

# 2021 NORTHERN VIRGINIA WORKFORCE INDEX



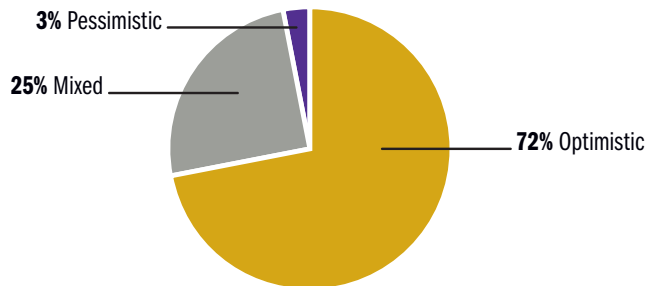
# 2021 NORTHERN VIRGINIA WORKFORCE INDEX

## Executive Summary

Our recent survey of nearly 100 regional business leaders found...

**Employers in Northern Virginia are strongly optimistic about their near-term economic and business prospects.**

How respondents felt about business and economic prospects over the next 1-3 years:



**Northern Virginia weathered the pandemic better than many other regions economically, but businesses are now facing meaningful challenges finding and hiring talent due to labor shortages.**

**50%**

Reported that, since the start of the year, hiring has been more difficult than usual.

**42%**

Indicated that an overall shortage of candidates has been a primary barrier to hiring over the past 12 months.

**The pandemic has had a noticeable impact on employer hiring and retention practices—while remote work is top of mind, plans for whether it will continue are mixed.**

### Top Anticipated Trends in Hiring

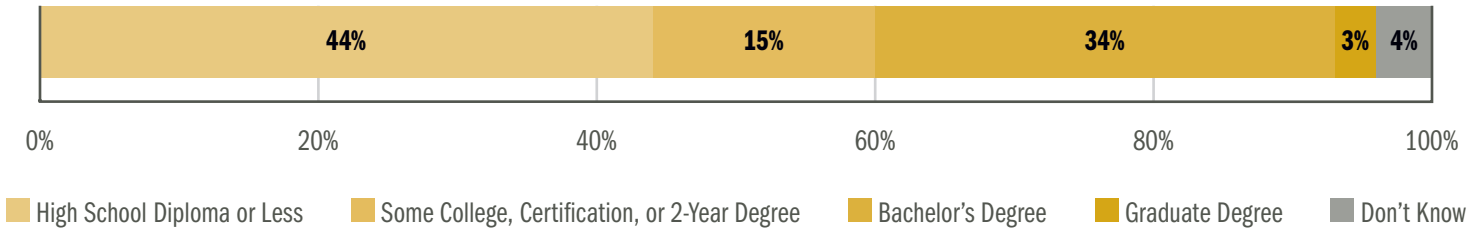


### Top Perks and Benefits



**Regional businesses generally maintain a conventional approach to education, training, and professional development—yet, now is the perfect opportunity for employers to expand talent pipelines through alternate means, such as apprenticeships.**

Minimum level of education typically required for entry-level jobs based on survey responses



**66%**

Hired at least one intern over the past 12 months

**16%**

Reported offering apprenticeships

**Building critical intelligence into the Northern Virginia labor market**

If 2020 was a year marked by economic tumult and uncertainty in the wake of the COVID-19 pandemic, 2021 has been one marked by slow recovery and continued uncertainty. With unemployment rates falling, but job openings and quits at record highs, gaining a better understanding of the workforce landscape is more important than ever.

The new Northern Virginia Workforce Index, developed in partnership between the Northern Virginia Chamber of Commerce and Northern Virginia Community College, provides critical information on hiring, retention, and professional development trends among employers in the region. This annual survey and report will also track these trends into the future, providing a long-term view of how business' workforce prospects and practices are shifting and evolving over time.

For more information about this project, or to be involved in the future of the Northern Virginia Workforce Index, contact Jennifer Williamson, Vice President of Workforce & Member Engagement at the Northern Virginia Chamber of Commerce: [jwilliamson@novachamber.org](mailto:jwilliamson@novachamber.org).

For additional data and insights on labor market trends in Northern Virginia, visit [www.nvcc.edu/lmi](http://www.nvcc.edu/lmi), or contact Tucker Plumlee, Manager of Labor Market Research at Northern Virginia Community College: [tplumlee@nvcc.edu](mailto:tplumlee@nvcc.edu).



# INTRODUCTION

Over a year and a half into the COVID-19 pandemic, and even amidst a prolonged economic recovery, United States labor markets continue to be characterized by uncertainty. The nightly news regularly provides reports of employers unable to find the talent needed to fill jobs while, at the same time, workers are increasingly re-considering their professional and career opportunities, holding out for higher wages, and opting for work environments that are more flexible and accommodating. To meet this uncertainty and plan effectively for the future, detailed and actionable intelligence on local labor market conditions, especially employer workforce needs, is more necessary than ever.

Recognizing this need, in 2021 the Northern Virginia Chamber of Commerce's Strategic Planning Task Force proposed the development of an annual employer survey and report that would provide detailed data on employer sentiment and workforce practices specific to the Northern Virginia region.<sup>i</sup> Developed in partnership with Northern Virginia Community College (NOVA) through its Business Engagement Center and Office of Institutional Research's Labor Market Research team, the aim of this pilot survey is to outline the scope of topics to be addressed, identify any opportunities for technical and logistical improvement in future surveys, and to capture an initial snapshot of business responses during a critical inflection point in the national and regional economy. By consistently tracking these same topics over time, this initiative will serve as an important resource for economic and workforce development decision-making in the region.

## Among the key findings of our initial survey of business leaders in Northern Virginia:

- ▶ Employers in Northern Virginia are strongly optimistic about their near-term economic and business prospects.
- ▶ Although Northern Virginia weathered the pandemic better than many other regions economically, businesses are now facing challenges finding and hiring talent due to labor shortages.
- ▶ The pandemic has had a noticeable impact on employer hiring and retention practices—while remote work is top of mind, plans for whether it will continue are mixed.
- ▶ Regional businesses generally maintain a conventional approach to education, training, and professional development. However, the current labor market offers the perfect opportunity for employers to expand their talent pipelines through alternate means of hiring and development, such as apprenticeships



*In 2021 the Northern Virginia Chamber of Commerce's Strategic Planning Task Force proposed the development of an annual employer survey and report that would provide detailed data on employer sentiment and workforce practices specific to the Northern Virginia region.*

<sup>i</sup> Defined as the nine Commonwealth of Virginia jurisdictions immediately surrounding Washington D.C.: Alexandria City, Arlington County, Fairfax City, Fairfax County, Falls Church City, Loudoun County, Manassas City, Manassas Park, and Prince William County

# SURVEY OVERVIEW

Between June 30 and August 25, 2021, 91 regional business leaders—primarily at the C-Suite/executive leadership level (74% of respondents) but also including directors of human resources (12%) and other managers with knowledge regarding their business’s hiring and talent development (14%)—responded to a series of 25 questions.<sup>ii</sup> These questions covered a range of topics including: the business’s economic outlook; recent and anticipated employment changes; trends and practices in hiring and retention; as well as typical requirements and offerings in terms of education, training, and professional development. Due to the significant economic impacts of COVID-19 over the past year, a handful of questions specifically addressed these impacts on respondent businesses, as well as any anticipated changes stemming from them.

Survey respondents represented a diverse set of businesses from across the Northern Virginia region, covering nearly the entire spectrum of industry sector and size (*Table 1*). As a pilot reliant on convenience sampling (as opposed to a random sample), however, it is important to highlight a few important ways in which these respondents may over- or under-represent certain components of the regional economy based on the most recent data available from the United States Census Bureau’s Statistics of U.S. Businesses (SUSB).<sup>1</sup>

Businesses involved in professional, business, financial, or other services<sup>iii</sup> tend to make up a larger percentage of survey responses than total firms in the region, while those in leisure, hospitality, food service, retail, and construction tend to make up a smaller comparative share of respondents compared to firms. At the same time, mid-size businesses (those employing 20 - 500 employees) tend to be over-represented, while small businesses (less than 20 employees) tend to be underrepresented. Finally, a slightly larger share of respondents identified Fairfax County as their main location than the overall share of firms located in the region, while respondents in Prince William County and Manassas/Manassas Park were slightly underrepresented compared to total firms.

Keeping these weights in mind, we will note cases throughout this report where respondent demographics may play a role in the results. Even then, we believe that these responses, on balance, represent a strong cross-section of businesses in the region.

**Table 1. Survey Respondent Business Demographics (by percentage of respondents)**

Jurisdiction*		Industry Super-Sector		Business Size (# of employees)	
Fairfax County	48%	Professional & Business Services	43%	< 20	24%
Loudoun County	14%	Financial Activities	14%	20 - 99	35%
Arlington County	11%	Other Services	13%	100 - 499	27%
Prince William County	5%	Education & Health Services	12%	500+	13%
Alexandria City	5%	Leisure & Hospitality	6%		
Fairfax City	4%	Trade, Transportation, & Utilities	4%		
Falls Church	3%	Information	3%		
Manassas Park	1%	Construction	2%		
Washington, D.C.	4%	Manufacturing	2%		
Maryland	2%				
Not Specified	1%				

\* Although some respondents either did not indicate a specific jurisdiction (responding “Washington DMV”) or identified Washington D.C./Maryland as their main location, all operate in Northern Virginia.

