Wednesday, July 8, 2026
Media Contact: Camille Cox
Camille.Cox@pinkston.co

Optimism Improving and Layoff Plans Subside Among Northern Virginia Business Leaders, Survey Finds

While Sentiment Is Rebounding, Business Leaders Want State and Local Policymakers to Reduce Taxes, Keep Right-to-Work, Improve Housing Affordability, and Reduce Regulation

FALLS CHURCH, VA — Northern Virginia executives are more optimistic about the regional economy and predict fewer job layoffs, according to the 2026 Second Quarter Northern Virginia Chamber of Commerce (NVC) and Pinkston Business Leader Survey. When asked how they believed the Northern Virginia economy would change over the next six months, 40% expect the economy to grow over the next six months, the highest share since the Q3 2025 survey. In addition, only 6% predict the need to lay off employees, the lowest since NVC and Pinkston launched the survey in Q1 of 2025 (6%).

"Northern Virginia's business leaders tell us they are eager to be part of policy conversations that help shape solutions. By facilitating these conversations through our Executive Councils and new Policy Labs, NVC is helping to strengthen relationships between policymakers and the business community, which is critical to advancing the NOVA Roadmap's recommendations and ensuring a stronger, more resilient regional economy," said Julie Coons, President and CEO of NVC.

"Despite concerns about policies coming from the Virginia legislature, Northern Virginia business optimism is thankfully growing again," said D.J. Jordan, Senior Vice President at Pinkston. "This quarter's optimism about the regional economy is the highest since Q3 of 2025 when 40% of business leaders believed the NOVA economy would grow. That early 2025 optimism soon gave way to uncertainty around DOGE, the government shutdown, AI disruption, and the President's tariff negotiations. Still, this year, business leaders are feeling better about a more predictable landscape. Plans for layoffs are registering the lowest since we started this survey in Q1 of 2025. Only 6% of business leaders plan to reduce headcount, which is great news for the region."

This NVC/Pinkston Northern Virginia Business Leader Survey represents the perspectives, sentiments, and strategic planning of 185 CEOs, corporate executives, and business owners. You can find all six surveys HERE, while this 2026 Q2 survey report is found HERE.

Key Q2 findings include:

- **Positive Staffing Trends**
  - When asked about adjusting their staffing, 90% of business leaders plan to stay about the same (56%) or increase hiring (34%). This is a slight improvement from the Q1 survey when 83% planned to stay the same or increase hiring.
- **Individual Business Sentiment Improving**
  - 76% of business leaders are very or somewhat optimistic about their own company performance and near future, compared to 12% who are neutral, and 11% who are pessimistic. This is an improvement from the Q1 survey when 67% were very or somewhat optimistic about their company performance.
- **Concerns With General Assembly Session in Richmond**
  - Business leaders list the following as their top policy priorities for Virginia's governor and legislature: reduce taxes (35%), keep right-to-work (31%), housing affordability (22%), reduce regulation (22%), transportation and infrastructure investments (20%), AI regulations (8%), public safety (8%) and WMAT (metro) funding (8%). This is a 3% increase for reducing taxes and an 11% increase for keeping right-to-work from the Q1 survey.
- **NOVA Economic Sentiment Improving**
  - 40% of business leaders believe the NOVA economy will grow over the next six months (6% grow significantly, 34% grow slowly), while 38% believe it will remain the same, and 22% believe it will decline (22% decline slowly, 0% decline significantly). This is an improvement from the Q1 survey when 32% of business leaders believed the NOVA economy would decline over the next six months (7% grow significantly, 28% grow slowly, 33% remain the same, 29% decline slowly, and 3% decline significantly).
- **Politicians Don't Understand**
  - When asked how much business leaders think state legislators and policymakers in Richmond understand their local business operations, 44% said they really don't understand (15%) or do not understand (29%). 39% were unsure, and 17% believed they do understand their local business operations.

The Northern Virginia economy is critical to the state and the Washington, D.C., region. Northern Virginia's share of Greater Washington's regional economy is 46 percent and boasts the presence of numerous Fortune 500 companies, while Northern Virginia's $321 billion GDP represents nearly 42% of the GDP of the Commonwealth of Virginia and is larger than 24 other states.

Between June 22-29, 2026, 185 CEOs, corporate executives, and business owners who do business in Northern Virginia completed this survey. Most of the respondents lead companies in the government contracting, aerospace and defense, financial services, technology, professional services, retail, and real estate industries. About 40% of the businesses are located in Fairfax County or City of Fairfax, 20% in Prince William County or City of Manassas, 18% in Alexandria, 11% in Arlington County, 4% in Loudoun County, 1% in Falls Church, and 5% in other locations.

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About NVC

For over 100 years, the Northern Virginia Chamber (NVC) — the largest and most influential chamber in Greater Washington — has driven innovation and economic growth. NVC has championed key developments such as the Metro, Dulles Airport, and George Mason University. Representing nearly 400 members, NVC continues to lead on affordability, workforce, and regional development through NOVA Roadmap and through exclusive programming and events. Learn more at www.nvcbusiness.org.

About Pinkston

Pinkston is a branding and public affairs firm that offers a collection of strategic capabilities, including public relations, crisis management, research, social media, and video production. Founded in 2001 and based in Falls Church, Virginia, Pinkston serves a wide range of clients, including Fortune 500 companies, innovative technology startups, non-profit organizations, and government agencies.