LABOR MARKET UPDATE Q2 2025
ALEXANDRIA/ARLINGTON

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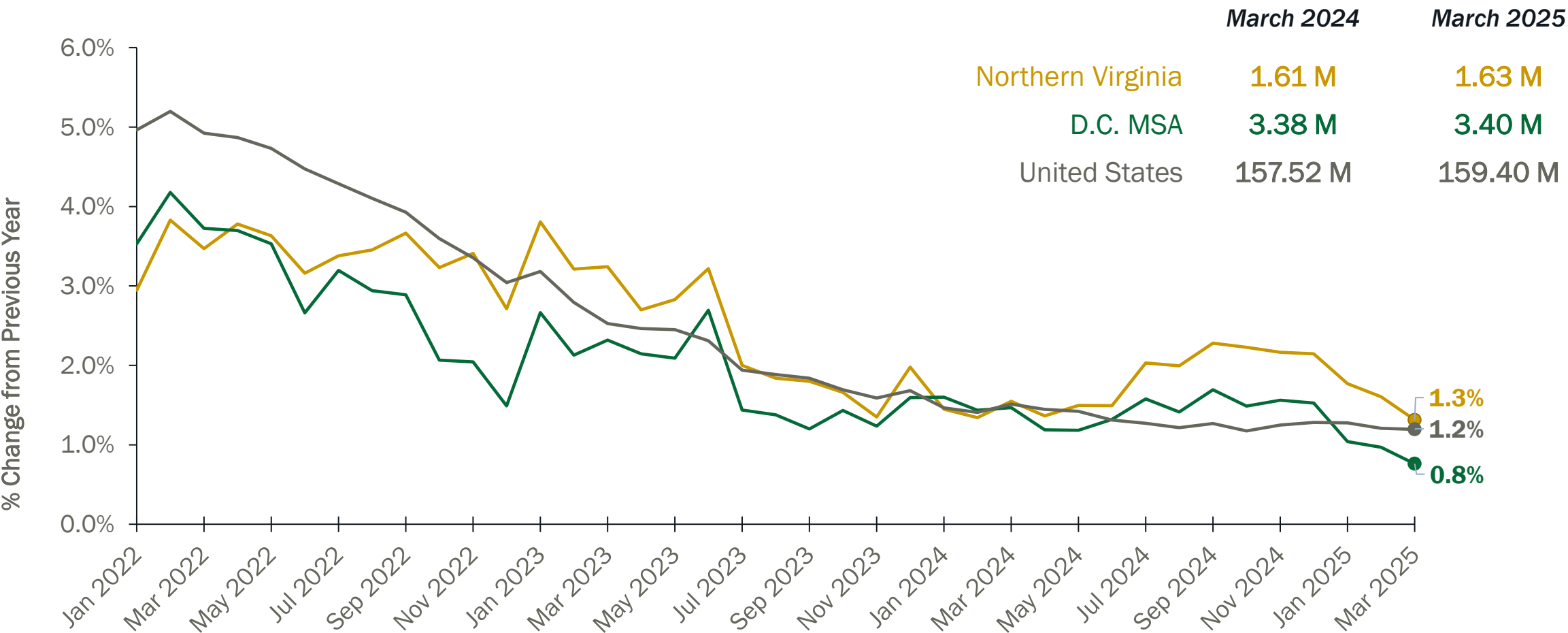
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BACKGROUND

- Over 18% of civilian workers in Alexandria and Arlington are employed by the federal government ([Richmond Fed](#))

- We are not likely to have good data on the effects of federal workforce cuts for another few months

