

# Business Inflation Expectations (BIE) Survey

Monthly Report: February 2026

# Headline Results

1. Firms' year-ahead unit cost expectations decreased to 1.9 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 come down some after a peak in July.
2. Firms reported a median 3.0 percent (3.7 percent mean) price increase over the past 12 months and a median 3.0 percent (3.1 percent) expected price increase over the next 12 months. Realized price and expected price both increased from November (3.0 percent median realized price increase, 3.0 percent median expected price increase).
3. In February's special questions, we asked firms to consider the One Big Beautiful Bill (OBBB) and its expected impacts in 2026.
4. Around three-quarters of firms indicated that the OBBB would have no impact or did not factor into their plans in 2026 when it came to employment, capital investment, sales revenue, and profit. Across each of these fields, firms in manufacturing and construction had the strongest responses to the OBBB whereas retail broadly found little to no impact for 2026.

# About the BIE

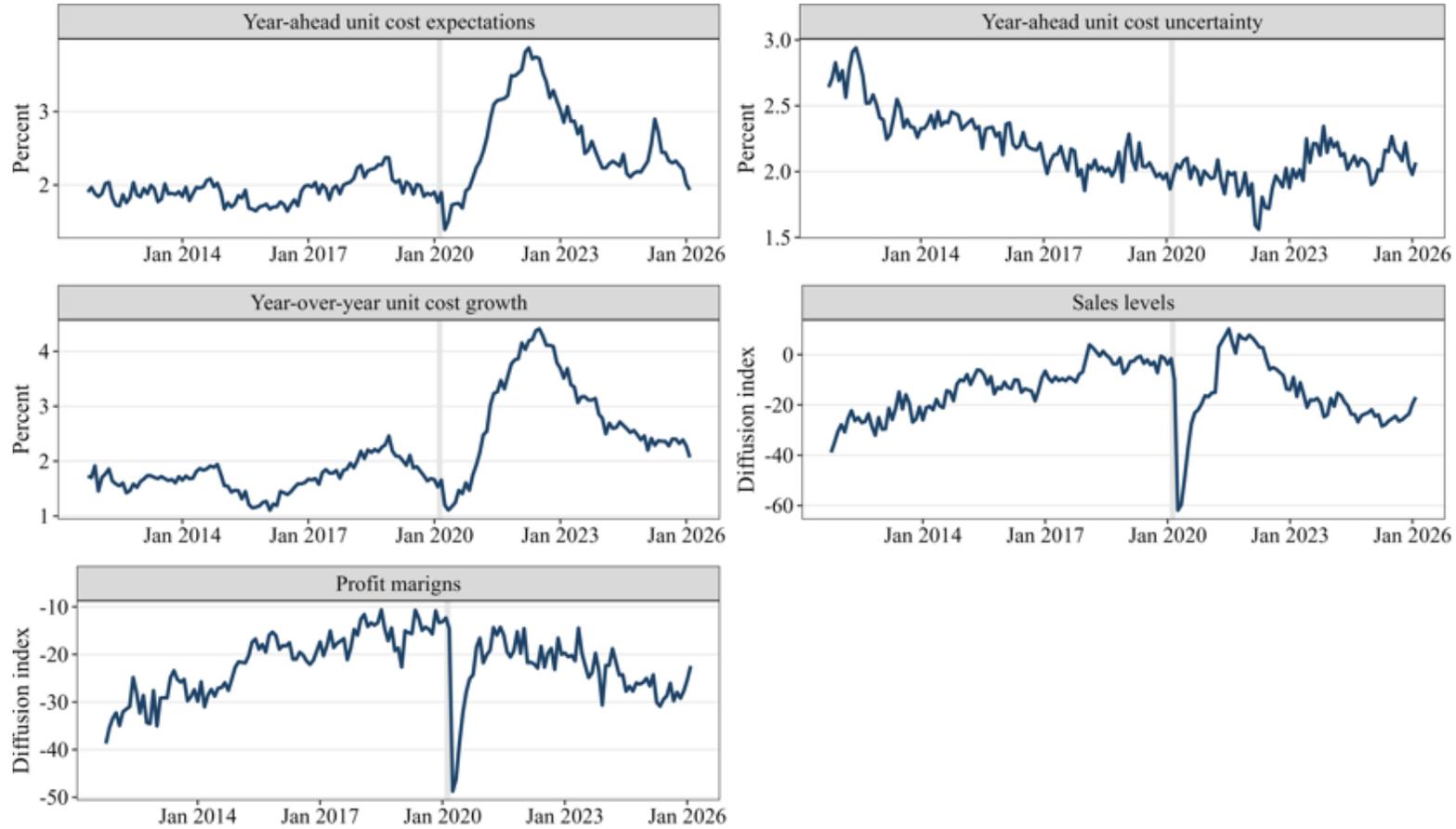
The Business Inflation Expectations (BIE) survey is fielded by the Federal Reserve Bank of Atlanta. It was designed, tested, and refined by the Atlanta Fed Economic Research Survey Center.

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](#).

