

# Estimated Impacts of Proposed Tariffs on Imports:

**APPAREL, TOYS, FURNITURE, HOUSEHOLD  
APPLIANCES, FOOTWEAR AND TRAVEL GOODS**

November 2024

**PREPARED BY**

TRADE PARTNERSHIP WORLDWIDE LLC

**FOR**

**NRF** National  
Retail  
Federation

# About Trade Partnership Worldwide LLC

Trade Partnership Worldwide LLC is an economic research firm dedicated to the vision that an economy's competitiveness is best enhanced by working with its trading partners to expand and liberalize world trade. To this end, Trade Partnership Worldwide economists provide high-quality economic and trade policy research that supports clients' efforts to expand trade opportunities, both at home and abroad.

This research has included estimates of the economic effects of U.S. trade and U.S. trade policy actions for a wide variety of organizations, including U.S. trade associations such as the National Retail Federation, U.S. business coalitions and "think tanks" including the Brookings Institution and the German Marshall Fund, among others. The firm also provides detailed estimated goods and services export data (by state and congressional district) from its proprietary database to U.S. associations, the U.S. government (e.g., Council of Economic Advisers) and foreign governments.

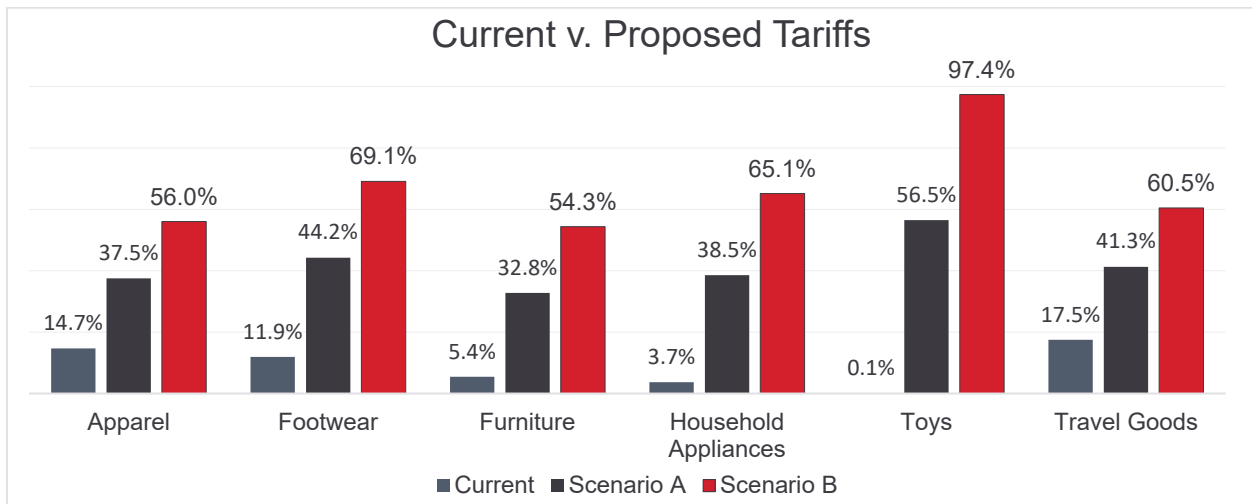
# About National Retail Federation

The National Retail Federation passionately advocates for the people, brands, policies and ideas that help retail succeed. From its headquarters in Washington, D.C., NRF empowers the industry that powers the economy. Retail is the nation's largest private-sector employer, contributing \$5.3 trillion to annual GDP and supporting more than one in four U.S. jobs — 55 million working Americans. For over a century, NRF has been a voice for every retailer and every retail job, educating, inspiring and communicating the powerful impact retail has on local communities and global economies. Learn more at [nrf.com](http://nrf.com).

# Executive Summary

Former President Donald Trump has floated a wide range of proposals to impose new tariffs on imports into the United States. Two specific proposals call for greater scrutiny: A) a universal tariff of 10% or even 20% on all imports into the United States from all countries, and B) an additional tariff of 60% or even 100% on all imports from China on top of existing tariffs.

Such tariffs would have a significant impact on the costs of a wide range of consumer products sold in the United States. This research aims to educate policymakers about the potential impacts on American families of Trump's tariff proposals. The study focused on six consumer products categories found in nearly every home across the United States: apparel, toys, furniture, household appliances, footwear and travel goods.



