

Survey of Business Uncertainty

Monthly Report

July 2026

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Federal Reserve
Bank of Atlanta

Based on survey responses from 13-24 July 2026

Headline Results

July 2026 Survey of Business Uncertainty

1. Sales revenue growth realizations and expectations have risen somewhat over the past few months. (Slide 4)
2. Firms remain more uncertain about future sales growth than before the pandemic. (Slide 4)
3. Business executives forecast higher Federal Funds Rate than they did in the past two quarters. (Slides 7-8)
4. Nearly 84% of business executives personally use AI for at least one hour in a typical work week. (Slide 9)
5. Adoption of certain AI technologies is expected to increase over the next 3 years, but the share of firms using AI is expected to remain the same. (Slide 10)
6. Business execs expect AI to slightly increase their productivity but slightly decrease their employment. (Slides 11-12)



Survey of Business Uncertainty

About the Survey

The Survey of Business Uncertainty (SBU) is fielded each month by the Federal Reserve Bank of Atlanta.

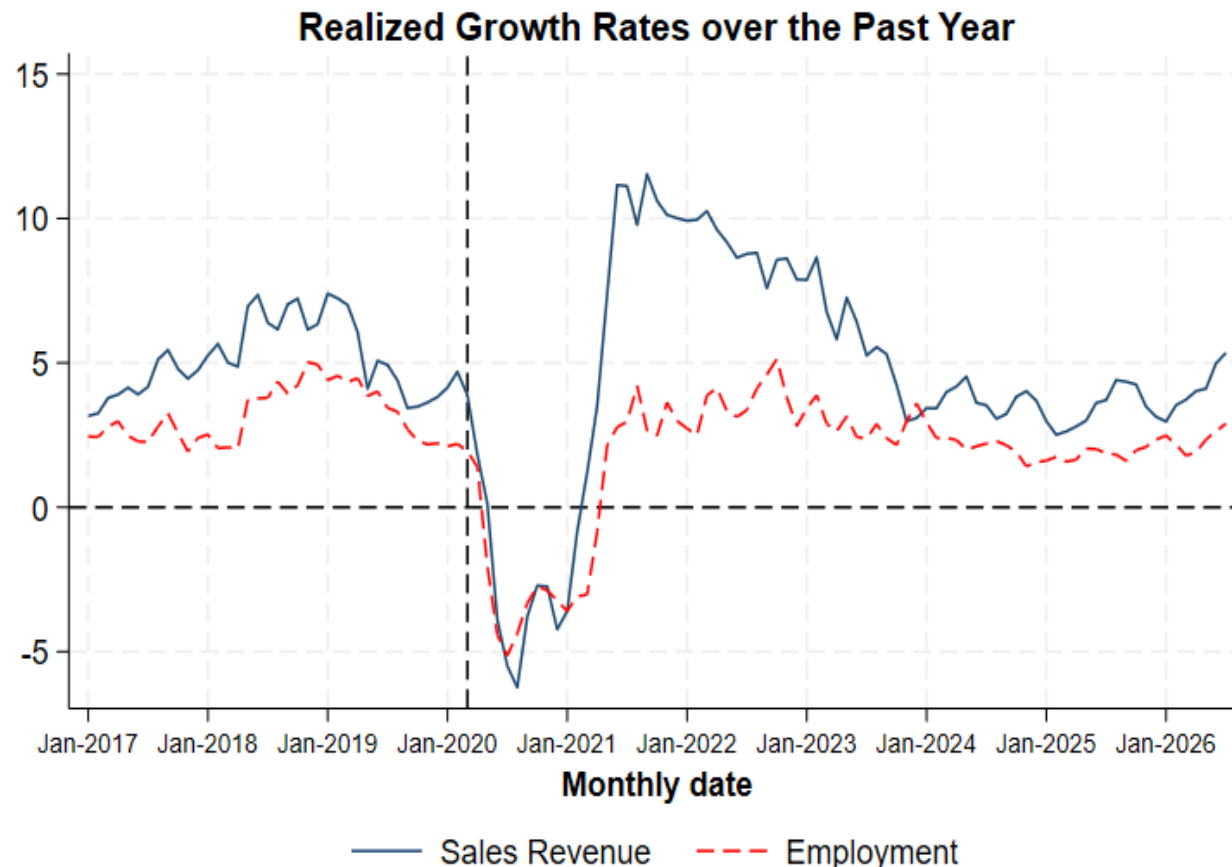
The SBU questionnaire goes to about 1500 panel members, who occupy senior finance and managerial positions at U.S. firms. We contact panel members each month by email, and they respond via a web-based instrument.

Survey questions pertain to current, past, and future outcomes at the respondent's firm. Our primary objective is to elicit the respondent's subjective forecast distributions over own-firm future sales growth rates and employment levels. We also ask special questions on timely topics.

For more information on survey design and methodology, please refer to the resources on the [SBU page](#) and "[Surveying Business Uncertainty](#)," published in the *Journal of Econometrics* and also available as NBER Working Paper [25956](#).

The nominal sales growth has risen slightly but remains in line with pre-pandemic growth. Recent employment growth is in line with pre-pandemic growth.

January 2017–July 2026



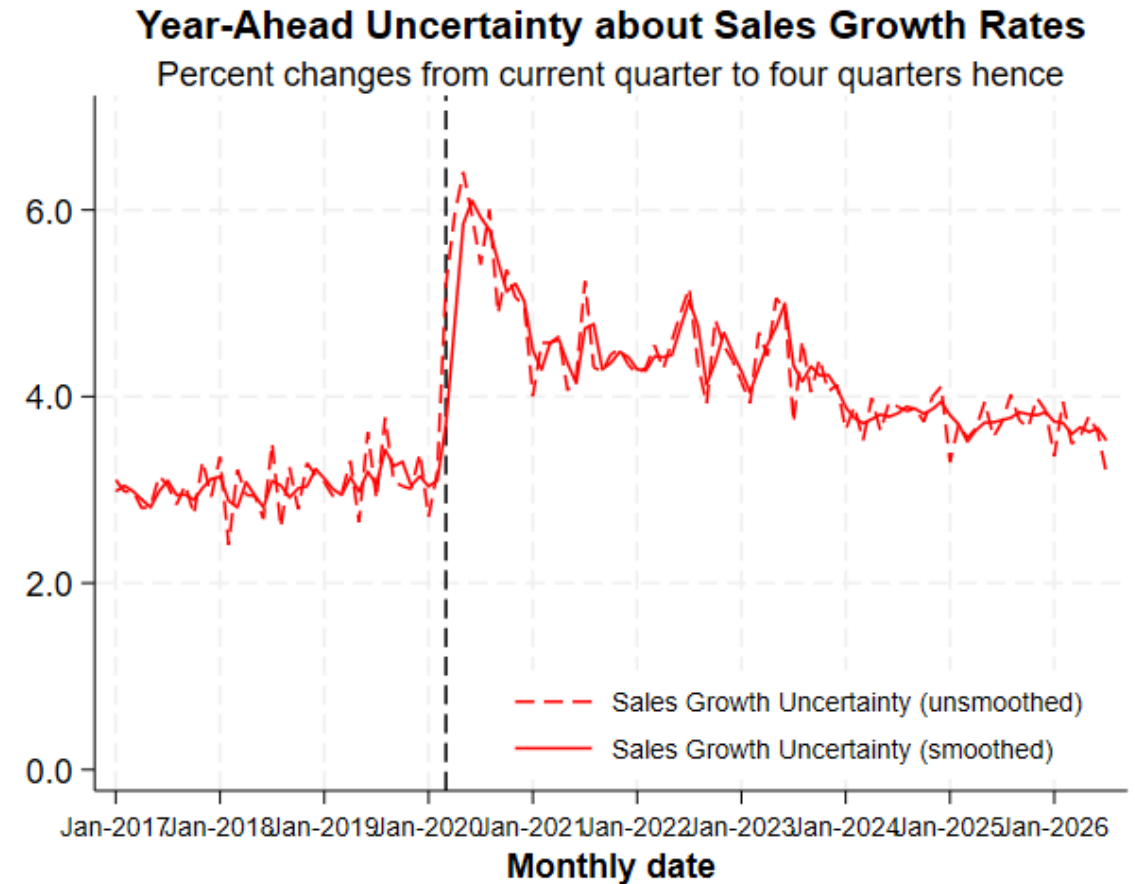
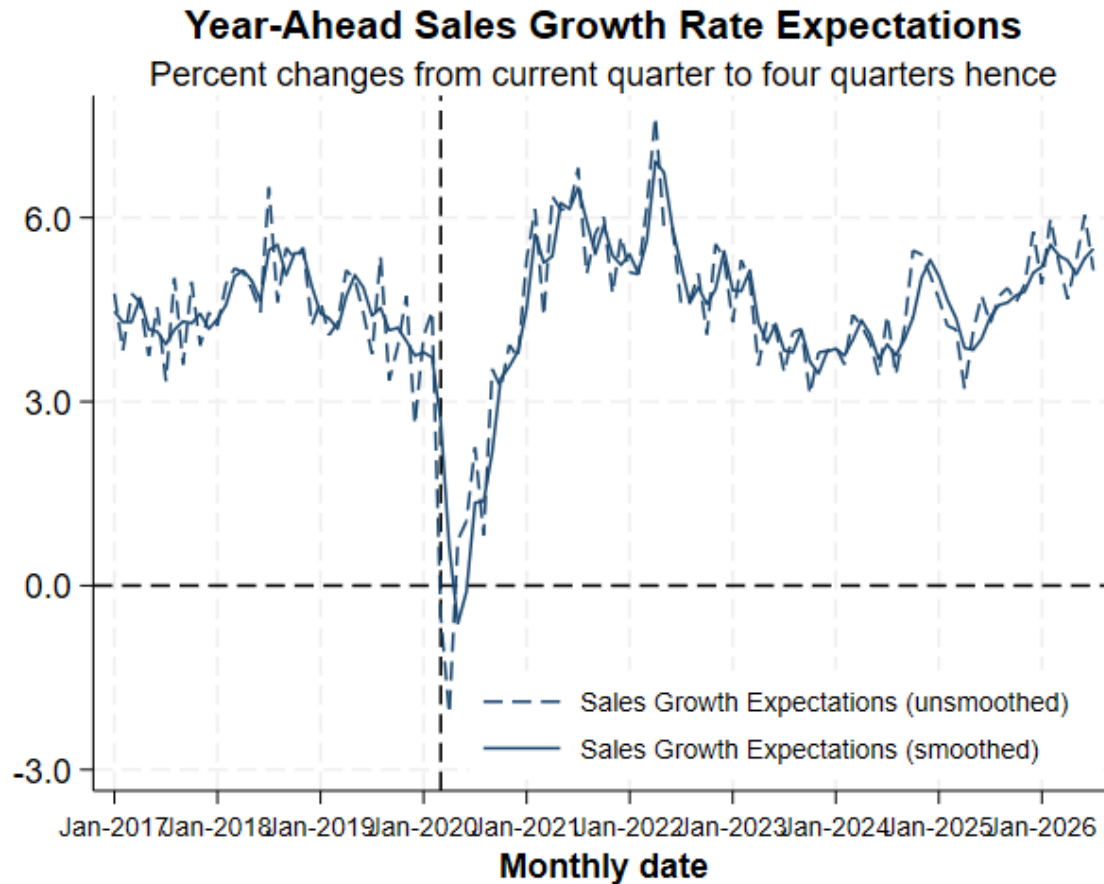
NOTE: Calculated using monthly data through July 2026. Realized growth rate series for sales revenue and employment are activity-weighted averages of firms' reported (look-back) growth rates over the past year (specifically, the previous four quarters for sales revenue and previous 12 months for employment).

