



Federal Government Transition Impact Survey Report for Anne Arundel County

June 2025

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Executive Summary

Anne Arundel Economic Development Corporation (AAEDC), in partnership with Anne Arundel Workforce Development Corporation (AAWDC), launched a survey on May 2, 2025, to gauge the federal government workforce transition impacts. This survey targets Anne Arundel County's businesses, residents, federal employees and government contractors. This report covers the first month and a half of the ongoing Federal Government Transition Impact Survey. Of the 160 responses received during this period, 48 were from Anne Arundel County Businesses, 64 from County residents, and 48 from County residents that were either federal employees or government contractors.

Of the 48 businesses that responded to the survey, all were defined as small businesses with less than 500 employees. There was a wide array of industries represented by the business respondents with the majority coming from service-providing industry sectors such as professional and business services; trade, transportation, and utilities; leisure and hospitality; education and healthcare; and financial activities. Fifty-eight percent of the business respondents had been in business ten years or more. The demographics of the ownership of the businesses was mainly woman-owned (42%), followed by minority-owned (27%), and included a few veteran-owned (5%). Forty percent of the businesses engaged in federal contracting. Sixty-seven percent of the business respondents stated the transition in federal government contracts either moderately or extremely impacted their work. The biggest impacts reported were modifications and/or cancellation of contracts and the loss of customers and/or sales volume. Fifty-two percent of business respondents had to adjust their hiring or workforce practices due to changes in federal contracts, with hiring freezes, layoffs/furloughs, and changes in work hours being the biggest workforce challenges.

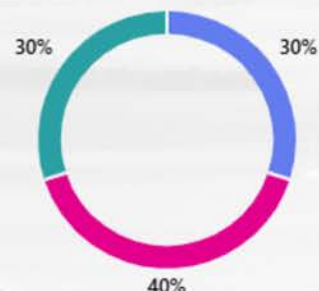
The biggest challenges business respondents gave included the inability to plan long-term, the uncertainty and confidence in the federal government as a stable employer, pivoting from the government to private sector, loss of sales due to reduced disposable income of federal workers, and delays or cancellations in contracts. The majority of the business respondents believe financial assistance through grants and/or loans would help them navigate the federal government transition impacts. Other support requested included networking opportunities, information and guidance, advocacy and support with federal agencies, and workforce development and training.

Of the 112 non-business respondents, 64 identified as residents of Anne Arundel County and 48 as either federal employees or government contractors living in the County. Across both categories of non-business respondents, over half were not impacted. Of the 42% that were impacted, challenges reported include concerns about financial hardships/stability, childcare, transportation & commuting, finding a job, mental health due to anxiety & uncertainty, and less telework options. When asked what kind of assistance they thought would be most helpful to them, job search & placement assistance, financial support/assistance, job/career fairs, childcare assistance, and increased transportation options were the most prevalent.

Respondents

Respondents to the survey were asked what category best describes them. Forty-eight were federal employees or government contractors living in Anne Arundel County; forty-eight were Anne Arundel County business owners/representatives; and sixty-four were Anne Arundel County residents.

Anne Arundel County Business	48
Anne Arundel County Resident	64
Federal Employee/Government Contractor Living in Anne Arundel County	48



Business Respondents

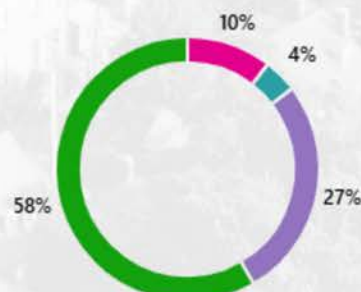
When asked what industry the business respondents were in, the largest contingent was the food services industry, followed by construction, cybersecurity/technology, education, and retail. Overall, the 48 business respondents covered approximately twenty-two different industries.

Agriculture	1
Construction	3
Cybersecurity/Technology	3
Healthcare	2
Hospitality	2
Education	3
Manufacturing	0
Retail	3
Restaurant	5
Other	26



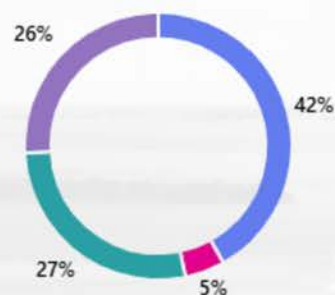
When asked the length of time the business has been in operation, 85% have been in business six or more years and of those, 58% have been in business ten years or more.

Less than 1 year	0
1-2 years	5
3-5 years	2
6-9 years	13
10 or more years	28



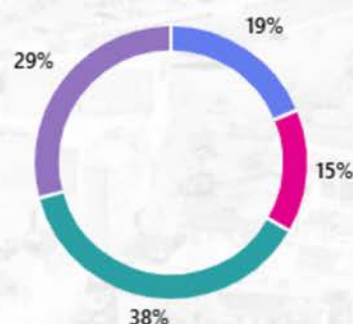
Examining the demographics of the business owners, 42% were woman-owned, 27% were minority-owned, and 5% were veteran-owned.

