

Tracking international payments:

How are midsize firms responding to continued tariff pressure?

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Executive summary

Trade policy remains an evolving issue in the U.S. The Supreme Court struck down large portions of the 2025 tariff increases in February, effective tariff rates declined, and some tariff refunds have begun to be issued. However, the U.S. government has pursued other avenues to impose similar tariffs, and the outlook remains unsettled.

This report uses de-identified JPMorganChase transaction data to track how midsize U.S. firms are responding to tariff changes and analyze differences across industries and geographies. Also known as the middle market, the midsize business segment represents a significant portion of the private sector, is highly involved in trade, and yet is often underrepresented in policy discussions and aggregate statistics that may be dominated by larger firms.

We build on findings from our previous report [Tracking international payments: How are midsize firms reacting to tariffs?](#) (Wheat et al. 2026) by providing updated versions of key charts from that report, which track tariffs paid by midsize firms as well as their total payments to foreign and domestic counterparties. A sustained decrease in international outflows—payments by U.S. firms to foreign counterparties—might indicate a reduction in imports, especially if domestic outflows—payments to U.S. counterparties—are increasing at the same time. Together, these measures offer insight into how firms are responding to the volatile policy environment from early 2025 to mid-2026.

Key findings

- 01** Tariff payments by midsize firms have decreased somewhat from their peak in October 2025 but remain over twice their pre-2025 levels.
- 02** Since 2025, international payments by midsize firms have grown more slowly than domestic ones, with a persistent gap of 6-12 percentage points.
- 03** Tariffs have increased for every industry, and several manufacturing industries now spend over 2 percent of total inflows on tariff payments.
- 04** Tariffs are highest in major port regions, but the largest relative increases in tariff payments have been in the Midwest and Southeast.

Our findings indicate that while midsize firms have paid less in tariffs in recent months, tariff payments remain much higher than before 2025. Despite material changes in tariff rates, international outflows have been relatively stable over this period. This suggests that midsize firms could be delaying strategic supply chain decisions until there is more clarity on future policy, reinforcing the need for heightened monitoring of firm health and decision-making. Finally, while tariffs can raise the cost of imported goods, tariffs could also be beneficial to some U.S. manufacturers facing foreign competition. Our research provides early insights into firm responses to tariffs while the full economic effects have yet to be determined.¹

Introduction

Tariffs make importing foreign goods more expensive. Some importing firms may respond by shifting to domestically produced goods, while others may continue to import and bear the additional costs, particularly if domestic alternatives are limited. Moreover, supplier relationships can take time to establish, affecting the speed of any response.

In this report, we use proprietary bank transaction data, which can provide early signals about whether and how midsize firms are reacting to changes in tariffs. The magnitude of recent policy changes could drive sharp reactions, but uncertainty could also lead firms to delay strategic changes to their operations which could be time-consuming to implement.

Midsize firms are a significant part of the private sector and are often underrepresented in policy discussions. This segment is also known as the middle market and is often described as having revenues between \$10 million and \$1 billion or employing 50-499 workers. They occupy a unique role in the economy: They may be large enough to be local or regional anchors but not so large that they can easily offset losses in one area with gains in another. When responding to changes in trade policy, they may be more agile than larger firms but lack the negotiating leverage of their larger counterparts. In this way, they may be more representative of the typical U.S. firm.

We analyze how midsize firms are responding to tariffs using a sample of midsize JPMorganChase clients active from 2023 onwards. For more information on our dataset of domestic and international transactions and how we constructed our sample, see the data appendix.

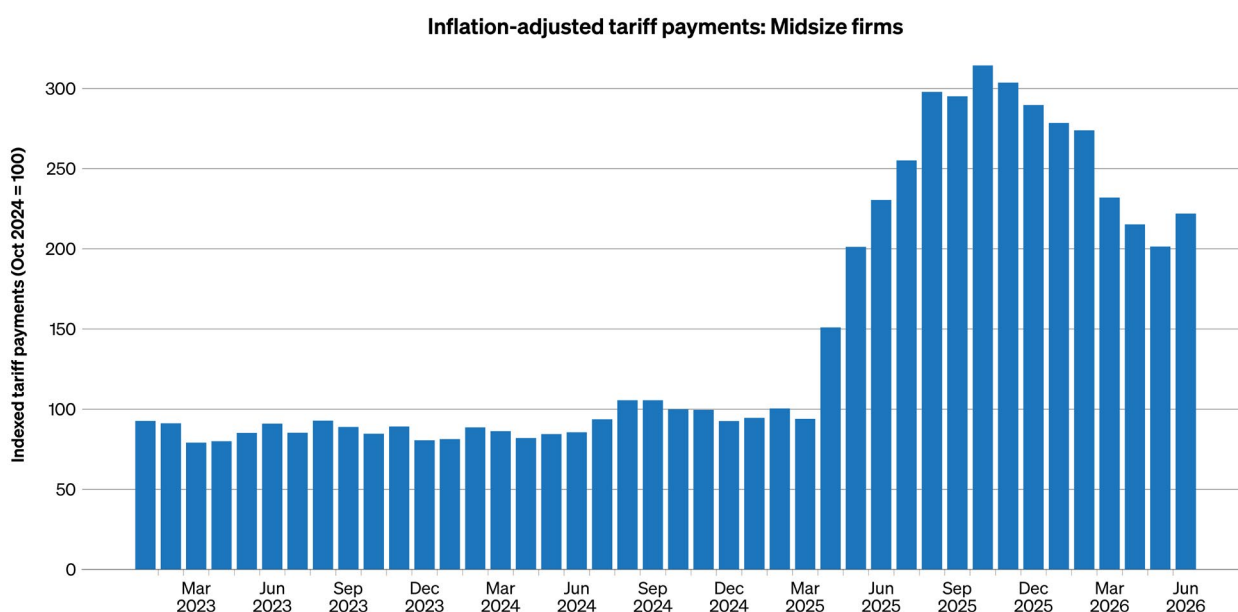
¹ While it is too early to determine the long-run impacts of the 2025 tariff increases, see Fajgelbaum and Khandelwal (2026) for an analysis of short-run welfare impacts. See also Amity, Redding and Weinstein (2019) and Fajgelbaum et al. (2020) for more comprehensive economic analyses of the tariff increases during 2018-19.

