

Delivering on Mission? Effects of the 2019 Federal Government Shutdown

January 2019



Highlights

Market Connections fielded an online survey of 200 federal civilian or independent agency workers from January 10 to 14, 2019 (Days 20 to 24 of the partial government shutdown).



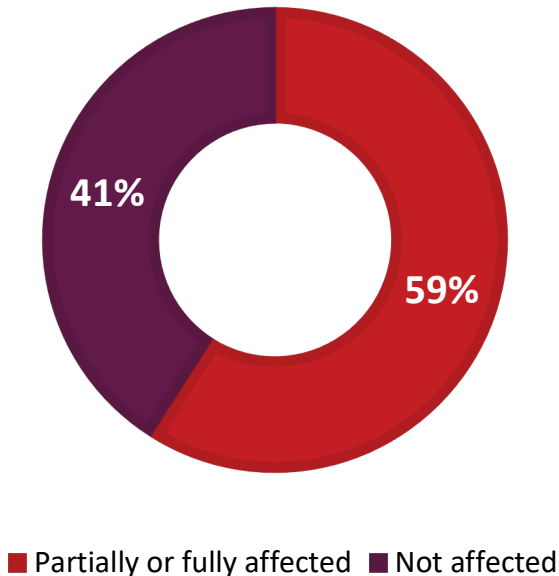
KEY FINDINGS:

- Over four out of ten feel the two largest areas of impact of the shutdown for government contractors include:
 - Not being paid for the time the government was shut down
 - Inability to start projects on time
- At least one-quarter feel contractors will be asked to do more with less time and the scope of services will be reduced
- Employees feel future recruitment and retention will also be significantly impacted. Morale was the top impact cited, followed by future agency recruitment and retention

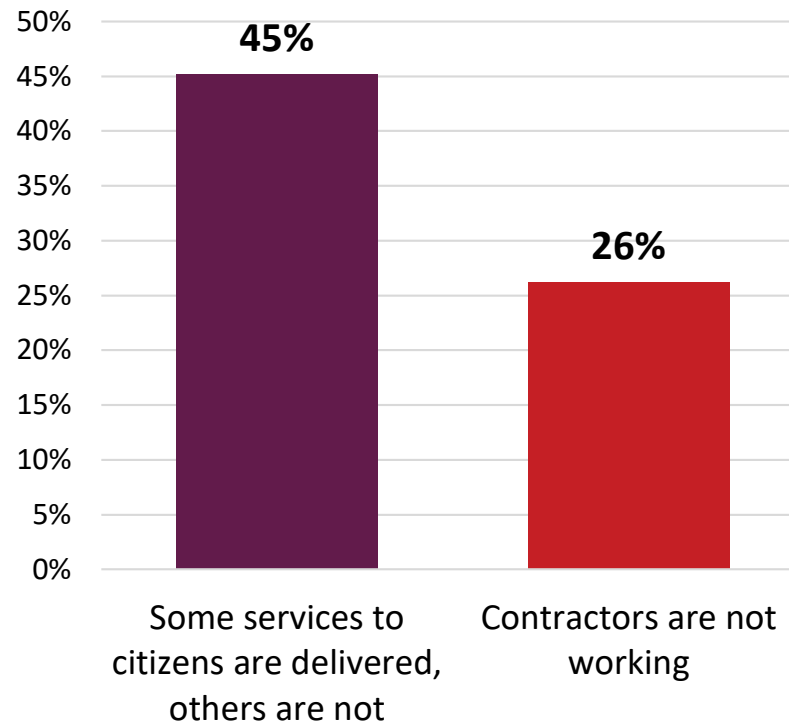
Agency and Personal Effects

Most respondents' agencies are either partially or fully affected, leading to some citizen services not being delivered and contractors not working. Many workers are either furloughed or working without pay.

