

# Impact of Higher Tariffs on Families in the Average Congressional District

Families across the United States are struggling with the higher cost of living. According to a recent survey, 86% of American adults said that the cost of groceries is a source of stress in their lives and 74% said the same thing about the cost of housing.<sup>1</sup> Increasingly, families don't feel like they can keep up. Over three out of four Americans say that the amount of money they get paid and the amount they have saved is a source of stress.<sup>2</sup>

Recent tariff policy is contributing to these higher prices.<sup>3</sup> Since taking office, President Donald Trump has imposed the highest tariffs on American families since the Great Depression. These tariff taxes are paid by the companies that import products from our trading partners and passed on in whole or in part to consumers. The result has been higher prices on a vast array of goods and services, including everyday expenses like groceries, clothing, and shampoo and big-ticket items like consumer electronics, furniture and appliances, and vehicles. Even electricity prices and housing costs are being driven up by the tariff taxes.<sup>4</sup>

President Trump's tariffs are also extremely regressive, forcing Americans with the lowest incomes to spend a far bigger fraction of their income than those with the highest incomes.<sup>5</sup>

The cumulative impact of these tariff-driven price hikes is significant. The average household in the average congressional district will spend an extra **\$1,670** annually as a result of the tariffs in effect on November 17, 2025.

## Background

### Trump Administration Tariffs

The Trump Administration has unilaterally imposed historically high tariffs on goods imported from U.S. trading partners around the globe. When President Trump came into office, the

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<sup>1</sup> Associated Press, *Food, Housing and Health Care Costs Are a Source of Major Stress for Many People* (August 4, 2025) (<https://apnorc.org/projects/food-housing-and-health-care-costs-are-a-source-of-major-stress-for-many-people/>).

<sup>2</sup> Id.

<sup>3</sup> Federal Reserve Bank of Atlanta, *Tariffs and Consumer Prices* (February 28, 2025) (<https://www.atlantafed.org/-/media/documents/research/publications/policy-hub/2025/02/28/01--tariffs-and-consumer-prices.pdf>).

<sup>4</sup> Yahoo Finance, *5 Biggest Price Hikes Due to Trump's Tariffs* (October 25, 2025) (<https://finance.yahoo.com/news/5-biggest-price-hikes-tied-101508724.html>); Brookings, *Recent Tariffs Threaten Residential Construction* (October 3, 2025) (<https://www.brookings.edu/articles/recent-tariffs-threaten-residential-construction/>).

<sup>5</sup> Yale Budget Lab, *State of U.S. Tariffs: November 17, 2025* (<https://budgetlab.yale.edu/research/state-us-tariffs-november-17-2025>).

average U.S. tariff rate was 2.4%.<sup>6</sup> His policies have raised the average tariff rate to 16.8%, the highest level since 1935 when high tariffs contributed to the Great Depression.<sup>7</sup>

President Trump's tariff policies have changed frequently and created uncertainty and confusion for U.S. businesses and families. He has announced large increases one day, rolled them back a week later, and then threatened them months later.<sup>8</sup> Sometimes he imposes across-the-board tariffs on all imports from a country; other times, he imposes tariffs on specific categories of goods.<sup>9</sup>

Some of President Trump's tariffs appear to be motivated by personal grievances rather than economics. For example, he imposed a 50% tariff on all goods from Brazil because he disapproved of how the country was treating its former President and Trump ally Jair Bolsonaro.<sup>10</sup> In October, President Trump increased tariffs on Canada by 10% in response to an ad placed by the Canadian province of Ontario during the World Series criticizing Trump's policies,<sup>11</sup> and he threatened Colombia with increased tariffs and an end to US assistance over its President's criticism of the Administration's actions in the Caribbean.<sup>12</sup>

As of November 17, 2025, Americans face an average tariff tax rate of 16.8%, which is passed on to them in the form of higher prices.<sup>13</sup> This includes both tariffs imposed on specific countries and product-specific tariffs on steel, aluminum and copper; cars, trucks and their parts; and lumber and wood products.<sup>14</sup> Some products have seen particularly acute price hikes, including beef, which has risen almost 15%,<sup>15</sup> and leather products (shoes and handbags) which have risen by 20%.<sup>16</sup>

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<sup>6</sup> *Id.*

<sup>7</sup> Yale Budget Lab, *State of U.S. Tariffs: November 17, 2025* (<https://budgetlab.yale.edu/research/state-us-tariffs-november-17-2025>); CNBC, *U.S. Tariff Rates Under Trump Will Be Higher than the Smoot-Hawley Levels from Great Depression Era* (April 3, 2025) (<https://www.cnbc.com/2025/04/03/us-tariff-rates-under-trump-will-be-higher-than-the-smoot-hawley-levels-from-great-depression-era.html>).

<sup>8</sup> Time, *A Timeline of the U.S.-China Trade War So Far*, (June 27 2025) (<https://time.com/7292207/us-china-trade-war-trump-tariffs-timeline/>).

<sup>9</sup> *Id.*

<sup>10</sup> CNBC, *Trump Hits Brazilian Products with 50% Tariffs over Bolsonaro* (August 2, 2025) (<https://www.nbcnews.com/politics/trump-administration/trump-brazilian-products-tariffs-bolsonaro-rcna222534>).

<sup>11</sup> Reuters, *Trump Sets 10% Hike in Tariffs on Canada After Ad Airs during World Series* (October 25, 2025) (<https://www.reuters.com/business/trump-announces-10-increase-tariffs-canada-2025-10-25/>).

