



State of U.S. Tariffs: November 17, 2025

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Key Takeaways

1

The Budget Lab (TBL) estimates the effects of all US tariffs and foreign retaliation implemented in 2025 through November 17, including the effects of recent exemptions for certain agricultural products. This report looks at two scenarios: one where these tariff policies remain in effect in perpetuity, and another where the IEEPA tariffs are invalidated and refunded after the Supreme Court decision and are not replaced under other authorities.

2

Current Tariff Rate: Consumers face an overall average effective tariff rate of 16.8%, the highest since 1935. After consumption shifts, the average tariff rate will be 14.4%. (If IEEPA tariffs are invalidated, the pre-substitution rate would be 9.3%.)

3

Overall Price Level & Distributional Effects: TBL assumes the Federal Reserve “looks through” the tariffs and allows prices to rise such that the tax burden is felt through prices rather than nominal incomes. The price level rises by 1.2% in the short run, representing a loss of \$1,700 for the average household and \$900 for households at the bottom of the income distribution. (Without IEEPA, the price level impact would instead be 0.6%.)

4

Commodity Prices: The 2025 tariffs fall most heavily on apparel, products with high metal content like electrical equipment and computers, and motor vehicles. (If IEEPA tariffs are invalidated, the burden on apparel and related products would largely be relieved.)

5

Real GDP Effects: Tariffs slow US real GDP growth by 0.5 pp in 2025 and 0.4pp 2026. In the long run, the US economy is persistently 0.3% smaller, the equivalent of \$90 billion annually in 2024\$. (If IEEPA tariffs are invalidated, the long-run hit to output is instead 0.1%.)

6

Labor Market Effects: The unemployment rate rises 0.3 percentage points by the end of 2025 and 0.6 percentage points by the end of 2026. Payroll employment is about 460,000 lower by the end of 2025. (If IEEPA tariffs are struck down and collections are refunded, the 2026 hit to employment would be about half as large.)

7

Long-Run Sectoral GDP & Employment Effects: In the long run, tariffs present a trade-off. US manufacturing output expands by 2.9%, but these gains are more than crowded out by other sectors: construction output contracts by 4.1% and agriculture declines by 1.4%. (These relative patterns are similar with or without IEEPA tariffs.)

8

Fiscal Effects: All tariffs to date in 2025 raise about \$2.7 trillion over 2026-35, though slower economic growth reduces revenues and brings the net dynamic revenue to \$2.3 trillion. (Invalidating IEEPA would cut these revenue streams by about half.)

Changes Since the Last Report

TBL has incorporated the following changes since the [October 30 report](#):

New Policy. Since the last update, the Trump administration announced several changes to tariff policy:

1. The list of products exempt from the “reciprocal” IEEPA tariff regime [was expanded](#), with a specific focus on agricultural imports like beef, coffee, and fruit. The full list of exemptions can be found [here](#). This report reflects this change.¹
2. The administration announced [a new deal with Switzerland](#) cutting the reciprocal IEEPA rate from 39% to 15%. This report reflects this change.²
3. The administration [announced](#) new deals with Argentina, Guatemala, El Salvador and Ecuador, though the lists of products that will receive favorable tariff treatment under these deals have not yet been announced. This report does not reflect this change due to insufficient detail. TBL will update when additional details become available.

Refinements to Effective Tax Rate Calculations. Since the last update, TBL has updated its methodology for calculating effective tariff rates (ETRs) by making two changes:

1. The model now incorporates product-level import data at the ten-digit Harmonized Tariff Schedule (HTS) code level (up from six digits prior) in its parameterization of Section 232 tariffs. IEEPA exemptions are also now specified at the ten-digit code level of precision (rather than broad GTAP sector code as before). All else equal, this change slightly decreases TBL’s estimated pre-substitution ETR. The code for these calculations can be found at [this public repository](#).
2. Our reported post-substitution ETR now reflects two margins of behavioral adjustment: substitution away from higher-tariff to lower-tariff countries, and within-country substitution away from higher-tariff products to lower-tariff products. Prior TBL post-substitution ETR estimates only reflected the first of those two margins. This change does not affect TBL’s revenue or macroeconomic estimates, which have always reflected both margins.