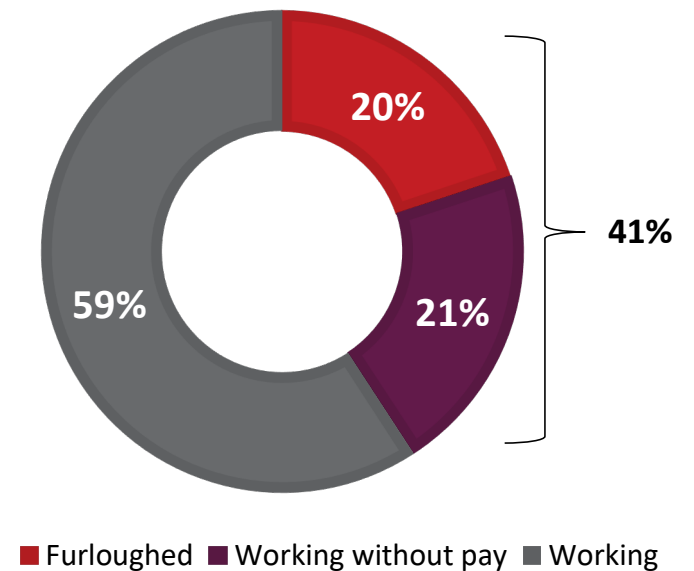
How agency is affected by the recent government shutdown



How agency is partially affected



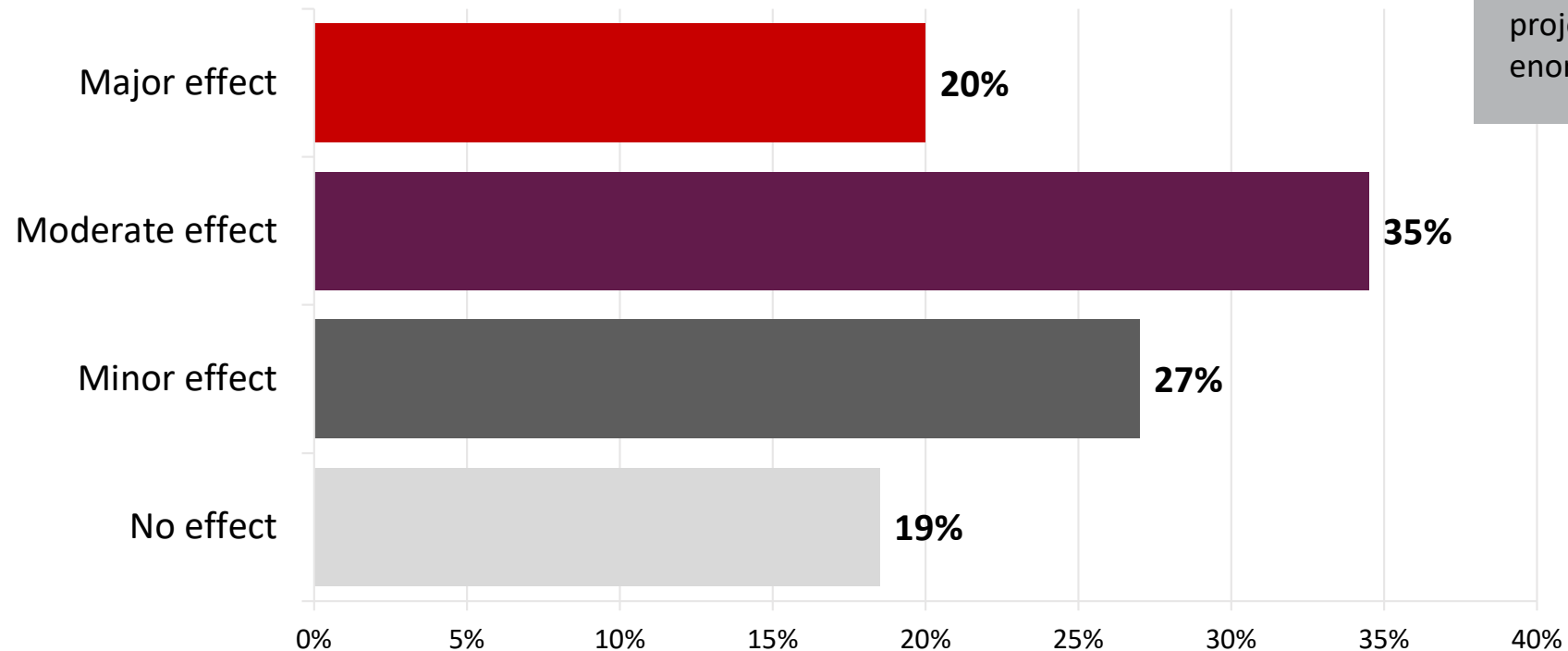
How personally affected



Ability to Reach Agency Goals

Federal workers and federal contractors are going to have to work in partnership going forward given concerns about achieving goals, reduced scope and timelines.

