

Project Syndicate

Trump's Tariffs Are Not About Dolls

May 16, 2025 | NANCY QIAN

EVANSTON, ILLINOIS – In a famous scene from the hit American television series *Succession*, the savvy patriarch of a family-owned media empire is infuriated to learn that none of his children knows the price of a gallon of milk. He understands that such a disconnect between decision-makers and ordinary people is a recipe for failed leadership. Now, the same tension is playing out not on our screens, but in the White House. US President Donald Trump has imposed the highest and most sweeping tariffs in modern history. Supposedly a response to a national “emergency,” these taxes on imports are meant to increase the prices of foreign goods until domestic manufacturing becomes competitive – despite much higher US labor costs.

While many agree that the United States should retain a capacity to manufacture certain strategically important items, such broad tariffs are likely to increase consumer prices significantly. For now, many importers and retailers may be avoiding price hikes in the hopes that the tariffs will be reversed. But if they remain in place, that will change.

The White House seems unbothered by this prospect. According to US Treasury Secretary Scott Bessent (a former hedge fund manager), “Access to cheap goods is not the essence of the American dream.” Or, as Trump himself put it: “Well, maybe the children will have two dolls instead of 30 dolls, you know? And maybe the two dolls will cost a couple of bucks more than they would normally.”

These dismissive remarks about the consequences for American consumers stand in stark contrast to the administration’s attentive response to financial markets last month. When the bond market faltered and Wall Street magnates complained, Trump gave most countries a reprieve on the highest tariffs.

Make your inbox smarter.
Select Newsletters

Trump and his advisers are both trivializing and misrepresenting the real economic hardship that high tariffs could cause. Most Americans are already struggling to meet their basic needs. The pre-tax income required for the median two-adult, two-child household to cover basic necessities (housing, childcare, food, transportation, costs for education, clothing, personal care items) was \$106,903 in 2024. And yet, around 60% of households earn less than

\$100,000 per year, 50% less than \$86,000, and around 14% less than \$25,000.

Even if one parent drops out of the labor force to save on childcare costs, the single earner would need \$85,074. Nor do “basic necessities” include eating out, leisure activities, holidays, savings, or retirement and other long-term financial investments. These are “luxuries” that require even more money.

It should come as no surprise that a large share of basic necessities are imports. Some 59% of fresh fruits and vegetables consumed in the US (including 90% of bananas and 70% of tomatoes) are imported, as is 25% of orange juice. Growing children regularly need new clothes and shoes, over 95% of which are imported. The same goes for school supplies: two-thirds of all pencils sold in the US are imported, as are many books and the paper used to print books domestically. Personal items for adults will also be affected. For example, nearly all razor blades are imported.

Thus, price increases from tariffs will make life harder for American families in countless ways that go beyond “dollars.” American children will eat less fresh food, wear fewer new garments, and have fewer books, pens, and paper with which to learn to read and write.

Of course, the Trump administration’s lack of empathy is not surprising. None of America’s top economic policymakers has had to think about the price of food, books, clothes, or a gallon of milk for a very long time. Trump himself inherited \$413 million, and his top economic advisers are extraordinarily wealthy financiers. Bessent is reportedly worth more than \$521 million, and Secretary of Commerce Howard Lutnick more than \$2 billion.

Even when the administration acknowledges the challenges posed by tariffs, it reflects the perspective of industry, not consumers. Trump exempted smartphones, computers, and other electronics because Big Tech CEOs raised objections, and made little mention of American households that rely on affordable imported laptops and tablets for work and study. If tariffs are placed on these goods, key technologies will become unaffordable for many Americans.

None of this is to say that successful businesspeople should not serve in government. There are many benefits to having policymakers with real-world experience, who know the inner workings of financial markets. But such credentials should not come at the expense of empathy for ordinary people. Americans need leaders who know how much basic necessities cost and understand what higher prices mean for their daily lives. As Trump and his cabinet negotiate with trading partners, they need to keep those Americans in mind.

NANCY QIAN

Nancy Qian, Professor of Economics at Northwestern University, is Co-Director of Northwestern University’s Global Poverty Research Lab, Founding Director of China Econ Lab, and a visiting professor at the Einaudi Institute for Economics and Finance.

<https://prosyn.org/qimWdWj>

Support Project Syndicate

Subscribe Upgrade Donate

Make your inbox smarter.
Select Newsletters

Content

Authors

PS Quarterly

Sections

Topics

Archive

Columnists

Videos

Podcasts

Subscriber Exclusive

OnPoint

Longer Reads

Insider Interviews

Big Picture

Global Bookmark

Rewards

[Project Syndicate](#)

[About Us](#)

[Contact](#)

[Careers](#)

[FAQ](#)

[Submission policy](#)

[Newsletters](#)

[Member Publications](#)

[Network](#)

[Syndication](#)

[PS Magazines](#)

[PS Events](#)

[Institutions](#)

[Corporate](#)

© Project Syndicate - 2025 [Privacy Policy](#) [Terms & Conditions](#) [Cookie Policy](#)