

Tariffs to drive major shift in US fashion sourcing: Report

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US fashion companies are rethinking their global sourcing strategies and operations in response to the Trump administration's trade policies and tariffs, according to new research by the University of Delaware's Sheng Lu.

Lu, professor and graduate director in the department of Fashion and Apparel Studies, has partnered with the United States Fashion Industry Association (USFIA), on an annual survey of executives at the top 25 US fashion brands, retailers, importers and wholesalers doing business globally. Members include well-known names like Levi's, Macy's, Ralph Lauren and Under Armour, among others.

The report covers business challenges and outlook, sourcing practices and views on trade policy. It shows tariffs and protectionist policies are the top business challenge for companies, with nearly half reporting declining sales and more than 20 per cent saying they have had to lay off employees. This was followed closely by uncertainty around inflation and the economy, increasing sourcing and production costs, and changes in trade policies from other countries.

In response, more than 80 per cent of companies said they will diversify the countries from which they source their products, focusing on vendors in Asian countries such as Vietnam, Bangladesh, Cambodia and Indonesia. Despite the push for 'Made in USA' garments, only 17 per cent of respondents plan to increase sourcing from the US.

"We wear more than just clothes; we wear the global economy, the supply chain and the public policies that jointly make fashion and affordable clothing available to American families," Lu said. "We want to know where these companies source their products and what factors matter to them the most. It's a classic question and it evolves each year."

The survey suggests that sustainability can open up new business opportunities for US fashion companies. Respondents said that when sourcing clothing made from sustainable fibres — like recycled, organic, biodegradable and regenerative materials — they are more likely to rely on a US sourcing base or suppliers in the Western Hemisphere.

"The study is also a powerful reminder that fashion is far more than just creating stylish clothing. Today's fashion industry is deeply intertwined with sustainability, international relations, trade policy and technology. I hope the findings will be timely, informative and useful to fashion companies, policymakers, suppliers and fellow researchers. I plan to incorporate the insights, as well as the valuable industry connections developed through my long term partnership with USFIA, in my classroom, giving UD students fresh, real-world perspectives on the often "unfashionable" but essential side of the industry," Lu added.