



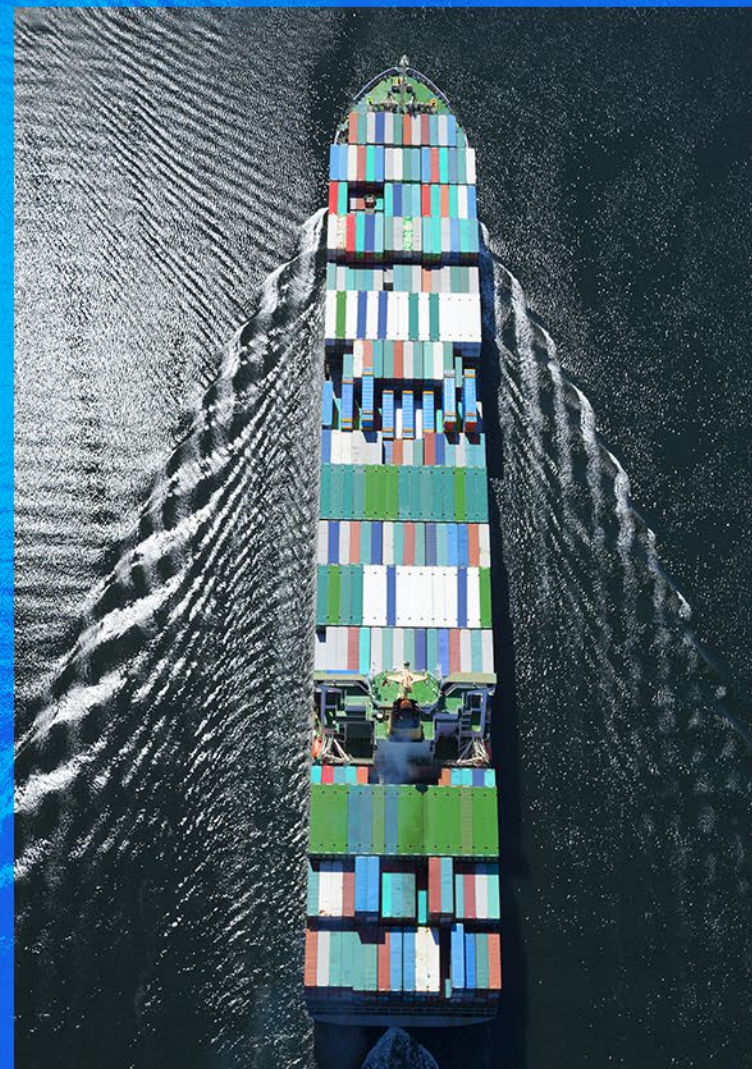
Tariff Pulse Survey September 2025

After six months of new tariffs, U.S. businesses are still grappling with fallout: shrinking margins, declining sales and price increases.

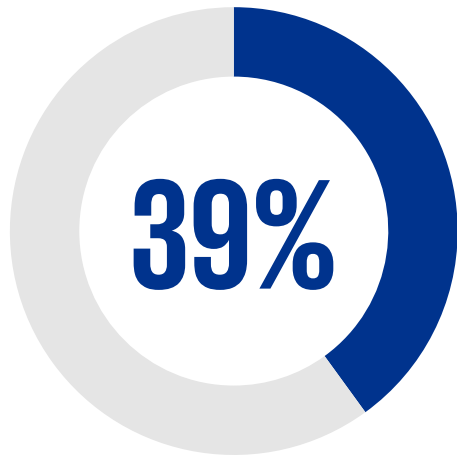
The following are a summary of key insights and headlines from a survey of 300 business leaders conducted in September 2025 show how companies are adapting and building resilience to mitigate tariff impact since April 2.

Launch Date: October 2

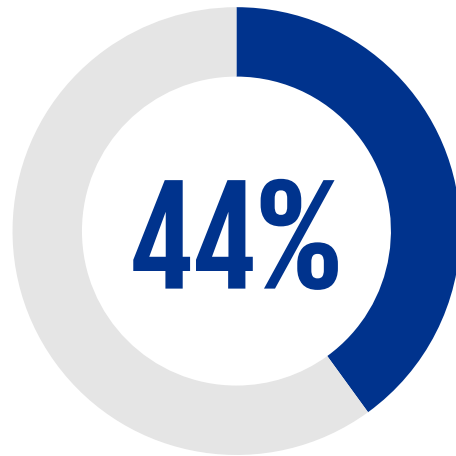
KPMG. Make the Difference.