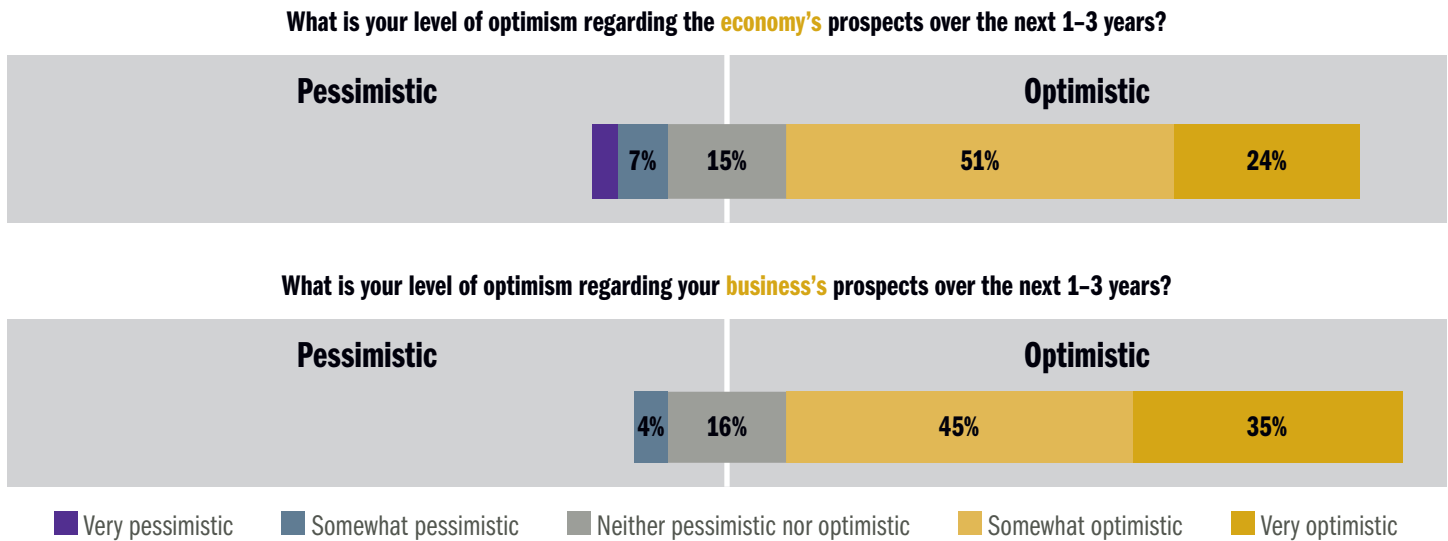
ii NOTE: Responses may not sum to 100% due to rounding. For additional detail regarding the survey’s administration and analysis please see the *Appendix*.

iii “Professional” services can include computer/information technology, engineering, accounting, management consulting, and other scientific/technical firms; financial services involves both finance and investing firms, as well as banks, credit unions, etc.; and “other” services includes a broad range of firms, from those offering personal care to nonprofits and industry associations.

# OVERALL BUSINESS/ECONOMIC OUTLOOK

Despite the overwhelming challenges of the past year and a half, survey respondents were strongly optimistic regarding the overall economy’s near-term prospects. Three-quarters (75%) reported being either “somewhat” or “very” optimistic about the potential for economic growth, improvements in employment/productivity, and further innovation over the next 1-3 years, while only 10% expressed some level of pessimism; 15% were neutral (Figure 1). This optimism was even more pronounced when respondents were asked to consider their own business’s outlook—80% reported being “somewhat” or “very” optimistic about their business’s prospects over the next 1-3 years, while only 4% reported being “somewhat” pessimistic; none were “very” pessimistic.

**Figure 1. Near-term Business and Economic Outlooks among Survey Respondents**

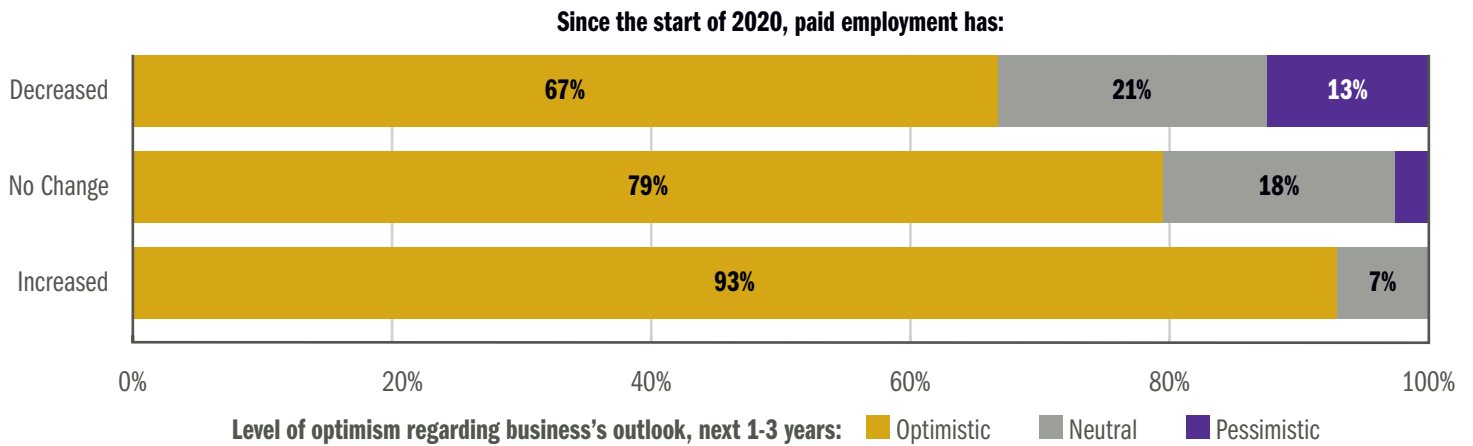


In combination, over a third of respondents (35%) were “somewhat” optimistic about both the economy and their business, while 1/5 (21%) were “very” optimistic about both. Just 27% of respondents reported mixed or pessimistic views overall (Figure 2). Even among those respondents that reported decreases in employment since the start of 2020, the majority (67%) were still optimistic regarding their business’s prospects going forward (Figure 3).

**Figure 2. Combined Business/Economic Outlooks among Survey Respondents**

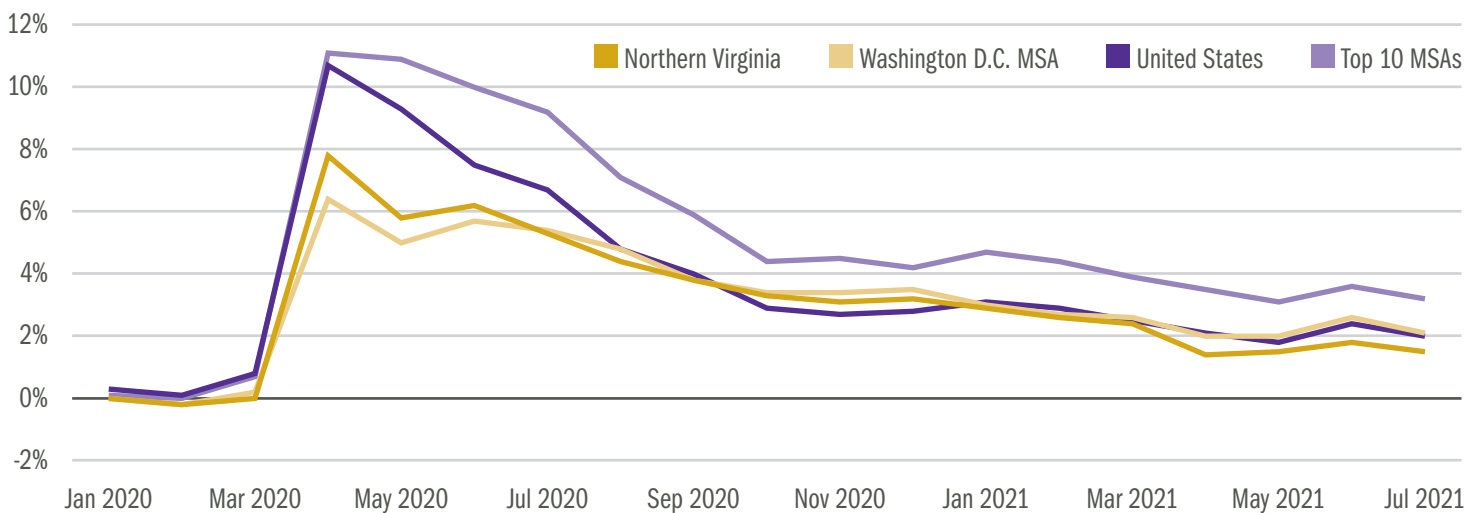
		Economic Outlook				
		Very pessimistic	Somewhat pessimistic	Neither pessimistic nor optimistic	Somewhat optimistic	Very optimistic
Business Outlook	Very pessimistic					
	Somewhat pessimistic	1%	2%	1%		
	Neither pessimistic nor optimistic	1%	1%	11%	2%	
	Somewhat optimistic	1%	2%	3%	35%	3%
	Very optimistic		1%		13%	21%

### Figure 3. Respondents' Business Outlook Given Reported Changes in Employment



However, it is also worth noting that the Washington D.C. metropolitan area (D.C. MSA) and the Northern Virginia region have fared better economically than the rest of the country as well as other highly populated metro areas (MSAs) since the beginning of the COVID-19 pandemic, which could contribute to higher levels of optimism among regional employers. This is due, in part, to the relative strength/resiliency of the regional labor market. While both Northern Virginia and the D.C. MSA have historically had lower unemployment rates than the rest of the country, rates in our region did not increase as drastically at the start of the pandemic as in other areas (Figure 4) and have consistently remained lower than in other large MSAs. Similarly, a smaller share of jobs was lost in Northern Virginia at the pandemic's outset than elsewhere, and Northern Virginia's rate of jobs recovery exceeded the national rate through at least July (Figure 5).

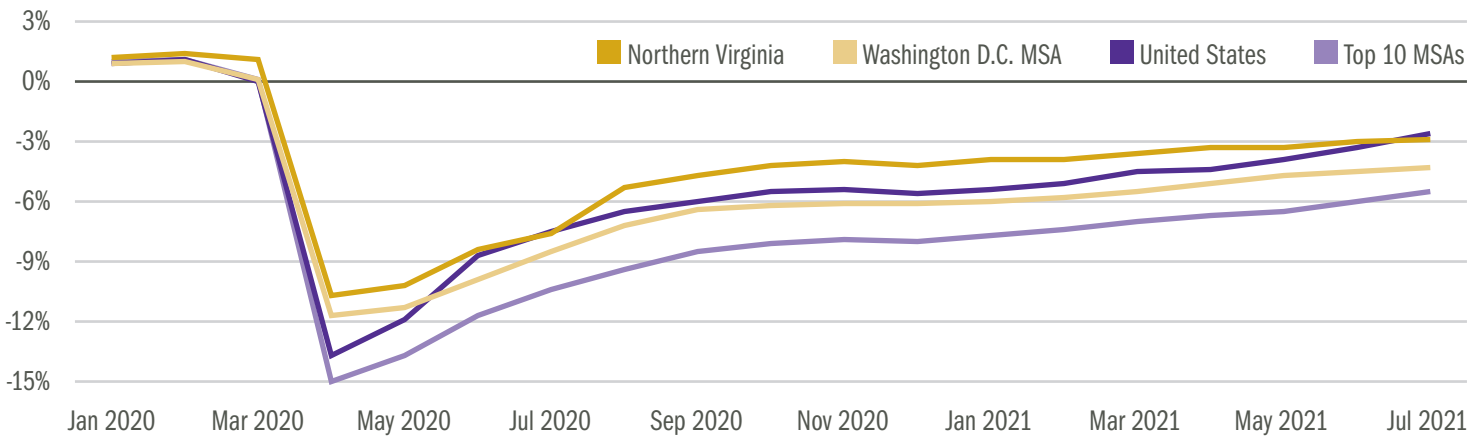
### Figure 4. Unemployment Rate - Percentage Point Difference from 2019 Average



NOTE: The top 10 MSAs in the United States, ranked by population as of the 2020 census, included here are those that center on the following major cities: New York City, Los Angeles, Chicago, Dallas-Fort Worth, Houston, Washington D.C., Philadelphia, Miami, Atlanta, and Boston.

