

Survey of Business Uncertainty

Monthly Report

October 2026

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Federal Reserve
Bank *of* Atlanta

Based on survey responses from 12-23 October 2026

Headline Results

October 2026 Survey of Business Uncertainty

1. Sales revenue growth expectations have risen over the past few months. (Slide 4)
2. Firms remain more uncertain about future sales growth than before the pandemic. (Slide 4)
3. About 22% of firms received or are seeking tariff refunds. About half of those seeking refunds have completed the application. (Slides 8-9)
4. Most of these firms are using internal staff to manage the refund process. (Slide 10)
5. Three-tenths of firms plan to use part of their refunds to lower prices or give customers rebates. One-fifth plan to pay bonuses to staff or managers. (Slide 11)



Survey of Business Uncertainty

About the Survey

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

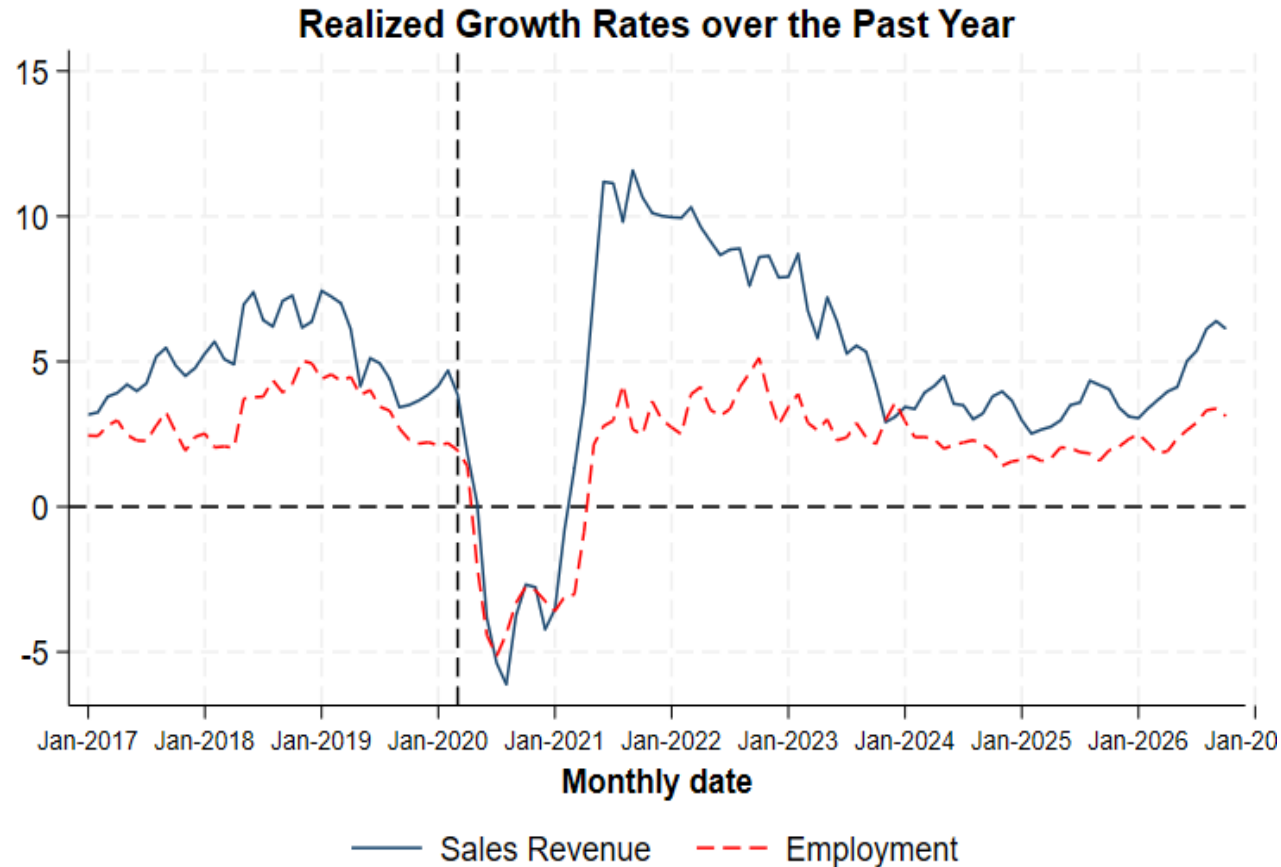
The SBU questionnaire goes to about 1500 panel members, who occupy senior finance and managerial positions at U.S. firms. We contact panel members each month by email, and they respond via a web-based instrument.

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](#).

Nominal sales growth has risen recently. Recent employment growth is in line with pre-pandemic growth.

January 2017–October 2026



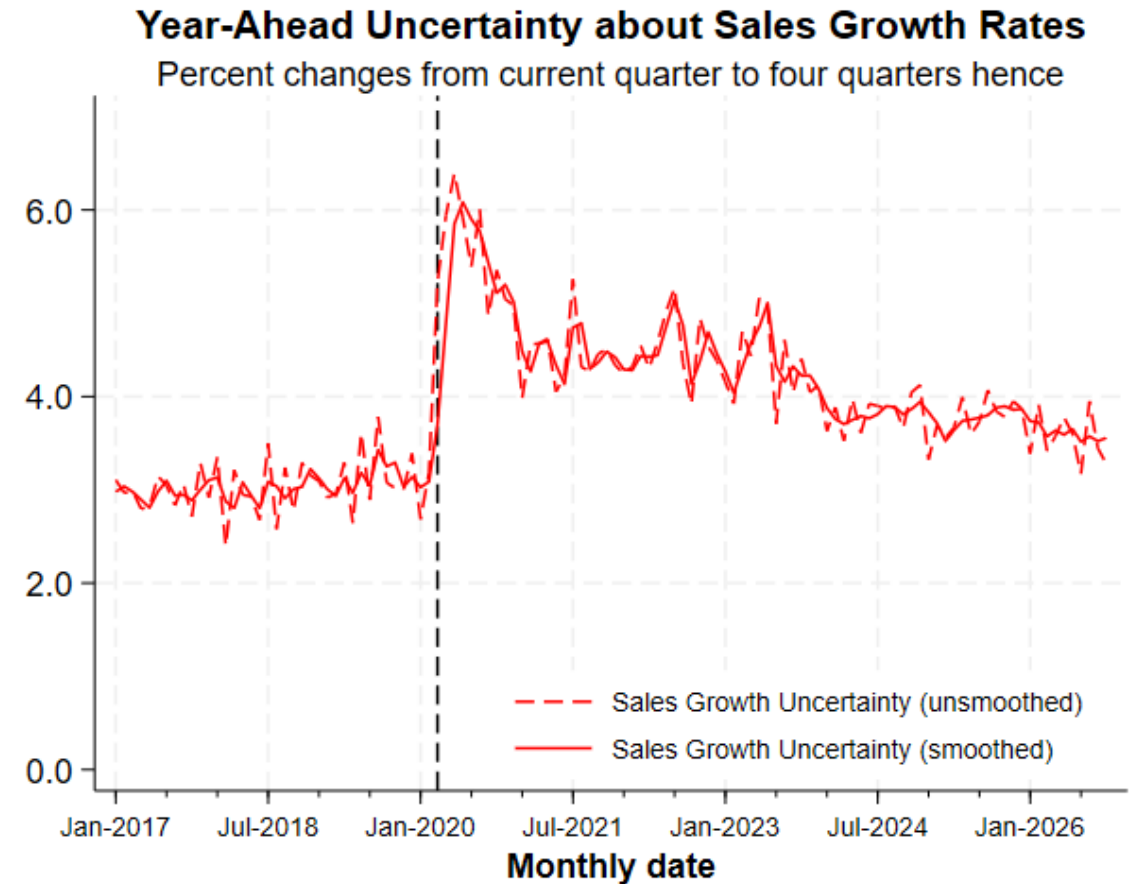
NOTE: Calculated using monthly data through October 2026. Realized growth rate series for sales revenue and employment are activity-weighted averages of firms' reported (look-back) growth rates over the past year (specifically, the previous four quarters for sales revenue and previous 12 months for employment).

