



So how about...

All those fired federal workers.

A lot of Americans are distressed by both the mass federal employee firings and the impacts those firings will have on services American rely on. The overall economic impacts are worrisome too.

Few people have a real sense of the impact to the entire industry--Government Contracting--that supports the federal government's work and workers.

In general, Government Contracting (GovCon) supports with temporary work projects that it would be inefficient to hire federal employees to do as temporary workers. These are projects like construction, engineering, information technology, healthcare and research, and even strategic projects like large-scale or niche hiring and marketing campaigns.

Examples of GovCon companies include Lockheed Martin, IBM, Honeywell, Fluor Corp., L3Harris, AECOM, Booz Allen Hamilton, GE, Deloitte, Merck, FedEx, Verizon, and many, many more. The rumor mill in the GovCon space suggests that federal contract cancelations will hit small and Veteran-Owned businesses hardest.

Through a variety of simple internet searches, I found some general ranges for how many people were fired or laid off from federal positions in February 2025.

Federal buyouts range from 20,000 to 75,000 depending on the sources. Approximately 30,000 federal employees were laid off. Multiple sources estimate 80,000 to 85,000 additional jobs at Veterans Affairs (VA) are slated for layoffs.

But how many more jobs are lost in the GovCon industry as a result of canceled contracts?

The short answer is: no one seems to know.

At one point, I found data suggesting that about 50 GovCon companies had declared bankruptcy in February 2025. Now that source is gone.

USCourts.gov bankruptcy data is trending upward at the end of January, but data through February when most firings occurred is not yet available.

This leaves one New York Times article, scant evidence for trends itself, in which an economist predicts² a worst-case scenario that twice as many GovCon jobs will disappear for every federal job lost.

All that currently remains clear is that large numbers of jobs--whether half as many again or twice as many--are also threatened by the sweeping layoffs in federal agencies.

¹ <https://www.uscourts.gov/data-news/judiciary-news>

² <https://www.nytimes.com/2025/03/07/business/economy/federal-workers-layoffs-job-market.html>