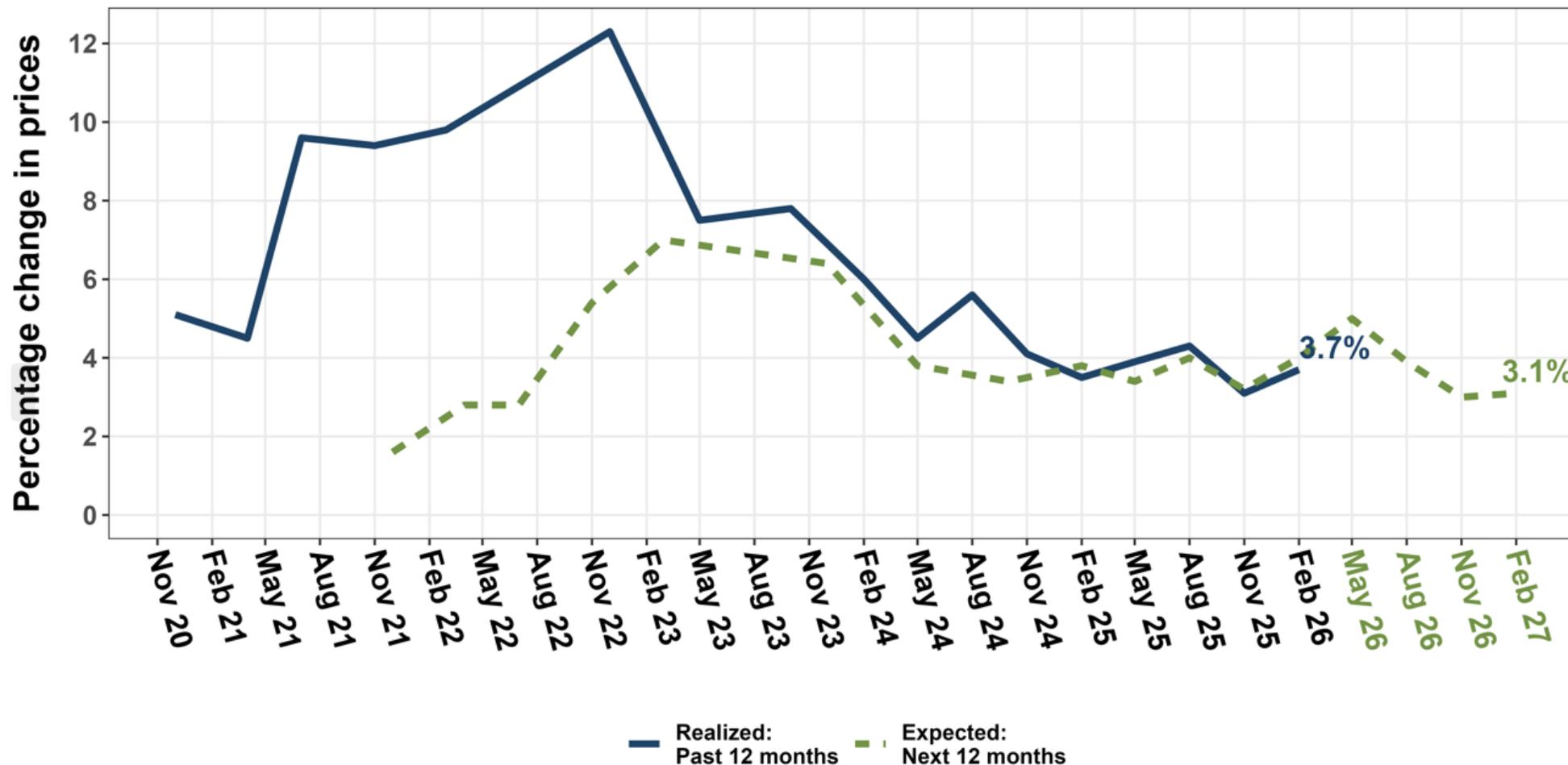
# Core Monthly Questions



Note: The data are shown monthly.

Source: Atlanta Fed Business Inflation Expectations (BIE) survey

# Rotating quarterly question: Looking back over the last 12 months, by about what percent did your firm change prices? Looking ahead over the next 12 months, by about what percent does your firm expect to change prices?



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

Source: Atlanta Fed Business Inflation Expectations (BIE) survey

# **BIE Special Questions: February 2026**

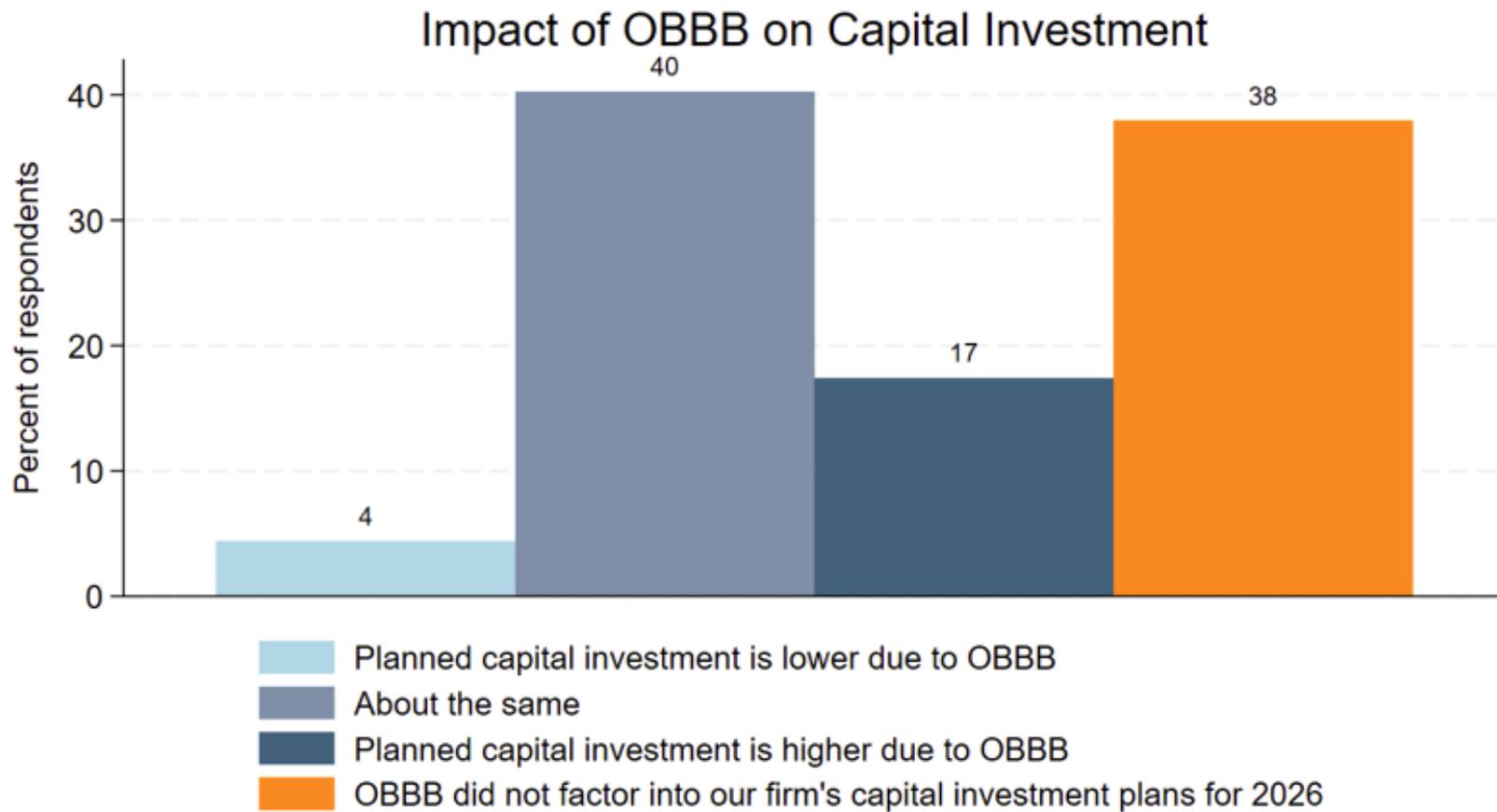
The One Big Beautiful Bill (OBBB) was passed by Congress and signed into law in 2025.

This year, 2026, is the first full calendar year in which the provisions of the OBBB are in effect.

For the remaining questions, consider how the OBBB will affect your firm's outlook and decision making in 2026.

How does the OBBB impact your firm's planned levels of capital investment for 2026?