Sources: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS) and Current Population Survey (CPS), Not Seasonally Adjusted.

**Figure 5. Employment – Percentage Change from 2019 Average**



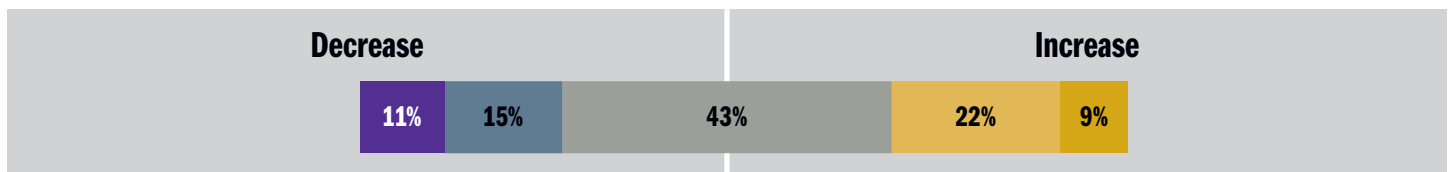
Source: U.S. Bureau of Labor Statistics, Current Employment Statistics (CES), Seasonally Adjusted.

## EMPLOYMENT CHANGES

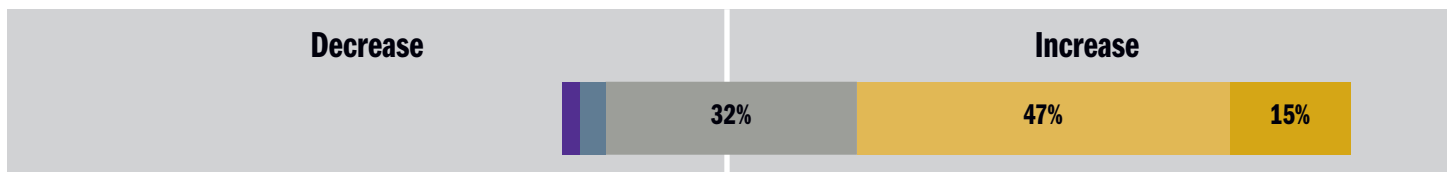
This relative stability in the regional labor market was reflected in survey responses, with many respondents (43%) reporting no significant change in employment since the start of 2020. Slightly more respondents reported increases in employment (31%) than declines (26%), although slightly more reported significant declines than significant increases (*Figure 6*). When disaggregated by business sector and size, it appears that smaller businesses (those with fewer than 20 employees) were more likely to report employment declines than increases, and the majority of respondents in the leisure and hospitality sector reported significant declines.

**Figure 6. Past and Future Employment Changes Among Survey Respondents**

Since the start of 2020, how have levels of paid employment changed at your business?



How does your business anticipate its levels of paid employment will change over the next 12 months?



■ Significant decrease (≥15%) ■ Decrease (<15%) ■ No significant change ■ Increase (<15%) ■ Significant increase (≥15%)

This highlights the extent to which Northern Virginia’s resiliency during the pandemic has been a product of its industry landscape and economic reliance on large firms in the professional/technical services and public sectors. These businesses were able to transition more easily to remote work and better weather the business impacts of the pandemic. It is also worth keeping in mind that businesses in these sectors were more heavily represented among survey respondents, even when considering their comparatively higher concentration across the regional economy, which may affect the distribution of results seen here.



Most respondents (63%) anticipated employment growth over the next 12 months, while another 32% anticipated no significant change (Figure 6). Only 6% of respondents anticipated declines in employment, with most of these being very small businesses (those with less than 10 employees total). Combined, over a quarter of participants reported both past and projected employment increases (27%) while another 41% reported either mixed increases in employment (past or future) or no significant changes (Figure 7).

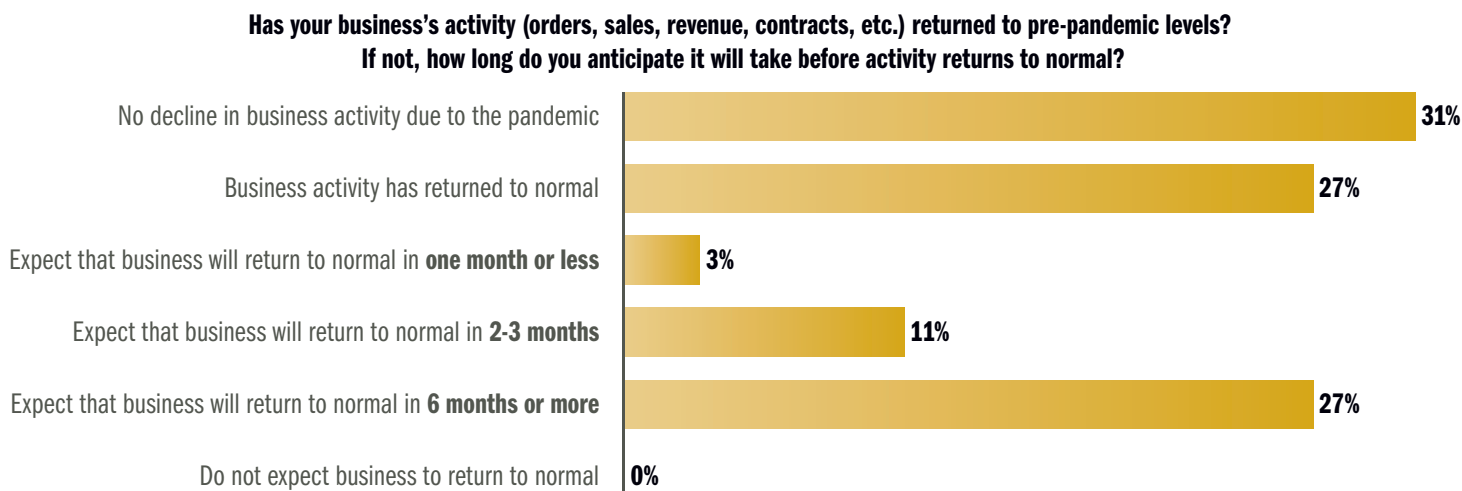
**Figure 7. Combined Past/Future Employment Changes Among Survey Respondents**

		Past Change				
		Significant decrease (≥15%)	Decrease (< 15%)	No significant change	Increase (< 15%)	Significant increase (≥ 15%)
Future/Anticipated Change	Significant decrease (≥15%)			2%		
	Decrease (< 15%)		2%	1%		
	No significant change	4%	4%	20%	2%	1%
	Increase (< 15%)	6%	7%	15%	17%	3%
	Significant increase (≥ 15%)	1%	2%	4%	3%	4%

## COVID-19 IMPACTS

When specifically asked about changes to their business’s level of activity compared to before the COVID-19 pandemic, more than half of respondents indicated that they had either not experienced a decline in activity (31%) or that business had returned to its pre-pandemic “normal” (27%). Of those that indicated business had not yet returned to normal as of the time of the survey (July/August 2021), most (27% of all respondents) expected it would take longer than 6 months to do so (Figure 8).

**Figure 8. Impact of COVID-19 on Business Activity**



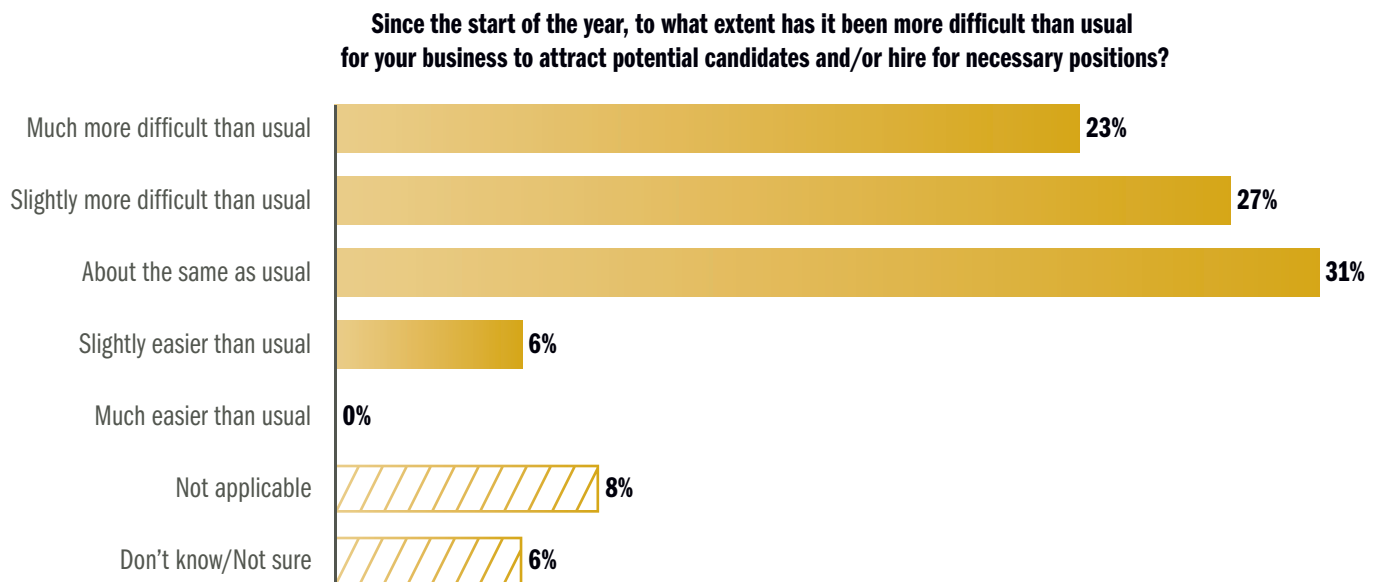
This distribution of responses largely reflects those provided to a similar question asked in the Census Bureau’s Small Business Pulse Survey (SBPS)<sup>iv</sup> where, over the most recent survey period (from 8/16 – 9/5/2021), businesses across the Washington D.C. MSA were similarly split primarily between those for whom business had already returned to normal or never declined (37% on average), and those facing longer recoveries (40%).<sup>2</sup> While attempts to draw direct comparisons between the values of these two surveys’ results should be avoided, around 9% of SBPS respondents did not expect business to return to normal; none of the respondents to this survey indicated the same. One possible reason for this discrepancy could be this survey’s inclusion of businesses larger than 500 employees (not included in the SBPS), and its higher concentration of businesses larger than 100. Indeed, evidence has shown that smaller businesses were impacted more severely by the pandemic than others.<sup>3</sup>

This is further reinforced by the finding that most of those respondents expecting future declines in employment were small businesses. So, while the overall economic and employment picture in Northern Virginia is largely positive, it is important to acknowledge that there are a portion of businesses, particularly small businesses, that are expecting a much longer recovery than others.