Finding 1: Tariff payments by midsize firms have decreased somewhat from their peak in October 2025 but remain over twice their pre-2025 levels.

U.S. tariff rates reached historic highs following the announcement of tariffs on nearly every country on April 2, 2025. In the subsequent months, announcements of additional tariffs, trade deals, and legal battles followed. If firms respond to higher tariff rates by reducing the volume of goods imported, tariff payments may not necessarily scale up by the magnitude of the increase in tariffs. Analogously, decreasing tariff rates may not necessarily result in decreased tariff payments if firms import more. Our data show that tariff payments by midsize firms tripled in 2025 before declining in 2026. However, tariff payments in June 2026 were still more than twice the pre-2025 levels.

Tariff payments by midsize firms: In panel A of figure 1, we track tariff payments by midsize firms using our proprietary data.² The series is adjusted for inflation and indexed to a value of 100 in October 2024, the month before the U.S. presidential election.³ The sample only includes firms that operated throughout 2023-2025, so changes in the indexed value during this period are not the result of changes in the composition of the sample.

Figure 1, panel A: Tariff payments have declined in 2026 but are still significantly higher than before 2025.



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² These payments potentially encompass certain other trade-related fees in addition to tariffs. However, we see the timing and magnitude of the increase in these payments as a strong indication that we do indeed mostly capture tariff payments.

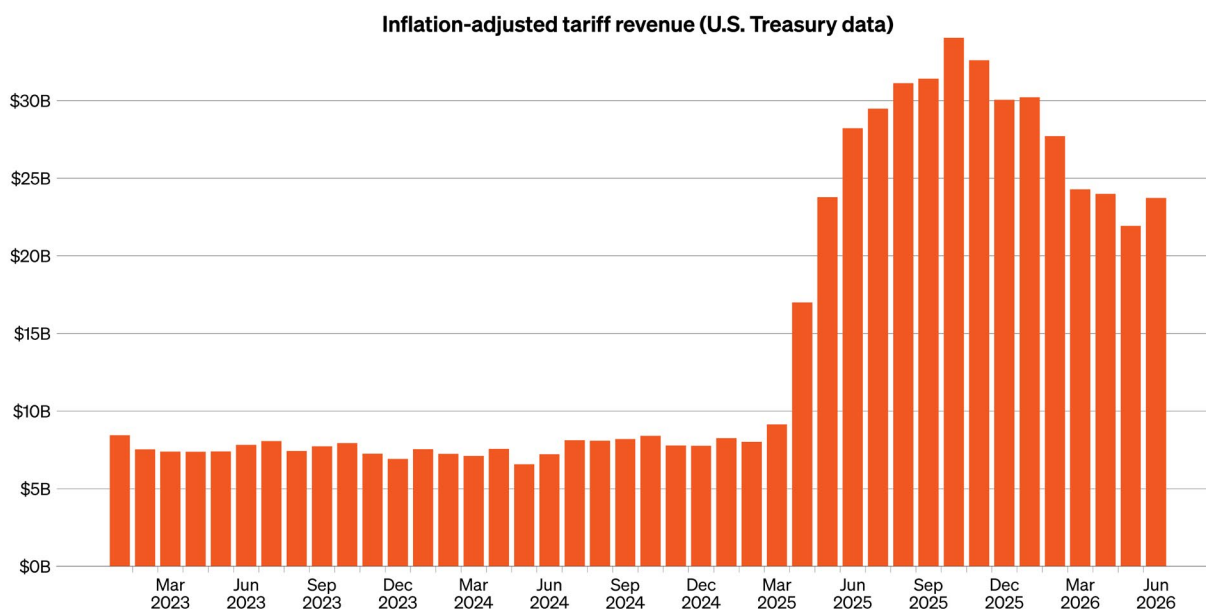
³ After the election, firms may have begun to change their behavior in anticipation of future trade policy. For example, some firms may have frontloaded imports to build up their inventories in advance of tariff increases.

Tracking international payments: How are midsize firms responding to continued tariff pressure?

After a period of relative stability, tariff payments by midsize firms started increasing sharply in April 2025, just after the announcement of universal tariffs. They continued increasing until that October, when they reached a level more than three times as high as before 2025. Tariff payments declined in late 2025 and early 2026, coinciding with a decline in effective tariff rates over that same period,⁴ as certain products received tariff exemptions and some bilateral trade deals took effect.⁵ A particularly sharp drop in tariff payments occurred in March 2026, coinciding with the Supreme Court ruling that invalidated IEEPA tariffs in late February. In June 2026 (the last month of data available), tariff payments were almost a third lower than at their October 2025 peak but still well over twice as high as before 2025.

