

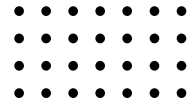
**GREATER  
WASHINGTON  
PARTNERSHIP**

# **EMPLOYER INSIGHTS BRIEF**

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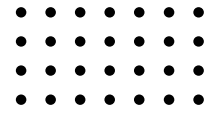
**April 2025**

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# Executive Summary



The Greater Washington Partnership is a first-of-its-kind nonprofit alliance of the region’s most influential leading employers across diverse industries in Maryland, Virginia, and Washington, DC – all committed to championing the region’s economic growth and vibrancy. The Partnership’s Skills & Talent Initiative works with the region’s educators and employers to build the most versatile workforce in the country by strengthening talent pipelines and ensuring learners have access to the skills training that leads to economic mobility.

In October 2022, the Partnership published the first [Employer Insights Brief](#) to examine hiring trends and elevate talent practices making their mark on the region. Nearly three years later, the region has closed the chapter on a global pandemic, is responding to the current and long-term impacts of changes to the regional workforce, and is preparing for the continued evolution of the future of work spurred on by artificial intelligence and emerging technologies.

With these factors and more at play, the Partnership analyzed current regional labor market information and interviewed HR and talent leaders from [Board](#) and [Leadership Council](#) organizations to learn about the changes they’ve seen over the last two years, including talent priorities, in-demand roles and skill sets, and how employers are developing talent within the region.



## In conversations with our partner employers, four key trends surfaced:

### IMPACT OF FEDERAL WORKFORCE REDUCTIONS



The exact impact of the large-scale changes to the federal workforce in the region is still uncertain, but employers are already thinking about how these shifts might affect their hiring and retention of regional talent across industries.

### CHANGES IN REGIONAL DEMAND FOR TECH TALENT



The tech talent landscape in this region is shifting, and the demand for entry-level, non-specialized tech talent is waning, but early career talent can develop skill sets in emerging in-demand technology like AI to remain competitive in this current labor market.

### PREPAREDNESS FOR THE WORKFORCE



Workforce preparedness remains a priority for employers as they emphasize the need for adaptable talent pipelines, responsive post-secondary programs, and career-connected learning opportunities that align with shifting industry demands.

### PRIORITIZING RETENTION



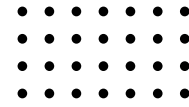
As employers pull back on hiring entry-level talent at the rates of the past and the market for mid-career and specialized talent becomes even more competitive, employers are prioritizing efforts to retain and develop their current workforce through upskilling and reskilling programs.

## A quantitative analysis of regional labor market data highlighted four additional themes that complement those above:

1. The federal workforce reduction brings new challenges as employee absorption potential varies by occupation, but also brings talent opportunities.
2. The Baltimore to Richmond region continues to have an opportunity to better attract and retain talent. Actions can be taken across discrete stages of the entire talent lifecycle to strengthen supply in high-priority occupation groups.
3. Employment growth in the Baltimore to Richmond region is expected to be driven by three industries – education/health services, leisure & hospitality, and manufacturing.
4. Automation and generative AI could reduce talent gaps, but will also require employers to reinvent and help transition roles into other occupations.

The brief will further detail these talent trends, introduce new data from the labor market analysis (The State of the Regional Labor Market), and close with actionable recommendations stakeholders across the workforce development ecosystem can implement as they consider shifting talent needs.

# Methodology



This brief features employer insights from talent leaders within the region spanning Baltimore, DC, and Richmond<sup>1</sup> alongside labor market data from national databases.<sup>2</sup> Figures included are sourced from various datasets, including the Bureau of Labor Statistics, ILO, IPEDS, Lightcast, and US Census.

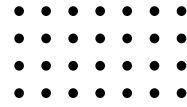
To gather employer insights, the Partnership synthesized information from employers across industries (including architecture and construction, federal contracting, healthcare, defense, financial technology, and other tech fields) in a series of interviews. These interviews took place from January through March 2025, ensuring the information in this publication reflects the latest hiring trends and priorities in the region at publication. Interview participants included leaders from human resources, learning and development, talent acquisition, and talent development, referred to in the following brief as “HR leaders” and “talent leaders.”

In each interview, the Partnership asked HR leaders a set of questions about in-demand roles, skill sets that are difficult to recruit for, the impact of changes to the federal workforce on their own hiring practices, and effective approaches to both draw in new talent and retain current employees, among other various topics of discussion.



