

Business Inflation Expectations (BIE) Survey

Monthly Report: October 2026



Federal Reserve
Bank *of* Atlanta

Headline Results

1. Firms' year-ahead unit cost expectations decreased to 2.3 percent. Year-ahead unit cost expectations have fallen considerably since hitting a peak of 3.8 percent in April 2022 but remain somewhat elevated relative to their prepandemic average of 2.0 percent (from January 2017 through December 2019). Firms' year-ahead unit cost uncertainty has increased since a low of 1.9 percent in February this year.
2. Firms' sales levels decreased compared to July 2026. Sales levels for small firms remained constant, while medium firms' sales levels increased by 1.2 percentage points, and large firms' sales levels increased by 2.3 percentage points.
3. In October's special questions, we asked firms to consider their firms employee turnover, and the costs and impacts associated with it.
4. Overall, most firms indicated that employee turnover has been consistent over the past 12 months. Turnover rates vary across firm size, with small firms being the most insulated from changes. Looking forward 12 months from now, the average firms forecast show that turnover rates should come down about two percentage points to 5.6 percent a month.

About the BIE

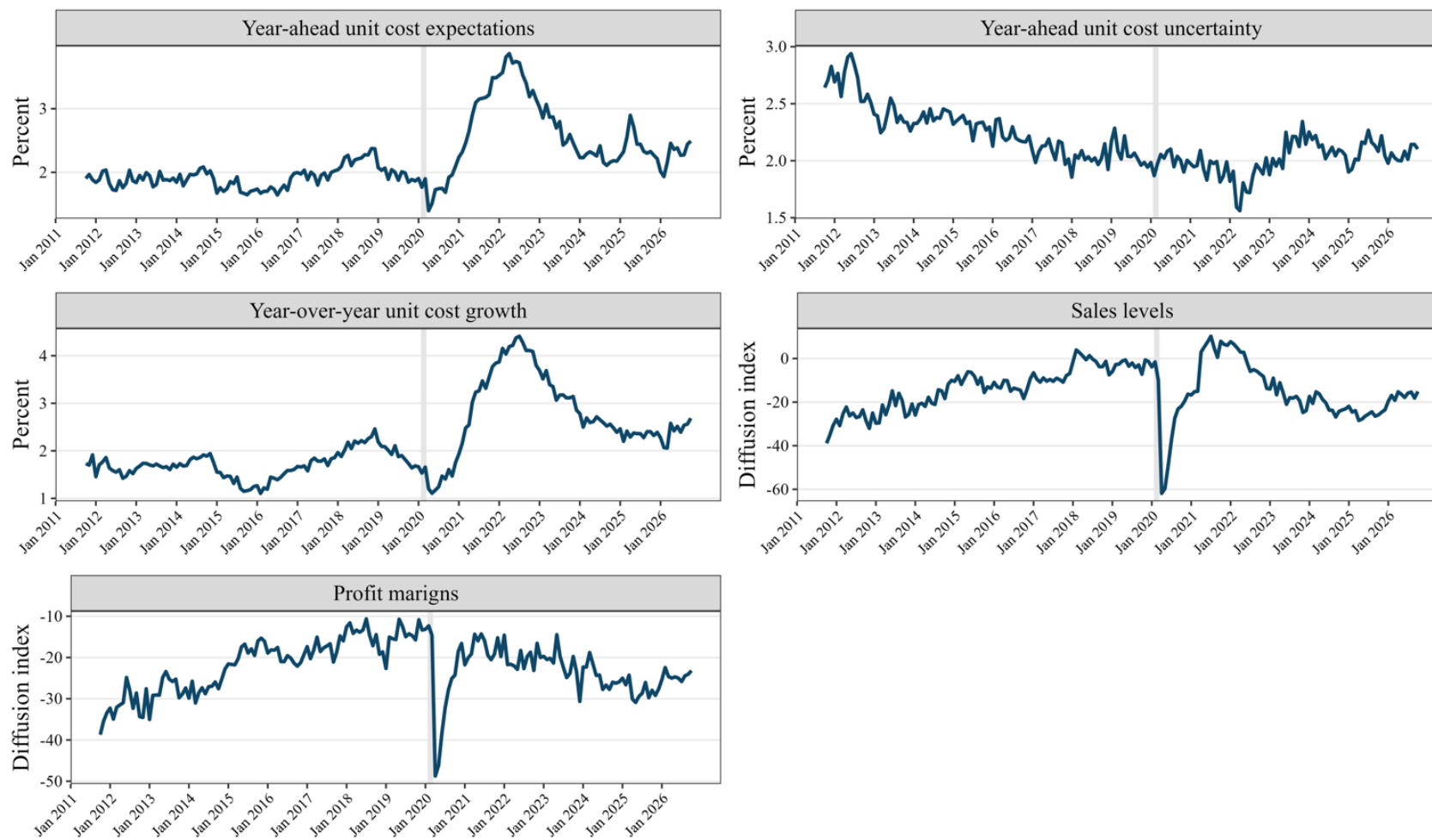
The Business Inflation Expectations (BIE) survey is fielded by the Federal Reserve Bank of Atlanta. It was designed, tested, and refined by the Atlanta Fed Economic Research Survey Center.

Our monthly Business Inflation Expectations survey goes to about 690 panel members (as of February 2024), who occupy executive and managerial positions at Sixth District 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 respondents' firms. Our primary objective is to elicit the respondent's subjective forecast distributions over own-firm future unit-cost growth. We gather qualitative information on firms' sales levels and margins on a monthly basis. We include a set of rotating quarterly questions covering firms' longer-run probabilistic unit-cost expectations, quantitative sales gaps, and realized/expected price change. Our survey also includes special questions on timely, policy-relevant topics.

