



Here's how Trump's tariffs could impact you and your wallet

FEBRUARY 5, 2025 · 5:00 AM ET

HEARD ON [ALL THINGS CONSIDERED](#)



Laurel Wamsley



Avocados from Mexico are displayed for sale at a Whole Foods store in New York City on Feb. 3. Trump has put on hold a planned 25% tariff on imports from Mexico.

Michael M. Santiago/Getty Images

Every day, many people in the U.S. eat fruit grown in Mexico, use phones made in China and live in homes built from lumber from Canada.



ECONOMY

Trump's words show why he's imposing tariffs. And it's not a goal he campaigned on



EDUCATION

Trump is weighing big cuts to the U.S. Education Department

Now, trade with those three countries could be interrupted. President Trump has imposed a 10% tariff on China — leading the country [to retaliate](#) with tariffs of its own. And although Trump has agreed to put on hold planned tariffs on Mexico and Canada for 30 days, he could still impose them after that.

A tariff is a tax on goods imported from abroad. Despite Trump's claims that his tariffs will be paid by other countries, Americans will be stuck with the higher prices.

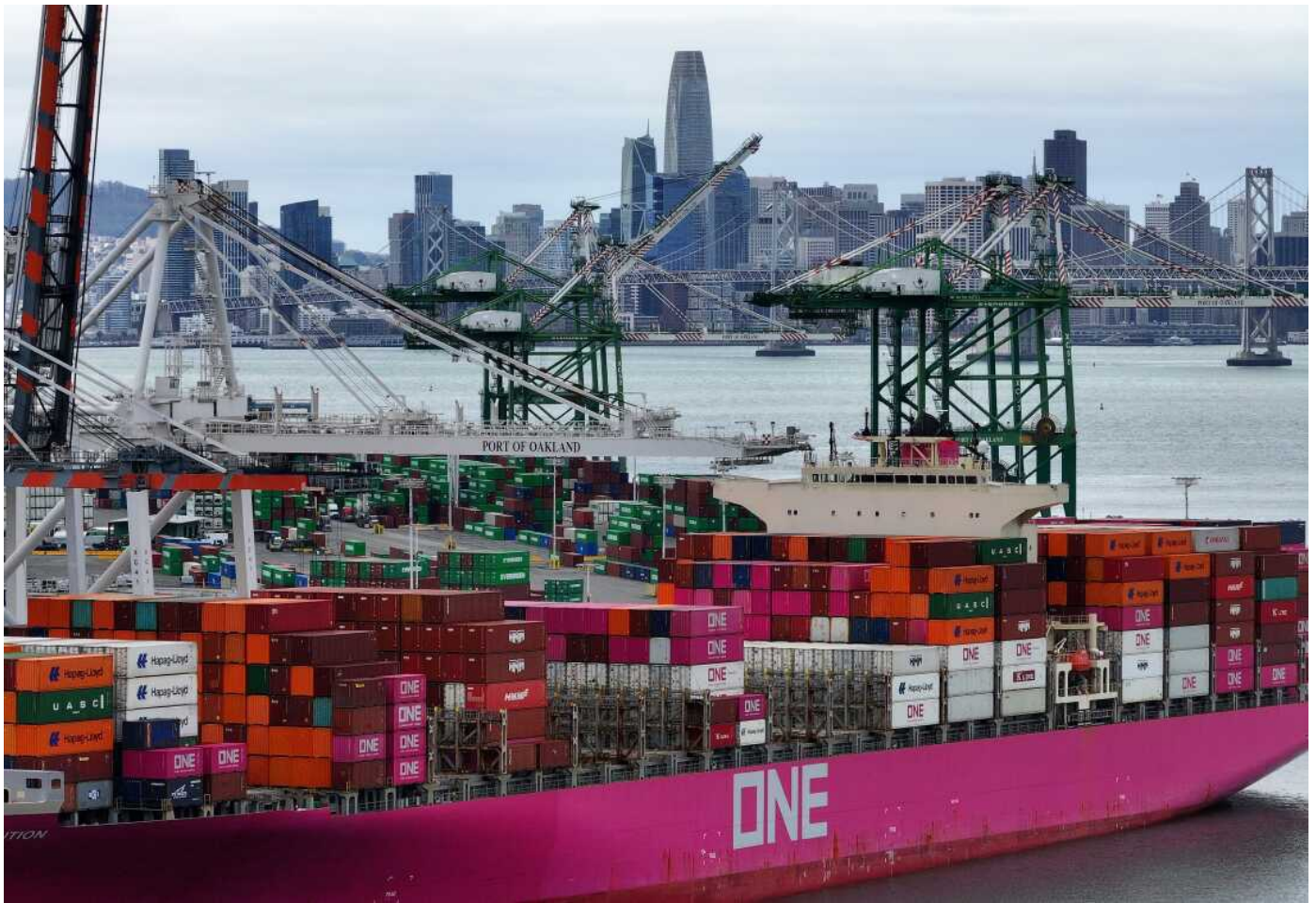
An analysis by the nonpartisan Tax Foundation found that if the tariffs Trump threatened in recent days are imposed, it would amount to an average tax increase of [more than \\$800](#) per U.S. household in 2025.