Tariff payments economy-wide: Panel B of Figure 1 shows tariff revenue for the U.S. government over time (“Customs Duties” in the Monthly Treasury Statement), adjusted for inflation. This plot displays all tariffs, not just those paid by midsize firms. Nevertheless, we notice a remarkably similar trajectory over time, with a sharp increase starting in April 2025, a peak in October 2025, and a decrease in the following months, including a more pronounced drop in March 2026, followed by a slight increase in June 2026, the last month of data. Note that we only plot *gross* tariff income and thus do not include refunds of the invalidated IEEPA tariffs, which actually exceeded revenue in May and June 2026. This is to remain consistent with our middle market data in the top panel, which also does not capture refunds.

Figure 1, panel B: Tariff payments have declined in 2026 but are still significantly higher than before 2025.



Note: The top panel of this figure displays monthly totals of likely tariff payments for a balanced panel of firms that were active between January 2023 and December 2025. See the appendix for the definition of active firms. The series in the top panel is indexed to equal 100 in October 2024. The bottom panel shows the Customs Duties series from the U.S. Monthly Treasury Statement. Transaction amounts in both panels are deflated to real values using the U.S. Consumer Price Index.

Sources: JPMorganChase Institute, U.S. Treasury Department

[Access text version](#)

⁴ See The Penn Wharton Budget Model (2026).

⁵ See Brown (2026) for a comprehensive timeline of tariff-related policy and trade deals.

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It is unclear if the trend of declining effective tariff rates and payments will continue. Since the IEEPA ruling, the U.S. has pursued other strategies to impose similar tariffs to those that were invalidated. An initial 10 percent universal tariff was imposed under Section 122 of the Trade Act of 1974, which allows for temporary tariffs to be imposed for up to 150 days without congressional approval; these tariffs have since expired. In early June, the U.S. Trade Representative announced the results of an investigation into failures to ban or enforce bans on goods made using forced labor,⁶ and consequently, tariffs of 10-12.5 percent were imposed on a large set of economies under Section 301 of the Trade Act of 1974.⁷ Legal challenges have not been resolved as of the time of writing.

⁶ Office of the U.S. Trade Representative (2026a)

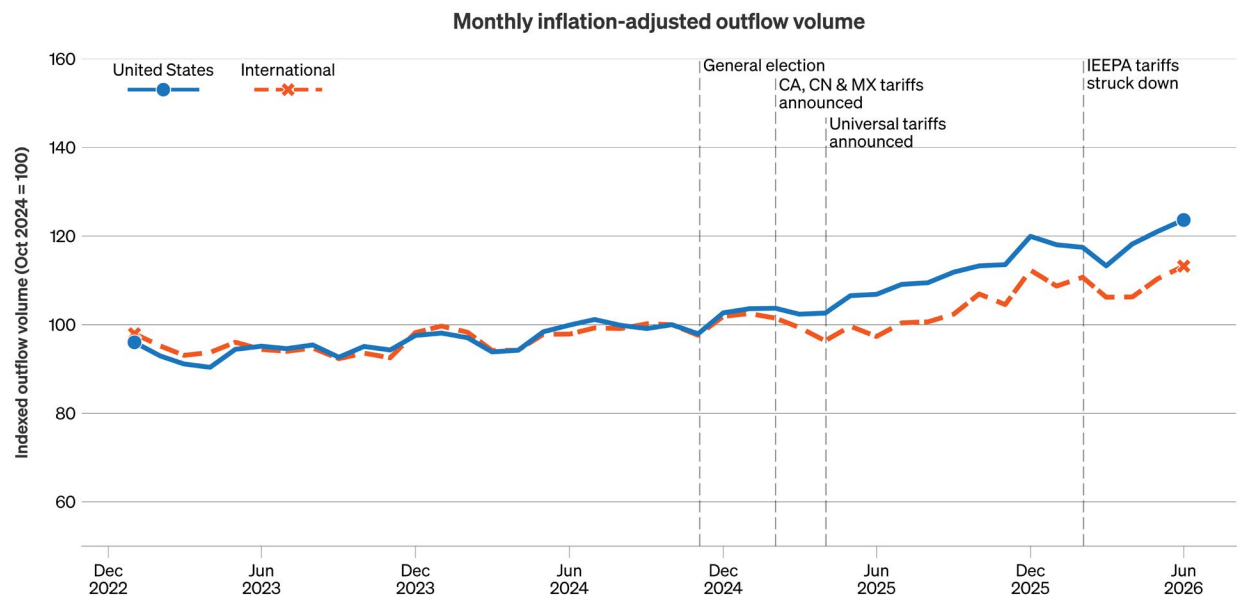
⁷ Office of the U.S. Trade Representative (2026b)

Finding 2: Since 2025, international payments by midsize firms have grown more slowly than domestic ones, with a persistent gap of 6-12 percentage points.

Some of the stated goals of international trade policy since 2025 were to reduce the U.S. trade deficit and increase domestic manufacturing capacity. Financial transactions data can provide indications of how firms are responding to policy changes.

In Figure 2, we display two series of outflows by midsize firms over time: Domestic outflows—representing payments from U.S. firms to other U.S. counterparties—in a solid blue line, and international outflows—payments from U.S. firms to foreign counterparties—in a dashed orange line. As in Figure 1, both series are adjusted for inflation, indexed to 100 in October 2024, and only includes firms that were active throughout 2023-2025. While both series were relatively stable and moved together over the years 2023 and 2024, they began diverging as tariff increases were announced. Domestic outflows have grown more since early 2025 than international ones, and a gap of roughly 6-12 percentage points persists.

Figure 2: International outflows have increased slightly since late 2025 but remain below the trend of domestic outflows.



Note: The figure is based on a balanced panel of active midsize firms for the years 2023-2025. See the appendix for the definition of active firms. The series display three-month rolling averages of monthly outflows to domestic and international partners, respectively. Both series are indexed to equal 100 in October 2024. Transaction amounts are deflated to real values using the U.S. Consumer Price Index.