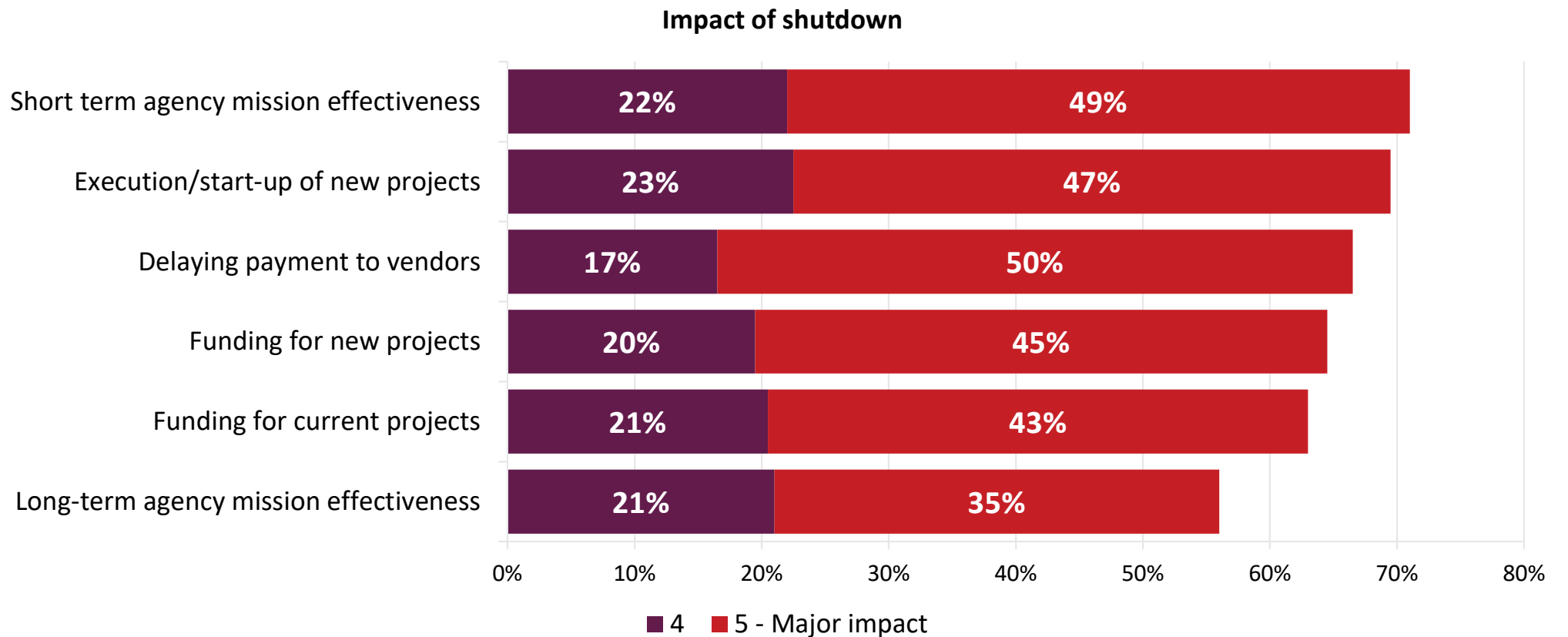
As a federal employee, to what extent do you anticipate that this shutdown will affect the overall ability of your agency to reach its goals for the year?



“ The time and resources that will be expended to get projects back on track will be enormous.