The increases in tariffs resulting from Trump's proposal would be dramatic. For all categories examined, total average tariffs would exceed 50% in the extreme tariff scenario, up in most cases from single or low double digits currently. Even accounting for alternative sources of supply and potential new U.S. production, the proposed tariffs on **these six product categories alone would reduce American consumers' spending power by \$46 billion to \$78 billion every year the tariffs are in effect.**

## Summary of Estimated Impacts of Proposed Tariffs on Consumers

|                      | Scenario A: 10/70          |                              | Scenario B: 20/120         |                              |
|----------------------|----------------------------|------------------------------|----------------------------|------------------------------|
|                      | Increase in Consumer Price | Lost Consumer Spending Power | Increase in Consumer Price | Lost Consumer Spending Power |
| Apparel              | +12.5%                     | \$13.9 billion               | +20.6%                     | \$24.0 billion               |
| Toys                 | +36.3%                     | \$8.8 billion                | +55.8%                     | \$14.2 billion               |
| Furniture            | +6.4%                      | \$8.5 billion                | +9.5%                      | \$13.1 billion               |
| Household Appliances | +19.4%                     | \$6.4 billion                | +31.0%                     | \$10.8 billion               |
| Footwear             | +18.1%                     | \$6.4 billion                | +28.8%                     | \$10.7 billion               |
| Travel Goods         | +13.0%                     | \$2.2 billion                | +21.5%                     | \$3.9 billion                |

# Introduction

*A growing body of economic research concludes tariffs would have a net negative impact on the United States, with results ranging up to \$7,600 in additional costs annually per household.*

Over the course of his current election campaign, former President Donald Trump has proposed many new tariffs on U.S. imports, both to punish countries for their tariffs on U.S. exports and to raise revenue to pay for other policy proposals. He has suggested numerous tariff rate increases, including 10%-20% across-the-board tariff increases on all products from all countries, and another 60%-100% on all imports from China.<sup>1</sup> To date, Trump has not suggested exceptions for imports from countries with which the United States has a free trade agreement (e.g., Canada or Australia) or for raw materials and inputs to production unavailable in the United States.

A growing body of economic research has attempted to assess the impacts of the proposed tariffs on the U.S. economy.<sup>2</sup> In nearly every case,<sup>3</sup> the conclusion has been the same: a net negative impact on the United States with results ranging up to \$7,600 in additional costs annually per household.<sup>4</sup>

While impacts as a share of the U.S. economy may seem small, it is a different story for individual products, including many consumer goods whose prices already are inflated by extra tariffs on Chinese imports under Section 301 of the

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<sup>1</sup> See for example Jeff Stein and David J. Lynch, “‘Off the charts’: How Trump tariffs would shock U.S., world economies,” *The Washington Post*, Oct. 16, 2024, <https://www.washingtonpost.com/business/2024/10/16/trump-tariffs-impact-economy/>.

<sup>2</sup> See, for example, Erica York, “Trump’s \$300 Billion Tax Hike Would Threaten U.S. Businesses and Consumers,” Tax Foundation, Aug. 25, 2023, <https://taxfoundation.org/blog/donald-trump-10-percent-tariff/>, U.S. Budget Watch, “Donald Trump’s 60% Tariff on Chinese Imports,” Apr. 10, 2024, <https://www.crfb.org/blogs/donald-trumps-60-tariff-chinese-imports/>, or Kimberly Clausing and Mary E. Lovely, “Why Trump’s tariff proposal would harm working Americans,” Peterson Institute for International Economics, Policy Briefs 24-1, May 2024, <https://www.piie.com/publications/policy-briefs/2024/why-trumps-tariff-proposals-would-harm-working-americans>.

<sup>3</sup> The one outlier is from Jeff Ferry and Andre Heritage, “Model Shows That Universal 10% Tariff Would Improve Incomes, Output and Jobs (Updated),” Coalition for a Prosperous America, Sept. 18, 2023, <https://prosperousamerica.org/model-shows-that-universal-10-tariff-would-improve-incomes-output-and-jobs/>. Their results are suspect however as the authors have changed some of the model’s input parameters in ways that are not realistic reflections of the ways in which capital and labor markets find equilibrium (among other flaws). See Joseph Francois and Robert Koopman, “The Coalition for a Prosperous America Analysis of a 10% Universal Tariff: Comments” September 2024, [https://tradepartnership.com/wp-content/uploads/2024/09/The-Coalition-for-a-Prosperous-America-Analysis-of-a-10-universal-tariff\\_Comments\\_23Sep2024.pdf](https://tradepartnership.com/wp-content/uploads/2024/09/The-Coalition-for-a-Prosperous-America-Analysis-of-a-10-universal-tariff_Comments_23Sep2024.pdf).

