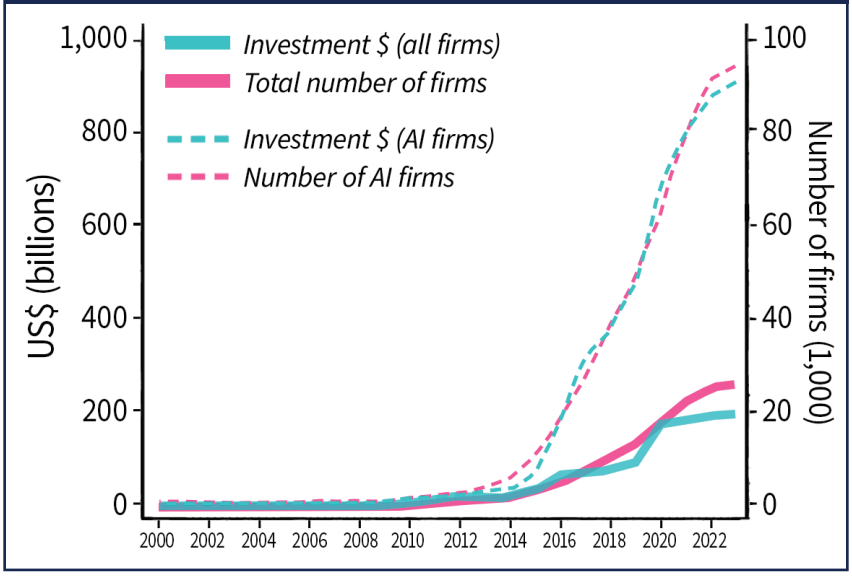


Chart: In the past decade, China's local and central government VC funds have invested $912 billion in thousands of AI firms, sending signals to private VC firms to follow. The trend underscores Beijing's top-down push to dominate key technologies. Source: Stanford Center on China's Economy and Institutions

How Local Communities and Families Benefits of America's AI Build-Out

Data centers, fiber networks, and computing clusters aren't abstract tech projects – they're job engines that employ electricians, construction crews, and engineers; expand local tax bases; and lower costs for families and small businesses through faster, more reliable digital services. Analysts estimate that every dollar invested in high-performance computing yields more than $450 in economic value, while communities hosting data centers often gain millions in new tax revenue that fund schools, roads, and essential services.

Just as the interstate highway system connected America's towns to its future, this expanding **AI infrastructure foundation will spark the next wave of growth** – modernizing our grid, strengthening U.S. technological leadership, and accelerating benefits for communities nationwide.

Those AI benefits include new jobs and career pathways; more accurate health care diagnoses and treatments; personalized education tools that improve learning and access to knowledge; and digital tools that help small businesses compete, grow, and thrive.

Section Two:

How AI Growth is Powering America's States

Across the nation, the AI boom is driving record investment, powering infrastructure, and creating high-paying jobs across industries. From data centers to semiconductors to 5G deployment, AI-related projects are reshaping state economies and tax bases. Experts project millions of new jobs in construction, energy, manufacturing, and more. This section explores AI's state-by-state impact across three key areas, including capital flows, tech job growth, and AI infrastructure.

1. CAPITAL FLOWS: AI Investment is Fueling Growth in Every State

AI-related venture capital is surging across the United States as states pair innovation ecosystems with pro-growth policies. Highlights:

- **California:** $366 billion across 10,986 deals from 2019 to 2025 – still America's AI epicenter
- **New York:** $49.7 billion across 3,614 deals – driven by finance, media, and health-tech
- **Texas:** $14 billion across 1,376 deals – anchoring the South's AI and semiconductor boom
- **Illinois:** $10.7 billion across 472 deals – Chicago's AI and quantum cluster are leading the Midwest
- **Georgia:** $4.6 billion across 368 deals – Atlanta's fintech & cybersecurity ecosystem expanding rapidly
- **Utah:** $4.2 billion across 275 deals – the Mountain West's breakout hub
- **Ohio:** $2.3 billion across 244 deals – venture activity rising across logistics and manufacturing

The geographical investment scope reflects AI's growing maturity and importance. Major tech companies, such as Amazon, Google, and Meta, play a vital role, deploying infrastructure and R&D capital to seed and scale innovation ecosystems nationwide. Startups in every state build on that foundation to solve local challenges and drive new AI applications.

