



**TARIFF
& TRADE
POLICY
REPORT**

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TARIFF & TRADE POLICY REPORT

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Overview

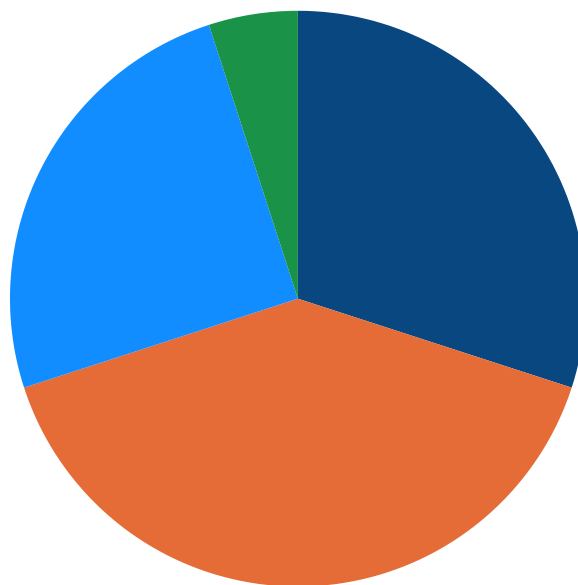
Small businesses play a critical role in the U.S. economy, serving as a major source of employment, innovation, and community investment. Yet small business owners often operate with limited margins and resources, making them particularly sensitive to policy changes that impact their business. Recent changes in U.S. trade policy and the implementation of new tariffs have reconfigured the landscape for many small businesses, including whether or not they import or export goods and services.

To better understand how these changes affect the day-to-day operations and long-term decision-making of small businesses, NFIB ran a survey of over 750 owners across the U.S. These findings provide insight into how they are responding to recent shifts in trade policy, revealing a complicated mix of challenges, adjustments, and modest support.

Awareness

Small business owners are generally aware of recent tariff increases but less confident about how those tariffs specifically affect their own businesses. 95% of respondents indicate at least some familiarity with the new tariffs, with 70% saying they are very or moderately familiar (Fig. 1). A similar share reported following tariff and trade policy developments very or moderately closely (64%). Confidence drops somewhat when it comes to the impact on their business specifically: 60% feel very or moderately confident they understand how the tariffs affect their own operations, while 13% are not confident at all.

Familiarity with Tariff Increases



● Very familiar ● Moderately familiar ● Somewhat familiar ● Not at all familiar

Figure 1

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Less understood by small business owners are actions taken by other countries impacting U.S. exports. About half of respondents are following developments of trade policy changes in other countries. The lower awareness is likely due to the fact that just 10% of owners reported exporting their products, and for most, those exports account for a small share of their overall revenue.

In order to stay on top of recent changes in trade policy, small business owners cast a wide net with whom they discuss these issues. Other small business owners are the most common discussion partners (64%), closely followed by their vendors (54%).

Impact

Although most small businesses do not directly import or export, they still feel some impact from tariffs. For context, just 10% of respondents reported exporting, while a large minority (39%) reported importing (with China being the most common source of imports). Despite those low numbers, a clear majority reported noticeable impacts of tariffs on their business, with more than half of respondents (56%) reporting that tariffs negatively impact them, including 16% citing a significant negative impact (Fig. 2). Eight percent report positive effects, and 35% have experienced no impact so far. Looking ahead, expectations are mixed and uncertain among those owners currently not impacted. A slim majority (51%) do not anticipate an impact in the next few months, while 36% say they don't know, reflecting ongoing uncertainty.