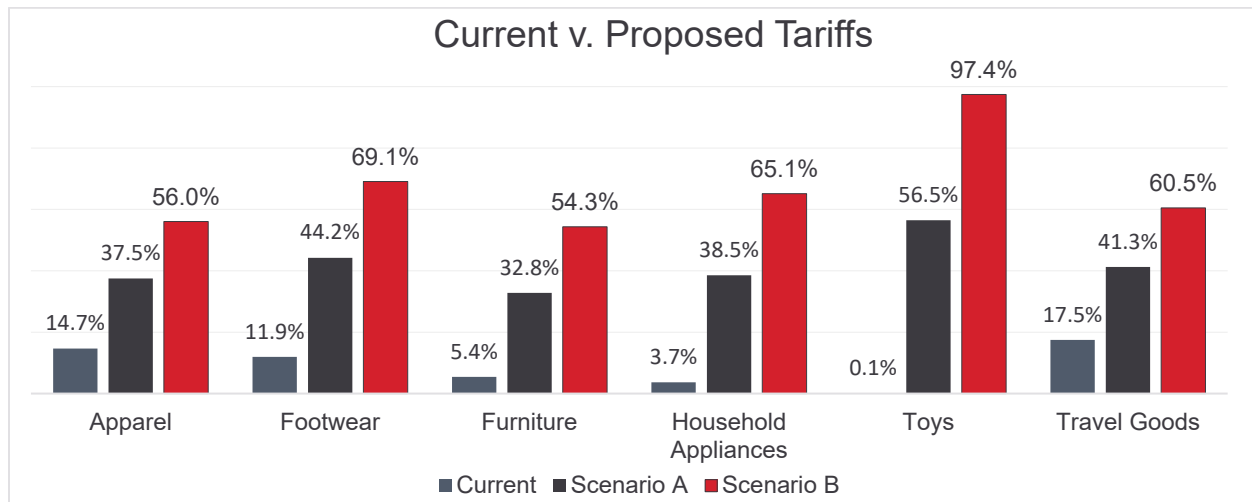
<sup>4</sup> The Budget Lab, “Fiscal, Macroeconomic, and Price Estimates of Tariffs Under Both Non-Retaliation and Retaliation Scenarios,” October 2024, [file:///Users/apple\\_owner/Downloads/The%20Budget%20Lab%20Tariffs%20Analysis%202024\\_0.pdf](file:///Users/apple_owner/Downloads/The%20Budget%20Lab%20Tariffs%20Analysis%202024_0.pdf).

Trade Act of 1974. If new tariffs are fully passed through to consumers, Trump's tariff proposals would substantially raise the costs of imported goods, and ultimately prices for everyday items.

*The proposed tariffs would have a substantially negative impact on American consumers purchasing the targeted products, and leave less money to buy other goods and services too.*

Trade Partnership Worldwide LLC has estimated the potential impacts on six widely purchased consumer goods categories: apparel, toys, furniture, household appliances, footwear and travel goods. We examined the low end and high end of the tariff proposals. Scenario A is a 10% tariff on all imports and an additional 60% tariff on imports from China (so, a tariff of 70% on imports from China). Scenario B is a 20% tariff on all imports and an additional 100% tariff on imports from China (i.e., a tariff of 120% on imports from China).

We employed a model, described in Appendix A, that identifies the shifts of import sourcing that would occur from one country to another, including the United States. We assumed that no countries or products would be excluded from the tariffs, which would be applied on top of current U.S. tariffs; the additional tariff on imports from China would be applied to all imports from China (in addition to current MFN tariffs, current Section 301 tariffs, and the additional 10% tariff); and that trading partners do not retaliate.<sup>5</sup>



<sup>5</sup> The first two application assumptions may lead to an overestimate of the impacts of the tariffs if in fact Trump exempts free trade agreement partners or any country which imposes 0% duties on U.S. imports. The non-retaliation assumption results in an underestimate of the impacts of the tariffs, and perhaps a significant one, as declines in U.S. exports will reverberate throughout the U.S. economy and U.S. price levels (raising them).

*Despite accounting for just 7% of total U.S. imports, the proposed tariffs on these six consumer goods categories alone would reduce U.S. spending power by up to \$78 billion annually.*

We find that even after changes in sourcing the proposed tariffs would have a substantially negative impact on American consumers purchasing the targeted products. In brief, we find that the additional costs associated with these proposed tariffs would be too large for U.S. retailers to absorb and, when passed on to consumers, would result in prices higher than many consumers would be willing or able to pay. Some consumers would stop purchasing the items and demand would fall.

Others would continue to buy at higher prices. Consumers would pay \$13.9 billion to \$24 billion more for apparel, \$8.8 billion to \$14.2 billion more for toys, \$8.5 billion to \$13.1 billion more for furniture, \$6.4 billion to \$10.9 billion more for household appliances, \$6.4 billion to \$10.7 billion more for footwear, and \$2.2 billion to \$3.9 billion more for travel goods. Cost increases come at the expense of purchases of other goods and services and represent lost household spending power.

In total for these six product categories alone, the proposed tariffs would cost consumers an additional \$46.2 billion to \$77.6 billion, or \$362-\$624 per household, every year that the tariffs are in effect. The analyzed categories accounted for just 7% of U.S. imports in 2023, putting these results in line with other studies. If the tariffs imposed are even higher, the costs – both for these products and others – would be greater still.

The balance of this report provides greater detail of the economic effects on consumers purchasing each of the six product categories.

