

A Call to Action for Northern Virginia's Economic Growth

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NOVA Roadmap

In collaboration with Accenture

The NOVA Roadmap in Brief

- Northern Virginia's long-standing advantages, such as its close ties to the federal government, highly educated workforce, thriving business environment, and strong digital infrastructure—have driven decades of economic success and now account for 42% of the state's economy.¹
- “Wait and see” is not an option. Now is the time for this transformation given the unprecedented challenges the region faces. This is not a minor course correction; it is a structural inflection point.
- We talked to stakeholders across sectors and conducted extensive research to develop bold goals to power Northern Virginia's future economic growth. Achieving these goals requires urgent, coordinated action.

“Northern Virginia has long been a powerhouse but we’re at a defining moment. The old playbook won’t secure our future. We must lead with intention, invest in our strengths, and build a more diversified economy that is not only prepared for change, but drives it.”

—Julie Coons, President & CEO
Northern Virginia Chamber (NVC)

Northern Virginia is at a Crossroads

Northern Virginia's historic strengths, including its proximity to the federal government, highly educated workforce, vibrant business ecosystem, and robust digital infrastructure, have fueled prosperity for decades. But as federal job cuts and global competition intensify, the need for intentional transformation is undeniable. **Now is a pivotal moment in the history of this region—an opportunity to boldly transform Northern Virginia's economic future beyond its federal roots. We cannot afford to wait, and hope, for growth to happen.**

Recent policy decisions resulting in federal job losses are creating economic impacts in Northern Virginia at an uncharted scale, but they only serve to highlight what we have known for too long—we must change how we do business. Federal jobs are critical to the region's competitive advantage and currently account for approximately 15 percent of the region's job market.² Virginia is the largest recipient of federal contracts in the country, which in 2024 amounted to \$109 billion and over 441,000 jobs directly dependent on federal contracts.³

As Federal workforce and contractor losses increase, Virginia's unemployment rate is expected to rise to its highest level since 2021. **A 10 percent reduction in the Federal workforce could create \$6 billion in total state GDP loss and nearly \$250 million in total state tax revenue loss.**⁴ Despite this labor market strain, the state's GDP remains positive thanks to productivity gains in key sectors. However, the pace of growth is expected to slow significantly, with the downturn proving deeper and more prolonged in Virginia than expected.⁵

¹ [NoVA Region News](#)

² [Metropolitan Washington Council of Governments](#)

³ [University of Virginia Weldon Cooper Center for Public Service](#)

⁴ Ibid, [Weldon Cooper Center, Fairfax County Economic Development Authority Impact Study](#)

⁵ [Weldon Cooper Center April 2025 Forecast](#)

The region is facing a crisis without precedent. However, there is a silver lining; crises are often catalysts for positive progress. They can highlight longstanding vulnerabilities, challenge old paradigms, and fuel innovation.

Toward Growth and Diversification: A Call to Lead in a New Direction

As part of our role bridging the business community, government, and civic leaders, the Northern Virginia Chamber (NVC) explored the importance of this moment with business leaders, educators, and economic development experts. The consensus is clear: we must go on the offensive, be proactive, and embrace our responsibility to lead. **We call on regional leaders to come together to transform economic development strategies to create growth and drive diversification.**

We are proud to present the *NOVA Roadmap* as the first step in building a common vision and plan to grow and diversify Northern Virginia's economy. The *NOVA Roadmap* reflects the best available data, existing studies, and expert input from across the region and beyond.





The Roadmap is a foundational framework. Given the complexity and evolving nature of the regional economy, more detailed research—such as sector-specific studies, labor market modeling, and impact assessments tailored to Northern Virginia—will be necessary to fully develop and operationalize the goals we propose. The Roadmap is designed to jumpstart those future efforts by highlighting key opportunities, gaps, and policy considerations.

For Northern Virginia to finally shed its dependence on federal dollars and thrive as future-focused industries reshape global markets, we must build an economy that competes by design, not by default. Now is the moment for decisive action.

Four Bold Goals to Power Northern Virginia's Future Growth

Based on insights from stakeholder conversations and secondary data analysis, we recommend that the region put its collective time, talent, and treasure toward achieving **four bold goals**. These goals are not standalone strategies—together, they form the foundation of a future-ready economy.

Read on to understand the opportunity and how different sectors of the Northern Virginia region can get involved to achieve these goals—and usher in a new era of growth. For each goal, we outline both the potential and the strategies to capture it. We have also included clear, actionable recommendations tailored to each stakeholder group as a starting point toward meaningful progress.

GOAL 1  Reinvent the economy Develop a new economy and prepare the workforce and digital infrastructure to support it.	GOAL 2  Cultivate affordability for our workforce Make the region an affordable place to live, work, and raise a family.	GOAL 3  Attract sustained investment Address impediments to growth—Modernize foundational systems like tax, zoning, and procurement policies to foster growth in fast-moving industries.	GOAL 4  Tell our powerful story Rebrand the region as the destination of choice for future-focused industries.
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GOAL 1: REINVENT THE ECONOMY

Develop a new economy and prepare the workforce and digital infrastructure to support it.

The opportunity

The regional economy remains overly reliant on the federal government. To ensure long-term resilience and shared prosperity, Northern Virginia needs a more diversified economy—one that creates opportunity, fuels innovation through future-focused industries, and attracts entrepreneurs and new investment.

The region has strong advantages, including advanced digital infrastructure, cybersecurity expertise, and top academic institutions. However, fully leveraging these strengths requires targeted incentives, strategic development, and a robust talent pipeline to drive growth in high-value industries.⁶

Looking forward, long-term success will depend on prioritizing workforce development and digital infrastructure. By supporting innovation and adaptability with forward-thinking policies, Northern Virginia can build a more diverse, future-focused regional economy that can withstand shocks, adapt to evolving conditions, and emerge stronger.

⁶ Region 7 Talent Pipeline Initiative

GOAL 1: REINVENT THE ECONOMY —Develop a new economy and prepare the workforce and digital infrastructure to support it.

