Written by **Peter Rykowski** on December 30, 2025

Report: Federal Workforce Down Nine Percent in 2025, but Spending Continued to Grow

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According to a newly released report, the Trump administration has significantly cut the number of federal employees while continuing the steady — and unsustainable — growth in federal spending.

The report, authored by Alex Nowrasteh and Krit Chanwong of the Cato Institute, states that the administration, led by the Department of Government Efficiency (DOGE), carried out the largest reduction in the federal workforce "since the military demobilizations at the end of World War II and the Korean War," but failed to make any dent in federal expenditures.

Turning first to federal spending, Nowrasteh and Chanwong note:

> The federal government spent $7.6 trillion in the first 11 months of calendar year 2025, approximately $248 billion higher by November of 2025 compared to the same month in 2024 (Figure 1). Cumulative spending in every month of 2025 was greater than in every other year and was approximately as much as the Congressional Budget Office (CBO) projected in June 2024, or slightly less in real terms. There is no visible structural break in 2025 spending that coincides with DOGE's start date. An observer who did not know when DOGE started could not identify it in Figure 1.

As an indicator of how large the federal deficit and overall spending are, the national debt grew $1 trillion — surpassing the $38 trillion mark — in just two-and-a-half months (August to October 2025).

Despite the continued growth in federal spending, Nowrasteh and Chanwong note, the federal workforce's size has declined significantly this year:

> Although DOGE didn't reduce outlays by November, it sizably cut federal employment by 271,000 (Figure 2). That's a nine percent decline since January 2025. DOGE brought down federal employment to late 2014 levels in less than 10 months, but with almost 60 percent of the decline in October. Figure 3 compares the monthly change in federal employment during the Biden administration and President Trump's second term, while Figure 4 measures reductions in Trump's 2025 workforce against previous presidents.
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> The pace of workforce reduction was unusually rapid and is on track to exceed Clinton-era cumulative reductions in roughly one year rather than four, if sustained. By the end of September, federal employment had fallen by almost 100,000. The sharp October drop of over 150,000 was driven by the federal civil service buyout offer rather than normal attrition. The number of employees continued to fall in November, but at a slower pace. We

> won't see a single month of federal employment decline that resembles October 2025 for the rest of the Trump administration.

Why the disparity between the federal workforce and spending data? Nowrasteh and Chanwong explain:

> DOGE failed to cut spending because most federal spending was for entitlement programs, where spending remains high due to structural reasons and policy autopilot. Congress alone has the authority to cut these programs, so it's unsurprising that DOGE did not reduce spending….
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> It is not surprising that such a large reduction in the federal workforce did not lead to lower outlays, since most federal expenditures are transfer payments rather than salaries. According to Cato's report to the DOGE Commission last year, a 10 percent cut in the federal workforce would only save about $40 billion annually. The 3.8 million federal defense and nondefense employees, excluding postal workers, account for around 8 percent of total spending.

Unconstitutional Programs Must Be Eliminated

Although the Trump administration has made notable cuts to the federal workforce, it has failed to meaningfully cut the many existing (and unconstitutional) federal programs, as Nowrasteh and Chanwong point out — and substantial reductions can only come via congressional legislation. Importantly, mandatory spending — on programs such as Social Security and Medicare, which Congress does not need to regularly reauthorize — consists of nearly three-fourths of all federal spending, but Republicans have rejected substantial cuts in this area. In order to reduce federal spending, Congress must eliminate these unconstitutional programs. Additionally, as Nowrasteh and Chanwong noted above, despite the substantial federal-workforce cuts, the number of federal employees remains at "late 2014 levels," or about 2.7 million employees. Although this is an improvement over January 2025 levels, the federal workforce is still large enough to run the myriad unconstitutional federal programs.

In order to reduce the size and scope of the federal government, Congress must act by both repealing and refusing to fund all unconstitutional programs. Additionally, state governments can act by nullifying unconstitutional federal programs and refusing federal money, which is overwhelmingly used to promote big-government programs. Urge your U.S. representative and senators to slash all unconstitutional spending, and urge your state legislators to nullify all unconstitutional federal acts.

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