*Note: Interviews and the labor market analysis took place amidst a backdrop of significant federal workforce reductions, the impact of which may not be fully borne out in the data provided. The Partnership will continue to conduct listening sessions with HR and talent leaders and to utilize the most recent data available after publication to better understand and clarify the regional workforce landscape and to continue to reinforce reasons why this region is the best place to live, study, work, and build a business.*

# Employer Insights



## IMPACT OF FEDERAL WORKFORCE REDUCTIONS

As the status of the federal workforce continues to change, employers face new challenges and opportunities. The exact impact of these shifts is uncertain, but talent leaders are proactively preparing for a regional labor market that looks very different than that of prior years.

As a result of shifting federal employment, regional employers have seen an influx in applicants for open roles within their organization in the last several months, with talent leaders citing massive spikes in the number of applications per role and candidates reaching out to recruiters and employees en masse in an effort to make their application stand out, with some employers citing nearly double the amount of candidates applying for positions than in prior months. One employer anticipated that non-technical job postings, like project managers, are particularly more susceptible to an increase in applicants.

Many employers were interested in the opportunity to hire former federal workers and mentioned specifically seeking out subject matter experts in fields like cybersecurity, and multiple talent leaders cited a security clearance as a particularly attractive asset amongst this group.

Employers expressed an openness to finding new ways to connect with former federal workers and, in some cases, even referenced creating new positions to recruit top-tier talent that has newly entered the market. As more laid-off federal workers attempt to transition into the private sector, talent leaders are proactively connecting with their recruiters to train them to read a federal resume and identify adjacent skill sets that might be transferable to private-sector positions. Former federal workers should also pursue ways to better represent their public sector skill sets to match private industry needs and to develop new skill sets that could prepare them to transition .

Employers also mentioned concerns about the secondhand impacts of federal workforce layoffs on private sector employers. Many employers shared that members of their current workforce have spouses or partners employed by the federal government. If family members of current employees lose their jobs and cannot find other opportunities in the region, employers may experience unexpected attrition as these individuals relocate with their families.

*The Partnership will continue to leverage its table and tools to shed light on which roles are high demand in the region, and support with identifying skill adjacency between federal and private sector roles.*



## CHANGES IN REGIONAL DEMAND FOR TECH TALENT

Regionally and across the country, particularly at the turn of the decade, much of the focus for education and training providers was on developing entry-level tech talent in response to projected talent gaps in the tech industry. As technology has evolved, however, and organizations have more narrowly identified their tech talent needs, the demand for early-career tech talent has decreased in favor of targeted recruitment of specific, in-demand skill sets.

Employers interviewed by the Partnership indicated that the labor market is tightening for tech talent with 0-5 years of experience. This trend surfaced both in conversations with talent leaders in tech-specific and non-tech-specific industries that still employ tech workers. The latter group expressed an indirect opportunity arising from this shift – top entry-level tech talent that might not have otherwise considered employment in organizations outside of large technology firms has now broadened their search, allowing employers to tap into a new pool of talent.

As Artificial Intelligence (AI) continues to shift in-demand technical skill sets, employers expressed uncertainty about how certain core skills, like data analysis, might be impacted, and are hesitant to not over-index on certain skill sets in case they become quickly outdated as technology continues to evolve. This reluctance is further dampening the demand for early career tech talent with baseline, general technology skills that have not had the experience needed to specialize in a specific type of technology or skill set. This shift will likely be exacerbated by recent federal workforce reductions, as the market will become flooded with more mid- to senior-level tech talent competing for all open positions. Entry-level tech talent that has core AI competencies or can more easily adapt to other new technologies and programming languages may be able to distinguish themselves from other candidates without these skills, and some talent leaders refer to this group as “digital natives.”

The landscape is very different, however, for specialized, experienced tech talent, particularly specialized types of engineers. There is high demand across industries for engineers with over five years of experience in specific fields, like mobile engineers, utility engineers, and systems engineers, and employers have historically found it challenging to retain these individuals due to competition in the market. Additionally, in keeping with trends surfaced in conversations about federal workforce impacts, mid- to senior-level talent in cybersecurity continues to be in high demand, as well as regulatory and compliance experts and those who hold security clearance. For very specialized skill sets, like deep AI expertise, employers referenced recruiting students before they’ve even graduated from college, as these skill sets are most rare amongst the talent pool.

Finally, multiple organizations brought up an additional talent challenge associated with the increasing presence of AI: AI ethics and governance. As AI continues to emerge across industries, new skill sets for current members of the workforce and new roles will develop related to the responsible implementation of AI.