# About a quarter of firms felt that the OBBB would have any impact on their capital investment strategy going into 2026.

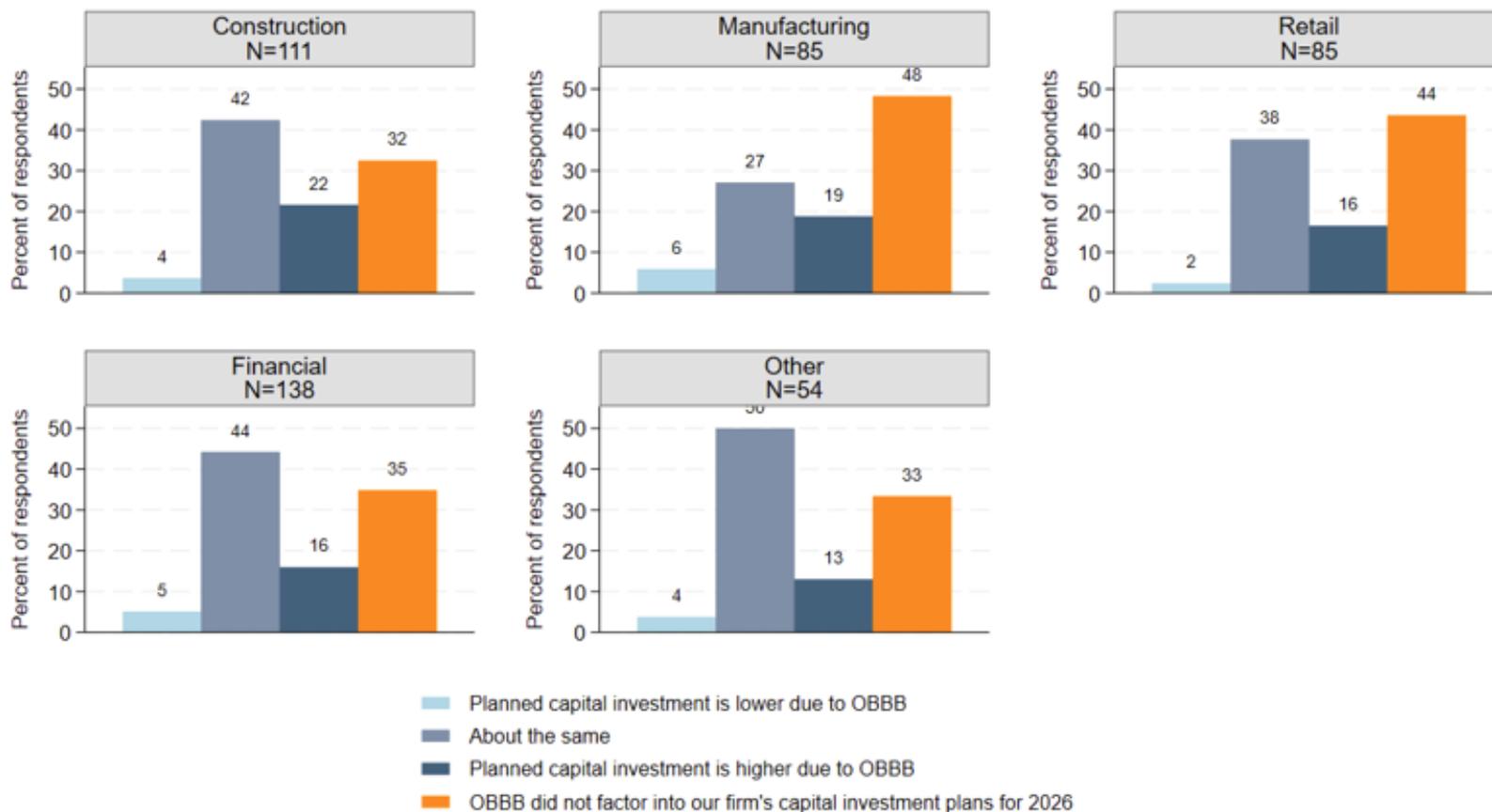


N=477.

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

**Firms in construction and manufacturing responded the strongest to increasing their planned capital investment due to the OBBB. When looking at the size of firms, about a quarter expected any attributable impact.**

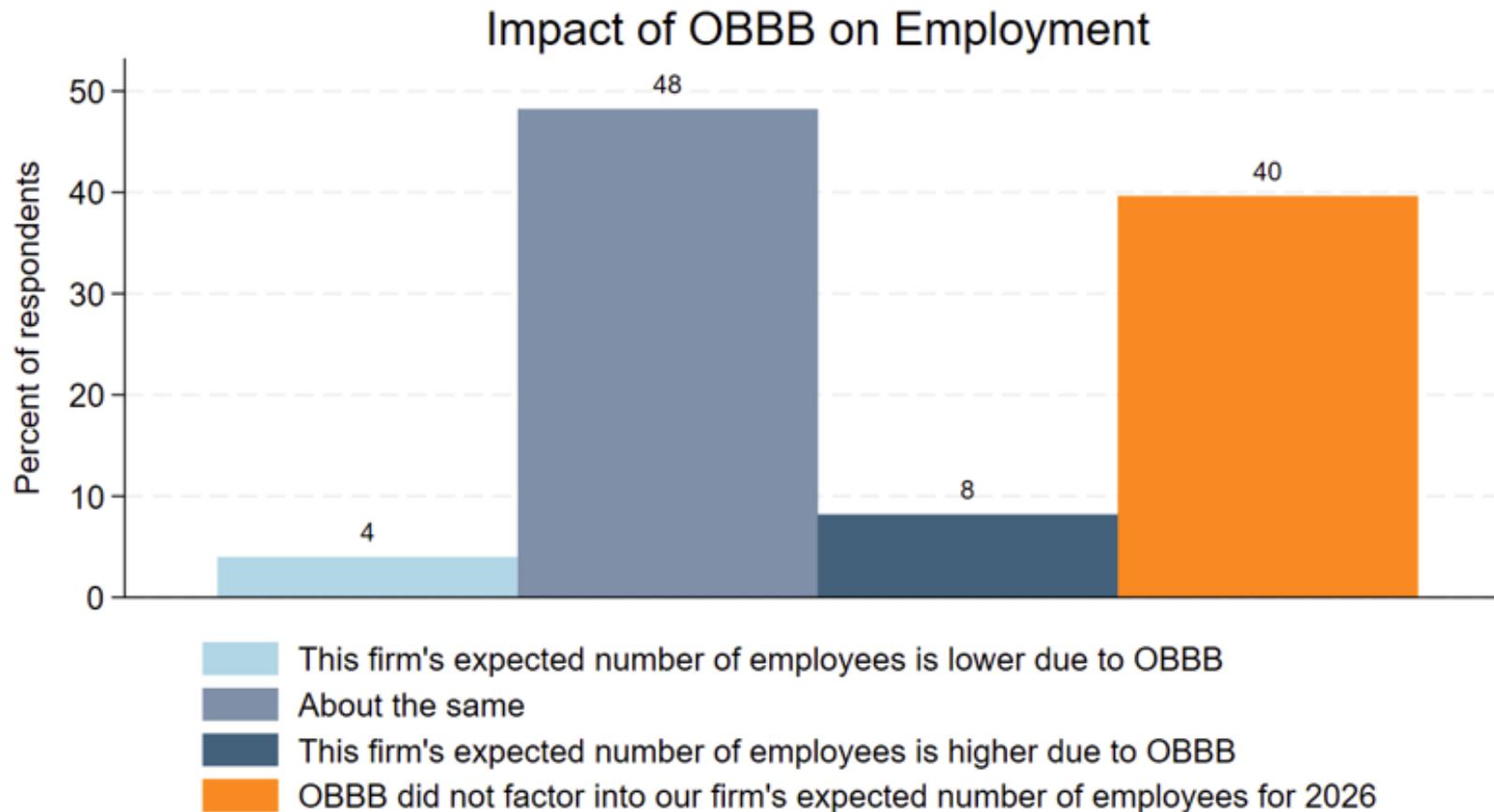
### Impact of OBBB on Capital Investment by Industry



