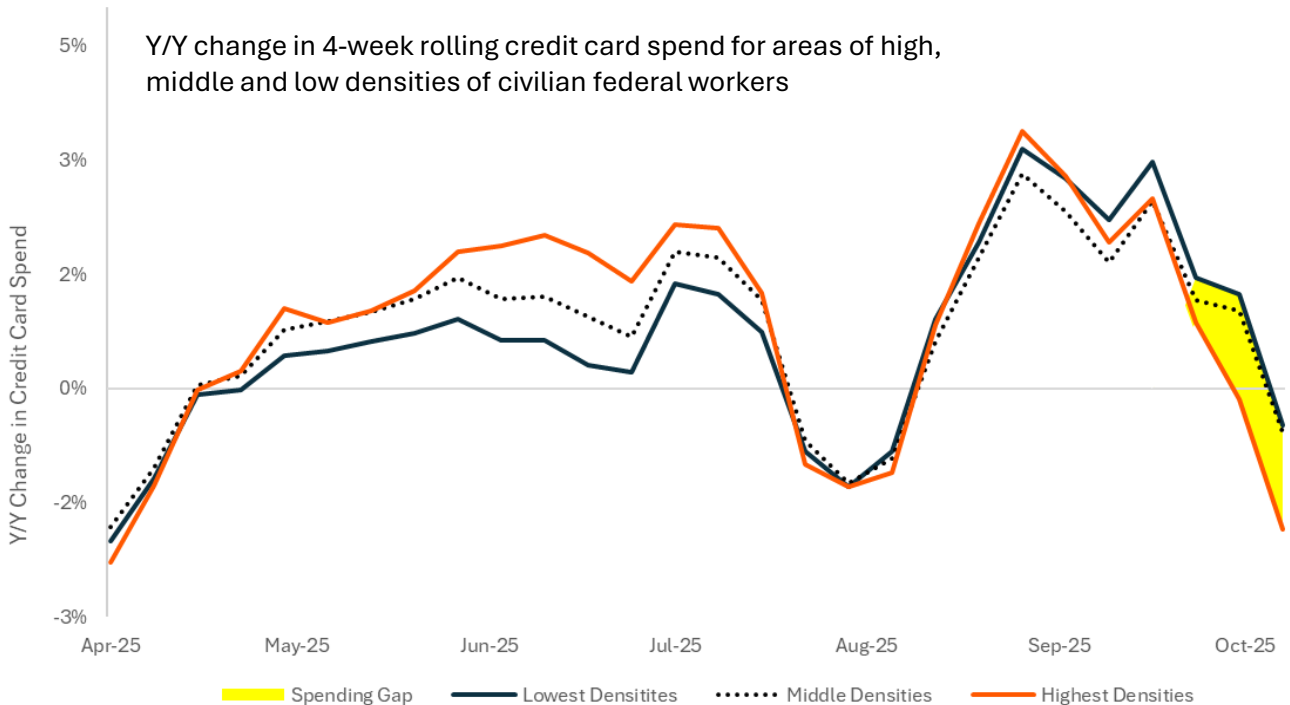


Headwinds from Government Shutdown Emerge

The current government shutdown and resulting pay suspensions and employee furloughs will likely influence the local economies and overall spending habits of those whose incomes and cash flows are at risk. Using Carbon Arc data assets, we highlight potential near-term impacts by comparing differences between regions with high federal employee concentrations and those with moderate or low concentrations.

Key Takeaways

- Areas with high densities of federal workers per capita¹ were generally spending at higher rates Y/Y in H2 2025 until the weeks leading up to the shutdown.
- A clear gap in Y/Y credit card spend has emerged between areas of high and low densities of federal workers in the first week of the shutdown and has continued to widen.



Methodology

Congressional districts and their relative per capita proportions of civilian federal employees¹ were used to define tertiles of high, middle and low-density federal employee workforce areas. Districts were mapped to zip codes, which were then aligned with Carbon Arc's Credit Card – US Complete Panel (CA0056) to create a time series highlighting the Y/Y change in 4-week rolling credit card spend among each tertile.