

October 19, 2021

The Honorable Joe Biden
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

On October 13th your chief of staff Ron Klain endorsed the opinion, via tweet, that “Most of the economic problems we're facing (inflation, supply chains, etc.) are high class problems.” This idea is totally wrong. Poor and working-class families are paying skyrocketing cost increases on kids’ shoes across the country.

Kids’ shoe prices have now reached the highest in over 70 years, causing massive sticker shock for those who can least afford it.

The rising costs we see in the shoe supply chain are a contributing factor for shoe retail price increases. That has been the lead, but the real headline has been buried. **Government import taxes now make up 30 percent of the price of certain types of children’s shoes at big box retailers where most working-class families shop. This is the major reason why kids’ shoe price inflation is well above other basic goods.**

Kids’ shoes are hit with one of the highest tariff rates of any product sold in America. Children’s shoe tariff rates often start at 20 percent or 37.5 percent and can reach nearly 70 percent. In fact, the highest tariff rates are generally placed on lower value footwear, creating a regressive hidden tax for working class families. In addition, for those few children’s shoes with relatively lower rates, the 301 tariffs led to drastic rate increases. With the added 301 tariffs, the tariff rate doubled for certain children’s casual shoes and slippers, and it more than tripled for certain plastic sandals, wool slippers, and infant crib shoes.

These tariffs affect the cost of each shoe even before retailers have to add labor, transit, marketing and other costs to the final price tag. Worse, government policies are actually hurting the pocketbooks of working families more than those of wealthy families when it comes to kids’ shoes because of how our laws are written and the new trade rules imposed. By comparison, while American individuals and families pay hidden taxes in the form of tariffs every time they buy a pair of shoes for their children, tech products like iPhones come in duty free. Clearly, far from being “high class problems,” footwear cost spikes impact every working-class family.

While we know you cannot directly reduce our supply chain costs, you can directly help reduce disproportionate retail price spikes with a stroke of your pen. Eliminate 301 tariffs on kids’ shoes. That would immediately help every family. Further, we urge you to consider eliminating tariffs on children’s shoes altogether for basic fairness and good economic policy.

Help us reduce the sticker shock parents are seeing in stores by ending the burden of tariffs on kids’ shoes today.

Sincerely,



Matt Priest
President & CEO
Footwear Distributors & Retailers of America