What Trump's Tariffs Could Mean for Investors

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Dan Crowe, co-portfolio manager on William Blair's Small-Mid Cap Growth and Mid Cap Growth strategies, sat down with *Investment Europe* recently and discussed three potential outcomes that could arise from U.S. President Donald Trump's order to impose tariffs on steel and aluminum imports. Crowe highlighted three possible scenarios:

1. Just a bunch of "noise" with little reaction from other countries

Crowe points out that a very small number of U.S. employees (around 1%) are directly and indirectly affected by the steel tariffs, and other countries may decide it's not such a big deal.

2. Retaliatory tariffs

The European Union, China, and other countries could implement their own tariff policies to retaliate.

3. A full blown trade war

"This would leave nobody unscathed," Crowe said.

There's also a possibility that Trump could impose additional tariffs, and more tariffs would mean more uncertainty. With greater uncertainty, investors may start to look closer at the risks involved with individual companies. In such a situation, Crowe said he believes the strategies he manages may benefit from the high-quality companies the portfolios hold. High-quality companies can help provide downside protection.

The article also discussed rising input costs for U.S. companies along with significant wage growth, noting that some companies can pass rising costs along to their customers while others cannot. Rising wages are a sign of a growing economy, so the companies that can pass on rising costs may also benefit from stronger demand for their products.

Read *Investment Europe* article

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