How to seize the opportunity:

- 1a. Spur growth in AI and quantum computing, space, biotech, semiconductors, and robotics.
- 1b. Cluster tech hubs around strategic locations and close innovation gaps (e.g., scale-up infrastructure, venture capital, commercialization incentives).
- 1c. Prepare the workforce with the skills to succeed in the new economy.
- 1d. Modernize and scale the digital infrastructure—with a focus on expanding energy capacity.

1a. Spur growth in AI and quantum computing, space, biotech, semiconductors, and robotics.

To create a new economy, the region must cultivate industries with high-growth potential and global demand. Focusing on emerging technologies such as **AI and quantum computing, space, semiconductors, biotech, and robotics** can drive economic value across industries including defense, logistics, life sciences, and clean energy.⁷ Consider the potential impact of AI, for example. **AI is projected to contribute at least \$3.8 trillion to the U.S. economy by 2038, based solely on productivity gains.⁸ If Virginia captures just 2 percent of this, it could generate \$90 to \$150 billion in economic value.**

Artificial Intelligence and Quantum Computing

Northern Virginia can leverage its federal agencies, research institutions, and the world's largest data center hub to support AI growth. AI applications in defense, logistics, life sciences, and clean energy are especially promising. Quantum computing, while still emerging, could amplify AI through advances in secure communications, optimization, and modeling.

Space Economy

The space economy is projected to reach \$1 trillion by 2040.⁹ Northern Virginia is well-positioned to lead this shift with its launch infrastructure, including NASA Wallops and the Mid-Atlantic Regional Spaceport and a highly skilled tech workforce.

Semiconductors

Northern Virginia is gaining momentum in semiconductors, anchored by major investments like Micron's expansion in Manassas. The region is positioned to support the full value chain, from chip design to advanced materials.

Biotech

With assets like Janelia Farm, strong university networks, and proximity to federal agencies, Northern Virginia has a solid foundation in biotech. The region supports growth across biopharma, medical devices, and health IT. Healthtech represents a critical intersection of Northern Virginia's strengths in biotech, data infrastructure, and cybersecurity. By investing in digital health platforms, AI-driven diagnostics, and secure health data systems, the region can lead in transforming healthcare delivery while creating high-value jobs and improving population health outcomes. Critical to growth in this sector is the availability of wet lab space, public-private R&D partnerships, and access to clinical trials.

Robotics

Northern Virginia is a growing hub for robotics and autonomous systems, particularly in drones and connected vehicles. Local tech clusters and a supportive innovation environment are driving the region's emergence in this sector.

⁷ Listed industries for Northern Virginia are complementary of those identified as Key Industries by the Fairfax County Economic Development Authority and by the Fairfax County Department of Economic Initiatives in the *Blueprint for the Future*

⁸ [Accenture](#), [Microsoft](#), [CompTIA](#)—These directional estimates reflect current trends but may evolve as technologies, markets, and policies shift. Further modeling will be required as the landscape continues to change.

⁹ U.S. Chamber of Commerce Foundation, Dominion funds, Space Foundation industry outlook reports

1b. Cluster tech hubs around strategic locations and close innovation gaps (e.g., scale-up infrastructure, venture capital, commercialization incentives).

Geographic clustering—where firms, universities, talent, and capital concentrate in tech hubs or corridors—strengthens investment, innovation, productivity, and workforce development.¹⁰ Home to federal research agencies, military installations, elite universities, and the world’s highest density of hyperscale data centers, Northern Virginia is well-positioned to emerge as an AI corridor, which would be a massive contribution to a new, tech-powered economy. Increasing this potential requires addressing gaps in innovation, including fragmented support for scaling startups, IP commercialization, and access to venture capital.

Building a more competitive innovation economy requires providing growth-stage startups with access to scale-up infrastructure, venture capital, and commercialization incentives.¹¹ The good news is that the Commonwealth is gaining traction in this area: in 2023, Virginia ranked 8th nationally in venture capital investment, attracting \$2.5 billion. This growing capital base offers a foundation to support startup maturation and technology deployment.¹²

Regional universities and research institutions must anchor a robust public–private R&D pipeline. Accelerating spinouts from labs and universities, while coordinating commercialization support, will help the region retain more of the economic value created by its research sector. With bold, coordinated action—linking public, private, and academic leadership—Northern Virginia can become a leading hub across defense, health, secure communications, and climate tech.

1c. Prepare the workforce with the skills to succeed in the new economy.

Helping people shift from federal into private sector roles is essential to prepare the workforce for economic reinvention over the long term (Figure 1). Coordinated public and private sector collaboration is key to understanding how federal jobs map to the private sector and ensuring that workers have access to the necessary education and training to excel in them.

¹⁰ [Brookings](#), [Harvard Business School](#)

¹¹ Regional Entrepreneur Initiative, George Mason University

¹² [PR Newswire](#)