Tariff Impacts on Business

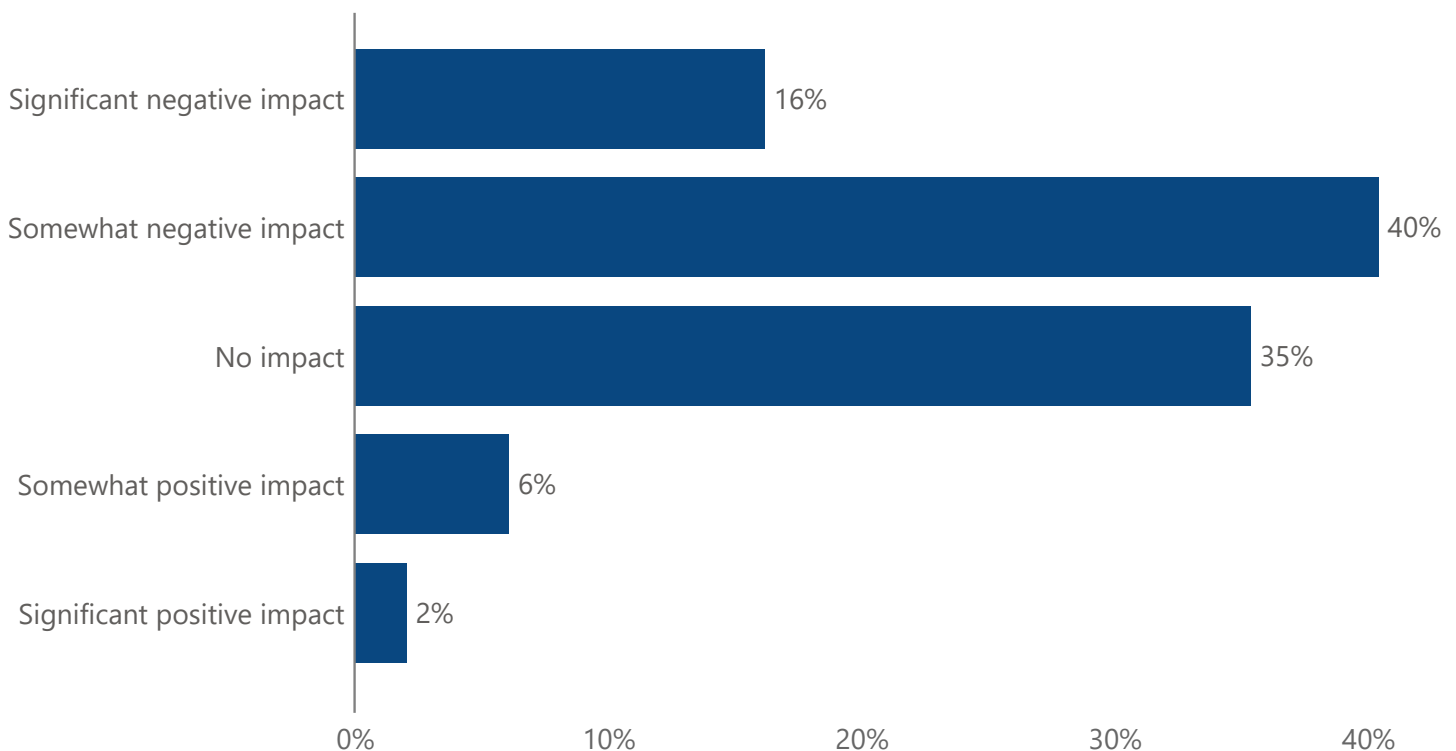


Figure 2

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Follow-up questions on how, specifically, the tariffs impact their businesses reveal a variety of effects, with higher input costs and profit margin pressure most common. Nearly 8 in 10 businesses (78%) reported higher prices for supplies or inventories, and 58% report lower profits (Fig. 3). Supply chain disruptions were another common response from owners impacted by the change in tariff policy (43%). And uncertainty plays a significant role with small business owners, with 41% identifying it as an impediment in operating their business due to tariffs. 37% of respondents reported weaker sales.

