

# BROKEN PROMISES: *“Liberation Day”*

On April 2, 2025, Donald Trump unleashed a tariff regime that imposed sweeping tariffs on nearly every country, allies and enemies alike. Those tariffs have taken different forms over the past year, but one thing remains the same: Donald Trump’s tariff taxes are increasing prices and making life more unaffordable for Americans. Trump’s chaotic and disastrous tariff regime has done nothing but increase prices, kill jobs, and drive the U.S. economy to the brink. These tariffs have cost small businesses, consumers, and households more than \$230 billion in just one year.

Before Trump even took office, less than three weeks after the 2024 election, he threatened blanket tariffs of 25% on Canada and Mexico, the United States’ top two trading partners, accounting for nearly \$1 trillion of imports in 2024.

Trump’s trade war has only grown more expansive and chaotic since, with Trump’s tariffs now hitting every country in the world, driving up the price of nearly everything from groceries to electrical transformers to kitchen cabinets. While the Supreme Court correctly struck down Trump’s original, illegal tariff regime, Trump has only doubled- and tripled-down, pursuing all possible options to continue taxing American families and small businesses.

Why is Trump forcing this economic pain on American families? He has claimed it is for the benefit of everything from reducing the trade deficit (which hit a record high for manufactured goods in 2025) to boosting U.S. manufacturing (which has lost tens of thousands of jobs since the start of the trade war) to eliminating the federal income tax.

Whatever the supposed rationale, the outcome is clear: higher prices for Americans, a stagnating labor market, and continued pain for American small businesses and manufacturers.

## Trump’s Tariffs are a Tax Hike on American Families

Trump’s tariffs are a tax that Americans pay. American families have already paid more than \$1,700 in tariffs and are expected to pay even more if Trump's tariffs continue. Contrary to Trump’s claims that foreign countries pay the tariffs, nearly 90% of the cost of the tariffs are being borne by American consumers and businesses. His tariffs are both increasing the price of goods and making it more expensive to build and manufacture in the United States.

Families are especially feeling the pinch as they buy groceries and try to put food on the table. Trump’s tariffs have driven food costs up, with families paying over \$300 more for groceries in 2025. The price of fruit is 5.5% higher. Meat is more than 6% more expensive, with beef prices hitting record highs (up 15%). Fish and seafood are nearly 4.5% more



**CHUCK SCHUMER**  
U.S. SENATOR FOR NEW YORK

 U.S. Senate Committee on  
**Small Business  
& Entrepreneurship**  
Senator Ed Markey | Ranking Member

expensive. And in the morning, Americans have special sticker shock with coffee prices up more than 9% and the cost of orange juice up by [more than 30%](#).

Trump's tariffs are also [exacerbating America's housing crisis](#). Housing is often the biggest piece of a family's monthly budget, and now, nearly one-third of American households spend more than 30% of their income on their rent or mortgage. Home prices have surged since 2020, and the median age of a first-time homebuyer is now 40 years old – the highest ever. While Americans struggle to keep a roof over their heads, [Trump's tariffs are increasing the cost of inputs from copper to kitchen cabinets, resulting in fewer new homes being built](#) and driving up the cost of homeownership.

## **With Friends Like These: Trump's Tariffs Wreak Havoc on American Manufacturers and Small Businesses**

Trump claims his tariffs will bolster American businesses and supercharge American manufacturing. The reality is that Trump's tariffs are hammering American manufacturers and throttling American small businesses.

Despite promises of a “manufacturing boom,” [American manufacturers have shed nearly 90,000 jobs](#) since President Trump's so-called “Liberation Day.” A year into Trump's trade war, American manufacturing is in retreat, with [spending on new factories declining](#), while the President's Treasury Secretary [refuses to accept the reality that these tariffs are decimating American manufacturing](#) and continues to double-down on the policy.

The picture is even more bleak for America's more than 36 million small businesses, which [employ nearly half of the American workforce and make up more than 40% of the country's economic activity](#). U.S. businesses paid nearly \$200 billion in tariffs in 2025 with a third likely being paid by small businesses – [an average of more than \\$300,000 per business](#). This Trump tariff tax hike is forcing entrepreneurs to make tough choices between bearing the cost themselves, raising prices, cutting jobs, reducing benefits, or taking on debt. [More than 70% of small businesses surveyed say they have been negatively affected by Trump's tariffs](#).

Small businesses have historically created the majority of jobs in the U.S., but in 2025 they bore the brunt of Trump's trade war. In the second quarter of 2025, with Trump's declaration of “Liberation Day,” and the expansion of his trade war to nearly every country in the world, [small businesses were forced to cut 180,000 jobs](#). The situation did not improve as the year went on, with small businesses losing an average of 34,000 jobs per month in the fall of 2025, and a whopping [120,000 jobs in November 2025 alone](#).

Recent surveys show that [half of small business owners have had to raise prices](#), while more than one-fifth have been forced to delay plans to grow or expand. As they navigate these new costs, some have even been [forced to engage with the equivalent of payday lenders](#), taking out loans they can't pay back, all to grapple with the chaos of Trump's tariff taxes.