For more information on survey design and methodology, please refer to resources on the [BIE page](#).

Core Monthly Questions



Note: The data are shown monthly.

Source: Atlanta Fed Business Inflation Expectations (BIE) survey

Rotating quarterly question: By roughly what percent are your firm's sales levels above or below normal, if at all?



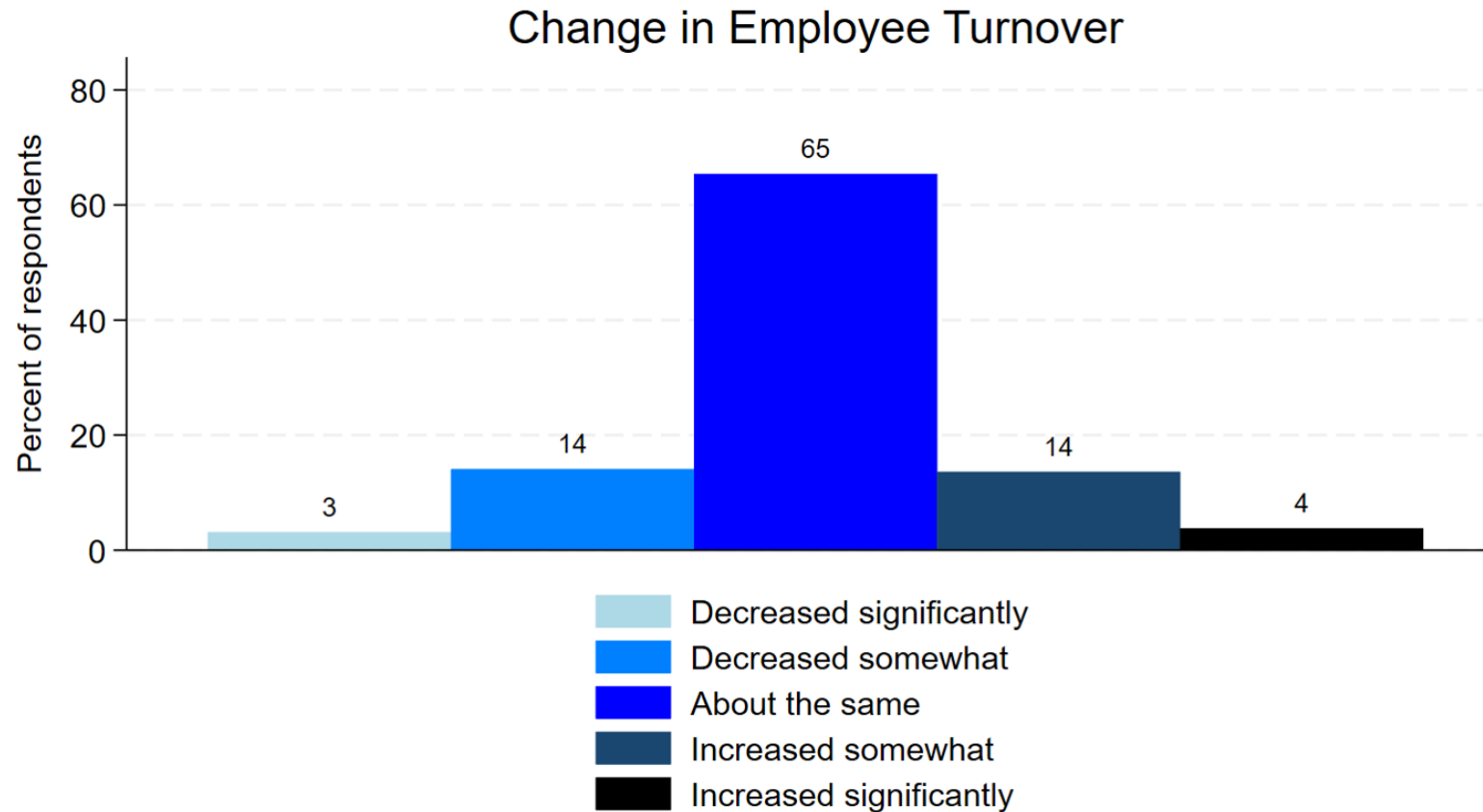
Source: Atlanta Fed Business Inflation Expectations (BIE) survey

Note: This quarterly question officially started in February 2024. The results prior to that were results collected through our Special Questions Series.

BIE Special Questions: October 2026

How would you describe employee turnover today compared to 12 months ago?

Over the last 12 months, employee turnover has been relatively stable, with a majority of firms reporting little change.

