



Trump 2.0 and the Impact to Home Furnishings

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Three Pillars to President Trump's Economic Plan

1. Permanent Tax Reform



1. One Big Beautiful Bill – locks in tax cuts initially enacted in 2017 (Trump 1.0)

2. Expansive Tariffs



1. Universal, reciprocal tariffs
2. Section 232 investigations – resulting tariffs (steel/aluminum), copper, timber/lumber; pending investigations on semiconductors, pharmaceuticals, heavy trucks, among others

3. Deregulation



1. Executive Order directing agencies to eliminate 10 regulations for every one new proposed regulation

Look Ahead on Trade/Tariff Policy



- Biggest domino is the current Supreme Court case involving President authority to set the IEEPA reciprocal tariffs
 - Following initial arguments on November 5th, a majority of Supreme Court Justices **appear** skeptical about the sweeping authority that President Trump has asserted
 - Predictions on the outcome of the case have varied – Administration is planning for victory and defeat
- Outcome will then determine next steps –
 - Refunds? Scale of refunds?
 - Additional options that Administration has to reimpose tariffs (Section 301, Section 232)
- The Senate has voted multiple times to reject President Trump's tariffs (most recently on October 30)
 - House has blocked votes on tariff policies until January 2026

Meanwhile...

- President Trump has used the reciprocal tariff rates as leverage to finalize trade deals with several countries, including several in Southeast Asia
- The U.S. and Vietnam have agreed to an advanced framework with the details of a final agreement potentially being reached by end of calendar year (2025)
- The U.S. and China have agreed to a trade pact (one year) which sets a reduced IEEPA reciprocal tariff rate (down from 20% to 10%) in exchange for increased investment and Chinese efforts to significantly reduce the flow of fentanyl to the U.S.





Section 232 Tariffs on Upholstered Furniture

- Following an investigation by the Department of Commerce into national security concerns related to timber and lumber imports, President Trump set a 25% tariff rate for imported kitchen cabinets, bathroom vanities, and upholstered furniture
- These rates went into effect on October 14, 2025 – the rates will increase to 50% (cabinets and vanities) and 30% (upholstered furniture) on January 1, 2026
- The scope of these tariffs is limited to specific upholstery HTS codes and does not capture case goods
- Recent trade deals have included alternative Section 232 rates (UK, EU, Japan) but nothing specific related to Vietnam

Political Winds – Recent Elections



- **New Jersey**

- The gubernatorial race: Democrat Mikie Sherrill defeated Republican Jack Ciattarelli to succeed outgoing Democratic Governor Phil Murphy.
- In addition, the General Assembly elections: Democrats defended all incumbents and gained at least 3 seats, pushing their majority toward a historic high.
- Key takeaway: A win for Democrats in a state that has shifted somewhat competitive; their position strengthens heading into future cycles.

- **Virginia**

- The race for governor: Democrat Abigail Spanberger was elected, defeating Republican Winsome Earle-Sears, making her the state's first female governor.
- Down-ballot: Democrats also captured the lieutenant governor and attorney general offices and expanded their majority in the House of Delegates – flipping key seats.
- Big implication: Democrats now control the executive and legislative branches in Virginia, giving them leverage for policy and redistricting.

- **New York City**

- The mayoral race: Zohran Mamdani, a 34-year-old state assemblyman and self-described democratic socialist, won the election, defeating former governor Andrew Cuomo (running as an independent) and Republican Curtis Sliwa.
- Historic aspects: Mamdani becomes the city's first Muslim mayor, first South Asian mayor, and youngest in more than a century.
- Main themes: His platform centered on affordability (rent freezes, free buses, etc.), and the race showed a strong progressive wave in the city.

2026 Midterms

- **House of Representatives:** Democrats appear to have the edge to retake the House in 2026, provided they run a solid campaign and the national mood is not extremely unfavorable.
- **Senate:** Senate control depends on fewer races, different dynamics, and may be less predictable at this stage.
- 35 House members are retiring – 21 Republicans
 - Most of these retirements are in safe seats but a couple are competitive
- 8 Senators are retiring – 4 from each party
 - Competitive races in IA, NC, NH, and MI

Redistricting

Key States & What's Happening

- **Texas**
 - The Republican-led legislature has advanced a new congressional map aimed at **adding up to five** GOP-favorable House seats.
 - **Likely outcome:** Significant gain for Republicans (R benefit).
- **California**
 - In response to efforts by Texas, California Democrats have proposed a counter-map via Proposition 50 to **wipe out ~5 Republican-held seats** and strengthen Democratic seats.
 - **Likely outcome:** Democratic gain (D benefit), assuming the map is adopted.
- **Missouri**
 - Republican leadership there is moving a map to shift a historic Democratic seat near Kansas City and possibly give Republicans an extra seat.
 - **Likely outcome:** R benefit (Republican gain).
- **North Carolina**
 - Republicans in NC passed a new congressional map which would improve their margin from 10-4 to 11-3, per recent filings.
 - **Likely outcome:** R benefit.
- **Other states being mentioned**
 - Indiana: Republican governor called special session to redraw maps.
 - Illinois / Maryland / New York: Democratic-led states considering redistricting in response, though less advanced.

Likely Outcome

- These moves suggest **both parties** are chasing map advantage; but the GOP currently appears better positioned because they control more map-drawing states.