



State of U.S. Tariffs: April 15, 2025

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Key Takeaways

1

The Budget Lab (TBL) estimated the effects all US tariffs and foreign retaliation implemented in 2025 through April 15.

2

Current Tariff Rate: Consumers face an overall average effective tariff rate of 28%, the highest since 1901. This is only slightly different from where the effective rate was before the late-April 9 announcement. Even after consumption shifts, the average tariff rate will be 18%, the highest since 1934.

3

Overall Price Level & Distributional Effects: The price level from all 2025 tariffs rises by 3% in the short-run, the equivalent of an average per household consumer loss of \$4,900 in 2024\$. Annual pre-substitution losses for households at the bottom of the income distribution are \$2,200. The post-substitution price increase settles at 1.6%, a \$2,600 loss per household.

4

Commodity Prices: The 2025 tariffs disproportionately affect clothing and textiles, with consumers facing 87% higher shoe prices and 65% higher apparel prices in the short-run. Shoes and apparel prices stay 29% and 25% higher in the long-run respectively.

5

Real GDP Effects: US real GDP growth is -1.1pp lower from all 2025 tariffs. In the long-run, the US economy is persistently -0.6% smaller respectively, the equivalent of \$180 billion annually in 2024\$.

6

Labor Market Effects: The unemployment rate rises 0.6 percentage point by the end of 2025, and payroll employment is 770,000 lower.

7

Fiscal Effects: All tariffs to date in 2025 raise \$2.4 trillion over 2026-35, with \$631 billion in negative dynamic revenue effects.

8

This includes the semiconductor/electronics carve-out announced by the Administration, which the Budget Lab treats as permanent. The Budget Lab had previously assumed a somewhat larger carve-out for non-semiconductor electronics than is present in the Administration's clarified announcement, resulting in an increased weighted average tariff rate relative to previous analyses.

Changes Since the Last Update

Since the [April 10 report](#):

- China has raised its broad retaliatory tariffs to US imports to 125% and suspended exports of certain minerals and magnets.
- [Clarifications from the Administration](#) about the semiconductor/electronics carve-out have allowed TBL to refine its estimate of the scope of the exemption. TBL had previously assumed a somewhat larger carve-out for non-semiconductor electronics than is present in the Administration’s clarified announcement. These refinements thus have the effect of slightly increasing the weighted average tariff rate relative to what TBL assumed before.

Current Tariffs

U.S. Tariffs

Retaliatory Tariffs

20% broad tariff on all Chinese imports (effective February 4; increased March 4)

[China 10%/15% list](#) (announced February 4)

10% tariff on Canadian potash and energy (effective April 2)

[Canada 25% list](#) (announced March 4)

25% tariff on all Mexican imports and other Canadian imports* (effective March 4)

[China 10%/15% list](#) (announced March 4)

25% tariff on all automobiles, with an exemption for US content** (effective April 3)

[Canada 25% list](#) (announced March 13)

25% tariff on all steel and aluminum imports (effective March 12)

[China broad 125%](#) (announced April 4)

Modified April 2 announcement: 10% minimum tariffs on all countries ex. China, Canada, & Mexico; 125% tariff on China (effective April 9, modified April 9, 90-day duration)***

China suspension of exports of minerals and magnets (announced April 11)****

* USMCA-compliant trade remains duty-free. TBL assumes that 49% of imports by value from Mexico are USMCA-compliant, while 38% of imports from Canada are compliant.

** TBL assumes that 40% of automobile content in imported motor vehicles from Canada and Mexico are of US origin.

*** The tariffs announced on April 2 apply to most imported goods but exempt steel, aluminum, and autos—which have already been tariffed separately this year—as well as copper, pharmaceuticals, semiconductors, lumber, energy, and critical minerals. The Administration clarified the scope of the semiconductor exemption on April 13. TBL carved out these commodities in its analysis of the April 2 announcement but does stack tariffs on those commodities from earlier announcements where applicable.

**** TBL simulated this as a prohibitive Chinese export tariff on these commodities.

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

Results

The table below summarizes the effects of current tariffs in place as of April 15, **assuming they stayed in force indefinitely**.