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 over the past year. Firms remain more uncertain about future revenue growth than they were before the pandemic.

January 2017–October 2026

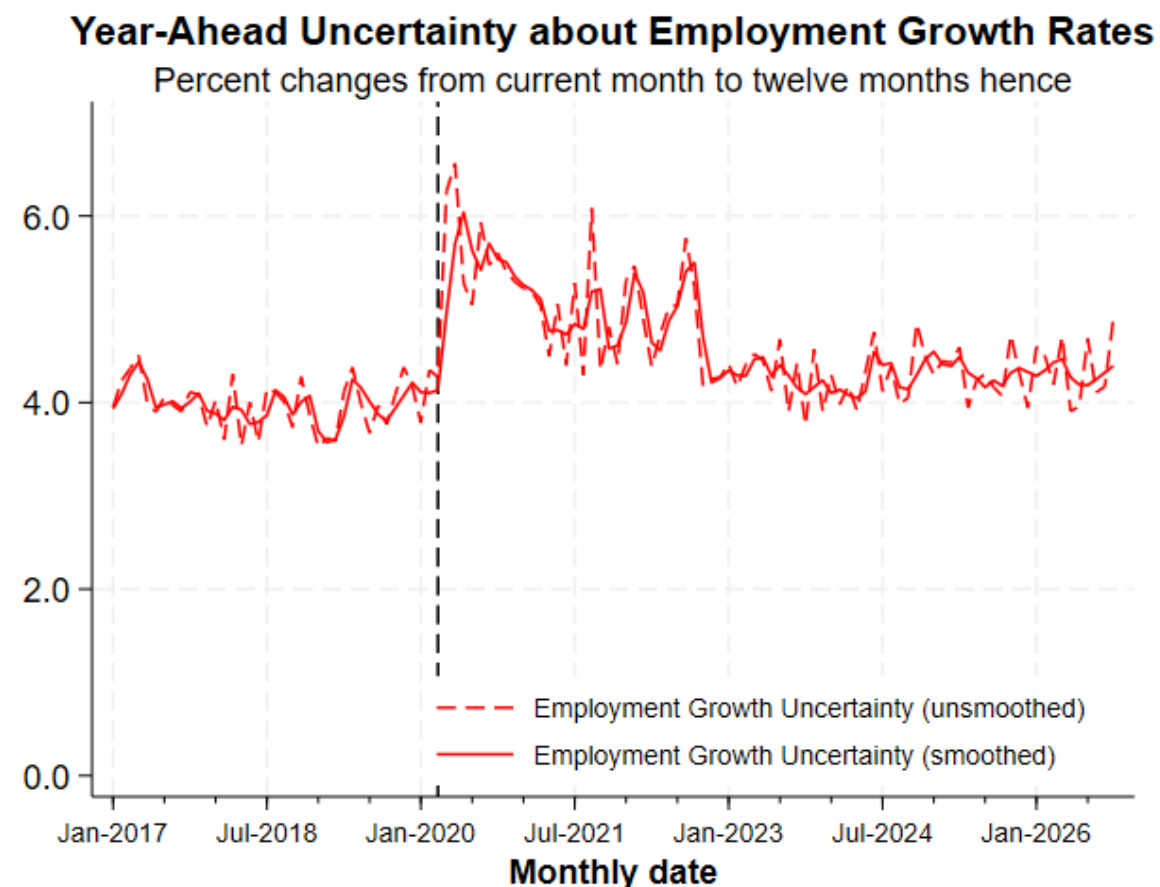
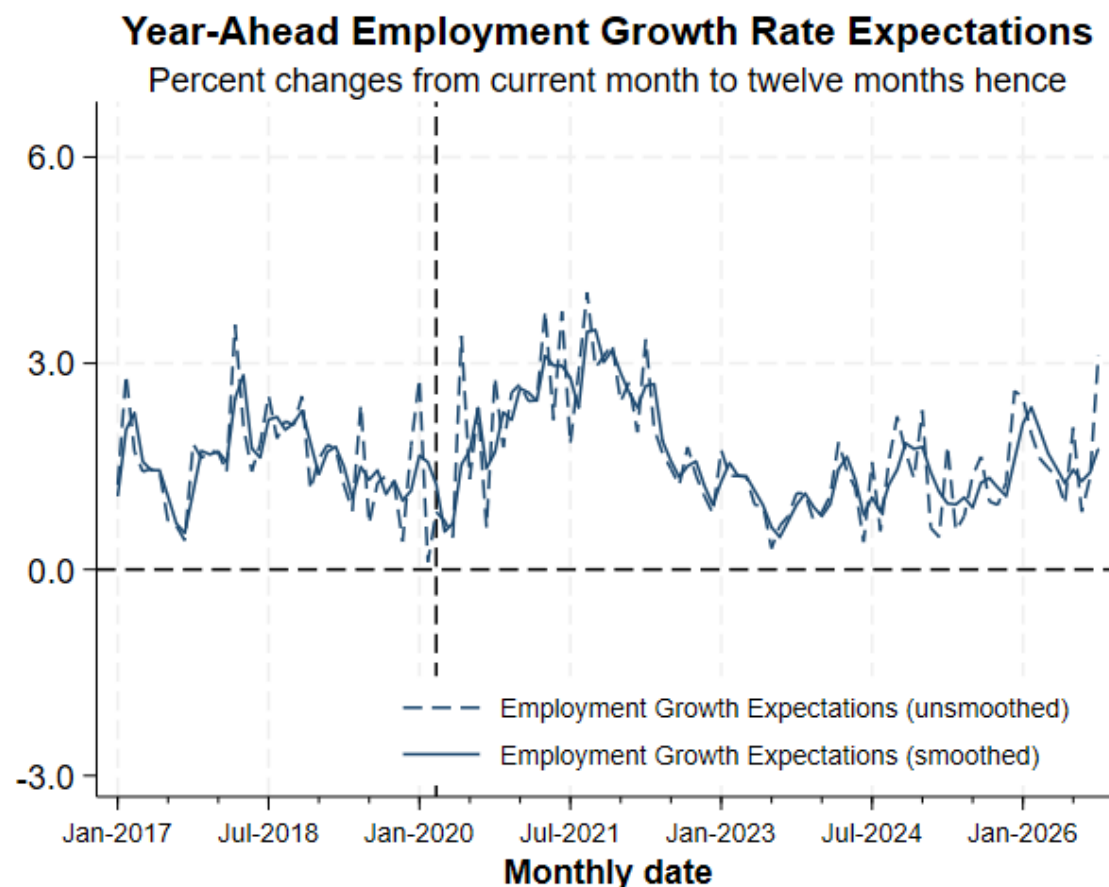


NOTE: The charts show smoothed series.

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 is in line with pre-pandemic levels, while uncertainty about employment growth is slightly elevated over pre-pandemic levels.