Current Tariff Policy as of November 17

Panel A. Broad Tariffs under IEEPA Authority

Region	"Reciprocal" Tariff	"Fentanyl" Tariff
Canada	0% reciprocal (exempt)	0% on USMCA-duty-free; 10% energy/potash; 35% other non-USMCA; USMCA goods duty-free
Mexico	0% reciprocal (exempt)	0% on USMCA-duty-free; 10% potash; 25% other non-USMCA; USMCA goods duty-free
China	10% reciprocal baseline; higher China rate delayed	10%; stacks regardless of other tariffs
European Union	Formula reciprocal rate, typically 0–15%	None
United Kingdom	10% reciprocal	None
Trade-deal partners (Japan, Korea, Vietnam, etc.)	Reciprocal rates mostly in 15–25% range	None
Other	Mostly 10% reciprocal; some countries 15–40%	None

Panel B. Product-Specific Tariffs under Section 232 Authority

Sector / Product	Current Tariff Rate
Steel	50%; 25% UK; USMCA goods duty-free
Aluminum	50%; 25% UK; USMCA goods duty-free
Copper	50% on semi-finished/derivative copper; USMCA goods duty-free
Automobiles	25% headline; often 0–15% for EU/Japan via formula; USMCA goods duty-free
Auto parts	25% most; 10% for some UK parts; 0–15% EU/Japan formula; USMCA import adjustment can reduce rates
Medium/heavy trucks & buses	25% on trucks/parts; 10% buses; some USMCA relief
Lumber / wood products	10% softwood; 25–30% upholstered furniture; 25–50% cabinets/vanities; USMCA goods duty-free

Table: The Budget Lab • Created with [Datawrapper](#)

Results

This report presents two scenarios for tariff policy:

1. **Baseline.** In this scenario, tariff policies as of November 30 remain in effect in perpetuity (“Baseline”). This scenario is the focus of the report.
2. **IEEPA Invalidation.** In this scenario, IEEPA tariffs are invalidated by the Supreme Court and refunded to importers. Tariffs under other legal authorities are unaffected, and the lost revenues from IEEPA tariffs are not replaced by new tariffs under other authorities. Detailed estimates for this scenario can be found in the data download file.

The table below summarizes TBL’s estimated effects under both scenarios.

Table 1. Summary Economic & Fiscal Effects of 2025 Tariffs through November 17

	Baseline	IEEPA Invalidation
Effective Tariff Rates		
Overall, Pre-Substitution	16.8%	9.3%
Overall, Post-Substitution	14.4%	8.0%
Fiscal		
Conventional Revenue, 2026-2035 (Trillions)	\$2.7	\$1.4
Dynamic Revenue, 2026-2035 (Trillions)	\$2.3	\$1.2
Prices		
Percent Change in PCE Price Level, pre-substitution	1.2%	0.6%
Percent Change in PCE Price Level, post-substitution	0.9%	0.5%
Average Household Real Income Loss, Pre-Substitution (2025\$)	\$1,671	\$792
Average Household Real Income Loss, Post-Substitution (2025\$)	\$1,257	\$622
Output and Employment		
Percentage Point Change in Q4-Q4 GDP Growth, 2025	-0.5	-0.5
Percentage Point Change in Q4-Q4 GDP Growth, 2026	-0.4	0.1
Percent change in long-run GDP	-0.31%	-0.10%
Change in the Unemployment Rate, End of 2026	0.6	0.3

Table: The Budget Lab • Source: Congressional Budget Office, S&P Global, GTAP v7 [Corong et al (2017)], GTAP-RD, The Budget Lab analysis. • Created with [Datawrapper](#)

Average effective tariff rate

The distinction between *pre-substitution* metrics (before consumers and businesses shift purchases in response to the tariffs) and *post-substitution* (after they shift) is a crucial one. One metric where the difference is meaningful is the average effective tariff rate.

Measured pre-substitution—assuming there are no shifts in the import shares of different countries and products—current tariff policy represents the equivalent of a 14.4 percentage point increase in the US average effective tariff rate. That calculation assumes that, for example, the share of imports from China remains at 13%, where it was in 2024. A pre-substitution approach is a good measure of welfare, since it reflects the full cost faced by consumers before they start making difficult spending choices. This increase would bring the overall US average effective tariff rate to 16.8%, the highest since 1935.

The effective tariff rate implied by policy has fluctuated substantially this year, starting at 2.4% in early January and peaking at about 28% in the wake of the April 9 and 13 announcements.