Top 40: US AI/ML VC deal activity (# + $$) by state

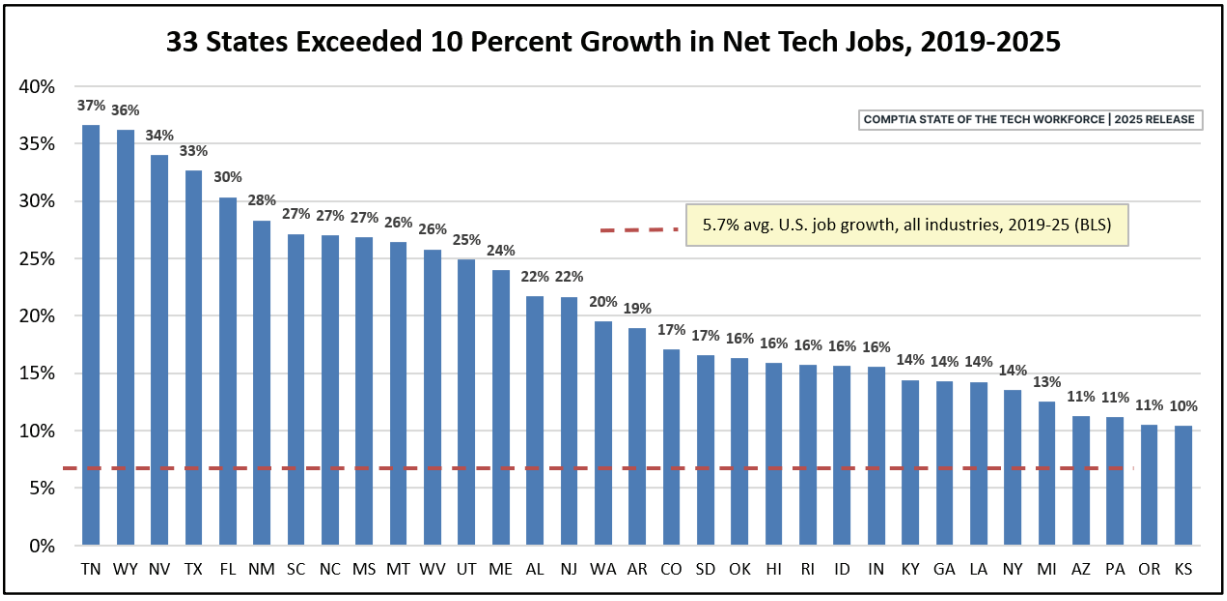
	State	2023	2024	2025	# Deals, 2019-25	$M Deals, 2019-25
1	California	1,615	2,108	1,409	10,986	$366,360
2	New York	571	692	515	3,614	$49,681
3	Massachusetts	244	239	171	1,582	$27,173
4	Texas	226	220	156	1,376	$13,999
5	Delaware	227	248	181	1,157	$4,648
6	Florida	150	172	128	1,017	$7,737
7	Washington	126	169	123	897	$10,164
8	Colorado	79	86	65	572	$8,975
9	Illinois	74	85	56	472	$10,657
10	Pennsylvania	75	81	51	470	$6,951
11	Virginia	72	73	48	423	$3,270
12	North Carolina	58	58	48	369	$9,846
13	Georgia	58	54	27	368	$4,614
14	New Jersey	55	60	33	354	$5,552
15	Utah	37	52	34	275	$4,158
16	Maryland	43	43	13	249	$2,106
17	Ohio	34	49	38	244	$2,316
18	Arizona	30	36	26	203	$2,112
19	Michigan	33	34	27	201	$947
20	Oregon	30	24	31	190	$1,563
21	Indiana	21	43	29	182	$539
22	Connecticut	28	19	15	167	$5,888
23	Minnesota	31	26	15	162	$1,033
24	Tennessee	23	26	31	159	$1,277
25	Nevada	19	19	29	139	$1,425
26	District of Columbia	27	20	14	135	$2,101
27	Missouri	10	11	9	108	$635
28	Wisconsin	14	21	13	103	$507
29	Kentucky	14	11	9	67	$286
30	Nebraska	16	11	5	56	$592
31	South Carolina	9	10	5	56	$109
32	Alabama	5	6	7	52	$159
33	New Hampshire	5	10	6	50	$243
34	Kansas	8	2	3	47	$204
35	Wyoming	8	13	13	47	$138
36	Iowa	7	5	5	41	$253
37	Idaho	5	8	6	39	$388
38	Oklahoma	6	9	9	39	$97
39	Arkansas	6	7	2	38	$317
40	Montana	5	6	2	34	$138

Recognizing this opportunity, many state and local governments are fostering innovation-friendly environments (such as Delaware's AI Sandbox Initiative) to accelerate adoption, attract investment, and extend the benefits of AI-driven growth across multiple sectors.

2. TECH JOB GROWTH: AI is Supercharging State Tech Jobs

Tech jobs in America are growing 2.5 times faster than all other industries. From 2019 to 2025, net technology employment in the United States **surged 14.2 percent, with 33 states exceeding 10 percent growth** over that period. By contrast, total U.S. employment across all industries **grew only** 5.7 percent (seasonally adjusted) over that same period.

According to CompTIA, the tech industry "accounts for an estimated 8.6 percent of direct economic value – more than $2 trillion." Over the next decade, the sector is expected to add about 352,000 workers per year, with tech employment **growing twice as fast** as overall U.S. employment.



'Net tech employment,' per CompTIA, captures the entire technology workforce – combining technical professionals in every industry with business roles within technology companies – offering the most comprehensive view of tech's contribution to the U.S. economy. Source: CompTIA State of the Tech Workforce: 2025 Release

As with AI venture investments, tech employment growth is broad-based and accelerating nationwide:

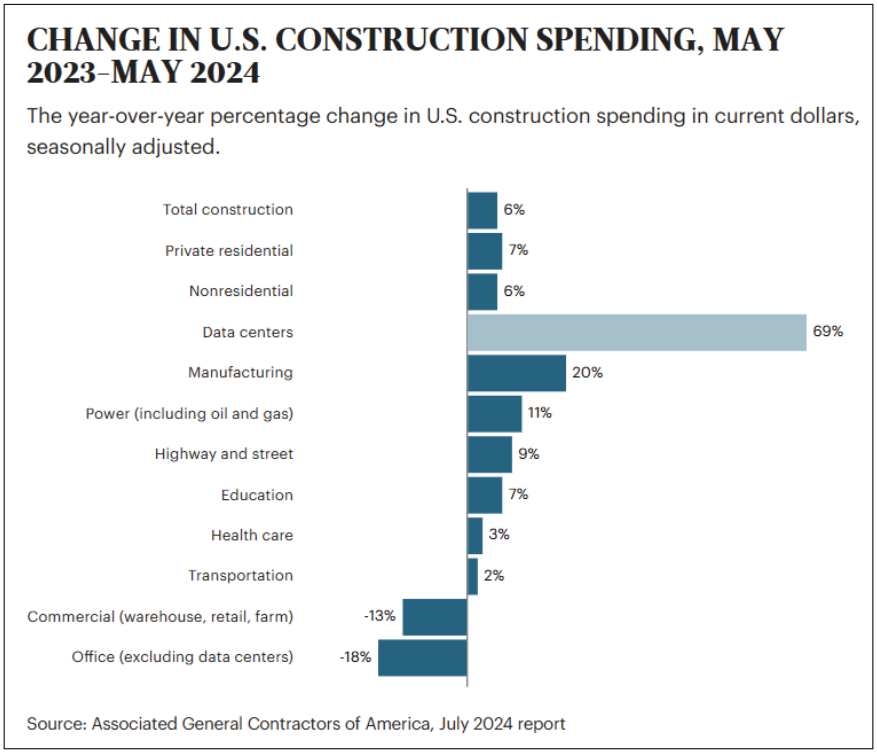
- **South:** The South leads America's tech workforce surge. **Tennessee (+37 percent)**, **Texas (+33 percent)**, **Florida (+30 percent)**, **South Carolina (+27 percent)** and **Mississippi (+27 percent)** are driving growth, while **Alabama (+22 percent)**, **Kentucky (+14 percent)** and **Louisiana (+14 percent)** are adding tech jobs linked to AI infrastructure, energy, and advanced manufacturing.
- **West/Mountain:** Growth is accelerating across the Mountain West and Southwest. **Wyoming (+36 percent)**, **New Mexico (+28 percent)**, **Utah (+25 percent)**, and **South Dakota (+17 percent)** are converting energy resources, research capacity, and affordability into strong AI-era employment gains.
- **Midwest: Indiana (+16 percent)**, **Michigan (+13 percent)**, and **Pennsylvania (+11 percent)** are adapting their industrial bases for the AI economy, adding digital and automation-focused roles across manufacturing, logistics, and R&D.

The takeaway: AI-fueled job growth is broad-based and bipartisan – spanning energy states, manufacturing centers, and research hubs that are redefining America's innovation geography.

3. AI INFRASTRUCTURE: Data Centers Power Growth in Local Jobs & Tax Revenues

America's data center boom is one of the strongest engines of local economic growth. From **Meta's $10 billion Hyperion Advanced Campus** in Louisiana to **Amazon's $11 billion** AI-optimized facility in Indiana and countless smaller regional projects meeting surging cloud computing demand, data center construction and operation are fueling a surge of new jobs, investment, and tax revenues across the United States.

How big is the boom? As the graph below shows, spending on data-center construction jumped nearly **70 percent from May 2023 to May 2024**, more than triple the growth rate of any other property type.



To understand its full impact, consider how the AI data-center ecosystem touches nearly every part of the modern economy:

- **Construction & Skilled Trades:** A typical data center project employs roughly 1,600 to 1,700 local workers during build-out, and adds $243.5 million to the local economy.
- **Power & Grid Expansion:** Data centers already account for six to eight percent of U.S. electricity use and could reach 12 percent by 2028, creating thousands of new jobs in utilities, grid modernization, and energy storage. These jobs are projected to rise 6.6 percent from 2023 to 2033 – 60 percent faster than employment growth for all industries.
- **Semiconductors & Hardware:** Through 2030, the U.S. semiconductor workforce is projected to grow about 33 percent, adding 115,000 direct jobs, with millions more indirectly supported through advanced manufacturing and supply-chain industries.
- **Connectivity & 5G:** Building the fiber and mid-band networks linking data centers to users could generate 3.8 to 4.6 million jobs and contribute $1.4 to $1.7 trillion to U.S. Gross Domestic Product (GDP) by 2030.
- **Operations & Cloud Services:** Once operational, data centers support hundreds of permanent jobs per site, from network engineers and cybersecurity specialists to logistics, facilities and maintenance teams.
- **Non-Tech Jobs:** Data centers also create employment in transportation, real estate, retail, and hospitality as local communities expand to support this innovation infrastructure and its workforce.

Economists call this expanded activity a multiplier effect: for every direct data-center job, studies show that as many as two to six indirect and induced jobs are created across the surrounding economy *(see Methodology section for details)*. That multiplier helps explain why thousands of new or expanding data-center campuses are projected to add millions of temporary and permanent positions nationwide – driving long-term growth in both wages and tax revenue at the state and local levels.

The Local Impact of America's Data Center Economy: What Our Analysis Found

Our state-by-state impact analysis *(see next page)*, even under conservative assumptions, finds the U.S. data center ecosystem is one of the most powerful job-creation and revenue-generation engines in the nation:

- **Data Center Boom:** There are currently **4,149 active data centers** across the United States, with another **2,788 announced or under construction. When completed, the U.S. will have nearly 7,000 data centers – a jump of 67 percent from today**.
- **Capital Spend:** We estimate these 2,788 new data centers have a minimum **combined capital expenditure of $134 billion**, money that ripples through nearly every sector of the local economy.
- **Job Growth:** Combined, these new data center facilities will generate approximately **4.7 million temporary construction-related jobs and 697,000 permanent operating jobs**.
- **Tax Revenue Gains:** Collectively, these new data centers represent an estimated **$27 billion in potential state and local tax revenue over the next decade** – a massive impact by any measure.

The table on the next page outlines the data center impact for the top 40 states *(our methodology and the data center impact for all states is found in the Appendix)*.

> "When companies build out data centers and AI infrastructure, it sets off a chain reaction that touches everything from construction to manufacturing to local retail... these investments are reshaping the U.S. economy in ways that matter for communities, workers, and policymakers alike."
>
> - *Candi Clouse, vice president of customer success, IMPLAN*

Selected Local Data Center Highlights

Across the country, new and planned data centers are transforming regional economies, creating jobs, boosting tax bases, and defining where the next generation of AI infrastructure takes shape.