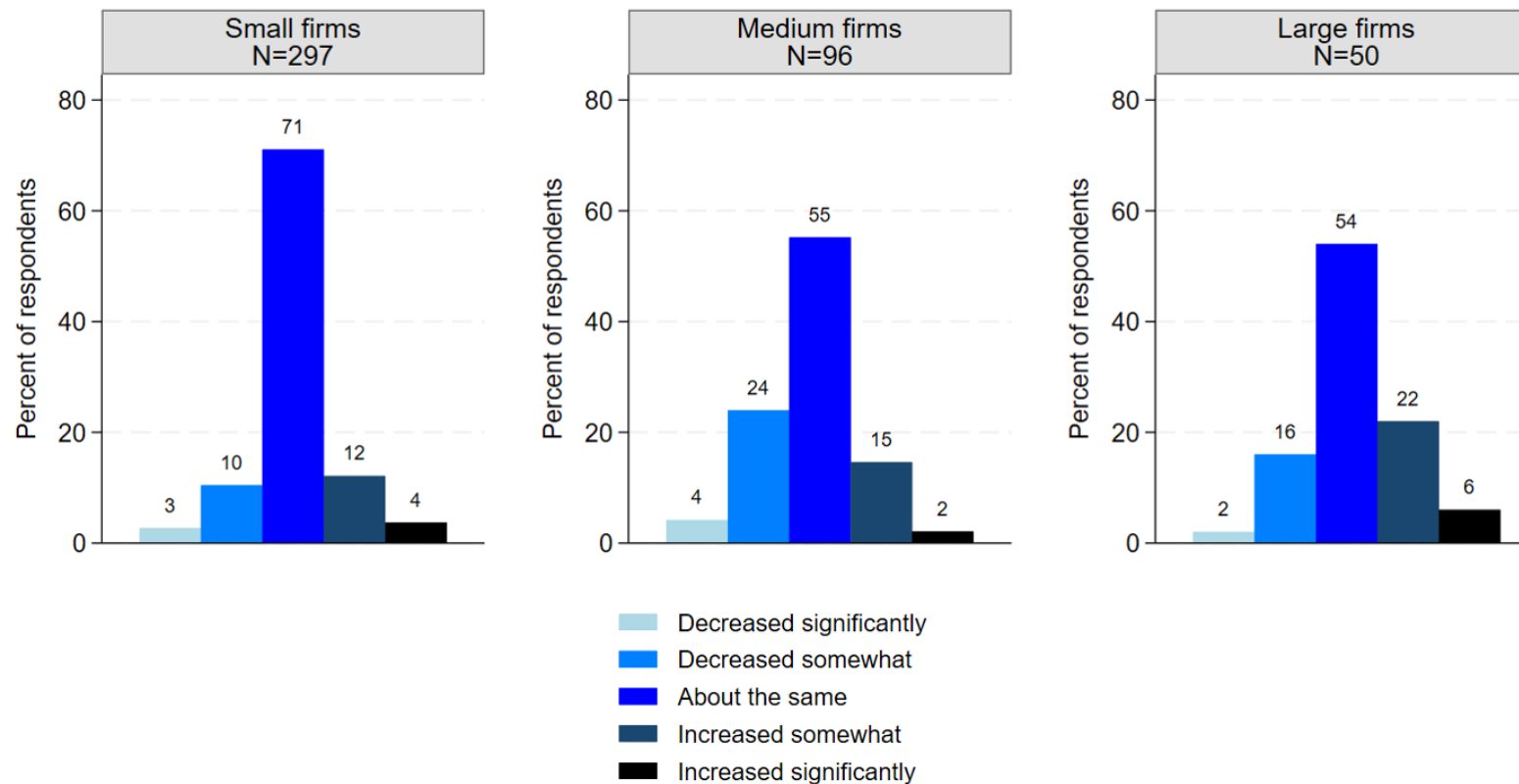


N=448.

Source: Atlanta Fed's Business Inflation Expectations (BIE) survey

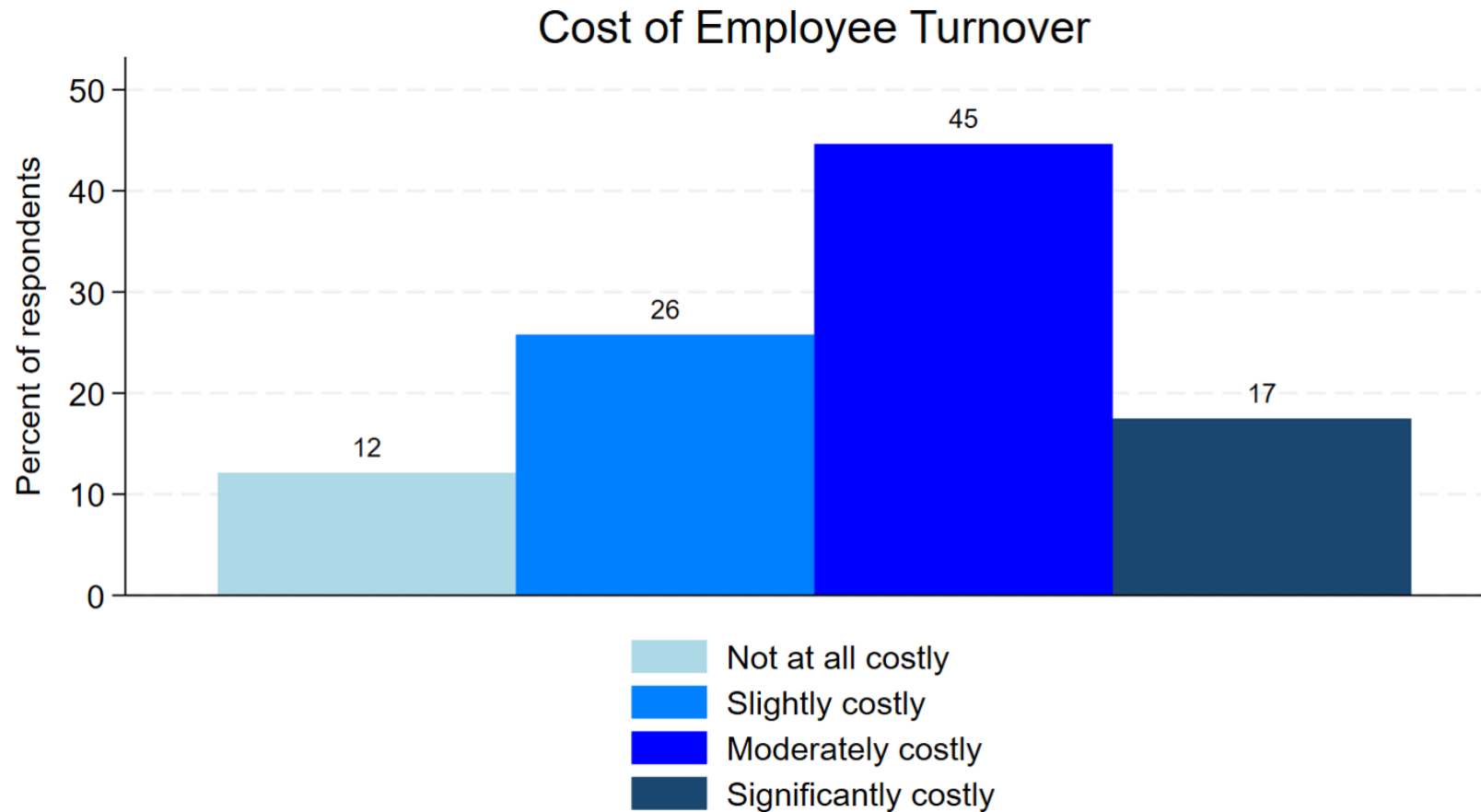
When looking at how turnover varies by firm size, we see that small firms have reported the most stable rates, while medium firms have reported a small decline and large firms report a slight uptick in turnover. Turnover rates have remained stable across industry types.

