

# Impact of Trump Administration Tariffs on Families in the Average Congressional District

American families are paying more for everyday necessities because of President Trump's tariffs. Since taking office, the President has imposed the highest tariffs since the 1930s. American businesses pay the tariffs and pass the costs on to consumers through higher prices for clothing, automobiles, groceries, and even electricity and housing. These tariffs have undermined businesses' competitiveness abroad while raising costs at home. And they hit low-income households hardest. The poorest households lose over three times as much of their income to tariff-driven price increases compared to the wealthiest households.<sup>1</sup>

On February 20, 2026, the Supreme Court struck down tariffs President Trump had imposed on approximately 65 countries under a 1977 law. Within hours, the Administration announced a new 10% global tariff under a different law enacted in 1974. The next morning, the President announced via social media that the new tariff would increase to 15%, the maximum rate under the law. As of March 9, the rate remained at 10%. The new 10% tariffs combined with the surviving tariffs on steel, aluminum, copper, vehicles, lumber, and Chinese imports will cost the average household an extra **\$940** per year in the average congressional district.

## Background

### Trump Administration's Emergency Tariffs and Response to the Supreme Court

Since taking office, President Trump has claimed unilateral authority to impose tariffs. In April 2025, the Administration invoked the International Emergency Economic Powers Act (IEEPA), enacted in 1977, to impose tariffs on virtually all U.S. trading partners, raising the average tariff rate from 2.4% to as high as 16.8%—the highest level since the Smoot-Hawley tariffs that contributed to the Great Depression.<sup>2</sup>

IEEPA allows a President to restrict imports only in response to an “unusual and extraordinary threat” to national security, foreign policy, or the economy.<sup>3</sup> Beginning in April 2025, President Trump declared a series of emergencies to impose tariffs under IEEPA on nearly every trading

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<sup>1</sup> Yale Budget Lab, *State of Tariffs: March 9, 2026* (March 9, 2026) (<https://budgetlab.yale.edu/research/state-tariffs-march-9-2026>).

<sup>2</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>); 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>3</sup> Congressional Research Service, *The International Emergency Economic Powers Act: Origins, Evolution, and Use* (September 1, 2025) (<https://www.congress.gov/crs-product/R45618>).

partner.<sup>4</sup> The tariff rates varied dramatically by country, reaching as high as 145% on Chinese imports, and the Administration frequently changed the rates with little warning, imposing tariffs one day and rolling them back the next.<sup>5</sup> This created “pervasive” uncertainty for businesses and families across the country, who had no way to plan around policies that shifted from week to week.<sup>6</sup>

On February 20, 2026, the Supreme Court ruled that IEEPA does not authorize the President to impose tariffs.<sup>7</sup> The Administration immediately responded by imposing a new 10% global “import surcharge” under the Trade Act of 1974, a law that allows a president to impose temporary tariffs of up to 15% for up to 150 days when the country faces “fundamental international payments problems.”<sup>8</sup> The law was enacted in response to President Nixon's unilateral import surcharge in 1971, and no previous President had invoked its authorities.<sup>9</sup> One day after announcing the new 10% tariffs, the President announced via social media that the rate would increase to 15%. Treasury Secretary Scott Bessent subsequently confirmed this rate increase was imminent.<sup>10</sup> As of March 9, however, the rate remained at 10%.<sup>11</sup> Combined with surviving tariffs on steel, aluminum, copper, vehicles, lumber, semiconductors, and imports from China, the average effective tariff rate now stands at 10.5%—the highest since 1943, excluding last year’s tariff rate.<sup>12</sup> The Section 122 surcharge will expire on July 24, 2026, unless Congress votes to extend it.<sup>13</sup>

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<sup>4</sup> The White House, *Fact Sheet: President Donald J. Trump Declares National Emergency to Increase our Competitive Edge, Protect our Sovereignty, and Strengthen our National and Economic Security* (April 2, 2025) (<https://www.whitehouse.gov/fact-sheets/2025/04/fact-sheet-president-donald-j-trump-declares-national-emergency-to-increase-our-competitive-edge-protect-our-sovereignty-and-strengthen-our-national-and-economic-security>).

<sup>5</sup> Reed Smith, *Trade Compliance Resource Hub: Trump 2.0 Tariff Tracker* (updated February 22, 2026) (<https://www.tradecomplianceresourcehub.com/2026/02/24/trump-2-0-tariff-tracker>); Associated Press, *US and China Reach a Deal to Slash Sky-High Tariffs for Now, with a 90-Day Pause* (May 12, 2025) (<https://apnews.com/article/china-us-switzerland-tariffs-negotiations-b3f5174d086e39b2522ab848ddad9372>).

<sup>6</sup> U.S. Board of Governors of the Federal Reserve System, *Beige Book – April 2025* (April 23, 2025) (<https://www.federalreserve.gov/monetarypolicy/beigebook202504-summary.htm>).

<sup>7</sup> *Learning Resources, Inc. v. Trump*, 607 U.S. \_\_\_\_ (No. 24-1287) (February 20, 2026) ([https://www.supremecourt.gov/opinions/25pdf/24-1287\\_4gcj.pdf](https://www.supremecourt.gov/opinions/25pdf/24-1287_4gcj.pdf)).