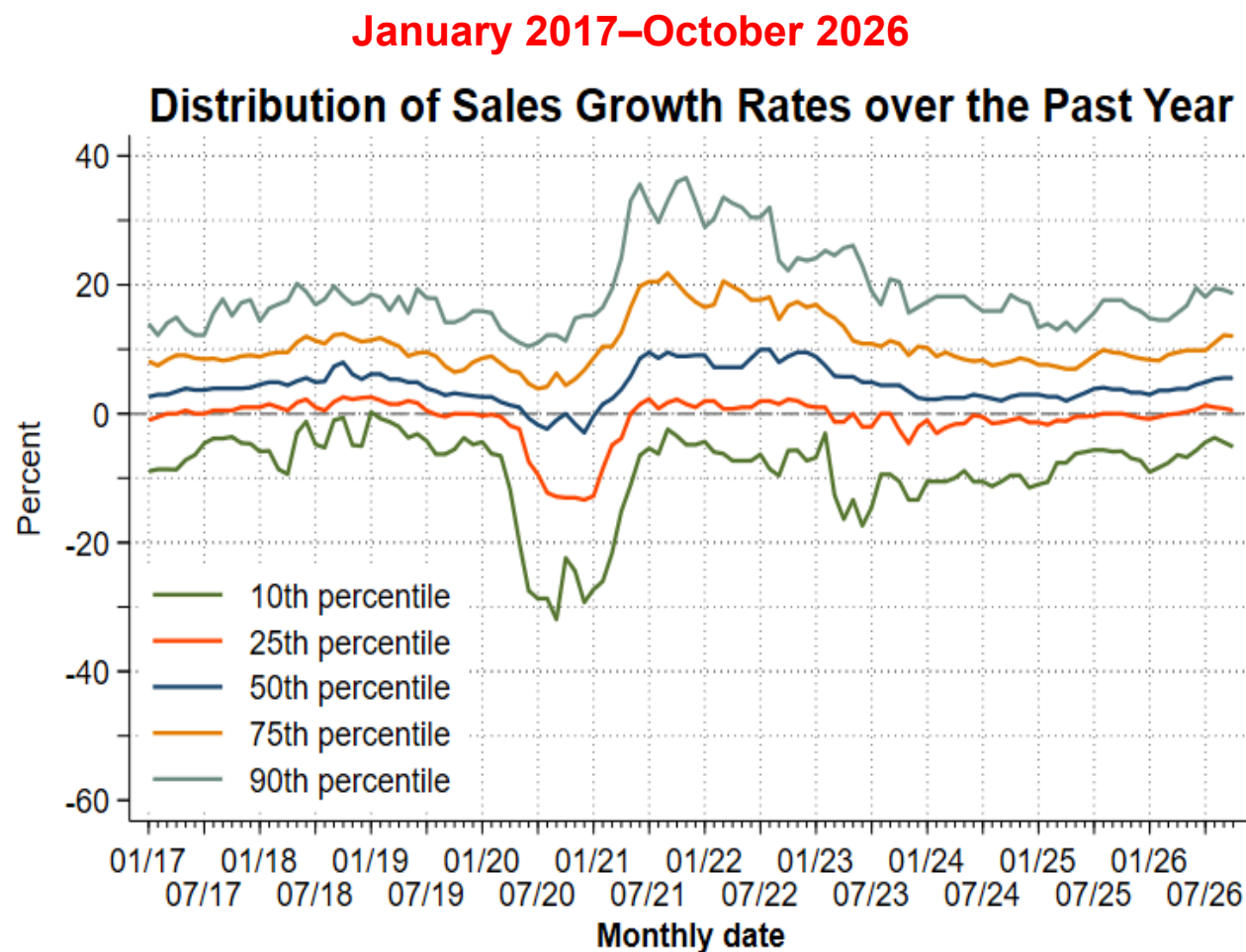
January 2017–October 2026



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

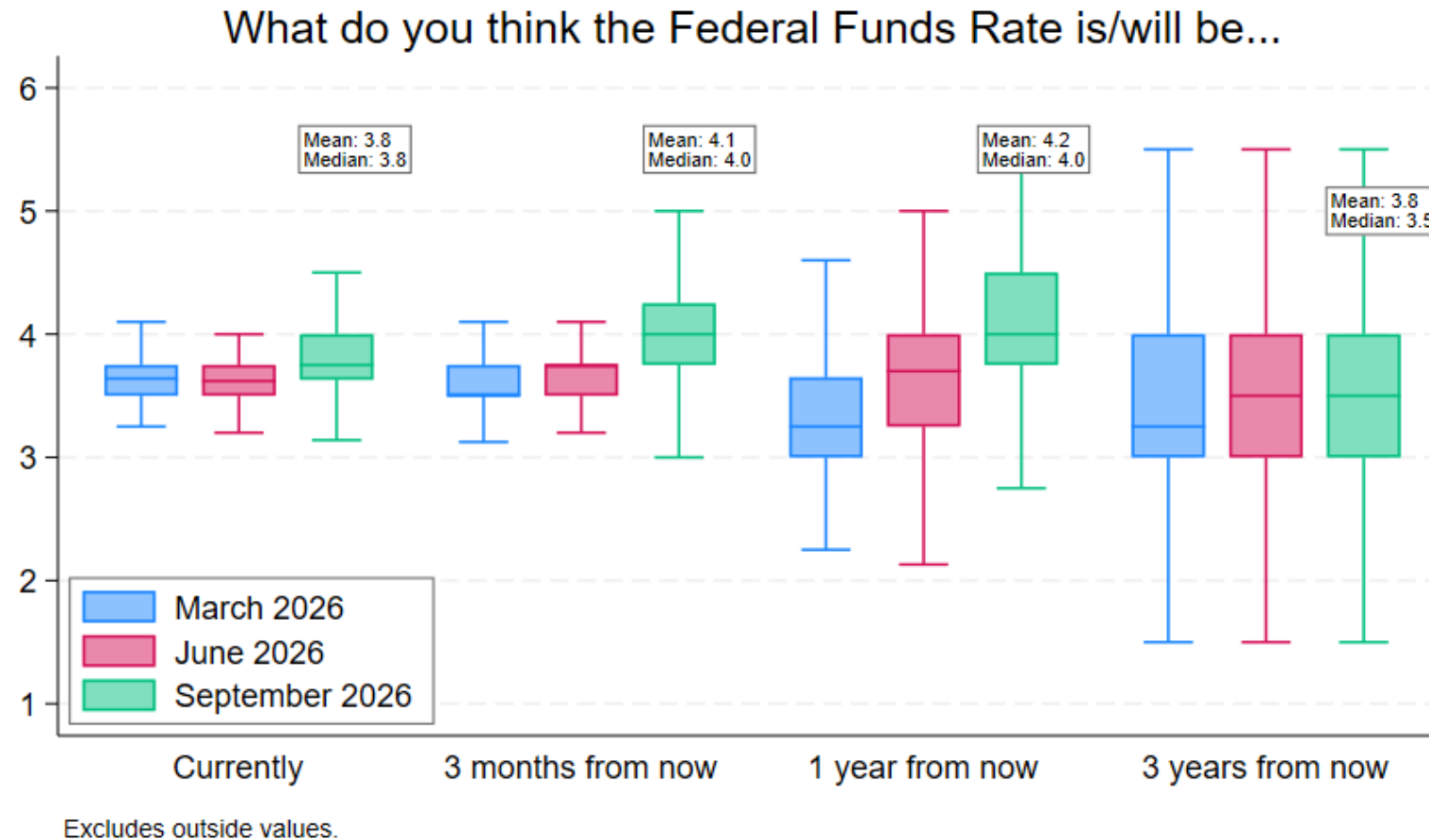


NOTES: Calculated using monthly data through October 2026. The chart shows smoothed series. Lines show percentiles of the activity-weighted distribution of firm-level sales growth rates over the past year.