Source: JPMorganChase Institute

[Access text version](#)

It might be surprising that midsize firms continued to make payments to international counterparties at relatively stable levels in 2025-2026 despite material increases and subsequent decreases in tariff rates. Several factors could help explain this pattern. First, there was and continues to be a lack of clarity in trade policy. Uncertainty related to trade negotiations and legal challenges may have inhibited strategic business decisions about overseas supplier relationships, which could take time to establish. Second, the timing of international payments can confound interpretation: To the extent that these payments represent the import of goods,⁸ there could be a gap of several months between when goods are received and when the corresponding payment is made.⁹ This would cause responses to major events to appear gradually in our data. For example, depressed import activity under the peak tariff rates in late 2025 might appear with a delay and could still be weighing on observed payments in early 2026. Finally, international transactions might also be affected by geopolitical tensions not directly related to tariff policy.

We will continue to monitor international payments for indications of shifts in trade, which could have implications for economic activity.

Finding 3: Tariffs have increased for every industry, and several manufacturing industries now spend over 2 percent of total inflows on tariff payments.

Tariff rates on imported goods vary by product and country of origin, so some industries could be impacted more than others. Industries facing particularly high tariffs or material increases in tariffs may be more likely to adjust their supply chains.

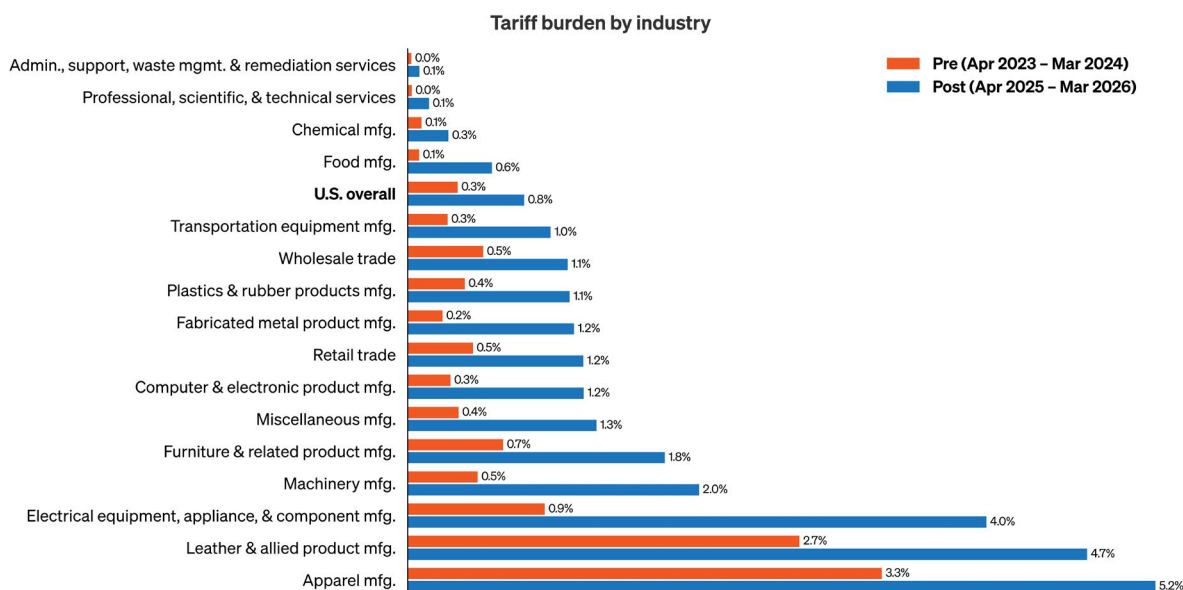
In order to compare tariff impacts across different types of firms, we define the **tariff burden** as the total tariffs paid over a given period divided by total inflows in that same period. In other words, it is the share of all incoming cash flows to U.S. firms that was spent on tariffs. This measure only includes the actual tariffs, not the cost of the goods that the tariffs are levied on. The burden only captures direct tariff costs paid by U.S. importers and cannot account for indirect costs, such as through higher prices charged by firms further down the supply chain.

⁸ Note that our data encompass all types of international payments, including financing flows and payments for trade in services, which are generally not subject to tariffs.

⁹ The timing of international payments may vary substantially in relation to the import of goods. Payment timings can range from being made at the point in time when goods are ordered (cash-in-advance), to being carried out up to several months after goods are delivered to the importer (open account) and may in some cases even be delayed until the goods are sold to the end customer (consignment). See International Trade Administration, U.S. Department of Commerce (2026) for details.

Panel A of Figure 3 compares the tariff burdens for a number of industries¹⁰ across two 12-month time periods: April 2023 through March 2024 (the “pre-2025 period” orange bar), a baseline period well before the wide-ranging tariff increases had taken effect, and April 2025 through March 2026 (the “post-2025 period” blue bar), a full year following the announcement of universal tariffs on April 2, 2025.

Figure 3, panel A: The share of inflows spent on tariffs grew the most in sectors with high baseline tariffs, but low-tariff industries have seen large relative growth.



