



2025 MAYORS' TRADE SUMMIT  
**Canada • Mexico • USA**

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## Fact Sheet: How Increased Tariffs Harm Families and Jobs

### 1. Tariffs Mean Higher Prices for Families

*Tariffs are a tax on everyday products. When tariffs rise, families pay more for groceries, cars, and household goods.*

- A 25% tariff on imported cars could increase vehicle prices by \$1,000 to \$5,000. (Source: Brookings Institution)
- U.S. grocery prices could rise by as much as 15% as a result of tariffs on Mexican agricultural products like tomatoes, and avocados. (Source: American Farm Bureau Federation)
- Tariffs on imports from Canada and Mexico would reduce U.S. households' purchasing power by about \$1,200. (Source: Yale Budget Lab)

### 2. Tariffs Hurt Local Jobs and Businesses

*Tariffs make products more expensive and less competitive, threatening jobs.*

- U.S. auto tariffs could lead to 366,000 job losses, for both autoworkers and other sectors that support the industry. (Source: Peterson Institute for International Economics)
- Retaliatory tariffs from Canada and Mexico could harm 1.47 million U.S. workers whose jobs rely on exports. (Source: U.S. Chamber of Commerce)

### 3. Small Businesses Will Suffer the Most

*Small businesses cannot absorb higher costs like big corporations can.*

- 89% of businesses in North America are small businesses that depend on cross-border trade. (Source: Investopedia)
- 82% of small businesses in manufacturing report negative impacts from tariffs. (Source: National Federation of Independent Business)

### 4. Farmers and Consumers Lose in a Trade War

*Tariffs on agricultural products hurt farmers and increase food prices.*

- U.S. farmers lost \$11 billion in exports due to previous trade disputes. (Source: U.S. Department of Agriculture)
- The National Pork Producers Council (NPPC), for example, estimates that U.S. pork producers could lose \$1.4 billion annually due to reduced exports to Mexico. (Source: National Pork Producers Council)

### 5. Tariffs Threaten North American Competitiveness

*North America's competitiveness is weakened by tariffs.*

- 75% of Canadian and Mexican exports go to the U.S.—tariffs threaten this relationship. (Source: World Trade Organization). These nations will become more reliant on countries in Europe and Asia.

- The automotive supply chain is highly interconnected, with 40% of a car's components crossing U.S.-Canada & U.S.-Mexico borders multiple times before a car is assembled. (Source: Cato Institute & Center for Automotive Research)

## 6. **Tariffs on Steel and Lumber Drive Up Construction Costs**

*Tariffs on steel and lumber raise prices for homes and infrastructure.*

- U.S. steel and aluminum tariffs increase costs for construction and manufacturing. (Source: Congressional Budget Office)
- Lumber tariffs have increased the price of a new home in the U.S. by \$18,600. (Source: National Association of Home Builders)
- While the U.S. could increase its lumber production, Canada currently holds a competitive edge in terms of scale, cost efficiency, and forest resources. That means higher costs for Americans.

## 7. **The Alcohol Industry Will Face Increased Costs and Reduced Exports**

*Tariffs on aluminum and alcohol hurt local breweries, distilleries, and hospitality.*

- Tariffs could severely limit U.S. beer and spirits exports to Canada and Mexico. (Source: U.S. Brewers Association)
- Ex: In 2018, Canada imposed a 10% tariff on U.S. whiskey, including bourbon, in response to U.S. tariffs on steel and aluminum. This led to a 20% reduction in bourbon sales to Canada by 2019. (Source: Kentucky Distillers' Association)
- Aluminum tariffs add \$400 million in extra costs per year to U.S. beer manufacturers. (Source: Beer Institute)

## 8. **Tariffs Hurt U.S. Tourism**

*Tariffs affect tourism from Canada and Mexico, vital to the local U.S. economy.*

- In February 2025, Canadian visitors to the U.S. dropped 23% after the trade war began. (Source: Business Insider)
- In 2025, U.S. states reliant on Canadian tourism, like Erie, Pennsylvania, saw declines due to heightened trade tensions and tariffs, with a 10% drop in Canadian visitors potentially costing \$2.1 billion and 14,000 jobs nationwide, according to the U.S. Travel Association.

## 9. **History Remembers: The Great Depression and Tariffs**

*The Smoot-Hawley Tariff Act raised tariffs on over 20,000 goods in 1930 but led to a 65% decline in global trade, which many believe contributed heavily to the Great Depression.*

- The Act caused a sharp drop in U.S. exports and was one of the main causes of the global economic downturn. (Source: Senate.gov)

## 10. **The Automotive Industry Will be Hit Hard. Car Prices Would Also Rise.**

*States like Michigan, with a significant automotive manufacturing base, are especially susceptible.* A 25% tariff on imports from Canada and Mexico could raise production costs for U.S. automakers, potentially adding up to \$3,000 to the price of some vehicles. (Source: Perryman Consulting Group)

## 11. **The negative net cost of tariffs to the state of Texas alone, would be almost \$36.4 billion in annual gross product and about 287,500 jobs.** (Perryman Consulting Group).