*As the demand for tech talent continues to shift, the Partnership will continue to surface the relevant and in-demand tech skills and related jobs across our region, while also continuing to focus on skills needed to support emerging industries that expand new opportunities for the region’s talent pool.*





## PREPAREDNESS FOR THE WORKFORCE

Workforce preparedness, the readiness of workers to meet current and future job responsibilities through relevant skills and training, remains a priority as regional industries adapt to the shifting labor market demands, supply of talent, and evolving skill requirements. Employers stressed the urgent need to expand the talent pipeline by engaging new populations to address workforce shortages in high growth industries, like in healthcare, where the national demand for nurses continues to outpace the available supply.

National trends highlight how education and training programs must regularly turn away qualified applicants due to constraints such as insufficient faculty and resources.<sup>3</sup> Regional employers have echoed these challenges, highlighting concerns about the growing shortage, particularly as many nurses approach retirement age and nursing program enrollments fail to keep pace. Similarly, in IT and data analytics, competition for mid-career professionals remains high, with employers struggling to fill roles in specialized roles including cybersecurity, regulatory and compliance, and specialized engineers. In response, some employers have developed targeted partnerships with community colleges and veterans' groups to build pathways into these critical fields.

As the region's workforce needs continue to evolve, employers surfaced a need for post-secondary institutions to more successfully adapt programs and offerings to ensure students are equipped with the skills necessary to be successful in the workforce. Employers stressed the importance of colleges and universities being able to quickly update curricula and expand educational offerings, while simultaneously recognizing that oftentimes these institutions are held back by arcane regulatory requirements that prevent them from being able to launch new programs without a long, extensive review and approval process. The rapid advancements in AI are a prime example of how industry needs are shifting, as organizations increasingly seek talent with AI literacy and applied knowledge, and employer demand is outpacing educational offerings. To strengthen the regional workforce, business and education must continue to work together to ensure transparency around evolving skill needs and provide clear career pathways aligned with industry expectations.

A clear consensus emerged among employers across industries: career-connected learning continues to be essential for both recruitment and essential skill development. Employers are actively leveraging internships, apprenticeships, and in some cases short term projects, to not only cultivate a pipeline of talent, but also ensure candidates develop the workplace skills necessary to be job ready. Additionally, as the data in this publication suggests, in-demand industries are rapidly transforming in part due to federal workforce changes, making career exposure and awareness an increasingly critical component of career-connected learning. While these experiential learning opportunities are instrumental in preparing students with specific organizational processes and professional expectations, their limited scale remains a challenge due to constraints such as time, funding, and available mentors and managers. Additionally, as rapid technological advancements, particularly AI, continue to reshape industries, employers underscored the importance of foundational skills such as adaptability, communication, teamwork, and agility, which they viewed as essential for navigating an evolving job market even when technical skills can become quickly outdated.

By prioritizing workforce preparedness and fostering stronger connections between education and industry, we can build a more resilient and adaptable talent pipeline. Employers have made it clear that addressing talent challenges requires dual focus: responsive academic programs that include a focus on essential skills and expanding access to career-connected learning opportunities.

*Through work-based learning and other efforts, the Partnership will continue to support a proactive approach to bridging skills gaps and improving career exposure, so that not only are students and workers are to succeed but businesses are able to secure the skilled talent they need to remain competitive and drive economic growth.*



## PRIORITIZING RETENTION

Upskilling, reskilling, and other retention initiatives are front of mind for HR leaders as they weigh the needs associated with evolving roles and the regional labor supply. They discussed the enabling conditions for their retention practices, including individualized development plans on the front-end to clarify pathways to advancement, financial assistance for education and training expenses, and feedback mechanisms throughout to better understand the employee experience. Employers cited in-depth interviews, focus groups, and surveys as ways they evaluate training programs and determine when and why employees leave.

The value proposition for investment in this area is clear. Employers cited finding it more effective to develop employees internally rather than rely on external hires, especially as the market is slow to produce enough talent with the specialized skills they need. Research finds that the cost of replacing a skilled employee can be up to 200% of the employee's annual salary, further boosting the potential ROI of retention practices like upskilling.<sup>4</sup> To address this, employers spend almost \$600 billion annually on training expenses<sup>5</sup> in an effort to keep up with the shortening lifespan of in-demand skills.<sup>6</sup>

Employers are using a variety of approaches to keep and provide additional training to their employees. Some employers partner with post-secondary institutions and external vendors to prepare early-career workers with non-technical backgrounds for priority technical roles. This is seen prevalently in traditionally high-growth roles like information technology and cybersecurity. As the region responds to federal workforce reductions, post-secondary institutions are also stepping up by offering displaced workers free or subsidized certification and skills training, as well as other career programming and resources to help workers identify skill adjacency between their current skillsets and those required to enter into new roles.

