

REPORT Published September 24, 2024 • 4 minute read

What Trump's Tariffs Mean for Your Trip to the Store



Zach Moller, Director of the Economic Program, Gabe Horwitz, Senior Vice President for the Economic Program, Fredrick Hernandez, Economic Fellow, 2023–2024

Republican presidential nominee Donald Trump often touts his plan to slap a 10% minimum tariff on *all* imported goods and 60% tariffs on any Chinese goods.¹ This policy would mark a radical shift in US trade policy. More importantly, it would put a massive burden on consumers, employees, businesses, and even the federal budget. And since tariffs are regressive taxes, families with lower incomes would be penalized more than those with higher incomes. That's because the increased costs eat up far more of a working family's disposable income than those who are well off.

There have been numerous estimates of the macro effects of Trump's proposal from well-regarded economists on both sides of the aisle. Below, we take a more micro analysis, examining what the cost would mean for specific budgets for a family of four—the weekly grocery bill and the monthly

stop at a big-box store. The results should frighten everyone: **you'll be paying at least \$185 more a year for groceries and \$551 more at a big-box store.** ²

The Macro Effects

Economists have been quick to analyze the macroeconomic effects of what Trump's agenda would mean for a number of areas in our economy. Predictions show a dramatic increase in the costs for American consumers. For example:

- The Center for American Progress estimates that families will face \$1,500 in additional costs due to the broad 10% tariff and \$2,500 for the China-specific tariff. Inflation will also increase by 1%. ³
- The Peterson Institute for International Economics estimates that middle-income families will face \$1,700 in additional costs, and prices will rise by 3.5% for the bottom half of earners. The United States will see a 0.5% loss in GDP, and inflation will increase by 1.8%. ⁴
- The Tax Foundation estimates that 825,000 jobs will be lost, and the United States will see a 1.1% loss in GDP. ⁵
- Moody's Analytics estimates the Trump's tariffs will add about 1 percentage point to inflation and reduce real GDP by nearly 1.5%. ⁶

The Micro Effects

To understand what Trump's tariffs would mean for specific family budgets, we explored the impact to weekly grocery bills and a monthly trip to a big-box retailer. This analysis is meant to be illustrative—of course different families will purchase different amounts and different items. But, even with this limited basket of groceries, the price increases from Trump's tariffs are notable.

Yearly Grocery Bills Up by \$185

As detailed in the methodology below, to gauge the effect of Trump's tariffs on a typical family budget, we examined eight common purchases, ranging from coffee to produce. Prices on just eight common grocery items will see an increase of 3.3%.

Item	Current Avg Price	Avg Price Under Trump	Change
Coffee (1 lb)	\$6.70	\$6.93	+\$0.23
Imported Beer (1 six-pack)	\$10.87	\$11.20	+\$0.33
Frozen Shrimp (3 lbs)	\$34.29	\$35.43	+\$1.14
Frozen Beef (3 lbs)	\$26.67	\$27.76	+\$1.09
Bananas (two 3 lb Bunches)	\$4.51	\$4.66	+\$0.15
Avocados (2 lb)	\$7.58	\$7.83	+\$0.25
Jam (1 lb jar)	\$1.92	\$1.99	+\$0.07
Olive Oil (1 large bottle)	\$14.02	\$14.33	+\$0.31
Total (weekly bill)	\$106.57	\$110.14	+\$3.57
Total (yearly bill)	\$5,542	\$5,727	+\$185

Source: Authors' calculations based on HTS, OEC, and ITC Data. Annual numbers rounded to nearest dollar. Some columns may not add due to rounding.



Big-Box Costs increase by \$551

Families typically go to big box stores less often. They may buy books and makeup every month, clothes a few times a year, and things like dishes once a year or two. Trump's Chinese tariffs come into play even more here due to the large number of goods produced there. Below, we measured what tariffs would do to costs a family might incur over the year. The results are significant: a 15% increase in costs for families on just eight items.