Woman-owned	26
Veteran-owned	3
Minority-owned	17
None of the above	16



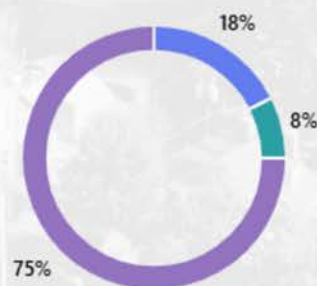
Of the business respondents, 40% engaged in federal contracting. Those engaged in federal contracts were contracted through a variety of federal agencies including the military, USDA, Smithsonian, DDOT; a couple respondents were recipients of federal grants. When asked to what extent the transition in federal contracts has impacted their work, 67% of the business respondents stated the transition either moderately or extremely impacted their work.

Not at all	9
Slightly	7
Moderately	18
Extremely	14



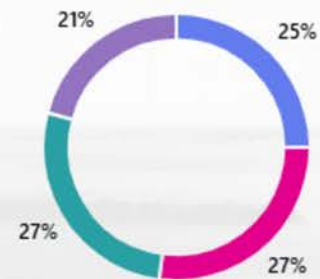
The biggest ways businesses were affected were modifications and/or cancellation of contracts and the loss of customers and/or sales volume. Other answers included none or all of the above, a need for longer childcare hours, and the cutbacks in spending by federal workers on the business' services.

Changes in contract volume	7
Delays in contract awards	0
Modifications to contract terms	3
Other	30



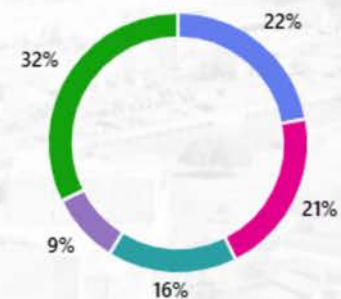
When asked if owners had to adjust their hiring or workforce practices due to changes in federal contracts, 52% of business respondents indicated they had to make changes.

● Yes, significantly	12
● Yes, moderately	13
● No, no changes made	13
● Not applicable	10



Below is a breakdown of specific workforce challenges business respondents have experienced because of federal government contract transitions, with hiring freezes, layoffs/furloughs, and changes in work hours being the biggest challenges.

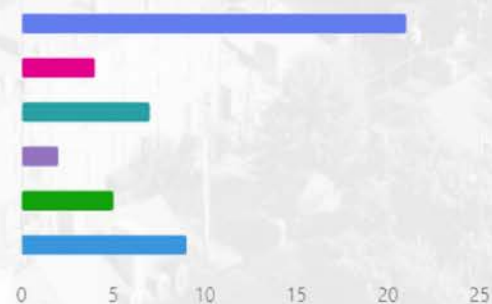
● Hiring freezes	15
● Layoffs or furloughs	14
● Changes in work hours	11
● Difficulty in filling positions	6
● Other	22



The biggest challenges business respondents gave included the inability to plan long-term, the uncertainty and confidence in the federal government as a stable employer, pivoting from the government to private sector, loss of sales due to reduced disposable income of federal workers, and delays or cancellations in contracts.

The majority of the business respondents believe financial assistance through grants and/or loans would help them navigate the federal government transition impacts. Other support requested included networking opportunities, information and guidance, advocacy and support with federal agencies, and workforce development and training.

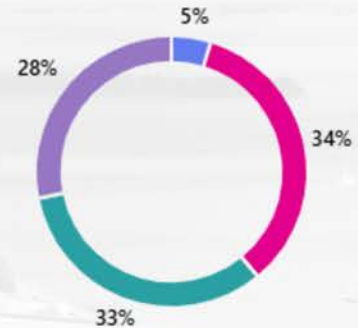
● Financial assistance (grants or loans)	21
● Information and Guidance	4
● Networking Opportunities	7
● Workforce Development and Training	2
● Advocacy and Support with Federal Agencies	5
● Other	9



Resident Respondents

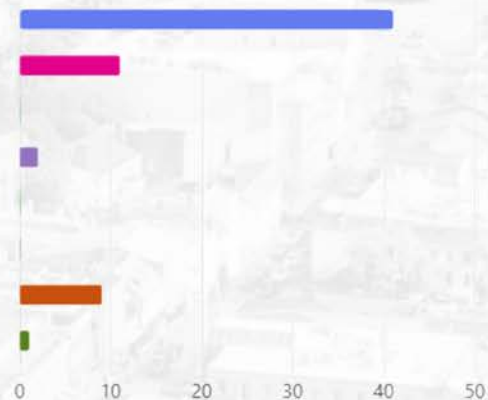
Of the survey respondents that identified as Anne Arundel County residents, the vast majority were over 34 years old; 34% were between 35 and 49, 33% were between 50 and 64, and 28% were over 65 years old.