- The data included here is primarily for federal government workers; this does not account for reductions in employment due to federal contract/grant funding losses
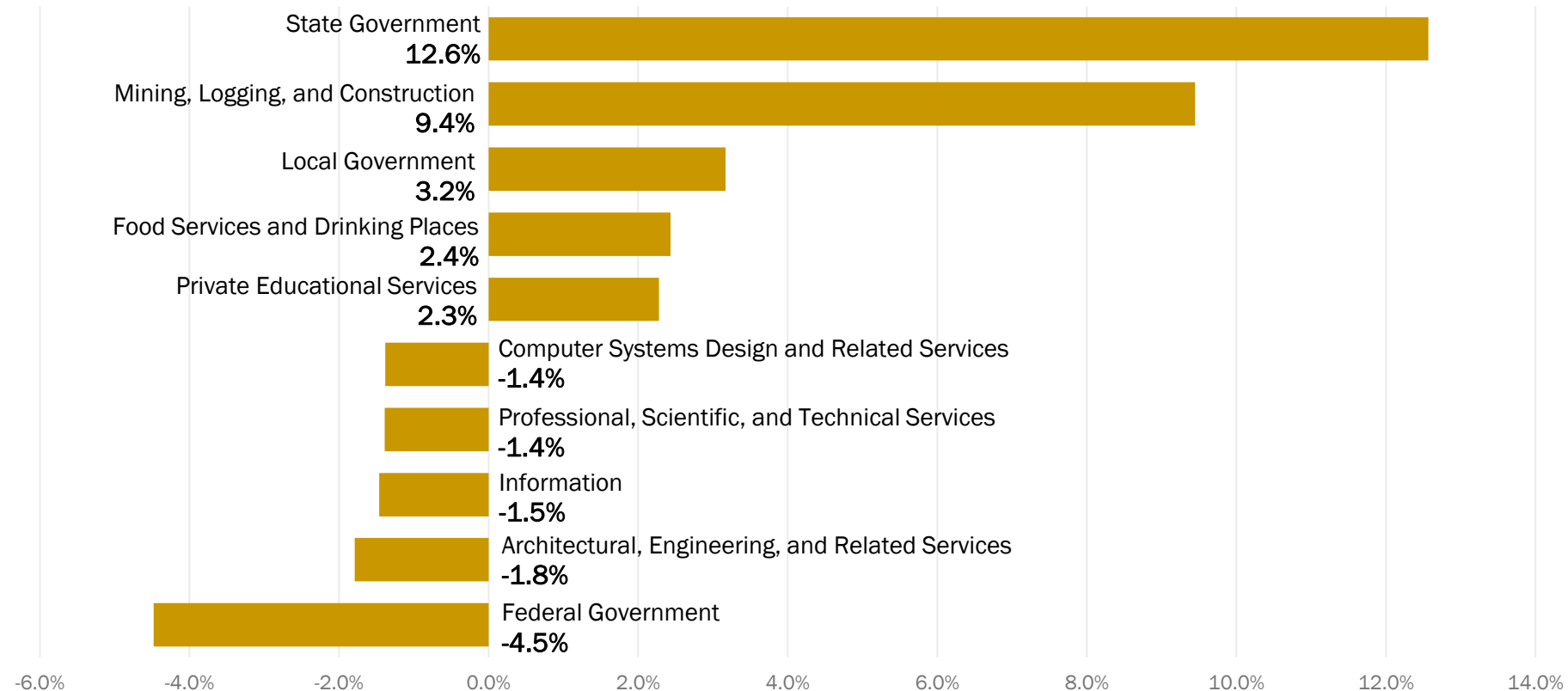
EMPLOYMENT

Percentage Change in Total Employment, Year-Over-Year

Total Employment

	March 2024	March 2025
Northern Virginia	1.61 M	1.63 M
D.C. MSA	3.38 M	3.40 M
United States	157.52 M	159.40 M

Y-axis: % Change from Previous Year (0.0% to 6.0%)