NOTE: The chart shows smoothed series.

Source: Survey of Business Uncertainty conducted by the Federal Reserve Bank of Atlanta. For more information, see "[Surveying Business Uncertainty](#)" by David Altig, Jose Maria Barrero, Nick Bloom, Steven J. Davis, Brent Meyer, and Nick Parker, NBER Working Paper No. 25956, February 2020. The vertical dashed line shown in the plot marks the start of the COVID-19 pandemic.

Sales revenue growth expectations have risen in recent months after declining. Firms remain more uncertain about future revenue growth than they were before the pandemic.

January 2017–July 2026

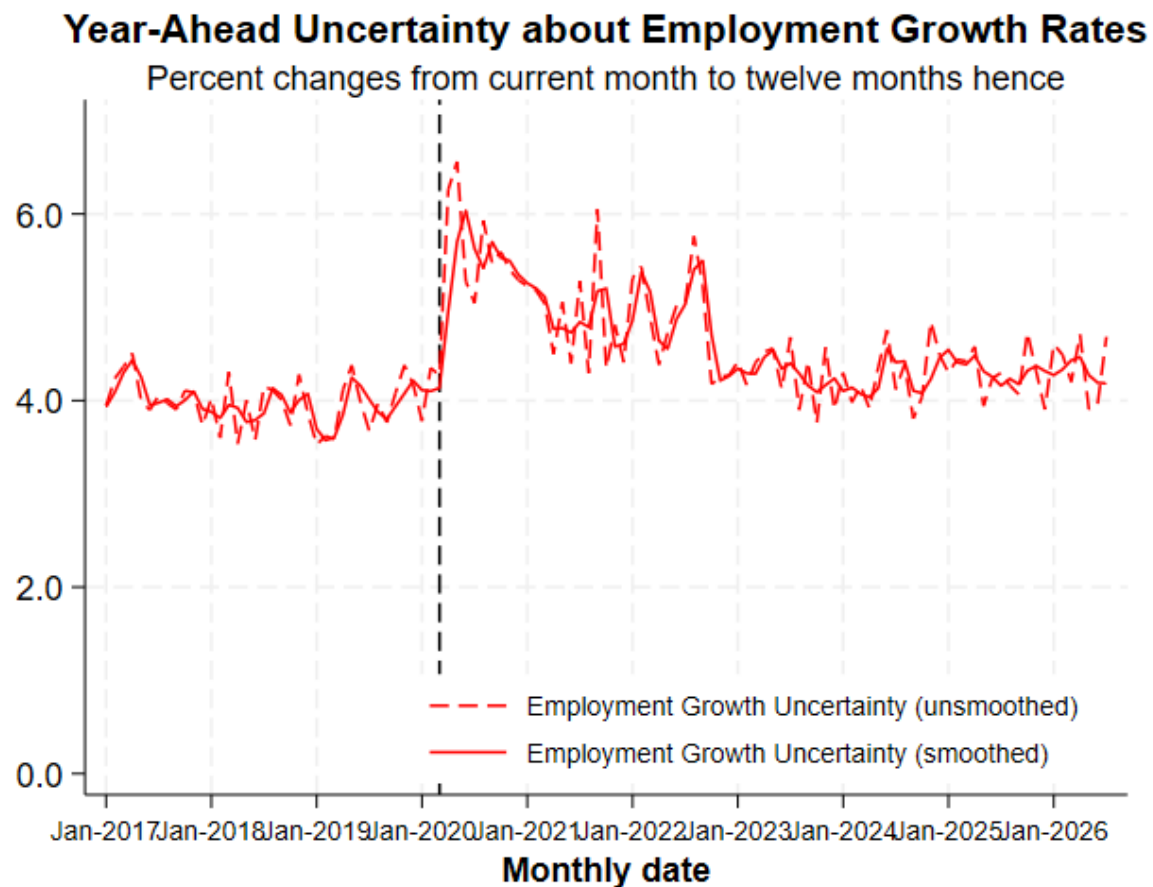
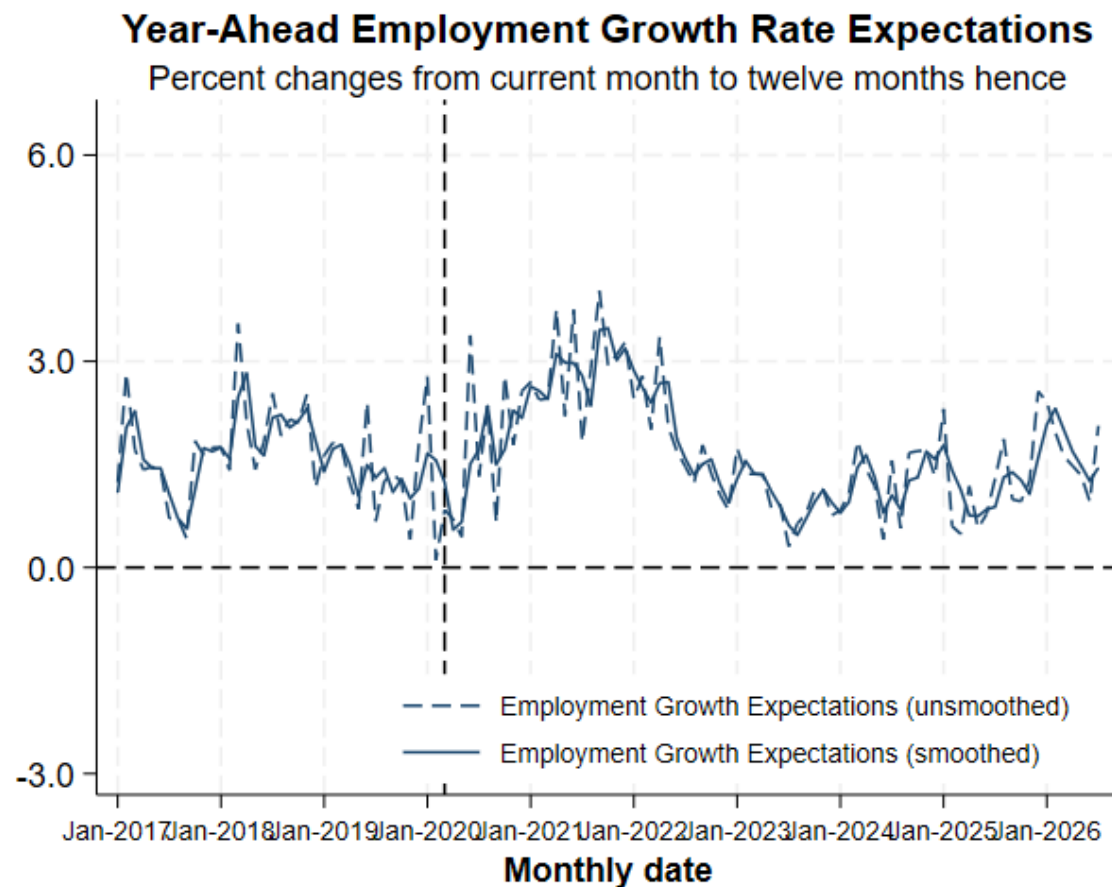


NOTE: The charts show smoothed series.

Source: Survey of Business Uncertainty conducted by the Federal Reserve Bank of Atlanta. For more information, see “[Surveying Business Uncertainty](#)” by David Altig, Jose Maria Barrero, Nick Bloom, Steven J. Davis, Brent Meyer, and Nick Parker, NBER Working Paper No. 25956, February 2020. The vertical dashed lines shown in the plots mark the start of the COVID-19 pandemic.

Expected employment growth has risen slightly after decreases in recent months. Uncertainty about employment growth is slightly elevated over pre-pandemic levels.