Under 35	3
35-49	22
50-64	21
65 and over	18



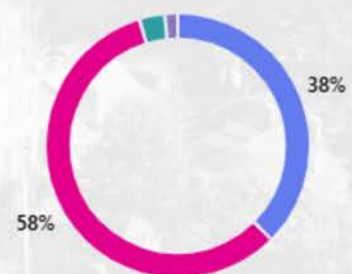
Broken down by race/ethnicity, 64% were White/Caucasian, 17% were Black/African American, 3% were Asian/Asian American, and 16% were other or preferred not to answer.

White or Caucasian	41
Black or African American	11
Hispanic or Latino	0
Asian or Asian American	2
Native American or Alaska Native	0
Native Hawaiian or Pacific Islander	0
Prefer not to answer	9
Other	1

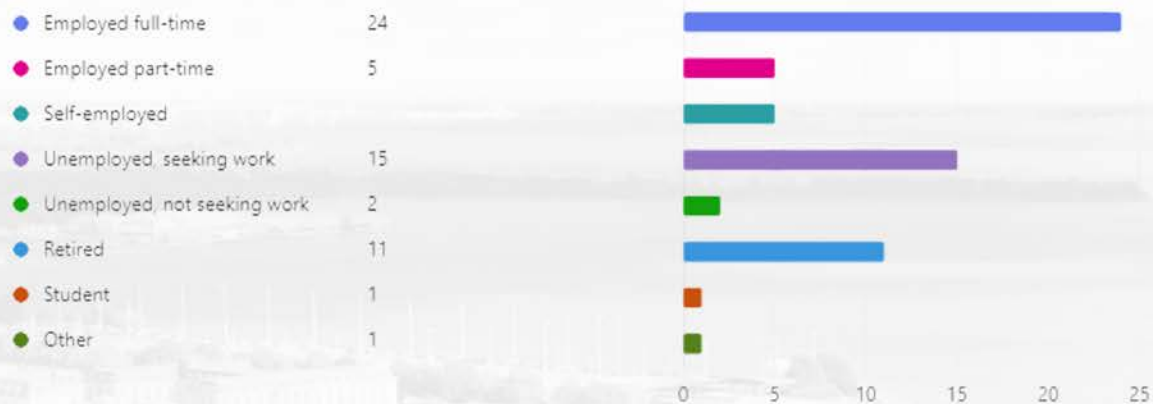


When asked to identify their gender, 58% of resident respondents were women, 38% were male, and 5% were other or preferred not to answer.

Male	24
Female	37
Prefer not to answer	2
Other	1



The breakdown of the current employment status found 46% employed either full- or part-time, 8% were self-employees, 23% were unemployed and seeking work, and 19% were either retired or a student.



Forty-eight percent of resident respondents rely on income from employment related to federal government operations. When asked how the federal government transition impacted their employment situation, 58% were not negatively impacted and only 29% experienced job loss or instability.



For those that were unemployed or seeking employment, 62% stated it was harder to find a job in Anne Arundel County, 18% stated it was not, and 20% were unsure.

When asked what the biggest challenges they have faced or are facing due to the transition in the federal government, the most common answers were anxiety over potential job loss,

increased traffic & commute times, increased workloads, concerns about having enough income to get by or meet needs, childcare, and finding a job.

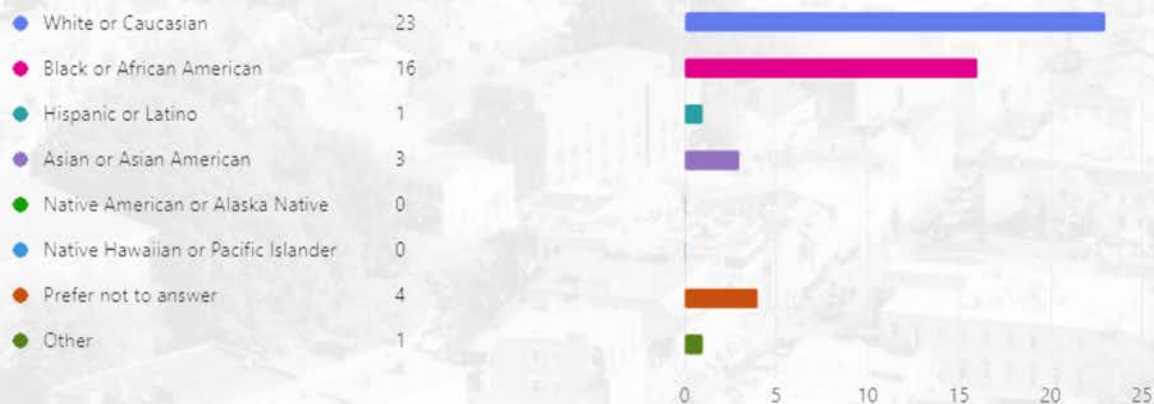
Responses given when asked what types of assistance would be most helpful to them or their household included job search and placement assistance, additional grants and financial assistance, more internship opportunities, increased teleworking options/flexibility, job fairs, and lower taxes.

