



The
STEPHEN S. FULLER INSTITUTE
for Research on the Washington Region's Economic Future



Washington Economy Watch

Regional Federal Employment Plummet

Special Edition
January 7th, 2026

The Stephen S. Fuller Institute
for Research on the Washington Region's Economic Future
Center for Regional Analysis
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George Mason University

The Washington Economy Watch is a monthly report issued by The Stephen S. Fuller Institute that is intended to inform its readers regarding the current and near-term performance of the Washington area's economy. The Leading and Coincident Indices were first reported in February 1991. Given changes brought from the switch to hybrid and remote work in the wake of the pandemic, the Coincident Index has been temporarily modified, and the Leading Index has been replaced with an econometric jobs forecast.

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Washington Area Economy: Special Edition: Regional Federal Employment Plummet

The Bureau of Labor Statistics released estimates for federal employment in the Washington region today. Preliminary estimates show that there were 327,100 federal employees in the Washington region in November, down 52,900 from the December 2024. Unfortunately, this is in line with our expectations that federal employment in the Washington region was set to decline more sharply than the nation ([Here](#)). The last time that the Washington region had as few as 327,100 federal employees was in late 2001.

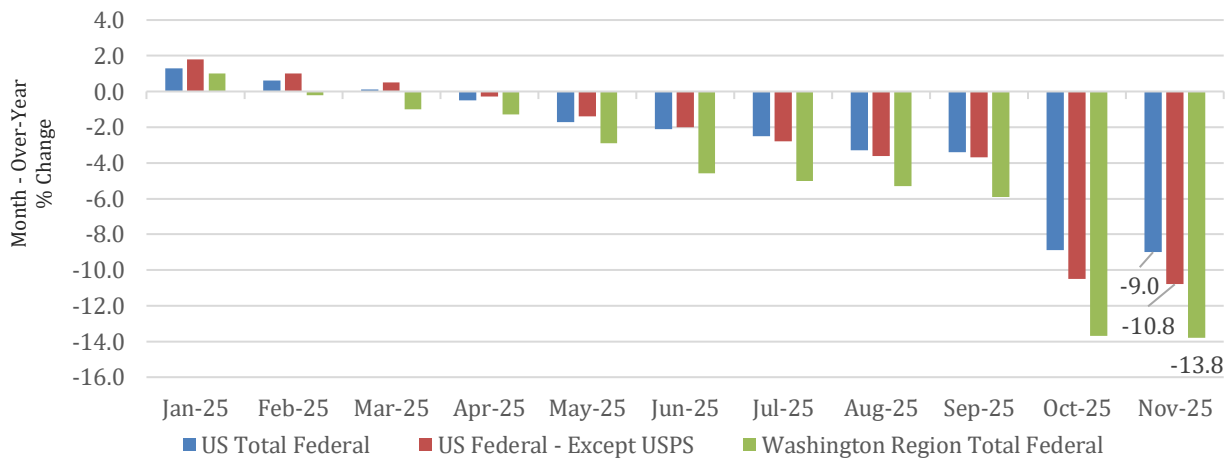
**Federal Employment in the Washington Region
November 1990 to November 2025**



Source: Bureau of Labor Statistics. Not Seasonally Adjusted. GMU CRA.

On a month-over-year basis, Federal employment in the Washington region declined 13.8% from November 2024 to November 2025. This decline is 4.8 percentage points greater than the national rate of 9.0%, and also exceeds the federal rate excluding USPS of 10.8%.

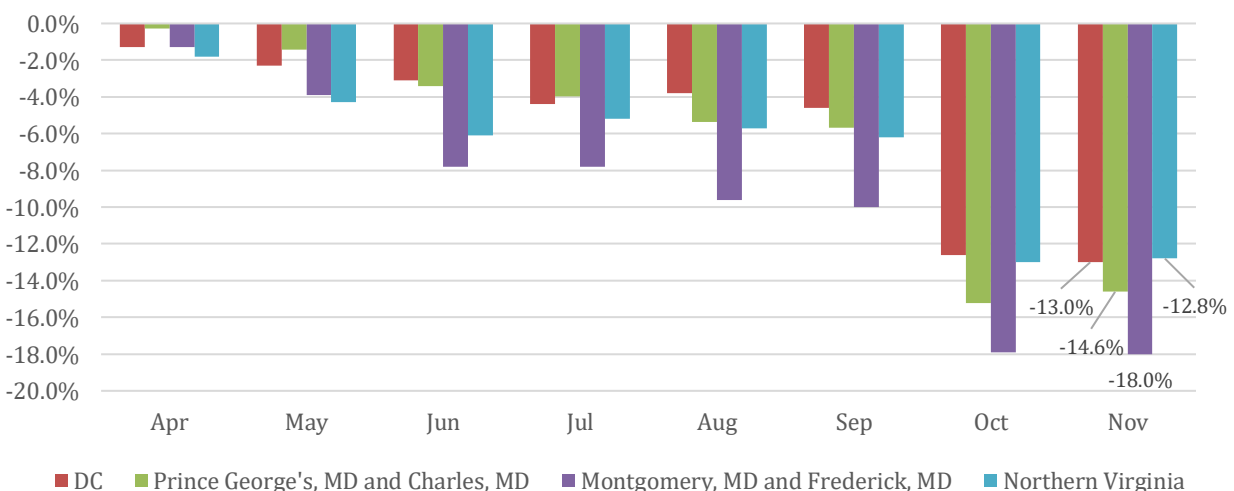
Month-Over Year Percent Change in Federal Employment: 2025 National and Washington Region



Source: Bureau of Labor Statistics. Not Seasonally Adjusted. GMU CRA.

Finally, examining the sub-regional of the Washington region reveals that Montgomery County and Frederick County, Maryland recorded the largest declines in federal employment, with a month-over year decline of 18.0% compared to a decline of 12.8% in Northern Virginia, 13.0% in the District, and 14.6% in Prince George's County and Charles County, Md.

Month-Over Year Percent Change in Federal Employment Washington Sub-Regions, April 2025 to November 2025



Source: Bureau of Labor Statistics. Not Seasonally Adjusted. GMU CRA.

Conclusion

The impacts emanating from changes in policy from the federal government have finally appeared in the regional data. Unfortunately, the losses in federal employment are more severe than those recorded nationally. These impacts will flow through the region's economy over the coming months and years including total employment and the housing market. In the coming months, Economy Watch will document more fully the outcomes of these federal employment cuts.

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