**Change in Employee Turnover
by Firm Size**



How costly is employee turnover for your firm, considering costs such as recruiting, hiring, training, and lost productivity?

Over half of firms indicate that employee turnover is moderately to significantly costly to them, through recruiting, hiring, training, and productivity loss.

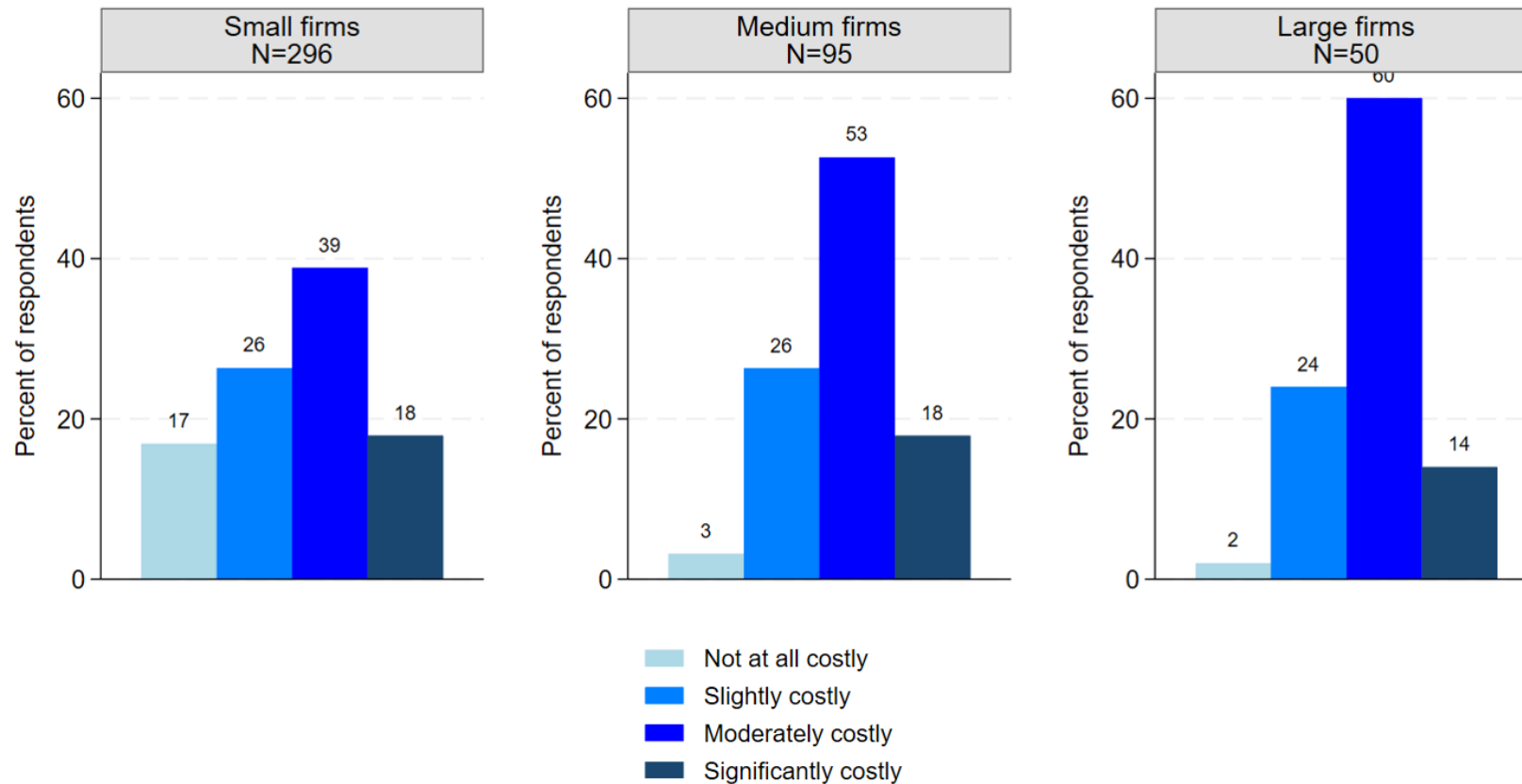


N=446.