Tariffs are squeezing U.S. businesses' profitability and demand

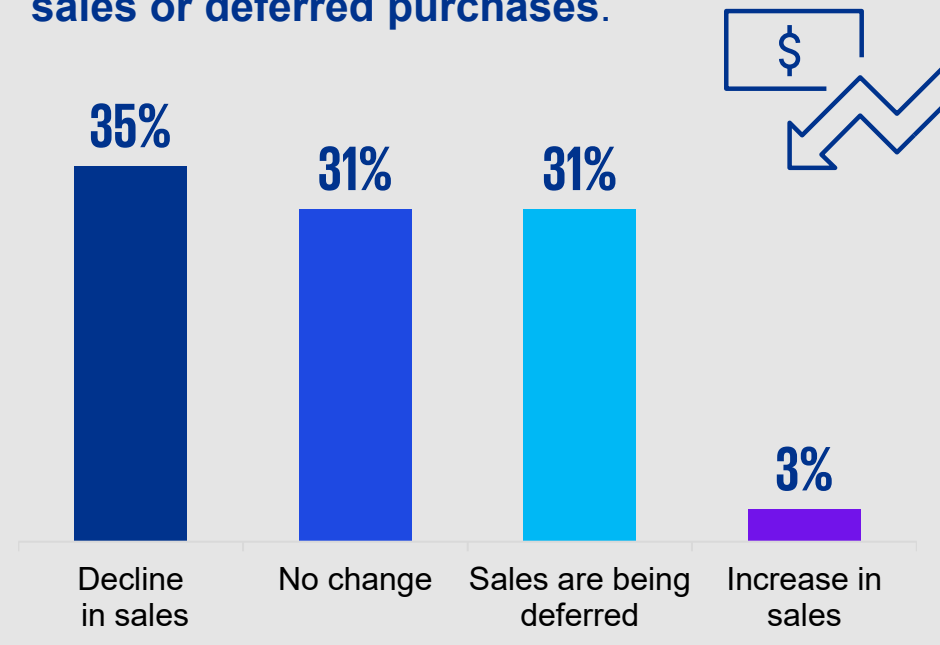


Are reporting gross margin declines.



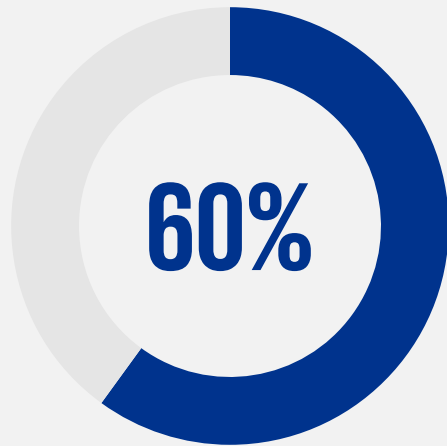
Expect the decline to continue over the next year.

Customer demand is also softening, with **one-third citing declining sales or deferred purchases.**

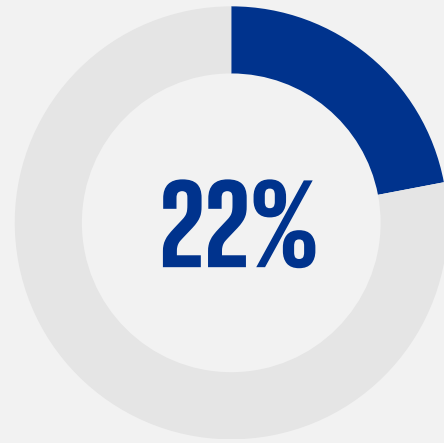


Foreign markets continue to take a hit but show signs of stabilizing

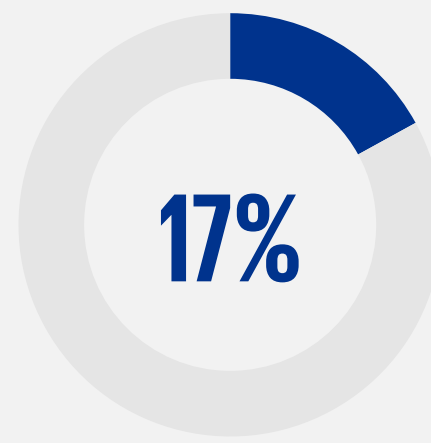
We're seeing a decline in sales in foreign markets



report a decrease
of between 6-25%



report a
drop of 16-25%



report
no change



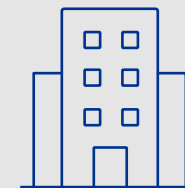
This is different than
what we saw in July.