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

How does the OBBB impact your firm's expected number of employees by the end of 2026?

**The OBBB had a similarly muted impact on expected employment levels going into 2026, with the relative share attributing a change being consistent across size and sector.**

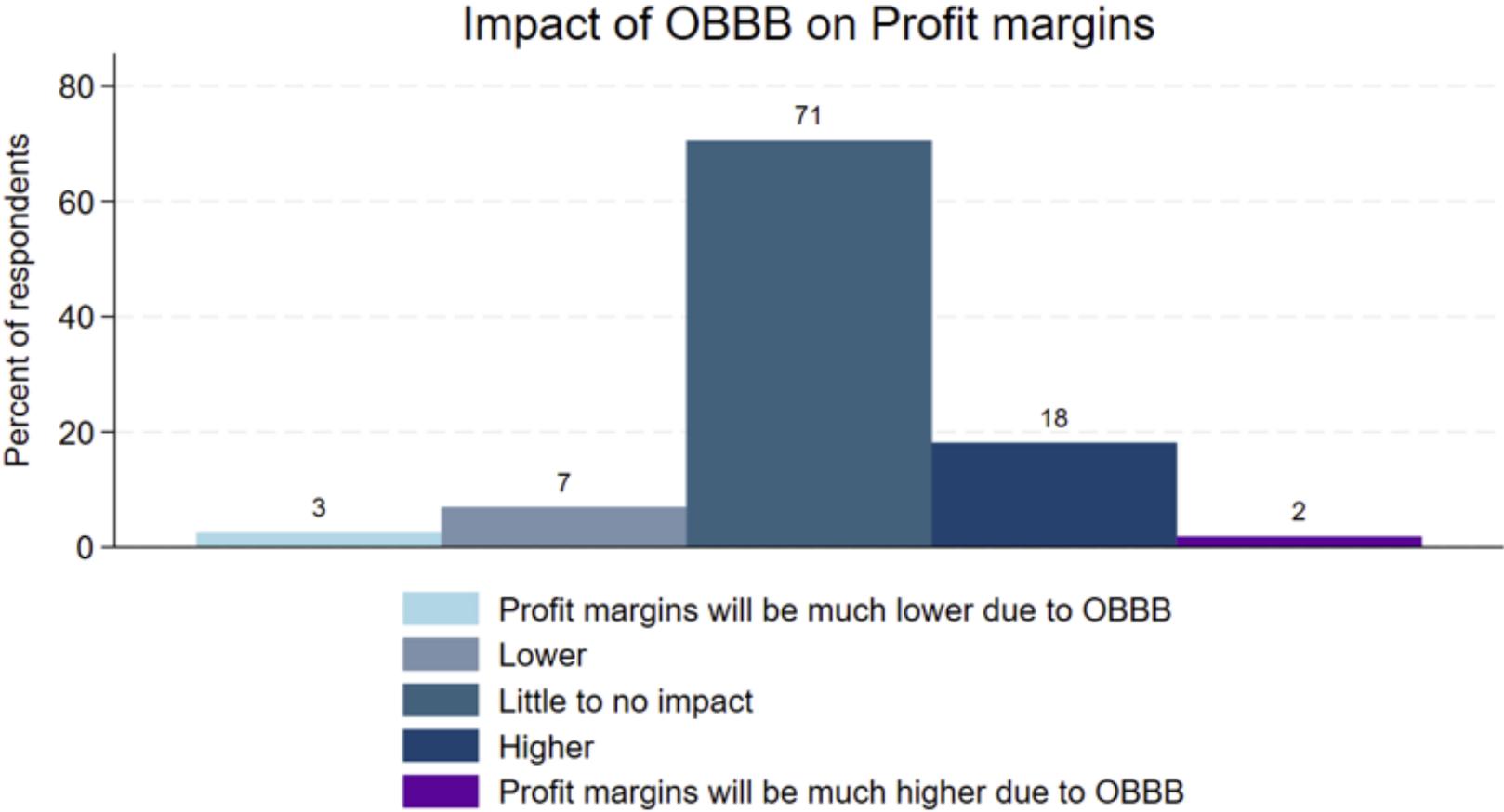


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Source: Atlanta Fed's Business Inflation Expectations (BIE) survey

How does the OBBB impact your firm's sales revenue forecasts for 2026?