Upskilling and reskilling extend beyond technical skills, however, as employers also emphasize professional skills related to leadership, communication, adaptability, and collaboration. This aligns with sentiment unearthed in previous Partnership research: the future of work will increasingly demand that talent is equipped with social and cognitive skills to succeed.<sup>7</sup> HR leaders emphasized the benefits of transferrable skills training that helps employees access new roles and helps employers tap into broader talent pools by looking internally.

*The Partnership will continue to support its table of employers and the business community broadly by offering insights into potential upskilling and reskilling opportunities for current members of the workforce.*

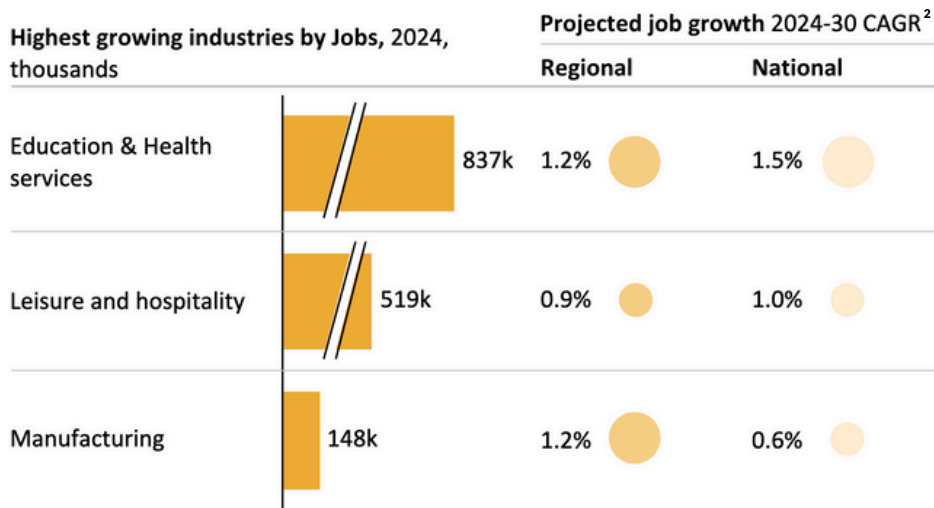


# The State of the Regional Labor Market



The below labor market analysis was conducted in early 2025. The analysis surfaced four key trends related to the region's job market, retention of talent, and growing industries.<sup>1</sup>

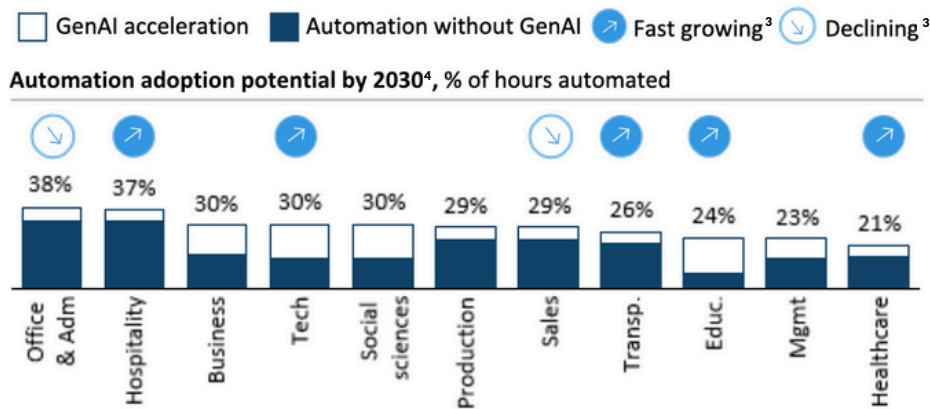
## Looking to 2030, regional employment is expected to be driven by 3 industries growing at 1.1% p.a., slightly below national averages



Services are expected to continue driving employment creation (e.g., education, hospitality)