It is also important to recognize the changing dynamics of the period during which this survey was administered (July to August 2021). Analysis by the Stephen S. Fuller Institute highlights that the region’s economic recovery showed signs of slowing in June and July 2021 and expects that this trend continued into August and September.<sup>4</sup> Due in part to rising infections and hospitalizations from the Delta variant of COVID-19, this slowdown likely had an impact on businesses’ expectations regarding the length of recovery in the near-term (at least among those respondents for whom business had not yet returned to normal).

The impacts of a more prolonged or uneven recovery have been particularly evident in the recent hiring difficulties faced by employers. Record levels of job openings and quits—10.9 million and 3.98 million in July, respectively<sup>5</sup>—indicate significant supply challenges in the labor market nationwide, with many businesses reporting difficulty locating much-needed talent.<sup>6</sup> These challenges were similarly reflected in our survey, where 50% of respondents reported that, since the start of 2021, it has been more difficult than usual to attract and hire job candidates (Figure 9). While 31% indicated that hiring was about the same as usual, only a few (6%) indicated that it was easier than usual; 14% either have not hired recently or weren’t sure of their answer.

## Figure 9. COVID-19 Effects on Recent Hiring



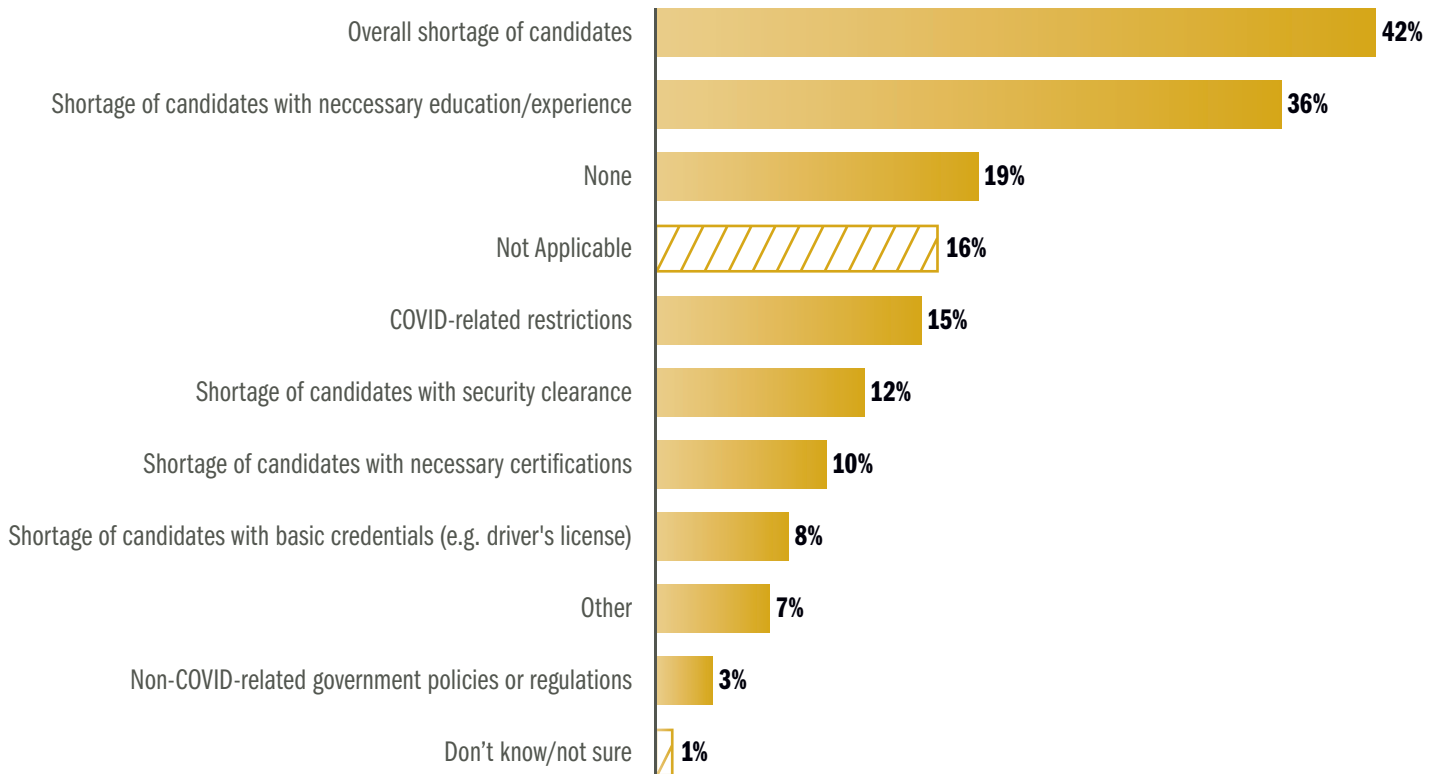
<sup>iv</sup> The SBPS is a weekly nationwide survey of 90,000 single-location employer businesses with 1-499 employees and receipts of more than \$1,000.

# HIRING & RETENTION

Labor supply shortages were further identified by respondents as a primary source of recent hiring challenges. Just under half (42%) reported that an overall shortage of interested or available candidates was a barrier to hiring over the last 12 months (*Figure 10*). This was cited by respondents more frequently than a shortage of candidates with the necessary education, experience, or skills to fill open positions, which has often been identified by employers as their top hiring concern.<sup>7</sup> By comparison, roughly the same percentage of respondents (36%) either reported no barriers to hiring or did not do any appreciable hiring over the last 12 months (i.e., responded “not applicable” to the question).

## Figure 10. Barriers to Hiring

**In the last 12 months, which of the following barriers have prevented you from hiring or expanding employment as necessary?**

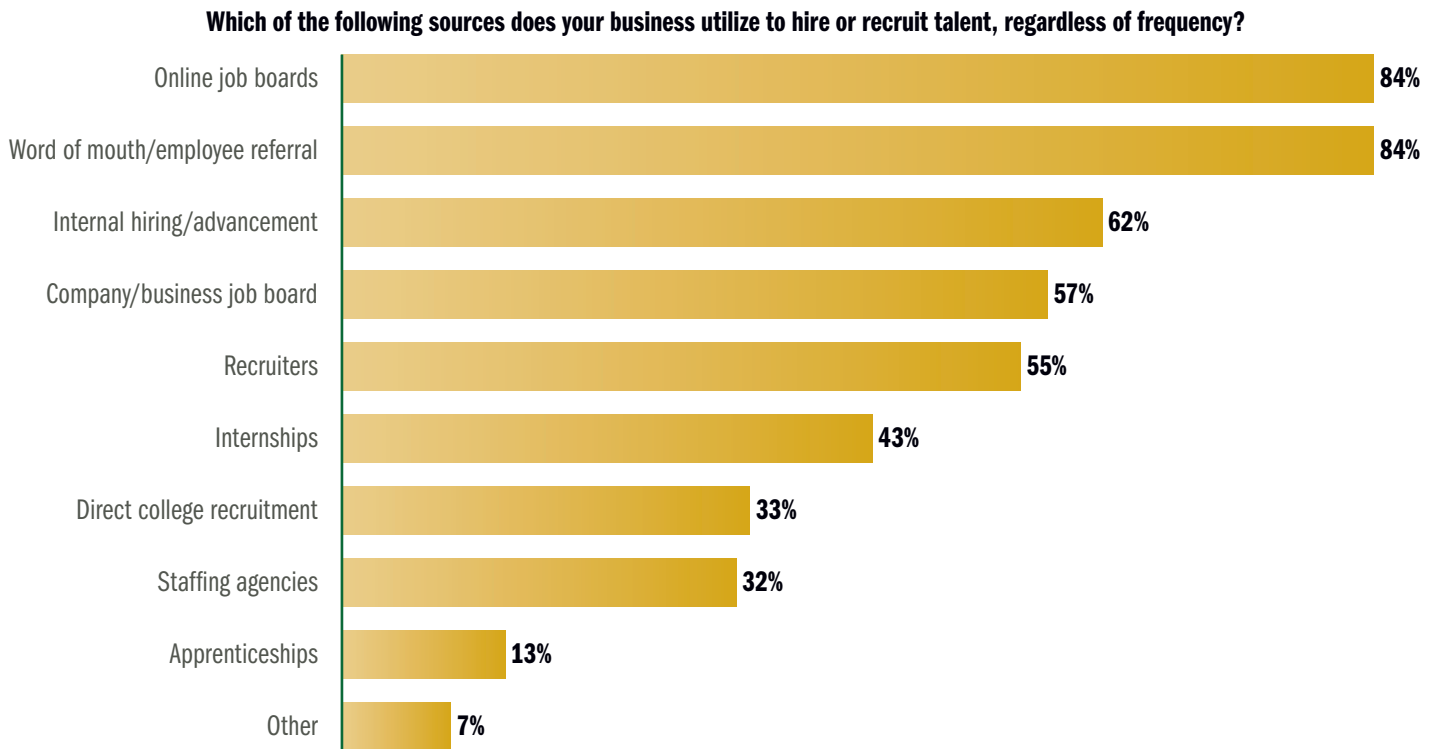


While we might have assumed that COVID-19-related restrictions would be reported as a more prevalent barrier to hiring, the time frame respondents were asked to consider (roughly summer 2020 to summer 2021) fell after many of the initial social distancing and capacity restrictions began to ease in Virginia. This barrier might have also been more prevalent if respondents had included a higher concentration of those businesses that faced the most direct restrictions such as in hospitality, retail, and food services. Given the higher concentration of professional and business services respondents, however, it is surprising that a shortage of candidates with security clearances was not seen as a barrier among more respondents (just 12%), as this has historically been a significant pain point for technology and government contracting employers in Northern Virginia and the surrounding region.<sup>8</sup> This further highlights the extent to which challenges getting candidates in the door may have overshadowed other barriers that have been reported by employers more prominently in the past.

When looking for candidates to hire, respondents reported relying on the conventional options of online job boards and word of mouth nearly across the board, with 84% using each (*Figure 11*). Other common sources included hiring/advancement internally (62%), posting to company-specific job boards (57%), and using recruiters (55%). Among those sources used less frequently by employers were internships, direct college

recruitment, and apprenticeships. If labor shortages continue to make it challenging to locate and hire talent through more conventional channels, however, businesses may want to look to these programs as another means of getting workers in the door.