Post-substitution—after imports shift in response to the tariffs—the 2025 tariffs generate a 11.9 percentage point increase in the US average effective tariff rate, which brings the overall US effective tariff rate to 14.4%, the highest since 1939. The timing of the transition from “pre” to “post” substitution is highly uncertain. Some shifts are likely to happen quickly—within days or weeks—while others may take longer.³

Table 2. Average Effective US Tariff Rate, New 2025 Policy through November 17

Pre- and post-substitution

	Average Effective Tariff Rate		— Share of Goods Imports —		— Contribution —	
	Pre-Substitution	Post-Substitution	Pre-Substitution	Post-Substitution	Pre-Substitution	Post-Substitution
China	24.0	22.8	13%	9%	3.2	2.0
Canada	8.1	5.3	13%	16%	1.0	0.8
Mexico	12.8	11.2	16%	19%	2.0	2.1
Rest of World	14.0	12.4	58%	57%	8.1	7.0
Total	14.4	11.9	100%	100%	14.4	11.9

Table: The Budget Lab • Source: Source: GTAP v7, The Budget Lab analysis. • Created with [Datawrapper](#)

Figure 1. US Average Effective Tariff Rate Since 1790

Customs duty revenue as a percent of goods imports

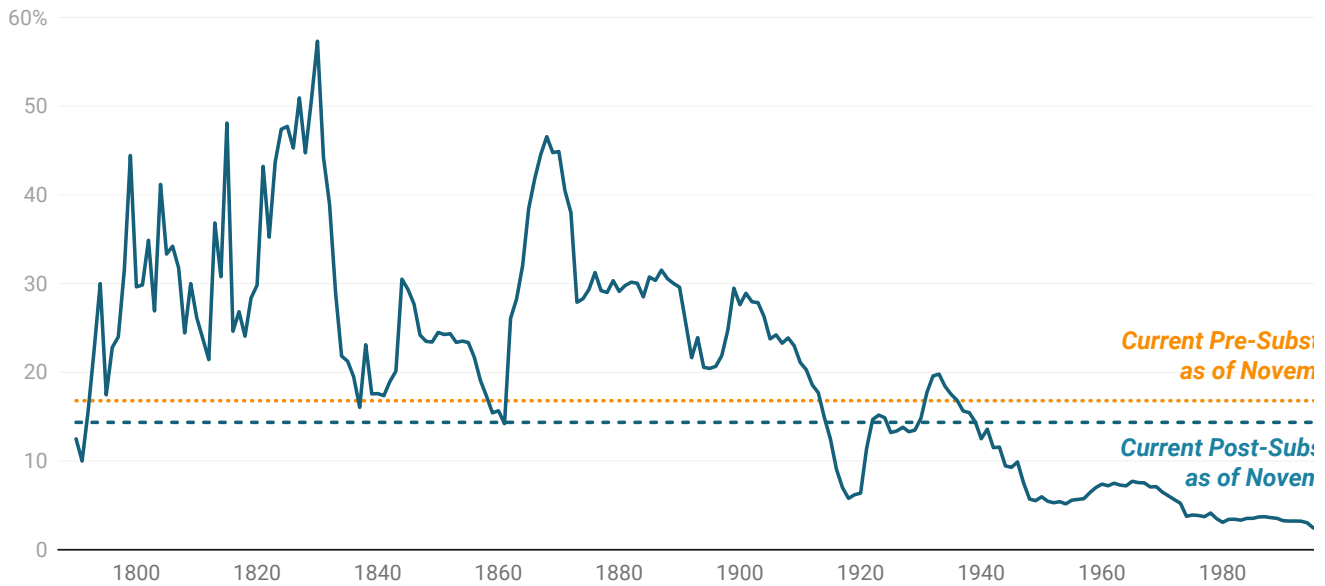


Chart: The Budget Lab • Source: Historical Statistics of the United States Ea424-434, Monthly Treasury Statement, Bureau of Economic Analysis, The Budget Lab analysis. • Created with [Datavrapper](#)

Figure 2. US Average Effective Tariff Rate Since January 1, 2025

Policy through November 17, Pre-Substitution
Percent of goods import



TBL's method for calculating effective tariff rates (ETR) changed slightly on November 17. All else equal this change leads to a 0.9pp increase in the ETR. Values prior to November 17 do not reflect this change.

Chart: The Budget Lab • Source: The Budget Lab analysis. • Created with [Datavrapper](#)

Average aggregate price impact

The 2025 tariffs imply an increase in consumer prices of 1.2% in the short run, assuming full passthrough of tariffs to consumers. (For the purpose of this calculation, TBL assumes the real income adjustment imposed by tariffs comes [through prices rather than nominal incomes](#).) This is a pre-substitution number that captures consumer

welfare effects. It is the equivalent of a short-run income loss⁴ of about \$1,700 per household on average in 2025 dollars. The post-substitution price increase settles at 0.9%, a \$1,300 loss per household.

