

Responsible Data Center Development in Indiana: Balancing Technological Advancement, Community Priorities, and Union Workforce Opportunities

The rapid growth of digital technology has dramatically increased the demand for data centers across the United States. Data centers are large facilities that store, process, and distribute the information needed to power cloud computing, artificial intelligence, online banking, healthcare systems, social media platforms, and countless other digital services people rely on daily. Indiana has become an attractive location for these facilities because of its central location, transportation infrastructure, and available land. In addition to supporting technological advancement, data center construction creates valuable employment opportunities for Indiana's union construction workforce. However, despite these benefits, many communities have expressed concerns regarding environmental impact, energy use, water consumption, land development, and the long-term value these projects provide to local residents. To ensure data centers are developed responsibly, state leaders, developers, and labor organizations must work together to prioritize environmental sustainability, community engagement, workforce protections, and long-term economic investment.

One of the primary concerns communities raise about data center development is the enormous amount of electricity these facilities consume. According to the World Resources Institute (2025), the expansion of artificial intelligence and cloud computing has caused energy demand from data centers to rise rapidly across the country. Data centers often require continuous power twenty-four hours a day, which can strain local electrical grids, and increase carbon emissions if the electricity comes from fossil fuels. Indiana, which has historically relied heavily on coal and natural gas, must ensure that future data center growth aligns with cleaner energy goals. One important step is requiring developers to invest in renewable energy

partnerships such as wind and solar power. By integrating sustainable energy sources into these projects, developers can reduce environmental impact while supporting Indiana's transition toward cleaner energy production.

In addition to electricity consumption, many residents worry about the large amounts of water data centers require for cooling systems. Communities fear that excessive water usage could negatively affect local resources, especially during periods of drought or high demand. Harvard Gazette (2026) reports that citizens in several regions have pushed back against data center projects because they feel environmental concerns are not being adequately addressed. To respond responsibly, developers should adopt more efficient cooling technologies, including recycled water systems and advanced cooling designs that minimize waste. State and local governments can also require environmental impact studies before approving new developments to ensure projects do not place unnecessary strain on natural resources.

Another major issue is community trust. Residents often feel excluded from the planning process and worry that large corporations benefit more than local communities. Some citizens fear that data centers will change the character of neighborhoods while providing few permanent jobs after construction is completed. To address these concerns, developers should actively involve community members from the beginning of the planning process. Public meetings, transparent communication, and opportunities for citizen feedback can help build trust and reduce opposition. Local governments should require community benefit agreements that guarantee investments in infrastructure, schools, parks, or broadband access in exchange for development approval. These agreements can help ensure communities experience lasting improvements rather than temporary disruptions.

Although some critics argue data centers create limited permanent employment opportunities, construction projects themselves generate significant demand for skilled union labor. Indiana's union construction workforce plays a critical role in building these technologically advanced facilities safely and efficiently. Electricians, plumbers, pipefitters, operating engineers, carpenters, and laborers all contribute specialized skills during the construction process. Supporting union labor ensures workers receive fair wages, healthcare benefits, retirement security, and safe working conditions. In addition, union apprenticeship programs provide valuable career pathways for young workers entering the skilled trades.

State policymakers can strengthen the connection between data center development and Indiana's workforce by encouraging or requiring project labor agreements on large-scale projects. These agreements help guarantee high-quality construction standards while ensuring local workers benefit from economic growth. Developers can also partner with unions, community colleges, and vocational schools to expand workforce training programs focused on electrical systems, renewable energy infrastructure, and advanced construction technologies. By investing in education and apprenticeships, Indiana can prepare workers for long-term careers in an increasingly technology-driven economy.

Responsible development also requires balancing economic incentives with accountability. Many states offer tax breaks to attract data center companies, but critics argue these incentives sometimes provide limited returns for local taxpayers. According to Brookings Institution (2025), policymakers must carefully evaluate whether the long-term economic benefits of data centers justify the substantial public incentives often provided. Indiana should ensure that companies receiving tax benefits commit to measurable community investments,

local hiring goals, and sustainability standards. Incentives should not simply reward corporations for locating facilities in the state; they should also protect the interests of residents and workers.

Technology companies themselves also have a responsibility to operate as long-term community partners rather than isolated businesses. Developers should prioritize hiring local contractors, purchasing materials from Indiana suppliers when possible, and supporting charitable or educational initiatives within surrounding communities. Investments in local broadband access, STEM education programs, and workforce development initiatives can help communities benefit more directly from technological growth. When residents see meaningful local investment, they are more likely to support development projects.

The increasing use of artificial intelligence will likely continue driving demand for data centers in the coming decades. TechRepublic (2025) explains that the AI boom is accelerating construction nationwide while also increasing concerns about sustainability and energy use. Because of this rapid growth, Indiana has an opportunity to become a leader in responsible data center development. By adopting strong environmental standards, promoting transparency, supporting union labor, and ensuring communities share in economic benefits, the state can create a model for balancing technological advancement with public responsibility.

Ultimately, data centers are essential infrastructure for the modern economy, but their development must be carefully managed to protect communities and workers alike. Indiana's union construction workforce stands to benefit significantly from these projects through high-quality jobs and expanded apprenticeship opportunities. At the same time, residents deserve assurance that development will not harm the environment or sacrifice local interests for corporate profit. Through collaboration between government leaders, developers, unions, and

communities, Indiana can pursue responsible data center growth that supports innovation while creating lasting economic and social benefits for future generations.

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