

## **Donald Trump's War on Christmas**

### **It's a bad year for shoppers. It's a terrible year for small-business owners.**

**Annie Lowrey, The Atlantic, November 27, 2025**

President Donald Trump might not be ruining Christmas, but he's making it more expensive. American families are expected to spend \$1 trillion on gifts and other goods this November and December, roughly 4 percent more than they spent last year. But they're paying more for everything—artificial trees, ornaments, toys, novelty sweaters. They have fewer options to choose from when they log on to Etsy and browse upscale boutiques. Some retailers have stopped shipping to the United States, and some have gone out of business—all thanks to Trump's globe-engulfing and pointless trade war.

Holiday shoppers might not notice that things are a little less merry and bright than they would have been otherwise. The average family is expected to spend \$132 more this year because of tariffs—not nothing, but not enough to break the bank, either. But wage growth has been cooling. The unemployment rate has been rising. Consumer confidence has been falling sharply. Rent, co-pays, mortgages, car payments, and utilities remain brutal for average families to afford—and health insurance is about to get radically more expensive. In recent weeks, customers have started shopping at cheaper outlets, buying fewer items, and putting off major expenses.

Shoppers are looking for deals, but it has not been easy for stores to provide them. When Trump kicked off the trade war early this year, the White House argued that foreign exporters would pay the fees slapped on goods from nearly every American trading partner. Instead, the government has collected \$118 billion and counting from domestic importers.

Big companies have managed to dodge and shuffle in response: pressing their suppliers for discounts, stocking up and storing products to get ahead of the tariffs, rerouting their supply lines, buying merchandise from lightly tariffed countries. Retailers including Walmart have managed to keep their sales figures up and hold costs down, for the most part. Yet many companies have run out of warehoused items, leaving them no choice but to raise sticker prices or cut into their profits.

Small companies have had fewer options. Many small-scale businesses lack the time, bandwidth, or travel budget to find new overseas suppliers—especially when big importers are doing so too. Boutiques don't have the bargaining power to press manufacturers and shipping companies for discounts. Single-person firms cannot take out loans to buy up stock and move it to the United States before a trade levy hits. Many small firms cannot change their product lines, either.

As a result, the trade war has helped large companies squeeze out their smaller competitors. Many small firms have closed down, fired workers, watched their sales fall apart, or worse. In a new survey, 71 percent of small-business owners said they expect the trade war to depress their revenue this holiday season. Only 5 percent said they were hiring and expanding their business.[...]

Struggling firms aren't the economy's only problem. The government shutdown has depressed the Washington, D.C., metro economy. Concerns about artificial intelligence and the growth outlook have led businesses of all sizes to quit hiring, and some have started firing workers too. Households have noticed those changes and are limiting their spending. Yet companies don't have much room to win back customers by cutting prices, in many cases—because of the tariffs, which are at their highest effective rate in close to a century. The country is in a stagflationary, queasy state as the year comes to a close, and it's not doing much for anyone's holiday spirit. [...]