

# America's Longest Government Shutdown Punishes D.C.-area Businesses and Workers

*Economic shocks are felt throughout the region as the government holds back pay for contractors and nearly 150,000 federal workers.*

## Press Release - January 15, 2019

WASHINGTON, D.C.—The federal government shutdown, now the longest in our nation's history, is putting unsustainable financial strain on contractors and the households of nearly 150,000 federal workers in the region, as well as the local businesses that serve them. In response, the following **22 business organizations** strongly urge the President and congressional leaders to reopen the federal government as soon as possible:

- Apartment and Office Building Association of Metropolitan Washington
- Arlington Chamber of Commerce
- Central Maryland Chamber
- DC Building Industry Association
- DC Chamber of Commerce
- Destination DC
- Falls Church Chamber of Commerce
- Federal City Council
- Gaithersburg-Germantown Chamber
- Greater Bethesda Chamber of Commerce
- Greater Reston Chamber of Commerce
- Greater Silver Spring Chamber of Commerce
- Greater Washington Board of Trade
- Greater Washington Hispanic Chamber of Commerce
- Hotel Association of Washington, D.C.
- Loudoun Chamber of Commerce
- Maryland Chamber of Commerce
- Montgomery County Chamber of Commerce
- Mount Vernon Lee Chamber of Commerce
- Northern Virginia Chamber of Commerce
- Prince William Chamber
- Restaurant Association Metropolitan Washington

“The companies we represent as membership and civic organizations are proud to serve the federal government, its employees and contractors. We are eager to get back to work,” said **Anthony Williams, chief executive officer and executive director of the Federal City Council**. “Over 300,000 Washingtonians work directly for the federal government. Thousands more work in the service sector, relying on those workers to be customers for dry cleaning, taxis or gym classes. The impact of a federal shutdown spreads far and wide within our community.”

With the spending patterns of so many area workers disrupted, restaurants are taking a hit. **Kathy Hollinger, president and chief executive officer of the Restaurant Association Metropolitan Washington**, said, “The impact of the shutdown is severe and far reaching. Our

local business community and economy are directly impacted by this furlough, and our local restaurants have reported a twenty percent average decrease in sales with some losing as much as sixty percent in sales.”

Companies that operate and manage apartment and office buildings across the region are concerned about their tenants and residents. “As with previous shutdowns, many of our members are supporting their apartment building residents who have been furloughed by offering a variety of options, including waiving fees for late rental payment and deferring charges,” said **Margaret “Peggy” Jeffers, executive vice president of the Apartment and Office Building Association of Metropolitan Washington**. “For office building owners and managers who lease space to Federal agencies and government contractors, the uncertainty of payment will soon become a substantial hardship which will have a ripple effect across the property management industry. Small businesses that lease space in and around our office buildings are already suffering – businesses which range from cafes and restaurants to parking lots and dry cleaners.”

Restaurants and property management companies are only two examples of the many types of companies that are seeing their cash flows dwindle. The impacts of the government shutdown reach most corners of our economy, directly or indirectly.

“From transportation providers and ride share companies to retailers of all sizes, the effect is noticeable,” explains **Vincent B. Orange, president and chief executive officer of the DC Chamber of Commerce**. “Those that participate in the federal procurement process, including non-profit service organizations, are waiting to receive federal grants or contract payments and are now trying to think of innovative ways to earn and recover those dollars. These local firms use resources to pay staff, provide social services and research and keep their doors open. The insecurity that this shutdown has caused, coupled with the loss of productivity and revenue, impacts the business community as a whole.”

Destination DC, the official destination marketing organization for the nation’s capital, is continuing to encourage business and leisure travel with its “DC is Open” campaign. **Elliott Ferguson, president and CEO of Destination DC**, said, “The reality is that the longer the shutdown continues, the more we have to counteract a negative perception about Washington, DC, especially globally. Business travel related to government work is impacted, as are the experiences of those coming to visit some of our nation’s greatest cultural institutions. Tourism is a \$7.5 billion industry for Washington, DC, so the shutdown has potentially serious economic ramifications.”

The impacts of the shutdown stretch from the District into Maryland and Virginia.

“Approximately 172,000 Maryland residents are currently impacted by the shutdown,” explained **Christine Ross, president & CEO of the Maryland Chamber of Commerce**. “Each bi-weekly payroll for which these residents are not paid results in \$778 million of lost wages.”

“Businesses across Northern Virginia partner with the federal government and the contracting community every day to serve our nation and support our economy,” said **Julie Coons, president and chief executive officer of the Northern Virginia Chamber of Commerce**.

“While the shutdown is particularly harmful to our region’s government contracting community

and its workforce of roughly 375,000, it is hard to find an industry in Northern Virginia that is not impacted by the prolonged shutdown. Northern Virginia's economy is a highlight in our region and beyond – as our businesses continue to weather this uncertainty, the impact will unfortunately extend beyond just our region.”

Though the Metropolitan Washington area has the highest concentration of federal workers of any metropolitan area, the government shutdown is inflicting serious costs on the entire country. **Anthony Williams** explains, “The national economy will lose billions of dollars as a result of this shutdown. Taxpayers can no longer rely on the services—like their parks and museums—that they fund with their hard-earned dollars. Critical upkeep and maintenance can't be completed, which leads to higher costs down the road. Food is going uninspected. Air traffic controllers and TSA employees are operating under stress without pay. The longer this shutdown lingers, the more of a threat it poses to our nation's economy.”

Companies at all stages of growth rely on federal government services that have no substitute. **Jack McDougle, president and chief executive officer of the Greater Washington Board of Trade**, said, “From small business loans to permits to data, the federal government provides a wide range of benefits that help American companies succeed. Our economy depends on the cooperation of the private and public sectors, and when one ceases to function, the other can't continue business as usual.”

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