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.

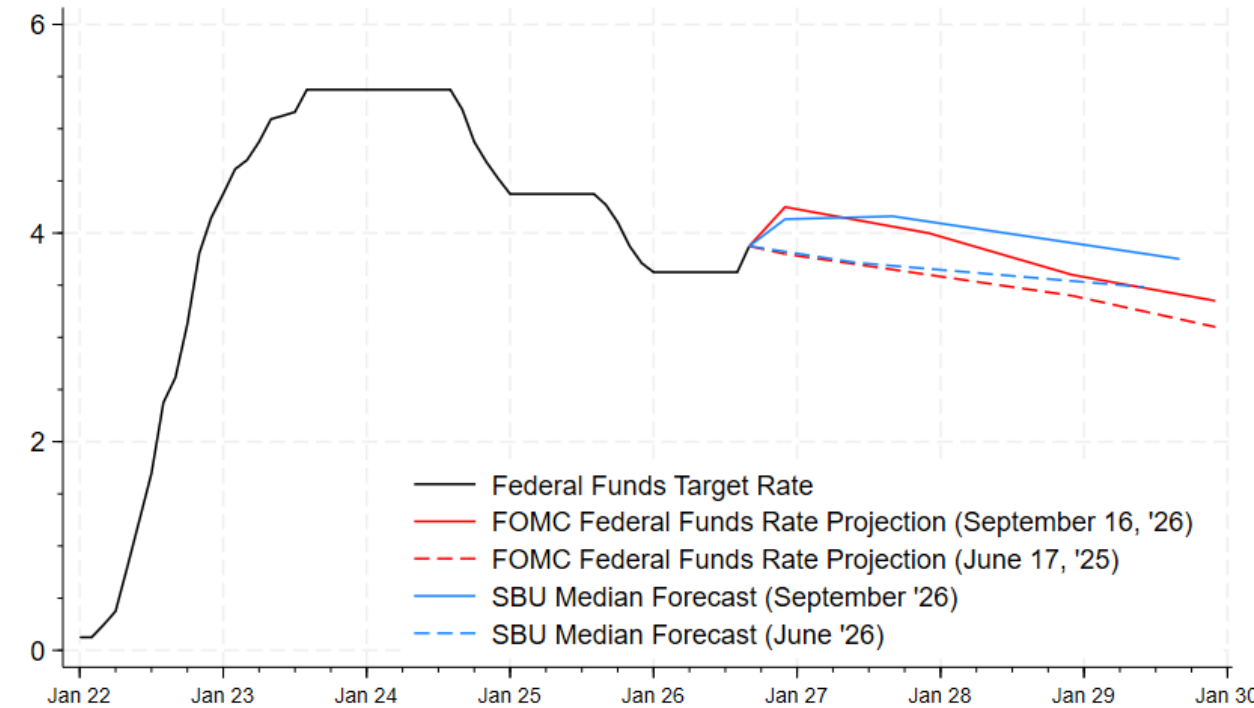
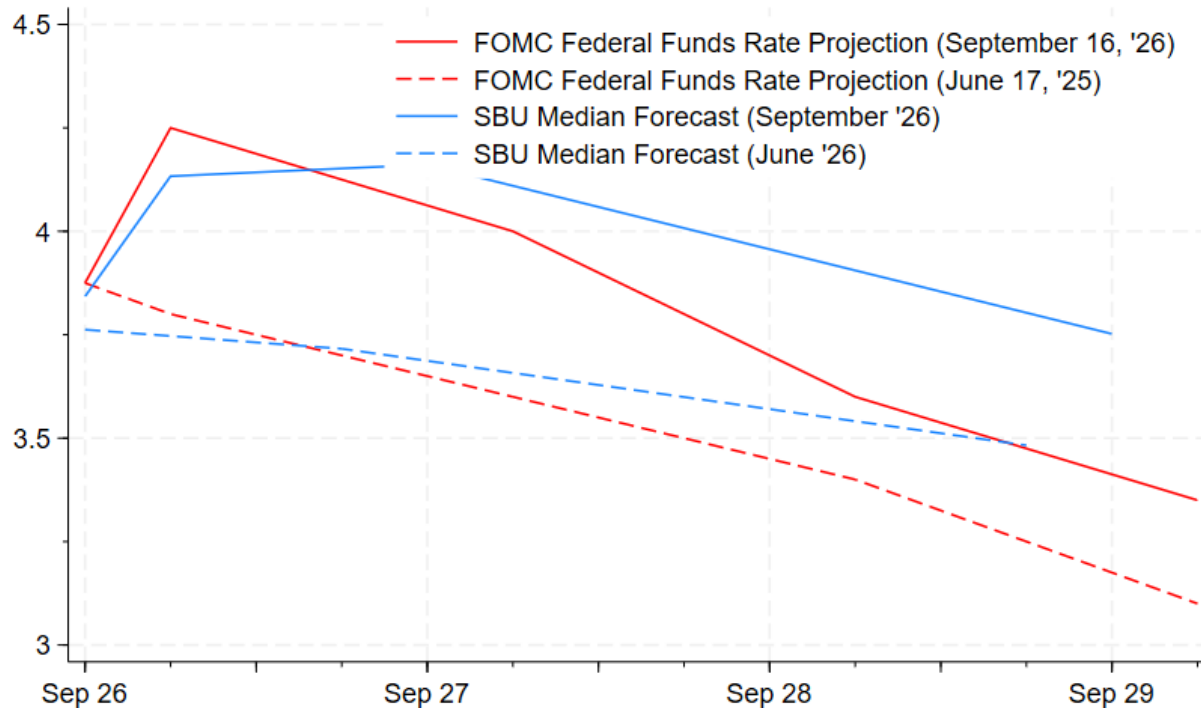
Question: What do you think is the current Federal Funds Rate? What do you think the Federal Funds Rate will be [three months, one year, three years] from now?



Note: The SBU survey fielded these questions to panelists from 9/14/26 – 9/25/26. The sample covers all U.S. states and major industry sectors. Observations beyond the IQR not shown. N = 988 (9/26).

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 June 2026 (6/8/26 – 6/19/26) and September 2026 (09/14/26 – 9/25/26) survey waves. The sample covers all U.S. states and major industry sectors. N_{6/26} = 1,086 (78.6% of responses after June FOMC), N_{9/26} = 988 (40.2% of responses after September FOMC).

Executives of firms using AI say that they are spending about \$1024 per employee on AI and AI-related technologies.

Question: Thinking back to last year – calendar year 2025 – how much did your firm spend on AI and AI-related technologies? Include software, subscription services, hardware, worker training, and IT staff support.

Question: Now think about this year. For calendar year 2026 – how much will your firm spend on AI and AI-related technologies? Include software, subscription services, hardware, worker training, and IT staff support.

