

Federal firings create massive recession in Washington, D.C.

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President Donald Trump's firing of tens of thousands of federal workers in the past few months—targeting agencies that do not suit his needs or those of the financial oligarchy—has left workers in the Washington, D.C. area scrambling to make ends meet.

The mass terminations have left affected workers scrambling to find jobs with similar wages and positions that require the skills and expertise they possess. The *Washington Post* reported on data from the jobs site Indeed that showed employment postings have fallen by 17 percent since January, especially for positions typical of those within federal agencies or companies with government contracts. The three sectors with the greatest increases in job postings are nursing, education, and food service.

The federal jobs bloodbath has had a knock-on effect on other businesses in the area. With the loss of revenue from federal workers, businesses such as restaurants and hotels face cuts of their own.

Whatever help these workers may receive will certainly not come from their own governments—whether controlled by Democrats or Republicans—as a further squeeze is being placed on workers and their families.

On May 27, Democratic D.C. Mayor Muriel Bowser proposed a budget to address a \$1 billion federal cutback in the District's budget allotment, in addition to a forecasted drop in revenue due to the Trump job cuts.

Reported in the media as a business-friendly proposal, Bowser's budget plans prioritize bringing companies back into the District at the expense of D.C. workers and their families. This \$21.8 billion proposal will be voted on by the Democratic Party-controlled D.C. Council by early August.

Chief among the programs targeted for drastic cuts or

removal is the District's Medicaid program. The proposal will throw thousands off the Medicaid rolls, a major attack on the most vulnerable sections of the working class.

Under the proposed budget, current enrollees making an annual income of 138 percent of the Federal Poverty Level or higher—at least \$51,957—will be deemed ineligible for Medicaid. These cuts would affect 25,575 people, forcing many to go without any health coverage.

Furthermore, \$52,000 is far from the amount needed to live adequately in Washington. According to SoFi, the average cost of living in Washington, D.C. is \$92,037 annually for an individual.

This is on top of threatened cuts to Medicaid on a national level if Trump's "Big Beautiful Bill" becomes law. The bill, which now goes to the Senate after passage in the House of Representatives by one vote on May 22, would cut Medicaid by \$698 billion over ten years to help pay for massive tax cuts for the rich.

Among D.C.'s immigrant population, healthcare coverage under the Healthcare Alliance Program—which covers 27,000 people regardless of immigration status—would be affected. All adults aged 21 or over would be phased out of the system effective August 1 and would be required to re-enroll every six months beginning the following March. Children currently on the plan would not be affected.

The budget proposal would also repeal the city's Sanctuary Values Amendment Act, first enacted in 2019, ending Washington's status as a sanctuary city. The District would be required to comply with detainer requests from Immigration and Customs Enforcement (ICE). This comes just one week after Trump unveiled on a Department of Homeland Security (DHS) web page a list of 500 jurisdictions, accusing D.C. and many

areas in the region of “deliberately and shamefully obstructing” federal immigration laws.

Two programs for low-income children are also threatened with removal in the proposed D.C. budget: the Baby Bonds program, which provides a trust for children for every year the family is below an income threshold, and the D.C. Child Tax Credit of \$500 per child.

While pleading poverty regarding programs vital to the working class, Bowser is able to find money for initiatives attractive to business interests. The Metropolitan Police Department is one such beneficiary, with \$30 million set aside to hire more police officers as part of a “tough-on-crime” initiative appealing to business owners.

Bowser’s budget also proposes \$1 billion over a multi-year period to redevelop the site of Robert F. Kennedy Memorial Stadium in a bid to lure the NFL’s Washington Commanders away from Landover, Maryland, where they have played since 1997. The NFL franchise played at RFK Stadium from 1961 to 1996.

This development comes more than a year after the D.C. Council voted to use \$515 million in public funds to renovate Capital One Arena as a condition for keeping Monumental Sports & Entertainment’s franchises—the NHL Capitals and NBA Wizards—in the city.

Furthermore, the budget proposal includes a repeal of Initiative 82, enacted in 2022 with a 74 percent vote, which gradually increases the minimum wage for tipped employees in yearly increments, from \$5 per hour in 2022 up to \$17.50 per hour by 2027. The D.C. Council recently voted to pause the next step, which would have raised the tipped wage from \$10 to \$12 per hour.

The federal job cuts and austerity proposals are only two prongs in this vicious attack on the working class. Food banks, vital to the survival of low-income workers who sometimes must choose between paying their bills or eating, have witnessed a drastic increase in demand in the wake of these layoffs.

Trump’s spending bill would further exacerbate food insecurity by cutting the Supplemental Nutrition Assistance Program (SNAP)—the main food assistance program in the United States—by \$267 billion over ten years. As a result, many recently-fired federal workers

and their families now face potential financial hardship.

The U.S. Department of Agriculture (USDA), under Trump, paused \$500 million in funding, along with halting programs that would have provided for direct purchases of food from farmers and a program to feed low-income seniors.

The funding pause has resulted in the cancellation of millions of meals nationwide. The *Washington Post* reported that the Blue Ridge Area Food Bank received no warning that meals they had already ordered had been canceled.

Demand at Blue Ridge has sharply increased beyond the levels experienced in the earliest months of the COVID-19 pandemic, with 177,000 visits in April 2025 compared to 172,000 in May 2020.



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