- **Ohio:** The "Silicon Heartland" is rising fast, as 102 major data center projects across the state support roughly 170,000 construction jobs and tens of thousands of permanent positions. Ohio's expansion is anchoring the region's shift from manufacturing to high-tech innovation.
- **Utah:** With 86 new facilities underway, the Beehive State is becoming a Mountain West powerhouse for AI infrastructure. These projects are supporting more than 166,000 total jobs, solidifying Utah's role as a critical link in America's digital grid.
- **Illinois:** Home to 232 current and 142 up-and-coming data centers, Illinois ranks sixth nationally in active construction and investment. Ongoing projects are driving 240,000 temporary jobs and more than 35,000 permanent jobs, reinforcing the state's position as a national connectivity hub.
- **Wyoming:** Leveraging abundant land and energy, Wyoming's 48 facilities under construction are generating 81,000 temporary jobs, 12,000 permanent ones, and $263 million in tax revenue – proof that smaller states can play an outsized role in the AI buildout.
- **South Dakota:** While other states are competing aggressively for large data center projects, developers in South Dakota say the lack of dedicated incentives can make builds cost up to $400 million more than in neighboring states. A 2024 bill to extend tax breaks similar to those in 36 other states failed to advance, showing how even pro-business, low-energy-cost states can lose ground in the race for AI-era infrastructure. This is an opportunity for South Dakota to realign policies to invite more development and be a national leader.

Data Centers: The Gas Pedal of Local Growth

The nation's 4,149 active and 2,788 planned data centers are projected to generate 5.4 million temporary and permanent jobs while generating $27 billion in new tax revenues over the next decade. Here's the breakdown by state.

See Appendix for complete methodology and all data.

#	State	Active Data Center Facilities	Data Center Facilities Announced/ Being Built	Temporary Jobs	Permanent Jobs	Est. Tax Revenue ($MM/10 yr)
	USA	**4,149**	**2,788**	**4,706,144**	**697,000**	**$26,877**
1	VA	663	595	1,004,360	148,750	$4,156
2	TX	405	442	746,096	110,500	$1,654
3	GA	162	285	481,080	71,250	$850
4	PA	98	184	310,592	46,000	$953
5	AZ	164	149	251,512	37,250	$2,633
6	IL	232	142	239,696	35,500	$924
7	OH	191	102	172,176	25,500	$266
8	UT	44	86	145,168	21,500	$782
9	NV	61	80	135,040	20,000	$478
10	IN	75	60	101,280	15,000	$1,849
11	IA	104	55	92,840	13,750	$531
12	WY	15	48	81,024	12,000	$263
13	NC	102	44	74,272	11,000	$226
14	WI	47	43	72,584	10,750	$450
15	AL	26	40	67,520	10,000	$300
16	MS	10	38	64,144	9,500	$1,069
17	CA	320	36	60,768	9,000	$4
18	MN	81	36	60,768	9,000	$177
19	MO	48	36	60,768	9,000	$83
20	CT	61	33	55,704	8,250	$660
21	NM	22	22	37,136	5,500	$148
22	MT	26	20	33,760	5,000	$300
23	MD	44	19	32,072	4,750	$754
24	CO	60	17	28,696	4,250	$144
25	SC	30	17	28,696	4,250	$163
26	FL	126	15	25,320	3,750	$44
27	OR	137	14	23,632	3,500	$562
28	NE	39	13	21,944	3,250	$117
29	ND	22	13	21,944	3,250	$12
30	OK	37	13	21,944	3,250	$100
31	NJ	82	12	20,256	3,000	$59
32	DE	19	11	18,568	2,750	$2,000
33	KS	18	11	18,568	2,750	$4
34	LA	23	11	18,568	2,750	$604
35	WA	134	9	15,192	2,250	$64
36	ID	10	8	13,504	2,000	$3
37	AR	6	7	11,816	1,750	$1,000
38	KY	37	6	10,128	1,500	$118
39	MI	57	6	10,128	1,500	$440
40	TN	60	4	6,752	1,000	$80

Bottom line: America's private-sector is investing hundreds of billions of dollars in data centers, equipment, and innovation. Policymakers must be proactive on permitting, energy, incentives, and pro-innovation legislation to ensure their states can compete and share in the next phase of the AI economy.

Section Three:

America's AI Ecosystem In Action: Key State Highlights

These diverse state success stories show how AI is redefining the geography of innovation.

AI Infrastructure Superpowers

- **Virginia:** The Commonwealth ranks as the top data center market globally, hosting 660-plus active facilities with nearly 600 more planned, an expansion that will create 1 million temporary and 150,000 permanent jobs, and generate $4 billion in taxes over 10 years.
- **Georgia:** Atlanta ranks fourth globally in data centers, with Amazon Web Services (AWS) announcing an $11 billion investment to expand cloud and AI infrastructure. Tax incentives played a major role in the Peach State's rise as a data center hub, including the state's sales and use tax exemption.
- **Texas:** The Lone Star State hosts 400-plus data center facilities across five major regions, with many more under construction. That has helped the state log a 38 percent increase in data center jobs between 2018 and 2024, hitting close to 48,000 jobs or 10 percent of the national total.
- **California:** Roughly 17 percent of U.S. data center employment is based in the Golden State. New projects, including a major San Jose facility, are prioritizing energy efficiency and direct-current power to reduce the high energy demands of AI-intensive systems.

- **Florida:** The Sunshine State hosts 120 data centers across 17 markets, including Miami, one of the world's most connected cities for data traffic. Miami's infrastructure links U.S. networks to Latin America, the Caribbean, and Europe, making Florida a key global hub advancing the American AI stack through international connectivity.