AI spending per employee
September 2026 SBU (\$USD, Employment-weighted)

	N	2025 Mean	SE	N	2026 Mean	SE
Full sample (employment-weighted)	881	522.3	35.2	880	1024.1	62.2
Full sample (equal-weighted)	881	468.4	34.5	880	900.6	55.4
<u>Industry Class</u>						
Construction, Real Estate, Mining, and Utilities	159	373.8	58.3	160	705.0	97.7
Manufacturing	154	478.7	91.0	151	893.0	157.2
Retail and Wholesale Trade and Transportation	135	186.8	38.6	135	430.9	74.7
Business and Professional Services	334	833.0	67.9	336	1649.2	120.4
Other Services	98	239.8	84.3	97	458.0	146.3
<u>Firm Size Class</u>						
0-50 Employees	354	518.4	62.7	348	922.7	86.4
50-99 Employees	138	287.1	49.5	138	671.6	111.7
99-249 Employees	175	280.5	44.2	173	677.3	107.3
250+ Employees	214	617.2	79.0	221	1162.8	134.1

Note: Conditional on using any AI technology.

Note: The SBU survey fielded these questions to panelists from 9/14/26 – 9/25/26. The sample covers all U.S. states and major industry sectors. We record spending per employee as 0 for firms who used no AI technology in the respective period. Weighted by employment and winsorized at the 5th and 95th percentile within employment category.

Nearly all the firms in our panel (97%) report that they plan to use some AI technology over the next 12 months.

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 in the next 12 months? Select all that apply.

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

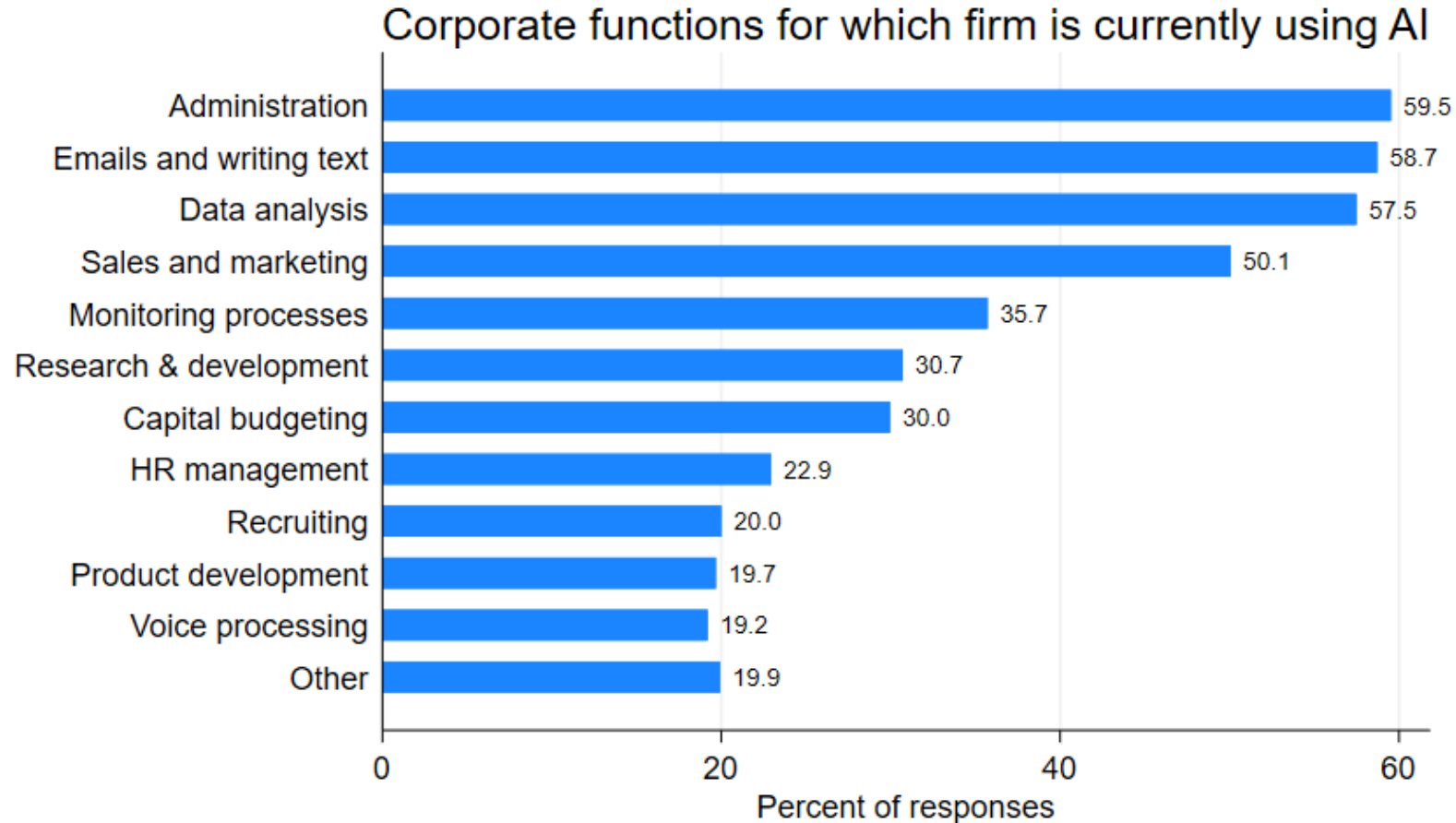
Firm AI technologies adoption September 2026 SBU (% of firms, employment-weighted)																		
	Nnow	Nnext 12	Robotics & AVs		Data processing		Image processing		Generative AI		Visual content creation		Voice processing		Other		Any	
			Currently	Next 12 months	Currently	Next 12 months	Currently	Next 12 months	Currently	Next 12 months	Currently	Next 12 months	Currently	Next 12 months	Currently	Next 12 months	Currently	Next 12 months
Full sample (Employment-weighted)	939	677	11.4	18.7	53.4	44.0	35.4	34.4	91.7	39.2	45.2	31.3	28.9	26.9	34.1	43.5	97.0	95.3
Full sample (Equal-weighted)	939	677	7.1	12.3	38.1	39.9	24.3	29.4	83.6	42.5	37.2	30.7	20.1	23.0	26.1	37.2	90.2	88.5
Industry Class																		
Construction, Real Estate, Mining, and Utilities	170	132	5.6	14.9	41.6	46.4	27.0	35.3	95.3	38.8	47.2	22.8	21.0	26.0	30.3	45.6	96.3	94.1
Manufacturing	161	125	31.5	24.1	49.2	41.4	34.9	34.0	85.7	38.5	43.8	24.8	21.2	19.4	25.6	35.5	96.1	92.4
Retail and Wholesale Trade and Transportation	149	102	11.3	22.7	49.4	41.8	28.4	42.7	93.2	41.7	40.8	37.8	32.2	16.9	39.2	40.9	96.3	94.2
Business and Professional Services	353	238	7.6	12.5	60.9	49.0	42.1	34.1	91.1	39.4	47.5	32.9	34.3	32.8	37.4	47.7	98.2	97.3
Other Services	105	78	3.1	26.8	55.9	34.8	34.9	26.4	95.3	37.3	44.0	39.4	28.1	33.9	33.2	44.8	96.5	97.2
Firm Size Class																		
0-50 Employees	381	283	4.0	9.9	30.1	34.4	22.7	25.8	79.5	42.3	33.9	32.3	16.8	19.9	20.9	28.4	86.1	82.2
50-99 Employees	147	107	6.1	7.5	33.5	43.6	16.8	32.3	79.5	43.9	33.6	26.7	15.0	22.3	22.3	35.3	89.0	88.6
99-249 Employees	186	130	10.6	13.4	37.6	49.0	19.5	33.3	86.1	51.6	33.1	27.8	20.3	28.0	27.1	46.0	94.6	96.5
250+ Employees	225	157	12.8	22.1	61.9	43.3	42.9	35.6	95.5	34.8	50.8	32.7	33.8	27.6	38.4	44.8	99.3	96.7

Note: The SBU survey fielded these questions to panelists from 9/14/26 – 9/25/26. The sample covers all U.S. states and major industry sectors. Weighted by employment.