## Figure 11. Hiring Sources

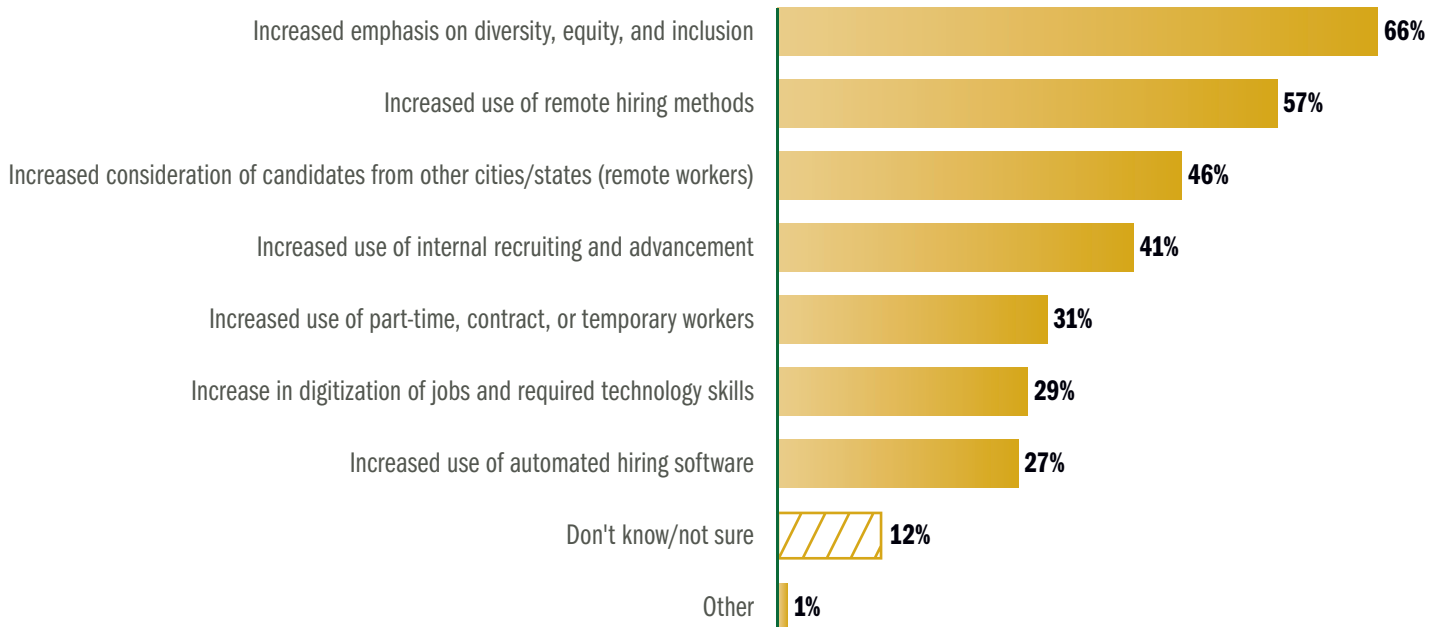


While these options generally require employers to invest additional resources into training or developing talent, internship and apprenticeship programs—if well-constructed, with equity and inclusion as a focus—provide access to more diverse pools of talent, opening opportunities to workers with unique perspectives and skill sets who may not traditionally be considered due to a lack of formal credentials or direct industry experience.<sup>9</sup> By contrast, recruiting and hiring primarily through online job boards or by word of mouth is more likely to produce limited candidate pools that largely resemble a business’s existing workforce.

These considerations are particularly important as over half of respondents (66%) anticipated that an increased emphasis on diversity, equity, and inclusion will continue to re-shape hiring practices over the next one to three years, more than any other identified hiring trend (*Figure 12*). Second to this was the anticipation of increased use of remote hiring methods (57%) and increased consideration of candidates from other cities or states (46%). Of course, these are likely top of mind due to the turn to remote work during the COVID-19 pandemic. Technological changes such as the need to hire candidates for increasingly digitized jobs, or the increasing use of automated hiring software, were less prominent.

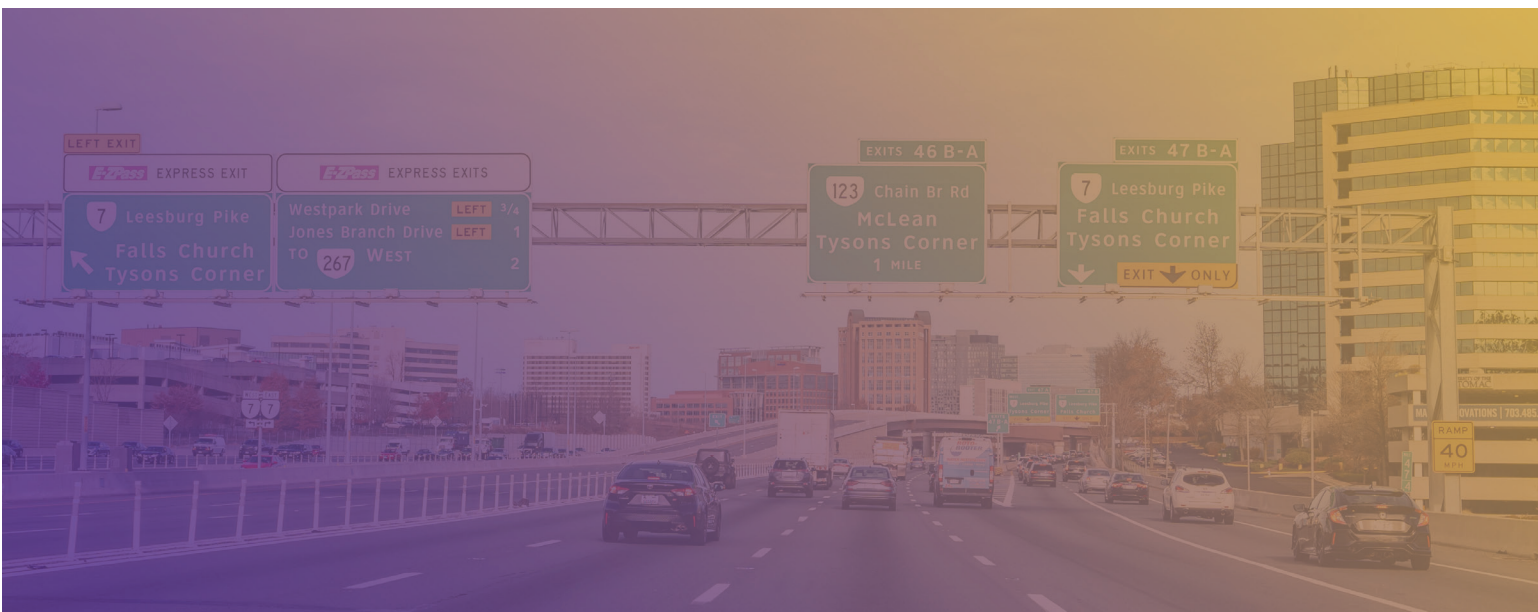
## Figure 12. Changes and Trends in Hiring Practices

In which of the following ways do you anticipate hiring or recruitment practices will change for your business in the next 1–3 years?

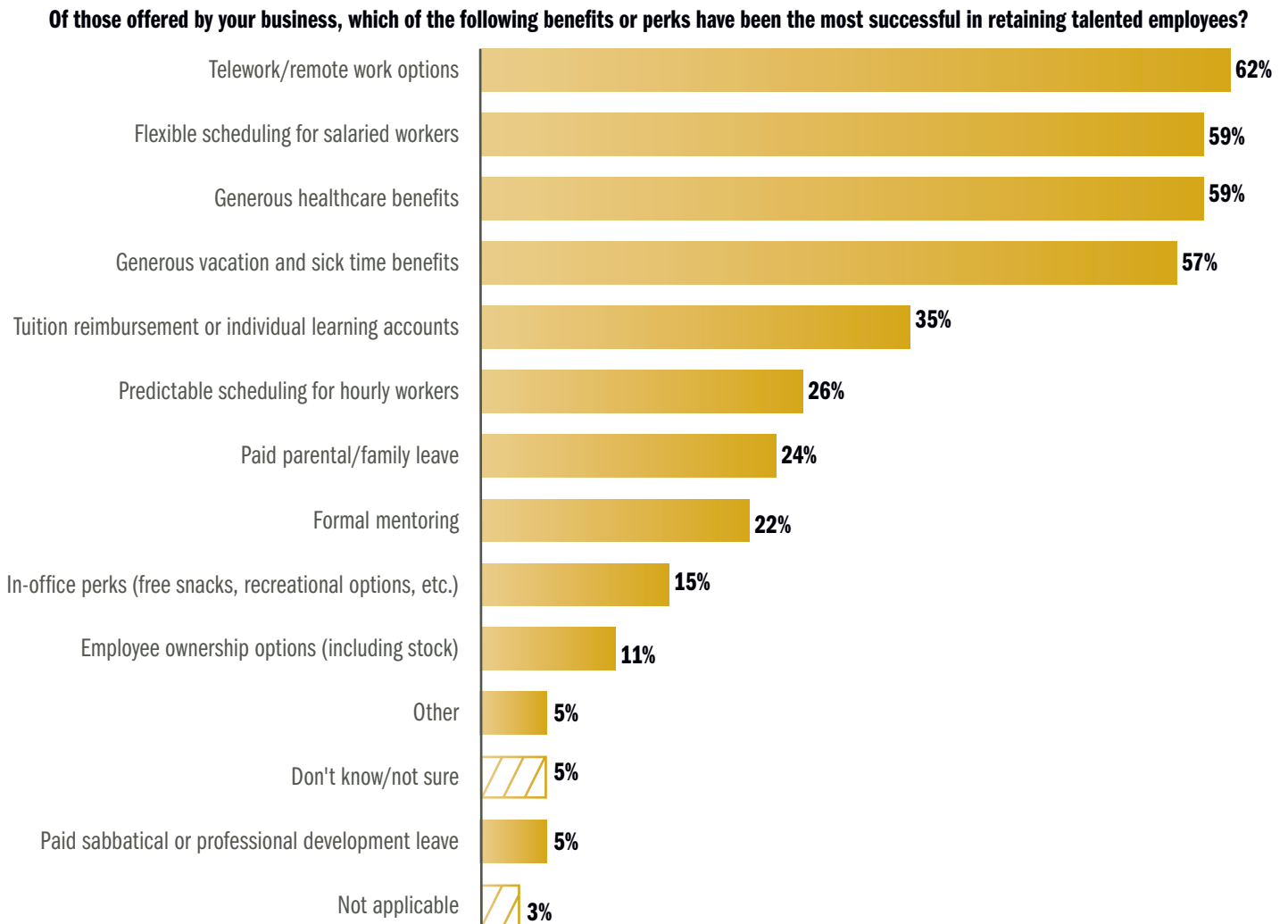


The turn towards remote work has also impacted the ways that regional employers are approaching the retention of talent, with 62% of respondents indicating that telework and remote work options have been among those benefits or perks that have been most successful (*Figure 13*). The three other benefits and perks that were selected most frequently, and by a similar proportion of respondents, can also be seen as COVID-19-related: flexible scheduling for salaried workers (important for those dealing with shifting childcare needs, for example); generous healthcare benefits; and generous vacation and sick time benefits. Despite being a relatively easy option, however, in-office perks were only selected by a handful of respondents, likely also a consequence of the COVID-19 shift to increased remote work.