Semiconductor & Advanced Manufacturing Powerhouses

- **Arizona:** Phoenix ranks second in global data center markets and its semiconductor value chain has garnered more than $100 billion in investment since 2020 – the most in the United States – helping create more than 33,000 jobs as industry leaders, such as TSMC and others, build new or expand existing chip fabs.
- **New York:** The Empire State is home to major semiconductor facilities, including Micron's $100 billion investment creating the nation's largest cleanroom space (2.4 million square feet) and nearly 50,000 jobs in Central New York.
- **North Carolina:** The Tar Heel State is home to more than 110 semiconductor companies exporting $1.2 billion globally. A historic $6 billion capacity expansion plan that includes the world's largest silicon carbide manufacturing facility will create a reliable domestic supply of chips for our AI future.

Frontier Research & Mega-Campuses

- **Louisiana:** Meta is building a $10 billion AI data center in Richland Parish that will support 500 jobs directly, plus an estimated 1,000 indirect jobs. Moreover, the company estimates 5,000 construction workers should be employed at peak production across the proposed site.

- **Pennsylvania:** At least 1,250 jobs are estimated to be created by the infusion of $20 billion by Amazon across the entirety of the Keystone State over the next few years, with the first two campuses set to be located in the Salem and Falls Townships.
- **Wisconsin:** The Mount Pleasant data center project is well underway, with Microsoft committing $3.3 billion to complete the work rapidly. The project is estimated to bring about 2,300 union construction jobs to the region.

Tax & Incentive Innovators

- **Kentucky:** In April 2025, the Commonwealth's General Assembly passed House Bill 775, significantly expanding sales and use tax exemptions for qualified data center projects. Lawmakers aim to extend the economic benefits of large-scale data infrastructure to more counties across the Commonwealth.
- **Minnesota:** To attract more data centers, the North Star State expanded the sales tax exemption for data centers. Meta plans to open a 715,000-square-foot facility in Rosemount that will support up to 100 jobs in operations and require at least 1,000 more during construction.
- **Delaware:** The AI Sandbox law creates a supervised environment with fewer regulatory restraints for testing and deploying AI in key sectors. The program is attracting attention from top tech firms eager to test in a state where collaboration, oversight, and innovation coexist.
- **Tennessee:** The Volunteer State expanded its data center tax breaks in 2024, reducing the minimum investment threshold from $250 million to $100 million. The state also offers sales tax exemptions on equipment and a reduced 1.5 percent electricity rate for qualifying facilities.

Midwest Tech Corridor

- **Indiana:** AWS is constructing an $11 billion data center estimated to result in direct employment of 1,000 people, and in turn will support an estimated 3,000 jobs overall. As a result, it is the largest private-sector investment in state history, per the Indiana Economic Digest.
- **Ohio:** Intel is constructing a $28 billion semiconductor manufacturing fab – the largest single private investment in Buckeye State history – that will create 3,000 Intel jobs and 7,000 construction jobs, supported by $7.9 billion in federal CHIPS Act funding. Columbus also ranks sixth in the global data center market.
- **Michigan:** The state's automotive giants are helping drive a tech transformation, with AI and automation expected to create 44,000 new jobs by 2028.
- **Illinois:** Chicago ranks ninth globally in data center markets, hosting more than 150 of them, while the state's Data Centers Investment Program has attracted $11 billion in investments since 2020. The new Illinois Quantum and Microelectronics Park featuring IBM and PsiQuantum is projected to generate $20 billion in economic impact as the nation's largest quantum ecosystem.

Why Data Centers Are a Smart Deal for States

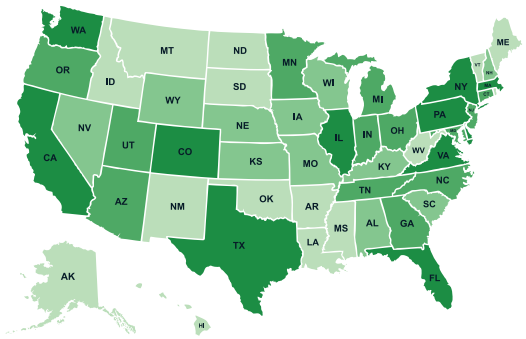
Data centers are proving to be one of the smartest public–private investments states can make. While some worry about their energy or water use, the fiscal returns tell a different story. According to CBRE, **a typical $1 billion data center can generate up to $200 million** in state and local tax revenues over 10 years – roughly equivalent to 1,700 high-wage jobs and a $40 million corporate investment.

Meanwhile, leading tech firms are advancing sustainability by using recycled water, cleaner energy, and more efficient cooling systems. ***In short, data centers don't drain communities – they strengthen them.***

Will State Lawmakers Kill Their Own AI Boom?

The green maps below show how AI is transforming state's economy through new investment, jobs, and infrastructure. But a surge in proposed state-level AI regulations – more than 1,100 bills and counting – now threatens that progress.

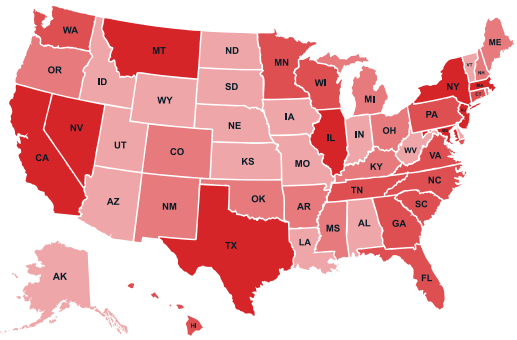
Venture Capital Deals in AI/ML, 2019-25



VC Deals Key:

- *Superpower*
- *Leader/Strong*
- *Rising/Moderate*
- *Emerging Market*

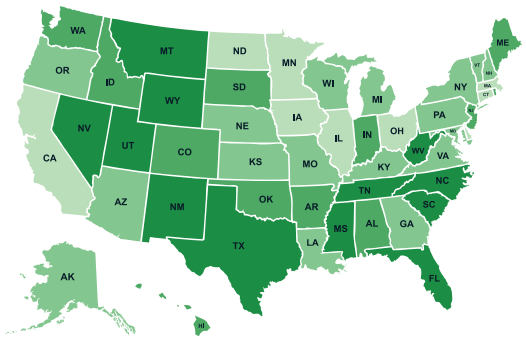
2025 AI Legislation by State



AI Legal Risk:

- *High Risk to AI*
- *Elevated Risk*
- *Moderate Risk*
- *Low Risk to AI*

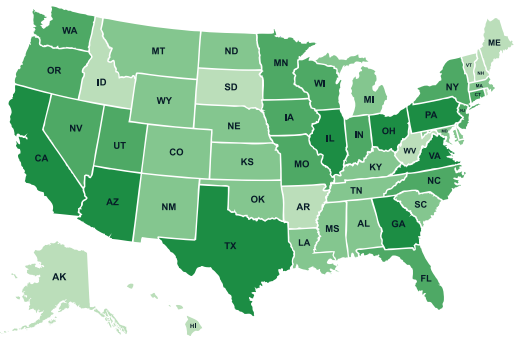
Net Tech Job Growth by State, 2019-25



Tech Jobs Key:

- *Superpower*
- *Strong Growth*
- *Moderate Growth*
- *Low Growth*

Data Center Impact by State



Data Center Key:

- *Superpower*
- *Leader*
- *Rising Power*
- *Emerging Market*

States Threatening Their Own AI Growth – And Others

Misguided state-level bills risk adding costly red tape, creating new legal risks, slowing innovation, all while undermining U.S. competitiveness. Below is a small sample of states threatening their own AI growth – and America's – through excessive AI legislation *(most bills pending).*

- **TX:** American AI superpower in VC, tech jobs, and data centers – all threatened by Texas's 81 AI bills.
- **NY:** Empire State's AI momentum faces uncertainty from 151 AI bills.
- **CA:** Global AI leader in innovation, VC deals, and data centers challenged by 48 new AI bills.
- **IL:** Midwest tech anchor – 275,000 jobs and $10 billion in AI VC – could see slower growth under 48 bills.
- **NJ:** Fast-rising AI hub with 22 percent job growth faces the challenge of 67 pending AI bills.
- **FL:** Expanding AI market – 29,000 jobs and $7.7 billion in VC funds – weighed down by 19 new proposals.
- **NV:** Data-center boom – 155,000 jobs and $480 million in tax impact – could be harmed by 31 AI proposals.
- **GA:** Status as an AI growth leader and data-center superstar threatened by 16 new AI bills.
- **OH:** Data-center muscle and 200,000 jobs could face headwinds from 14 AI proposals.

If states don't act wisely, America's AI advantage will erode – one well-intentioned bill at a time.

Section Four:

Policy Playbook for Securing American AI Leadership

Investment is Flowing, but Policy Will Determine Whether America Wins the AI Race

America is witnessing an unprecedented surge of private-sector investment in AI. But winning this race requires more than innovation alone. It requires a **coordinated effort by federal and state leaders** to empower private-sector innovators through smart, targeted policies that expand energy capacity, modernize infrastructure, strengthen talent pipelines, and accelerate AI adoption.

The **wrong approach**, however, is to dictate how AI can be built or trained, impede capital flows and M&A activity, impose red tape that stifles experimentation, or allow an ever-growing patchwork of state, federal, and overseas rules to slow progress. Such policies would not only surrender America's AI leadership to China, but also undermine AI-driven growth and job creation across the states.

One of the most important actions policymakers can do is to codify and fund President Trump's AI Action Plan. His plan addresses many of the challenges facing American AI leadership. Making it law will create a durable federal playbook for growth, prevent future administrations from reversing course, and stop state-level overreach from sabotaging America's success.

Additional policy recommendations include:

> **"What we need from [Congress for AI] is we need the energy in all forms, renewable, non-renewable, whatever. It needs to be there, and it needs to be there quickly."**
>
> - *Eric Schmidt, former Google CEO*

Power and Transmission Recommendations

- **Accelerate power generation with an "all-of-the-above" approach** – nuclear, natural gas, renewables, and advanced energy sources to meet AI's massive electricity demands.
- **Onshore critical supply chains** by incentivizing domestic production of gas turbines and power transformers to eliminate multi-year wait times.
- **Modernize and secure the grid by streamlining permitting** for thousands of miles of new transmission lines, strengthening grid interconnectedness, and protecting critical infrastructure against cyber threats by bringing together utilities, regulators, developers, and communities to fast-track the power projects critical to America's AI future.

AI Infrastructure Recommendations

- **Maintain America's chip and compute advantage** through continued investment in semiconductor manufacturing and AI accelerator development.
- **Secure critical mineral supply chains** by developing domestic rare earth processing and diversifying sources beyond China's chokehold.
- **Prevent harmful regulation by enacting a 10-year pause on state AI laws**, rejecting restrictive copyright theories, and resisting ideological antitrust experiments that would weaken U.S. innovators.
- **Expand the use of local regulatory sandboxes and "AI Centers of Excellence"** to foster innovation by reducing compliance burdens and enabling real-world testing of new AI technologies.

AI Talent and Skills Recommendations

- **Build America's talent pipeline** through AI and computer science requirements in K-12, expanded STEM investments, and workforce programs for more skilled labor and retraining in AI-adjacent fields.
- **Launch a national AI talent initiative** that leverages state, federal, and corporate resources to make AI workforce development a shared mission across government, industry, and education.
- **Expand high-skilled immigration** by streamlining H-1B visas, and creating new pathways for AI talent from allied nations to address immediate workforce gaps

AI Adoption (Home and Abroad) Recommendations

- **Build public trust and accelerate adoption** by detailing AI's benefits for working families, promoting AI literacy, incentivizing industry-led workforce training programs, and showcasing successful AI deployments across sectors.
- **Export American AI globally and set international standards** by providing allies priority access to U.S. chips, models, and cloud infrastructure while leading multilateral efforts to establish AI governance frameworks rooted in democratic values.
- **Counter China's tech exports through public-private coordinated strategies** with allies to offer superior, trustworthy alternatives to Beijing's surveillance-laden AI systems.
- **Encourage state and local governments to deploy AI solutions** through pilot projects and partnerships that demonstrate tangible community benefits, helping normalize AI use and drive nationwide adoption.