# About three-quarters of respondents felt that the OBBB would have little to no impact on their profit margins.

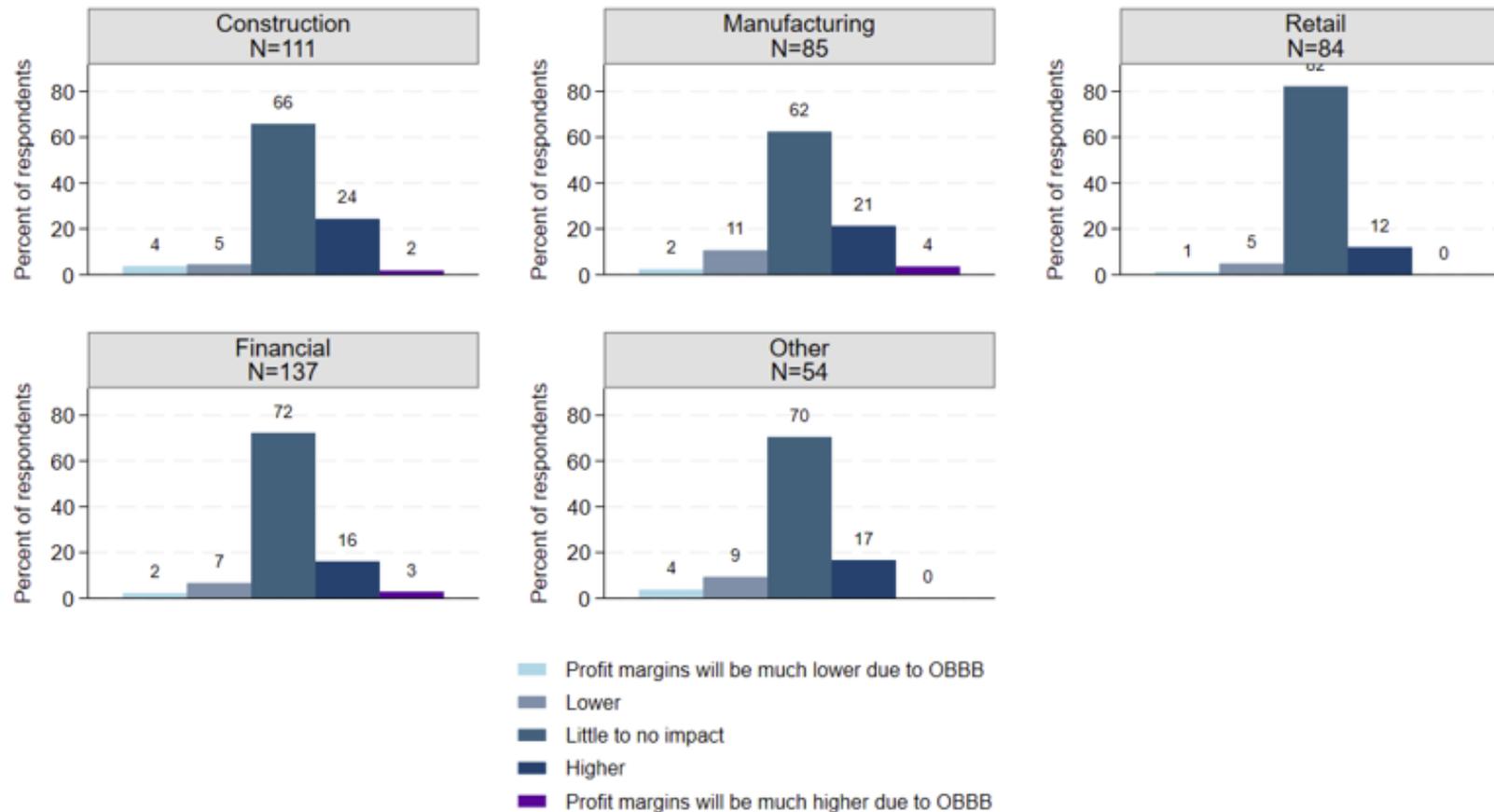


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Source: Atlanta Fed's Business Inflation Expectations (BIE) survey

In terms of the sectors firms operate in, construction and manufacturing firms anticipated that the OBBB would improve their profit margins at disproportionate rates to those in the retail and financial industries.

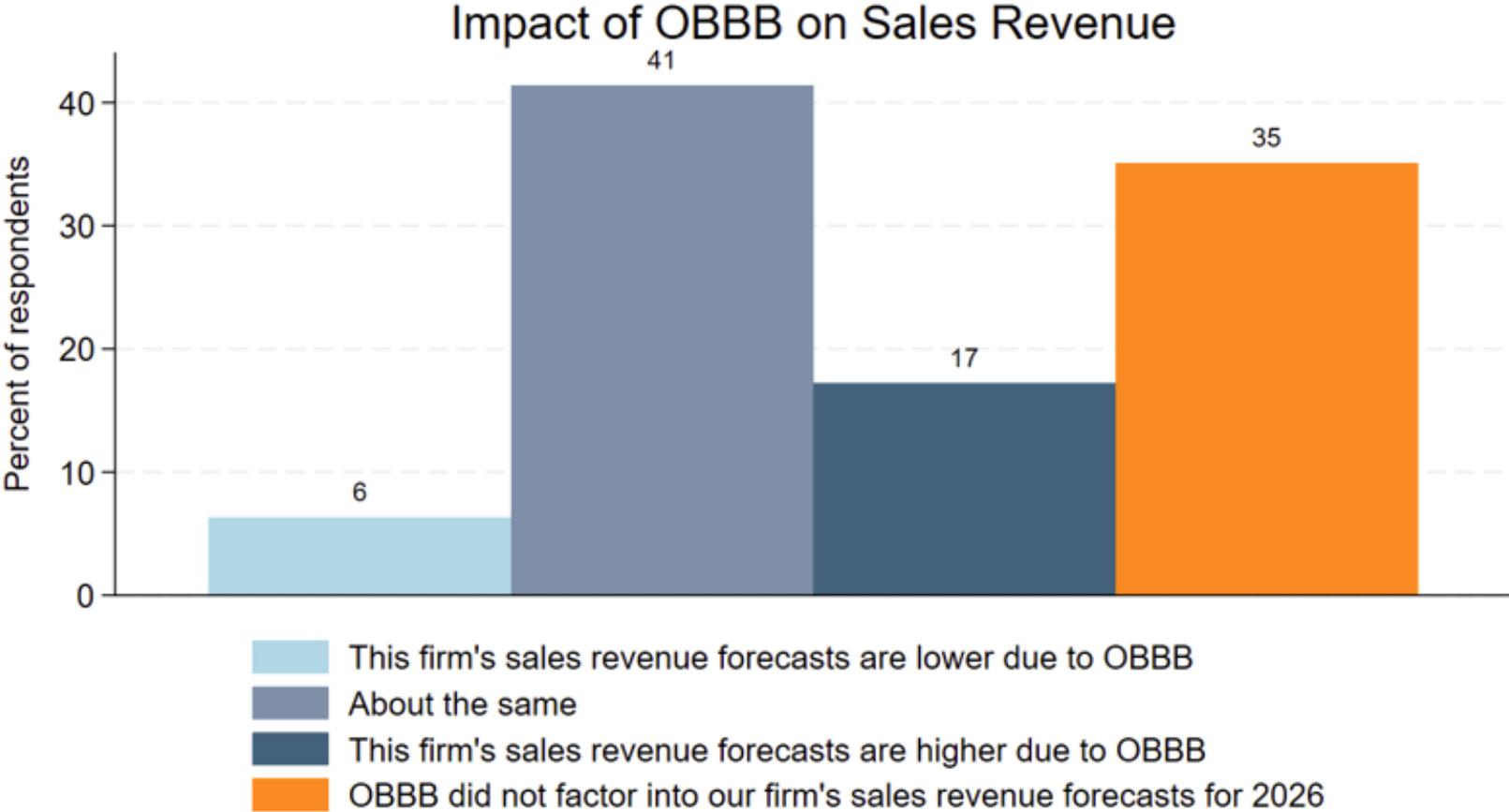
Impact of OBBB on Profit margins by Industry



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

Looking forward over the rest of 2026, how do you expect OBBB to impact your firm's average profit margins for the year?

