

**What is the consensus among professional economists about how tariffs on imported goods will likely affect the American economy?**

**ChatGPT said:**

Here's the consensus among professional economists on how tariffs on imported goods tend to affect the U.S. economy:

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### **1. Consumers Bear the Cost, Not Foreign Producers**

Economists widely agree that tariffs act like a tax on imports, and **U.S. consumers ultimately shoulder most of that burden**. This happens through higher prices on everyday goods—even if tariffs target intermediate inputs—because cost increases filter through supply chains to final products. [Brown University](#)[The Century Foundation](#)

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### **2. Tariffs Raise Prices and Fuel Inflation**

Tariffs generally contribute to higher inflation. Analysts and institutions report that they:

- ❑ **Raise consumer prices** noticeably—clothing and food prices, for example, can climb significantly. [The Budget Lab at Yale](#)[Deloitte](#)
  - ❑ **Boost the overall price level**. The Yale Budget Lab estimated that U.S. tariffs enacted in 2025 collectively could raise consumer prices by about **2.3%**, equating to roughly \$3,800 in lost purchasing power per household in 2024 dollars. [The Budget Lab at Yale](#)
  - ❑ **Contribute to inflationary pressures**. Today's market commentary underscores ongoing inflation due to tariffs. Business Insider warns of "rolling" inflation; elevated tariffs and uncertainty make price increases erratic. [Business Insider](#)[+1Barron's](#)
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### **3. Tariffs Reduce Economic Growth and GDP**

Economic output is generally **dampened by tariffs**, both in the short run and, to varying degrees, over the longer term:



- **GDP contraction.** The Yale Budget Lab projects 2025 real GDP growth to be lower by **0.9 percentage point**, with long-run output down **0.6%**—about a \$160 billion annual loss (in 2024 dollars). [The Budget Lab at Yale](#)
  - **Firms cite reduced output and investment.** Historical and recent analyses agree that business investment and broader economic activity suffer. [Wikipedia+1](#)
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#### 4. Tariffs Hurt Trade & Exporters

Tariffs not only make imports more expensive but also have downstream repercussions:

- **Export growth stalls.** Evidence shows that as resources get redirected to replace imports, export-related industries weaken. [PIIE](#)
  - **Historical precedents.** The Smoot–Hawley Tariff of the 1930s significantly reduced both imports and exports, worsening economic downturns. [Wikipedia+1](#)
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#### 5. Tariffs Are Regressive and Unevenly Felt

Tariffs tend to hurt lower-income households harder:

- **Greater burden on the less well-off.** The Yale Budget Lab finds that the lowest income deciles experience nearly **2.5 times** the proportional income loss compared to the wealthiest. [The Budget Lab at Yale](#)
  - **Erodes purchasing power.** In terms of dollars, households in lower-income deciles lose more relative to their income than wealthier households.
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#### 6. Retaliation Erodes Any Domestic Gains

While tariffs are sometimes pitched as pro-domestic industry tools, **foreign retaliation often cancels out any expected benefits:**

- A study of the U.S.–China trade war found that initial boosts in business formation were more than offset by retaliatory tariffs and countermeasures. [arXiv](#)
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## 7. Nearly Unanimous Economic Opinion: Tariffs Hurt More Than They Help

Surveys and expert consensus consistently reinforce that tariffs do **not benefit the U.S. economy**:

- In 2018, nearly **80% of economists** saw steel and aluminum tariffs as harmful—not helpful—with the remainder expecting little to no effect, and **none** predicting benefits. [Wikipedia](#)
- Stanford and Peterson Institute economists argued tariffs disproportionately raise consumer prices and suppress industrial productivity. [The Century Foundation](#)
- Quality research and commentary regularly reinforce that tariffs fail to deliver welfare gains, particularly at economy-wide levels. [SIEPR](#)[Georgia State News Hub](#)[Tax Foundation](#)

## 8. Putting It All Together: Economist Consensus in Brief

Effect	What Economists Agree On
Prices & Inflation	Tariffs raise prices and contribute to inflation
Economic Growth	Lower GDP and reduced output
Consumer Impact	Consumers, especially lower-income households, bear the costs
Export Industries	Tariffs hurt exporters and disrupt trade
Retaliation Risks	Countermeasures from other countries offset domestic gains
Overall Consensus	Tariffs tend to harm, not help, the U.S. economy

### Real-World Data & Context

- **Yale Budget Lab (2025)**: Up to 2.3% inflation, major GDP drag, large household financial hit. [The Budget Lab at Yale](#)
- **Deloitte (April 2025)**: Tariffs will push inflation and slow consumer spending; uncertainty itself hurts sentiment. [Deloitte](#)
- **Budget & CBO (2018–2020)**: Tariffs cut GDP ~0.5%, raised prices ~0.5%, cost households ~\$1,200 annually. [Wikipedia](#)
- **Recent Market Observations**: Tariffs contributed to rising inflation and weak job figures—raising fears of stagflation. [Business Insider+1](#)



**Bottom Line**

There is a strong consensus among economists that tariffs on imports tend to **damage the U.S. economy** by raising consumer prices, restraining growth, disproportionately affecting low-income households, damaging trade and exports, and being offset by foreign retaliation. They are generally seen as **inefficient and counterproductive** for improving overall economic welfare.

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Further reading on recent economic effects of tariffs



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[theweek.com](https://theweek.com)

[Trump hikes tariffs despite economic warning signs](#)

[2 days ago](#)





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[Barron's  
Higher Tariffs Are Here to Stay. This Is When the Effects Could Hit.  
6 days ago](#)

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