Source: Atlanta Fed's Business Inflation Expectations (BIE) survey

Medium and large firms indicate that turnover is a larger cost to them than smaller firms do. Across sector categories, the cost of employee turnover is consistent.

**Cost of Employee Turnover
by Firm Size**



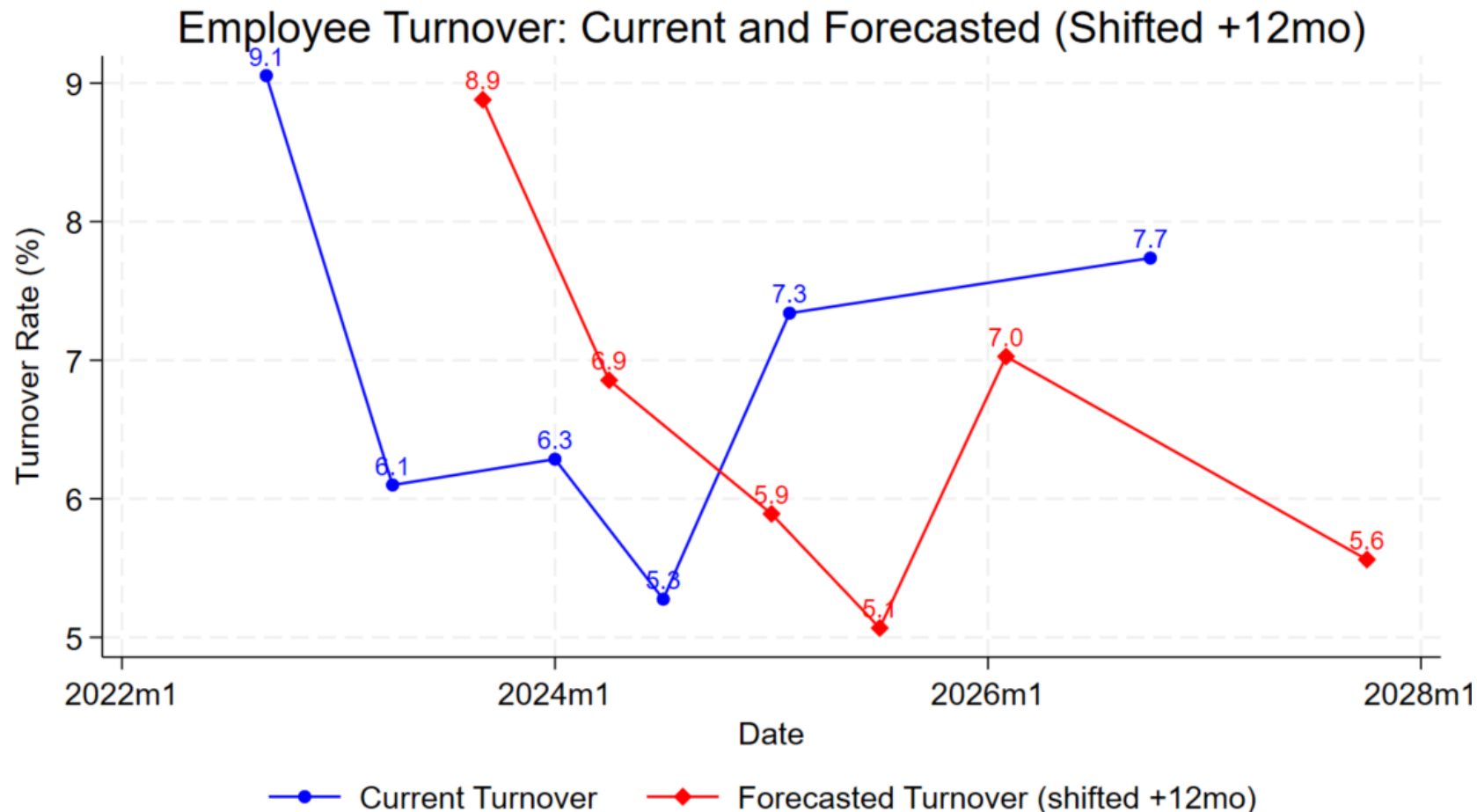
Source: Atlanta Fed's Business Inflation Expectations (BIE) survey

For the questions on this screen, we'd like you to think about employee turnover, defined as the number of employees who leave your firm expressed as a percentage of your average number of employees.

Over the past 12 months, since October 1, 2025, what has been your firm's average monthly employee turnover rate?

Thinking ahead, what average monthly employee turnover rate do you anticipate over the next 12 months?

Employee turnover has remained relatively stable since mid 2025 at about 7 percent a month. Firms anticipate a decrease in employee turnover over the next twelve months, but these forecasts have boded poorly in the past periods.



Source: Atlanta Fed's Business Inflation Expectations (BIE) survey

Realizations and expectations by industry

Firms' realized unit-cost growth across most broad industry classifications continues to ebb from peak levels.



Note: The data are shown monthly.