Similarly, about three-quarters of firms felt that the OBBB would not have a recognizable impact on their sales revenue forecast for 2026.

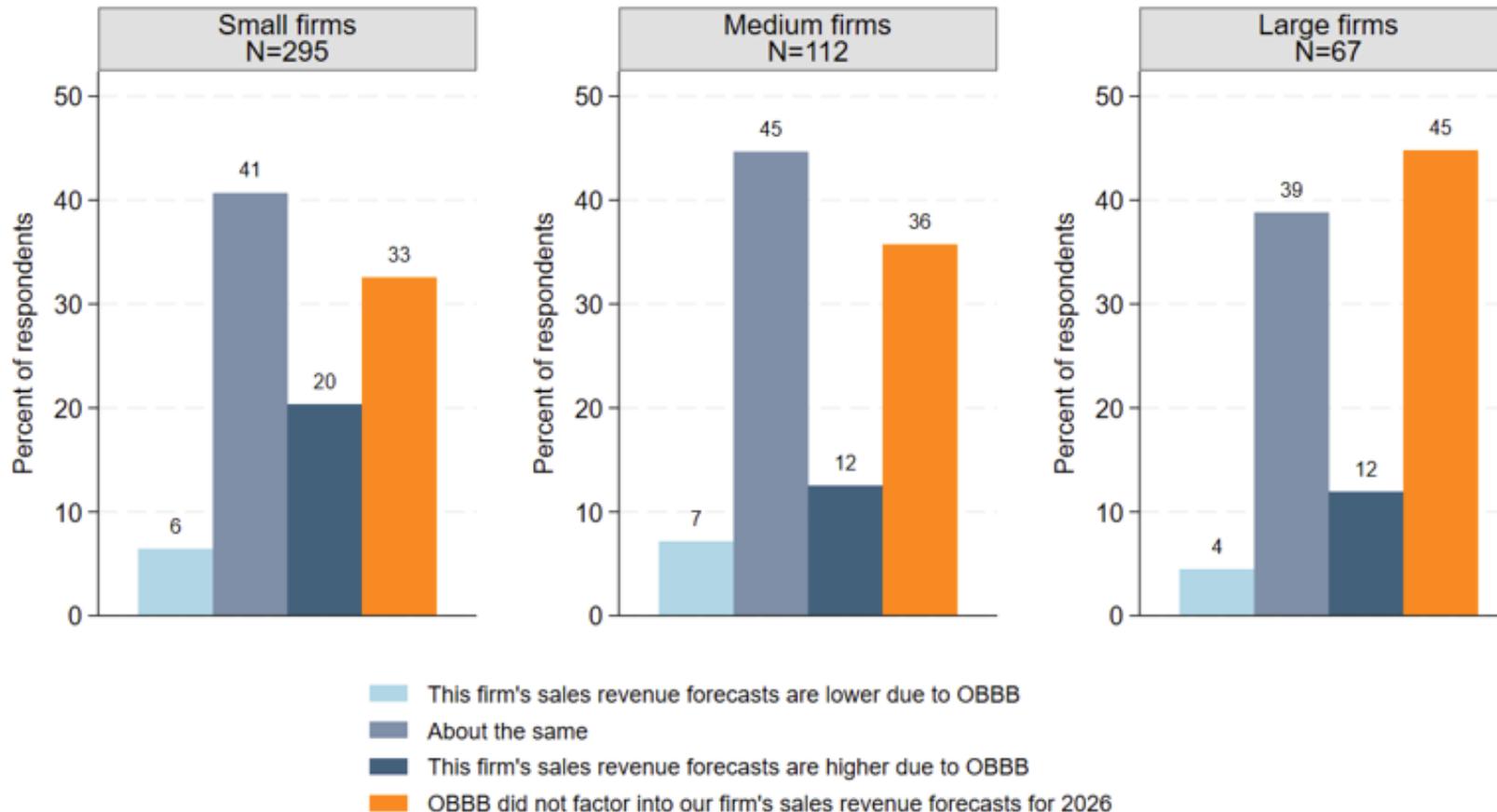


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Source: Atlanta Fed's Business Inflation Expectations (BIE) survey

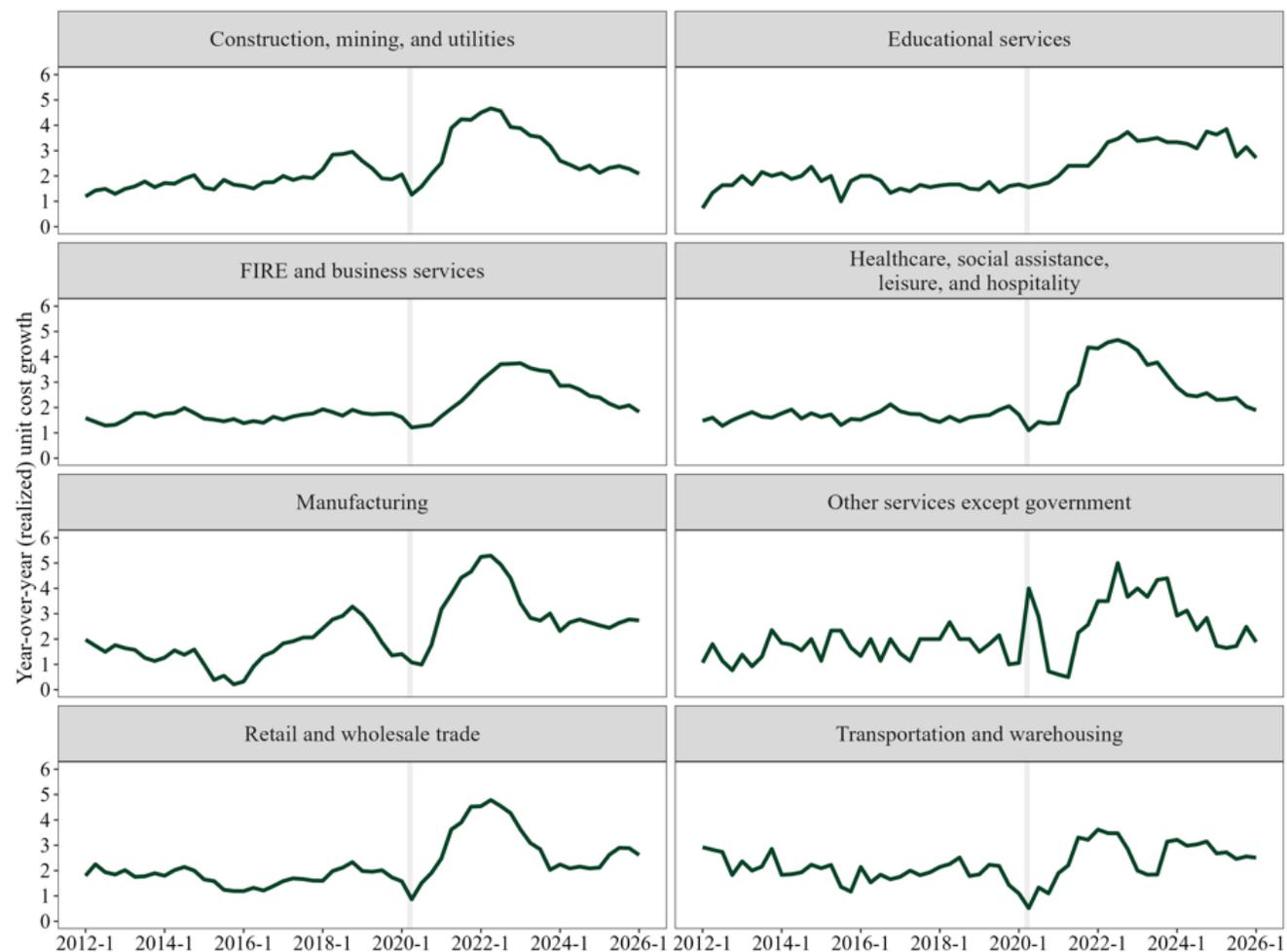
# Smaller firms found that the OBBB would have a stronger impact on their anticipated sales revenue, both in a positive and (to a lesser extent) negative way, in 2026.