## Summary of Estimated Impacts of Proposed Tariffs on Consumers

|                      | Scenario A: 10/70          |                              | Scenario B: 20/120         |                              |
|----------------------|----------------------------|------------------------------|----------------------------|------------------------------|
|                      | Increase in Consumer Price | Lost Consumer Spending Power | Increase in Consumer Price | Lost Consumer Spending Power |
| Apparel              | +12.5%                     | \$13.9 billion               | +20.6%                     | \$24.0 billion               |
| Toys                 | +36.3%                     | \$8.8 billion                | +55.8%                     | \$14.2 billion               |
| Furniture            | +6.4%                      | \$8.5 billion                | +9.5%                      | \$13.1 billion               |
| Household Appliances | +19.4%                     | \$6.4 billion                | +31.0%                     | \$10.8 billion               |
| Footwear             | +18.1%                     | \$6.4 billion                | +28.8%                     | \$10.7 billion               |
| Travel Goods         | +13.0%                     | \$2.2 billion                | +21.5%                     | \$3.9 billion                |

# Apparel

*Price increases for apparel would reduce spending power by up to \$24 billion annually, burdening low-income families that spend three times as much of their income on apparel than high-income ones.*



\$80 jeans  
**\$10-\$16 more**

The apparel category examined here includes over 500 Harmonized Tariff Schedule items of clothing, from tops and bottoms, to underwear and outerwear; swimwear to ski suits, ties, gloves, socks, hosiery and baby clothing.<sup>6</sup> Trump's proposal would add new tariffs on top of already high tariffs faced by imports from all countries. Nearly all of those apparel items currently face even higher duties under Section 301 tariffs when imported from China. Currently, U.S. apparel tariffs average 14.7% (reflective of trade under free trade agreements as well as Section 301 tariffs on imports from China). The proposed tariffs would increase that average rate to 37.5% (Scenario A) to 56.0% (Scenario B).

Our analysis found that prices for apparel would rise significantly. Prices of apparel would increase by 12.5%-20.6%, and consumers would cut back spending on apparel by 22%-33%. Consumers who continue to buy apparel would lose spending power, since it takes more money to buy the same apparel items, thus leaving less to spend on other items or services. The impact of this extra cost to American families would range from \$14 billion to \$24 billion annually.

These higher prices and loss of spending power would hit low-income families especially hard. Low-income households spend three times as much of their after-tax income on apparel as do high-income households.<sup>7</sup> The prices of infant pajamas, currently \$15, would increase to \$17-\$18; a \$50 woman's cotton sweater would cost \$56-\$60; an \$80 pair of men's jeans would cost \$90-\$96.<sup>8</sup> A \$100 coat would cost \$112-\$121. So, while the increases in dollar terms may seem inconsequential, they are not for lower-income families already struggling to make ends meet.

<sup>6</sup> HTS chapters 61 and 62.

<sup>7</sup> Bureau of Labor Statistics, "Quintiles of Income before Taxes: Average Annual Expenditures and Characteristics, Consumer Expenditure Survey, 2023," <https://www.bls.gov/cex/tables/calendar-year/mean-item-share-average-standard-error.htm>. "Low-income families" are those in the lowest 20 percent quintile; "high-income families" are those in the highest 20 percent quintile.

<sup>8</sup> Angela Velasquez, "Report: Average Price for Men's Jeans Up 19%," Sourcing Journal, July 10, 2023, <https://sourcingjournal.com/denim/denim-business/centric-pricing-mens-wear-report-average-price-jeans-cargo-shorts-stripes-graphic-prints-442134/>.



\$100 coat  
**\$12-\$21 more**

Notably, a recent poll found that while 62% of Americans are sympathetic to a tariff on imported blue jeans meant to boost production and employment in the domestic blue jean industry, that support evaporates if the tariffs make the jeans \$10-\$25 more expensive – which our analysis suggests would be the case.<sup>9</sup>

U.S. apparel manufacturers would benefit from the tariffs, but at a high cost to families. Apparel imports would decline, particularly from China, and U.S. production would increase. However, while U.S. apparel manufacturers would see revenues grow by about \$712 million to \$1.2 billion, consumers would pay \$20 for every additional dollar earned by U.S. apparel producers.

Even after accounting for domestic manufacturing gains and new tariff revenue, the result is a net \$16 billion to \$18 billion loss for the U.S. economy, with the burden carried by U.S. consumers.

### Summary of Impacts of Increased Apparel Tariffs

|  | Scenario A:<br>10/70 | Scenario B:<br>20/120 |
|--|----------------------|-----------------------|
| Change in imports from China                 | -74.4%               | -87.5%                |
| Change in imports from all sources           | -21.9%               | -33.0%                |
| Change in U.S. production                    | +2.5%                | +4.1%                 |
| Change in U.S. consumer prices (all sources) | +12.5%               | +20.6%                |
| Change in consumption                        | -21.9%               | -32.6%                |
| Reduction in consumer spending power         | -\$13.9 billion      | -\$24.0 billion       |
| Net impact on U.S. economy                   | -\$8.3 billion       | -\$15.9 billion       |

<sup>9</sup> Emily Ekins, “Poll: 63% of Americans Want to Increase Trade with Other Nations, 75% Worry Tariffs Are Raising Consumer Prices,” Cato Institute, Aug. 7, 2024, <https://www.cato.org/blog/poll-63-americans-want-increase-trade-other-nations-75-worry-tariffs-are-raising-consumer>.