Over half of firms are using AI for administrative tasks and data analysis.

Question: Please indicate for which corporate functions your firm is currently using AI.

Question: In your own words, please describe for which corporate functions your firm is currently using AI.



Note: The SBU survey fielded these questions to panelists from 9/14/26 – 9/25/26. The sample covers all U.S. states and major industry sectors. Weighted by employment. N = 816.

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 ,

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

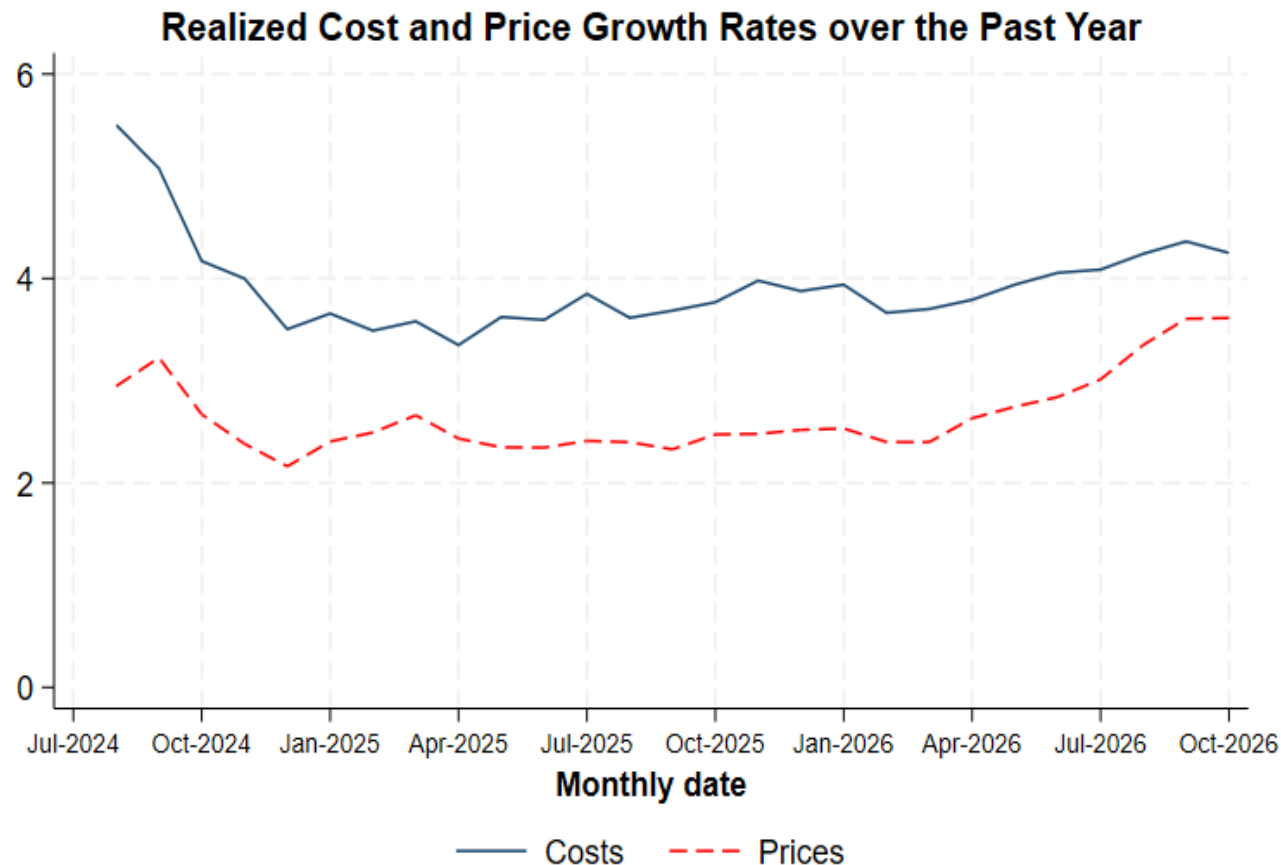
- Analogously, the expected sales revenue reallocation rate index in month t is the difference between the activity-weighted average of absolute expected sales growth rates, minus the absolute value of the average activity-weighted growth rate:

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

- 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 have risen slightly in the past few months.

July 2024–October 2026



NOTE: Calculated using monthly data through October 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).