Effects of Tariffs on Business

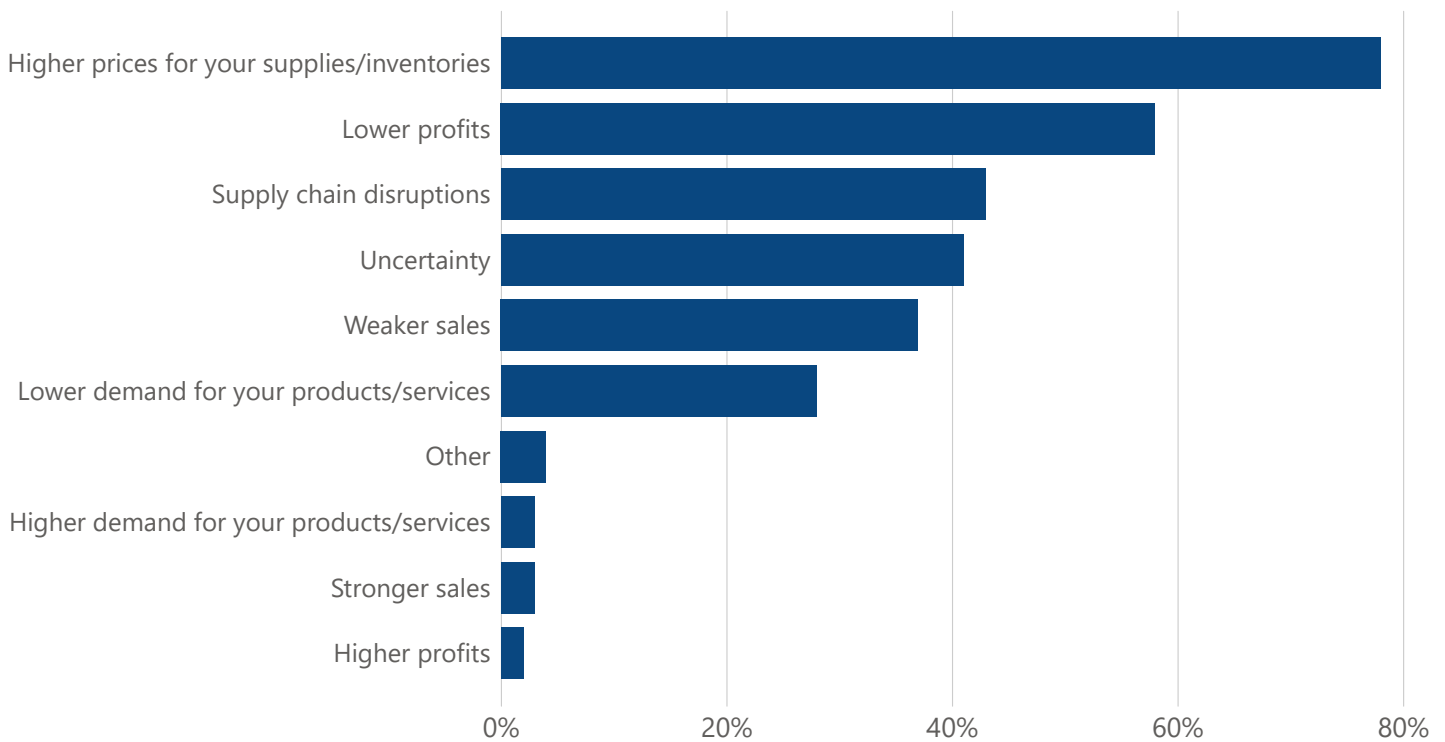


Figure 3

On the other side, about 5% of owners reported stronger sales and/or higher profits as a result of these policy shifts.

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Adjustments

Small businesses report a wide variety of strategies to optimize operations in response to tariffs, with price increases by far the most common response. Almost two-thirds (63%) of small business owners have increased prices, while no other response was used by more than 18% of respondents (Fig. 4). That said, there were four responses used by between 16% and 18% of small business owners: changed vendors (18%), substituted products (18%), eliminated impacted products (17%), and reduced employees (16%). In other words, while price increases stand out individually, collectively, many other responses were also common. About 30% have not yet made changes, though about half expect to do so within the next six months, suggesting businesses are continuing to evaluate how best to manage these changes going forward.