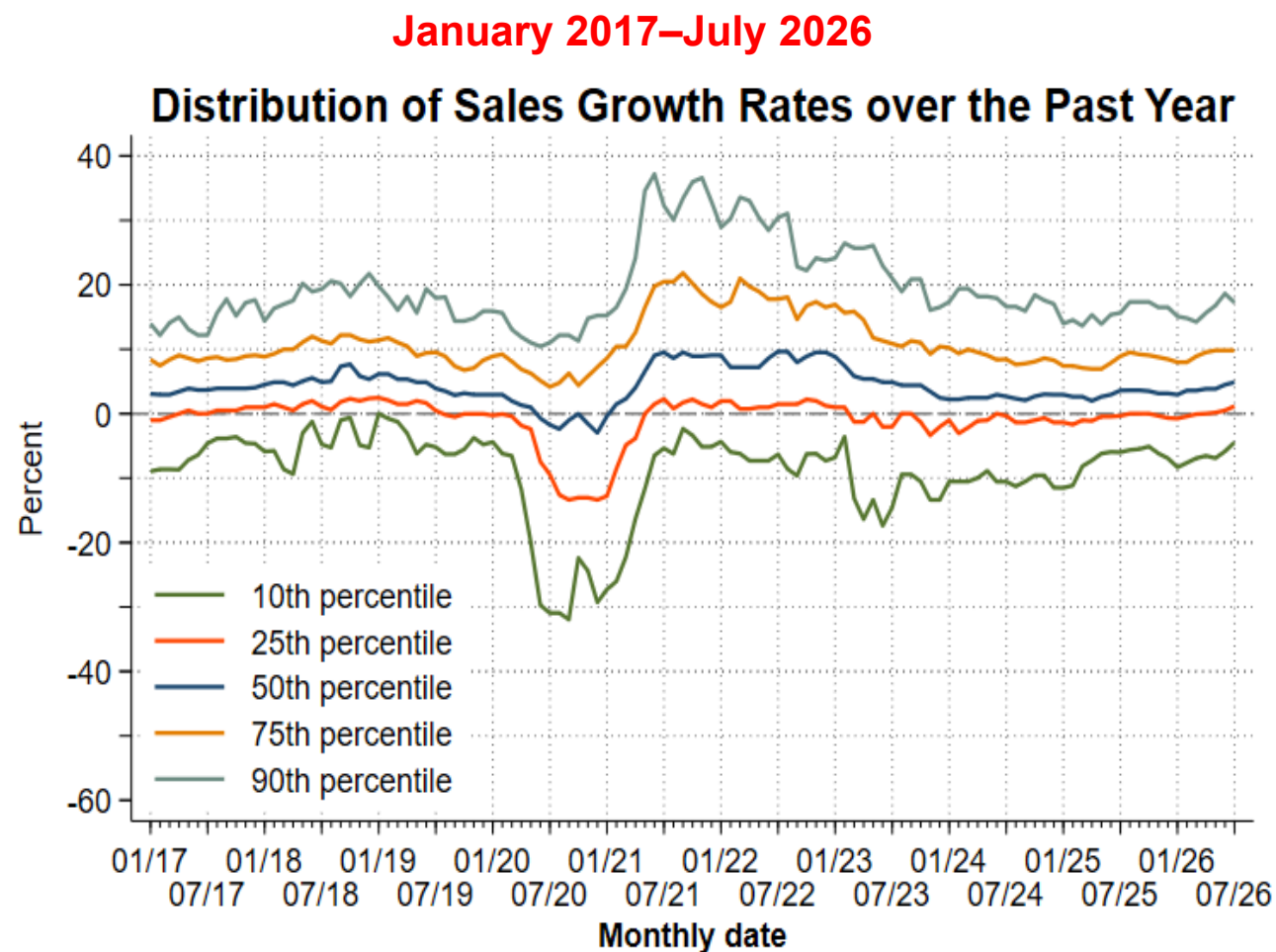
January 2017–July 2026



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The distribution of sales growth rates across firms remains wider than before the pandemic.

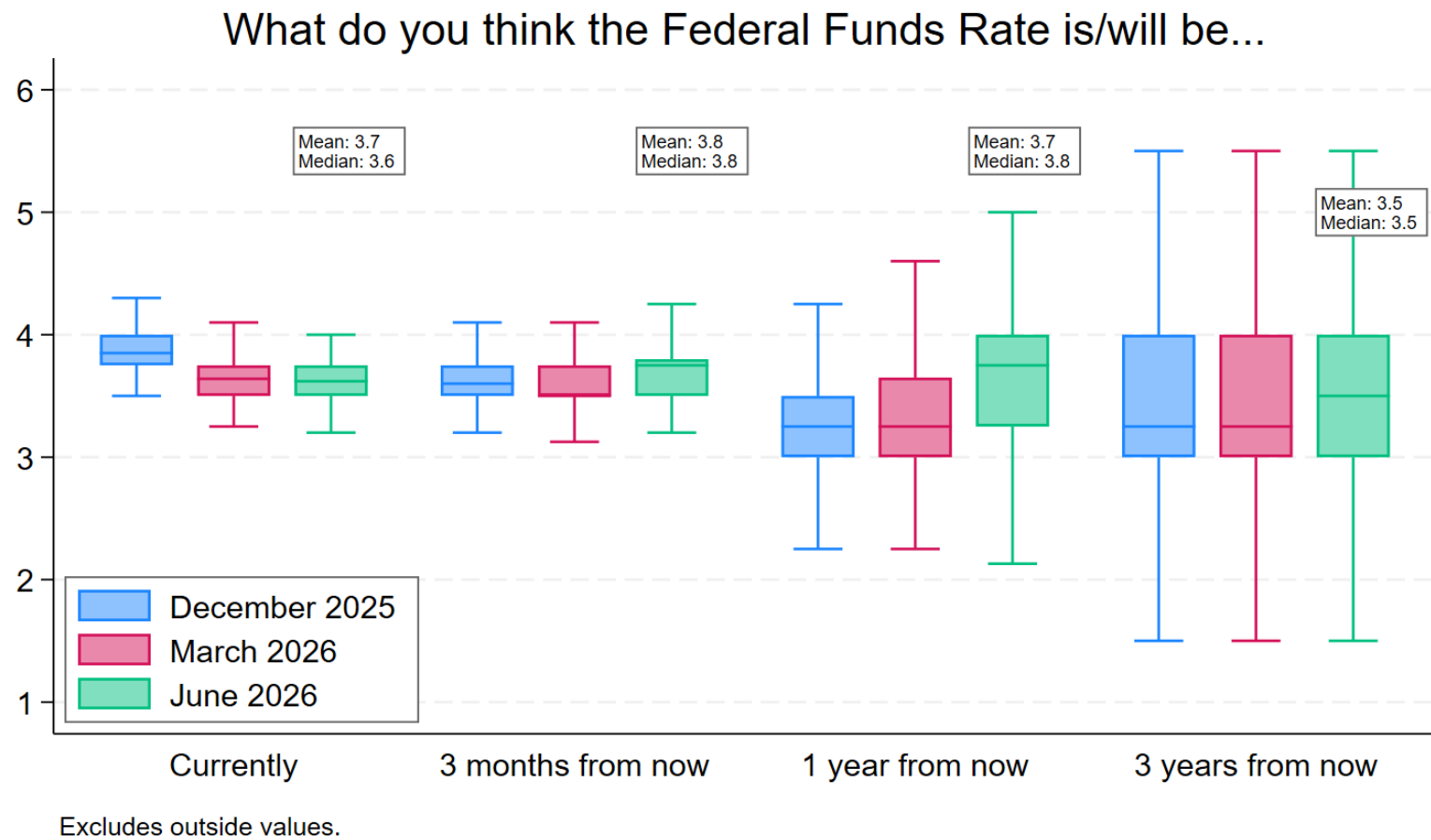


NOTES: Calculated using monthly data through July 2026. The chart shows smoothed series. Lines show percentiles of the activity-weighted distribution of firm-level sales growth rates over the past year.

Source: Survey of Business Uncertainty conducted by the Federal Reserve Bank of Atlanta.

Business executives forecast higher Federal Funds Rate in the long run than they did in the past two quarters.

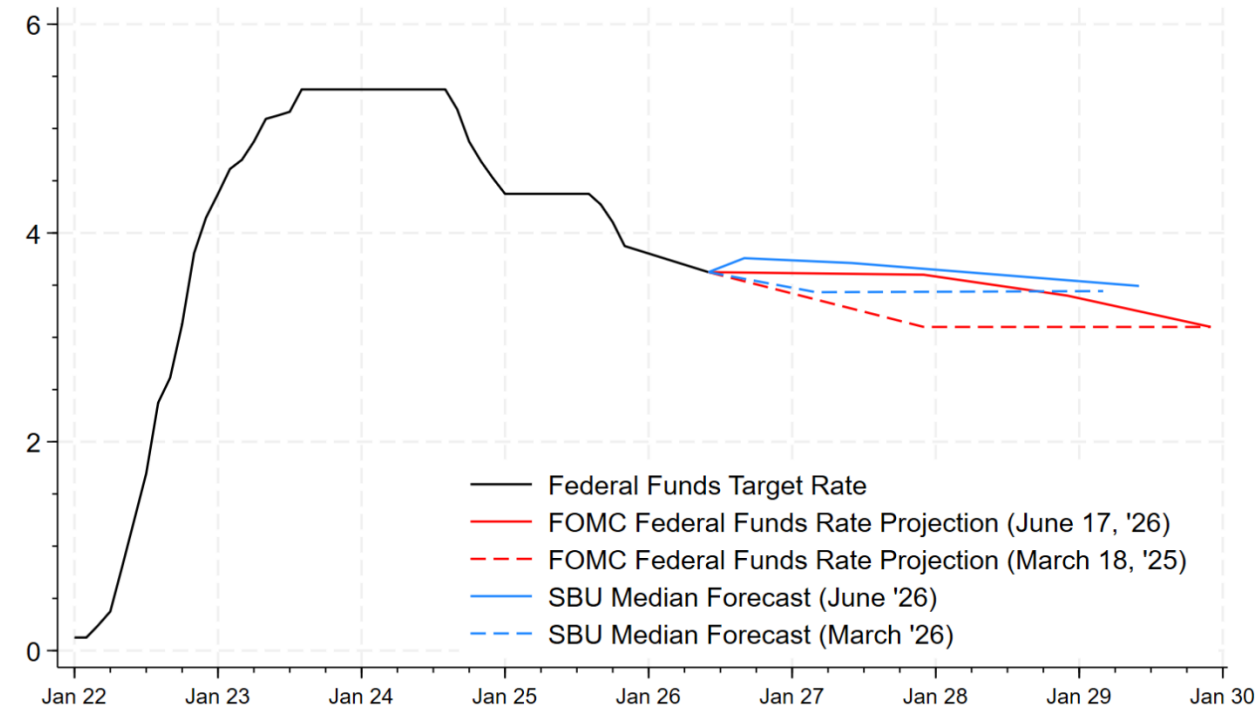
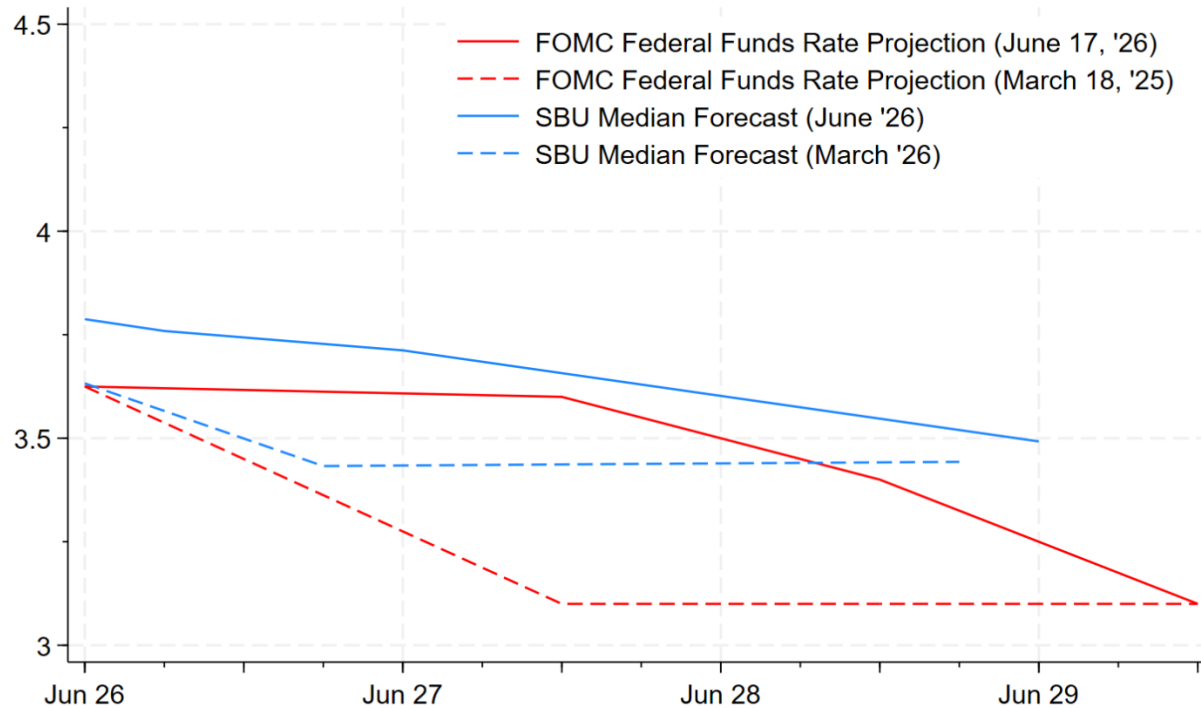
Question: What do you think is the current Federal Funds Rate? What do you think the Federal Funds Rate will be [three months, one year, three years] from now?