US real GDP & labor market effects

All 2025 US tariffs plus foreign retaliation lower real GDP growth by about 0.5 percentage points in 2025 and 0.4 percentage points in 2026. The unemployment rate ends 2025 0.3 percentage points higher and 2026 0.6 percentage points higher, and payroll employment is 490,000 lower by the end of 2025. The level of real GDP remains persistently 0.3% smaller in the long run (the equivalent of about \$90 billion 2024\$ annually) while exports are 16% lower.

Figure 3. US Real GDP Level Effects of 2025 Tariffs to Date

U.S. tariffs implemented through November 17
 Percentage point change against baseline

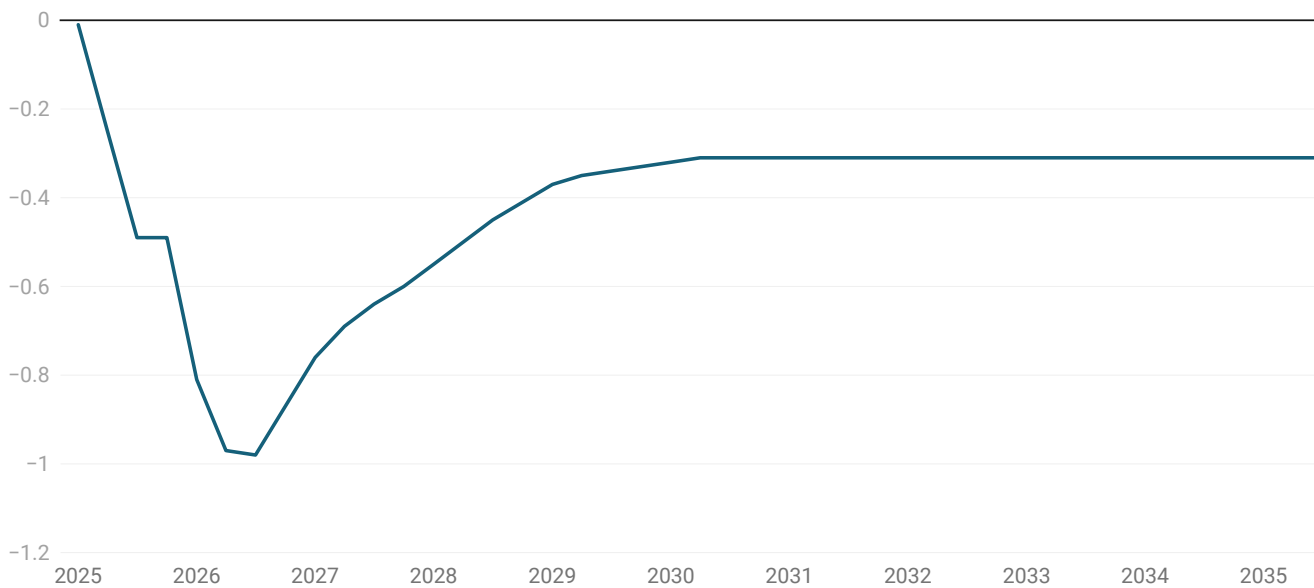


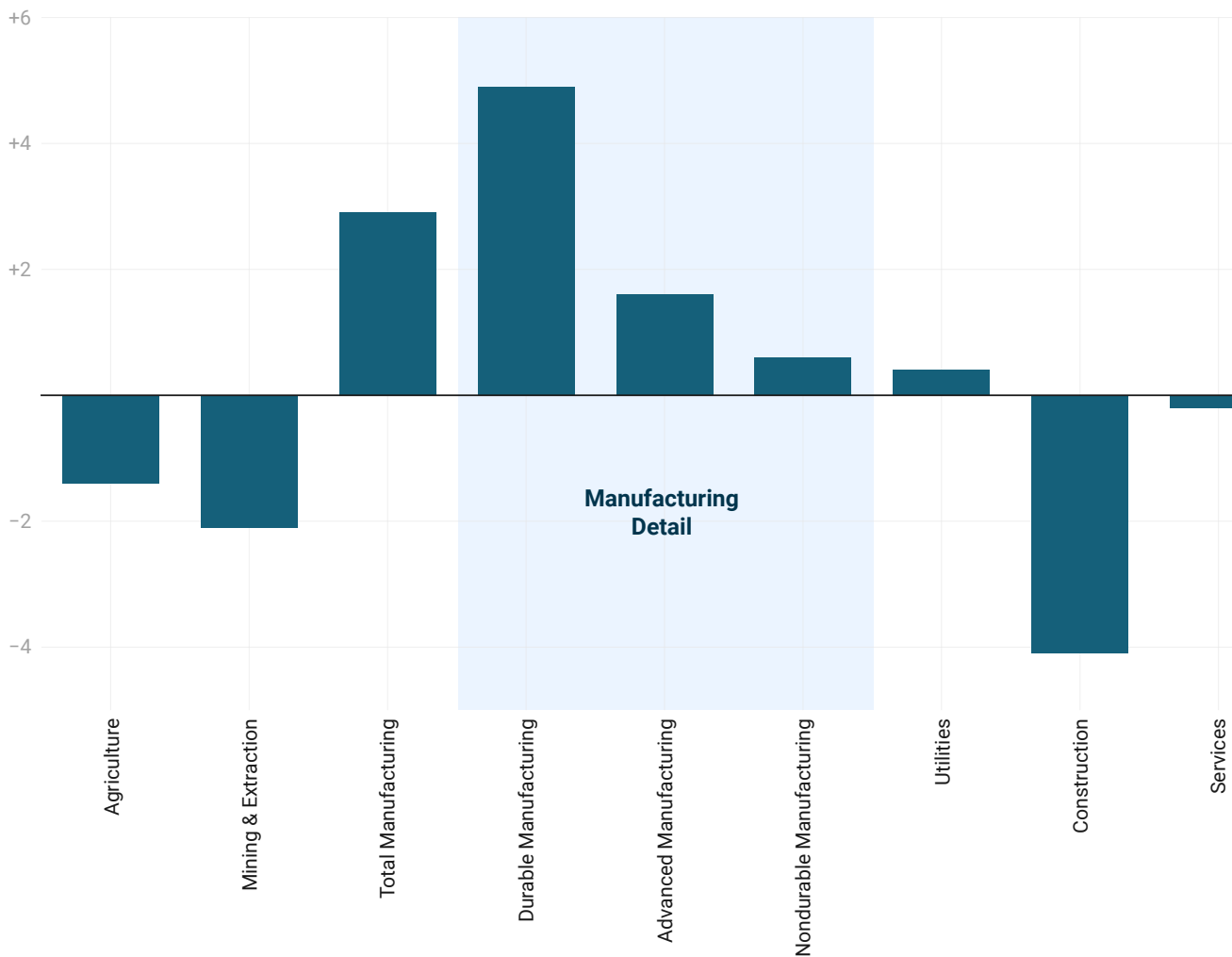
Chart: The Budget Lab • Source: Historical Statistics of the United States Ea424-434, Monthly Treasury Statement, Bureau of Economic Analysis, The Budget Lab analysis. • Created with [Datawrapper](#)

Long-run US sectoral output & employment effects

Tariffs shrink the overall size of the US economy in the long-run by 0.3%, but beneath aggregate GDP they also drive reallocation across US sectors. Long-run output in the manufacturing sector expands by about 3%, within which nonadvanced durable manufacturing seeing the largest gains and advanced manufacturing seeing a slight decline. This expansion of the overall manufacturing sector, however, more than crowds out the rest of the economy: construction contracts by about 4%, agriculture by more than 1%, and mining & extraction by more than 2%.

Figure 4. Change in Long-Run Real US GDP by Sector from 2025 Tariffs

U.S. tariffs implemented through November 17, plus foreign retaliation.
Percentage points.



Real value added by sector.

