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# America First, Small Business Last: The Cost of Trump's Chaotic Policies



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With tariffs slamming nearly 70 countries, small businesses across America are once again caught in a storm they barely survived before. Panic is setting in: supply chains are shattering, costs are skyrocketing, and brutal choices are back: bleed out or raise prices and risk losing customers. It's COVID-era chaos all over again, but this time it's not a virus—it's the volatile hand of presidential politics threatening survival.

Trump's tariffs are forcing small businesses into costly supply chain pivots that echo the pandemic-era disruptions many hoped were behind them. Wholesalers and distributors, which represent one-third of GDP, could incur a \$50 billion tariff bill from these policies. Over 100,000 American firms export to Canada and Mexico, generating nearly \$500 billion in cross-border commerce, yet must now seek new suppliers while tariff uncertainty prevents confident planning decisions. Unlike large

corporations with deep pockets and diverse supplier networks, small businesses lack the capital to absorb sudden shifts.

But supply chain disruptions are only half the story—Trump’s immigration policies are also attacking the workforce that keeps these firms running. Small businesses in hospitality, construction, and retail are hemorrhaging essential workers who fear increased immigration raids and enforcement. Some report losing three-quarters of their employees,, forcing reduced hours, limited services, or complete closures.

While removing dangerous criminals helps public safety, targeting productive workers who fuel local businesses creates economic chaos without improving security. The construction industry alone faces an estimated shortage of nearly 500,000 workers this year, and farmers are watching crops rot in fields due to labor constraints. These pressures have triggered growing financial distress, with farm debt expected to hit record highs and small business bankruptcies rising 30 percent year-over-year in July.

Meanwhile, deportation fears are changing Latino consumer behavior. One in five U.S. households is Hispanic, wielding \$2.1 trillion in spending power—equivalent to Italy’s GDP. When these communities retreat from public spaces, local businesses immediately suffer from declining foot traffic and sales.

This chaos is all too familiar. During Trump’s first term, constantly shifting COVID-19 guidelines left small business owners struggling to adapt, wasting precious resources. Initial SBA loan programs were poorly designed and overwhelmed, blocking many—especially those in minority communities—from critical funding, while larger companies exploited loopholes.

The current administration’s furlough of over 121,000 federal workers, including 3,500 IRS Small Business Division employees just before tax season, shows the same disregard for Main Street’s needs. This ongoing pattern of policy inconsistency and inadequate support prioritizes everything except small business survival.

Small businesses thrive on predictability. They need stable supply chains, reliable workforces, and consistent policies to plan, invest, and grow. Yet, Trump’s “America First” agenda continues to put small businesses last.

If these policies persist, more small businesses will close and fewer will start. This harms not only entrepreneurs, but entire communities through lost jobs, reduced local revenues, and the erosion of Main Street’s entrepreneurial spirit. America’s small businesses deserve better than to be collateral damage in policy experiments they can’t survive.

## TOPICS