New areas (e.g., manufacturing) present an opportunity to diversify economy base

## Automation and GenAI could help reduce talent gaps but may require upskilling and support for transition



Rapid technology adoption fuels growth by shifting work towards higher-value activities, creating new business models and competitive advantages

Enhancing the nature of work would require workers to master new tools and develop skills for increased productivity

**Watch out for new roles**

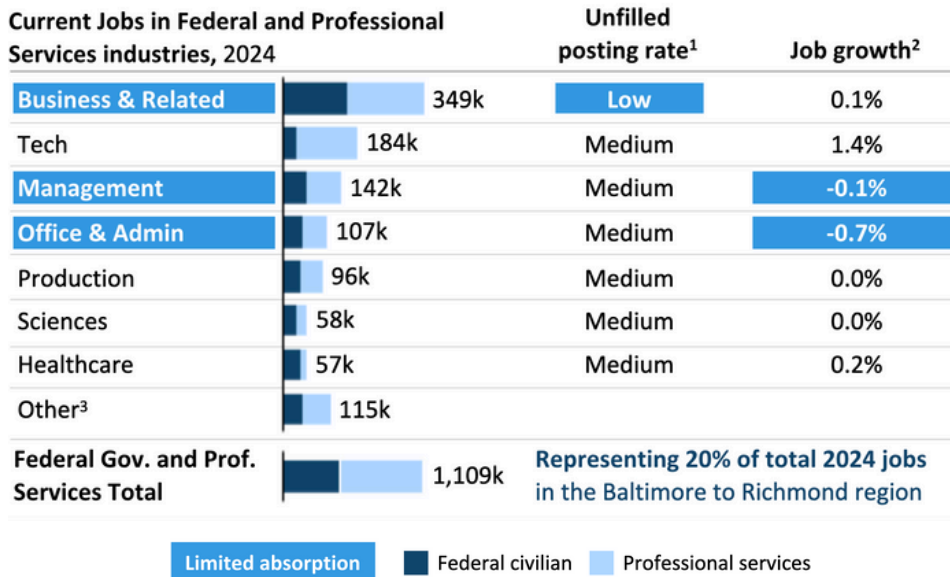
- Business (Fintech Engineers)
- Tech (Big Data Specialists, UX Developer)

**Focus on upskilling and transitioning**

- Office and administrative
- Sales

1. McKinsey & Company provided data analysis for this report. | 2. Based on 2024 Lightcast estimates of expected regional job growth, 2024-30 CAGR. | 3. Based on 2024 Lightcast estimates of expected regional job growth, 2024-30 CAGR. Occupation is declining if growth is expected to be below 0% p.a. Occupation is fast growing if growth is expected to be above 0.6% p.a. | 4. Estimates by McKinsey Global Institute | Source: Lightcast

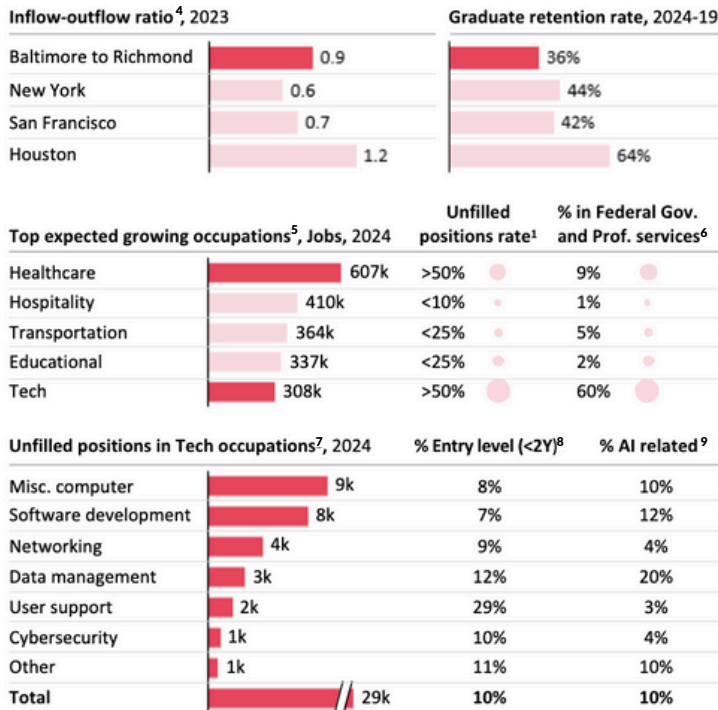
## Federal workforce reduction brings new challenges for the region as absorption potential varies by occupation, regardless of reduction size