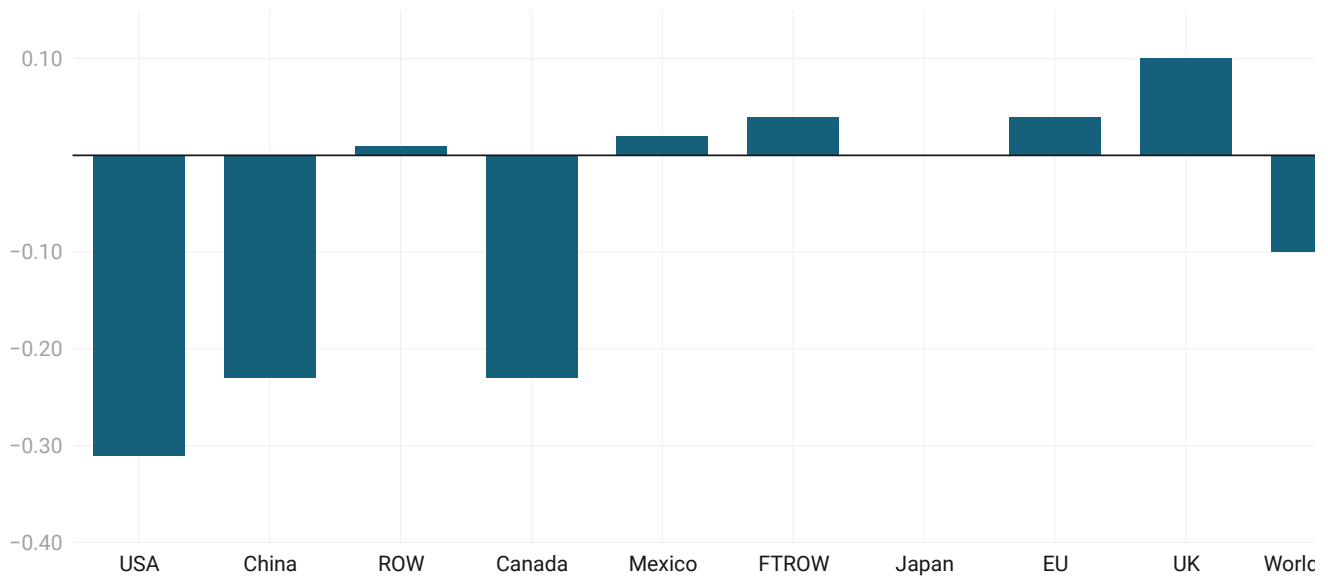
Chart: The Budget Lab • Source: GTAP v7, The Budget Lab analysis. • Created with [Datawrapper](#)

Global long-run real GDP effects

Long-run global GDP is about 0.1% lower due to the tariff policy. China's and Canada's economies are each a bit more than 0.2% smaller—about two thirds of the economic hit to the US. The UK, EU, and Mexico all see small gains in the long run.

Figure 5. Long-Run Change in Real GDP Level from 2025 Tariffs to Date

U.S. tariffs implemented through November 17
 Percentage point change



FTROW = countries with a comprehensive free trade agreement with the US
 ROW = all other countries

Chart: The Budget Lab • Source: GTAP v7 [Corong et al (2017)], The Budget Lab analysis. • Created with [Datawrapper](#)

Fiscal impact

The 2025 tariffs to date, were they to remain in place, would raise more than \$2.7 trillion over ten years, conventionally scored.⁵ Given the negative output effects of the tariffs, these new revenues will be partially offset by reductions in tax revenue as a result of lower growth. Based on Congressional Budget Office rules-of-thumb, TBL estimates that these effects would total almost \$400 billion over the decade.

Table 3. Estimated Revenue Effects of All 2025 Tariffs through November 17

Billions of dollars

	2026	2027	2028	2029	2030	2031	2032	2033	2034
Conventional	246	238	247	255	264	274	285	296	307
Dynamic	204	186	203	220	232	241	250	259	268
<i>Dynamic effect</i>	-41	-52	-44	-35	-32	-32	-34	-36	-39

Table: The Budget Lab • Source: Source: Congressional Budget Office, GTAP v7 [Corong et al (2017)], The Budget Lab analysis. • Created with [Datawrapper](#)

Distributional impact

One way to measure the distributional burden of tariffs is to look at the relationship between consumption, which gets more expensive under tariffs, and income for a given year. Under this view, tariffs are a regressive tax because

lower-income households spend a larger fraction of their income than higher-income households do on average.

TBL finds that the burden, expressed as a share of post-tax-and-transfer income, on the first decile is more than three times that of the top decile (2.4% versus 0.8%). The average annual cost to households in the first and top decile are to about \$900 and \$3,900 respectively in 2024\$. The median cost is about \$1,400 per household.