Here's a deeper look at how the tariffs are likely to affect what Americans pay.

Tariffs on China will sting consumers on a range of items

The U.S. imports a lot from China — and Trump's 10% tariff could hit more than \$450 billion worth of imports.

The tariffs Trump imposed during his first term were more targeted. This time around, more Americans will feel the impact. Among the imports affected are a whole slew of consumer goods, including footwear, toys, video game consoles and electronics.



A container ship is docked at the Port of Oakland in California on Monday. Trump has enacted 10% tariffs on goods from China.

Justin Sullivan/Getty Images

U.S. businesses import a large number of components from China, as well as the machinery and equipment they use in their own production processes. So the cost of production in the U.S. will go up too.

The Tax Foundation estimates that the tariffs on China alone will add \$172 to the tax burden per U.S. household.

And there's no exception for Apple this time, unlike in Trump's first term.

"So iPhones, iPads, tablets, laptops — all of that from Apple would now be hit, which is kind of a big escalation compared to how consumer goods were shielded from most of the first trade war tariffs," says Erica York, vice president of federal tax policy at the Tax Foundation.

Does this mean that an \$800 iPhone will now cost \$880, or 10% more? Not necessarily.

For one thing, importers pay a tariff based on the cost price of the item, not the full retail price. And Apple might try to ramp up its production [in other countries like India](#), or it could decide to eat the cost of the tariffs — especially since competitor Samsung produces many of its phones in South Korea or Vietnam and won't feel the same blow.

But even if Americans don't see an increase in the actual sticker price of an item, there is still pain being inflicted on the U.S. economy.



HEALTH

Trump used fentanyl to justify tariffs, but the crisis was already easing



WORLD

U.S. stock market recovers some ground on hopes for a trade-war reprieve

"It means incomes and returns to shareholders in the U.S. economy are lower instead, because if businesses have to eat those higher costs, it means they have less to pay their workers," says York. "It means they have less to hire and expand employment, or less to invest. So no matter what channel the price impact takes, it's Americans who are hurt by the tariffs."

China responded with its own 15% tariffs on American coal and liquefied natural gas and 10% tariffs on crude oil, farm equipment and certain other vehicles, to take effect on Feb. 10.

Those countermeasures are not as widespread as Trump's tariffs on China, but they will hurt Americans' finances too.

The Mexico and Canada tariffs could hurt even more

After talking with the leaders of Mexico and Canada on Monday, Trump agreed to a one-month postponement of the 25% tariffs.

It's not yet clear what tariffs will be imposed on goods from Canada and Mexico. But anything close to the proposed 25% tariffs would make a real dent in Americans' wallets — accounting for the bulk of that extra \$800 hit Americans would take if all tariffs were imposed, York says.

Here are some of the products from the two countries that could be impacted.

Fresh produce

In 2021, Mexico provided almost two-thirds of U.S. vegetable imports and about half of U.S. fruit and tree nut imports, [according to the U.S. Agriculture Department](#).

Tariffs mean prices for those groceries and many more will rise — including for imported tomatoes, raspberries, bell peppers and strawberries, given that Mexico is the [leading supplier](#) of each of them.

And then there are avocados: 90% of avocados consumed in the U.S. come from Mexico, so expect to pay more for them and for guacamole.

It's also winter, when more of the produce consumed in the U.S. comes from Mexico. Tomatoes are a crop that the U.S. produces a lot of in the summer but not so much in the winter. So your imported tomato would cost more too.



The U.S. relies on fruits and vegetables imported from Mexico, especially in the winter. Here, a farmer selects the best tomatoes for sale at the Central de Abastos market in Guadalajara, Mexico, last week.