In July
27%
reported a
16-25%
decline.

63% are actively considering reshoring operations to the U.S., but only 10% have taken action.

63% of companies are talking about reshoring.

10% have taken action



The barriers to reshoring are:

65%

higher labor costs

61%

higher operating costs

46%

capital investment requirements

How are tariffs impacting capital investments?

57%

are postponing major new investments.

34%

are proceeding with caution.

How long would it take you to bring manufacturing and operations back to the US?

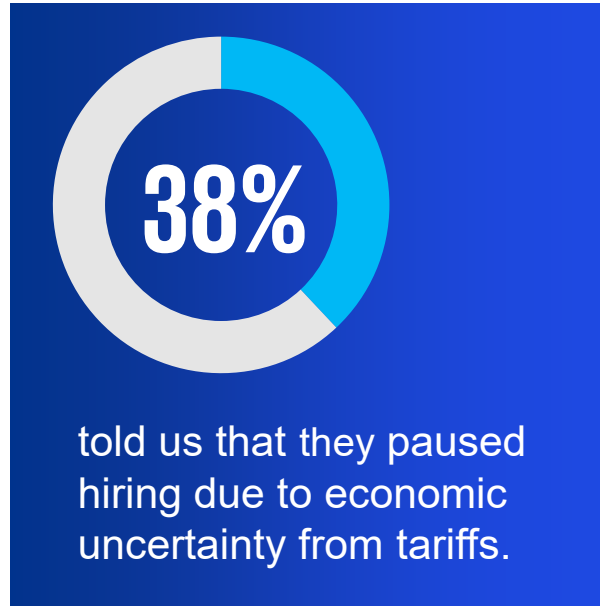
48%

say 1-2 years

31%

say 2-3 years

Facing uncertainty, almost 4 in 10 businesses are pausing hiring



29% of companies have reduced the US workforce by 1-5%

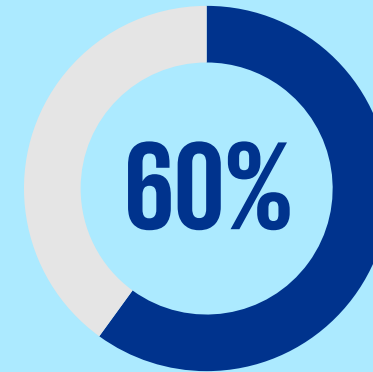
15% have reduced the workforce by 6-10%

At the same time...

13% have moved production to the US, creating new jobs, and

22% have hired staff specifically to handle tariff complexities

To deal with volatility related to tariffs:



are providing specialized training & development to existing staff to manage the increased workload and complexity caused by new tariff policies.

What are they doing?

47%

are reskilling staff

39%

are cross-training employees

44%

are investing in workforce analytics

Tariff-driven price increases are here and will continue

44% have already increased prices

Over the next 6 months, we'll see more increases

42%
of companies
anticipate
price hikes
of up to 5%

29%
anticipate
hikes of
6-15%



So, are companies passing on tariff costs? **Yes.**



66% have passed through
1-50% of tariff costs to consumers

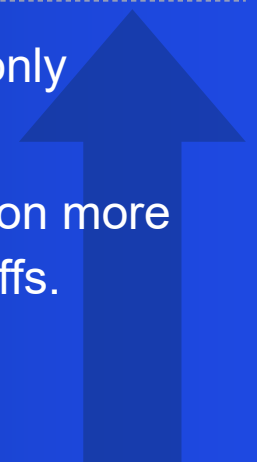
21% have passed on 51-100%

This is an
increase
from July.

In July we saw only

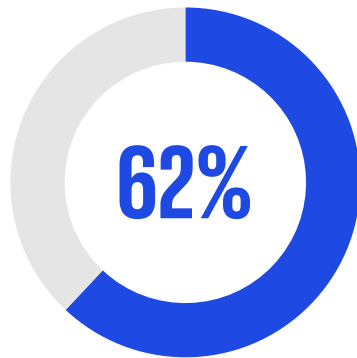
13% passing on more
than half the tariffs.

Now it's **21%**.