Agency Effectiveness

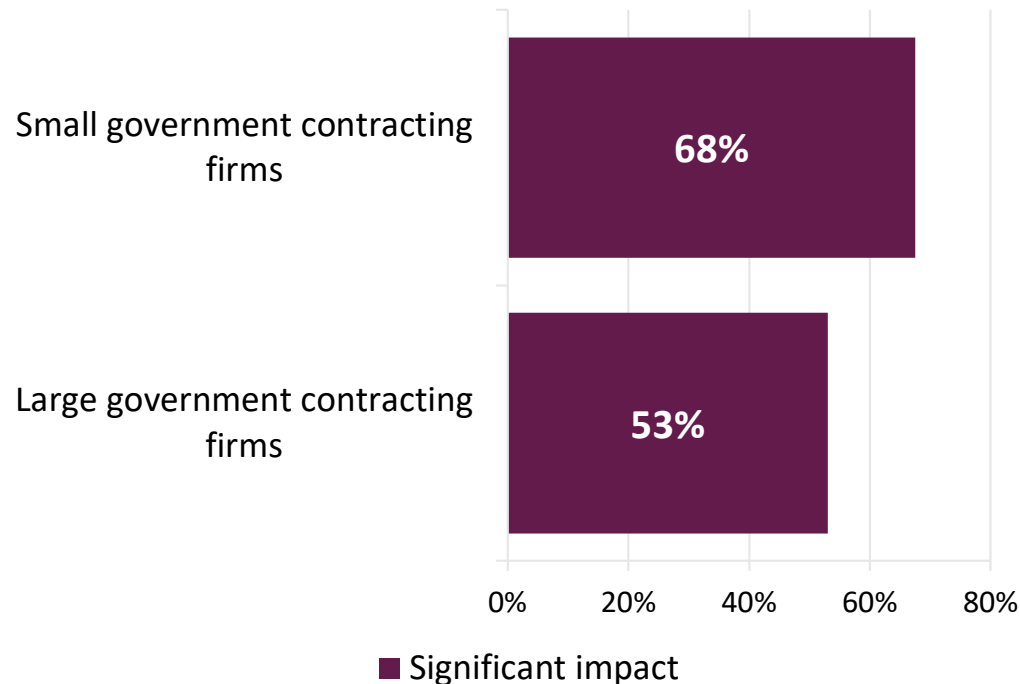
Top impacts of this shutdown include short term agency mission effectiveness and the execution/start-up of new projects. Payment and funding for new and current projects may also be impacted.



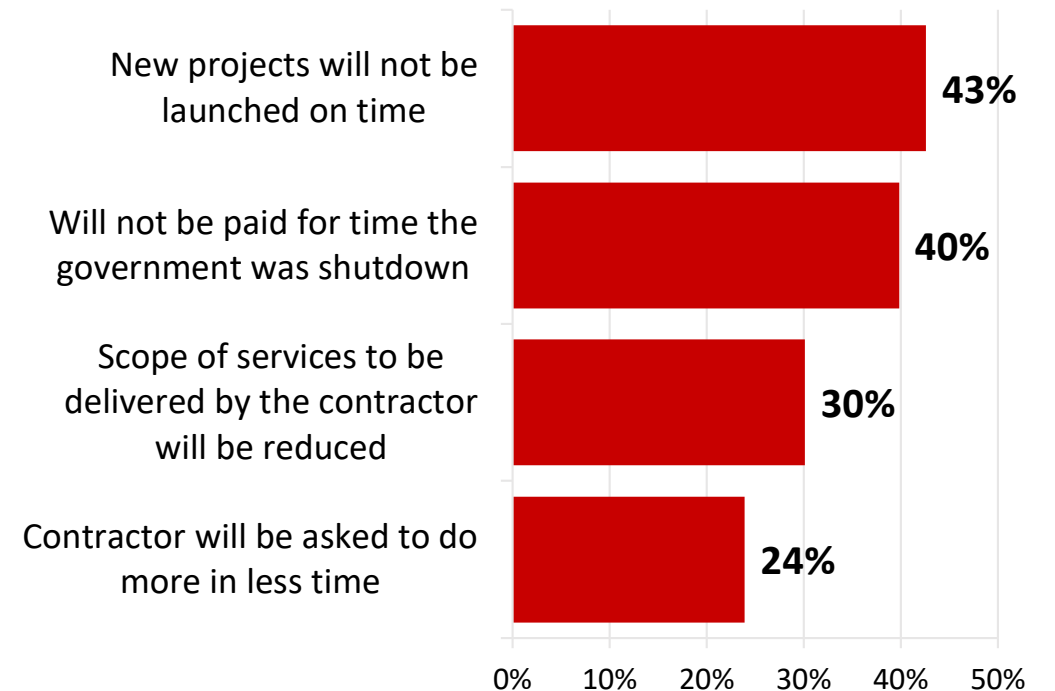
Significant Impact on Contractors

Contractors are going to have to be prepared to deliver more with less and be ready to take on work with shorter timelines with a chance they will not be paid for this past month's work.