Note: The SBU survey fielded these questions to panelists from 6/8/25 – 6/19/26. The sample covers all U.S. states and major industry sectors. Observations beyond the IQR not shown. N = 1,086 (6/26).

SBU panelists reported higher FFR forecasts this quarter compared to last quarter. The sample's long-run expectations are higher than official projections.

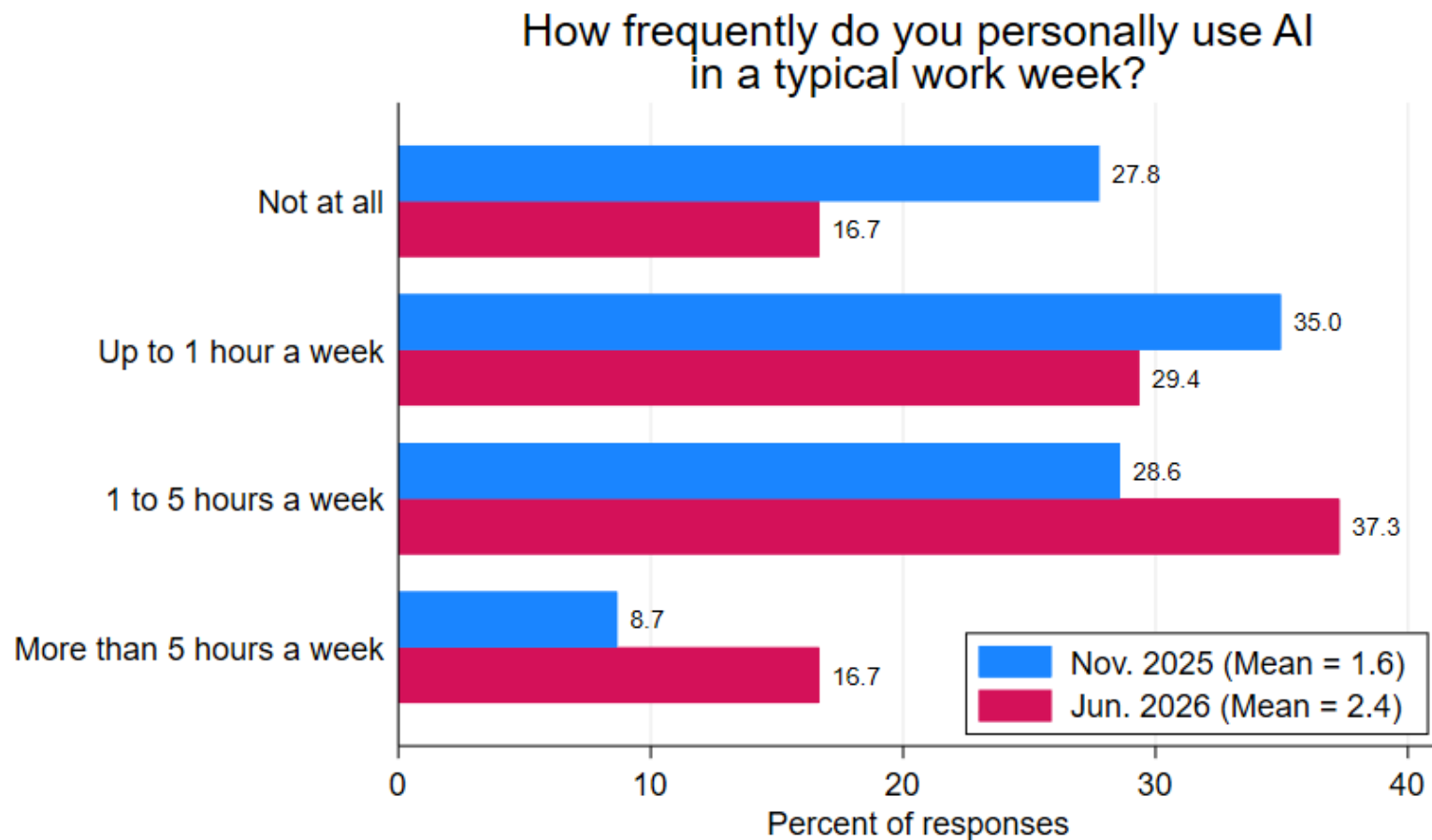
Question: *What do you think is the current Federal Funds Rate? What do you think the Federal Funds Rate will be [three months, one year, three years] from now?*



Note: The SBU fielded these questions in the March 2026 (3/9/26 – 3/20/26) and June 2026 (6/8/26 – 6/19/26) survey waves. The sample covers all U.S. states and major industry sectors. N_{3/26} = 997 (97.4% of responses before March FOMC), N_{6/26} = 1,086 (78.6% of responses after June FOMC).

Around 84% of business executives state that they personally use some form of AI for at least one hour in a typical work week, more than the last time we asked this question.

Question: *On average, how frequently do you personally use AI technologies in a typical working week? Note: Among other things, AI technologies could include text generation using large language models, data or image processing using machine learning, and visual content creation.*



Note: The SBU survey fielded these questions to panelists from 11/10/25 – 11/21/25 (11/26 SBU) and from 6/8/2026 – 6/19/2026 (6/26 SBU). The sample covers all U.S. states and major industry sectors. We numerically define the response bins as 0, 0.5, 3, and 8, respectively. N_{11/25}=1,084, N_{6/26}=1,097.

The share of firms using any AI technology is expected to remain the same over the next three years. However, apart from text generation, the usage of each individual AI technology is expected to increase.

Question: Which of the following artificial intelligence (AI) technologies, if any, does your firm currently use? And which do you expect to make use of over the next three years? Select all that apply.

Options (Using/Not using): Robots and autonomous vehicles; Data processing using machine learning; Image processing using machine learning; Generative AI like ChatGPT, Claude, or Gemini; Visual content creation; Other AI technology; Not using/do not expect to use any AI technologies.

Firm AI technologies adoption

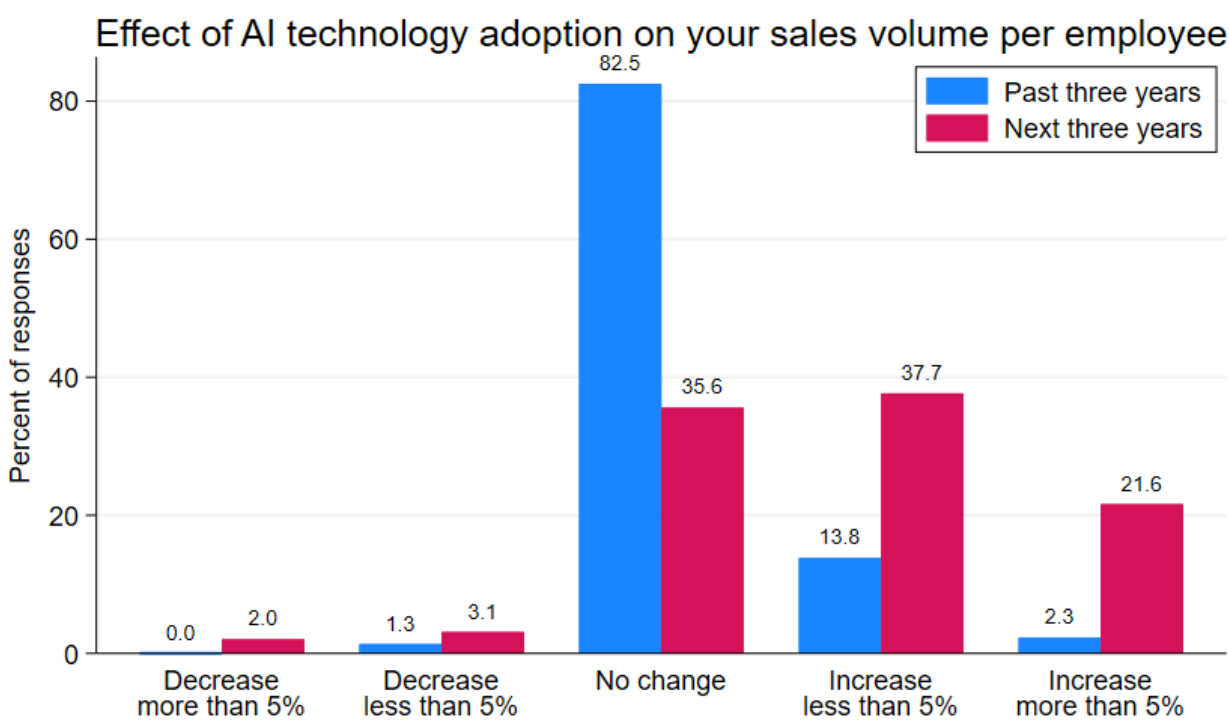
June 2026 SBU (% of firms, employment-weighted)