<sup>8</sup> The White House, *Imposing a Temporary Import Surcharge to Address Fundamental International Payments Problems* (February 20, 2026) (<https://www.whitehouse.gov/presidential-actions/2026/02/imposing-a-temporary-import-surcharge-to-address-fundamental-international-payments-problems/>).

<sup>9</sup> 19 U.S.C. § 2132(a) (<https://uscode.house.gov/view.xhtml?path=/prelim@title19/chapter12/subchapter1/part2&edition=prelim>); Congressional Research Service, *Congressional and Presidential Authority to Impose Import Tariffs* (April 23, 2025) (<https://www.congress.gov/crs-product/R48435>).

<sup>10</sup> New York Times, *Bessent Says Global Tariffs Will Rise to 15 Percent This Week* (March 4, 2026) (<https://www.nytimes.com/2026/03/04/business/economy/bessent-trump-tariffs-15-percent.html>).

<sup>11</sup> Yale Budget Lab, *State of Tariffs: March 9, 2026* (March 9, 2026) (<https://budgetlab.yale.edu/research/state-tariffs-march-9-2026>).

<sup>12</sup> *Id.*

<sup>13</sup> 19 U.S.C. § 2132(a) (<https://uscode.house.gov/view.xhtml?path=/prelim@title19/chapter12/subchapter1/part2&edition=prelim>).

## Continuing Impacts on Families and Businesses

The Administration's tariffs have undermined economic security on multiple fronts: raising costs for consumers, damaging American exporters, slowing growth, and creating lasting uncertainty for businesses. Before the Supreme Court struck down the IEEPA tariffs, American importers were paying roughly \$500 million a day in IEEPA duties alone. By the time of the ruling, the government had collected an estimated \$175 billion of unauthorized tariff revenue.<sup>14</sup> Those extra costs have reverberated across the economy. Surveys of businesses by the Federal Reserve have shown that tariffs increased costs for businesses and customers in every region of the country. In response, businesses reported that they froze hiring, cut hours, and cancelled expansion plans, and consumers were “squeezed by rising costs” and lowered their spending.<sup>15</sup>

These cost increases hit families hardest on everyday necessities.<sup>16</sup> According to the Yale Budget Lab, the tariffs are increasing costs for clothing (+16.4%), leather products such as shoes and handbags (+16.6%), automobiles (+15.3%), electrical equipment (+13.4%), and electronics (+10.0%).<sup>17</sup> Metal products face the steepest increases at over 19%, and because metals are used to manufacture everything from cars and appliances to construction materials, those higher costs will be felt throughout the economy.<sup>18</sup> In November 2025, public opposition to the price increases caused the Trump Administration to roll back tariffs on over 200 food products, including coffee, bananas, and orange juice.<sup>19</sup>

Tariffs are also damaging businesses by provoking retaliatory tariffs from major trading partners.<sup>20</sup> American farmers are particularly hard hit. In the first half of 2025, U.S. agriculture exports to China fell by over 50%, and the agriculture trade deficit reached a record high of \$44 billion as foreign consumers stopped buying U.S. farm products.<sup>21</sup> The Administration has

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<sup>14</sup> University of Pennsylvania Penn Wharton Budget Model, *Supreme Court Tariff Ruling: IEEPA Revenue and Potential Refunds* (February 20, 2026) (<https://budgetmodel.wharton.upenn.edu/issues/2026/2/20/supreme-court-tariff-ruling-ieepa-revenue-and-potential-refunds>).

<sup>15</sup> U.S. Board of Governors of the Federal Reserve System, *Beige Book – August 2025*, page 10 (<https://www.federalreserve.gov/monetarypolicy/beigebook202508-summary.htm>).

<sup>16</sup> Federal Reserve Bank of New York, *Who is Paying for the 2025 U.S. Tariffs* (February 12, 2026) (<https://libertystreeteconomics.newyorkfed.org/2026/02/who-is-paying-for-the-2025-u-s-tariffs/>).

<sup>17</sup> Yale Budget Lab, *State of U.S. Tariffs: February 21, 2026* (February 21, 2026) (<https://budgetlab.yale.edu/research/state-tariffs-february-21-2026>). Percentages taken from Table F6 and include estimates from both Section 122 scenarios. These estimates assume that the Trump Administration raises the Section 122 tariff to 15%, consistent with statements by President Trump and Secretary Bessent.

<sup>18</sup> *Id.*

<sup>19</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>20</sup> Congressional Research Service, *Presidential 2025 Tariff Actions: Timeline and Status, Foreign Retaliation to U.S. Tariff Actions* (January 12, 2026) (<https://www.congress.gov/crs-product/R48549-Toc219217474>).