X-axis: Jan 2022 – Mar 2025

End labels: 1.3%, 1.2%, 0.8%

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EMPLOYMENT BY INDUSTRY
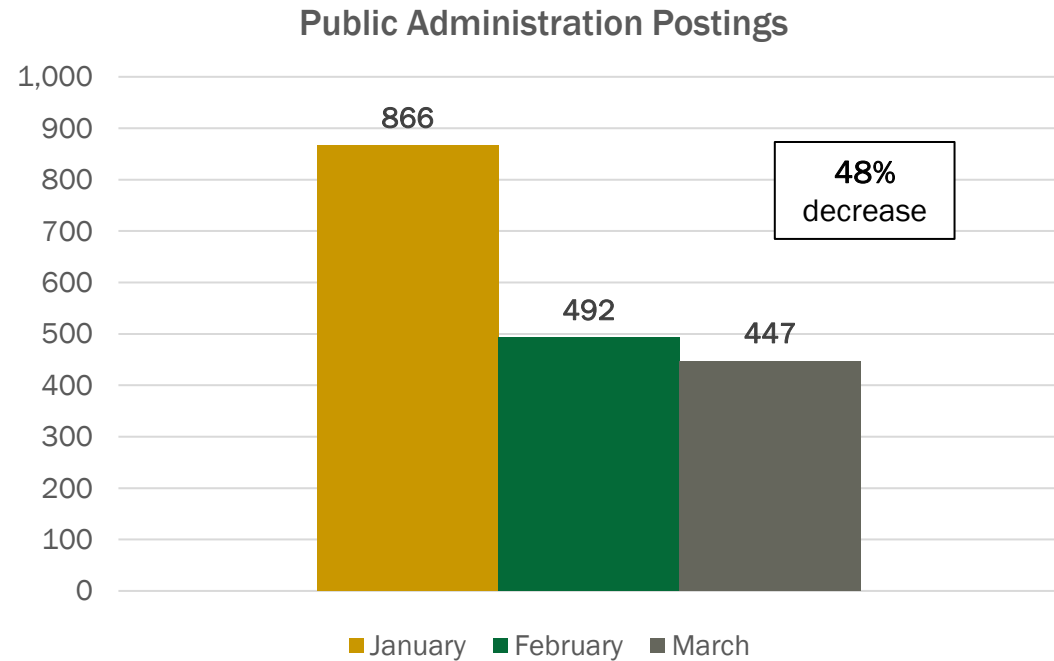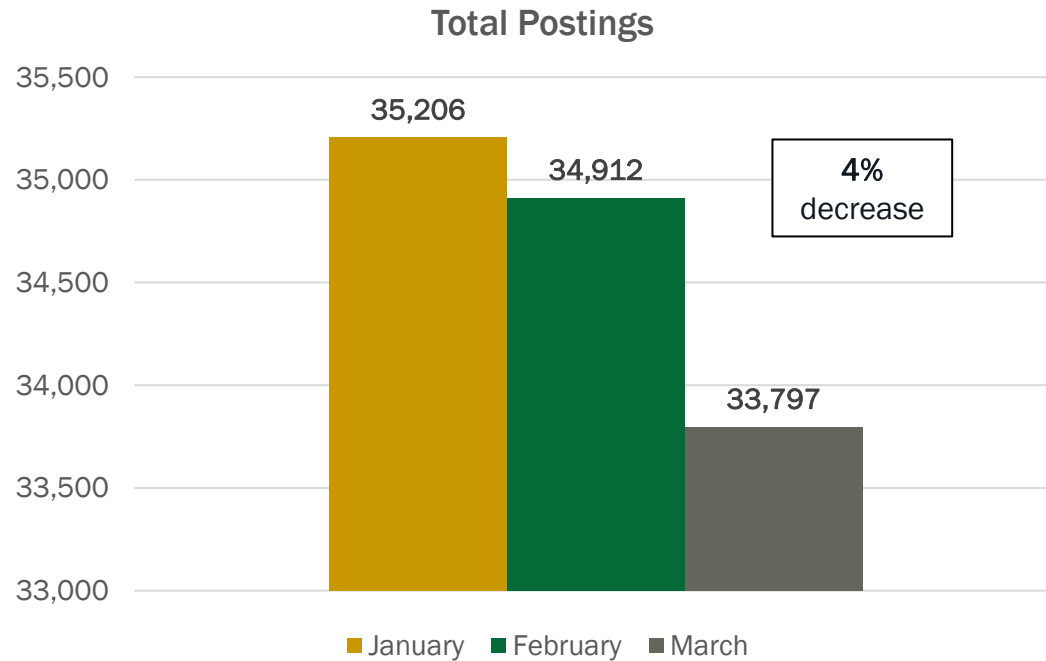
% Change in Employment, Jan. 2025 to Mar. 2025

