

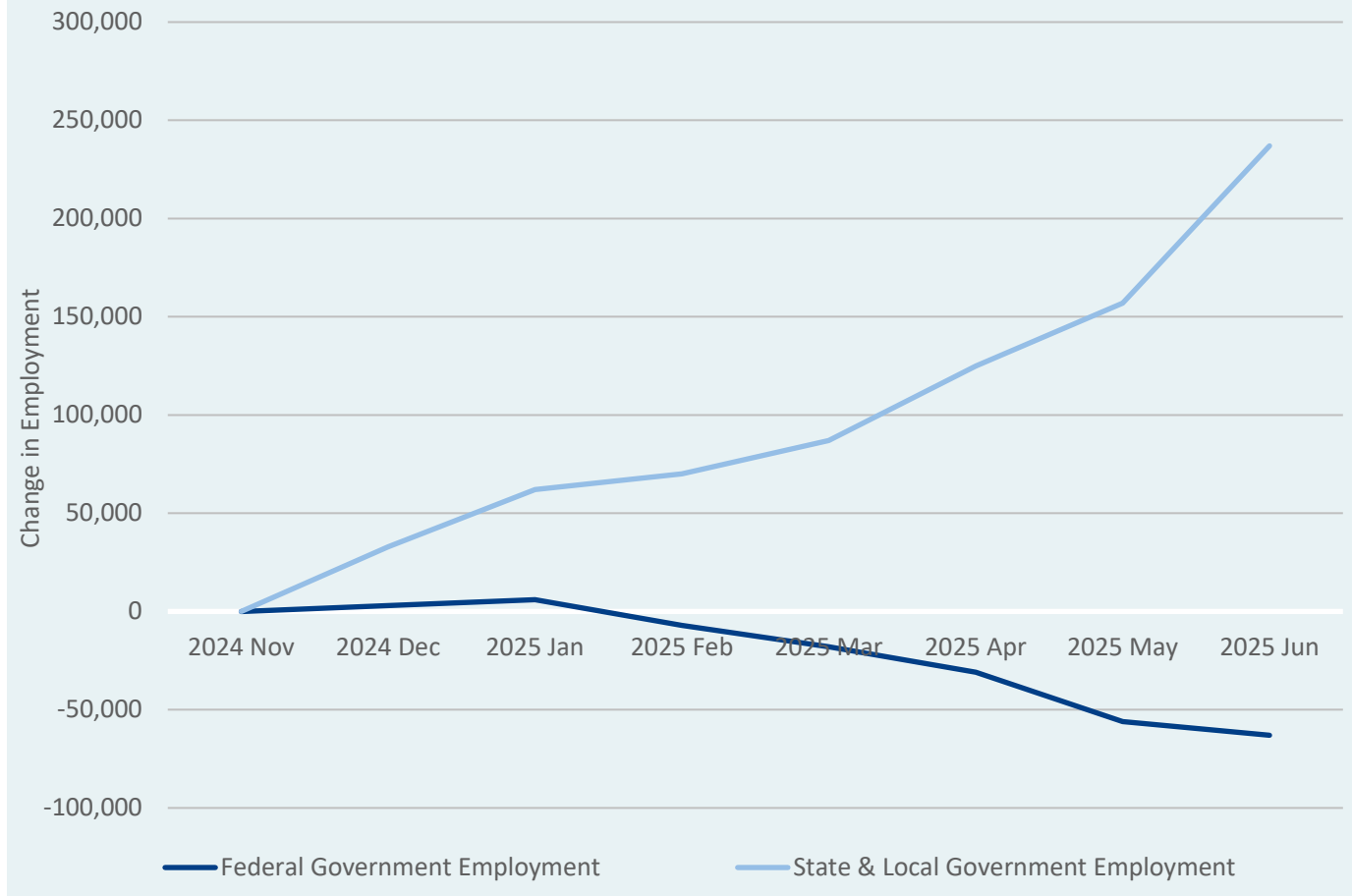
# Verus Market Note

## Federal workers suffering from job cuts are finding employment at state & local levels

The Department of Government Efficiency (“DOGE”) was formed in late January 2025 with aims to increase government efficiency, modernize information technology, and cut excess regulations and spending. The public’s reaction to DOGE efforts have been mixed, and tensions ran especially high as large-scale federal workforce cuts began to be announced—ultimately totaling more than 280,000 according to Challenger, Gray & Christmas.

In this week’s Market Note, we show that as many federal workers depart from their roles, they appear to be successfully gaining employment at the state & local government level. Given that economists and investors were initially concerned about the size of government layoffs and the possibility that these workers could have difficulties finding work, this seems to be a welcome development for federal workers and for the economy as a whole.

**TOTAL CHANGE IN EMPLOYMENT: FEDERAL VS. STATE & LOCAL**



Source: Verus, FRED, as of 6/30/25