Source: Atlanta Fed Business Inflation Expectations (BIE) survey

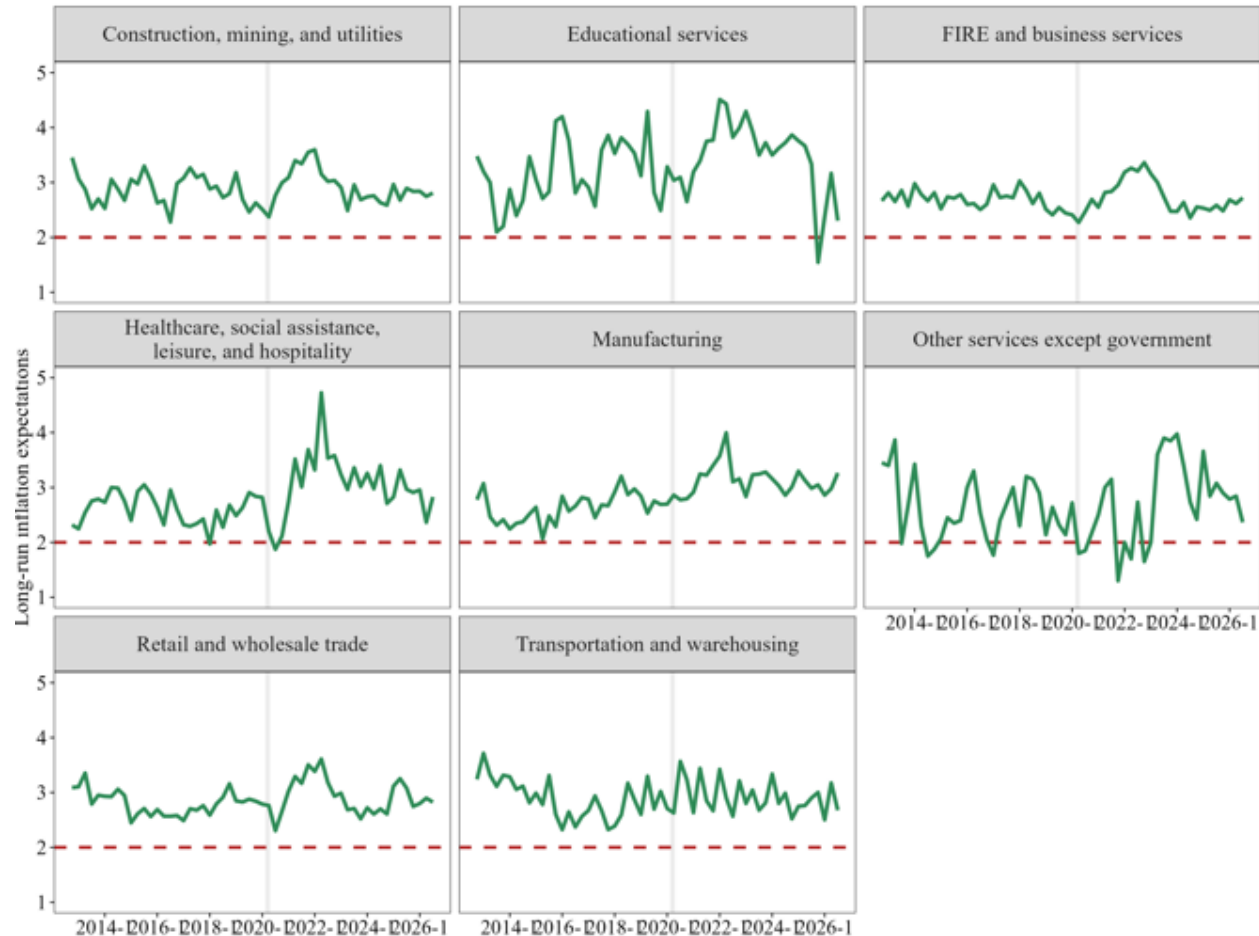
Year-ahead unit-cost expectations vary meaningfully by sector.



Note: The data are shown monthly.

Source: Atlanta Fed Business Inflation Expectations (BIE) survey

Longer-run unit-cost expectations across most broad industry classifications remain elevated relative to prepandemic averages.