Figure 6. Short-Run Distributional Effects of 2025 Tariffs Through November 17

By household income decile
 Percentage points of post-tax-and-transfer income

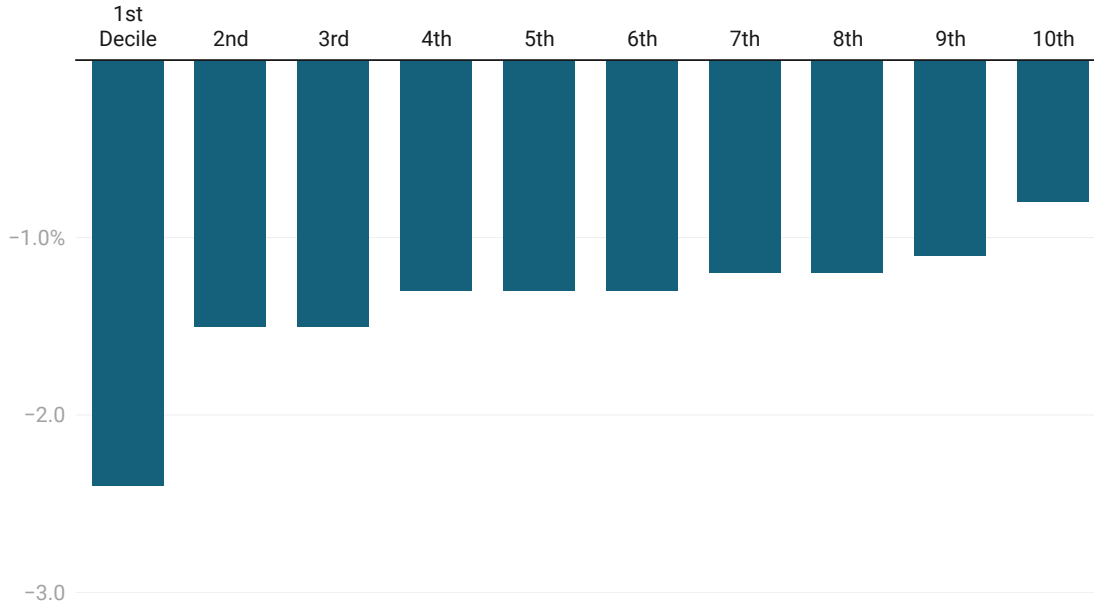


Chart: The Budget Lab • Source: GTAP v7, Census, BLS, BEA, The Budget Lab analysis. • Created with [Datawrapper](#)

Constant 2025\$ of average post-tax-and-transfer income per household

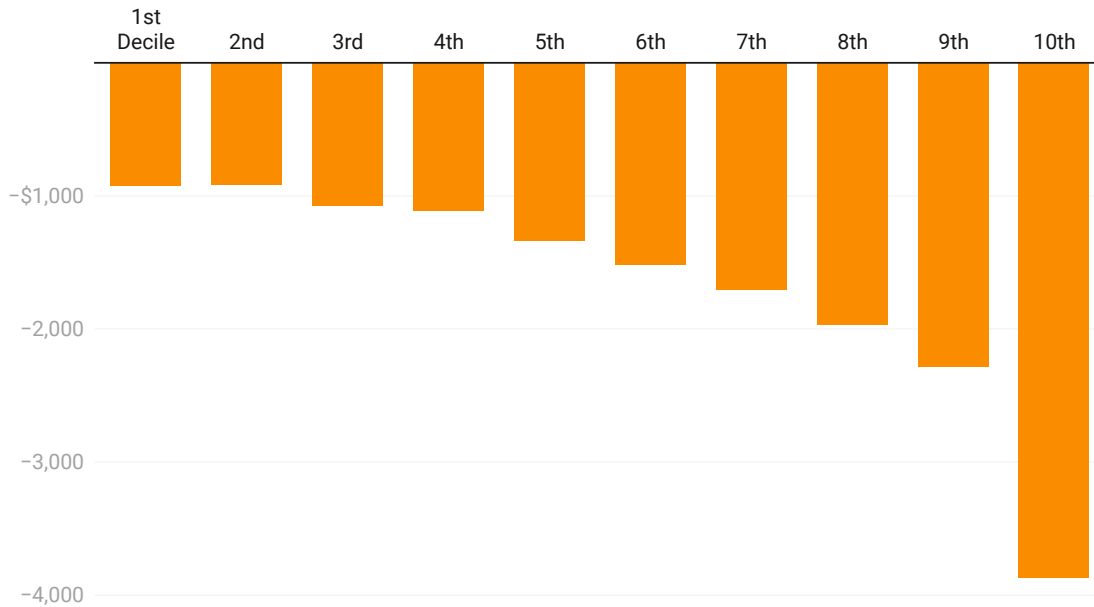


Chart: The Budget Lab • Source: GTAP v7, Census, BLS, BEA, The Budget Lab analysis. • Created with [Datawrapper](#)

Commodity price effects

The charts below show how the 1.3% price level increase from the 2025 tariffs to date would look across individual commodities in the short-run (pre-substitution), as well as the 1.1% long-run price increase (post-substitution).