It remains to be seen, of course, whether these strong short-term impacts of COVID-19 on how regional employers are thinking about and approaching hiring and retention strategies will continue to stand up in future instances of the survey, and whether they will become ingrained as long-term shifts in the regional employment landscape.



## Figure 13. Benefits and Perks Aimed at Retention



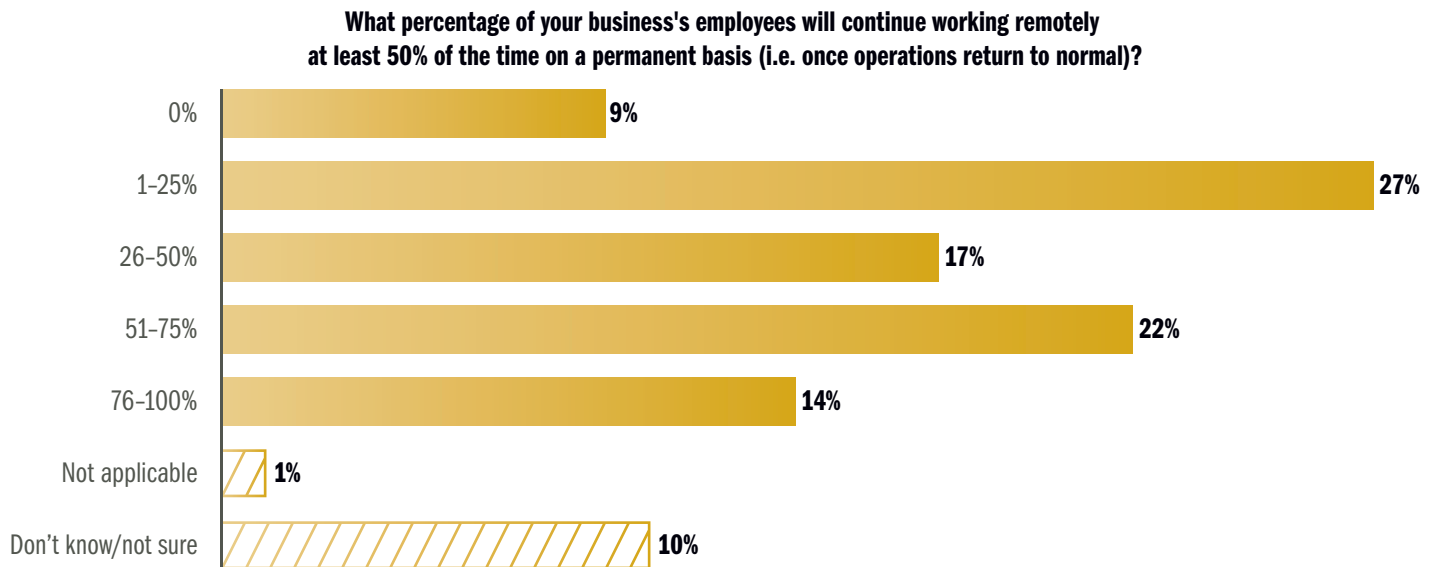
## REMOTE WORK

Based on our survey, the extent to which respondents will continue offering remote work opportunities is somewhat mixed. While only 9% reported that none of their workforce will continue working remotely over half of the time once operations have returned to normal, the highest percentage (27%) reported that a quarter or less of their workforce will remain primarily remote on a permanent basis. Just over a third of respondents (36%) reported that over half of their workforce would continue working remotely most of the time (*Figure 14*).

Perhaps unsurprisingly, most of the respondents in this latter category were those in professional, business, and other services, while any goods-producing businesses (i.e., construction or manufacturing) or direct service businesses (hospitality, healthcare, etc.) largely planned on less than half of their workforce remaining remote. Notably, this question also received the second highest rate of “don’t know/not sure” answers (10%), just behind asking respondents to predict future trends and changes in hiring practices, a question that contains more inherent uncertainty.

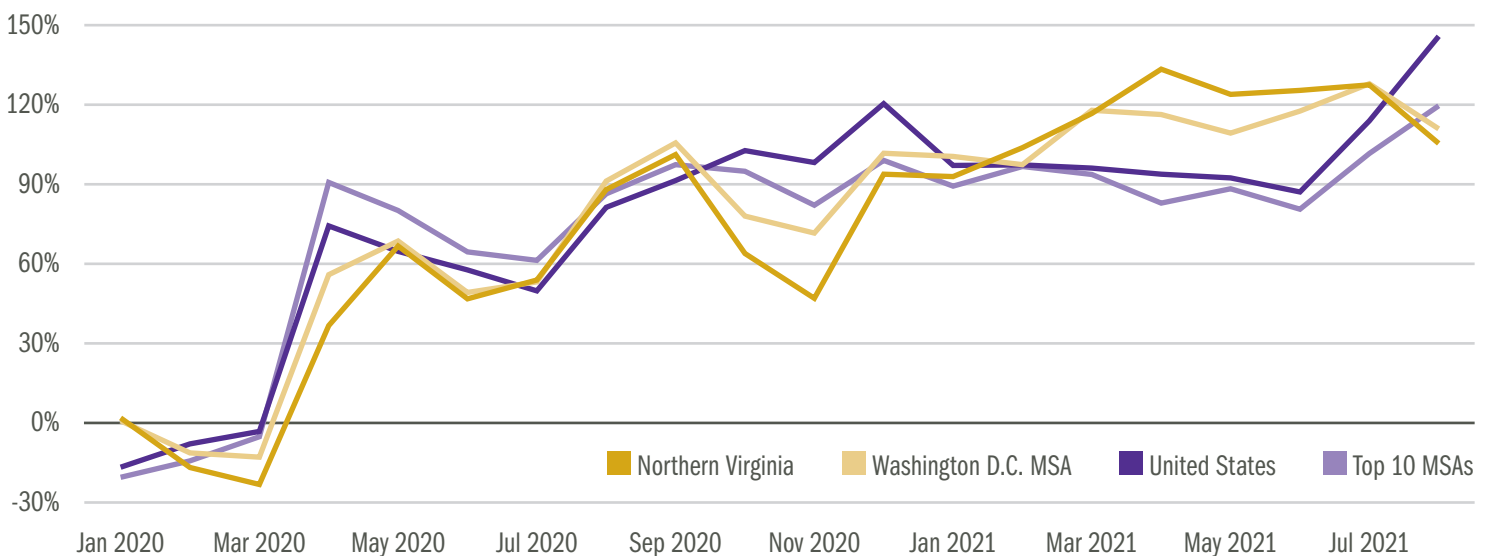
Even while the future of remote work remains uncertain, it is clear that offering more remote work opportunities in the current environment is seen as advantageous by businesses, particularly given high demand among workers. Of those survey responses that indicated that none of their workforce would remain remote for over 50% of their work time, a handful still indicated that they would offer remote work as a perk aimed at retaining employees.

## Figure 14. Continuation of Remote Work



The share of total job postings indicating the opportunity for remote work (regardless of type) also increased significantly from its 2019 average following the onset of COVID-19 and remained higher in the Washington D.C. metropolitan area (D.C. MSA)—and Northern Virginia in particular—than in other large metro areas throughout much of 2021 (Figure 15). Even when businesses began returning to in-person operations in the spring and summer of 2021, employers in this region continued posting a higher number of jobs with remote work opportunities. The particular strength of remote work in this region—again, likely due to its economic landscape and high share of professional and business services firms—is also evident in responses to the Census Bureau’s SBPS: over the last three survey weeks for which data was available (8/16-9/5/2021) a higher share of businesses in the D.C. MSA (13-15%) reported large increases in the number of hours worked from home by employees than did businesses nationally (6-7%).<sup>10</sup> All this indicates that, regardless of the extent to which remote work remains permanent, rates will likely remain higher in our region than elsewhere around the country.

## Figure 15. Percentage Change in Remote Job Posting Share from 2019 Average



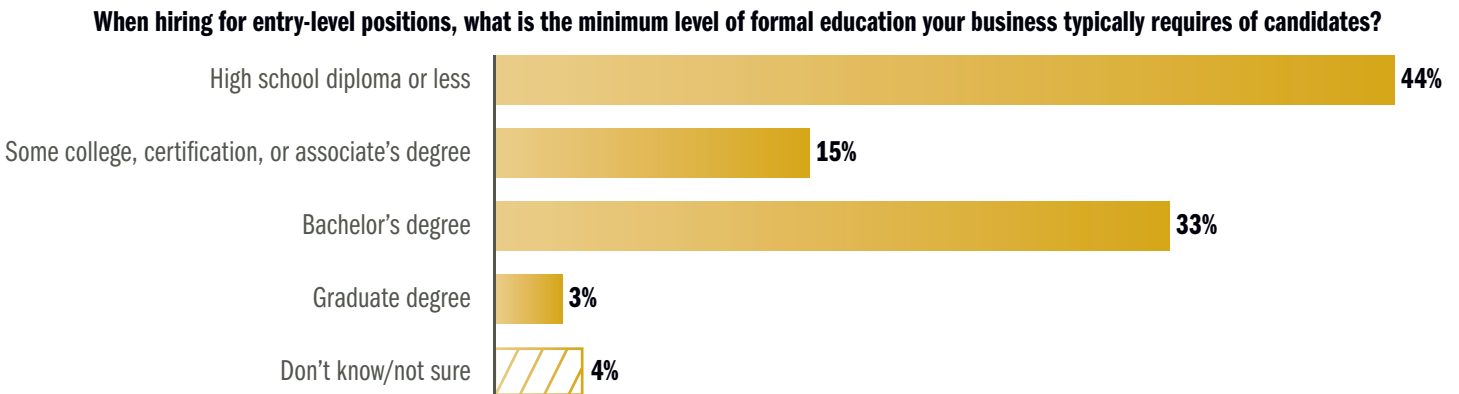
Source: Burning Glass Technologies, Labor Insight, Custom Job Postings Report, September 3, 2021, <https://www.burning-glass.com/products/labor-insight>.