	N _{p3y}	N _{n3y}	<u>Robotics & AVs</u>		<u>Data processing</u>		<u>Image processing</u>		<u>Generative AI</u>		<u>Visual content creation</u>		<u>Other</u>		<u>Any</u>	
			Past 3 years	Next 3 years	Past 3 years	Next 3 years	Past 3 years	Next 3 years	Past 3 years	Next 3 years	Past 3 years	Next 3 years	Past 3 years	Next 3 years	Past 3 years	Next 3 years
Full sample (Employment-weighted)	1012	902	11.0	34.0	46.6	60.1	33.2	49.5	87.7	47.9	42.5	47.7	36.3	52.4	94.9	95.9
Full sample (Equal-weighted)	1012	902	7.1	25.1	36.0	54.3	24.4	41.4	83.7	49.3	38.7	42.2	27.9	46.5	90.7	93.0
<u>Industry Class</u>																
Construction, Real Estate, Mining, and Utilities	179	159	6.9	27.5	41.8	58.5	29.6	46.5	91.6	51.8	44.6	53.0	26.4	52.8	96.3	95.5
Manufacturing	165	156	15.9	54.1	45.8	61.3	29.6	50.1	85.6	41.5	45.1	37.6	38.7	42.0	92.9	95.9
Retail and Wholesale Trade and Transportation	172	161	12.3	39.4	43.7	61.6	34.3	48.1	84.7	53.7	39.5	49.3	32.7	54.4	93.4	95.9
Business and Professional Services	370	313	11.0	28.6	52.4	60.5	38.9	47.6	88.4	50.3	43.8	46.5	41.0	59.4	96.9	96.8
Other Services	125	112	8.2	25.4	41.8	57.6	26.2	57.5	87.7	39.3	38.5	53.9	36.2	45.5	92.5	94.4
<u>Firm Size Class</u>																
0-50 Employees	370	328	3.7	15.3	30.5	47.9	18.4	30.8	82.2	53.8	40.5	35.0	25.6	39.3	89.4	91.1
50-99 Employees	167	164	5.0	23.4	29.3	64.8	20.4	39.0	85.5	55.4	38.8	38.7	21.1	48.4	90.6	96.2
99-249 Employees	197	181	10.4	26.8	35.9	57.1	17.0	49.5	81.9	43.1	32.9	44.4	22.1	45.8	92.1	91.6
250+ Employees	278	229	12.1	38.6	52.0	61.2	39.5	52.0	89.7	48.0	45.5	50.6	42.1	55.6	96.3	97.4

Note: The SBU survey fielded these questions to panelists from 11/10/25 – 11/21/25. The sample covers all U.S. states and major industry sectors.

On average, firms in our sample expect AI technology adoption to increase their sales volume per employee by 2.3% over the next three years.

Question: How has the adoption of AI technologies affected the volume of sales per employee of your business over the past three years? And how do you expect this to affect your volume of sales per employee over the next three years?



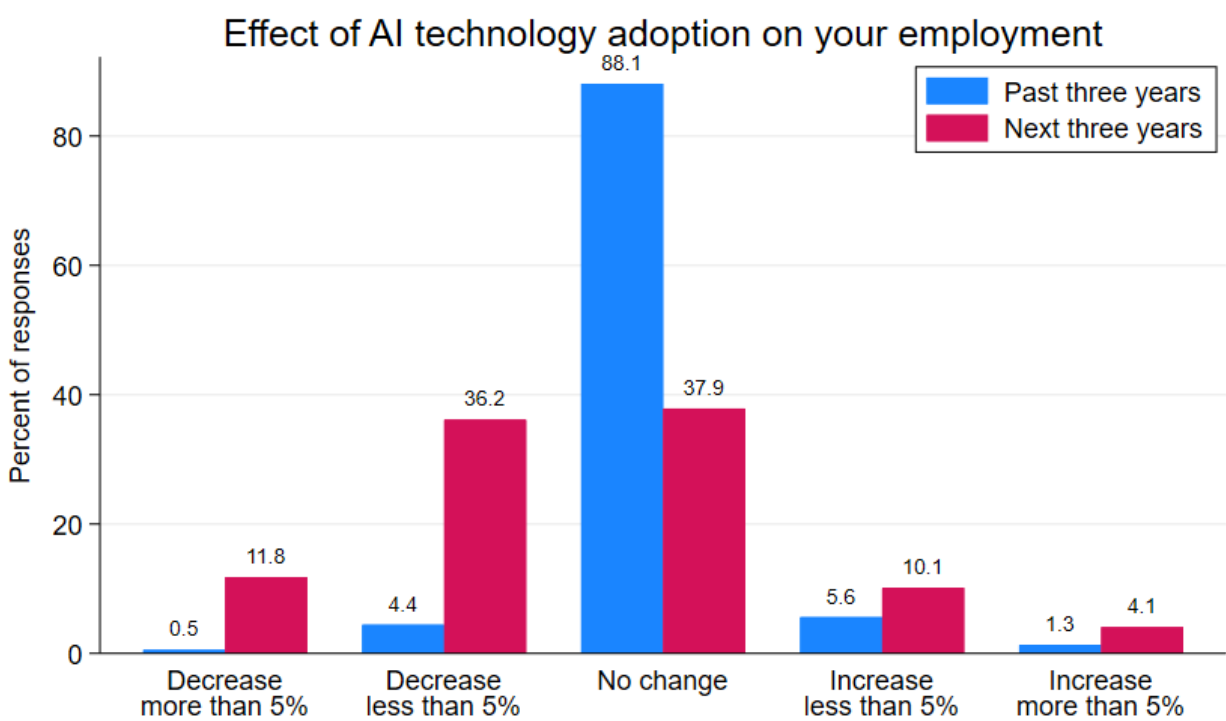
Effect of AI adoption on sales volume per employee at your firm
June 2026 SBU (Employment-weighted)

	Past 3 years			Next 3 years		
	N	Mean	SE	N	Mean	SE
Full sample (employment-weighted)	964	0.5	0.0	1018	2.3	0.1
Full sample (equal-weighted)	964	0.4	0.0	1018	2.1	0.1
Industry Class						
Construction, Real Estate, Mining, and Utilities	168	0.7	0.1	181	2.4	0.2
Manufacturing	158	0.2	0.1	164	2.5	0.2
Retail and Wholesale Trade and Transportation	168	0.3	0.1	170	2.2	0.2
Business and Professional Services	353	0.6	0.1	374	2.5	0.2
Other Services	116	0.6	0.1	128	1.9	0.3
Firm Size Class						
0-50 Employees	351	0.4	0.1	371	2.1	0.2
50-99 Employees	161	0.3	0.1	179	1.9	0.2
99-249 Employees	190	0.3	0.1	200	1.6	0.2
250+ Employees	262	0.6	0.1	268	2.6	0.2

Note: The SBU survey fielded these questions to panelists from 6/8/26 – 6/19/26. The sample covers all U.S. states and major industry sectors.

On average, firms in our sample expect AI technology adoption to decrease their number of employees by 1.2% over the next three years.

Question: How has the adoption of AI technologies affected the number of employees of your business over the past three years? And how do you expect this to affect your number of employees over the next three years?



Effect of AI adoption on employment at your firm
June 2026 SBU (Employment-weighted)

	Past 3 years			Next 3 years		
	N	Mean	SE	N	Mean	SE
Full sample (employment-weighted)	974	0.1	0.0	1030	-1.2	0.1
Full sample (equal-weighted)	974	0.0	0.0	1030	-0.9	0.1
Industry Class						
Construction, Real Estate, Mining, and Utilities	168	0.2	0.1	185	-0.4	0.2
Manufacturing	157	0.0	0.1	165	-1.0	0.2
Retail and Wholesale Trade and Transportation	167	0.2	0.1	173	-1.0	0.2
Business and Professional Services	360	0.1	0.1	377	-2.0	0.2
Other Services	121	-0.2	0.1	129	-0.6	0.3
Firm Size Class						
0-50 Employees	358	0.0	0.1	376	-0.7	0.2
50-99 Employees	161	0.0	0.1	181	-0.8	0.2
99-249 Employees	189	-0.1	0.1	201	-1.3	0.2
250+ Employees	266	0.2	0.1	272	-1.3	0.2

Note: The SBU survey fielded these questions to panelists from 6/8/26 – 6/19/26. The sample covers all U.S. states and major industry sectors.

Appendix: Technical Information

Computing Moments of the Firm-Level Subjective Forecast Distributions

We calculate first and second moments of the subjective growth rate distributions of employment and sales revenue over the next 12 months or four quarters, as appropriate. Following standard practice in the literature on business-level dynamics, we calculate the growth rate of x from $t-1$ to t as $g_t = 2(x_t - x_{t-1}) / (x_t + x_{t-1})$.