Some high level takeaways:

- Consumers face particularly high increases in leather and clothing in the short run: prices increase by more than 20% for leather products (shoes and hand bags) and general apparel, and by 14% for textiles. After substitution and global supply shifts in the long run, prices remain 7%, 7%, and 4% higher, respectively.
- Metal imports are a central target of recent tariffs. Beyond raw materials which face direct price impacts, affected consumer products include electoral equipment and consumer electronics (17-18% short-run price effect, 5-6% long-run price effect).
- Food prices rise 1.2% in the short run and stay 1% higher in the long run.
- Motor vehicle prices rise by 13% in the short run and by 5% in the long run, the equivalent of an additional roughly \$6,500 and \$2,500 respectively to the price of an average new car in 2025.

Figure 7. Commodity Price Effects from 2025 Tariffs through November 17

Percent change to price level

name	Short Run	Long-Run
Leather products	21.8	6.7
Wearing apparel	21.0	6.5
Electrical equipment	18.2	5.7
Metal products	18.1	5.0
Computer, electronic and optic	17.0	5.3
Metals nec	16.6	5.2
Textiles	13.7	4.4
Motor vehicles and parts	12.6	5.3
Machinery and equipment nec	10.9	4.1
Transport equipment nec	7.8	3.3
Manufactures nec	7.7	2.8
Rubber and plastic products	7.7	2.8
Mineral products nec	7.7	2.6
Ferrous metals	6.6	3.0
Crops nec	4.5	1.6
Processed rice	3.9	3.3
Wood products	2.8	1.6
Chemical products	2.1	1.3
Fishing	2.0	1.3
Vegetable oils and fats	1.9	0.9
Beverages and tobacco products	1.6	1.5
Food products nec	1.5	1.1
Paddy rice	1.3	0.7
Paper products, publishing	1.3	1.2
Vegetables, fruit, nuts	1.2	0.7
Minerals nec	1.0	0.4
Forestry	1.0	0.7
Animal products nec	0.7	0.5
Oil	0.6	0.2
Sugar	0.5	0.9
Cereal grains nec	0.5	0.7
Dairy products	0.4	0.9
Basic pharmaceutical products	0.4	0.5
Petroleum, coal products	0.2	0.2
Meat products nec	0.2	0.6

Oil seeds	0.2	0.1
Wool, silk-worm cocoons	0.2	2.9
Bovine meat products	0.1	0.6
Plant-based fibers	0.1	0.5
Gas	0.1	0.3
Bovine cattle, sheep and goats	0.0	0.4
Sugar cane, sugar beet	0.0	0.0
Wheat	0.0	0.5
Coal	0.0	0.2
Electricity	0.0	0.5
Construction	0.0	0.9
Raw milk	0.0	0.7
Water	0.0	0.8
Gas manufacture, distribution	0.0	0.6
Air transport	0.0	0.4
Accommodation, Food and servic	0.0	0.6
Communication	0.0	0.7
Water transport	0.0	0.6
Financial services nec	0.0	0.5
Insurance	0.0	0.5
Business services nec	0.0	0.6
Transport nec	0.0	0.6
Warehousing and support activi	0.0	0.8
Recreational and other service	0.0	0.6
Human health and social work a	0.0	0.7
Public Administration and defe	0.0	0.7
Real estate activities	0.0	0.6
Trade	0.0	0.6
Dwellings	0.0	0.5
Education	0.0	0.6

"nec" = "Not elsewhere classified"

Table: The Budget Lab • Source: Source: GTAP v7 [Corong et al (2017)], The Budget Lab analysis. • Created with [Datawrapper](#)

Footnotes

- 1 All else equal, this change reduces the estimated pre-substitution ETR by 0.2pp.
- 2 All else equal, this change reduces the estimated pre-substitution ETR by 0.15pp.

- 3 TBL assumes throughout its tariff analysis that the transition to longer-run GTAP equilibria occurs after three years.
- 4 TBL defines “income” as CBO-concept post-tax-and-transfer income. “Short-run” refers to the effect over the next couple of years; TBL proxies for this definition by using CBO projections of the distribution of income in 2027, expressed in 2025 dollars.
- 5 TBL employs a “relaxed conventional” assumption for the retaliation scenario, whereby foreign income is permitted to fall but US income remains fixed.