Significant impact on contractors



How will contractors be affected by the shutdown?



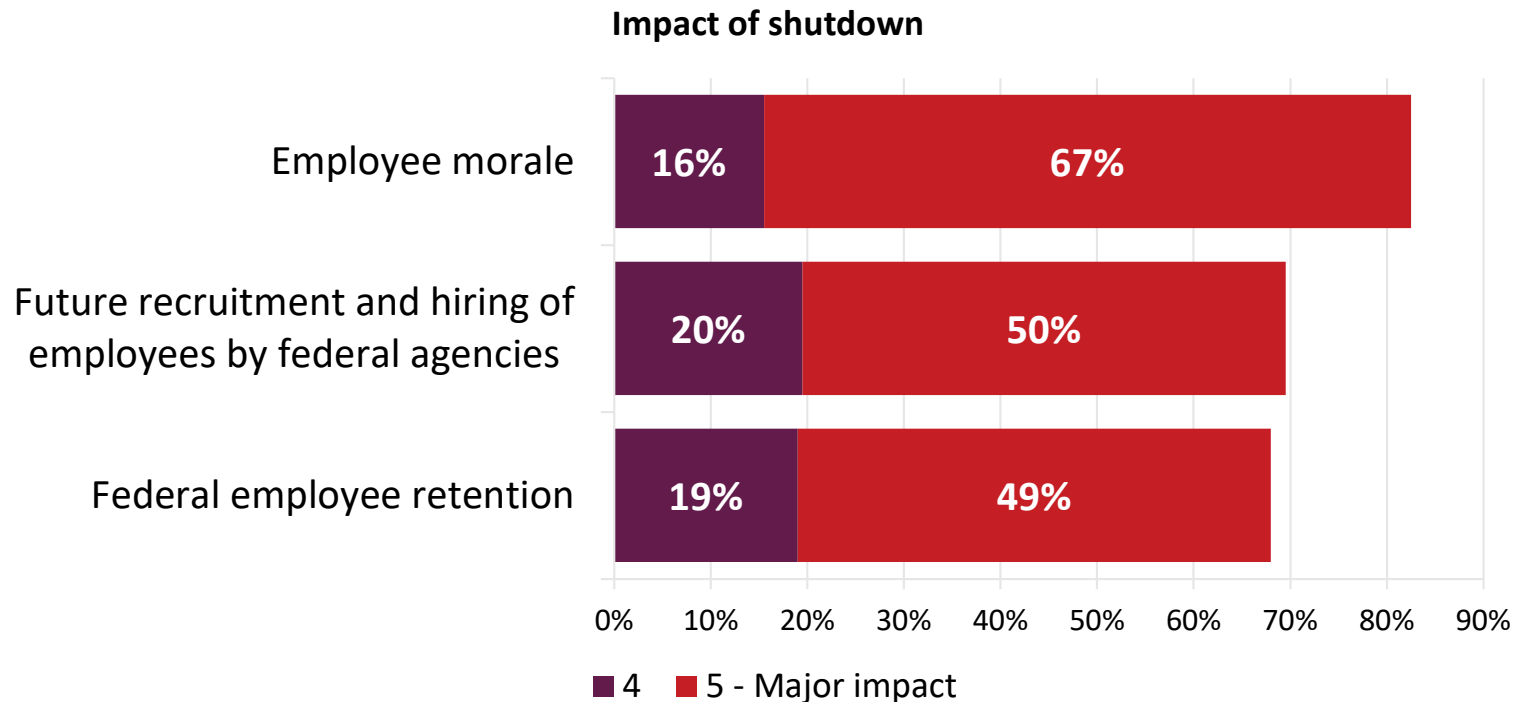
Morale

In the longer term, there will be even more challenges because of the difficulty they will be facing to recruit and retain top employees. The shutdown is seen as also severely impacting employee morale, future recruitment and hiring of employees by federal agencies.

“ Why would anyone want to work for the Federal Government under these conditions? If I weren't close to retirement, I'd leave in a minute!!!