# EDUCATION & PROFESSIONAL DEVELOPMENT

As mentioned above, access to workers with the education, training, and skills necessary to perform in-demand jobs has often been a concern for employers. While COVID-19-related shortages and other workforce concerns (such as remote work) have taken precedent recently, continuing to track and understand the ways in which businesses approach and utilize education and training, both in hiring and professional development, will remain important.

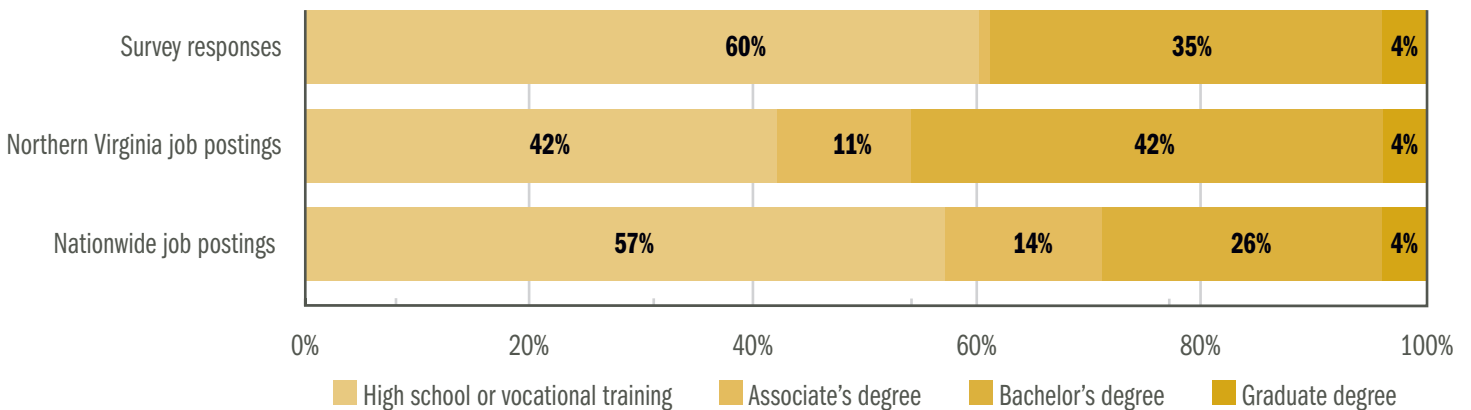
When asked about the level of formal education businesses typically require for entry-level candidates (on average, across all positions), a high school diploma or a bachelor’s degree were the most frequently selected options (Figure 16). Somewhat more surprising is that respondents requiring just a high school education were more common than those requiring a bachelor’s degree, especially given the relatively high levels of educational attainment in Northern Virginia—60% of residents aged 25-64 in the region have a bachelor’s or higher, compared to 34% nationally.<sup>11</sup>—as well as the economy’s strong concentration of jobs that frequently require higher levels of education. Indeed, 32% of all job postings in the region over the past 12 months required less than a bachelor’s degree.

**Figure 16. Minimum Education Required, Entry-Level Positions**



However, when compared to only those job postings requiring 0-2 years of experience (i.e., “entry-level”), the distribution of postings by minimum level of required education more closely resembles the distribution of survey responses (Figure 17), particularly when compared to postings at the national level. Given this, it may be the case that survey respondents were answering without specifically considering region-specific adjustments to educational requirements.

**Figure 17. Minimum Required Education in Survey Responses and Entry-Level Job Postings\***



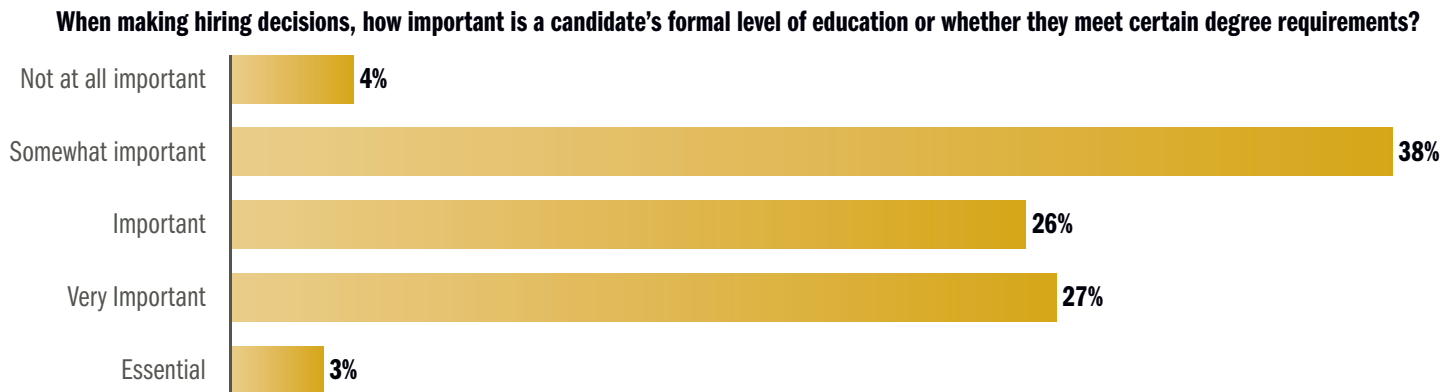
\*Entry-level job postings are those requiring 0-2 years of related work experience.

Source: Burning Glass Technologies, Labor Insight, Custom Job Postings Report, September 3, 2021, <https://www.burning-glass.com/products/labor-insight>.

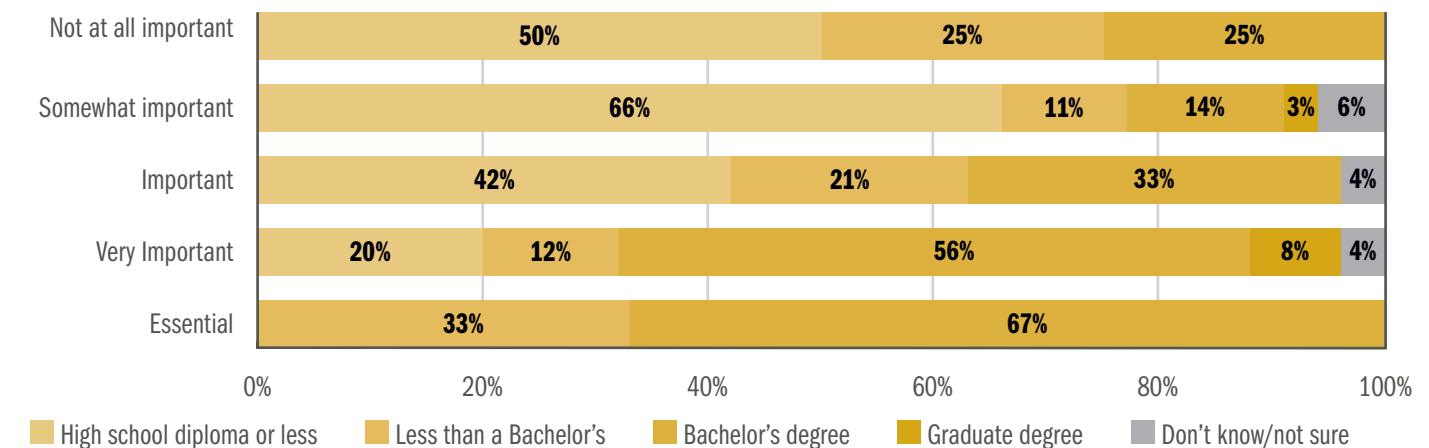


Respondents had somewhat mixed views regarding the importance of education in hiring, however, with very few (7%) seeing it as either not important or essential, and the largest share seeing it as only “somewhat” important (38%); around a quarter of respondents each saw it as either “important” or “very important” (Figure 18a). Examining respondents by both the level of importance they attach to education and the minimum level of education they require for entry-level positions sheds more light on their overall views. It appears that respondents requiring just a high-school diploma (or less) tended to see formal education as less important in hiring, while those requiring a bachelor’s degree or higher tended to attach greater importance to formal education (Figure 8b). This makes sense considering that many of those jobs that require at least a bachelor’s degree may do so to ensure some basic level of technical or professional competence, while a high school diploma remains the default minimum for any skilled job.

## Figure 18a. Importance of Education in Hiring



## Figure 18b. Importance of Education by Minimum Level Required for Entry-Level

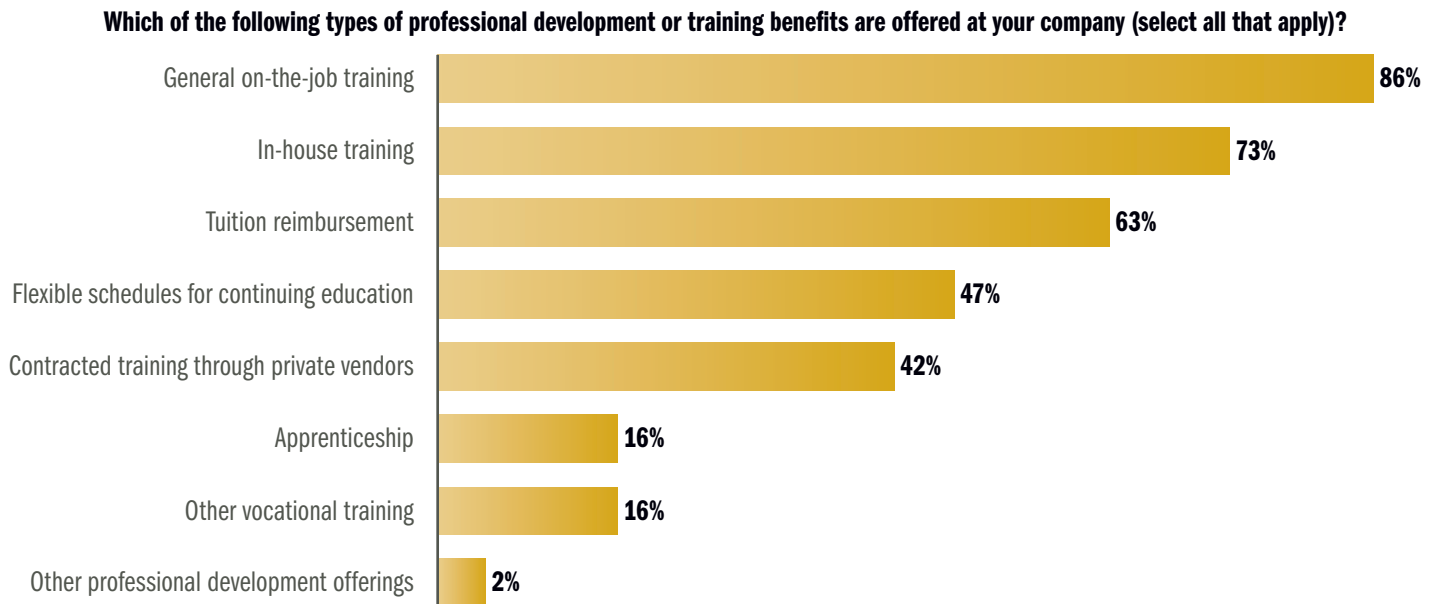


As a result, educational requirements among respondents are seemingly bifurcated, with a high school diploma required as a baseline for many entry-level jobs, and a bachelor’s degree required for most others. Of course, this is not unique to the Northern Virginia region, and matches a broad trend in which bachelor’s degrees are increasingly required for entry-level, middle-skill jobs that may not require the level of broad domain knowledge or technical expertise the degree was traditionally meant to convey.<sup>12</sup> By contrast, very few respondents (15%) indicated that some level of college education or vocational training below a bachelor’s degree but above a high school education (including associate’s/2-year degrees) was typically required for entry-level hires, despite these credentials often acting as direct assurance of some specific vocational or technical competency.