## Impact of OBBB on Sales Revenue by Firm Size



# Realizations and expectations by industry

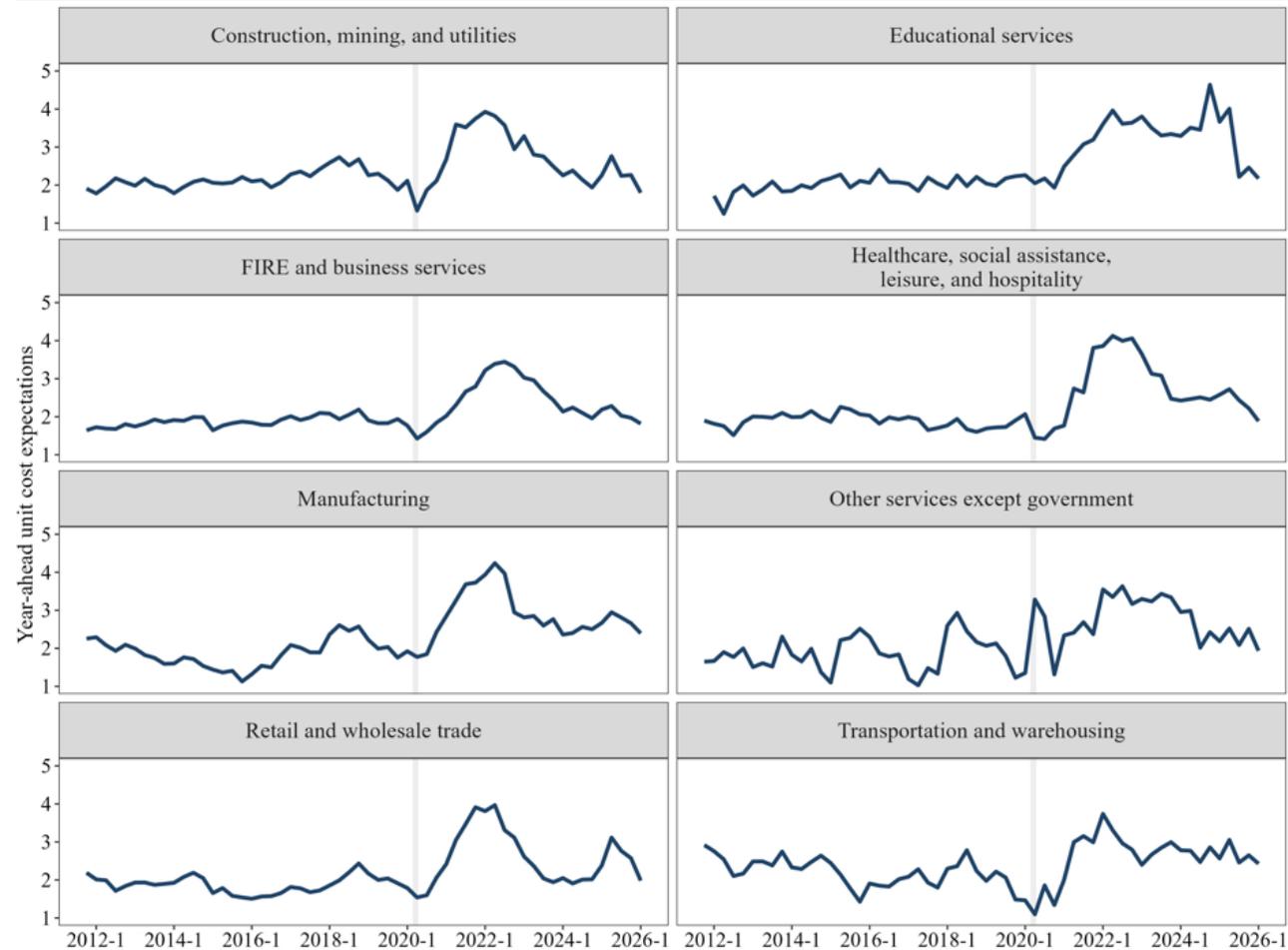
# Firms' realized unit-cost growth across most broad industry classifications continues to ebb from peak levels.



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.

