Fairfax County

Northern Virginia, USA



Stephen Tarditi
Director, Market Intelligence

Fairfax County
Economic Development Authority

Federal Employees in Fairfax County

80K+

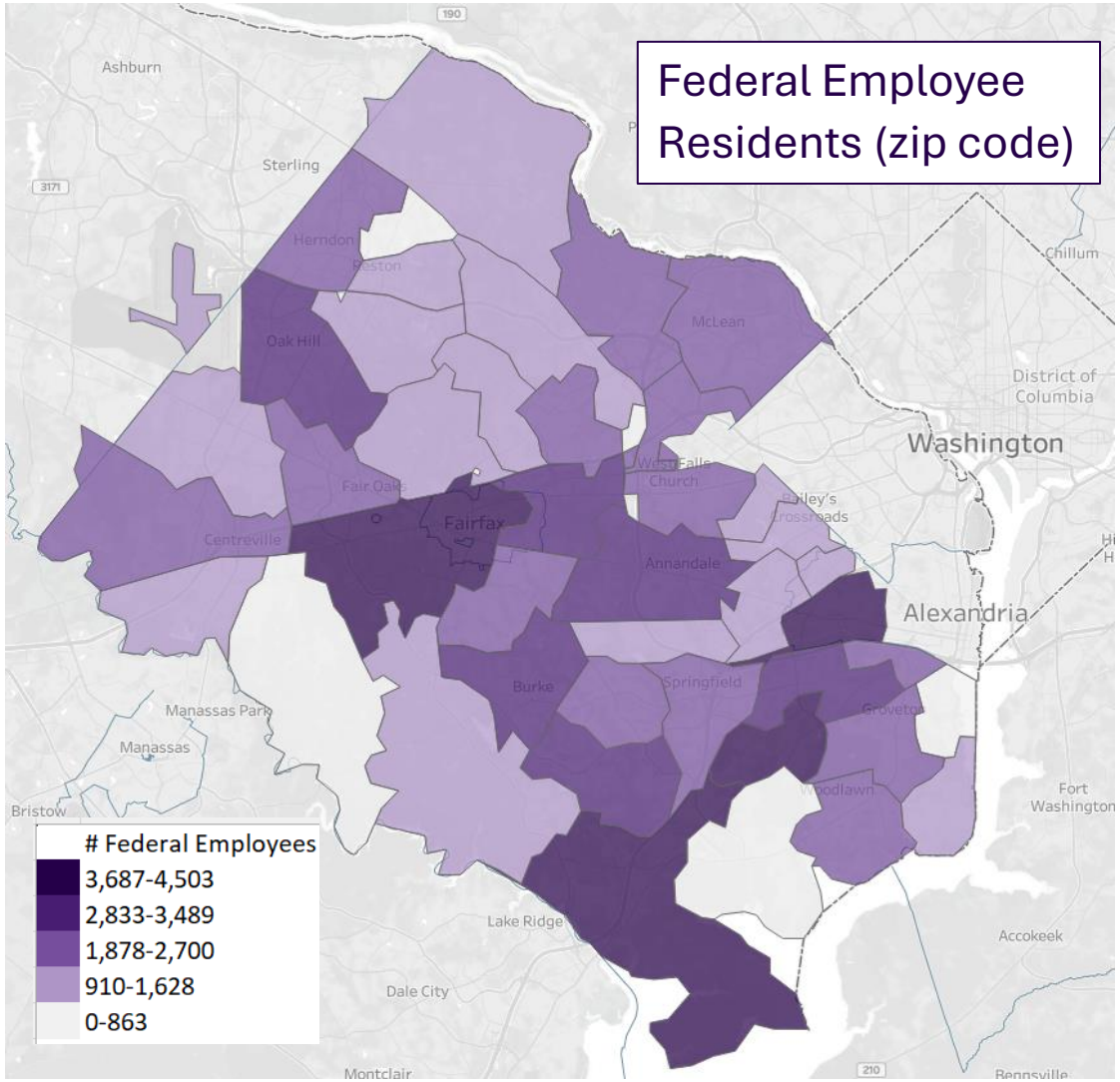
Federal Employment - Residents
(Resident Civilian Workforce)