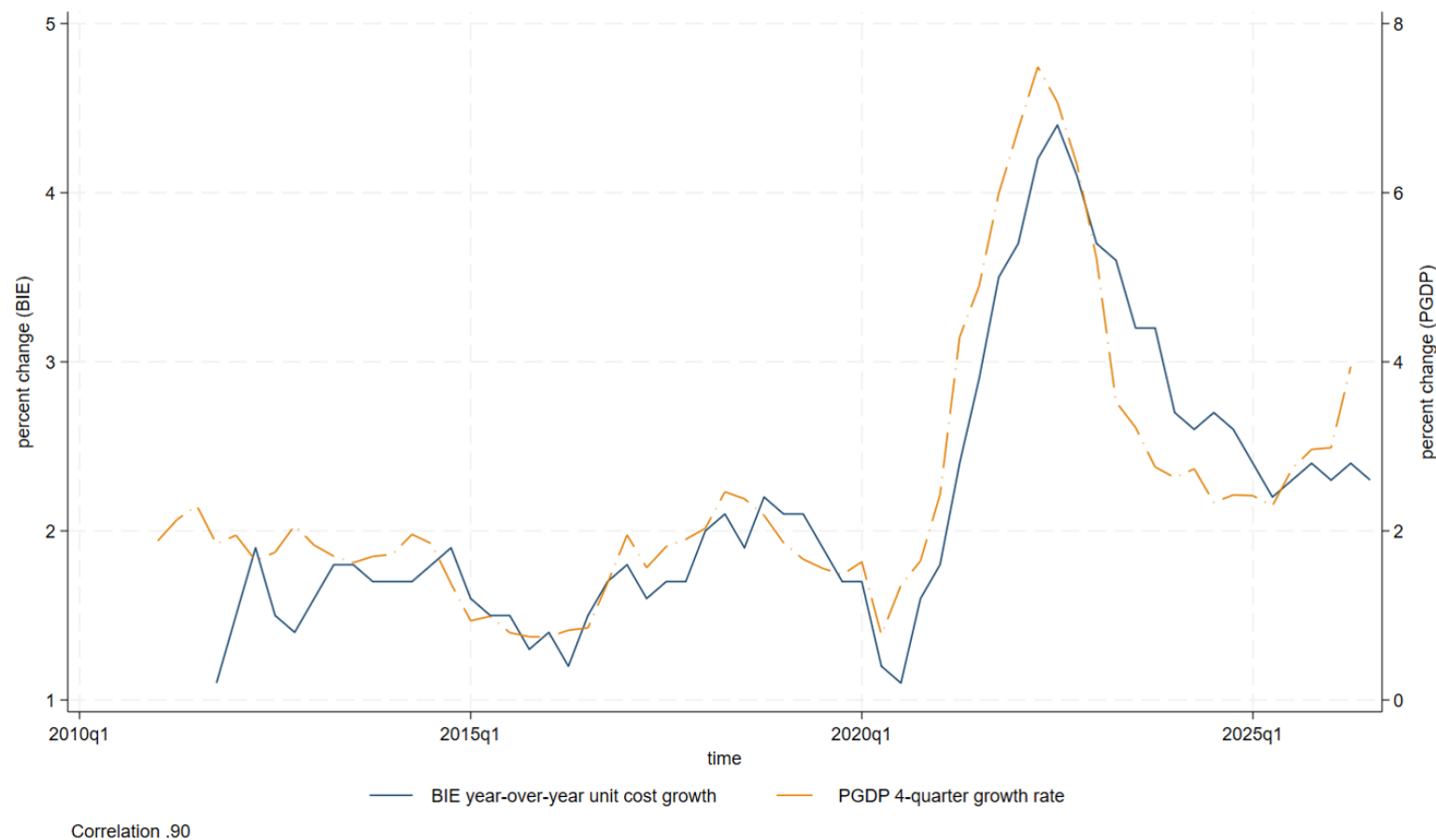


Note: The data are shown monthly.

Source: Atlanta Fed Business Inflation Expectations (BIE) survey

Comparing BIE realizations and expectations to actual data and other surveys

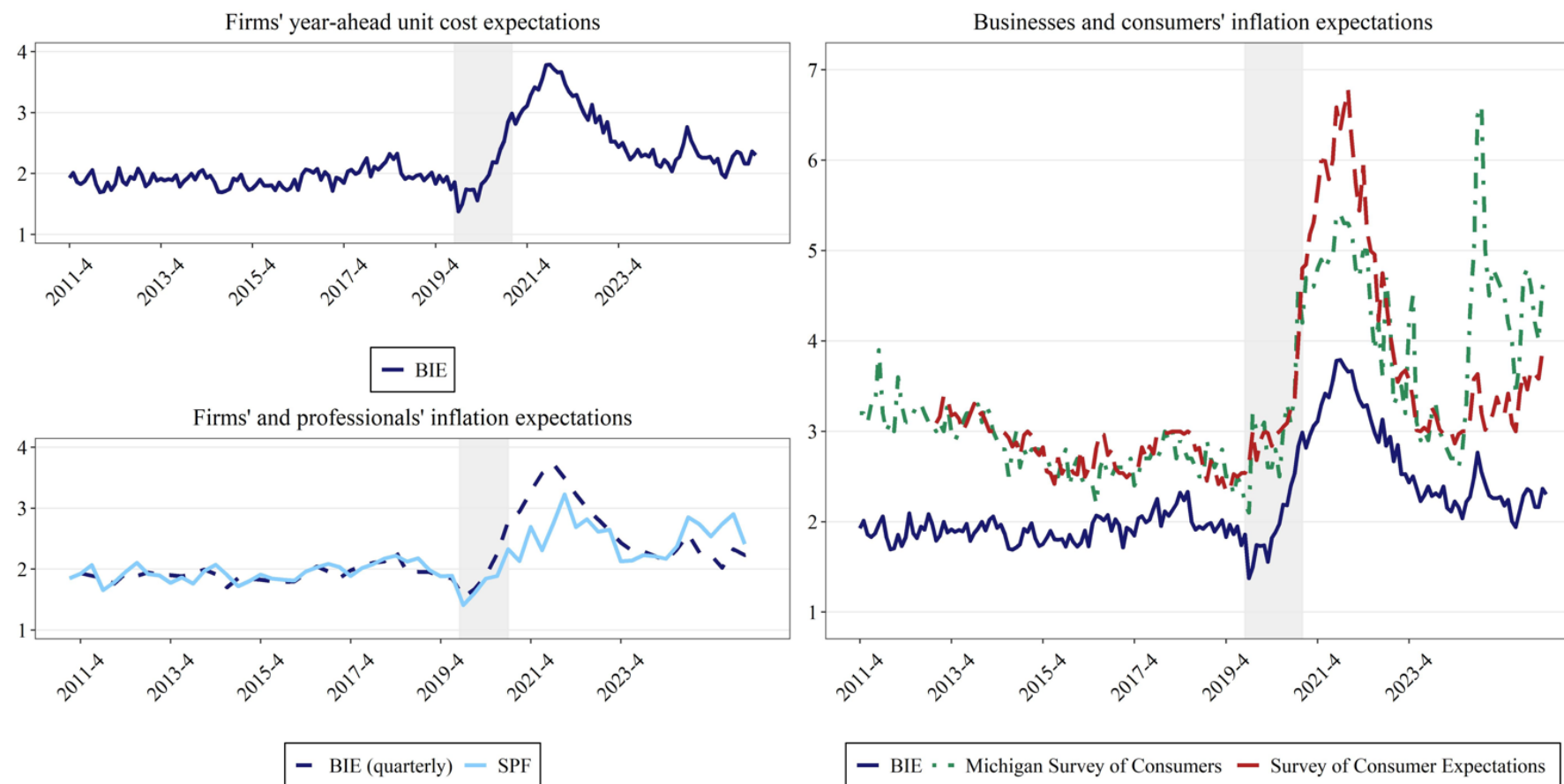
BIE Unit Cost Growth versus GDP Chain-type Price Index