Employment

$CEmp$ = firm's current employment level, as reported by the respondent

$FEmp_i$ = employment 12 months hence in scenario i , for $i = 1, 2, 3, 4, 5$

p_i = the associated probabilities, $i = 1, 2, 3, 4, 5$

Scenario-Specific Growth Rates

$EGr_i = 2(FEmp_i - CEmp) / (FEmp_i + CEmp)$, $i = 1, 2, 3, 4, 5$

First and Second Moments of the Subjective Growth Rate Forecast Distribution

$Mean(EGr) = \sum_{i=1}^5 p_i EGr_i$

$Var(EGr) = \sum_{i=1}^5 p_i (EmpGr_i - Mean(EGr))^2$

$SD(EGr) = \sqrt{Var(EGr)}$

Sales Revenue

$CSale$ = firm's sales revenue in the current quarter, as reported by the respondent

$FSaleGr_i$ = respondent's scenario-specific sales growth rate from now to four quarters hence, $i = 1, 2, 3, 4, 5$

p_i = the associated probabilities, $i = 1, 2, 3, 4, 5$

Implied Future Sales Level

$FSale_i = \left(1 + \frac{FSaleGr_i}{100}\right) CSale$, $i = 1, 2, 3, 4, 5$

Scenario-Specific Growth Rates (re-expressing respondent growth rates to our growth rate measure)

$SaleGr_i = 2(FSale_i - CSale) / (FSale_i + CSale) = 2FSaleGr_i / (FSaleGr_i + 2)$, $i = 1, 2, 3, 4, 5$

First and Second Moments of the Subjective Growth Rate Forecast Distribution

$Mean(SaleGr) = \sum_{i=1}^5 p_i SaleGr_i$

$Var(SaleGr) = \sum_{i=1}^5 p_i (SaleGr_i - Mean(SaleGr))^2$

$SD(SaleGr) = \sqrt{Var(SaleGr)}$

Subjective Expectations and Uncertainty Indices

We construct a monthly activity-weighted expectations (first-moment) index for employment growth and sales growth looking one year ahead. We also construct a monthly activity-weighted uncertainty (second-moment) index for the employment growth and sales growth looking one year ahead.

- In month t , the index for employment (sales) takes a value equal to the activity-weighted average of subjective mean employment (sales) growth rates looking one year hence ($Mean(Gr)$), averaging across all firms responding that month. We compute these subjective mean growth rates as described on slide 3, and winsorize them at the first and 99th percentiles before using them to construct the index.
- The month- t index of year-ahead subjective uncertainty for employment (sales) growth is the activity-weighted mean of ($SD(Gr)$) values across firms responding in month t . We compute these subjective standard deviations over growth rates as described on slide 3, and winsorize them at the first and 99th percentiles before inputting them into the index construction formula.
- When constructing first- and second-moment employment growth indexes, we weight firm i 's subjective mean growth rate expectation and uncertainty by the average of its month- t employment ($CEmp_{it}$) and its expected employment level ($FEmp_{it}$). We top-code these weights at 500 to diminish the influence of outliers among very large firms.
- When constructing first- and second-moment sales revenue growth indexes, we weight firms i 's subjective mean growth rate expectation and uncertainty by the average of its month- t sales revenue ($CSale_{it}$) and its expected sales level ($FSale_{it}$). We winsorize these activity-weights at the 1st and 80th percentile.
- Finally, we smooth our topic-specific indices by taking a moving average. We set the window for the moving average to 2 or 3 months, to match the panel structure of our survey.

Topic-specific Expected Excess Reallocation Indices

We construct forward-looking indices of excess job and sales revenue reallocation. These series measure the volume of cross-firm reallocation in economic activity above the reallocation required to support aggregate growth. For ease of exposition, we often refer to these as simply "reallocation rates".

- First, in each month t , we compute the activity-weighted average of own-firm expected gross job creation and destruction rates, which boils down to the activity-weighted average of the absolute value of subjective mean growth rates $|Mean(EGr)|$.
- Then, in each month t , we compute the absolute value of the activity weighted average of own-firm expected employment growth $Mean(EGr)$. This is effectively the absolute value of the employment growth expectations index in month t .
- We then obtain the expected job reallocation rate index value for month t by subtracting the outcome of the second bullet from the first. Letting w_{it} be firm i 's activity weight in month t ,

$$Expected\ Job\ Reallocation\ Rate_t = \sum_i w_{it} \cdot |Mean(EGr)| - \left| \sum_i w_{it} \cdot Mean(EGr) \right|$$

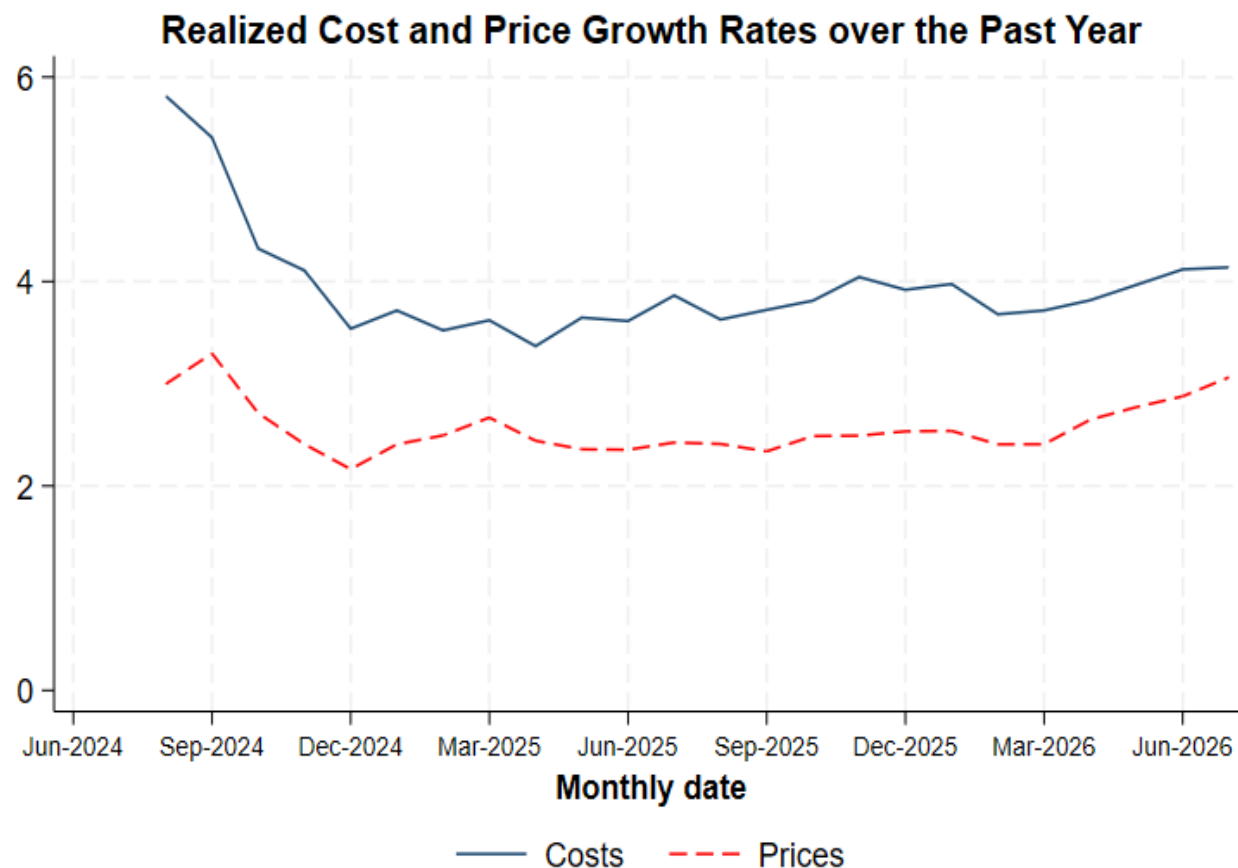
- Analogously, the expected sales revenue reallocation rate index in month t is the difference between the activity-weighted average of absolute expected sales growth rates, minus the absolute value of the average activity-weighted growth rate:

$$Expected\ Reallocation\ Rate\ For\ Sales\ Revenue_t = \sum_i w_{it} \cdot |Mean(SaleGr)| - \left| \sum_i w_{it} \cdot Mean(SaleGr) \right|$$

- We compute the subjective mean growth rates $Mean(EGr)$ and $Mean(SaleGr)$ as described on slides 18-21, and winsorize them at the 1st and 99th percentiles before using them to construct the index.
- Firm i 's activity weight w_{it} is the average of its month- t employment or sales level ($CEmp_{it}$ or $CSale_{it}$) and its expected employment or sales level twelve months hence ($FEmp_{it}$ or $FSale_{it}$). We top-code these weights at 500 for employment and at the 80th percentile for sales to diminish the influence of outliers among very large firms.

Nominal cost and price growth has risen slightly in the past few months.