Responses to Tariffs

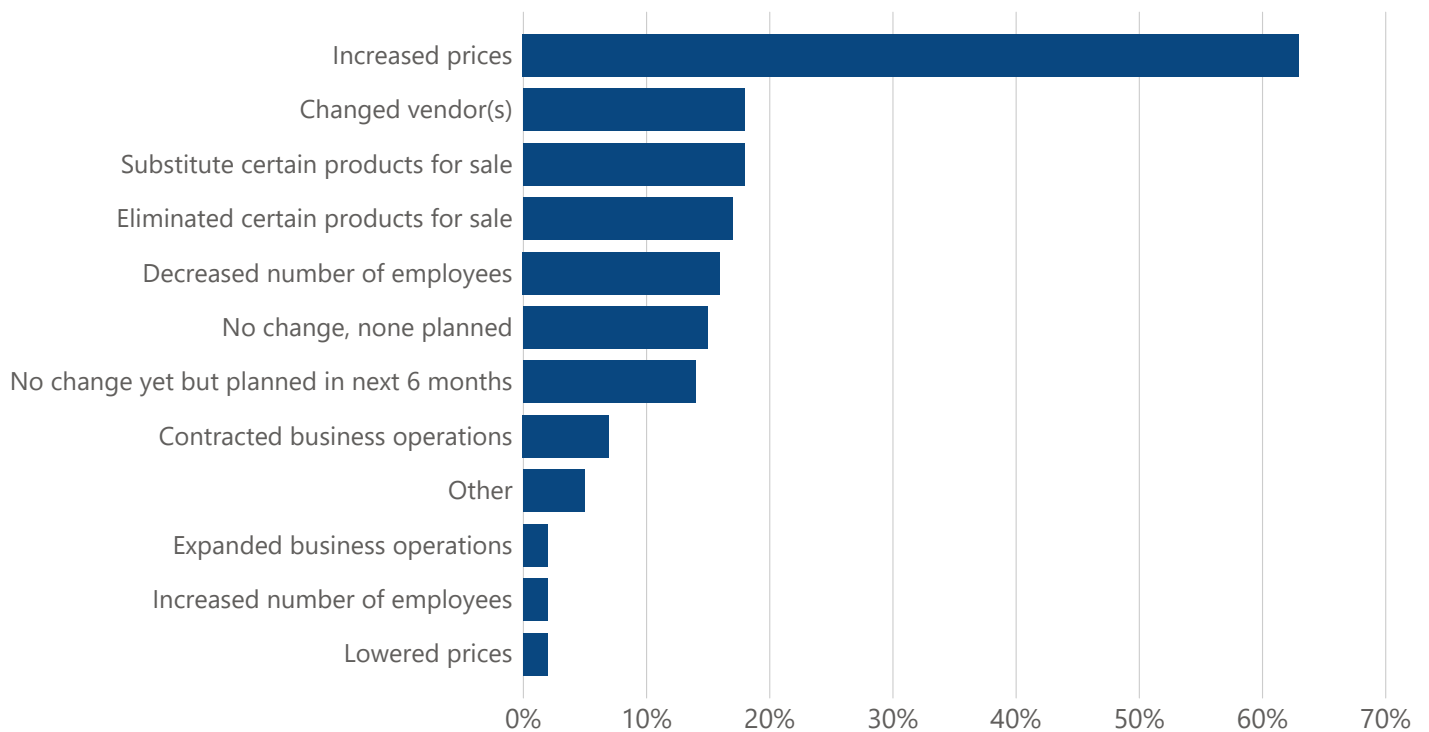


Figure 4

The changes in trade policy include tariffs on specific imported products, tariffs on imports from specific countries, and a universal 10% tariff on all imports. The highest percentage of small business owners reported being impacted by the tariff increases on China (59%), followed by those on aluminum and steel imports (43%), and the universal 10% tariff (42%). Meaningful percentages were also affected by the new tariffs on Canada (38%) and Mexico (29%). Of note, Canada is the top market for exporters, making it an access issue in addition to being an import issue.

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Priorities

Trade policy seeks to achieve a variety of goals. To inform this goal setting, the survey asked small business owners to rank five trade-related priorities from one to five as they relate to their business specifically. The results show a cluster of three high priorities and two much lower priorities (Fig. 5). The three high priorities were predictable pricing for supplies (average rank 2.2), low prices for supplies (2.3), and access to supplies (2.3). Getting needed supplies is a top priority for small businesses. It is of particular interest that it is not merely low prices that small businesses desire—it was actually slightly more important to them to have predictable pricing rather than low costs, emphasizing the value of certainty and the ability to plan.