28K+

Federal Employment – At Place
(Civilian Workforce)

45K+

Ft. Belvoir – At Place
(Military | Civilian DoD | Contractors)



Sources: 2023 ACS 5Yr Estimates, 2024 Q3 QCEW, Army.mil

New Administration | Early Actions

Initial Trump Administration activity has been focused on federal workforce reductions, federal contracts, and real estate lease cancelations.

Federal Workforce

Just the Beginning of Reductions

14K+ Federal Worker Separations
US - Multiple Departments /Agencies
March 2025

75K+ worker buyouts

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2 WARN Notices for **471** employees

Federal Contracting

Cuts to Non-Aligned Areas

7K+ Contracts Canceled

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86 Contractors with cancelations
2.2% of contractor base (uncl.)

149 Contracts Canceled (3/27/2025)

Real Estate

Space Reductions

650+ GSA Leases Canceled

7.9M+ Sq. Ft. Reduced
(4/1/2025)

15K+ Sq. Ft. - Lorton

4.5K+ Sq. Ft. – Herndon

Sources: Bureau of Labor Statistics, GSA Lease Inventory, FCEDA, Virginia Works, Deltek, FPDS

WARN Notices – Northern Virginia

Company	Notice Date	Impact Date	Employees Affected	Location	Reduction in Force
International Foundation for Electoral Systems	3/11/2025	3/2/2025	48	Arlington	Layoff
Leidos	**3/31/2025**	**5/30/2025**	**29**	**Springfield**	**Layoff**
American Institutes of Research	3/11/2025	5/9/2025	149	Arlington	Layoff
Management Science for Health	2/7/2025	2/4/2025	182	Arlington	NR
MITRE	**4/2/2025**	**6/3/2025**	**442**	**McLean**	**Layoff**

Sources: Virginia Works WARN Notices

Economic Impact Study Considerations

- Three scenarios considered for federal government workforce reduction
  - 10%, 20%, and 30%
- Using ratio of 2.48 Federal Government Contractor Employees for every Federal Government employee
- Assumes reduction in workforce is permanent
- Focus on resident employment given national security focus and community dollar spend
- Model uses Census information for local tax information

Sources: Brookings Center for Effective Public Management, Strategic Impact Advisors, IMPLAN

Federal Employment Reduction Scenarios

Potential Job Loss – Federal and Government Contractor			
Layoff Assumptions	**10%**	**20%**	**30.0%**
Federal Civil Service Jobs	8,175	16,350	24,526
Federal Contractor Jobs	20,321	40,642	60,964
Total Job Losses	**28,496**	**56,993**	**85,489**

Note: Job figures represent direct employment impact.

Sources: Brookings Center for Effective Public Management, Strategic Impact Advisors, IMPLAN

Economic Ripple Effect

Impact on Fairfax County Jobs, Wages, and Output			
Layoff Assumptions	**10%**	**20%**	**30%**
Total Job Loss	41,257	82,514	123,772
Employee Compensation	$5.7B	$11.4B	$17.2B
Total Output Loss	**$10.1B**	**$20.1B**	**$30.2B**

Sources: Brookings Center for Effective Public Management, Strategic Impact Advisors, IMPLAN

Tax Revenue Impact

Projected Tax Revenue Loss due to Federal Government and Government Contractor Reduction Scenarios			
Tax Category/Scenario	**10 Percent**	**20 Percent**	**30 Percent**
State	($163,212,194)	($326,424,389)	($489,636,583)
County and Sub-County	($109,970,218)	($219,940,435)	($329,910,653)

Major taxes measured by IMPLAN include payroll taxes, corporate profits tax, sales and use tax, property tax, and other state and local taxes.

Sources: Brookings Center for Effective Public Management, Strategic Impact Advisors, IMPLAN