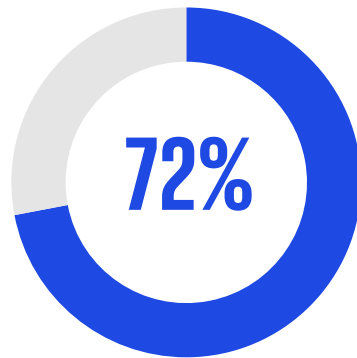


Businesses are optimizing supply chains and investing in automation.

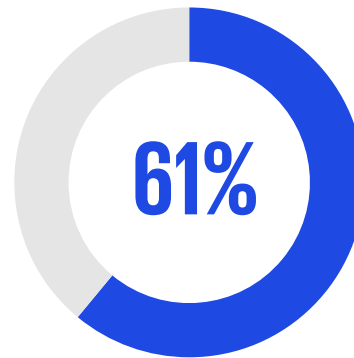
What are companies doing to address tariffs?



are reconfiguring supply chains

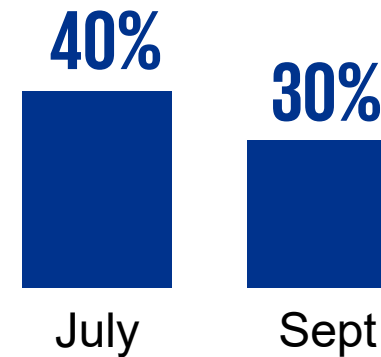


are restructuring supply chains for tax efficiencies



are adjusting export pricing, product mix and positioning

Companies increasing investment in domestic markets



July

Sept



Operationally, they are focused on mitigating tariff exposure through strategies such as

45% adding tariff clauses to supplier agreements

40% dynamic pricing in contracts

39% Financial hedging

Silver lining



50% are observing an acceleration in industry-wide innovation and automation.

Uncertainty is now the norm, bringing an opportunity to restructure

23%

of companies feel fully confident in the stability of current U.S. tariff levels

44%

of companies express doubt or moderate confidence, highlighting persistent uncertainty



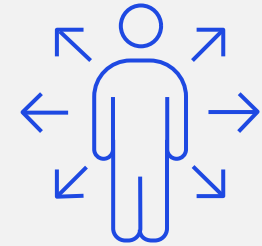
Companies can do more to build resilience.

69%

have yet to establish cross-functional teams

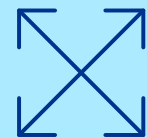
72%

have not yet assigned a specific leader to oversee tariff decisions.



43%

reported needing **7 – 12** months to pivot supply chains if tariffs increase or new tariffs are introduced.