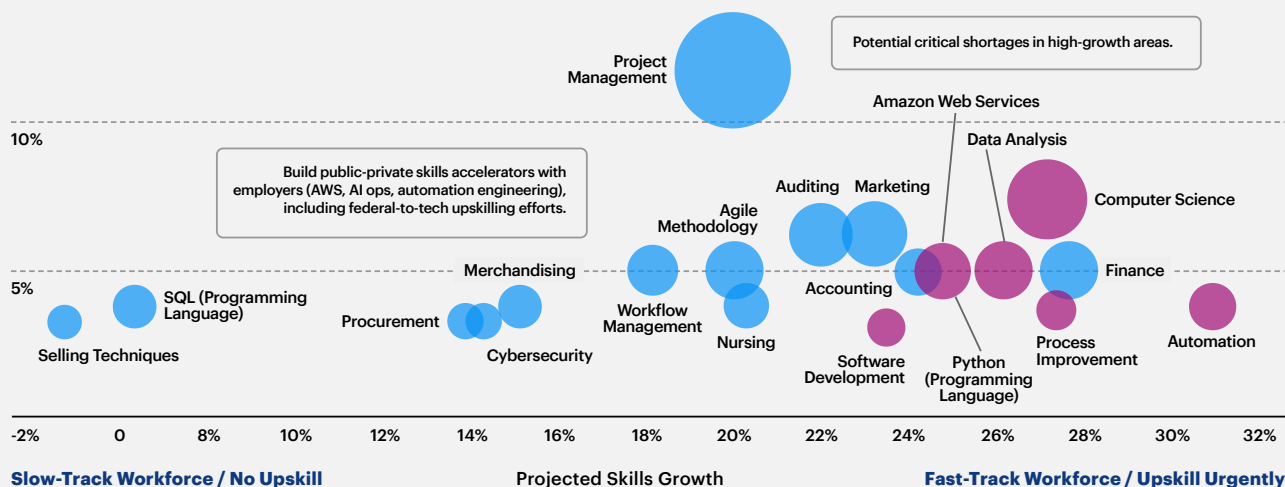
Figure 1: Urgent Upskilling Need

Northern Virginia needs to underscore the urgency for workforce transitions and coordinated upskilling initiatives as federal job cuts are underway and US policy shifts.¹³

A skills-based roadmap to drive economic resilience, productivity, and inclusive tech transition

% Total Job Openings

15%



To support reskilling, curricula need to change, emphasizing areas like data center operations, secure infrastructure, and automation platforms. The nature of skill-building programs should evolve, too. Flexibility is key. Bootcamps, modular courses, and industry-recognized certifications offer workers rapid, flexible upskilling options so they can quickly transition into new roles.

Stackable credential pathways that build on each other and accumulate over time offer greater learning flexibility. These programs should offer industry-aligned training from associate degrees to PhD-level. Partnerships with community colleges, regional universities, and major employers are critical to designing high-quality curricula that meet labor market demands.

1d. Modernize and scale the digital infrastructure—with a focus on expanding energy capacity.

Northern Virginia hosts the world's busiest data center hub and is home to more than 70 percent of global internet traffic.¹⁴ With the rise of cloud computing and AI-powered industry, the demand for energy from Virginia's data centers is projected to grow by 4x in the next 15 years.¹⁵

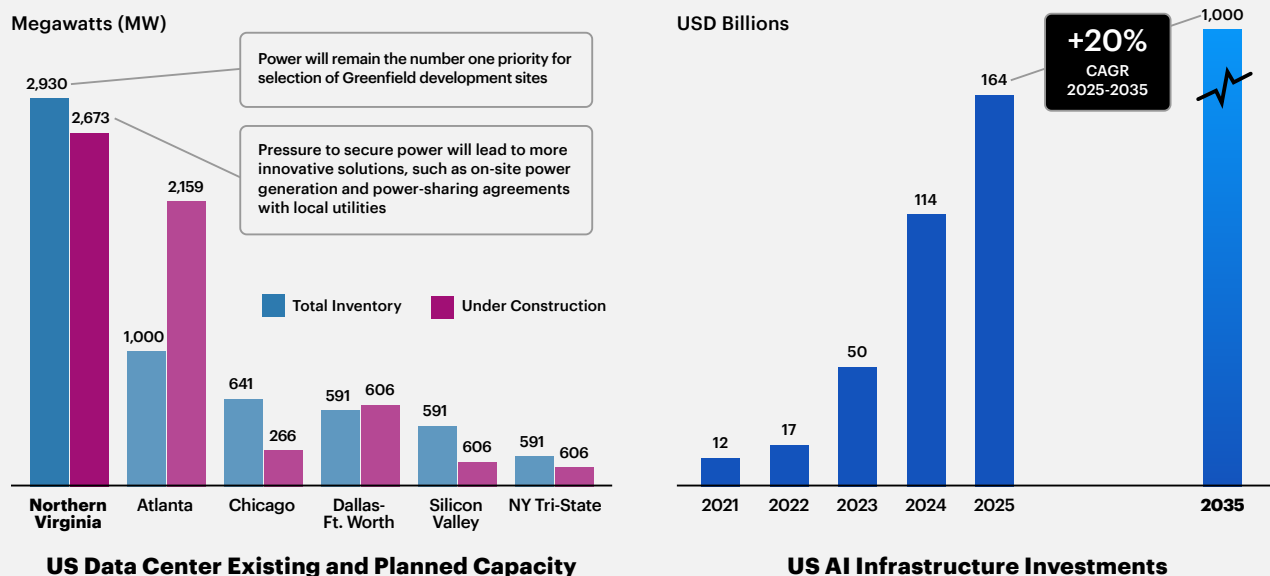
¹³ Note: Size of the bubble is determined by the total employment number. Only clusters with more than 500 jobs are shown. Sources: Lightcast, US Bureau of Labor Statistics, Accenture Strategy

¹⁴ [Virginia EDP](#)

¹⁵ [Reuters](#)

Figure 2: Scaling National AI Buildout

This infrastructure advantage makes Virginia a launchpad for scaling the \$1 trillion national AI buildout.¹⁶



Implications for Virginia:

- Deployment of up to \$1 trillion announced by 2035, including \$500 billion for Project Stargate, expected buildout by 2030
- Dominion Energy connected 94 new data centers with more than 4+ GW of power in the period 2019-2023
- Procurement of electrical components and infrastructure will remain a key driver for expedited development construction timelines
- Supply chain challenges will persist and keep large project timelines over three years

While this is a massive advantage for the new economy (Figure 2), the status quo is not sufficient to scale long-term economic growth. Attracting more data centers to the region means addressing energy supply challenges and grid bottlenecks, and solving problems related to land availability, regulations and cost. In addition, modernizing the digital infrastructure requires expanding fiber optic networks across rural and suburban areas and investing in transportation infrastructure to support future-focused industries.

To sustain its leadership position in the AI economic boom, Northern Virginia must strengthen the power grid, scale renewables and battery storage, and adopt on-site small modular reactors (SMRs). All are fundamental to modernizing the digital infrastructure. Failure to do so will constrain the region's ability to create and leverage the economy of the future.