Table 1. Summary Economic & Fiscal Effects of 2025 Tariffs Through April 15

	2026-35		Conventional Score****	
	\$billions	% of GDP	% Change in PCE Price Level**	Decline in Average Real Disposable Income per Household (2024\$)*
All 2025 Tariffs to Date*	\$2,442	0.7%	2.97%	-\$4,878

* Includes 125% China retaliatory tariffs & China mineral & magnet export controls.

** Pre-substitution. *** Post-substitution.

**** Under relaxed conventional assumptions.

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 sheer size of the proposed tariff on China means that the distinction between *pre-substitution* (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 substantial is the average effective tariff rate.

Measured pre-substitution—assuming there are no shifts in the import shares of different countries—the 2025 tariffs to date are the equivalent of a 25.6 percentage point increase in the US average effective tariff rate. That calculation assumes that under the new 125% China tariffs on certain goods, the share of imports from China remains at 14%, where it was in 2024. This is the right way to think about the tariffs from the perspective of consumer 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 28%, the highest since 1901. This is only slightly different from [where the effective rate was](#) before the late-April 9 announcement.

Post-substitution—after imports shift in response to the tariffs—the 2025 tariffs are a 15.6 percentage point increase in the US average effective tariff rate, due to the substantial fall in China’s share of US imports as American consumers and businesses find alternatives for Chinese imports. China’s import share goes from 14% to 3% as a result of the tariffs, which, compositionally, means that fewer Americans are paying the China tariffs which means it has less “weight” in the post-substitution average effective tariff rate calculation. The 15.6pp increase brings the overall US effective tariff rate to 18.0%, the highest since 1934.

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.¹

Table 2. Change in Average Effective US Tariff Rate, New 2025 Policy Through April 15

	Effective Tariff	Import Share		Average Effective Tariff	
		Pre-Substitution	Post-Substitution	Pre-Substitution	Post-Substitution
China	105.2	14%	3%	14.3	2.8
Canada	17.4	13%	16%	2.2	2.7
Mexico	15.1	15%	18%	2.3	2.7
Rest of World	11.5	58%	64%	6.7	7.4
Total		100%	100%	25.6	15.6

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

Figure 1. Change in Average Effective US Tariff Rate, New 2025 Policy Through April 15