Taken together, these actions form a blueprint for American AI leadership. If we move with purpose, we can unlock a new era of growth, discovery, and security while ensuring that the world's digital future reflects America's values of freedom, openness, and innovation.

Ways Local Leaders & Tech Advocates Can Use This Report

- **Advance Smart Policy:** Use the findings in letters to editors, public comments, and meetings with lawmakers to champion innovation-friendly AI rules and stop harmful ones.
- **Benchmark Strengths & Gaps:** See how your state ranks in AI investment, jobs, and infrastructure – and use it to build momentum or close gaps.
- **Attract Investment:** Share results with site selectors, chambers, and universities to position your region in America's AI corridor.
- **Build Infrastructure:** Partner with utilities, developers, and civic leaders to close power, land, and permitting gaps that slow AI growth.

Every state has a role in America's AI leadership – don't get left behind.

Appendix A: Summary of AI's State-By-State Impact

The table below provides a state-by-state summary of AI's economic footprint across the United States – from venture investment and tech job growth to data center construction and related impacts. See the Methodology section for additional details.

		Change from 2019 to 2025			Data Center Information				
#	State Name	AI/ML & VC, # Deals	AI/ML Deal Value $MM	Net Tech Jobs, % Increase	# Current Data Centers	# Planned / Under Way	# Temporary Jobs Due To Construction	# Permanent Jobs New Data Centers	$ MM Tax Revenue / 10 years
	USA	**26,922**	**560,237**	**14%**	**4,149**	**2,788**	**4,706,144**	**697,000**	**$26,877**
1	Alabama	52	$159	22%	26	40	67,520	10,000	$300
2	Alaska	1	$4	7%	4	0	0	0	$0
3	Arizona	203	$2,112	11%	164	149	251,512	37,250	$2,633
4	Arkansas	38	$317	19%	6	7	11,816	1,750	$1,000
5	California	10,986	$366,360	4%	320	36	60,768	9,000	$4
6	Colorado	572	$8,975	17%	60	17	28,696	4,250	$144
7	Connecticut	167	$5,888	6%	61	33	55,704	8,250	$660
8	Delaware	1,157	$4,648	1%	19	11	18,568	2,750	$2,000
9	Dist. of Col.	135	$2,101	-1%	7	0	0	0	$0
10	Florida	1,017	$7,737	30%	126	15	25,320	3,750	$44
11	Georgia	368	$4,614	14%	162	285	481,080	71,250	$850
12	Hawaii	15	$231	16%	9	0	0	0	$0
13	Idaho	39	$388	16%	10	8	13,504	2,000	$3
14	Illinois	472	$10,657	5%	232	142	239,696	35,500	$924
15	Indiana	182	$539	16%	75	60	101,280	15,000	$1,849
16	Iowa	41	$253	4%	104	55	92,840	13,750	$531
17	Kansas	47	$204	10%	18	11	18,568	2,750	$4
18	Kentucky	67	$286	14%	37	6	10,128	1,500	$118
19	Louisiana	32	$79	14%	23	11	18,568	2,750	$604
20	Maine	24	$54	24%	8	1	1,688	250	$0
21	Maryland	249	$2,106	9%	44	19	32,072	4,750	$754
22	Massachusetts	1,582	$27,173	1%	49	0	0	0	$800
23	Michigan	201	$947	13%	57	6	10,128	1,500	$440
24	Minnesota	162	$1,033	1%	81	36	60,768	9,000	$177
25	Mississippi	7	$1	27%	10	38	64,144	9,500	$1,069
26	Missouri	108	$635	7%	48	36	60,768	9,000	$83
27	Montana	34	$138	26%	26	20	33,760	5,000	$300
28	Nebraska	56	$592	8%	39	13	21,944	3,250	$117
29	Nevada	139	$1,425	34%	61	80	135,040	20,000	$478
30	New Hampshire	50	$243	9%	10	0	0	0	$0
31	New Jersey	354	$5,552	22%	82	12	20,256	3,000	$59
32	New Mexico	23	$240	28%	22	22	37,136	5,500	$148
33	New York	3,614	$49,681	14%	142	2	3,376	500	$54
34	North Carolina	369	$9,846	27%	102	44	74,272	11,000	$226
35	North Dakota	14	$35	4%	22	13	21,944	3,250	$12

Summary of AI's State-By-State Impact *(continued)*

		Change from 2019 to 2025			Data Center Information				
#	State Name	AI/ML & VC, # Deals	AI/ML Deal Value, $ M	Net Tech Jobs, % Increase	# Current Data Centers	# Planned / Under Way	# Temporary Jobs due to Construction	# Permanent Jobs New Data Centers	$ M Tax Revenue / 10 years
36	Ohio	244	$2,316	5%	191	102	172,176	25,500	$266
37	Oklahoma	39	$97	16%	37	13	21,944	3,250	$100
38	Oregon	190	$1,563	11%	137	14	23,632	3,500	$562
39	Pennsylvania	470	$6,951	11%	98	184	310,592	46,000	$953
40	Rhode Island	24	$206	16%	7	0	0	0	$0
41	South Carolina	56	$109	27%	30	17	28,696	4,250	$163
42	South Dakota	3	$0	17%	5	2	3,376	500	$1,000
43	Tennessee	159	$1,277	37%	60	4	6,752	1,000	$80
44	Texas	1,376	$13,999	33%	405	442	746,096	110,500	$1,654
45	Utah	275	$4,158	25%	44	86	145,168	21,500	$782
46	Vermont	34	$223	8%	3	0	0	0	$0
47	Virginia	423	$3,270	9%	663	595	1,004,360	148,750	$4,156
48	Washington	897	$10,164	20%	134	9	15,192	2,250	$64
49	West Virginia	5	$4	26%	7	1	1,688	250	$0
50	Wisconsin	103	$507	7%	47	43	72,584	10,750	$450
51	Wyoming	47	$138	36%	15	48	81,024	12,000	$263