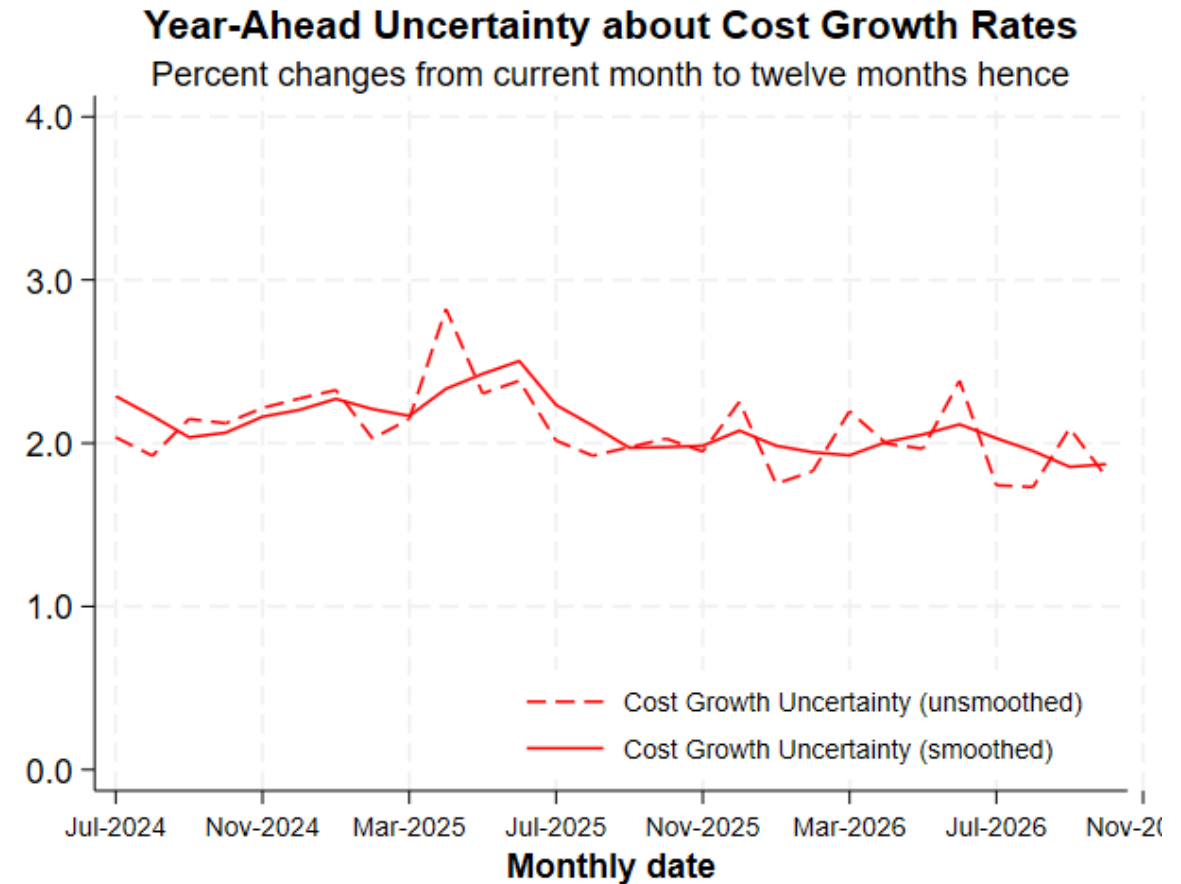
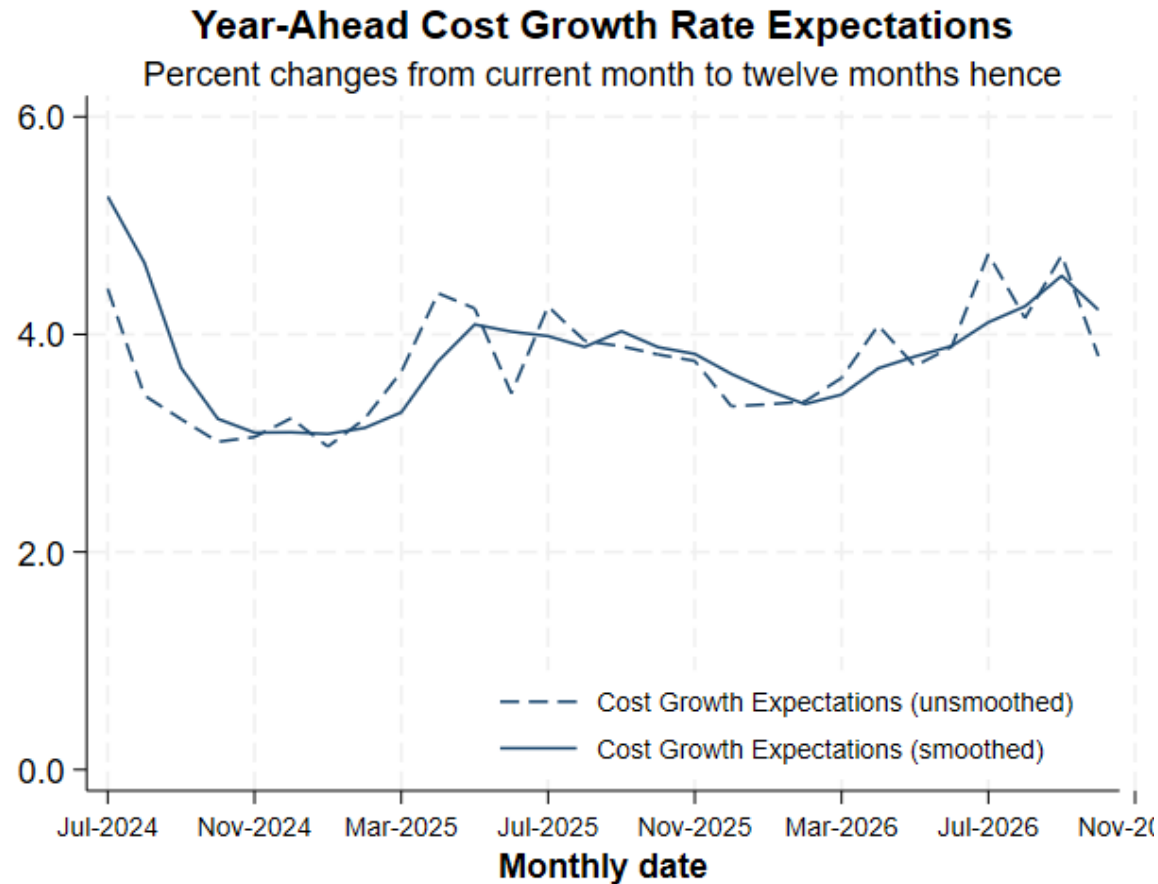
We measure the percentage change in the average price that a firm charges on all products and services and the percentage change in the average unit costs that a firm faces.

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 remain slightly elevated after falling considerably last year. Cost growth uncertainty has fallen slightly over the past few months.

July 2024–October 2026

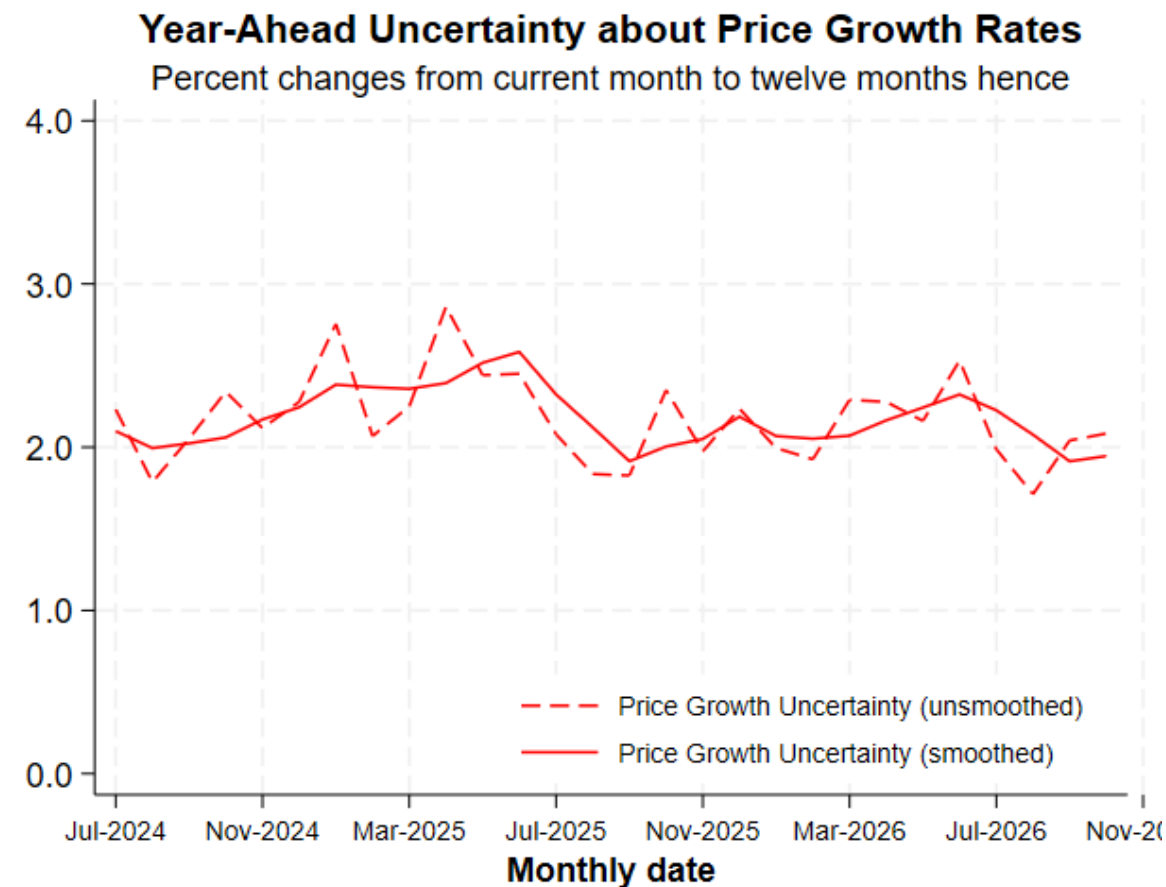


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Price growth expectations have remained steady over the past year. Price growth uncertainty has fallen slightly over the past few months.