Respondents' overview

N=300

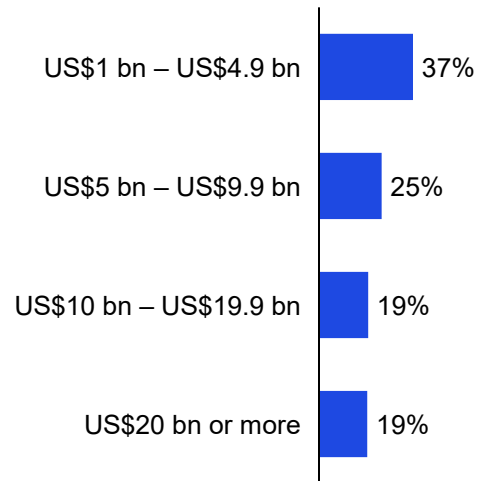


Geography – United States

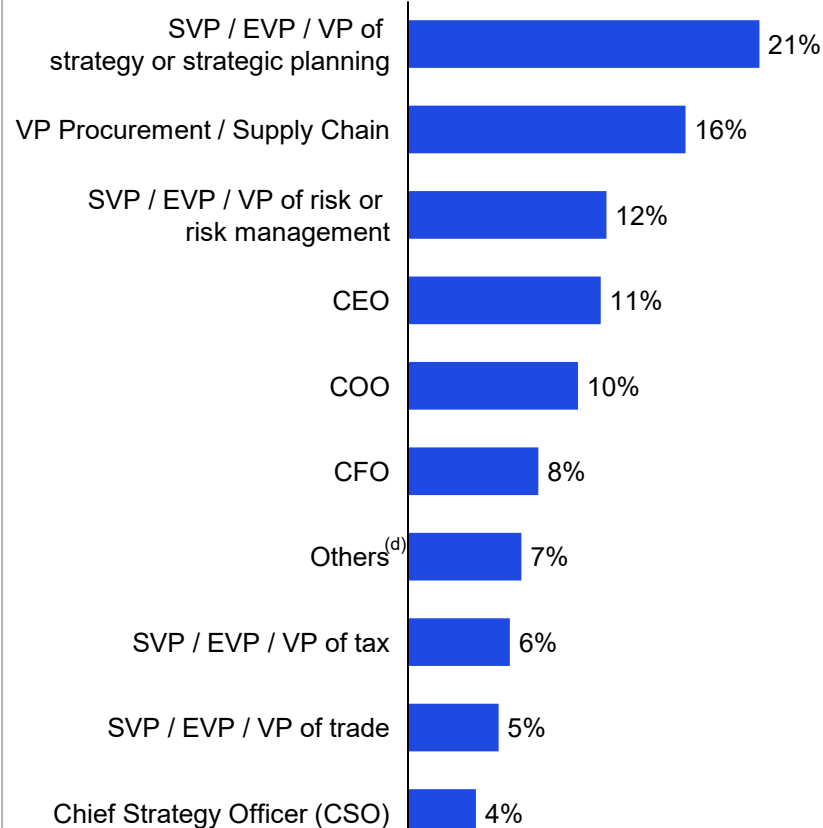


Respondent's role based – United States

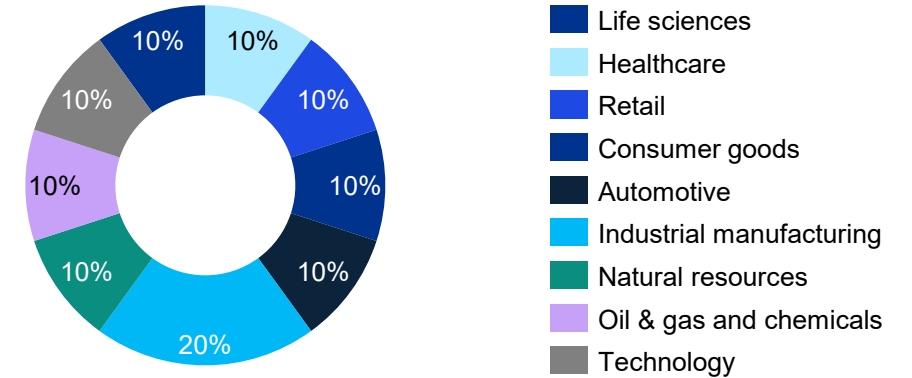
By annual revenue^{(a)(b)}



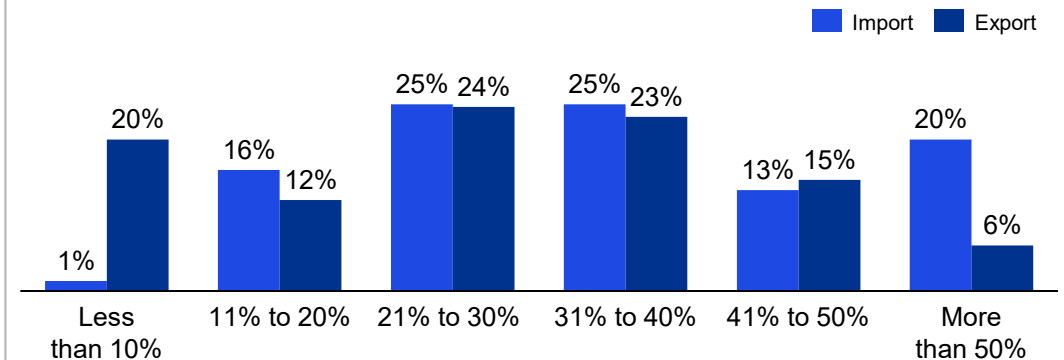
By role^{(a)(c)}



By primary industries^(a)



By imports/exports to foreign markets^(a)



Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) The option 'I don't know / prefer not to say' is not considered in the graphical representation due to limited response; (c) The option 'Other', 'Chief Tax Officer / Head of Tax' and 'Chief Risk Officer (CRO)' is not considered in the graphical representation due to limited response; (d) For cleaner representation, we have clubbed the responses of the roles 'Chief Legal Officer', 'Chief Compliance Officer (CCO)', 'Chief Commercial Officer / Chief Revenue Officer', 'Chief Trade Officer', and 'SVP / EVP / VP of Legal Affairs or Government Relations' into a single category labeled "Others"

Source(s): KPMG Tariff Survey 2.0, Sep'25



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