

## Smallest Businesses Lost 4.5x More Jobs in 2025 than 2020 Amid Trump's Tariffs

President Trump's so-called "Liberation Day" tariffs on April 2, 2025, and his subsequent tariff actions, have significantly impacted small businesses. Economic uncertainty and higher prices from tariffs have forced small businesses to make difficult choices about layoffs, price hikes, and even whether to keep their doors open. These impacts have been especially significant for businesses in key sectors most exposed to tariffs and for the smallest businesses.

This new report from the Joint Economic Committee – Minority, which comes during National Small Business Week, includes testimonials from small business owners and new data, including:

- Businesses with fewer than 10 employees **lost more jobs in 2025** than any other year since Intuit Quickbooks started reporting small business employment data.
  - The 292,000 jobs lost in 2025 is nearly **4.5 times** larger than the number lost in 2020 during the pandemic.
  - April 2026 marks **13 consecutive months of job losses** at these small businesses.
- Businesses with fewer than 10 employees in especially tariff-exposed industries account for over half of total jobs lost at the smallest businesses since April 2025. Revenue at these businesses has also dropped significantly:
  - Revenue at construction businesses with fewer than 10 employees has **declined by an estimated 18 percent since April 2025**.
  - Revenue at leisure and hospitality businesses with fewer than 10 employees has **declined by an estimated 15.2 percent since April 2025**.

### The smallest businesses are struggling to stay afloat

Since April 2025, tariff rates have continued to fluctuate, which results in continued uncertainty for small businesses as they try to plan for the future. Tariffs and their uncertainty remain costly: one [analysis](#) finds small businesses with fewer than 50 employees paid \$175,000 in tariff costs on average between March 2025 and February 2026.

The uncertainty and costs to small businesses from the tariffs have forced them to lay off workers. Analyzing data from Intuit Quickbooks Small Business Index on small businesses with fewer than 10 employees, the Joint Economic Committee – Minority found that these businesses **lost 292,200 jobs in 2025 – more jobs than in any other year since Intuit Quickbooks first started reporting small business employment data in 2015. The 292,200 jobs lost in 2025 is nearly 4.5 times higher than were lost in 2020 during the pandemic.**

## In industries heavily exposed to tariffs, employment and revenue have declined significantly

Trump’s tariffs have raised [prices](#) of key items, from food and clothing to steel and aluminum. The Joint Economic Committee – Minority found that key industries that buy and sell products especially impacted by tariffs are some of the industries where the smallest businesses have experienced significant declines in both employment and revenue. These sectors include those that rely on imported inputs like [manufacturing](#) and [construction](#), as well as sectors like leisure and hospitality that have been harmed by the tariff-induced [reduction](#) in travel to the U.S. In total, the Committee finds that the U.S. has lost 156,600 jobs at the smallest businesses in these tariff-exposed industries between April 2025 and April 2026.

The smallest businesses in the leisure and hospitality sector, for example, which include restaurants and hotels, have lost over 48,000 jobs and saw a 15.2 percent decline in revenue since April 2025. The smallest businesses in the manufacturing sector lost over 38,000 jobs over that same period, and they experienced a 10.7 percent decline in revenue.

### Smallest Businesses in Industries Particularly Exposed to Tariffs Experienced Significant Employment & Revenue Decline

Industry	Decline in employment since April 2025	% decline in monthly revenue since April 2025
Leisure & hospitality	-48,200	-15.2%
Retail trade	-41,700	-9.4%
Manufacturing	-38,600	-10.7%
Construction	-17,700	-18.0%
Wholesalers	-10,400	-3.8%
<b>Total</b>	<b>-156,600</b>	<b>-</b>

Source: Intuit Quickbooks Small Business Index, data from April 2025 to April 2026

## Small business owners have detailed the significant impact of Trump's tariffs

The following is a small sampling of experiences that small business owners shared with the Committee about the impact of Trump’s tariffs and tariff uncertainty:

“I own a boba tea cafe with three locations and tariffs have risen the prices of both our ingredients and packaging by as much as 50%. We’ve had to incrementally raise prices by 15-20%, reduce inventory of some retail merchandise, cut down on discounts, temporarily pause hiring, and find new suppliers and partners. We work hard to keep price increases low so we can keep our customers,” explained Jaja Chen, co-owner of Cha Community in **Waco, Texas**.

“Over the past year our small business, which specializes in custom contract plastics injection molding, has faced challenges across several key cost categories including raw materials, energy, transportation, freight and logistics. We have felt the impact of tariffs for injection molds imported into the country, in which we had to pay out of our pocket due to fixed contracts in place with the customers prior to the implementation of the new taxes...Geopolitical instability and supply chain disruptions have further intensified pressure on raw material availability and global transportation networks. Daily over the last sixty days we have received letters from our suppliers informing of us of price increases - at times compounded as well as holding the possibility of additional increases in the future. We had hoped that policies would have been worked through allowing for a leveling out- or even a removal of the price increases, however, we finally reached a point where we could no longer fully absorb the continued increases in costs and made the decision to pass them on to our customers. As we supply to the largest power distribution companies in the country, it will only be a matter of time before they pass their costs on to the electricity providers and in turn consumers - residential and commercial - who will see their own electricity bills increase. This will cause the cost impacts to continue their pressures on consumer and business pocketbooks and continue the cycle of passing on the burden of this economic environment,” explained Melissa Florio, President of Ambix Manufacturing in **Freedom, NH**.

“American manufacturing represents some of the most skilled and technically demanding work possible. The machinists, engineers, and precision technicians on our factory floors are not just building products – they are building this nation's prosperity and defending its future. We deeply appreciate the commitment to strengthening American industry on the global stage, but tariffs on the raw materials, tooling, machinery, and inputs that manufacturers depend on daily place added pressure on already tight margins – making it harder, not easier, to compete. Reversing manufacturing decline will require a long-term, strategic approach drawing on many tools. Tariffs may be one of those, but as any skilled machinist knows, a tool's effectiveness depends entirely on using the right one, applied with the right pressure at the right step in the process,” shared Jackie Phillips, General Manager of Mace Machine in **Exeter, New Hampshire**.

“The USA took to heart the need to 'bring manufacturing back.' Our employees were incentivized to be a part of this mission. As a result of this upheaval which has created such uncertainty, our employees are suffering from stagnant wages and the possibility of loss of benefits. While our small manufacturing base in the USA keeps getting smaller as fewer firms either cannot financially sustain or make the decision not to fight the battle. Our small manufacturers need predictability and stability. On this, we will thrive,” explained Shirley Modlin, Co-owner of 3D Design and Manufacturing, LLC in **Powhatan, Virginia**.