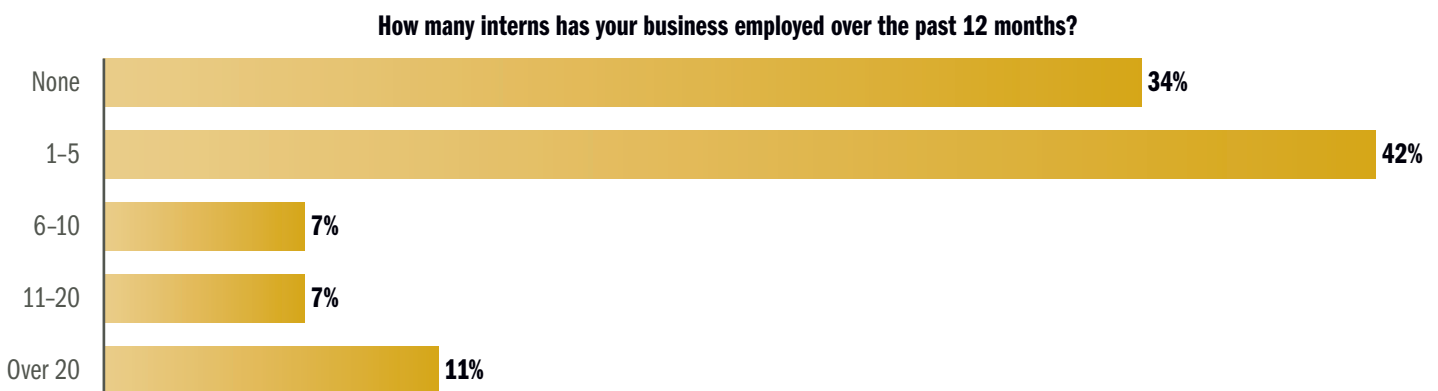
The professional development and training opportunities being offered by respondents also appear to be relatively conventional, with the broad majority offering either general on-the-job training (86%) or in-house

training (73%). Most businesses surveyed (63%) also offer some form of tuition reimbursement (*Figure 19*), although answers to the “perks and benefits” question previously discussed (see *Figure 13*) appear to indicate that fewer respondents have found this tuition benefit to be among their most successful in retaining employees, perhaps because it is relatively common among employers in the region. Training through outside vendors or other less-conventional professional development offerings such as apprenticeships were far less common. Similarly, only a quarter of respondents employed more than a handful of interns over the past 12 months (*Figure 20*). Even among those businesses with 100+ employees, 65% either did not hire interns or hired five or fewer.

## Figure 19. Professional Development and Training Offerings



## Figure 20. Recent Internship Employment



It is likely the case that these levels of internship employment are lower than they would otherwise be due to the budgetary and hiring impacts of COVID-19, however. Even if most businesses in Northern Virginia did not experience significant declines in paid employment, internships—as well as training and professional development spending more broadly—are often among those budget items that are cut during recessions, with the pandemic and its aftermath as no exception.<sup>13,14</sup> With the labor shortages and hiring challenges discussed above, it may be valuable for employers in the region to reconsider the ways in which more deliberate approaches to professional development, training, and education can provide new avenues for cultivating talent to help business grow and thrive amid the current economic recovery.

# CONCLUSION

As of this report's publication in October 2021, much about the current state of the economy and its near-term prospects remains uncertain. With any economic recovery heavily reliant on positive public health outcomes, growth will only continue as the rate of vaccinations continues to rise, and any new strains of the SARS-CoV-2 virus remain contained.

Results from this initial survey of businesses in Northern Virginia have revealed that, despite this turmoil and uncertainty, many regional employers remain optimistic about their futures and that of the economy, due to the comparatively strong economic position the region has maintained throughout the pandemic. Even so, businesses in the region (as around the country) are facing significant near-term challenges in locating and hiring the workers needed to recover and grow. These challenges and others presented during the pandemic have spurred many of those employers surveyed to begin reconsidering important aspects of hiring and retention, with opportunities for remote work at the fore.

Yet, many of those surveyed also continue to prefer the conventional approaches to education, training, and development that were common prior to the arrival of COVID-19. The current moment presents an opportunity for businesses in Northern Virginia to reconsider alternate forms of recruiting and professional development/training, such as apprenticeships, internships, and other work-based learning models, as a means for widening the pipeline of available talent in the region. At the same time, increased consideration of skills-based hiring models, rather than using formal education as a filtering mechanism, can expand the field of candidates an employer might consider, allowing for a larger and more diverse pool of talent.

Whether more businesses in the region begin to adopt these hiring and training models remains to be seen. Similarly, the ongoing pace of recovery, and the ways in which COVID-19 may fundamentally reshape how businesses approach employment in our region are open questions that future iterations of this survey will seek to track and answer. It is our hope that continued interest and support from across the Northern Virginia business community, and from other community partners and stakeholders, will continue to grow.



# ENDNOTES

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14 Lorri Freifeld, “2020 Training Industry Report,” *Training* (November 17, 2020), <https://trainingmag.com/2020-training-industry-report/>.

# ACKNOWLEDGEMENTS

The Northern Virginia Chamber of Commerce and Northern Virginia Community College would like to express our deep gratitude to the business leaders who took valuable time out of their day to respond to this survey and be a part of this new, exciting project.

We would like to thank the Chamber business leaders who provided initial guidance and feedback about the survey and its direction through a series of interviews:

- ▶ Deb Gandy – Managing Director, Chevy Chase Trust
- ▶ Ethan Gill – President, Helios HR
- ▶ Chris Gros – Vice President of Talent, NT Concepts, Inc.
- ▶ Brian Diemar – Director of Sales, Kaiser Permanente

Our thanks, also, to the support of our local economic development partners who helped expand the survey's reach and ensured that business voices from across the region would be heard: Loudoun Economic Development Authority, Fairfax County Economic Development Authority, Prince William Department of Economic Development.

Finally, we are grateful to our colleagues who not only made this project possible but took time to review the survey and this report and provided vital feedback.

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For more information about this project, or to be involved in the future of the Northern Virginia Workforce Index, contact Jennifer Williamson, Vice President of Workforce & Member Engagement at the Northern Virginia Chamber of Commerce: [jwilliamson@novachamber.org](mailto:jwilliamson@novachamber.org).

For additional data and insights on labor market trends in Northern Virginia, visit [www.nvcc.edu/lmi](http://www.nvcc.edu/lmi), or contact Tucker Plumlee, Manager of Labor Market Research at Northern Virginia Community College: [tplumlee@nvcc.edu](mailto:tplumlee@nvcc.edu).



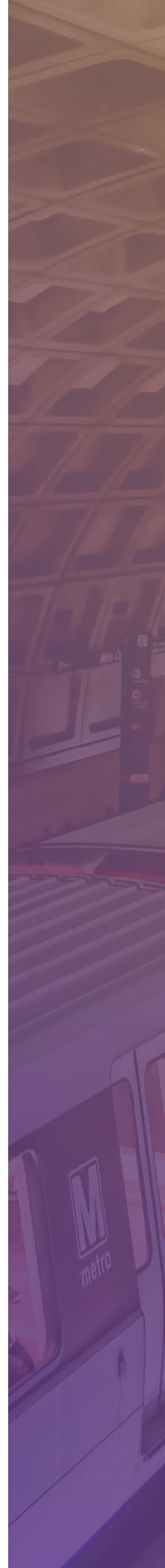
# APPENDIX: SURVEY METHOD & DATA

The Northern Virginia Workforce Index survey was administered as an online poll from June 30, 2021 through August 25, 2021 and was distributed as a link via e-mail to business members of the Northern Virginia Chamber of Commerce, as well as to the employer partners of other economic development agencies in the Northern Virginia region (see *Acknowledgements*). Recipients were asked to direct the survey to the individual within their company who is best equipped to answer questions regarding talent, hiring, and retention (ideally either an executive or director of human resources/talent). These respondents were then asked to answer a series of 25 questions, primarily in the form of single or multiple response (a full list of questions and responses is available upon request).

Out of 132 respondents, a total of 93 (71%) completed the survey. Of these completed responses, two were removed after preliminary analysis indicated that they did not represent accurate data regarding an actual employer, resulting in 91 unique responses being used for analysis. Due to the survey's design and distribution, these responses represent a convenience (rather than a random, probabilistic) sample of firms in the Northern Virginia region. While businesses from all jurisdictions, nearly all industry sectors, and a wide range of employment sizes are included, the distribution of these responses may not be fully representative of the actual distribution of firms in the region. Instances of over- or underrepresentation based on the Census Bureau's Statistics of U.S. Businesses—an annual data series extracted from the Business Register, the Bureau's "most complete, current, and consistent data for U.S. business establishments"<sup>v</sup>—are indicated in the *Survey Overview*.

As a result, this survey is non-scientific and estimates of standard error are not available. Readers should factor the possibility of both sampling and non-sampling error (i.e., respondent errors, differences in the interpretation of questions, etc.) into any conclusions drawn from the data. That said, when placed in proper context, surveys such as this can be useful in suggesting and providing an initial exploration of broad regional trends. This pilot survey also provides initial insights that will inform the design and administration of future versions of the survey, including the identification of effective question designs, and any additional considerations necessary for obtaining a representative sample of business responses.

<sup>v</sup> "Statistics of U.S. Businesses (SUSB) - About this Program," United States Census Bureau, revised August 26, 2021, <https://www.census.gov/programs-surveys/susb/about.html>.







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