Note: The data are shown quarterly for both measures.

Source: Atlanta Fed's Business Inflation Expectations survey, Haver Analytics, and the Federal Reserve Economic Data (FRED) GDP Price Index <https://fred.stlouisfed.org/series/GDPCTPI>

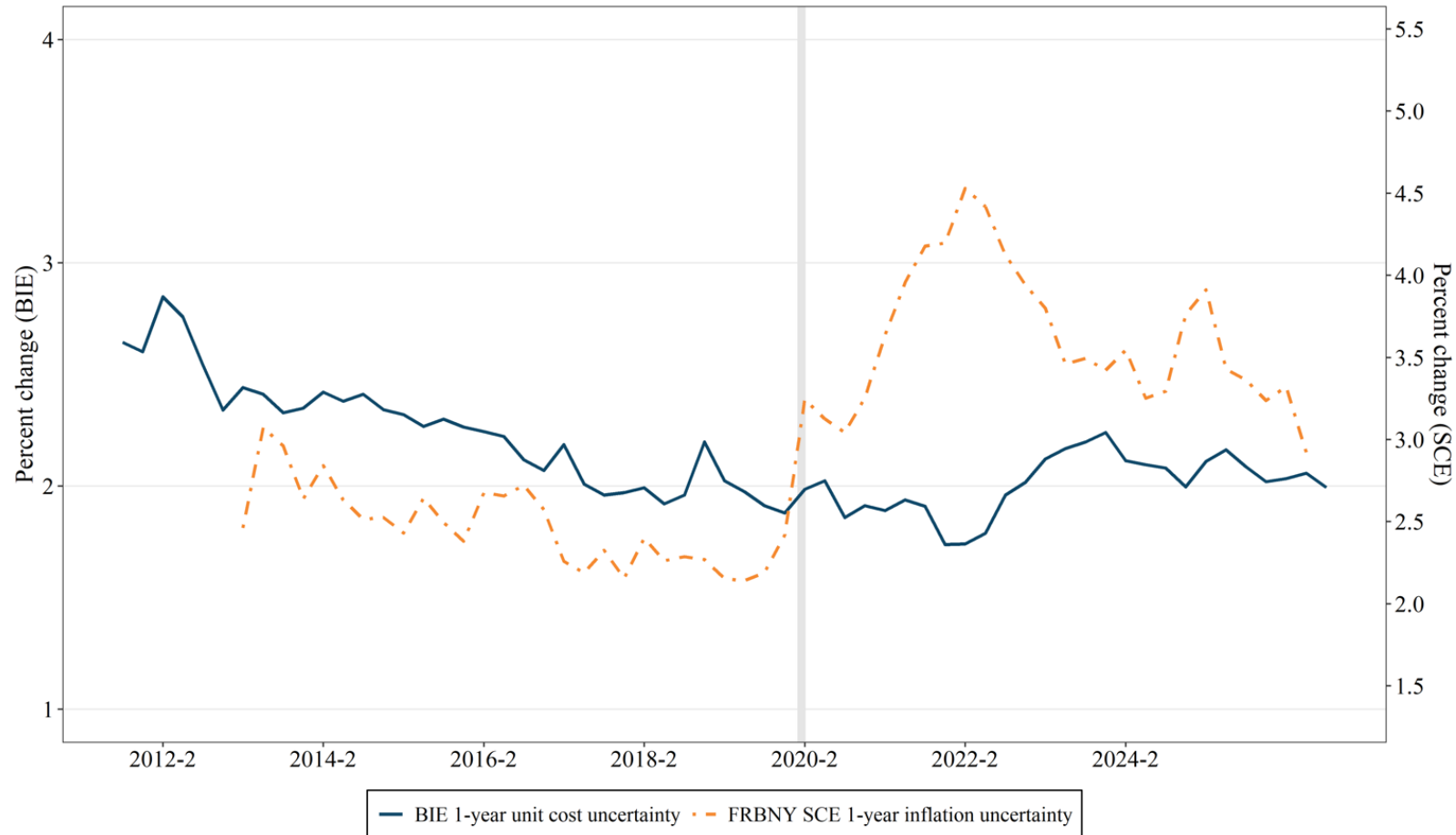
BIE Survey versus SPF and Survey of Consumers



Note: Except the chart at lower left with quarterly data, all remaining chart data are shown monthly.

Source: Atlanta Fed Business Inflation Expectations (BIE) survey, Philadelphia Fed Survey of Professional Forecasters (SPF), and University of Michigan Survey of Consumers

Uncertainty: BIE versus SCE



Note: The data are shown quarterly for both measures.
Source: Atlanta Fed's Business Inflation Expectations (BIE) survey and the New York Fed Survey of Consumer Expectations (SCE)

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