¹⁶ CBRE Research, CBRE Data Center Solutions, H2 2024, AlphaSense, Oppenheimer & Co., Inc. (2024), Goldman Sachs (2024), Microsoft White Paper "Unlocking the Economic Potential of the US Generative AI Ecosystem" (2024), Accenture Strategy Analysis

Compact, continuous, and carbon free, SMRs stabilize power grids under stress. Not only do they speed grid upgrades and interconnection capacity, SMRs also cut the more than three-year lead time needed to power new data centers. Already, Dominion Energy and AWS are exploring SMR development at North Anna.¹⁷ Supporting the adoption of SMRs will require multi-stakeholder collaboration, a combination of federal and private funding, and alignment with the Virginia Clean Economy Act.

In tandem, streamlining permitting and zoning for both SMRs and data center campuses will be necessary. Plus, by developing workforce and research ecosystems around energy modeling, nuclear engineering, and smart grid integration, the region can develop more solutions for expanding energy capacity. Continued investment in clean energy sources—including solar, wind, geothermal, and nuclear—ensures that the infrastructure supporting the new economy is dependable, cutting edge, and green.

GOAL 2: CULTIVATE AFFORDABILITY FOR OUR WORKFORCE

Make the region an affordable place to live, work, and raise a family.

The opportunity

Northern Virginia's strength has always been and will continue to be its people. This strength comes from how effectively the region supports and empowers its workforce and communities by providing access to amenities and infrastructure that individuals and families need. Places like this are where businesses want to be.

Equitable access to fundamental needs like affordable housing and childcare is essential to develop an economy that isn't just grounded in innovation; it's grounded in inclusive participation. By cultivating affordability through public-private partnerships, revitalization, and regulatory reform, Northern Virginia can ensure that all residents can contribute to and benefit from the region's economic transformation.

GOAL 2: CULTIVATE AFFORDABILITY FOR OUR WORKFORCE— Make the region an affordable place to live, work, and raise a family.

How to seize the opportunity:

- 2a. Create more affordable housing options in high-opportunity regions.
- 2b. Expand access to affordable, high-quality childcare.

¹⁷ [Virginia Mercury](#)

2a. Create more affordable housing options in high-opportunity regions.

Without a bold approach to housing affordability and access, Northern Virginia could price out exactly the kind of talent it needs to secure its future.

Comprehensive zoning reform that supports the production of more dense, multifamily units is needed. In conjunction, streamlining building permitting processes and reducing regulatory barriers can speed the time it takes to build homes and increase the inventory of attractive, affordable housing of all types. Exploring new land use policies to earmark public lands for affordable housing is another avenue, and one that many localities are using with great success. There is also an opportunity to pilot modular and micro-housing solutions to accommodate mobile and early-career workers. All these solutions require bold local leadership to realize.

Growing the inventory of affordable housing through these methods, paired with attractive incentive programs, is an effective way to draw talent to the region. These incentive programs could include down payment assistance, first-time buyer incentives, access to low-interest financing, transit subsidies, and other policies that support affordable homeownership.

2b. Expand access to affordable, high-quality childcare.

The cost of childcare is often a family's biggest expense. In Virginia, infant care averages about \$14,277 annually, which is \$1,190 every month for one child.¹⁸ High childcare costs are more than a burden for individual families; they limit workforce participation, contribute to the loss of employees, and cut into overall productivity. Affordable childcare options are essential to promote economic inclusion.

Addressing the rising cost of raising a family in Northern Virginia takes collective action such as state-local matching grants, public-private partnerships with employers, and fast-tracking childcare facility permitting in workforce zones. The business sector should offer employer-sponsored childcare as a talent retention and return-to-work strategy.

Quality childcare that supports early childhood development benefits the region today. It also builds a stronger workforce for tomorrow. Improving access to excellent public education, investing in STEM-aligned K-12 programming, and integrating workforce exposure in middle and high schools is another way to invest in children today and reap the rewards in the future workforce.

¹⁸ [Economic Policy Institute](#)

GOAL 3: ATTRACT SUSTAINED INVESTMENT

Address impediments to growth—Modernize foundational systems like tax, zoning, and procurement policies to foster growth in fast-moving industries.

The opportunity

Businesses in Virginia face a patchwork of local tax structures, including inconsistent rules around Business, Professional and Occupational License (BPOL) taxes, machinery and tools taxes, and local filing requirements. The scope and complexity of the Virginia tax code is a significant deterrent to economic growth, especially for small firms with limited resources and experience in the region. This is a critical reason why Virginia ranks 31st in cost of doing business despite earning top marks for quality of life, business friendliness, education, and infrastructure.¹⁹

To thrive in the new economy, the region must make it easier for businesses of all sizes to do business here. In addition to addressing the complexity and inconsistency of the tax environment, the region must also modernize how government interacts with private enterprises in areas like licensing, procurement, and regulatory compliance. Doing so reduces a significant bottleneck for high-growth firms—particularly startups, scale-ups, and advanced industries—that require fast approvals, flexible contracts, and predictable timelines.

Going forward, attracting and retaining high-growth businesses and bringing new, sustainable tax revenue to the region requires a deliberate shift in mindset to prioritize ease of doing business, streamlined regulation, and entrepreneurial dynamism. To lead in this new era, Virginia must modernize its foundational systems: aligning tax, zoning, and procurement policies with the needs of fast-moving industries. This is key to cultivate an agile, innovation-friendly business environment.

GOAL 3: ATTRACT SUSTAINED INVESTMENT — Address Impediments to Growth—Modernize foundational systems like tax, zoning, and procurement policies to foster growth in fast-moving industries.

How to seize the opportunity:

- 3a. Simplify and modernize business tax administration.
- 3b. Streamline and digitize regulatory and permitting processes to reduce time to market.
- 3c. Modernize procurement and public-private partnership mechanisms.

¹⁹ [CNBC's America's Top States for Business 2024](#)

3a. Simplify and modernize business tax administration.

Northern Virginia's outdated BPOL tax was originally implemented in the 1800s. It taxes gross receipts rather than profits, penalizing growing and low-margin businesses and discouraging local expansion. With economists, business groups, and policymakers calling the tax inefficient and distortionary, multiple state-level commissions have recommended reform.