<sup>21</sup> Doug Palmer, *US Ag Exports to China Fell More Than 50 Percent in First Half of 2025*, Politico (August 5, 2025) (<https://subscriber.politicopro.com/article/2025/08/us-ag-exports-to-china-fell-more-than-50-percent-in-first-half-of-2025-00493999>); U.S. Department of Agriculture, *Outlook for U.S. Agricultural Trade: February 2026* (<https://ers.usda.gov/sites/default/files/laserfiche/outlooks/113912/AES-135.pdf?v=91341>).

acknowledged the damage by announcing \$12 billion in emergency “Farmer Bridge” payments to offset losses from “temporary trade market disruptions and increased production costs.”<sup>22</sup>

Despite these harms, President Trump has continued to claim that tariffs have sparked “tremendous growth” and a “stunning economic turnaround.” The economy tells a different story.<sup>23</sup> Economic growth fell from 2.8% in 2024 to 2.2% in 2025, a decline of 21%.<sup>24</sup> This slower growth affected the labor market. After adding 2 million jobs in 2024, job creation collapsed in 2025 and fewer than 200,000 jobs were created.<sup>25</sup> Contrary to President Trump’s claim that “investment in American factories is up 41%,” private construction contracted in 2025, with manufacturing construction declining for eleven consecutive months.<sup>26</sup> Although the Administration asserted that tariffs would boost domestic production and exports, American businesses imported more goods and exported less in 2025 than they did in 2024.<sup>27</sup>

The economic disruptions from the Administration’s tariff policies are not over. Although the Supreme Court struck down the IEEPA tariffs, the Administration’s response has replaced one source of economic uncertainty with another. The new 10% global tariff is set to expire on July 24, 2026, unless Congress acts to extend it. Until this uncertainty is resolved, businesses will struggle to plan their hiring and investments. Meanwhile, the more than \$130 billion the government collected under the unlawful IEEPA tariffs remains in limbo. Over 1,800 companies filed lawsuits seeking refunds, and over 300,000 are potentially owed money.<sup>28</sup> The Administration sent mixed signals about whether it intended to return the funds. President Trump told reporters that refunds were “not discussed” and predicted the matter would remain in court “for the next five years.”<sup>29</sup> On March 4, the Court of International Trade

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<sup>22</sup> U.S. Department of Agriculture, *Trump Administration Announces \$12 Billion Farmer Bridge Payments for American Farmers Impacted by Unfair Market Disruptions* (December 10, 2025) (<https://www.fsa.usda.gov/news-events/news/12-10-2025/trump-administration-announces-12-billion-farmer-bridge-payments>).

<sup>23</sup> Associated Press, *Read the Complete Transcript of Trump’s 2026 State of the Union* (February 25, 2026) (<https://apnews.com/article/donald-trump-transcript-state-of-union-2026-c13e2a07df999b464b733f4a6e84dbd4>).

<sup>24</sup> Bureau of Economic Analysis, *GDP (Advance Estimate), 4<sup>th</sup> Quarter and Year 2025* (February 20, 2026) (<https://www.bea.gov/sites/default/files/2026-02/gdp4q25-adv.pdf>).

<sup>25</sup> U.S. Bureau of Labor Statistics, *The Employment Situation – January 2025*, Table B-1 ([https://www.bls.gov/news.release/archives/empsit\\_02072025.pdf](https://www.bls.gov/news.release/archives/empsit_02072025.pdf)); U.S. Bureau of Labor Statistics, *The Employment Situation – January 2026*, Table B-1 (<https://www.bls.gov/news.release/pdf/empsit.pdf>).

<sup>26</sup> Factcheck.org, *Manufacturing Construction Spending Declines Under Trump* (February 6, 2026) (<https://www.factcheck.org/2026/02/manufacturing-construction-spending-declines-under-trump/>); Wall Street Journal, *Manufacturing Construction Spending Has Fallen for 11 Straight Months* (February 27, 2026) (<https://tinyurl.com/zhatc3my>); U.S. Census Bureau, *Monthly Construction Spending, December 2025* (February 27, 2026) (<https://www.census.gov/construction/c30/current/index.html>).

<sup>27</sup> The White House, *CEA Chairman Steve Miran Hudson Institute Event Remarks* (April 7, 2025) (<https://www.whitehouse.gov/briefings-statements/2025/04/cea-chairman-steve-miran-hudson-institute-event-remarks>); Bureau of Economic Analysis, *U.S. International Trade in Goods and Services, December and Annual 2025* (February 19, 2026) (<https://www.bea.gov/news/2026/us-international-trade-goods-and-services-december-and-annual-2025>).

<sup>28</sup> Wall Street Journal, *The \$130 Billion Race for Companies to Get Their Tariff Money Back* (February 25, 2026) (<https://tinyurl.com/5axbajj4>).

<sup>29</sup> *Id.*

ordered the Administration to refund over \$130 billion in tariffs unlawfully collected under the IEEPA program, but the Administration is expected to appeal the order.<sup>30</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>30</sup> Reuters, *Tariff Refunds Ordered After Court Rules Trump Policy Illegal* (March 5, 2026) (<https://www.usatoday.com/story/money/2026/03/05/judge-orders-us-to-process-tariff-refunds/88999912007>); Holland & Knight, *Court of International Trade Orders Nationwide Tariff Refunds, But Expect Government to Appeal* (March 6, 2026) (<https://www.hklaw.com/en/insights/publications/2026/03/court-of-international-trade-orders-nationwide-tariff-refunds>).