# Toys

*Toy prices would increase by up to 56%, reducing American families' spending power by between \$9 billion and \$14 billion annually for each year the tariffs remain in effect.*



\$50 tricycle  
**\$18-\$28 more**



\$17 plush toy  
**\$6-\$10 more**

The proposed tariffs would apply to a wide range of toys imported into the United States: from tricycles to dolls to games, for example.<sup>10</sup> Currently, U.S. tariffs on toy imports are negligible, averaging just 0.1%. They have not yet been subject to the Section 301 tariffs imposed on imports from China. However, the Trump tariff proposals would increase tariff rates enormously: 56.5% (Scenario A) to 97.4% (Scenario B).

The extraordinary rate increases reflect toys' avoidance to date of Section 301 tariffs on imports from China. In 2023, China accounted for 77% of total toy imports, about 25 times greater than the total value of toy imports from the next largest foreign source of supply, Mexico. U.S. producers account for less than 1% of the toy market.

Our analysis found that toy prices would face one of the highest increases. Prices of toys would increase by 36%-56%. If these price increases are fully passed through in retail prices, U.S. consumers would lose spending power and reduce overall purchases by 48%-61%. The impact of this extra cost to American families would range from \$9 billion to \$14 billion annually for those that continue to buy toys.

Higher prices and loss of spending power would once again harm low-income families most. Low-income households spend more than three times as much of their after-tax income on toys as do high-income households.<sup>11</sup> A \$50 tricycle would increase to \$68 to \$78; a \$25 board game would cost \$34-\$39, and a \$17 plush toy would cost \$23 to \$27.

U.S. toy manufacturers would benefit from the tariffs, but at a high cost to families. Toy imports would decline, particularly from China, and U.S. production would increase. However, while U.S. toy manufacturers would see revenues grow by \$378 million to \$599 million, consumers would pay \$24 for every additional dollar earned by U.S. toy producers.

After accounting for domestic manufacturing gains and new tariff revenue, the result is a net loss of \$5.5 billion to \$11 billion for the U.S. economy, with the burden carried by U.S. consumers.

<sup>10</sup> HTS items 6308.00, 7018.90, 8526.92, 8715.00, 9503.00, 9504.90, and 9505.90.

<sup>11</sup> Bureau of Labor Statistics, op. cit.

## Summary of Impacts of Increased Toy Tariffs

|  | Scenario A:<br>10/70 | Scenario B:<br>20/120 |
|--|----------------------|-----------------------|
| Change in imports from China                 | -71.1%               | -85.6%                |
| Change in imports from all sources           | -52.0%               | -64.9%                |
| Change in U.S. production                    | +4.1%                | +6.4%                 |
| Change in U.S. consumer prices (all sources) | +36.3%               | +55.8%                |
| Change in consumption                        | -47.8%               | -60.6%                |
| Reduction in consumer spending power         | -\$8.8 billion       | -\$14.2 billion       |
| Net impact on U.S. economy (billion)         | -\$5.5 billion       | -\$10.8 billion       |

## Furniture

*Furniture tariffs would reduce American families spending power by up to \$13 billion annually, particularly hurting low-income households that spend twice as much on furniture than high-income ones.*

The furniture products analyzed here include both finished furniture and parts assembled into finished furniture in the United States by U.S. manufacturers or retailers.<sup>12</sup> Current U.S. tariffs on furniture average 5.4%, reflective of significant Section 301 tariffs on imports from China. The Trump tariff proposals would increase tariff costs to 32.8% (Scenario A) to 54.3% (Scenario B).

Our analysis found that furniture prices would rise significantly. Prices would increase by 6%-10%. If these price increases are fully passed through in retail prices, U.S. consumers would lose spending power and be forced to reduce overall purchases by 12%-17%. That means that the average price of a \$1,500 mid-tier couch<sup>13</sup> would increase by \$96 to \$143. A \$200 crib would cost \$213-\$219 after the tariffs. A \$2,000 mattress and box spring would end up costing \$2,128-\$2,190.

<sup>12</sup> The HTS items in the furniture category include: 9401.31, 9401.39, 9401.41, 9401.49, 9401.52, 9401.53, 9401.59, 9401.61, 9401.69, 9401.71, 9401.79, 9401.80, 9401.91, 9401.99, 9402.90, 9403.10, 9403.20, 9403.30, 9403.40, 9403.50, 9403.60, 9403.70, 9403.82, 9403.83, 9403.89, 9403.91, 9403.99, 9404.10, 9404.21, 9404.29, 9810.00.