By Country Contribution and Pre/Post Substitution Percentage points

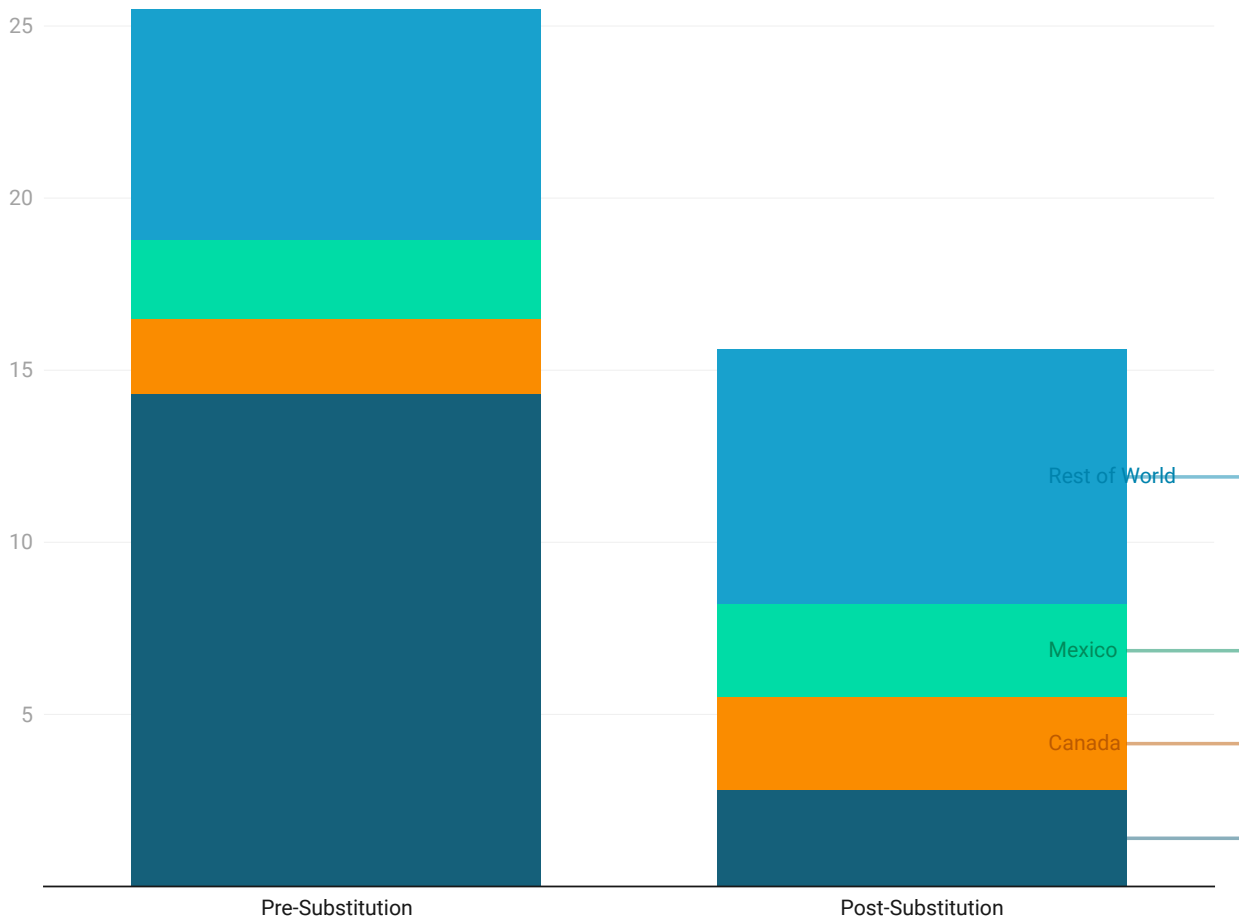
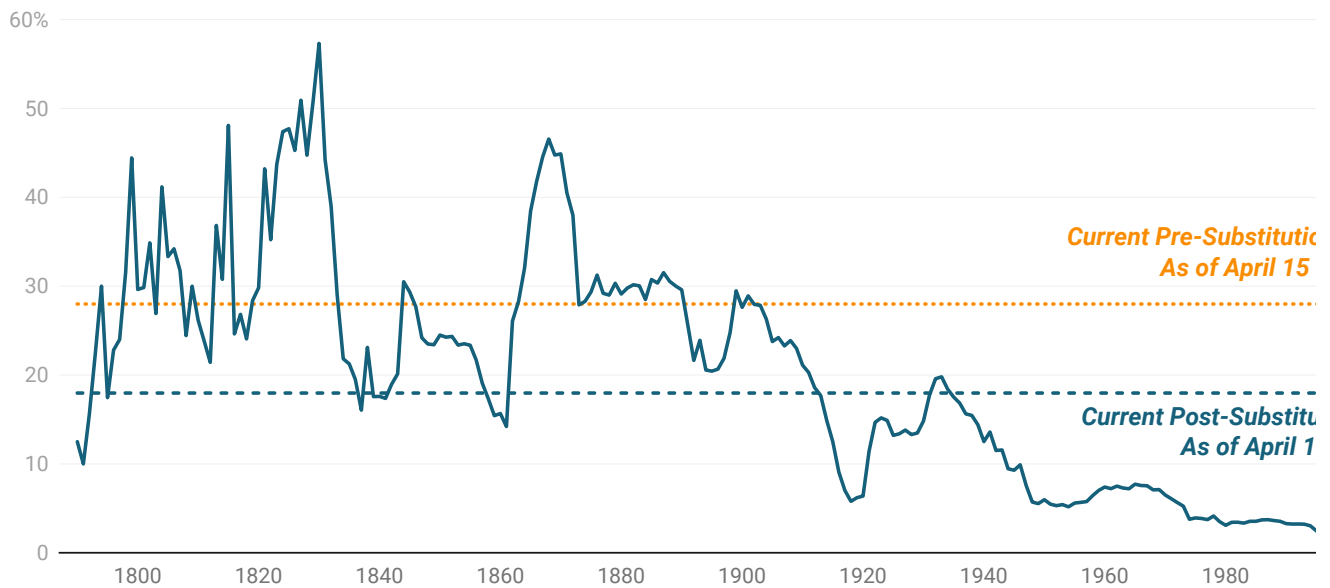


Chart: The Budget Lab • Source: Source: GTAP v7, The Budget Lab analysis. • [Get the data](#) • Created with [Datawrapper](#)

Figure 2. U.S. Average Effective Tariff Rate Since 1790

Customs duty revenue as a percent of goods imports



* Assumes revised April 9 tariffs stay in place.