<sup>12</sup> Axios, *Trump to hit Colombia with new tariffs amid clash with Petro over drug trade* (October 19, 2025) (<https://www.axios.com/2025/10/19/trump-colombia-petro-caribbean-strikes>).

<sup>13</sup> Yale Budget Lab, *State of U.S. Tariffs: November 17, 2025* (November 17, 2025) (<https://budgetlab.yale.edu/research/state-us-tariffs-november-17-2025>).

<sup>14</sup> *Id.*

<sup>15</sup> Fox Business, *Trump Team Pledges to Drive Beef Prices Down by 2026 as USDA Chief Pushes Back on \$10-Per-Pound Warning*. (November 17, 2025) (<https://www.foxbusiness.com/economy/trump-team-pledges-to-drive-beef-prices-down-by-2026-usda-chief-pushes-back-on-10-per-pound-warning>).

<sup>16</sup> Yale Budget Lab, *State of U.S. Tariffs: November 17, 2025*. (November 17, 2025) (<https://budgetlab.yale.edu/research/state-us-tariffs-november-17-2025>).

## Impact of Tariffs on Consumers and Businesses

President Trump has claimed that the tariffs are paid by foreign governments and companies, not American businesses and consumers, and that they are restoring manufacturing jobs in the United States. Neither claim is true.

The tariff taxes are paid to the federal government by the companies that import goods, not by foreign countries.<sup>17</sup> These companies in turn pass all or part of the costs of the tariffs to their consumers. Economic analyses indicate that the Trump Administration's tariff policies have raised prices for American families. The Administration's tariffs have made a wide variety of products more expensive, including food, clothing, cars and trucks, and computers. Higher tariffs have a particularly large impact on those with lower incomes.<sup>18</sup> Experts predict that tariffs will reduce the purchasing power of low-income Americans and increase the number of Americans living in poverty.<sup>19</sup>

President Trump conceded that tariffs raise prices in November when he exempted certain foods, such as bananas and coffee, from the tariffs he had previously imposed, stating that "they may in some cases" raise prices.<sup>20</sup>

The tariffs have also created serious uncertainty for U.S. businesses. In an October survey, 78% of CEOs said tariffs would have "a negative or somewhat negative impact on the US economy."<sup>21</sup> The National Federation of Independent Business's uncertainty index is at the fourth highest level in its 50-year history.<sup>22</sup> As one executive in a recent Institute for Supply Management survey said, "we are starting to institute more permanent changes due to the tariff environment ... includ[ing] reduction of staff, new guidance to shareholders, and development of additional offshore manufacturing that would have otherwise been for U.S. export."<sup>23</sup>

The tariffs have also not caused a resurgence in U.S. manufacturing. Instead, U.S. manufacturing, which was supposed to benefit from the tariffs, contracted for nine straight

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<sup>17</sup> New York Times, *Who Pays for U.S. Tariffs, and Where Does the Money Go?* (Sept. 26, 2025) (<https://www.nytimes.com/2025/07/28/business/economy/trump-tariffs-payment.html>).

<sup>18</sup> Yale Budget Lab, *State of U.S. Tariffs: November 17, 2025* (November 17, 2025) (<https://budgetlab.yale.edu/research/state-us-tariffs-november-17-2025>).

<sup>19</sup> Yale Budget Lab, *The Effects of Tariffs on Poverty*, (September 9, 2025) (<https://budgetlab.yale.edu/research/effect-tariffs-poverty>).

<sup>20</sup> Reuters, *Trump cuts tariffs on beef, coffee and other foods as inflation concerns mount* (November 15, 2025) (<https://www.reuters.com/business/trump-cuts-tariffs-beef-coffee-other-foods-inflation-concerns-mount-2025-11-14/>).

<sup>21</sup> Fortune, *CEOs Regain Some Confidence – But Still Keep a Cautious Hand on the Wheel Amid Tariffs* (November 11, 2025) (<https://fortune.com/2025/11/11/ceo-confidence-rises-trump-tariffs/>).

<sup>22</sup> Marketplace, *Many Small Businesses Have Already Raised Prices, or Plan to Soon* (October 14, 2025) (<https://www.marketplace.org/story/2025/10/14/small-businesses-raised-prices-or-plan-to-soon-survey-shows>).

<sup>23</sup> CNBC, *Delayed Tariff Impact Starting to Hit, Could Cause Companies to Reduce Head Count in 2026* (December 2, 2025) (<https://www.cnbc.com/2025/12/02/tariff-impact-starting-to-hit-could-cause-reduced-headcount-in-2026.html>).

months from February through November 2025.<sup>24</sup> As one industry economist said, “we can see no sign ... of a surge in manufacturing in the United States since the tariff regime was unveiled last spring. ... The manufacturing sector is sick.”<sup>25</sup>

## **Data Sources**

As explained in a separate methodology document, the estimates of the impact of President Trump’s tariffs on congressional districts come from two primary data sources: the Yale Budget Lab, which has estimated the impacts of the tariffs on households based on their income level, and the Census Bureau’s American Community Survey, which has estimated the income levels of households in local communities.

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<sup>24</sup> Reuters, *US Manufacturing Stuck in Doldrums as Tariff Headwinds Persist.* (December 1, 2025) (<https://www.reuters.com/world/us/us-manufacturing-slump-deepens-november-2025-12-01/>).

<sup>25</sup> *Id.*