<sup>13</sup> "How Much Does a Good Couch Cost?," Homebody, May 25, 2024, [https://stayhomebody.com/blogs/comfy-101/couch-cost-guide#:~:text=Quick%20Answer%20\\*%20Affordable%20couches%20are%20less,crafted%20with%20high%2Dquality%20materials%20and%20design%20features.](https://stayhomebody.com/blogs/comfy-101/couch-cost-guide#:~:text=Quick%20Answer%20*%20Affordable%20couches%20are%20less,crafted%20with%20high%2Dquality%20materials%20and%20design%20features.)



\$200 crib  
**\$13-\$19 more**



\$1,500 couch  
**\$96-\$143 more**

The impact of this extra cost of furniture purchases to American families would range from \$8.5 billion to \$13 billion annually. Once again, this loss in spending power would hit low-income households hardest: They spend twice as much of their after-tax income on furniture as high-income households.<sup>14</sup>

U.S. furniture manufacturers would benefit from the tariffs, but at a high cost to families. Imports would decline, particularly from China, and U.S. production would increase. However, while U.S. furniture manufacturers would see revenues grow by \$2.5 billion to \$3.8 billion, consumers would pay \$3 for every additional dollar earned by U.S. furniture producers.

After accounting for domestic manufacturing gains and new tariff revenue, the result is a net loss of \$4 billion to \$6 billion for the U.S. economy, with the burden carried by U.S. consumers.

### Summary of Impacts of Increased Furniture Tariffs

|  | Scenario A:<br>10/70 | Scenario B:<br>20/120 |
|--|----------------------|-----------------------|
| Change in imports from China                 | -73.1%               | -87.0%                |
| Change in imports from all sources           | -28.0%               | -39.7%                |
| Change in U.S. production                    | +1.3%                | +2.0%                 |
| Change in U.S. consumer prices (all sources) | +6.4%                | +9.5%                 |
| Change in consumption                        | -12.2%               | -17.4%                |
| Reduction in consumer spending power         | -\$8.5 billion       | -\$13.1 billion       |
| Net impact on U.S. economy                   | -\$3.6 billion       | -\$6.0 billion        |

<sup>14</sup> Bureau of Labor Statistics, op. cit.

# Household Appliances

*Household appliance prices would increase by up to 31%, reducing American families' spending power by \$6 billion and \$11 billion annually.*



\$40 toaster  
**\$8-\$12 more**



\$650 refrigerator  
**\$126-\$202 more**

The proposed tariffs would affect a wide array of household appliances including stoves, refrigerators, dishwashers, washers, dryers, vacuum cleaners, blenders, food processors, shavers, hair dryers and toasters, for example.<sup>15</sup> Current U.S. tariffs on home appliances average 3.7%. The Trump tariff proposals would increase tariff costs to 38.5% (Scenario A) to 65.1% (Scenario B).

Our analysis found that household appliance prices would increase by 19%-31%. If these price increases are fully passed through in retail prices, the price of a basic refrigerator would climb from about \$650 to \$776-\$852. A \$40 toaster oven would cost \$48-\$52. U.S. consumers would lose spending power and be forced to reduce overall purchases by 31%-43%. The impact of this extra cost to American families would range from \$6 billion to \$11 billion annually. Again, low-income households, which spend nearly four times as much of their after-tax income on household appliances as high-income households, would be hit hardest by the proposed tariffs.<sup>16</sup>

U.S. household appliance manufacturers would benefit from the tariffs, but at a high cost to families. Imports would decline, particularly from China, and U.S. production would increase. However, while U.S. household appliance manufacturers would see revenues grow by \$219 million to \$355 million, consumers pay \$30 for every additional dollar earned by U.S. household appliance producers.

Gains to U.S. producers and the Treasury from tariff revenue do not outweigh losses to consumers: Overall, the economy suffers a net loss of \$4 billion to \$7 billion.

<sup>15</sup> They include: 7321.11, 7321.12, 7321.19, 7321.90, 7418.10, 8210.00, 8414.51, 8414.60, 8414.90, 8418.10, 8418.21, 8418.29, 8418.30, 8418.40, 8418.99, 8419.11, 8419.12, 8419.19, 8419.90, 8421.12, 8421.91, 8422.11, 8422.90, 8450.11, 8450.12, 8450.19, 8450.20, 8450.90, 8451.21, 8451.29, 8451.90, 8467.29, 8479.89, 8479.90, 8508.11, 8508.19, 8508.60, 8508.70, 8509.40, 8509.80, 8509.90, 8510.10, 8510.20, 8510.30, 8510.90, 8516.10, 8516.21, 8516.29, 8516.31, 8516.32, 8516.40, 8516.50, 8516.60, 8516.71, 8516.72, 8516.79, 8516.90, 9019.10.

<sup>16</sup> Bureau of Labor Statistics, op. cit.

