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Turning Up The Heat: Prices Climb On Clothing And Apparel Thanks To New Tariffs

As seasons change, parents are putting away kids' winter jackets and will soon be looking to replace last season's outgrown spring apparel. Unfortunately, sunnier days won't just bring warmer weather – higher price tags will soon hang from kids' closet hooks.

In a hit to American consumers, newly announced reciprocal tariffs will stack on top of existing tariffs, which could drive prices at the checkout counter even higher. Say goodbye to affordable athletic sneakers or swimsuits for the kids, because prices could skyrocket in the coming months for American families looking to add to their wardrobes to accommodate changing temperatures and growing children.

Foreign trade is critical for the clothing and apparel industry in the United States, with 97% of clothing and shoes sold in the United States originating overseas, particularly out of Asia. President Donald Trump's tariff announcement on April 2 will have a significant impact on clothing and textiles, as additional tariffs will be imposed on key apparel importers, such as Vietnam (46%), China (34%), Cambodia (49%) and Bangladesh (37%).

Clothing and Apparel:



Just 3% of clothing and shoes sold in the United States originate from domestic producers.¹

The April 2nd tariffs stacked on previously announced tariffs could raise apparel prices an astounding 17%.¹²

The three nations that produce the bulk of apparel and shoes sold in U.S. stores are China, Vietnam and Bangladesh. Each of these were hit with significant reciprocal tariffs on April 2, 2025, and are primed to see a price hike.³

Shoes:



Shoes from popular brands such as Nike and Adidas could see price increases of 10% to 12% more due to tariffs on Vietnam alone. $^{\rm 4}$

Many footwear and apparel brands moved supply chains from China to Vietnam, such as Nike, which produced over half of its footwear in Vietnam in 2024. Vietnam was targeted with a 46% tariff rate, meaning consumers should expect price hikes on most footwear sold in the U.S.⁵

Leather:

Leather product prices could rise 6.6% for consumers.⁶

Textiles:



Textiles used to produce clothing in the United States are expected to cost 4.7% more.⁷

- ¹ https://www.axios.com/2025/04/03/trump-reciprocal-tariffs-clothing-prices
- ² https://budgetlab.yale.edu/research/where-we-stand-fiscal-economic-and-distributional-effects-all-us-tariffs-enacted-2025-through-april ³ https://www.cbsnews.com/news/which-products-most-affected-tariffs/
- * https://www.reuters.com/business/retail-consumer/sporting-goods-makers-adidas-puma-slump-after-trump-announces-tariffs-2025-04-03/
- ⁵ https://www.reuters.com/business/retail-consumer/sporting-goods-makers-adidas-puma-slump-after-trump-announces-tariffs-2025-04-03/
- $^{6}\ https://budgetlab.yale.edu/research/fiscal-economic-and-distributional-effects-illustrative-reciprocal-us-tariffs$
- ⁷ https://budgetlab.yale.edu/research/fiscal-economic-and-distributional-effects-illustrative-reciprocal-us-tariffs