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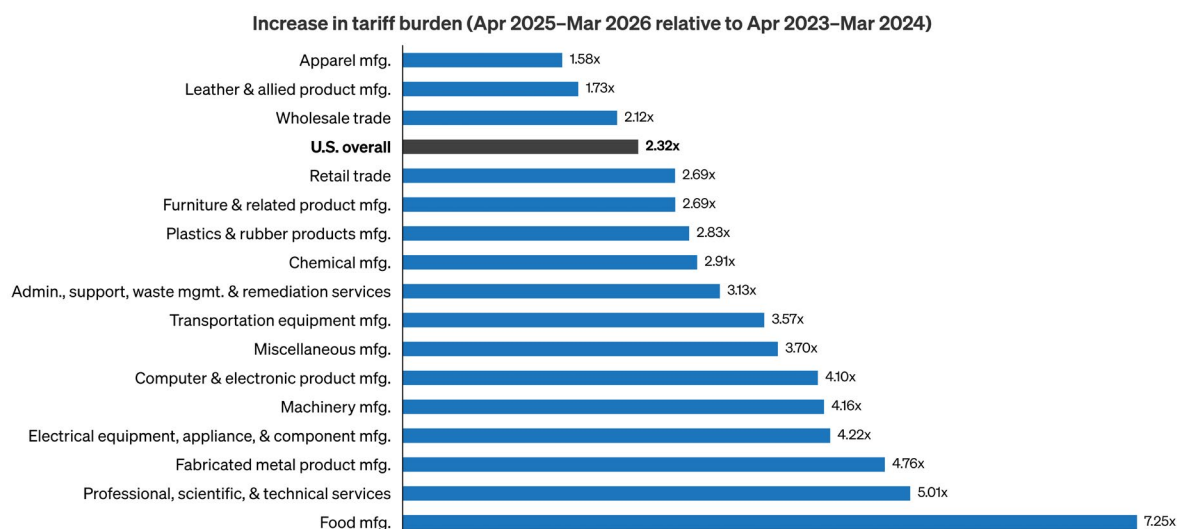
Not surprisingly, tariff burdens are higher in the post-2025 period in every industry. The highest tariff burdens by far are faced by the apparel and leather goods manufacturing industries, which now pay tariffs corresponding to around 5 percent of their inflows. This is consistent with previous analysis from The Budget Lab at Yale, which also found that commodities in these categories were likely to see the highest price increases due to the tariff increases in early 2025 (The Budget Lab 2025). Notably, these industries faced high tariffs even before 2025, with higher pre-2025 tariff burdens than the post-2025 tariff burdens faced by almost every other industry.

¹⁰ The figure includes a range of manufacturing subindustries, grouped by 3-digit NAICS codes, as well as other industries, grouped by 2-digit NAICS. Note that many industries, especially in the services sector, are not shown in the figure, as they have few firms paying direct tariffs. However, all firms included in our base sample do factor into the “U.S. overall” figure.

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Panel B of Figure 3 shows the ratio between the tariff burden before and after the universal tariffs of 2025, indicating how many times larger the tariff burden was in the post-2025 compared to the pre-2025 period. For example, in our overall U.S. sample, the tariff burden in the post-2025 period (0.8 percent) was 2.32x larger than the burden in the pre-2025 period (0.3 percent).¹¹

Figure 3, panel B: The share of inflows spent on tariffs grew the most in sectors with high baseline tariffs, but low-tariff industries have seen large relative growth.



Note: The figure displays tariff burdens and ratios between them for two 12-month periods. Tariff burdens are defined as tariffs paid divided by total inflows. We compute burdens based on a sample of firms that were active between January 2023 and March 2026. See the appendix for the definition of active firms. Industries are grouped by three-digit NAICS for manufacturing and two-digit NAICS for all other industries. Some industries are not shown separately due to sample size or other reasons. Transaction amounts are deflated to real values using the U.S. Consumer Price Index.

Source: JPMorganChase Institute

[Access text version](#)

Two other industries now face relatively high tariff burdens of 2 percent or more: Machinery and electrical equipment manufacturing. These industries have experienced sharp increases both in absolute and relative terms. The burden increases for these industries may be related to both country- and product-specific tariffs, as tariffs have been imposed on steel as well as aluminum, copper, and graphite, which are important inputs to electric vehicle batteries (Carpenter, Munyaneza and Peters 2024). Many other manufacturing industries, including the computer and electronics, and transportation equipment manufacturing industries, now face tariff burdens in the 1-2 percent range, having previously faced burdens of around or under half a percent.

The highest relative increase is seen in the food manufacturing industry. Although this industry still faces relatively low tariffs in an absolute sense, its tariff burden grew from a very low baseline and has increased by more than 7 times.

¹¹ The ratios shown in panel B are calculated from the underlying data on tariff burdens. The tariff burdens shown in panel A were rounded for display purposes. Therefore, ratios of the displayed tariff burdens may not necessarily match the ones shown in panel B.