More broadly, the region's tax system today is fragmented across jurisdictions, lacks sufficient incentives for high-growth sectors, and is not aligned with remote-first or hybrid operations. While Northern Virginia has developed some useful programs, places like Austin, Charlotte, and Denver are advancing faster. The region should take a page from their playbooks. Priorities include simplifying taxes, targeting support for innovation industries, and ensuring that incentives fit the needs of 21st-century business models. With these reforms, the region can attract more businesses by making it easier to start, scale, and operate across city and county lines.

3b. Streamline and digitize regulatory and permitting processes to reduce time to market.

Virginia's permitting, licensing, and zoning systems vary significantly across jurisdictions. Inconsistency creates administrative burdens and long waiting time for businesses that want to expand or relocate here. This is particularly challenging for innovation-driven firms that are building facilities or deploying new technologies. They need consistent, predictable, fast, and transparent pathways to compliance.

To draw businesses away from more fast-moving states like Texas, Georgia, and Florida, Virginia must treat regulatory efficiency as a competitive asset. The modernization and digitization of core business-facing functions and permitting processes are essential for timely approvals, fewer project delays, and reduced friction for private investment.

3c. Modernize procurement and public-private partnership mechanisms.

It is especially difficult for small and innovative companies with limited resources to navigate Virginia's procurement processes. Lengthy contracting timelines, lack of flexibility in bid requirements, and outdated procurement systems often prevent firms like these from accessing state and local government markets.

To support the new economy, Virginia must enable government to act like a more flexible customer. An important part of this is to modernize procurement tools, making them more accessible to startups and scaleups. Doing this includes digitizing contracting platforms, releasing innovation-specific RFPs, and streamlining vendor onboarding procedures.

GOAL 4: TELL OUR POWERFUL STORY

Rebrand the region as the destination of choice for future-focused industries.

The opportunity

There is an exciting opportunity to rebrand Virginia as a future-focused innovation state—potentially as the country’s “NextGen AI Corridor.” While the specific brand would ultimately be shaped by regional stakeholders, this kind of positioning could highlight Virginia’s competitive advantage as a technology powerhouse, fueled by highly skilled talent that has a capacity for bringing creativity and original thought to AI transformation and the development and application of cutting-edge technologies.

The brand strategy and execution must go beyond highlighting industry strengths. It must also reflect the cultural, recreational, and community-driven qualities that make Northern Virginia uniquely livable and desirable. People and businesses are attracted to regions that offer a compelling combination of economic opportunity, affordability, vibrancy, and inclusivity.

GOAL 4: TELL OUR POWERFUL STORY — Rebrand the region as the destination of choice for future-focused industries.

How to seize the opportunity:

- 4a. Launch a regional innovation branding and investment campaign.
- 4b. Market Northern Virginia's mission-driven brand to the next generation.

4a. Launch a regional innovation branding and investment campaign

Northern Virginia is under-investing in marketing related to economic development by \$2 to \$4 million compared to similar large metro regions. Our analysis reveals that Greater Richmond dedicates around \$2.7 million annually to business attraction. Austin’s Economic Development Department spends \$2.6 to \$4 million on marketing each year. In comparison, Fairfax County Economic Development Authority’s budget is less than \$1 million.²⁰

Now is the time to level the playing field and invest in an authentic and engaging brand for Northern Virginia. This is essential to reset perceptions that the region has little to offer economically beyond its deep ties to the federal government. We know this is not true, and the public and businesses must know it, too.

²⁰ [Opportunity Austin](#); [Biz Journals](#); Greater Richmond Partnership

With coordinated branding and strategic investment initiatives, Northern Virginia could rebrand itself to boldly align with future industry. It could become known as an AI powerhouse, a national model for purpose-oriented innovation, and a launchpad for other technologies like space systems, quantum, and GovTech. Highlighting Northern Virginia's leadership in healthtech, particularly how cutting-edge research, federal health agencies, and private innovation converge, can further differentiate the region. A unified and compelling messaging strategy and visual identity should target new economy businesses—from global corporations to hungry entrepreneurs. It should appeal to companies seeking a destination that is pioneering the future of AI. The new brand is about a Northern Virginia that is tech-forward, creatively minded, resourced, affordable, wildly livable, and endlessly vibrant. It's a place for all that is more than on the move. It's leading the way.

4b. Market Northern Virginia's mission-driven brand to the next generation.

People who are actively building and moving into careers in future-focused industries are an important audience for this branding campaign. Messages and channels must be strategically targeted to be relevant and to meet them where they are. The more successful the region is at doing this, the more of a steady pipeline of highly skilled workers is created.

Young people today are attracted to Northern Virginia not only for its career opportunities but because they see it as a place where they can do meaningful work—where national security, civic tech, and innovation intersect to create real-world impact. To sustain this powerful draw, the region must continue to elevate opportunities for mission-driven work, particularly at the intersection of technology and public good, while cultivating a civic-minded culture across sectors. Appealing to this purpose-oriented generation means positioning Northern Virginia as a place where young people can build careers that align with their values, contribute to something larger than themselves, and still enjoy a fun, connected, and affordable lifestyle.

The Next Step is... Forward

Northern Virginia is the economic engine of the Commonwealth of Virginia and the broader region. Since the mid-20th century, it has evolved from a largely agrarian and defense-oriented economy into a diversified, high-income hub of federal employment, contracting, and innovation. Now is the time for yet another evolution.

This evolution is different. It must be a profound and purposeful transformation to diversify the economy and make Northern Virginia the destination of choice for industries that will drive global competitiveness for years to come. There's no stronger foundation to build a new era of growth than the combined strengths that exist nowhere else.

This transformation cannot happen on its own. It requires vision, action, courage, and sustained collaboration across public, private, academic, and civic sectors. It demands new investments in commercialization, infrastructure, and workforce development. And it depends on closing persistent gaps in innovation. By answering this call-to-action and aligning around the goals, Northern Virginia can weather disruption and shape the next era of American economic leadership. Together, we have the power to make it happen.