July 2024–July 2026



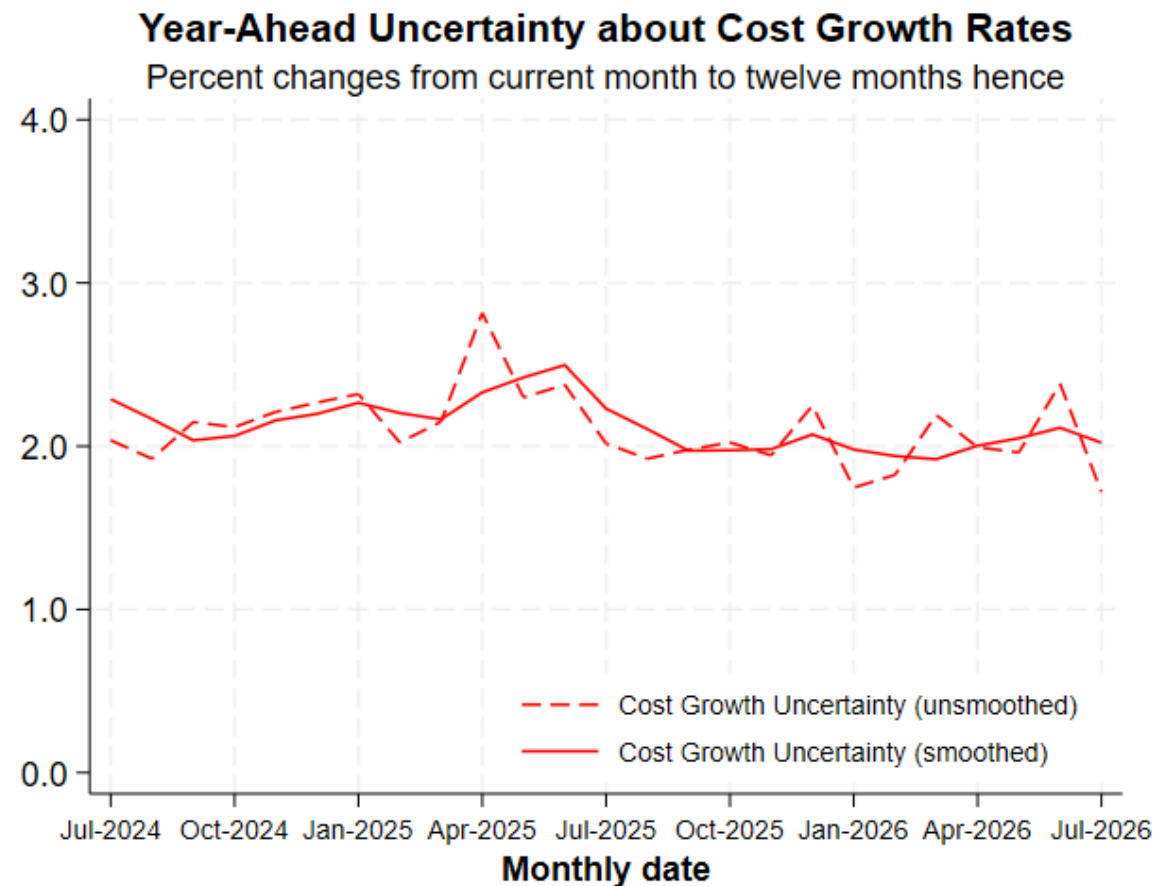
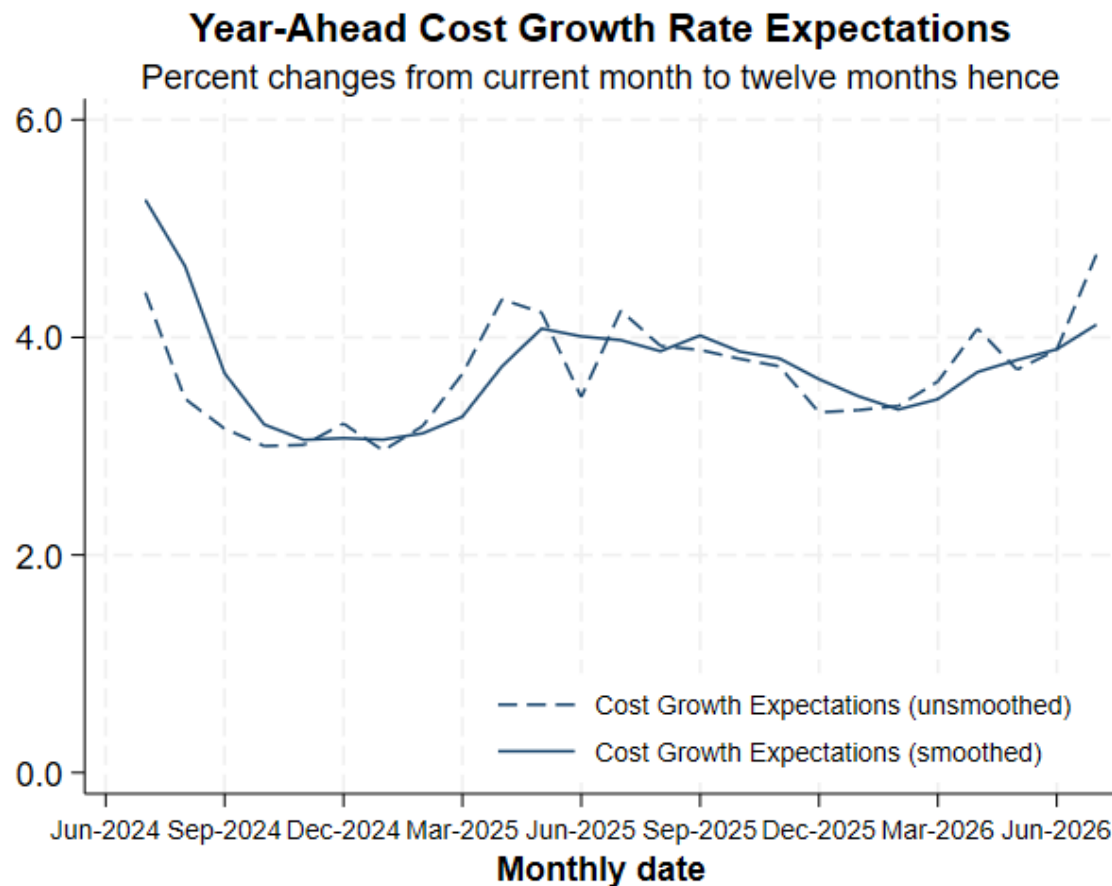
NOTE: Calculated using monthly data through July 2026. Realized growth rate series for costs and prices are activity-weighted averages of firms' reported (look-back) growth rates over the past year (specifically, the previous four quarters for sales revenue and previous 12 months for employment).

NOTE: The chart shows smoothed series.

Source: Survey of Business Uncertainty conducted by the Federal Reserve Bank of Atlanta. For more information, see "[Surveying Business Uncertainty](#)" by David Altig, Jose Maria Barrero, Nick Bloom, Steven J. Davis, Brent Meyer, and Nick Parker, NBER Working Paper No. 25956, February 2020. The vertical dashed line shown in the plot marks the start of the COVID-19 pandemic.

Cost growth expectations have risen in the past few months. Cost growth uncertainty remainst steady.

July 2024–July 2026

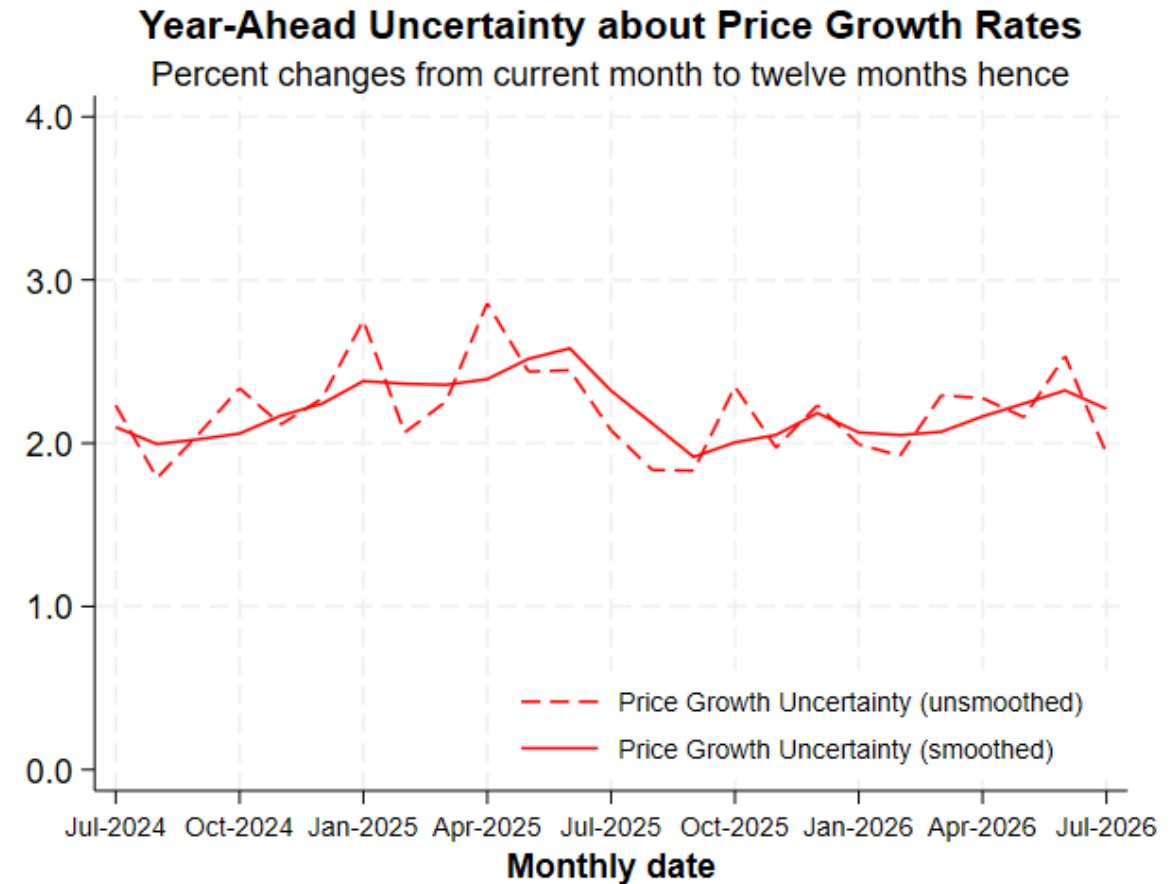
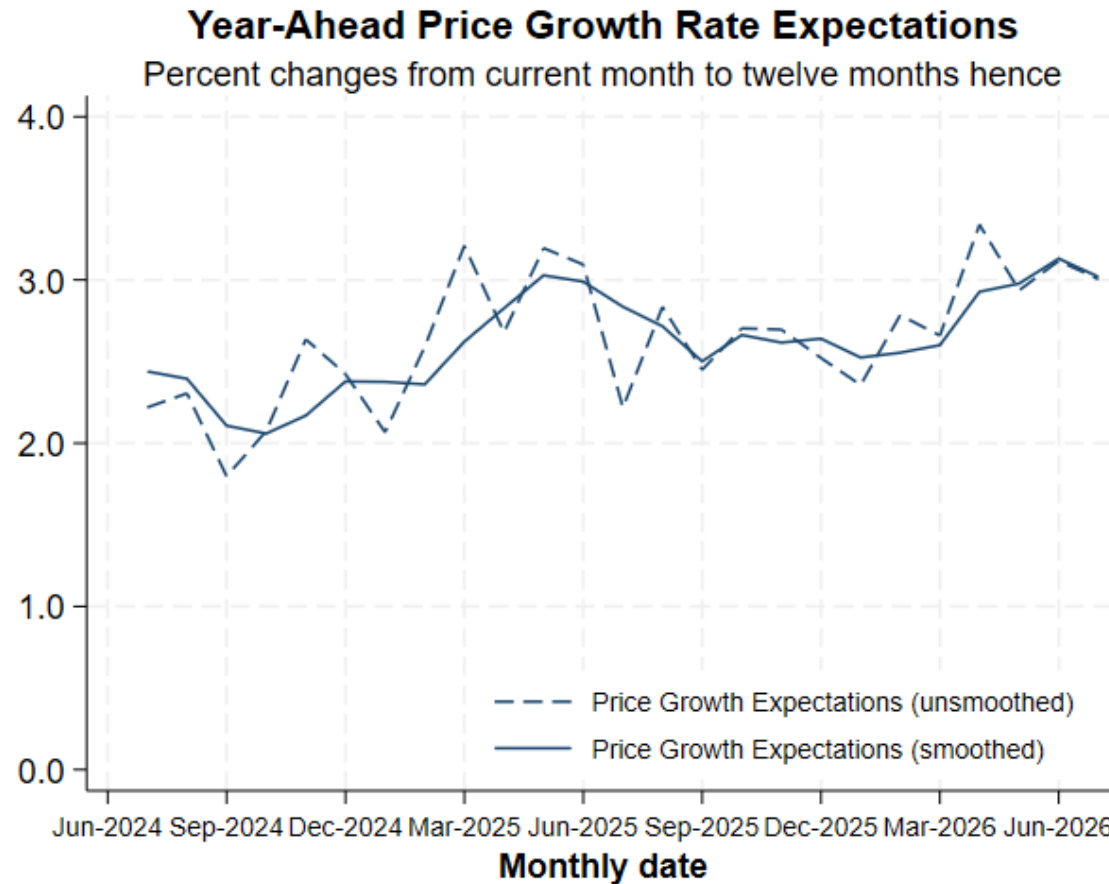


