



Northern Virginia Chamber of Commerce Testimony Before the Fairfax County Board of Supervisors Economic Initiatives Committee

Good morning. I'm Julie Coons, President and CEO of NVC – the Northern Virginia Chamber of Commerce. Thank you for the opportunity to speak before the Economic Initiatives Committee.

This year, NVC is celebrating its centennial. As we brace for economic uncertainty amidst cuts to the federal workforce and trade wars, I would like to remind our community leaders and decision-makers that we've continuously adapted to economic shifts over the past century. Today, we're leading in industries that didn't even exist 100 years ago.

According to Census Reporter, Northern Virginia accounts for 46% of Greater Washington's regional economy, making it an economic imperative that Northern Virginia not only succeed but exceed expectations. We are the economic engine of this region, and I believe that means we have a responsibility to lead.

Northern Virginia is also home to approximately 175,000 federal workers. This number represents the families, homeowners, consumers, and taxpayers who drive our local economy. When federal budgets tighten and jobs are impacted, the ripple effects are felt throughout our businesses – from restaurants and retail to professional services and real estate.

I hear from business leaders about the various ways they are being impacted by the actions in Washington. NVC members in the government contracting community have lost contracts; employees are being laid off; employers are reducing the number of open positions within their businesses; and stock prices are dropping for Fortune 500 companies headquartered in our region. I hear from the hospitality industry that meetings are being cancelled, and from contractors that they are not being paid for work that has already been completed. A larger employer recently shared that one of their regional leaders will be leaving the region once the school year ends because their spouse was laid off from the federal government. They are surely not alone.

The latest actions in Washington have created real fear across our region. While some may compare the recent department closures and mass layoffs to the pandemic or even BRAC, our members know that this moment is different due to two key components: transition time and federal support. There will be no federal dollars to support our efforts this time around.

We recently brought together industry leaders and top economists, like Richmond Fed President Tom Barkin, to examine the economic trends shaping the future. Our panelists



were unanimous: We must partner with local officials to be proactive in our economic development strategies and diversify industry in the region.

Our membership sees this moment as a clarion call to make a shift in our economy and address the elephant in the room: Our regional economy is entirely too dependent on the federal government.

For decades, Dr. Stephen Fuller of George Mason University sounded the alarm bells around our dependence on federal dollars, stating, “the obvious solution is to diversify.” We agree, and as an anchor institution, NVC is poised to take a leadership role in helping to shape the future of our region’s economy, acknowledging that we must focus on policies and initiatives that attract new industries, support industry diversification and expansion, and empower businesses of all sizes to thrive.

To bolster our region’s resilience, our members are proactively exploring future-focused industries, such as aerospace, and seeking ways to diversify our economy to reduce the impact of policy fluctuations in Washington. We believe that by fostering a supportive business environment and focusing on strategic investments in key sectors, we can mitigate the impacts of federal cuts and ensure long-term economic prosperity.

To be clear: a difficult road lies ahead. The President has already begun alluding to a recession, and economists are warning that the risk of recession is increasing. Fortune 500 business leaders in our region anticipate that the next 18-24 months will be difficult. The unemployment rates across the Greater Washington Area will continue to increase.

This is certainly not business as usual; we believe that we will need to think and act differently if we want to retain our businesses and the professionals that drive them.

Despite the challenges before us, we have undeniable strengths: a highly educated workforce and educational institutions primed to train and reskill, robust infrastructure, and a vibrant business ecosystem that is committed to finding a fruitful path forward. We applaud our partners like Northern Virginia Community College and Virginia Career Works, who are quickly pivoting to reskill federal employees who have been laid off. It’s going to take all stakeholders in our region coming together to think creatively and collaboratively, focusing on emerging industries, expanding entrepreneurship, and supporting our existing businesses.

We are currently meeting with NVC membership to explore policy recommendations to share with our elected leaders. NVC also seeks a partnership with the Board of Supervisors and other elected and appointed leaders to effect necessary change.



We cannot afford to take a “Wait and see” approach – the time for decisive action is now. We must work together, with urgency and purpose, to build a stronger, more resilient Northern Virginia.

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About the Northern Virginia Chamber of Commerce (NVC)

For 100 years, NVC - the largest and most influential chamber in the Greater Washington Region - has driven change and innovation, fueling regional economic growth that today powers 46% of the Region’s economy and is home to 40 of Greater Washington’s 64 Fortune 500 companies. On behalf of its more than 500,000 employee members and leaders, NVC works to advance the region as a leader in innovation and growth. For more information, visit www.nvcbusiness.org.