**CHUCK SCHUMER**  
U.S. SENATOR  FOR NEW YORK

 U.S. Senate Committee on  
**Small Business  
& Entrepreneurship**  
Senator Ed Markey | Ranking Member

Because of the devastating impact of President Trump’s tariffs, small businesses led the fight to overturn his tariff taxes. Big businesses largely ducked the fight, opting for exemptions and special favors. The Supreme Court sided with small businesses, calling President Trump’s use of the International Emergency Economic Powers Act to impose tariffs illegal.

### **The Chaos Tax: How Trump’s Tariffs Reward Insiders While Punishing Small Businesses**

On top of the direct financial hit to small businesses, the unpredictable nature of Trump’s trade policy has created an environment fraught with instability that disproportionately hits small businesses that are least equipped to absorb it. Instead of a coherent strategy, Trump’s tariff policy has been unpredictable, destructive, and impossible to plan around.

Rates on goods from Canada, Mexico, China, and the EU have lurched up and down with little notice, with Trump sometimes changing course within days of an announcement. For large corporations, this volatility is difficult but manageable: they employ armies of trade lawyers and can absorb short-term losses against deep balance sheets. Small business owners don’t have those options. A hardware importer who locked in purchase orders months in advance, a furniture maker dependent on specific Chinese components, or a small manufacturer relying on Canadian aluminum cannot restructure their supply chain between a Monday announcement and a Wednesday implementation.

The “exemption” process has made this worse by transforming tariff relief into a political commodity. While [Trump first claimed there would be no exemptions](#), the administration then began carving out industry-specific and company-specific exceptions, which begs the question: who gets relief and why? The answers have not been reassuring. Investigations by journalists and watchdog groups [have documented patterns](#) in which exemptions flowed to donors with access to administration officials; companies and industries with lobbyists in the room; and sectors whose executives publicly praised the president.

A small business owner on Main Street cannot hire a K Street firm or give a golden gift to get a meeting with the President. A major corporation with a PAC, a government affairs office, and a CEO who golfs with the right people can. Trump’s tariff regime has created a two-tier system where the politically connected get carve-outs and everyone else pays full price.

### **Trump’s Trade “Deals” Are Illusory Promises That Lock in Higher Tariffs**

While American families and small businesses grapple with higher prices and fewer jobs due to Trump’s tariffs, Trump brags about vague trade “deals” that lack details and lock in higher tariff rates, providing no relief for American consumers or any real, durable wins for Americans.



**CHUCK SCHUMER**  
U.S. SENATOR  FOR NEW YORK

 U.S. Senate Committee on  
**Small Business  
& Entrepreneurship**  
Senator Ed Markey | Ranking Member

Before Trump took office, the [average tariff rate on imports was roughly 2%](#). Trump has hailed supposed agreements with the European Union, Japan, South Korea, and India, among others. But many of these deals have not been formalized and signed, and it is unclear whether trading partners will remain committed now that the Supreme Court has invalidated many of Trump's tariffs. In each case, these agreements have solidified tariff rates as much as 1,500% higher than before Trump took office.

In the meantime, Trump has failed to address real trade threats. While he raises tariffs on our allies like Canada and Europe, he has [cut sweetheart deals with China, providing access to advanced American technology](#) while doing nothing to address China's trade abuses – including theft of intellectual property and using state subsidies to undercut American companies and flood foreign markets with cheap goods.

Trump has also allowed the UAE to purchase advanced American technology, despite an obvious conflict of interest, [as a member of the Emirati royal family was behind a \\$500 million investment in the Trump family cryptocurrency company](#). This continues a trend of trading away U.S. interests, including our national security, to enrich Trump, his family, and his billionaire cronies.

## **Democrats are Fighting to End Trump's Trade War and Lower Prices**

Senate Democrats continue to fight back against Trump's trade war, pushing to end Trump's tariff taxes and lower prices for American families and small businesses.

- Senate Democrats repeatedly forced successful votes to terminate Trump's [global tariffs](#), as well as tariffs on [Canada](#) and [Brazil](#).
- Senate Democrats are pushing to [lower the price of groceries](#) and [protect American small businesses and manufacturers](#) from Trump's trade war by exempting them from Trump's tariffs.
- Following the Supreme Court decision overturning many of Trump's tariffs, [Senate Democrats have been pushing](#) for illegally collected tariffs to be [returned to the Americans who were forced to pay them](#).
- Senate Democrats are [engaged in oversight](#), sounding the alarm as Trump applies tariffs arbitrarily and uses his trade schemes [to enrich himself and his friends](#).
- Senate Democrats are pushing to rein in the President's tariff authority by limiting what he can do without Congressional approval.

Trump's tariff taxes are raising prices, killing jobs, and ruining America's relationships with our allies. Senate Democrats will continue fighting to end this chaos and lower costs for families.



**CHUCK SCHUMER**  
U.S. SENATOR  FOR NEW YORK

 U.S. Senate Committee on  
**Small Business  
& Entrepreneurship**  
Senator Ed Markey | Ranking Member