



## **Tariffs, Talent and Turbulence**

A DEI Leader's Guide to Navigating 2025

#### Why Now?

Today tariff escalation, DEI pushback, and workforce disruption are converging to create the perfect storm for DEI and People leaders.

This executive briefing breaks down what's happening, why it matters, and how we help organizations lead through uncertainty with clarity, resilience, and impact.

## Part I: Understanding The Moment – Tariffs as an Inclusion Issue

#### **Tariffs Aren't Just an Economic Story—They're a Workforce Story**

In 2025, the U.S. is experiencing an aggressive reapplication of tariffs targeting China, the EU, Mexico, Canada, and even autos and consumer goods. According to <u>JP Morgan</u>:

- China now faces a 145% tariff, triggering retaliatory measures and global market uncertainty.
- The average effective U.S. tariff has more than doubled, leading to a spike in costs across sectors.
- Tariffs are estimated to increase Personal Consumption Expenditures (PCE) prices by 1–1.5%, slashing disposable income and stalling consumer spending.
- For DEI, HR, and people teams, this isn't theoretical. It's already reshaping the workforce.



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## The Real-World Impacts on DEI and Talent

#### Layoffs and Budget Cuts

Major frontline industries from manufacturing to retail are feeling the effects first—with <u>hiring freezes</u>, <u>eroding consumer confidence</u>, operational slowdowns, and layoffs looming. Companies are being forced to reassess which investments to protect and which to pause.

#### **Historically-Excluded Talent & Communities Feel It First**

As businesses cut back and reprioritize, frontline employees and historically marginalized groups—often already underpaid or underrepresented—are the first affected.

<u>Black-owned businesses</u> and women entrepreneurs that rely on federal contracts and DEI certifications are facing existential threats due to DEI rollbacks and funding cuts.

#### **DEI Backlash Is Shifting from Political to Operational**

Leaders at our over 600+ global partners are seeing:

- Paused or cancelled contracts
- Uncertain stakeholder/leadership buy-in
- Legal scrutiny around DEI goals
- Fear of being "too visible" / public

Today, many companies are <u>spending more time justifying their</u> <u>DEI investments than executing them</u>.

#### **Culture is Fracturing Under Pressure**

Employees, leaders, and partners are nervous. Especially in sectors such as manufacturing and retail, many are already asking what the future holds. Lingering memories of the unprecedented supply chain disruptions during the COVID crisis persist. In this climate, morale is a business asset—and a flight risk.

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# Part II: What You Need to Do Now—And Why DEI is a Strategic Imperative

#### Think Bigger: Reframe DEI as a Resilience Strategy

DEI isn't a "nice-to-have" during volatile times—it's your stabilizing force. It's how you:

- Keep your workforce **connected** during moments of anxiety
- Retain top underrepresented talent in a shifting market
- Demonstrate **mission/values** to historically-excluded customers & investors
- Build long-term resilience and abandon short-term appeasement



#### How to Lead Effectively in This Climate

#### Address the Elephant in the Room

Don't wait for your employees to come to you. Lead with transparency & open the conversation—especially in sectors such as manufacturing and retail. Be honest about what you know, what you don't, and what you're watching.

#### **Boost Morale Through Inclusion**

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Use Employee Resource Groups (ERGs) and frontline feedback to understand what employees need. Even symbolic gestures such as flexible schedules, listening sessions, and recognition matter deeply when anxiety is high.

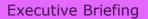
#### Stay Visible-but Be Smart

Reframe the language of your inclusion work to endure today's scrutiny and tightened budgets. Seramount has tools to help with:

- Communicating internally about DEI
- Rebranding DEI teams without losing their mandate
- Repositioning DEI as a growth strategy
- Engaging executives in DEI's business outcomes
- Tracking anti-DEI legislation and executive orders

#### **Benchmark with Your Peers**

This moment is too complex to go it alone. Peer intelligence is critical. Seramount provides cross-industry insight on how DEI leaders are adjusting strategies while staying true to mission.





## Part III: How We Help Leaders Navigate the Storm

Seramount has helped organizations build inclusive, high-performing workplaces for over 40 years. In this moment of disruption, we help our partners **act smarter—by thinking bigger, not smaller.** 

#### Our research & advisory services and on-going support afford you access to:

#### Real-Time Risk Navigation

- Rapid research reviews on tariff impacts, workforce shifts, and legislative updates
- Document and messaging audits for internal alignment
- Scenario planning, risk mitigation, and policy update tools:
  - Tracking Policy Changes Under the Trump Administration
  - Guide to Mitigating Legal Risks in DEI Work

#### Peer Strategy & Convening

- 600+ member network of DEI, HR, & Talent executives
- Monthly pulse checks and confidential listening sessions
- Chief Diversity Officer Impact Cohort and Executive Convenings

#### **Research & Advisory That Sees Around Corners**

- Curated and custom research on:
  - Economic threats to diverse suppliers and inclusive sourcing
  - Workforce engagement under cost pressure
  - Understanding and advocating for the new business case for DEI
- Expert Guides:
  - What a 2nd Trump Term Means for DEI
  - How to Support Frontline Workers

#### Culture-Building Learning Tools

- Inclusive learning webinars for all employees
- Recognition sessions aligned to heritage months
- Research briefings for senior leaders and boards

#### The Time to Lead Boldly Is Now

Yes, the environment is uncertain. Yes, political and economic headwinds, from reciprocal tariffs to legal challenges to DEI are real. But **inclusive leadership is business leadership.** Companies that align their values, talent strategies, and operations to this moment will win in the long term not despite DEI, but because of it.

#### ✓ Let's build your organization's resilience plan—together.

#### Ready to Take the Next Step?

Let's discuss how to keep your DEI strategy strong. <u>seramount.com/contact-us/</u> to start the conversation.