Federal Employee/Government Contractor Respondents

Of the survey respondents that identified as federal employees or government contractors living in Anne Arundel County, the vast majority were over 34 years old; 44% were between 35 and 49, 42% were between 50 and 64, and 8% were over 65 years old.



Broken down by race/ethnicity, 48% were White/Caucasian, 33% were Black/African American, 6% were Asian/Asian American, 2% were Hispanic, and 10% were other or preferred not to answer.

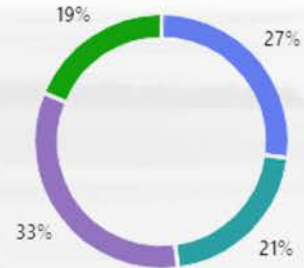


When asked to identify their gender, 60% of federal employees/government contractor respondents were women and 40% were male.



The responses, when asked what their current employment status is, showed 73% of the federal employee/government contractor respondents were on leave, furloughed, recently separated, or not currently employed by the federal government (but were in the past).

● Full-time federal employee	13
● Part-time federal employee	0
● On leave or furlough	10
● Recently separated from federal employment	16
● Not currently employed by the federal government (but have been in the past)	9



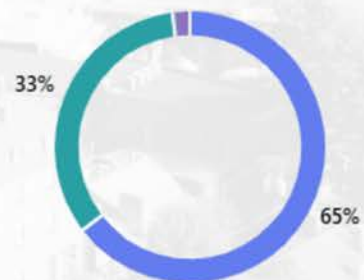
When asked if they currently work for the federal government, 42% of respondents indicated they do.

● Yes	20
● No	28

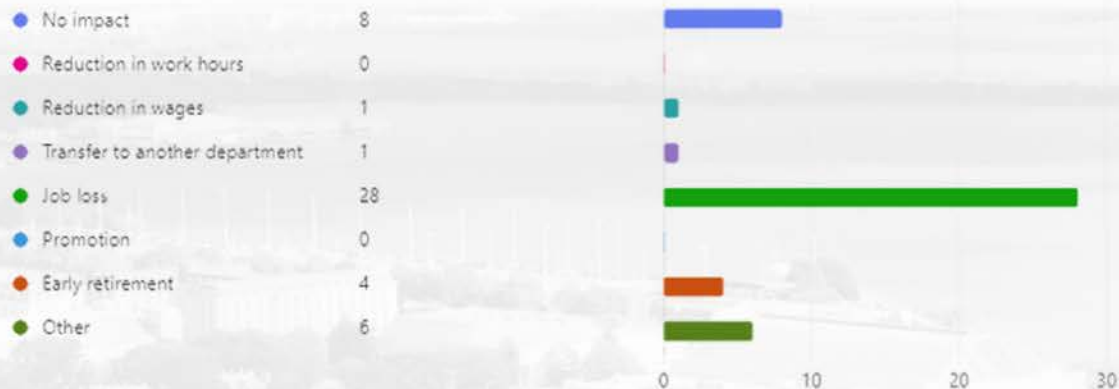


The breakdown of respondents answers as to what federal employment category they are in showed 65% were civilian federal employees and 33% were contractors.

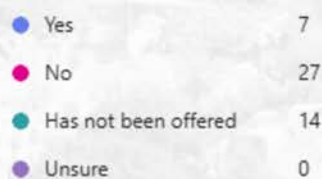
● Civilian	31
● Military	0
● Contractor	16
● Other	1



When asked how the recent federal government transition has affected their employment, 58% indicated they lost their job, 8% retired early, 2% had a reduction in wages, 2% were transferred to another department, and 17% stated there was no impact. Other responses included loss of telework options, anxiety, and increased workloads.



Federal employee respondents were asked if they accepted a buyout as part of the federal government transition and 15% indicated they had while 85% indicated they hadn't or a buyout hadn't been offered.



When asked what the biggest challenges they have personally faced or are facing due to the transition in federal government, the most common answers were financial instability or hardship due to job loss, finding a new job, difficulty transitioning to the public sector environment, the return-to-work mandate and its impact on childcare and commuting, and increased competition in the job market. Many respondents also stated challenges preparing for retirement or retiring early.

Specific requests for types of assistance that would be supportive included job placement information & assistance, career/job fairs, financial support/assistance, career development training & certifications, childcare assistance, increased transportation/mass transit options, and housing assistance.

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