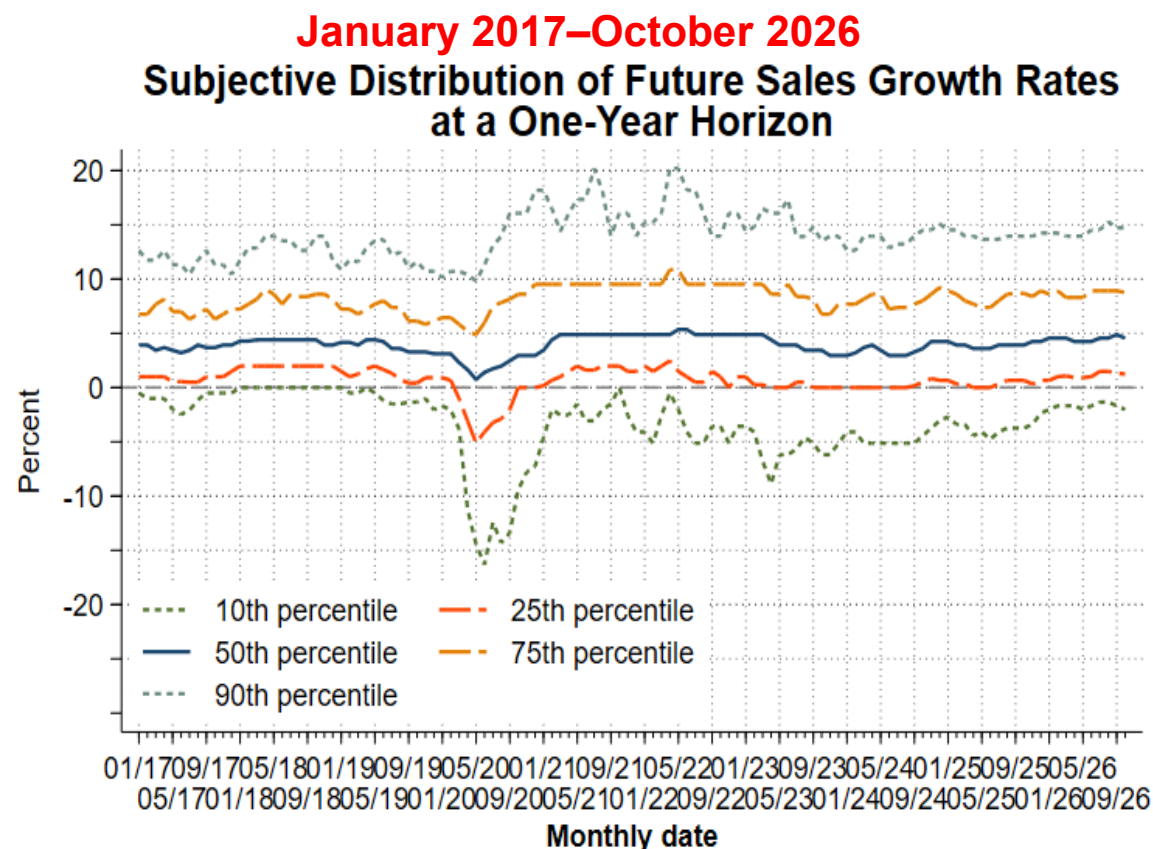
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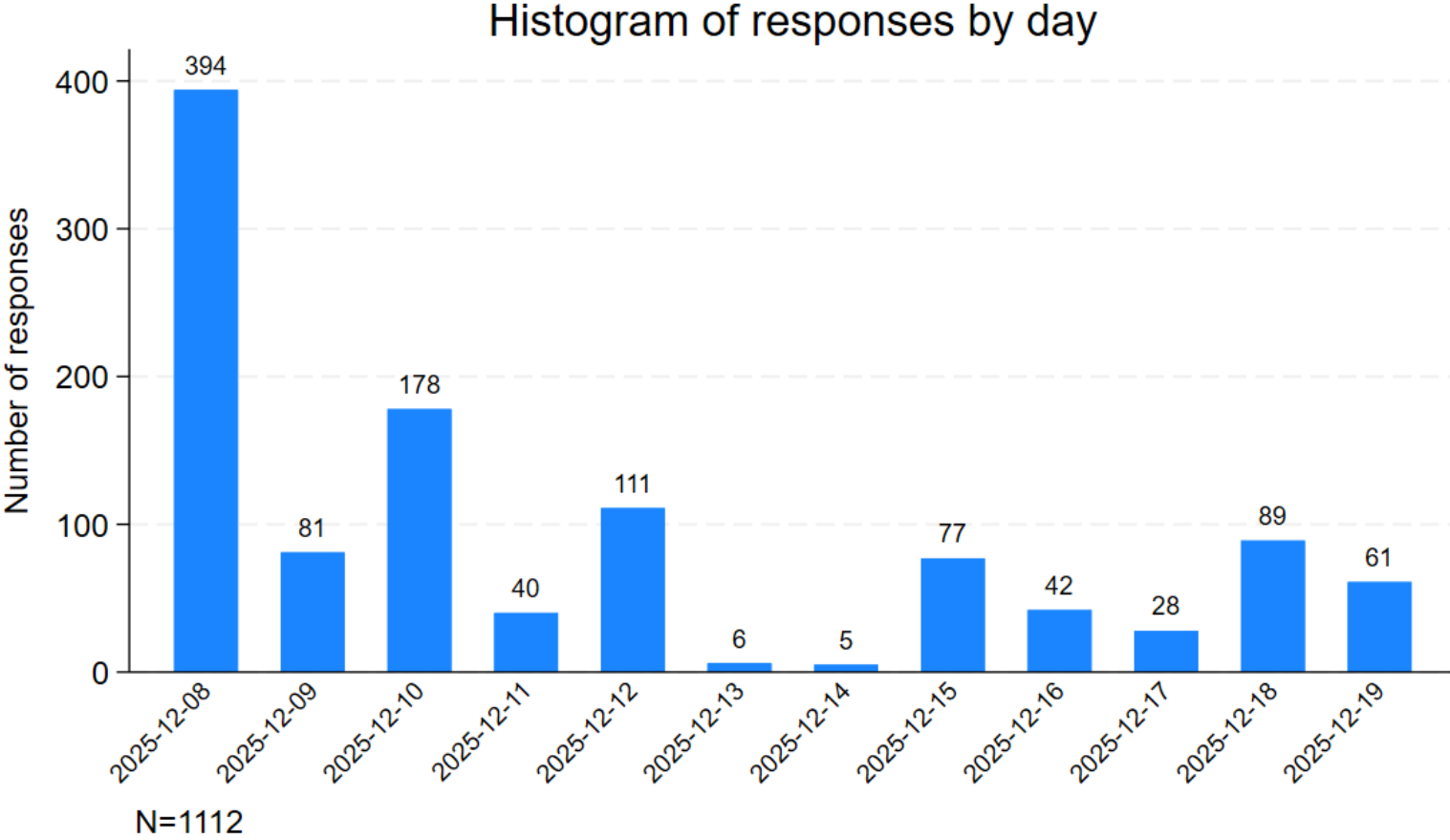
Appendix: Subjective Forecast Distribution of Future Sales Growth Rates at a One-Year Horizon



NOTES: Calculated using monthly data through October 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 October 2026 survey wave

October 2026



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