

Tariffs Unpacked: Navigating Costs, Impacts & Opportunities

Insights for Wealth Advisors & Small Businesses on Michigan's Economy

How are tariffs reshaping Michigan's future?

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Key Takeaways from April 18, 2025

Tariffs Objectives

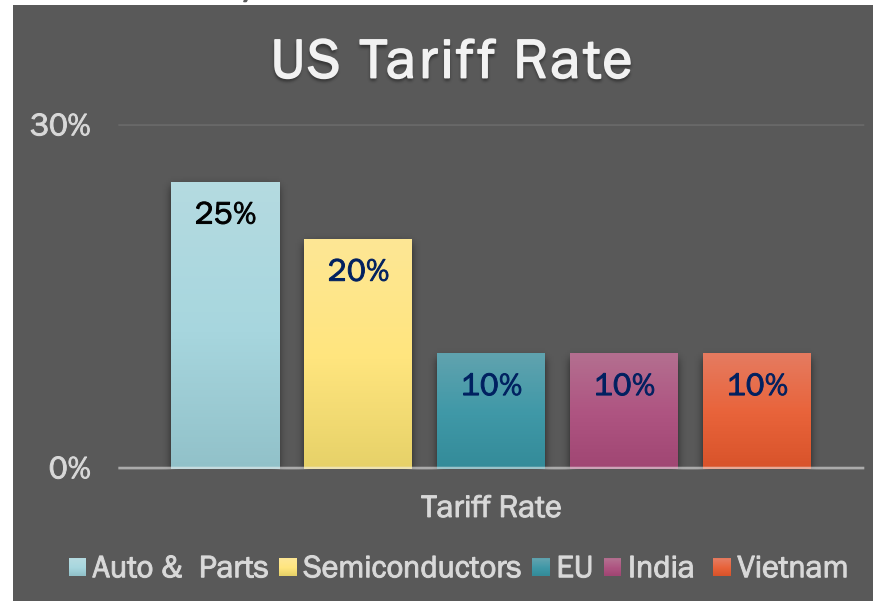


- Address trade imbalances
- Protect US workers and industries
- National Security
- Historical Success

Tariffs Landscape



- 90-Day Pause (April 9): 10% most countries (e.g, EU, Vietnam)
- China: **145%** (was 34%)
- Vehicles/Parts: 25% all countries (0% USMCA)



Economic & Business Impact



- Higher Cost for businesses / consumers
- Trade Wars: 125% (China), 25% (Canada)
- **Michigan: \$ 9B Agri exports**, auto jobs at risk 
- Uncertainty: Lower GDP Growth, higher interest rates

Tariffs Updates: April 18-30, 2025

China: **145%** tariff for most goods; up to **245%** for selected products (e.g., EVs)

90-Days Pause: **10%** tariffs unchanged (ends July 2025); benefits EU, Vietnam, India

Vehicles/Parts: **25%** all countries (**0%** USMCA, Canada, Mexico exempt as of April 29, 2025); new credits offset 25% duties on imported parts for U.S.-assembled vehicles; no stacking with aluminum/steel tariffs.

Exemptions: Semiconductors, electronics at **20%** (unchanged)

Pre-Substitution	Post-Substitution
28%	18%

- **Wealth Advisors: Tariffs drive inflation; advise real assets (infrastructure, gold, commodities).**
- Local Risk: Traverse City tart cherries could face up to **\$10M loss** from China 125% tariff. Business going to **Chile**



Tariff Impacts on Michigan Businesses



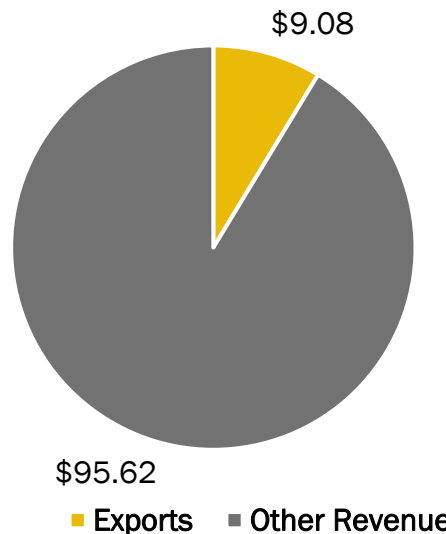
Auto Sector

- **280K+ Jobs**, 2,200+ Suppliers
- **25%** Vehicle/Parts tariff (0% USMCA); 8x border crossings disrupt supply-chains
- Traverse City: 25% higher input costs, liquidity challenges
- 2,300 job losses projected by 2026



Agricultural Sector

- Retaliatory Tariffs: 125% China, 25% Canada (dairy, soybeans, tart cherries)
- Higher input costs (e.g., Non-USMCA Potash)
- Tart cherries: **\$10.1M revenue loss**



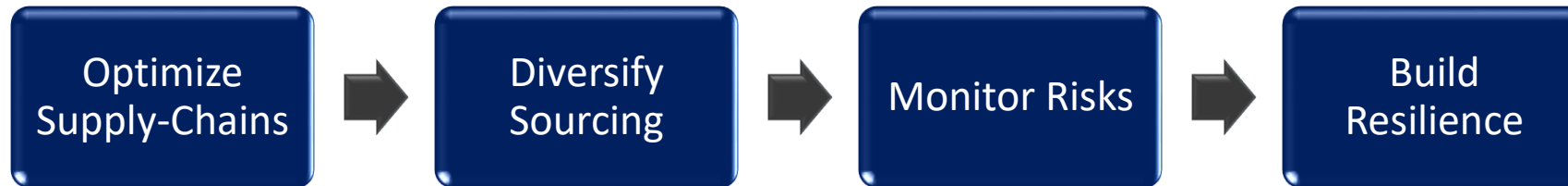
Small Businesses

- **145% China tariffs** (245% for selected goods); 10% others (90-day pause)
- Supply-chain risks: Longer lead times, reduced competitiveness
- Strategic sourcing reduced costs: 28% pre-substitution to 18% post-substitution
- Wealth Advisors: Advise clients to invest in resilient businesses; diversify portfolios

Strategies to Thrive Amid Tariffs

1. **Reduce Costs:** Optimize supply chains; source USMCA-compliant parts (**0% tariffs**) or domestic potash
2. **Diversify Supply-Chains:** Shift to domestic or low-tariff regions (vs. **145% China**) or local suppliers
3. **Monitor Geopolitical Risks:** Track trade talks, 90-day pause (ends July-2025)
4. **Build Resilience:** Forecast costs, manage liquidity (e.g., **\$10.1M tart cherry risk**)

Wealth Advisors: Guide clients to firms with strong supply chains; hedge with real assets



What's one strategy you are implementing to counter tariffs?

Act Now

Act Now: Navigate Tariffs with Confidence

Tariffs challenge Michigan's economy, but strategic sourcing and diversification can protect your business.

- Optimize Supply-Chains
- Diversify Sourcing
- Monitor Trade Shifts

Let's Discuss

- How are tariffs impacting your clients' businesses?
- What strategies are you exploring?



Scan to Connect or Share Your Input

Thank you

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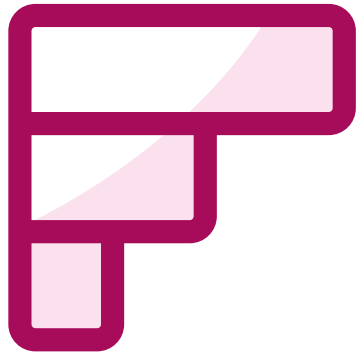


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Podcast: “Lisi Quant Talks”





Questions