Ulises Ruiz/AFP via Getty Images

Cars and gas prices

North American carmaking is highly integrated among the U.S., Mexico and Canada. Parts go back and forth between the countries throughout the production process.

As [NPR has reported](#), the tariffs would raise costs on vehicles like the Toyota Tacoma, which is imported from Mexico, and the Chrysler Pacifica, which is imported from Canada. Cars assembled in the U.S. would also see their prices rise, as many of their parts are sourced from companies in Canada or Mexico.

HIGHLIGHTS FROM DONALD TRUMP'S 2025 INAUGURATION

Why Trump's tariff promises will be hard to keep

Analysts at investment bank Jefferies estimate that the proposed tariffs on Mexico, Canada and China would add about 6%, or \$2,700, to the average U.S. vehicle price.

In a likely nod to the sensitivity of gas prices for Americans, Trump announced a lower tariff of [10% for Canadian energy products](#).

Gas prices [remained flat](#) at the announcement of the tariffs over the weekend. A spokesperson for AAA said it's too soon to tell whether there will be long-term effects on prices at the pump.

But there may well be. In the Midwest and Mountain West, "100% of imports going into those two areas come from Canada," says Scott Lincicome, vice president of general economics and trade at the Cato Institute. And American refineries are mainly set up to use the heavier oil that comes from Canada and can't easily switch to the lighter oil that's mainly produced in the United States.

He predicts a hike of 10 or 20 cents a gallon if there's a 10% tariff on Canadian crude.

Construction materials

The U.S. is struggling with a housing shortage, and new housing is expensive to build. Tariffs on building materials will make homebuilding even more expensive.

The National Association of Home Builders [warned that](#) over 70% of the imports of two essential building materials, softwood lumber and gypsum (used in drywall),

come from Canada and Mexico, respectively.



POLITICS

DOGE is making major changes to the federal government. Is it legal?

"Tariffs on lumber and other building materials increase the cost of construction and discourage new development, and consumers end up paying for the tariffs in the form of higher home prices," NAHB Chairman Carl Harris said in statement.

But U.S. reliance on Canadian lumber has declined in recent years due to a combination of fires, beetle infestation and tariffs, says Lincicome, which could mute some of the price effects. There's already a [14.54% tariff](#) on Canadian softwood lumber.

The U.S. softwood lumber industry argues that the U.S. has the [capacity to supply 95%](#) of last year's domestic lumber consumption.



Piles of lumber are seen for sale at a home improvement store in Falls Church, Va., on Monday. The U.S. has become somewhat less reliant on Canadian softwood lumber in recent years, but tariffs could still cause building costs to rise.
Saul Loeb/AFP via Getty Images

Higher prices will be hard to avoid

No matter what, for consumers, the costs of tariffs will be hard to dodge if Trump sticks to them.

York said she bought an extra bag of avocados to put in the fridge and some frozen

berries. "If you're going to buy a car, maybe think about doing that," she says.

But Lincicome says simply that there's not much you can do. He says "buying American" won't help much because American producers will raise their prices to nearly match their competitors.

And trying to get ahead of the game can cause its own problems, says Lincicome, pointing to the run on toilet paper during the COVID-19 pandemic.

"We make most of our toilet paper here, but because everybody freaked out, went out and bought it," says Lincicome. "If you start getting really nervous and start stockpiling goods and a lot of other people do that too, you can actually create high prices and shortages where there isn't even a tariff effect. So I wouldn't really recommend doing that."

Ultimately, if the tariffs go into effect and remain in place, it's simply a higher tax burden for Americans that makes us poorer, says York. "There's no winning a trade war."

tariffs



READ & LISTEN

[Home](#)

[News](#)

[Culture](#)

[Music](#)

[Podcasts & Shows](#)

CONNECT

[Newsletters](#)

[Facebook](#)

[Instagram](#)

[Press](#)

[Public Editor](#)

[Corrections](#)

[Contact & Help](#)

ABOUT NPR

[Overview](#)

[Diversity](#)

[NPR Network](#)

[Accessibility](#)

[Ethics](#)

[Finances](#)

GET INVOLVED

[Support Public Radio](#)

[Sponsor NPR](#)

[NPR Careers](#)

[NPR Shop](#)

[NPR Events](#)

[NPR Extra](#)

[terms of use](#)

[privacy](#)

[your privacy choices](#)

[text only](#)