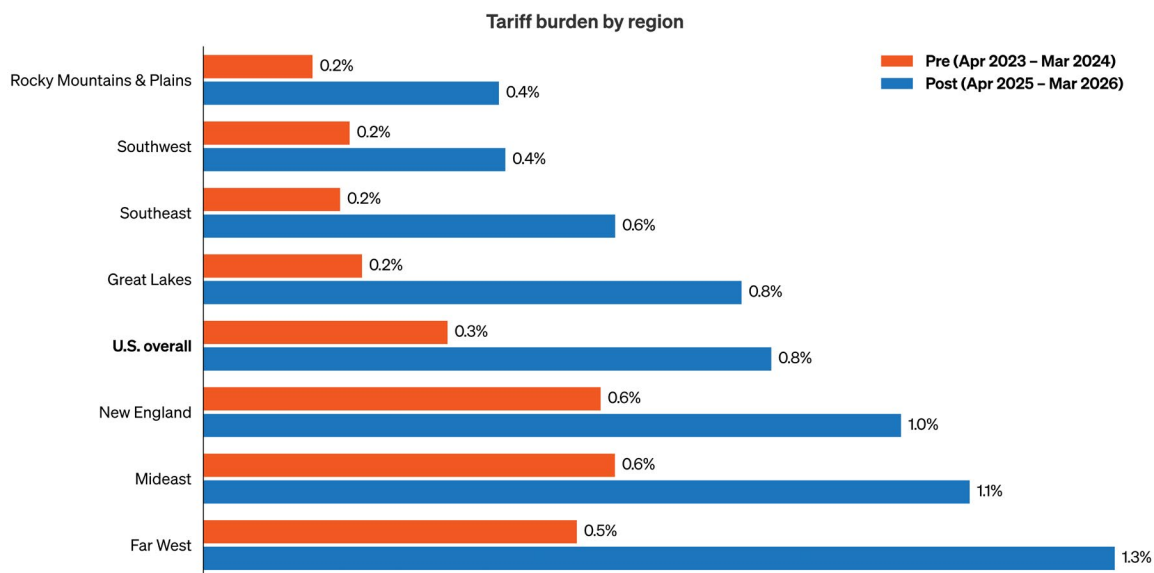
As firms wait for more clarity on trade policy, an increasing share of their inflows is spent on tariffs. Our analysis provides insight into the industries where either high tariff burdens or material changes in tariff burdens could shape business decisions.

Finding 4: Tariffs are highest in major port regions, but the largest relative increases in tariff payments have been in the Midwest and Southeast.

Tariff burdens can vary by geography for a number of reasons, including different mixes of industries and distance to borders or major shipping hubs. Firms facing either high tariff burdens or large increases in their burdens may be more likely to reconsider their supplier relationships, which can affect regional economic activity.

Panel A of Figure 4 compares tariff burdens across different regions in the U.S. using the same pre- and post-2025 approach used in Figure 3. Overall, tariff burdens are much more similar across regions than they are across industries, although meaningful differences remain.

Figure 4, panel A: Major port regions spend the highest share of inflows on tariffs, but the largest relative increases are in the Midwest and the Southeast.



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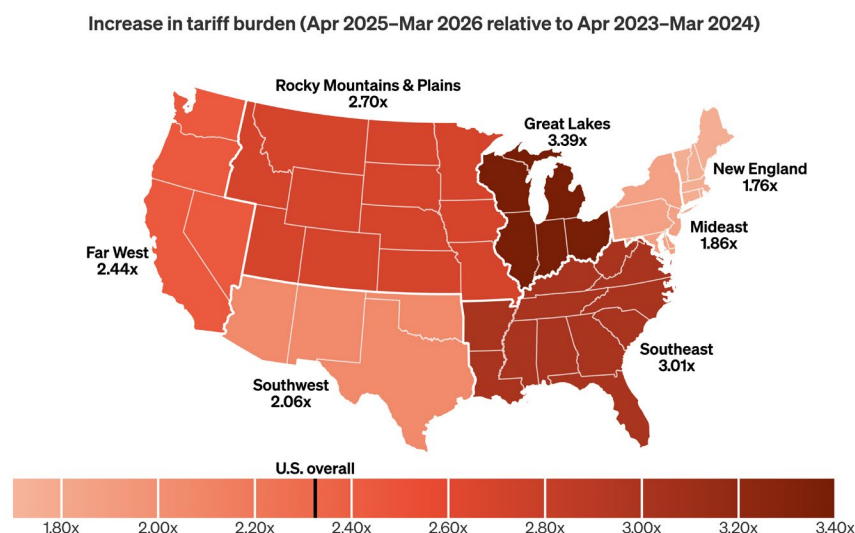
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The highest tariff burdens both before and after 2025 were in the Northeast and on the Pacific coast, areas with major shipping ports that facilitate a large share of trade with Europe and Asia, respectively. Multinational midsize firms may also be more likely to locate their U.S. headquarters near large metropolitan areas in these regions, and to the extent that these firms import goods through intra-company trade, this would also help explain higher tariff burdens in these areas.

The Far West (Pacific coast) region experienced the highest absolute increase as well as the highest tariff burden in the post-2025 period. A contributing factor for this could be the AI-fueled investment boom centered around Silicon Valley, which may have required high volumes of imports (e.g., construction materials and electronics equipment) despite increased tariffs on products in these categories.

Panel B of Figure 4 maps the relative increases in tariff burdens (post-2025 divided by pre-2025) by region.¹² This ratio measures the *relative* increase in tariff burden. The largest proportional increases have been in some of the regions with lower baseline burdens in the pre-2025 period: Tariff burdens have more than tripled in the Great Lakes region (a large part of what is typically considered the Midwest) and the Southeast region. These regions are home to many firms in key heavy manufacturing sectors such as the transportation equipment manufacturing industry. While auto manufacturers themselves usually are not midsize firms, many smaller firms form crucial parts of the value chain within this industry.

Figure 4, panel B: Major port regions spend the highest share of inflows on tariffs, but the largest relative increases are in the Midwest and the Southeast.



Note: The figure displays tariff burdens and ratios between them for two 12-month periods. Tariff burdens are defined as tariffs paid divided by total inflows. We compute burdens based on a sample of firms that were active between January 2023 and March 2026. See the appendix for the definition of active firms. Transaction amounts are deflated to real values using the U.S. Consumer Price Index. Regions follow the Bureau of Economic Analysis classification, with the Plains and Rocky Mountains regions combined into a single group for sample size reasons. In addition to the displayed states, the "Far West" region includes Alaska and Hawaii.

Source: JPMorganChase Institute

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¹² Alaska and Hawaii are not shown but included in the Far West region.