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](#)

Average aggregate price impact

The 2025 tariffs imply an increase in consumer prices of 3.0% in the short-run, assuming no policy reaction from the Federal Reserve. This is a pre-substitution number that captures consumer welfare effects. It is the equivalent of a loss of purchasing power of \$4,900 per household on average in 2024 dollars. The post-substitution price increase settles at 1.6%, a \$2,600 loss per household.

US real GDP & labor market effects

All 2025 US tariffs plus foreign retaliation lower real GDP growth by -1.1pp over calendar year 2025 (Q4-Q4). The unemployment rate ends 2025 0.57 percentage point higher, and payroll employment is 770,000 lower that same quarter. The level of real GDP remains persistently -0.6% smaller in the long run, the equivalent of \$180 billion 2024\$ annually, while exports are -16.3% lower.

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

U.S. tariffs implemented through April 15
Percentage point change against baseline

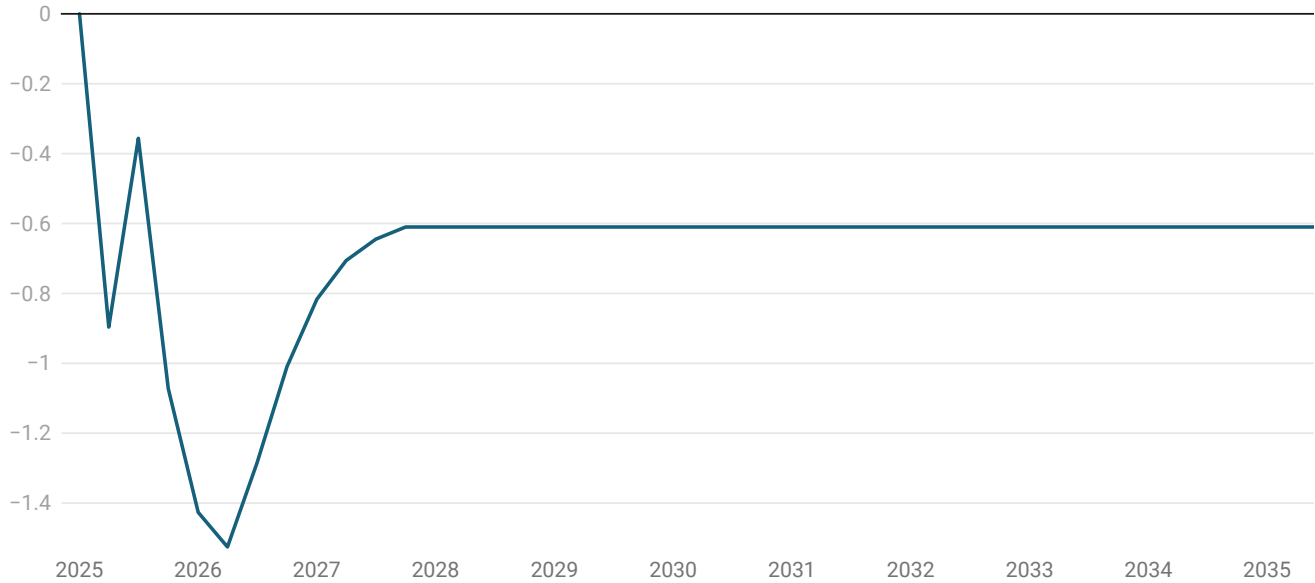


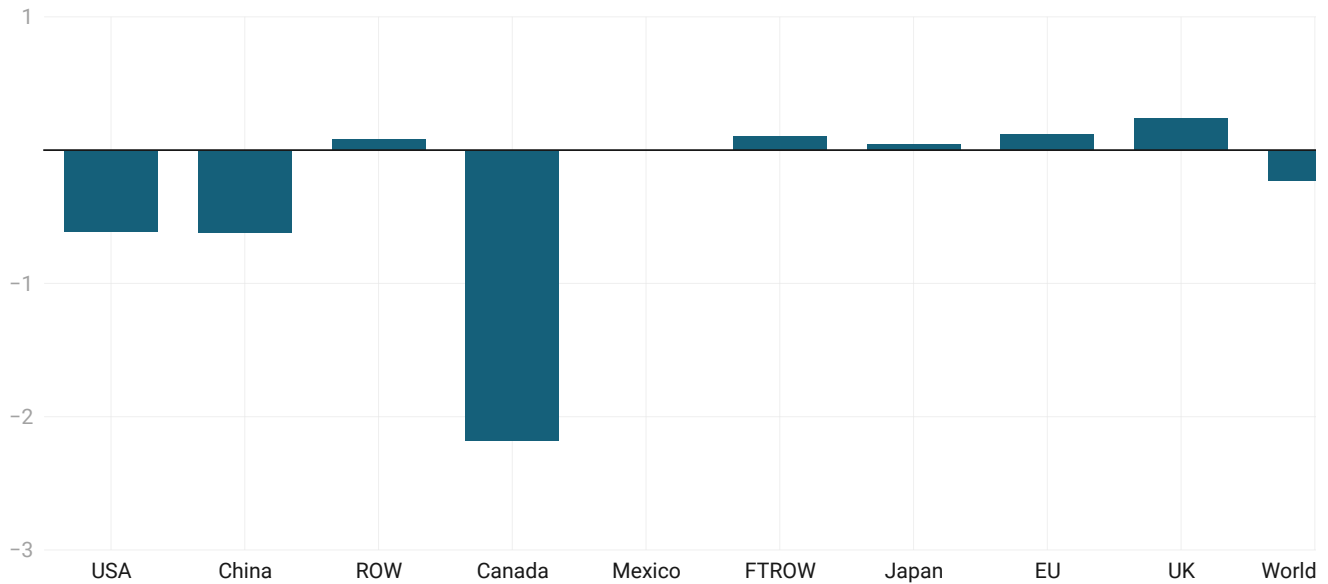
Chart: The Budget Lab • Source: S&P Global, GTAP v7, GTAP-RD, The Budget Lab analysis. • Created with [Datawrapper](#)

Global long-run real GDP effects