“ The impact on morale has been significant, and the backlog created by lack of services is extremely concerning.

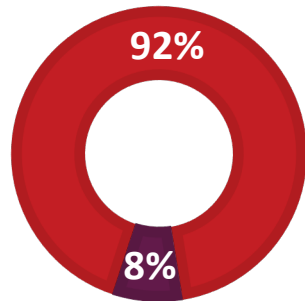
“ Government is not as stable an employer as once thought.



Outlook On Future Shutdowns

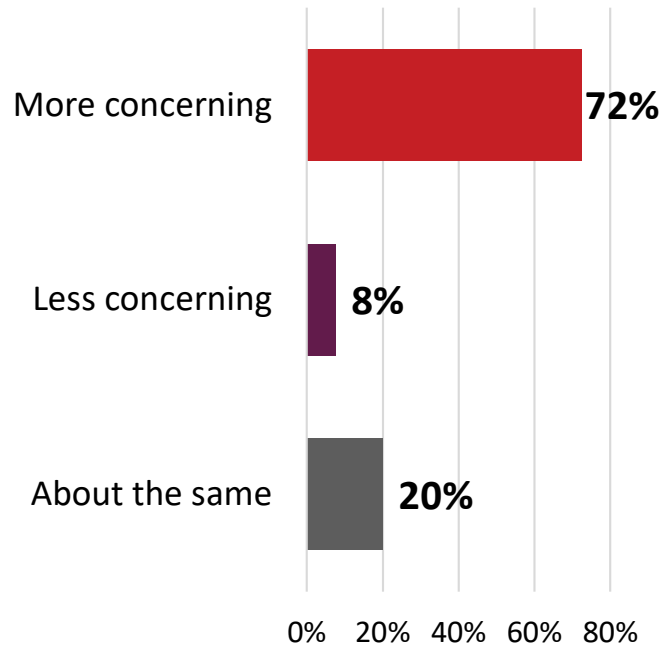
Most have been through this before and believe that it will not change in the near future.

Worked for the federal government during any prior shutdown

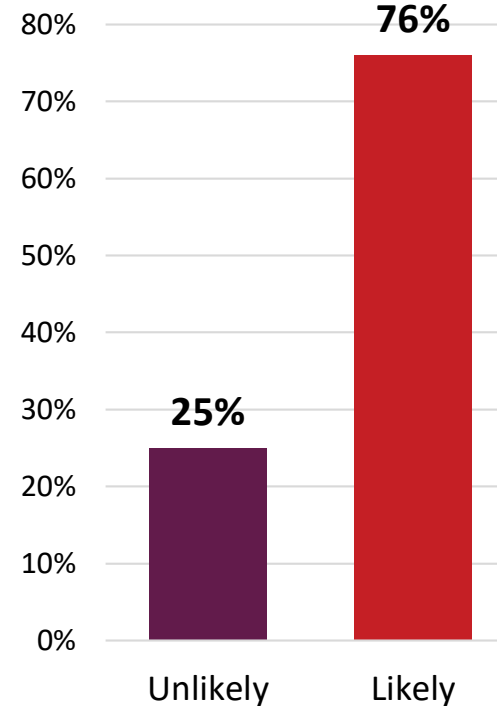


■ Yes ■ No

Is this shutdown more concerning, less concerning, or about the same as past instances?



Likelihood that there will be another shutdown in FY2020



“ Federal employees are put in the middle of a political game that is out of their control.

“ The government NEVER reaches a budget prior to any required deadline...they ALWAYS go into some type of continuing resolution.

“ This will happen again every time a budget is voted upon, I think.

About Us

Over 20 years of studying the federal market and supporting the contractors who serve them.



ABOUT MARKET CONNECTIONS

For more than 20 years, Market Connections delivers actionable intelligence and insights that enable improved business performance and positioning for leading businesses, trade associations and the public sector. The custom market research firm is a sought-after authority on preferences, perceptions and trends among the public sector and the contractors who serve them, offering deep domain expertise in information technology and telecommunications; healthcare; and education.

Contact Information

Aaron Heffron, *President*

11350 Random Hills Road, Suite 800 | Fairfax, VA 22030 | 703.378.2025

AaronH@marketconnectionsinc.com