Relative tariff burden increases have been most pronounced in parts of the American heartland, even though the absolute burdens remain highest in the Northeast and on the West Coast. Midsize firms in the Southeast and Great Lakes regions now face higher tariff burdens than any region did before 2025, so these regions are no longer insulated from tariff costs. Firms facing higher tariff burdens could respond by changing their supplier networks, which could generate both risks and opportunities for regional economic development.

Conclusions and implications

Tariff payments by midsize firms rose sharply in 2025 but have been on a downward trend during the first half of 2026 as effective rates decreased. It is undetermined whether this trend will continue. So far, we have not seen a clear effect on international payments by midsize firms despite the large changes to tariff rates. At the industry level, tariff burdens are unevenly distributed, with certain manufacturers being hit particularly hard. While the geographical impact is also unevenly distributed, the burden has broadened, with the Midwest and Southeast facing large relative increases.

Greater clarity on future trade policy could enable firms to make long-term strategic decisions about their supply chains. The stable but slower growth of international payments relative to domestic ones could indicate that midsize importers are maintaining a cautious approach as future tariff policy remains uncertain. Although IEEPA tariffs were struck down by the Supreme Court, the U.S. is pursuing other legal pathways to impose and maintain universal tariffs, but the legal status of these remains unresolved. This uncertainty may delay long-term strategic decisions about supply chains and investments.

Tariffs may generate both benefits and costs for domestic manufacturers. The widening gender Tariff burdens have grown across all industries and regions, with midsize firms in several manufacturing industries now spending 2-5 percent of total inflows on tariff payments. These are direct costs to manufacturers that rely on imported inputs, and they must be absorbed either through higher prices or lower profit margins. However, the potential benefits of tariffs that accrue to U.S. manufacturers due to reduced foreign competition may outweigh the costs in some cases. A complete assessment of the economic impact of U.S. tariff policy would require tracing price effects across the global value chain, from foreign exporters to end consumers, which is beyond the scope of this report.

Monitoring remains important. The effects of tariffs may take some time to materialize. International supplier relationships tend to be long-lasting, and establishing new ones can be difficult when future policy remains unclear, especially for midsize firms who may be more resource constrained than large corporations. Some firms built up stockpiles of imported goods before the 2025 tariff increases, and some may be able to delay strategic decisions by absorbing tariff costs in the short to medium run, meaning that effects of tariff increases could set in gradually. Continued monitoring of international payment trends can provide early signals about how firms are responding.

Appendix – sample construction

We used a dataset of domestic and international transactions by midsize (also known as middle market) JPMorganChase clients. This section provides details on how we constructed the samples of midsize firms and their transactions that we analyzed in this report.

We excluded several industries from our sample which are not pertinent to this line of research. These are clients in the government, healthcare, higher education, and nonprofit sectors as well as certain firms likely to serve as financial intermediaries. This is because we cannot easily distinguish if transactions made by midsize firms within these sectors are done on their own behalf, or on behalf of their customers. In this context, we excluded the following NAICS codes: 541214, 561330, 561320, 561599, 459920, as well as all NAICS codes starting with 52.

To ensure that we included only active firms in our sample, we required firms to have minimum activity of at least 10 outflows per month totaling at least \$5,000. Most midsize firms have activity levels well above this threshold; this condition is intended to filter out inactive accounts. For Figures 1 and 2, we imposed this requirement in every month from January 2023 through December 2025, which maintains a sample definition consistent with the previous versions of these figures in our initial report. For Figures 3 and 4, we extended the activity requirement through March 2026.

We also dropped some individual transactions from our full sample. First, in the case of domestic transfers, we excluded all intra-company transactions. However, we kept international transactions between entities in the same corporate group, as these might still represent intra-company international trade or financing flows. Second, our data include some transactions that are extremely large, and which would cause the time series of total transaction amounts over time to become very volatile if they were included and be potentially misleading. To stabilize payment series and reduce month-to-month volatility, we dropped a very small number of these extreme outlier transactions. Specifically, we excluded a transaction by firm f in month m to country c if the transaction was both:

- at least 100 times greater than the median total monthly outflow by firm f to country c across all months where firm f had positive outflows to that country
- at least 1000 times greater than the median total monthly outflow to country c in month m across all firms that had positive outflows to that country in that month

These calculations are based on transaction amounts in real dollars, deflated by the Consumer Price Index, to make amounts comparable across time periods. Through these adjustments, we dropped 0.4 percent of total transaction volume and less than 0.0001 percent of all transactions by count.

Data explanation

Figure 1: Tariff payments have declined in 2026 but are still significantly higher than before 2025.

A bar chart consisting of two panels. Panel A displays indexed monthly likely tariff payments from January 2023 through June 2026 for a panel of firms. The panel consists of firms that satisfied our activity requirement in every month between January 2023 and December 2025. The horizontal axis represents time with labeled intervals at key months, and the vertical axis shows indexed tariff outflow volume ranging from 0 to over 300, with October 2024 set as the baseline index value of 100.

The figure shows relatively stable tariff payments from January 2023 through early 2025. Between January 2023 and June 2024, the indexed values range between 79 and 93. Beginning in July 2024, values rise slightly, ranging between 93 and 106 through March 2025.

A dramatic shift occurs beginning in April 2025, when tariff outflows begin to increase substantially. The value rises to 151 in April, then continues to climb sharply, reaching 201 in May, 230 in June, 255 in July, just under 300 in August and September, and peaking at 314 in October 2025. Following this peak, outflows decline slightly to 303 in November 2025 and 290 in December 2025. Since the beginning of 2026, likely tariff payments have fallen further, down to an index value of 201 in May 2026, though rebounding slightly to 222 in June 2026, the last month of the data.