Small Business Priorities

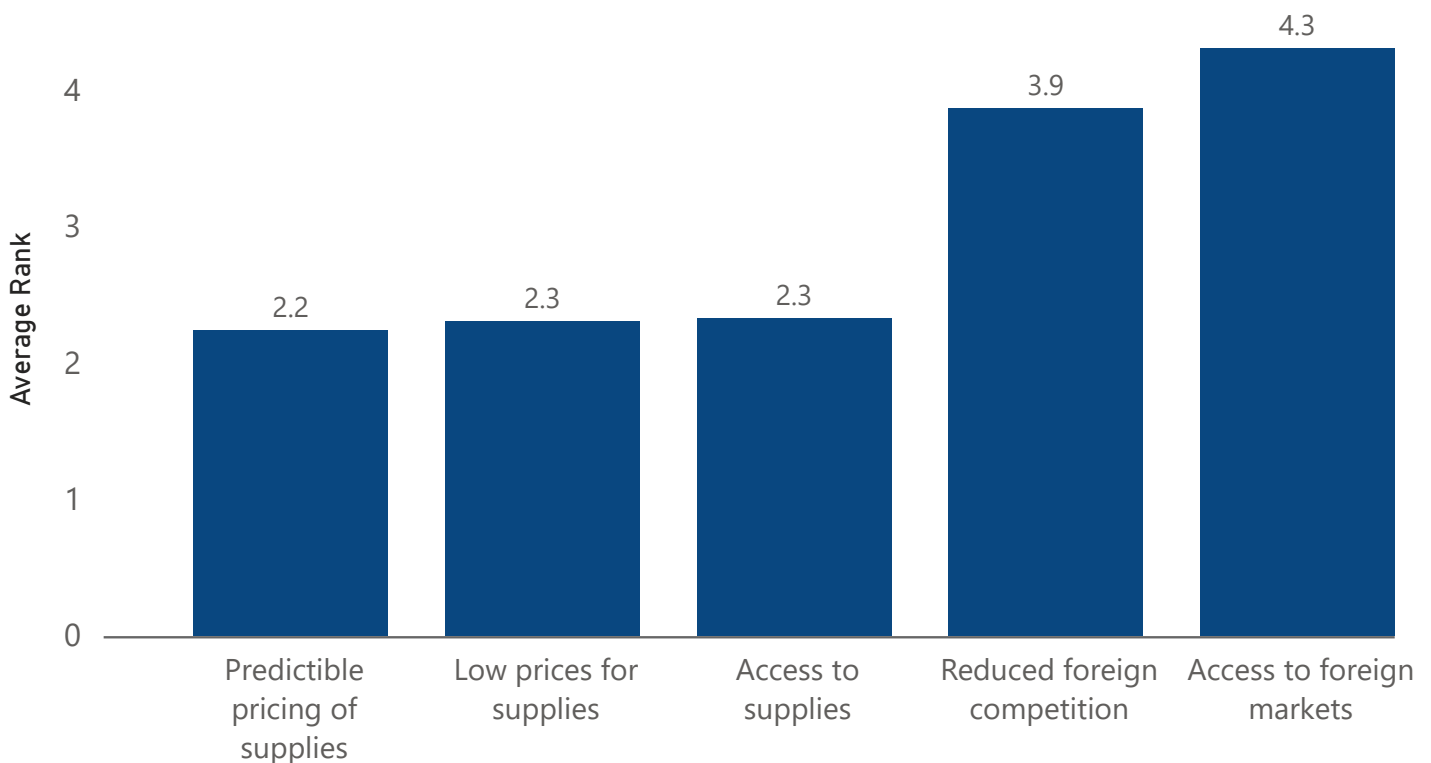


Figure 5

On the other hand, reduced foreign competition and access to foreign markets were much lower priorities for the small business community (average ranking 3.9 and 4.3, respectively).