NOTE: The charts show smoothed series.

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Price growth expectations have risen in the past few months. Price growth uncertainty has fallen slightly over the past few months.

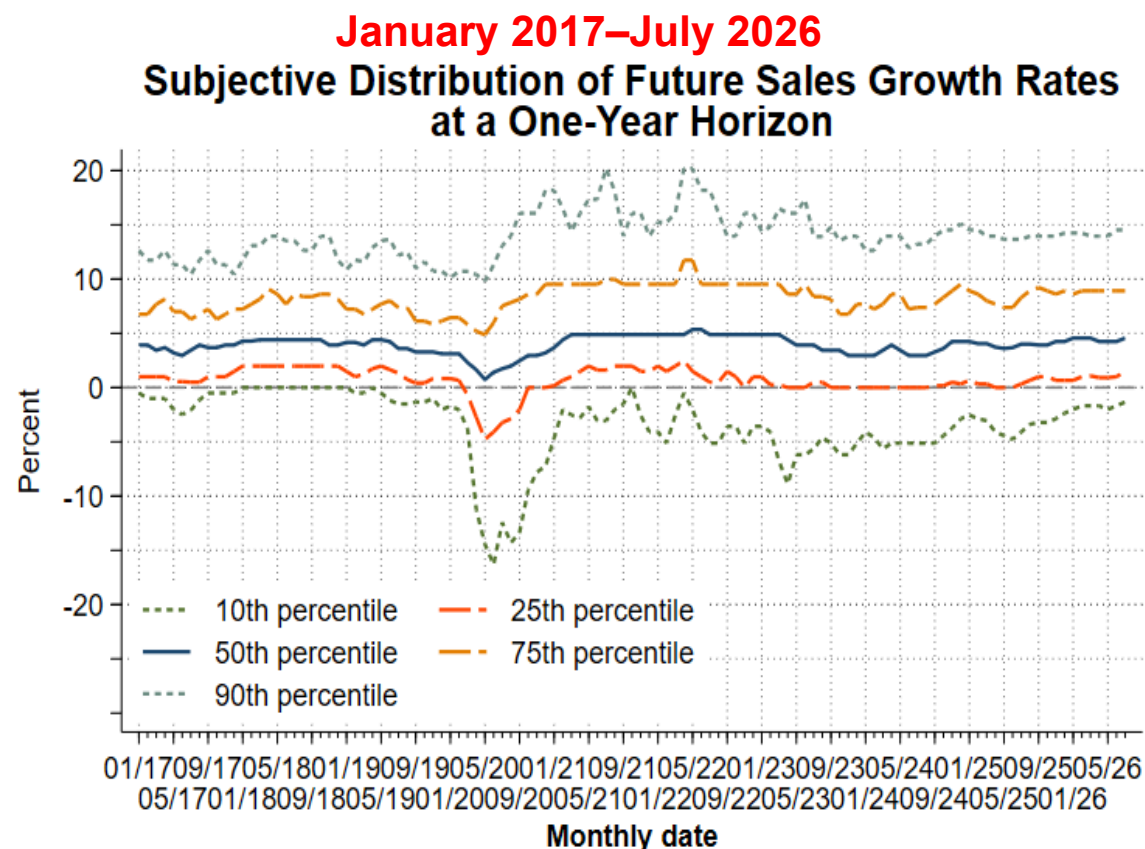
July 2024–July 2026



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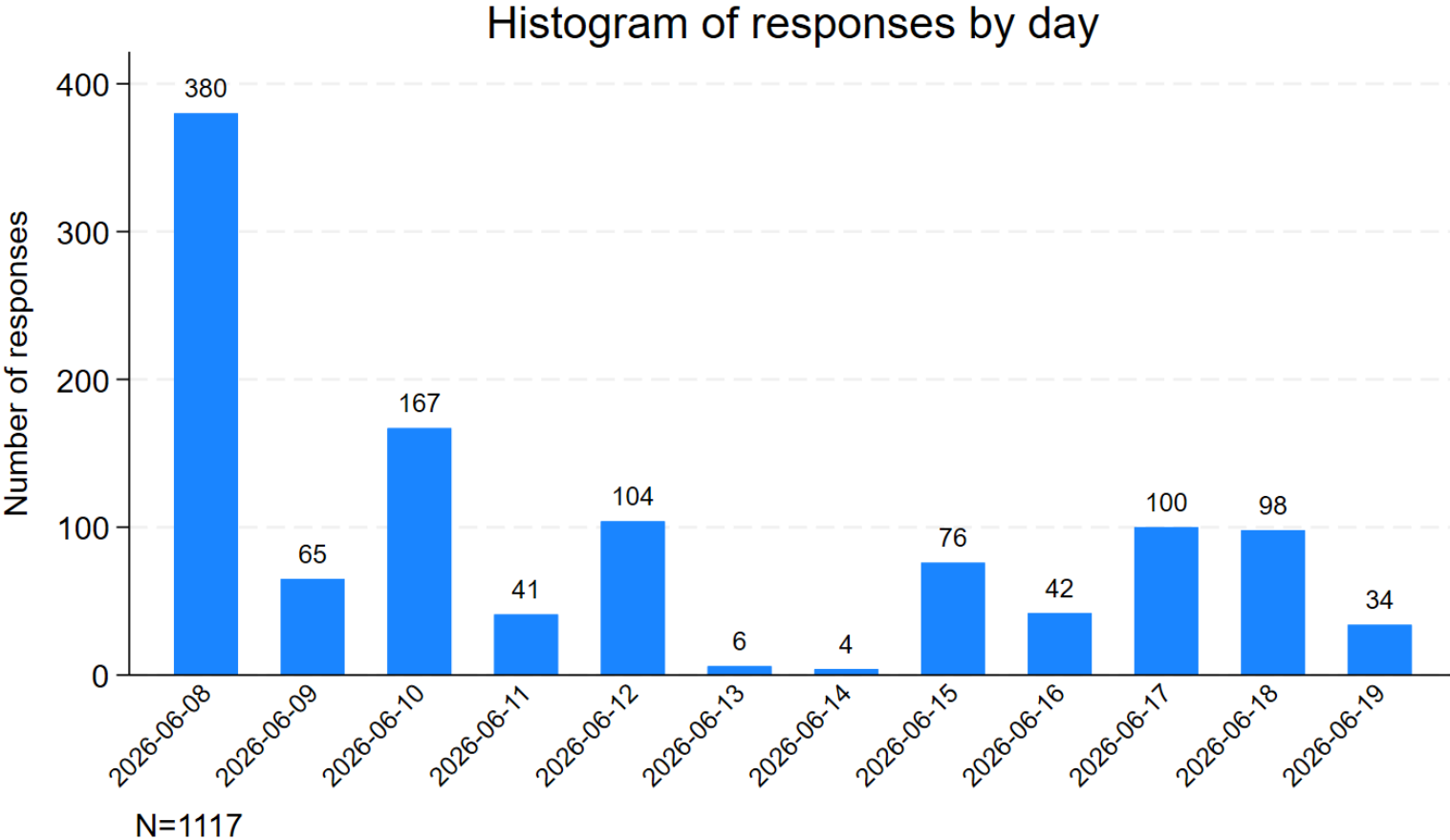
Appendix: Subjective Forecast Distribution of Future Sales Growth Rates at a One-Year Horizon



NOTES: Calculated using monthly data through July 2026. The charts show smoothed series. This is a plot of the subjective distribution for the representative firm's future sales growth rates over a 4-quarter look-ahead horizon. To calculate this distribution, we pool over all firm-level subjective forecast distributions in the indicated month and weight each firm by its activity level. Then we use the probabilities assigned to each possible future sales growth rate to obtain activity-weighted quantiles of the future sales growth rate distribution.

Appendix: Histogram of survey response frequency for the July 2026 survey wave

July 2026



Source: Survey of Business Uncertainty conducted by the Federal Reserve Bank of Atlanta.