## Summary of Impacts of Increased Household Appliance Tariffs

|  | Scenario A:<br>10/70 | Scenario B:<br>20/120 |
|--|----------------------|-----------------------|
| Change in imports from China                 | -77.5%               | -89.8%                |
| Change in imports from all sources           | -29.6%               | -41.7%                |
| Change in U.S. production                    | +3.4%                | +5.5%                 |
| Change in U.S. consumer prices (all sources) | +19.4%               | +31.0%                |
| Change in consumption                        | -31.1%               | -43.3%                |
| Reduction in consumer spending power         | -\$6.4 billion       | -\$10.8 billion       |
| Net impact on U.S. economy                   | -\$3.9 billion       | -\$7.4 billion        |

## Footwear

*Footwear prices would increase by up to 29%, with U.S. consumers paying about \$32 for every new dollar earned by domestic footwear producers.*



\$90 athletic shoes  
**\$16-\$26 more**

The proposed tariffs would impact a large number of imported footwear products, which already face U.S. duties in some cases exceeding 40%. More than 150 HTS items of footwear for adults and children including leather, rubber and plastic footwear, as well as sports and athletic footwear, ski boots, waterproof footwear and sandals, are included in this product category.<sup>17</sup> It also notably contains parts of footwear used by U.S. manufacturers to make finished products in the United States. Trump's proposal would place new tariffs on top of already high tariffs faced by imports from all countries. Many footwear products also currently face even higher duties under Section 301 when imported from China. Currently, U.S. footwear tariffs average 11.9% (reflective of trade under free trade agreements as well as Section 301 tariffs on imports from China). The proposed tariffs would increase that average rate to 44.2% (Scenario A) to 69.1% (Scenario B).

Our analysis found that footwear prices would rise significantly. Prices of footwear would increase by 18%-29%. If these price increases are fully passed through to retail prices, U.S. consumers would lose spending power (it takes more money to buy the same footwear items and they thus have less to spend on other items) and be forced to reduce overall purchases by 30%-41%. The price of a \$90 pair of athletic shoes would jump to \$106-\$116, a \$48 pair of women's slippers would cost \$57-\$62, and a \$30 pair of girls' "Mary Jane" shoes would cost \$35-\$39. The impact of this extra cost to American families would range from \$6 billion to \$11 billion annually.

<sup>17</sup> We focus on all products included in HTS chapter 64.



\$48 slippers  
**\$9-\$14 more**



\$30 girl's Mary Jane shoes  
**\$5-\$9 more**

These higher prices and loss of spending power would hit low-income families especially hard. Low-income households spend nearly four times as much of their after-tax income on footwear as high-income households.<sup>18</sup>

U.S. footwear manufacturers would benefit from the tariffs, but at a high cost to families. Footwear imports would decline, particularly from China, and U.S. production would increase. However, while U.S. footwear manufacturers would see revenues grow by about \$203 million to \$329 million, consumers pay \$32 for every additional dollar earned by U.S. footwear producers.

After accounting for domestic manufacturing gains and new tariff revenue, the result is a net \$4 billion to \$8 billion loss for the U.S. economy, with the burden carried by U.S. consumers.

### Summary of Impacts of Increased Footwear Tariffs

|  | Scenario A:<br>10/70 | Scenario B:<br>20/120 |
|--|----------------------|-----------------------|
| Change in imports from China                 | -76.5%               | -89.2%                |
| Change in imports from all sources           | -28.7%               | -40.1%                |
| Change in U.S. production                    | +3.2%                | +5.1%                 |
| Change in U.S. consumer prices (all sources) | +18.1%               | +28.8%                |
| Change in consumption                        | -29.5%               | -41.2%                |
| Reduction in consumer spending power         | -\$6.4 billion       | -\$10.7 billion       |
| Net impact on U.S. economy                   | -\$4.1 billion       | -\$7.8 billion        |

<sup>18</sup> Bureau of Labor Statistics, op. cit.

# Travel Goods

*Travel goods prices would increase by 13%-22%, reducing American families spending power by \$2 billion to \$4 billion annually.*



\$31 nylon backpack  
**\$4-\$7 more**



\$119 women's purse  
**\$15-\$26 more**

“Travel goods” generally refers to products like backpacks, handbags, luggage, wallets, phone cases and totes. This product category encompasses items in Harmonized Tariff Schedule 4202, nearly all of which have been hit with Section 301 tariffs when imported from China. In 2023, the average tariff was 17.5%. Under the proposed tariff scenarios, tariffs would rise to 41.3% and 60.5%.

Our analysis found that travel goods prices would rise significantly. Prices would increase by 13%-22%. A \$31 nylon backpack would cost \$35-\$38. The cost of a \$119 women's leather handbag would jump to \$134-\$145. If these price increases are fully passed through to retail prices, U.S. consumers would lose spending power and be forced to reduce overall purchases by 23%-34%. The impact of this extra cost to American families would range from \$2 billion to \$4 billion annually.

U.S. travel goods manufacturers would benefit from the tariffs, but at a high cost to families. Imports would decline, particularly from China, and U.S. production would increase. However, while U.S. travel goods manufacturers would see revenues grow by \$173 million to \$286 million, consumers would pay \$13 for every additional dollar earned by U.S. travel goods producers.