Item	Current Avg Price	Avg Price Under Trump	Change
Over-the-counter medicine (e.g. 1 bottle of cough medicine)	\$11.81	\$12.21	+\$0.40
Assorted home goods (e.g. ceramic dishware set)	\$46.66	\$56.01	+\$9.35
Sweaters (two)	\$28.20	\$33.84	+\$5.64
Shirts (eight)	\$52.75	\$54.50	+\$1.75
Books (four)	\$25.34	\$30.06	+\$4.72
Makeup (box set)	\$33.30	\$34.41	+\$1.11
Board Games	\$14.87	\$17.85	+\$2.98
Total (monthly bill)	\$212.95	\$238.88	+\$25.93
Smartphone (annual)	\$1,198.67	\$1,438.41	+239.74 (20.00%)
Total (annual)	\$3,754	\$4,305	+\$551

Source: Authors' calculations based on HTS, OEC, and ITC Data. Annual numbers rounded to nearest dollar. Some columns may not add due to rounding.



Conclusion

A second Trump administration would mean increased costs for average Americans. Even more troubling, Trump's tariffs would be highly regressive—punishing low-income and middle-income Americans far more than the wealthy. ⁷

Our analysis shows how the specific commonly-purchased goods would be impacted by the tariffs proposed by Trump. Tariffs would hit Americans everywhere, from grocery bills, to back-to-school shopping, to home furnishing, and electronics. And these economic effects may only be amplified by the likely retaliation of other countries on America's exporting businesses.

Methodology

We selected a basket of goods from grocery stores and big box stores that are commonly bought and most likely to be imported to the United States. We then calculated the average unit cost of these items as they crossed the US border based on data from the US International Trade Commission.⁸ A 10% tariff was added to items from countries other than China, and a 60% tariff was added to goods primarily from China. Drawing on a formula from a Progressive Economy study, we assumed that the final store price of each good is roughly triple the unit cost (also called “landed cost”), and we then added the median state sales tax.⁹ We also assumed current import levels.

Since the tariff is applied over all imported goods independent of where they originated, we selected goods that the United States either heavily imports or is unable to produce domestically. Frozen beef is the only exception to this, as the United States produces a large amount of its own beef supply. Still, nearly \$1.2 billion (or 500 million pounds) of beef are imported a year into the country.

ENDNOTES

1. Savage, Charlie. "Trump's 2025 Trade Agenda: A New Tax on Imports and a Split from China." *The New York Times* Dec. 26, 2023.
<https://www.nytimes.com/2023/12/26/us/politics/trump-2025-trade-china.html>.
2. See methodology for full calculations. This monthly number includes all month purchases and 1/12 the annual smartphone increased cost.
3. Seeberger, Colin. "RELEASE: Trump's Across-the-Board Tariff Plan Would Amount to a Roughly \$1,500 Tax Increase." *Center for American Progress*. March 27, 2024. <https://www.americanprogressaction.org/press/release-trumps-across-the-board-tariff-plan-would-amount-to-a-roughly-1500-tax-increase/>.
4. Clausing, Kimberly A., Lovely, Mary E. "Why Trump's Tariff Proposals Would Harm Working Americans." *Peterson Institute for International Economics*. May, 2024. <https://www.piie.com/sites/default/files/2024-05/pb24-1.pdf>.
5. York, Erica. "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/>.
6. Zandi, Mark. "Assessing the Macroeconomic Consequences of Harris vs. Trump." *Moody's Analytics*. August, 2024. <https://www.economy.com/getfile?q=279dfa9e-8dde-4f3f-9954-f24a747730a7&app=eccafile>.
7. Clausing, Kimberly A., Lovely, Mary E. "Why Trump's Tariff Proposals Would Harm Working Americans." *Peterson Institute for International Economics*. May, 2024. <https://www.piie.com/sites/default/files/2024-05/pb24-1.pdf>.
8. DataWeb. United States International Trade Commission.
<https://dataweb.usitc.gov/>.

9. Gresser, Edward. "The Rebirth of Pro-Shopper Populism: Affordable Shoes, Outdoor Apparel, and The Case for Tariff Reform." *Progressive Economy*. June, 2011. <https://www.ids.trade/files/progressiveeconomy-pro-shopper-paper-june11.pdf>.