Measuring Progress Over Time

To support long-term economic transformation and assess progress toward the goals, Northern Virginia Chamber will develop a regional Economic Development Index—a structured, data-driven tool to track performance on key indicators such as business attraction, workforce transition, industry diversification, innovation activity, and equitable growth. The Index will serve as both a benchmarking tool and a strategic dashboard for stakeholders across government, business, and education sectors. By anchoring the Index in the objectives outlined in this paper—such as increasing private-sector job creation, accelerating transitions from federal employment, and strengthening targeted industry clusters—Northern Virginia can ensure that the region stays accountable to its vision and adapts based on measurable outcomes.

The Index should be updated annually, with periodic revisions to reflect evolving goals and new economic realities. Other regions provide strong models to draw from. Austin's Innovation Scorecard, published by the Austin Chamber, tracks startup activity, capital flows, and tech talent. The Brookings Metro Monitor offers city-level comparisons on inclusive growth and prosperity. Greater Seattle's Prosperity Index, developed by the Puget Sound Regional Council, blends traditional economic indicators with equity and sustainability metrics. Northern Virginia can adapt lessons from these efforts while tailoring its Index to local priorities—ensuring progress isn't just measured but actively driven.

Recommendations

We offer the following specific recommendations as a starting point for actions that stakeholder groups across the region can take to bring the four bold goals to life. Some recommendations may require the creation of new programs, while others can be achieved by investing in and scaling the region's existing efforts.

The recommendations are presented as a collaboration between business, government, and education—a coordinated ecosystem. Leaders for each of the initiatives included in the recommendations will need to be defined and aligned through stakeholder engagement.

As part of this process moving forward, the Northern Virginia Chamber (NVC) will convene stakeholders to evaluate which of these recommendations are most relevant and achievable—drawing on proven approaches from other transitioning economies and adapting them to the unique strengths and needs of our region.

Goal 1 recommendations: Reinvent the economy—Develop a new economy and prepare the workforce and digital infrastructure to support it.

1a. Spur growth in AI and quantum computing, space, biotech, semiconductors, and robotics.

- Create an innovation backbone across universities, federal labs, and industry that is linked to launch labs and startup accelerators.
- Co-finance innovation with government and corporate partners to advance tech that serves both areas.
- Target foreign direct investment (FDI) and export promotion toward future-focused sectors to position Northern Virginia as a global hub for advanced industries.
- Scale advanced industries with cluster strategies that connect supply chain development with workforce planning, and research and development (R&D) partnerships.
- Create commercialization platforms for AI technologies by expanding hyperscale infrastructure beyond pilot projects and providing access to startups and researchers.
- Establish industry consortia to codevelop standards, applications, and investment roadmaps for technologies that bridge federal and commercial markets.
- Develop regional centers of excellence in future-focused sectors tied to national priorities and industry workforce needs.

1b. Cluster tech hubs around strategic locations and close innovation gaps.

- Create a Northern Virginia Launch Lab Network as a regional commercialization engine, with sector-specific nodes and shared capital access, talent development, and pilot programs.
- Formally designate regional innovation clusters around major university-federal-facility hubs with tailored sector strategies, incentive packages, and infrastructure planning.
- Embed launch labs in federal challenge programs, creating sector-specific advisory boards, and establishing regional IP trusts.
- Coordinate with local and state governments to provide early-stage supports including measures such as tax credits, prototyping grants, and zoning flexibility for lab and manufacturing space.
- Launch a blended capital fund with matched public and private dollars to support scale-up capital, infrastructure, and commercialization grants for high-growth startups.
- Stand up the Northern Virginia Innovation Corridor as a formal entity that coordinates IP commercialization, site development, tech workforce planning, and R&D initiatives.
- Support regular public-private demo events and matchmaking, aligning investor pipelines with state incentive programs and technology readiness.
- Partner with launch labs and universities to sponsor startup and student innovation on high-priority technology needs.
- Create commercialization accelerators that provide in-house expertise, regulatory support, and corporate pilots for cross-sector use cases.
- Expand university-based innovation by integrating launch labs with tech transfer offices and entrepreneurship centers.
- Create unified licensing and commercialization pathways across Virginia's top research universities.
- Deploy region-wide mentorship and venture development teams, including alumni networks, to provide ongoing support for innovation.

1c. Prepare the workforce with the skills to succeed in the new economy.

- Create a Regional Talent Transition Alliance to align efforts among employers, educators, workforce boards, and economic development agencies.
 - Launch regional credential councils to identify priority certifications and align training with local employer needs.
 - Use shared data systems to track credential completions and job placements, driving continuous program improvement.

- Expand access to flexible training formats—including online, bootcamps, night classes, and hybrid options—using successful models like Virginia Ready and Amazon Career Choice.
- Align training with regional industry strengths and share labor market data across partners to avoid duplication and better meet demand.
- Launch a Federal-to-Tech Transition Initiative as a flagship program with cross-agency oversight and employer advisory boards to build clear, formal pathways from federal to private-sector tech jobs.
- Use AI-driven job mapping and pathway analytics to generate personalized transition plans aligned with real-time employer demand.
- Embed wraparound supports—such as childcare, transportation, and career coaching—into Virginia’s workforce system to remove barriers to transition.
- Fund regional grants for colleges and employers to co-design stackable credential pathways in high-growth sectors, from entry-level to degree programs.
- Expand FastForward beyond entry-level certifications by creating connected pathways to associate and bachelor’s degrees.
- Develop a statewide credential directory (e.g., via Credential Engine) to help workers and employers understand how certifications stack and connect.
- Sponsor returnships and mid-career apprenticeships to provide former federal workers with private-sector experience in innovation-intensive fields.
- Make public hiring commitments or “transition pledges” to show demand and reduce perceived risk for transitioning workers.
- Partner with colleges to build “credential-to-job” pathways, where employers help design training and commit to interview program completers.
- Offer hands-on experiences—like internships and project-based learning—within credential programs to build practical skills.
- Provide bonuses or pay incentives for completing in-demand credentials to show a clear return on investment for learners.
- Support development of industry-specific training centers (e.g., an AI & Automation Institute or Clean Tech Lab) in collaboration with education and government partners.
- Establish Transition Navigators at community colleges and universities to provide 1:1 coaching, benefit guidance, and job connections for transitioning workers.
- Build modular, flexible training programs that align with employer needs and allow learners to build skills over time.