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Sentiment

Beyond the small business impact of tariffs, the survey also asked about the general sentiment towards these policy changes. Small business sentiment on tariffs is mixed but leans positive: 53% favor the new tariffs to some degree, 29% oppose them, and 19% are neutral, reflecting uneven effects across degrees of tariff exposure (Fig. 6). Interestingly, fractionally more respondents strongly opposed tariffs than supported them; the net favoring was driven entirely by respondents with more weakly held opinions, either moderate or mild.

Do you favor or oppose new tariff increases?

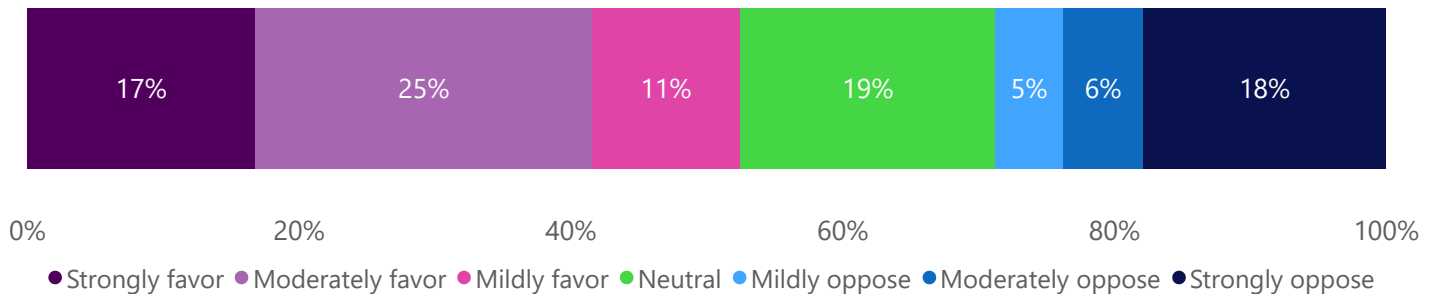


Figure 6

To draw another conclusion from these results, small businesses' opinions are not as strong as you might expect. Just 35% have strong feelings either for or against, the same percentage as those who have only mild or neutral feelings.

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Conclusion

The survey results underscore the continued resilience of small businesses, while also revealing the constraints they face in responding to ongoing economic and policy pressures. Small business owners are actively managing challenges, though many are doing so at the expense of profitability, investment, or growth opportunities.

Results reveal a complex and perhaps more neutral than expected picture for tariffs. While small business owners report net negative impacts so far, they also express support for tariffs on net.

Looking forward, small business owners are highly attentive to the new shifts in trade policy, and the data show that predictability and cost stability are the top priorities for small businesses in the current policy environment.

Methodology

This survey was conducted with a random sample of 20,000 NFIB members from NFIB's membership database of around 300,000 small business owners. The survey was conducted by email from Nov. 10 to Dec. 18, 2025. NFIB collected 782 responses.

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Q1. How familiar are you with the new tariff increases imposed this year by President Trump?

775 responses

Very familiar	30%
Moderately familiar	40%
Somewhat familiar	25%
Not at all familiar	5%

Q2. How closely are you following developments related to tariffs and trade policies?

775 responses

Very closely	23%
Moderately closely	41%
Somewhat closely	28%
Not at all	8%

Q3. How confident are you that you understand specifically how the tariffs will or will not impact your business?

775 responses

Very confident	25%
Moderately confident	35%
Somewhat confident	27%
Not at all confident	13%

Q4. How familiar are you with new tariff increases imposed this year on U.S. exports by other countries (i.e., tariffs that apply to products leaving the U.S.)?

775 responses

Very familiar	13%
Moderately familiar	33%
Somewhat familiar	35%
Not at all familiar	19%

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Q5. Have you discussed the impact or potential impact of the new tariff increases this year on your business with any of the following? (select all that apply) - Selected Choice

Financial advisor	12%
Vendor	54%
Other small business owner	65%
Attorney	4%
Import/export specialist	7%
Customers	3%
Employees	2%
I have not talked to anyone	9%
Other	9%

Q6. Are the tariff increases this year currently impacting your business?