*Direct impact of government reductions is estimated to reach tens of thousands in conservative scenarios over the next years*

*Business, management, and administrative roles could face limited transition opportunities*

## Region continues to have an opportunity to better to attract and retain talent. Action can be taken across all stages of the talent lifecycle to strengthen supply in high-priority occupation groups



*Baltimore to Richmond region continues to lag peer regions in talent attraction and graduate retention*

*Healthcare and Tech, occupations with high expected growth, present high unfilled job rates*

*Demand for Tech is for more experienced talent (vs. entry level) and increasingly for AI-related skills*

1. McKinsey 2024 Av. monthly hires / av. monthly job postings. Low: <50% and close to national levels, Medium: above national levels | 2. Based on 2024 Lightcast estimates of expected regional job growth CAGR 2024-30 Exc. federal government | 3. Includes rest of occupations | 4. Total inflows / total outflows | 5. Based on 2024 Lightcast estimates of expected regional job growth. Largest occupations groups are Production & related, Business & related, and Healthcare | 6. 2024 % of occupation | 7. SOC (15-1000) occupations | 8. % of job postings seeking 2 years of experience or less | 9. % of job postings seeking Artificial Intelligence and related skills | Source: Lightcast

# Conclusion & Recommendations

As employers across the region from Baltimore to Richmond navigate an evolving talent landscape marked by significant federal workforce shifts, changing demands in the tech workforce, and increased emphasis on workforce preparedness, targeted actions are necessary to address the emerging challenges.

The potential solutions outlined below are grounded in data collected and reflect insights from regional employers. These solutions require collective action that no single organization or sector can independently solve. Successfully navigating this landscape requires intentional collaboration between employers, educational institutions, workforce development agencies, and policymakers, all aligned toward our shared objective to expand our economy and enhance economic diversification.

**Based on our employer insights, we recommend prioritizing the following strategies as we continue to strengthen our talent ecosystem. Stakeholders across the region should:**

## FACILITATE REGIONAL TALENT REDEPLOYMENT TO STEM OUTMIGRATION



- Drive coordination across transition programs and disseminate best practices to address common challenges for dislocated workers, like those transitioning out of federal work.
- Provide training options like short-term upskilling and develop more robust upskilling pathways with local institutions for mid-career professionals.

## ENHANCE RETENTION OF GRADUATES AND THE EXISTING WORKFORCE



- Expand local career-connected learning opportunities in collaboration with employers and connect such programs with available incentives whenever possible.
- Support affordable pathways focused on in-demand skills.

## BOOST REGIONAL TALENT ATTRACTION STRATEGIES, PARTICULARLY IN HIGH-GROWTH POTENTIAL INDUSTRIES

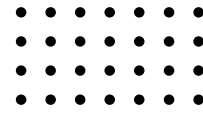


- Expand reach and depth of innovation hubs, like R&D councils, tech hubs, and Centers of Excellence.
- Continue to enhance and broadcast the region's brand, vision, and collective economic goals.

The Greater Washington Partnership is uniquely positioned to coordinate the region's response to the evolving talent landscape with our robust partner network. Leveraging our role as a catalyst for convening, the Partnership will work to better align employers around shared objectives by increasing transparency into in-demand jobs and essential skills, expanding career-connected learning opportunities, and illuminating high-growth industries. The Partnership aims to bolster regional competitiveness, retain critical talent, and promote sustained economic vitality across the Baltimore-to-Richmond corridor, making it a vibrant, economically competitive, and prosperous place to live, work, and build a business.



# Endnotes



**1** The region referred to in this brief aggregates the metro areas of Baltimore, MD, Washington DC, and Richmond, VA.

**2** McKinsey and Company provided data analysis for this report.

**3** [2023-2024 Enrollment and Graduations in Baccalaureate and Graduate Programs in Nursing](#), American Association of Colleges of Nursing, 2024.

**4** Dyerly, Regina, [The Myth of Replaceability: Preparing for the Loss of Key Employees](#), SHRM Executive News & Insights, Jan. 2025.

**5** [Counting U.S. Postsecondary and Secondary Credentials: Budget Report](#), Credential Engine, Dec. 2022.

**6** [Room for Growth; A Survey of UpSkilling Approaches](#), Aspen Institute, Mar. 2024.

**7** [Perspectives: Skills Forecasting Summit: Data & Insights for Tomorrow's Workforce](#), Greater Washington Partnership, 2024.





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