Appendix B: Methodology Section

This study aims to provide a clear, data-driven picture of how AI is transforming state economies across America. To ensure accuracy, comparability, and transparency, all data were drawn from authoritative national sources and analyzed using consistent frameworks. The methodology below outlines how each component – venture capital, workforce, data centers, and regulation – was collected, measured, and ranked.

1. **Overview**
   For this study, the American Edge Project collaborated with **PitchBook**, a leading provider of financial and market data, to conduct a nationwide, state-by-state analysis of how artificial intelligence is driving economic growth across the United States. The analysis focuses on three key dimensions: **venture capital investment, technology workforce growth, and data center impact** – and compares those findings against the surge in **AI-related legislation** introduced in 2025.

2. **Data Sources and Collaboration**
   PitchBook provided comprehensive national and state-level data on AI and machine learning VC investments and M&A activity, along with analytical support to ensure consistency across datasets. Each section of the study draws on specialized data sources:

   - **AI VC Investment (2019 to 2025):** Data from PitchBook covering both the number and value of AI/ML VC deals by state. *(Section One: Capital Flows)*
   - **Tech Job Growth:** Data from *CompTIA's State of the Tech Workforce, 2025 Edition*, which measures net tech employment, including both core technology roles and related business functions. (*Section Two: Tech Job Growth)*
   - **Data Center Growth:** Data compiled by PitchBook from multiple industry sources, analyzed to estimate total economic and fiscal impact by state, utilizing methodological assumptions stated below. Please note that PitchBook does not have economic nor job creation figures but utilized third parties for those datasets.
   - **AI Legislation Risk:** Data from the *MultiState AI Legislation Tracker* (October 2025), identifying more than 1,100 AI-related bills across all 50 states.

3. **Data Center Impact Methodology**
   The *Data Center* Impact analysis estimates how data center infrastructure contributes to AI-era economic strength through construction, jobs, and tax revenues.

   A. Sources and Baseline Data
   - **Existing Data Centers:** Counts of currently operational facilities were sourced from Data Center Map as of October 29, 2025, a publicly available dataset referenced by major media outlets, such as *Newsweek*.
   - **Upcoming Data Centers:** PitchBook consolidated national data using Alterio (2025) as the primary baseline for under-construction and announced facilities, cross-referenced with CBRE, and verified press and company announcements to confirm project stages and capacity.

   This composite approach allowed us to identify both established and emerging states more clearly in the AI infrastructure ecosystem.

B. Construction and Permanent Job Estimates Due to Data Centers: Job creation estimates combine direct, indirect, and induced effects.

- **Temporary Construction Jobs:** Based on a U.S. Chamber of Commerce analysis showing that a large data center project generates approximately 1,688 construction-related jobs.
- **Permanent Jobs:** Each operational facility was assumed to employ around **100 direct workers**, (given the size ranges of facilities being constructed and already put into operation) multiplied by **2.5** to include indirect and induced effects, to arrive at the total permanent jobs estimate per state (consistent with economist Enrico Moretti (University of California (UC) Berkeley & National Bureau of Economic Research (NBER)).

Our Conservative Jobs Multiplier: This study's 2.5 multiplier for operational data center employment is a conservative, research-based estimate, even though other analyses show data center multipliers as high as four-times or six-times (e.g., Bay Area Council).

C. Capital Expenditure and Tax Revenue

Where available, capital expenditure (Capex) estimates for announced or under construction data centers were compiled by PitchBook from press releases and company filings. If Capex data was lacking, PitchBook modeled Capex using $10 million per megawatts (MW) of capacity under construction.

Tax revenue estimates for planned or under-construction data centers follow a standardized industry benchmark: a $1 billion facility can generate roughly **$200 million in total tax revenue over a 10-year period** (Source: *Area Development* First Quarter (Q1) 2015). Actual impacts vary by state and depend on local tax policies and incentive structures.

A few states show a significant rise in announced or under-construction data centers but relatively small accompanying tax-revenue estimates (e.g., California: 36 pending data centers but only $4 million in projected tax revenue over ten years). In these cases, project announcements are credible, yet detailed Capex figures have not been disclosed, nor could they be reliably modeled from reported megawatt capacity. As PitchBook noted, large markets, such as California, may therefore understate their potential tax revenue, since much of the anticipated Capex remains hypothetical until more specific investment data becomes available.

4. Heat Maps and Rankings

To visualize and compare performance, each state was assigned a one to four ranking scale across all categories – venture capital, tech job growth, data center impact, and AI legislation risk – based on its relative strength or exposure.

For the **Data Center Impact** (DCI) map, the study developed a composite **Data Center Impact Factor** that weights planned or announced data centers facilities 1.5 times higher than existing once. This ensures that states with a strong operational footprint are appropriately recognized while still rewarding forward momentum from new investments.

States were then grouped into four tiers:

- **4 – Superpower**
- **3 – Leader**
- **2 – Rising Power**
- **1 – Emerging Market**

This method produces a balanced view that captures both maturity and momentum – highlighting where America's AI infrastructure is strongest and where it is emerging fastest. A similar ranking methodology was used for VC deals, net tech job growth, and risk to AI from state regulation.