Canada has borne the brunt of the damage from US tariffs so far, with its long-run economy -2.2% smaller in real terms (reflecting both US tariffs and Canadian retaliation to date). China’s economy is -0.6% smaller, identical to the hit to the US. The EU economy is 0.1 percentage point larger in the long-run, while the UK’s is 0.2% bigger.

Figure 4. Long-Run Change in Real GDP Level from 2025 Tariffs to Date

U.S. tariffs implemented through April 15
 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. • [Get the data](#) • Created with [Datawrapper](#)

Fiscal impact & historical context

The 2025 tariffs to date, were they to remain in place (and not expire after 90 days), would raise \$2.4 trillion over 2026-35 conventionally-scored.² Given the negative output effects of the tariffs, there would be additional dynamic reductions in tax revenue as a result. Based on Congressional Budget Office rules-of-thumb, TBL estimates that these effects would total -\$631 billion over the decade.

Short-run distributional impact

Tariffs are a regressive tax, especially in the short-run. This means that tariffs burden households at the bottom of the income ladder more than those at the top as a share of income. The regressivity is about the same when looking at all 2025 tariffs: the burden on the 2nd decile is 2.5x that of the top decile (-5.1% versus -2.1%). The average annual cost to households in the 2nd, 5th, and top decile rise to \$2,200; \$3,800; and \$10,500 respectively.