- Ensure industry certifications (e.g., AWS, Siemens, CompTIA) count for college credit in fields like cloud computing, robotics, and automation.
- Expand student supports—like mentoring, tutoring, and flexible scheduling—to help adult learners and caregivers succeed.
- Improve credit transfer between schools to support movement across stackable pathways statewide.
- Train faculty in emerging technologies and maintain active partnerships with employers to ensure course content stays relevant.

1d. Modernize and scale the digital infrastructure—with a focus on expanding energy capacity.

- Develop an AI Infrastructure and Energy Council to align priorities, track progress, and advocate for state and federal support.
- Launch public engagement campaigns to build community understanding of the benefits of SMRs and responsible data center growth.
- Integrate energy and data policy efforts to ensure that power and digital capacity evolve together.
- Make energy infrastructure a priority in regional growth strategies and direct state and federal funding to energy grid upgrades and small modular reactor (SMR) pilots. An SMR is a small nuclear reactor, built off-site, that produces up to 300 megawatts of power.
- Streamline permitting for SMRs and data centers through innovation or energy zones.
- Align the regional energy strategy with Virginia’s energy policy, while integrating SMRs and energy demand from AI-powered industries into long-range planning.
- Expand site-ready land access for data centers.
- Partner with SMR developers to pilot co-location of nuclear power and data centers.
- Collaborate with Dominion Energy and others to advocate for grid resilience investments and predictable interconnection timelines.
- Expand training pipelines for nuclear technicians, data infrastructure engineers, and clean energy grid specialists.
- Position Virginia universities as leaders in modular nuclear R&D and power systems integration for AI applications.

Goal 2 recommendations: Cultivate affordability for our workforce— Make the region an affordable place to live, work, and raise a family.

2a. Create more affordable housing options in high-opportunity regions.

- Establish a cross-sector regional task force to align housing, transportation, and economic policies to improve affordability.
- Facilitate public-private partnerships to pilot innovative housing models like modular construction or co-living.
- Share data and regional housing needs assessments to target investments and track progress.
- Prioritize planning, zoning, and permitting reforms to reduce time to market for housing in high-opportunity neighborhoods.
- Create a regional workforce housing innovation fund to support mixed-income housing in high-opportunity locations using public-private capital.
- Integrate housing planning with economic development zones to avoid displacing talent or creating long commutes.
- Champion affordable housing and attainable market-rate housing developments near amenities attractive to young professionals and growing families.
- Pilot employer-supported housing programs to increase affordability for early-career professionals.
- Partner with developers and local governments to create affordable rental and ownership opportunities targeted at young families and early-career professionals.
- Expand financial literacy and homebuyer education programs for younger families and first-time homebuyers.
- Collaborate with local governments to research and address housing affordability barriers for faculty, staff, and students.

2b. Expand access to affordable, high-quality childcare.

- Build on cross-jurisdictional planning efforts to create a regional childcare affordability strategy that aligns public, private, and nonprofit action.
- Ensure that childcare is included as an infrastructure and workforce investment in advocacy to state and federal partners.
- Expand local and state subsidy programs to serve more working families and reduce out-of-pocket childcare costs.

- Streamline zoning and licensing to enable more home-based and center-based childcare options, building on progress in jurisdictions like Arlington and Alexandria.
- Integrate childcare access into economic development strategies, including site planning, so that families can live, work, and get childcare in the same area.
- Partner with existing provider networks to offer employer-supported childcare options, including priority access, co-investment in placements, and on-site centers.
- Expand flexible benefits, such as dependent care stipends or backup care options, building on existing employer practices.
- Coordinate with economic development organizations to identify high-demand areas where employer-supported childcare hubs could unlock workforce participation.
- Scale early childhood workforce training programs at Northern Virginia Community College and other local institutions.
- Strengthen partnerships between school districts and childcare providers to align pre-K expansion efforts with local workforce needs.
- Leverage apprenticeship and credentialing initiatives to create seamless pipelines from high school to early childhood careers, particularly in underserved communities.

Goal 3 recommendations: Address impediments to growth—Modernize foundational systems like tax, zoning, and procurement policies to foster growth in fast-moving industries.

3a. Simplify and modernize business tax administration.

- Convene a regional task force of government, business, education, and nonprofit leaders to develop and promote a tax modernization strategy.
- Leverage existing networks like GO Virginia, NVRC, and regional economic development organizations to align tax reform with broader economic competitiveness goals.
- Highlight other regions’ success stories to build public support for modernization and demonstrate the economic benefits of tax modernization.
- Commission a regional tax modernization study that builds on prior state-level efforts to assess reform options for the BPOL tax and other outdated revenue tools.
- Pilot alternative revenue models, such as profit-based or value-added tax structures.
- Support bold ideas for new initiatives and facilities that diversify revenue to reduce local reliance on real estate and personal property taxes.

- Align tax incentives with strategic priorities to attract private investment and reduce barriers to building repurposing.
- Advocate for equitable tax reform through chambers of commerce and regional coalitions, emphasizing the impact of gross-receipts taxes on small and mid-sized, low-margin firms.
- Advocate for modern tax models, such as revenue-sharing based on business growth or job creation, particularly in innovation corridors.
- Support local jurisdictions by offering technical input on how tax code changes could support entrepreneurship.
- Integrate tax literacy and civic economics into regional workforce and entrepreneurship programs to help emerging businesses understand and navigate the existing code.
- Initiate research led by public policy schools and university-affiliated economic development centers to model tax reform scenarios.

3b. Streamline and digitize regulatory and permitting processes to reduce time to market.