After accounting for domestic manufacturing gains and new tariff revenue, the result is a net loss of \$2 billion to \$3 billion for the U.S. economy, with the burden carried by U.S. consumers.

## Summary of Impacts of Increased Travel Goods Tariffs

|  | Scenario A     | Scenario B     |
|--|----------------|----------------|
| Change in imports from China                 | -74.0%         | -87.3%         |
| Change in imports from all sources           | -22.6%         | -34.8%         |
| Change in U.S. production                    | +2.7%          | +4.4%          |
| Change in U.S. consumer prices (all sources) | +13.0%         | +21.5%         |
| Change in consumption                        | -22.7%         | -33.6%         |
| Reduction in consumer spending power         | -\$2.2 billion | -\$3.9 billion |
| Net impact on U.S. economy                   | -\$1.7 billion | -\$3.0 billion |

# Conclusion

*Proposed tariffs for these six categories alone would reduce U.S. GDP by up to \$50 billion – and average household spending power by \$362-\$624 – for each year they remain in effect.*

The proposed tariffs would have a significant and detrimental impact on the costs of a wide range of consumer products sold in the United States, particularly on products where China is the major supplier. This is because the tariffs are paid first by American importers (*not* foreign countries or foreign suppliers), very few of whom can absorb the significantly higher costs out of their profits. As the products make their way to retail shelves, that tariff cost transfers as well, and materializes in the form of higher prices of goods sold to American consumers.

The product categories examined in this report can be found in nearly every home in the United States. The money it takes to buy them represents a greater share of the after-tax income of low-income households than it does of high-income households. Thus, the tariffs fall much more heavily on these families.

The extra amount needed to purchase these consumer goods is not inconsequential. For these six product categories alone, the tariffs would cost consumers an extra \$46 billion to \$78 billion annually, or \$362-\$624 per household. While some U.S. producers might benefit and the Treasury would gain tariff revenue, the costs to consumers would exceed those gains and the U.S. economy would suffer a net loss.



# Appendix A

## Methodology

Trade Partnership Worldwide LLC employed a modeling strategy for industry-focused, globally linked, partial equilibrium analysis of tariff policy. It enables the researchers to estimate the cross-country impacts of changes in trade policy (applying increased tariff rates on top of existing tariff rates) for detailed product categories.

Grouping products by Harmonized Tariff System code into defined consumer product categories, TPW built a set of product-specific models based on the “global simulation model” framework. Francois and Hall (2009) developed GSIM to allow detailed analysis of tariff scenarios across individual products and potentially all major trading countries and blocks. The World Bank and the United Nations adopted the GSIM framework, integrating it into the joint World Bank-UNCTAD trade data portal known as the “World Integrated Trade Solution,” or WITS (see <http://wits.worldbank.org/wits/>).<sup>19</sup> The U.S. International Trade Commission used a similar approach in its assessment of the economic effects of the Section 232 and 301 tariffs applied to imports from China (USITC 2023).

The basic framework employed here can be implemented with a spreadsheet-based interface. TPW stresses that, in implementation, this set of models is structurally consistent with the recent class of Eaton-Kortum based structural trade models (see Bekkers *et al*, 2018 (technical annex); Costinot and Rodriguez-Clare, 2014 for example).

The basic approach involves specifying global supply and demand for each set of goods produced by a particular country as the sum of individual (national) sources of supply and demand. This is done for goods produced in all regions in the model. TPW then reduces the solution set of the model to those global prices that clear global markets. Once TPW has a global set of equilibrium prices, it can obtain national results (changes in prices and quantities). Based on price and quantity changes, TPW in turn obtains estimates of changes in production, trade, consumer and producer surplus, and real national income that result from the imposition of tariffs on imports in total and from China.

Within this context, TPW works with a non-linear representation of import demand, combined with generic export-supply equations (see Francois and Hall 2009).

## Data Sources

Trade data and tariffs are from “World Integrated Trade Solution,” or WITS (see <http://wits.worldbank.org/wits/>) and the U.S. Census Bureau.

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<sup>19</sup> Another application, the MRPE model, is a specialized, scalable extension of the GSIM framework for strategic trade policy assessments at the detailed sector level, developed for the European Commission.

U.S. production data (domestic shipments) are from the Census Bureau's [Annual Survey of Manufacturers](#) and the Manufacturers' Shipments, Inventories and Orders (M3) [survey](#). The latest data from ASM resource is 2021; the M3 runs through recent months in 2023. Shipments data for 2022 were taken from the M3 whenever possible; for televisions the most recent shipments data are only available from the ASM and therefore are for 2021.

Trade elasticities are from the Global Trade Analysis Project (GTAP).

### *Country Disaggregation*

|                    |               |
|--------------------|---------------|
| Bangladesh         | Korea         |
| Cambodia           | Mexico        |
| Canada             | Malaysia      |
| China              | Pakistan      |
| DR-CAFTA           | Thailand      |
| Other FTA partners | Rest of World |
| European Union     | United States |
| Indonesia          | Vietnam       |
| India              |               |

## **References**

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