Figure 5. Short-Run Distributional Impact of 2025 Tariffs to Date

Through April 15

Percentage points of disposable income by household income decile

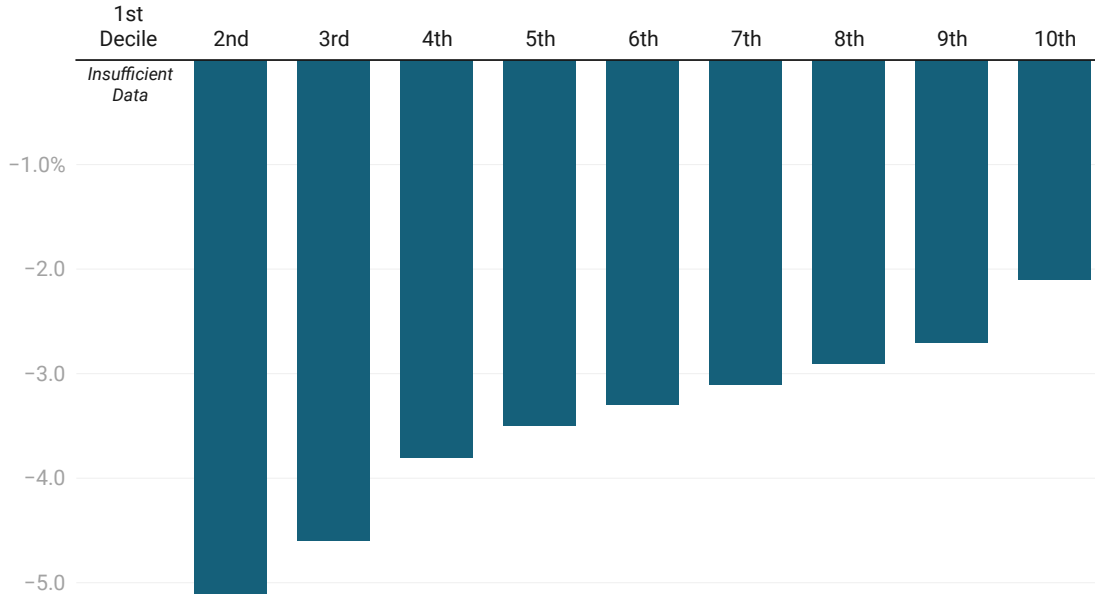


Chart: The Budget Lab • Source: GTAP v7, Census, BLS, BEA, The Budget Lab analysis. • Created with [Datawrapper](#)

Constant 2024\$ of Average Disposable Income per Household

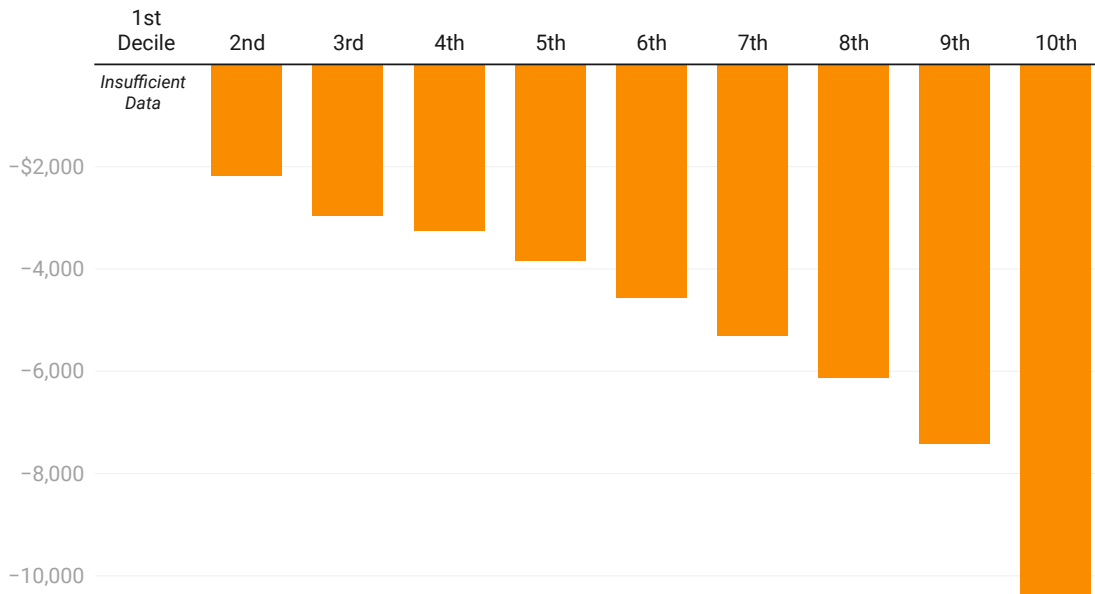


Chart: The Budget Lab • Source: GTAP v7, Census, BLS, BEA, The Budget Lab analysis. • Created with [Datawrapper](#)