[Access chart version](#)

Panel B of the figure displays monthly tariff revenue as reported in the U.S. Monthly Treasury Statement, specifically the “Customs Duties” series, over the same range of months as the top panel. The overall trajectory of the series is very similar to the top panel: Monthly tariff revenue hovers around \$7-8 billion from January 2023 to early 2025, then begins a dramatic increase in April 2025, peaking at \$34 billion in October 2025. The value then steadily decreases over the following months, reaching a value of \$21.9 billion May of 2026. In June 2026, the amount increases slightly to \$23.7 billion.

Transaction amounts in both panels are adjusted for inflation using the U.S. Consumer Price Index.

[Access chart version](#)

Figure 2: International outflows have increased slightly since late 2025 but remain below the trend of domestic outflows.

A line plot displaying monthly outflow volume for midsize firms from January 2023 through June 2026. The horizontal axis represents time with labeled intervals, and the vertical axis shows indexed outflow volume ranging from approximately 60 to 160, with October 2024 set as the baseline index value of 100. Two lines track outflow patterns: a solid blue line representing outflows to the United States, and a dashed orange line representing international outflows.

Four key policy events are marked with vertical dashed gray lines: the general election occurring in November 2024, the announcement of tariffs on Canada, China and Mexico in February 2025, the announcement of universal tariffs in April 2025, and the strikedown of IEEPA tariffs by the U.S. Supreme Court in February 2026.

The line representing domestic outflows (solid blue) fluctuates within a relatively stable range between 90 and 102 throughout 2023 and most of 2024. Following the U.S. general election, the line displays steady growth until December 2025 when it reaches a value of 120. In the first months of 2026, the upward trend stops and the trend instead shows a slight decline, but this reverses in April, when the line starts to increase, ultimately reaching a value of 123.6 in June 2026.

The international line (dashed orange) starts at 98 in January 2023 and initially lies close to the line for domestic outflows, fluctuating between 92 and 101 throughout most of 2023 and 2024. After the 2024 general election, the international outflows series initially increases slightly, but dips again somewhat after the initial tariffs on Canada, China and Mexico are announced, creating a wedge between this line and the somewhat higher domestic outflows, which persists throughout the rest of the series. After April 2025, international outflows again begin to increase in parallel with the domestic outflows series, and by December 2025, they reach a value of 112. Similarly to domestic outflows, the index value for international outflows dips slightly in early 2026, but again increases to a value of 113 in June 2026, roughly a 10 percentage point gap to the domestic index values.

The figure is based on a balanced sample of midsize firms that are active the years 2023-2025, with the series displaying three-month rolling averages of monthly outflows to domestic and international partners. Both series are adjusted for inflation using the U.S. Consumer Price Index.

[Access chart version](#)

Figure 3: The share of inflows spent on tariffs grew the most in sectors with high baseline tariffs, but low-tariff industries have seen large relative growth.

Tariff burden for different industries in the pre-2025 period (April 2023 - March 2024), the post-2025 period (April 2025 - March 2026), and the ratio between them.

Industry	Pre-2025	Post-2025	Ratio
Admin., support, waste mgmt. & remediation services	0.03%	0.08%	3.13
Professional, scientific, & technical services	0.03%	0.15%	5.01
Chemical mfg.	0.10%	0.28%	2.91
Food mfg.	0.08%	0.58%	7.25
U.S. overall	0.35%	0.81%	2.32
Transportation equipment mfg.	0.28%	0.99%	3.57
Wholesale trade	0.52%	1.11%	2.12
Plastics & rubber products mfg.	0.40%	1.12%	2.83
Fabricated metal product mfg.	0.24%	1.15%	4.76
Retail trade	0.45%	1.21%	2.69
Computer & electronic product mfg.	0.30%	1.22%	4.1
Miscellaneous mfg.	0.35%	1.31%	3.7
Furniture & related product mfg.	0.66%	1.78%	2.69
Machinery mfg.	0.48%	2.01%	4.16
Electrical equipment, appliance, & component mfg.	0.95%	4.00%	4.22
Leather & allied product mfg.	2.71%	4.69%	1.73
Apparel mfg.	3.28%	5.17%	1.58

[Access chart version](#)

Figure 4: Major port regions spend the highest share of inflows on tariffs, but the largest relative increases are in the Midwest and the Southeast.

Tariff burden for different U.S. regions in the pre-2025 period (April 2023 - March 2024), the post-2025 period (April 2025 - March 2026), and the ratio between them.

Region	Pre-2025	Post-2025	Ratio
Rocky Mountains and Plains: <i>Montana, Idaho, Wyoming, Utah, Colorado, North Dakota, South Dakota, Nebraska, Kansas, Minnesota, Iowa, Missouri</i>	0.16%	0.42%	2.7
Southwest: <i>Texas, Oklahoma, New Mexico, Arizona</i>	0.21%	0.43%	2.06
Southeast: <i>Kentucky, Tennessee, Mississippi, Alabama, Arkansas, Louisiana, Florida, Georgia, South Carolina, North Carolina, Virginia, West Virginia</i>	0.19%	0.58%	3.01
Great Lakes: <i>Wisconsin, Illinois, Indiana, Michigan, Ohio</i>	0.23%	0.76%	3.39
U.S. Overall	0.35%	0.81%	2.32
New England: <i>Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, Maine</i>	0.56%	0.99%	1.76
Mideast: <i>Pennsylvania, New Jersey, New York, Delaware, Maryland, District of Columbia</i>	0.58%	1.09%	1.86
Far West: <i>Washington, Oregon, California, Nevada, Alaska, Hawaii</i>	0.53%	1.29%	2.44

[Access chart version](#)

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