769 responses

Significant positive impact	2%
Somewhat positive impact	6%
No impact	35%
Somewhat negative impact	40%
Significant negative impact	16%

Q7. Do you anticipate the new tariffs impacting your business in the next few months?

262 responses

Yes, positive impact	6%
Yes, negative impact	6%
No impact	51%
I don't know	36%

*Asked of those who said "No impact" to Q6

Q8. Which tariff increases are impacting your business? (select all that apply) - Selected Choice

China	59%
Aluminum and steel imports	43%
Canada	38%
Mexico	29%
Universal 10% tariff	42%
Other	19%

*Asked of those who reported any impact (positive or negative) in Q6

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Q9. How are tariff increases impacting your business? (select all that apply) - Selected Choice

Weaker sales	37%
Stronger sales	3%
Higher prices for your supplies/inventories	78%
Lower demand for your product(s) and/or service(s)	28%
Higher demand for your product(s) and/or service(s)	3%
Supply chain disruption	43%
Lower profits	58%
Higher profits	2%
Uncertainty	41%
Other	4%

*Asked of those who reported any impact (positive or negative) in Q6

Q10. How have you adjusted business operations due to the higher tariffs? (select all that apply) - Selected Choice

Increased prices	63%
Lowered prices	2%
Changed vendor(s)	18%
Eliminated certain products for sale	17%
Substitute certain products for sale	18%
Increased number of employees	2%
Decreased number of employees	16%
Expanded business operations	2%
Contracted business operations	7%
No change yet, but I plan to make changes in the next 6 months	14%
No change, none planned	15%
Other	5%

Q11. Do you currently have any contracts with customers or other businesses that are impacted by the tariff increases?

730 responses

Yes	35%
No	41%
Not sure	24%

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Q12. Do you export your product(s) or service(s) to customers outside of the United States?

731 responses

Yes	10%
No	90%

Q13. What percent of your total sales revenue is from outside the United States?

71 responses

1-25%	80%
26-50%	14%
51-75%	4%
76-100%	1%

*Asked of those who said "Yes" on Q12

Q14. Which country/region do you export to the most? - Selected Choice

China	18%
Mexico	15%
Canada	35%
Europe	14%
Latin America (excluding Mexico)	1%
Asia (excluding China)	8%
Other	7%

*Asked of those who said "Yes" on Q12

Q15. Do you import any products from outside the United States?

725 responses

Yes	39%
No	61%

Q16. What percent of your supplies and inventories are imported from outside the United States?

264 responses

1-25%	42%
26-50%	27%
51-75%	20%
76-100%	10%

*Asked of those who said "Yes" on Q15

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Q17. Which country/region are most of your imports from? - Selected Choice

China	42%
Mexico	7%
Canada	15%
Europe	17%
Latin America (excluding Mexico)	3%
Asia (excluding China)	13%
Africa	1%
Other	3%

*Asked of those who said "Yes" on Q15

Q18. Have you experienced or do you anticipate supply chain disruptions impacting your business due to the tariffs?

680 responses

Yes	39%
No	36%
I don't know	25%

Q19. Please rank the following priorities for your business:

	1	2	3	4	5
Access to foreign markets (i.e., can sell freely in other countries)	4%	5%	6%	31%	55%
Predictable pricing of supplies (i.e., easy to plan)	28%	33%	26%	8%	4%
Low prices for supplies	35%	27%	27%	9%	2%
Reduced foreign competition	8%	6%	8%	42%	35%
Access to supplies (i.e., wide variety of supplies readily available)	26%	30%	32%	9%	3%

Q20. Do you favor or oppose the new tariff increases?

677 responses

Strongly favor	17%
Moderately favor	25%
Mildly favor	11%
Neutral	19%
Mildly oppose	5%
Moderately oppose	6%
Strongly oppose	18%

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Q21. Is your primary business activity: - Selected Choice

Construction	12%
Manufacturing	12%
Retail	22%
Restaurant	4%
Services	28%
Finance, Real Estate, Insurance	5%
Wholesale	4%
Agriculture	7%
Transportation	5%
Other	3%