- Form a regional permitting modernization task force to identify scalable best practices and pilot shared services.
- Expand use of technology partnerships, modeled after existing smart city and digital equity initiatives, to accelerate adoption of regulation technology tools across jurisdictions.
- Modernize and expand the Virginia Business One Stop portal into a more integrated, user-focused platform that Northern Virginia localities can plug into.
- Scale local fast-track permitting models by creating regional standards for reviewing timelines and benchmarks.
- Assess past efforts in Virginia to identify outdated or duplicative regulations across jurisdictions, such as those from the former Commission on Government Reform and Restructuring.
- Partner with local governments to co-design e-permitting solutions, using real-time business feedback to reduce time to market, find efficiency, control costs and improve customer experience.
- Advocate for interoperability across different jurisdictions' permitting platforms, especially for firms with multi-county footprints or that are expanding across Northern Virginia.
- Contribute data and case studies to help localities and the state prioritize regulatory modernization that addresses the biggest business bottlenecks.
- Collaborate with community colleges and universities to build a regional talent pipeline in zoning and permitting tech, including digital plan reviewers and compliance analysts.

- Work with local governments to review regulations and test new technology solutions through civic tech programs and policy labs.
- Host regional design sprints or student fellowships to build new, real-time digital tools for permitting and zoning.

3c. Modernize procurement and public-private partnership mechanisms.

- Establish a regional innovation procurement hub to centralize resources, RFPs, and support for early-stage vendors.
- Host cross-sector “procurement innovation sprints” to co-design new procurement tools that are fast, transparent, and accessible.
- Digitize and expand procurement platforms, building on the eVA system and local models to increase accessibility for small, diverse, and tech-enabled businesses.
- Incentivize the use of innovation-friendly procurement vehicles aligned with the Virginia Innovation Partnership Corporation and its Commonwealth Commercialization Fund.
- Expand outreach and capacity-building under the Small, Women-owned and Minority-owned Business (SWaM) program to ensure small and minority-owned firms can navigate procurement for tech and infrastructure projects.
- Develop working groups with government to identify startup engagement opportunities.
- Mentor newer firms through pre-bid training and partnership opportunities to help emerging companies enter government supply chains.
- Create GovTech-focused procurement bootcamps through Northern Virginia Community College or regional innovation hubs, teaching entrepreneurs how to access public-sector markets.
- Pair university researchers with startups and agencies to co-develop innovation-focused public services.
- Use university procurement offices as living labs, testing out simplified and innovation-friendly practices that can model change for state or local systems.

Goal 4 recommendations: Tell our powerful story—Rebrand the region as the destination of choice for future-focused industries.

4a. Launch a regional innovation branding and investment campaign.

- Align brand storytelling across sectors with shared messaging, metrics, and materials that highlight Northern Virginia's unique strengths.
- Convene an annual summit to bring together stakeholders from government, business, academia, and civil society and publicly report progress.
- Ensure civic purpose at the core of the brand, with targeted support for mission-driven founders, workers, and communities.
- Develop and fund a NextGen AI Corridor branding campaign modeled after successful efforts like "Silicon Slopes" in Utah or "The Capital of Quantum" in Chicago.
- Launch a regional AI coalition or leadership council composed of tech firms, startups, and federal contractors to guide the strategy, champion the brand, and provide mentorship.
- Sponsor high-visibility AI demonstration projects that showcase the region's unique use cases and cross-sector strengths.
- Promote the region as a destination for AI conferences, investor showcases, and federal innovation challenges, reinforcing the brand through national visibility and industry media.
- Advocate for increased investment in economic development branding efforts.
- Position local universities and colleges as AI talent engines, featuring branded degree programs, micro-credentials, and AI institutes.
- Host regional AI challenges, hackathons, and fellowships that engage students and faculty in real-world problem-solving aligned with the brand and economic goals.

4b. Market Virginia's mission-driven brand to the next generation.

- Create an annual summit to convene stakeholders around Gen Z-focused workforce development, inclusion, and talent retention.
- Lead a unified talent campaign specifically tailored to Gen Z values, emphasizing Northern Virginia's leadership in mission-driven sectors.
- Position mission-aligned careers as attractive and modern by promoting them as pathways to career mobility, influence, and economic stability.
- Highlight the region's unique lifestyle assets to attract remote workers and young professionals who prioritize work-life balance.

- Sponsor and co-create annual innovation challenges and competitions to increase the visibility of the region's innovation ecosystem.
- Develop and promote internship and apprenticeship programs tied to these competitions to provide experiences that help retain emerging talent.
- Champion the social impact and career mobility of less-visible, but vital, tech-enabled jobs to inspire a new generation to view these careers as desirable.
- Integrate mission-driven career pathways into university and college curricula, focusing on emerging sectors where Northern Virginia excels.
- Expand career counseling and outreach that highlight socially impactful opportunities in tech and infrastructure, emphasizing access for underrepresented groups.
- Share messaging and storytelling frameworks across government, business, and education to consistently promote the region's mission-driven, future focus.

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Methodology and Approach

The *NOVA Roadmap* provides an analytically robust and contextually relevant perspective to inform strategic decisions about Northern Virginia's future amid evolving economic and policy conditions. NVC worked in partnership with Accenture to develop an integrated research approach to assess regional economic diversification opportunities. The approach incorporates secondary data analysis and qualitative insights from key stakeholder groups.

Secondary research: This research is grounded in a comprehensive review of existing data, literature, and case studies on regional economic trends, industry concentration, and past diversification efforts. In addition to analyzing flagship datasets and regional economic development reports, the research team drew on lessons from successful economic turnarounds and innovation-driven models in other knowledge-focused local economies across the country.²¹ These insights helped shape a forward-looking perspective on how Northern Virginia can build a more diversified economic future.

²¹ Specific case studies referenced included but were not limited to: Pittsburgh, Pennsylvania; Detroit, Michigan; Nashville, Tennessee; Greenville, South Carolina; Austin, Texas; Buffalo, New York; Raleigh-Durham, North Carolina (Research Triangle)

Primary research: To ground the quantitative findings in real-world perspectives, the study also incorporates qualitative data from semi-structured interviews and focus groups. Over the course of two months, the research team conducted more than 15 interviews and five focus groups with business leaders, universities, the economic development community, policymakers, entrepreneurs, startups, and other stakeholders. These discussions explored challenges, policy gaps, and practical pathways for economic diversification.

Insights from primary and secondary research were synthesized to capture both macroeconomic dynamics and stakeholder experiences to ground actionable policy recommendations.

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