Tariffs are more distributionally-ambiguous in the longer-run. Tariffs reduce both labor income and above-normal returns to capital, or rents. We assume that owners of capital hold rents rather than consume them in the short-run, but do consume them over their lifecycle in the long-run. The implication is that the tariff burden is more regressive in the short-run and more evenly-distributed across households in the long-run

Commodity price effects

The charts below show how the 3.0% price level increase from the 2025 tariffs to date would look across individual commodities in the short-run (pre-substitution), as well as the 1.6% long-run price increase (post-substitution).

Some high level takeaways:

- Consumers face high increases in clothing and textile prices in the short-run: prices increase 87% for leather products (shoes and hand bags), 65% for apparel, and 45% for textiles. After substituting towards cheaper alternatives in the long-run, prices remain 29%, 25%, and 16% higher, respectively.
- Food prices rise 2.6% in the short-run and stay 2.8% higher in the long-run. Fresh produce is initially 5.4% more expensive while stabilizing at 3.6% higher.
- Motor vehicle prices rise 12% in the short-run and 15% in the long-run, the latter the equivalent of an additional \$7,400 to the price of an average 2024 new car.

Figure 6. Commodity Price Effects from 2025 Tariffs Through April 15

Percent change to price level

name	Short Run	Long-Run
Leather products	87.1	29.2
Wearing apparel	64.9	24.8
Electrical equipment	46.4	17.3
Textiles	45.0	15.6
Mineral products nec	27.0	10.8
Metals nec	24.8	26.9
Metal products	22.9	9.7
Rubber and plastic products	22.4	10.2
Computer, electronic and optical	20.7	7.8
Manufactures nec	18.1	15.2
Machinery and equipment nec	18.0	7.4
Crops nec	15.6	10.3
Motor vehicles and parts	12.3	15.4
Basic pharmaceutical products	12.2	17.2
Ferrous metals	10.9	13.3
Wood products	10.7	4.7
Transport equipment nec	10.7	8.8
Natural gas	9.4	5.2
Paper products, publishing	5.6	3.7
Vegetables, fruit, nuts	5.4	3.6
Chemical products	5.4	4.0
Food products nec	4.3	3.5
Fishing	3.5	2.8
Oil	3.1	1.8
Vegetable oils and fats	2.6	1.2
Paddy rice	2.3	0.3
Processed rice	1.9	13...
Animal products nec	1.7	-0.1
Beverages and tobacco products	1.5	3.8
Cereal grains nec	1.1	0.5
Bovine meat products	0.8	0.8
Sugar	0.8	2.0
Minerals nec	0.7	0.2
Forestry	0.6	-0.3
Petroleum, coal products	0.6	1.7
Meat products nec	0.4	0.3

Oil seeds	0.3	-3.9
Dairy products	0.3	1.3
Wool, silk-worm cocoons	0.2	16.3
Wheat	0.1	-0.3
Electricity	0.1	0.3
Bovine cattle, sheep and goats	0.1	-0.8
Construction	0.1	1.3
Plant-based fibers	0.0	-0.6
Raw milk	0.0	0.3
Coal	0.0	0.0
Sugar cane, sugar beet	0.0	-3.4
Water	0.0	0.9
Gas manufacture, distribution	0.0	0.2
Recreational and other services	0.0	0.2
Trade	0.0	0.2
Dwellings	0.0	-0.2
Transport nec	0.0	0.7
Education	0.0	-0.1
Communication	0.0	0.4
Insurance	0.0	-0.1
Financial services nec	0.0	-0.1
Warehousing and support	0.0	0.8
Water transport	0.0	0.8
Human health and social work	0.0	0.4
Public Administration	0.0	0.4
Air transport	0.0	0.4
Accommodation & food services	0.0	0.3
Business services nec	0.0	0.2
Real estate activities	0.0	0.0

"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. TBL assumes throughout its tariff analysis that the transition to longer-run GTAP equilibria occurs after three years.
2. TBL employs a "relaxed conventional" assumption for the retaliation scenario, whereby foreign income is permitted to fall but US income remains fixed.