NOTE: Data is not seasonally adjusted. Data is for the Arlington-Alexandria-Reston, VA-WV Metropolitan Division.
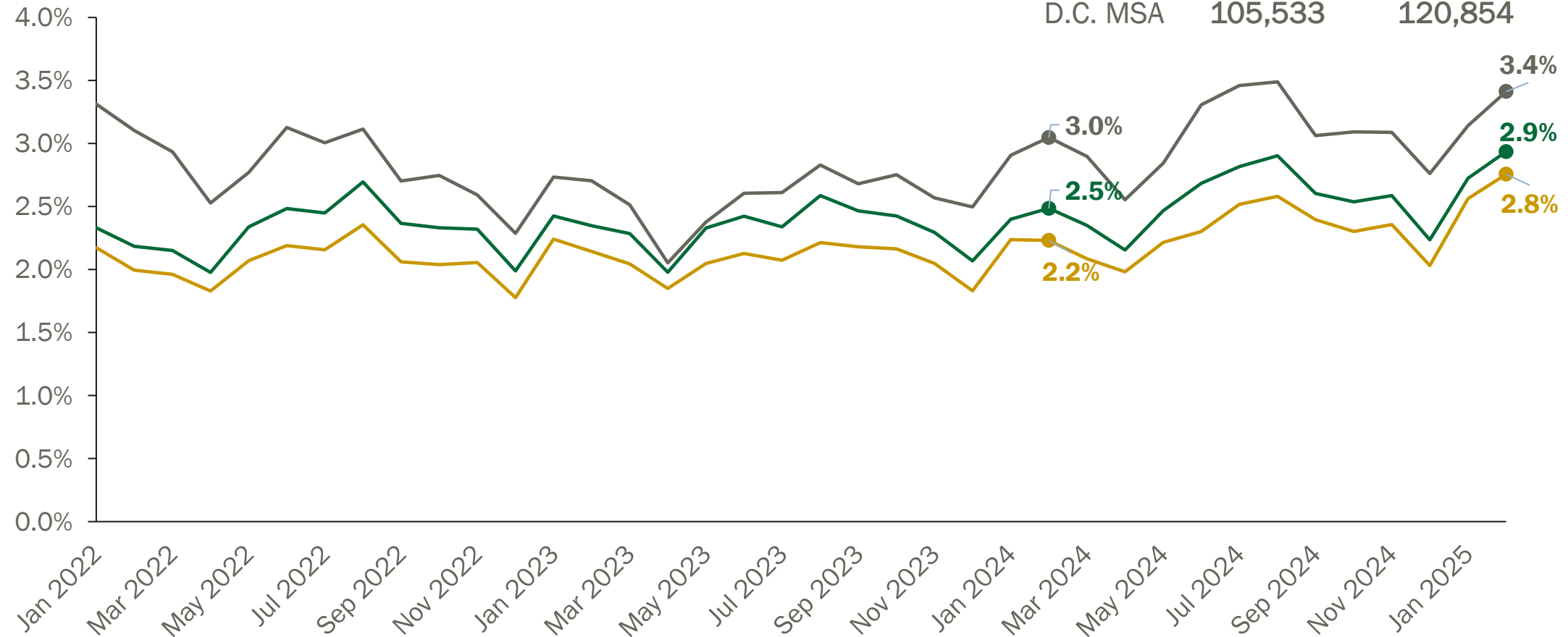Source: U.S. BLS, State and Area Employment, April 18, 2025, https://www.bls.gov/sae/.

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CHANGE IN JOB POSTINGS

Number of Job Postings, NOVA Service Area

Total Postings

- 35,206 (January)
- 34,912 (February)
- 33,797 (March)

4% decrease

Public Administration Postings

- 866 (January)
- 492 (February)
- 447 (March)

48% decrease

Source: Lightcast Analyst (2025.1 release).

UNEMPLOYMENT
Trend in Unemployment Rates

NOTE: Data is not seasonally adjusted.
Source: U.S. BLS, *Local Area Unemployment Statistics*, April 18, 2025, https://www.bls.gov/lau.

LABOR FORCE

Percentage Change in Labor Force, Year-Over-Year

POTENTIAL FUTURE IMPACTS

- If federal workforce was decreased by 75%, unemployment rate in DC metro area could rise to nearly 10% (Urban Institute)

- Other potential impacts:

  - Decrease in state and local tax revenues (Urban Institute)

  - Effects on other types of businesses (Washington Business Journal)

  - Migration out of the region

  - Regional recession

QUESTIONS?

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