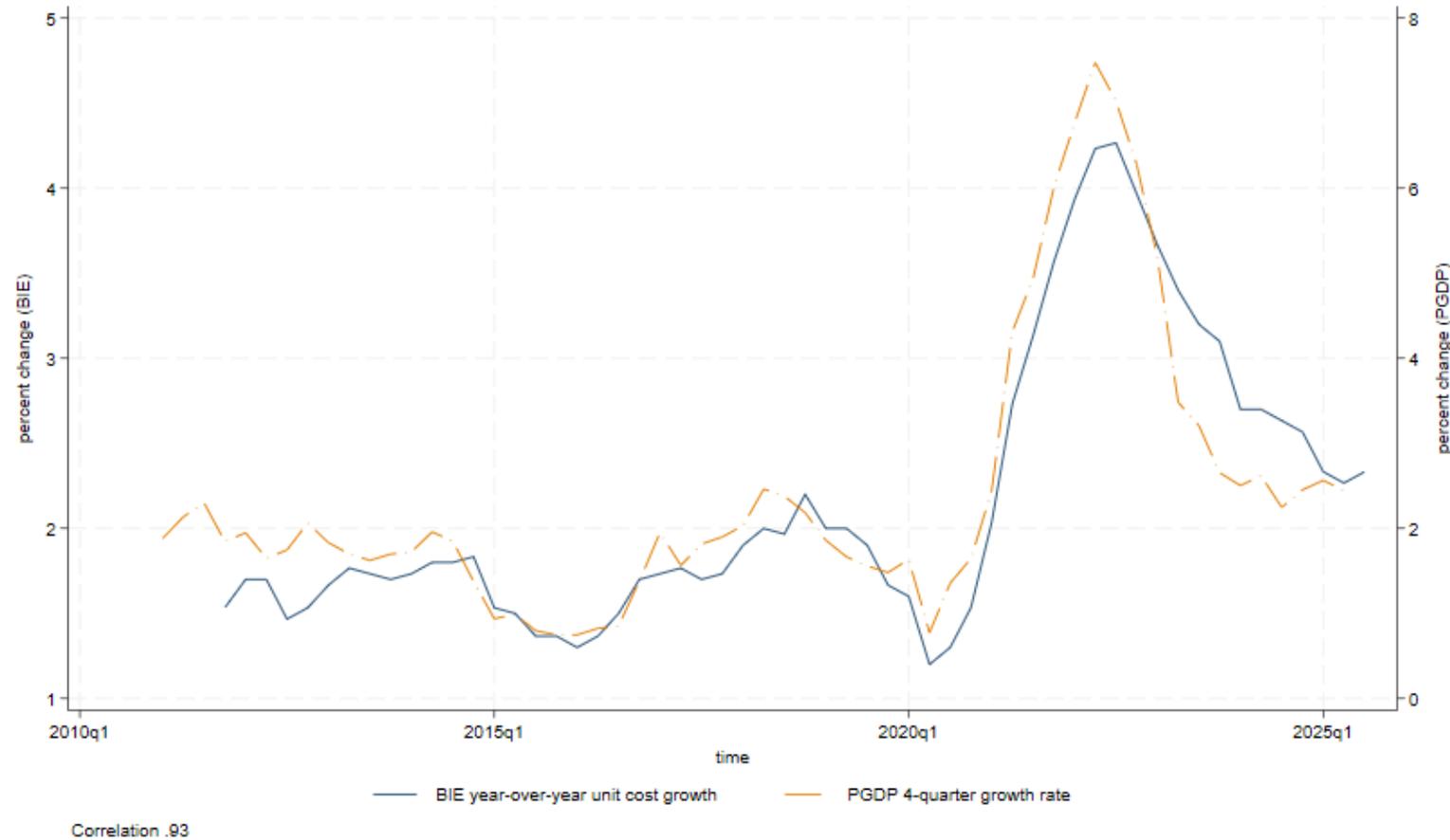


Note: The data are shown monthly.

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

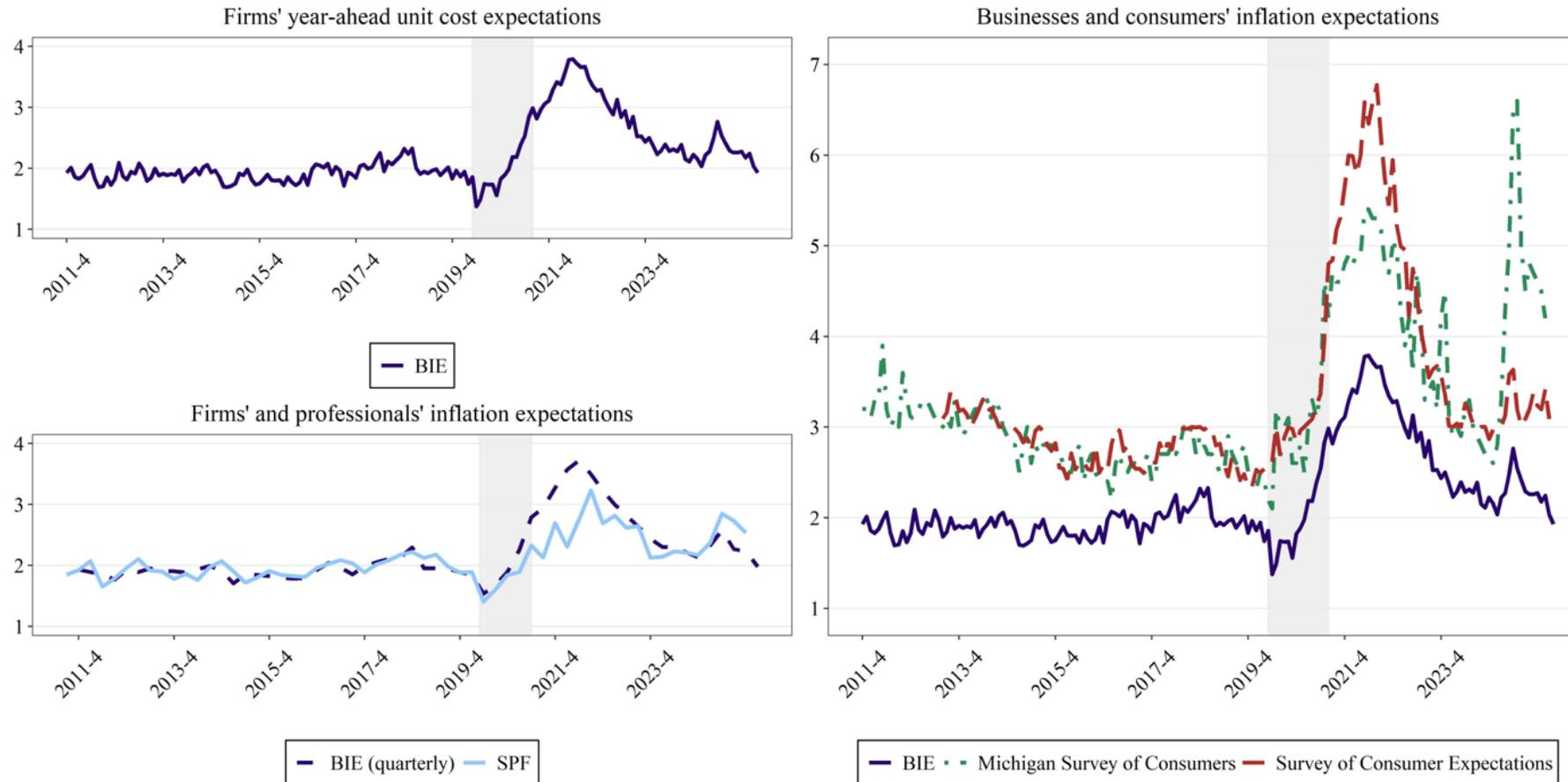


Correlation .93

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>

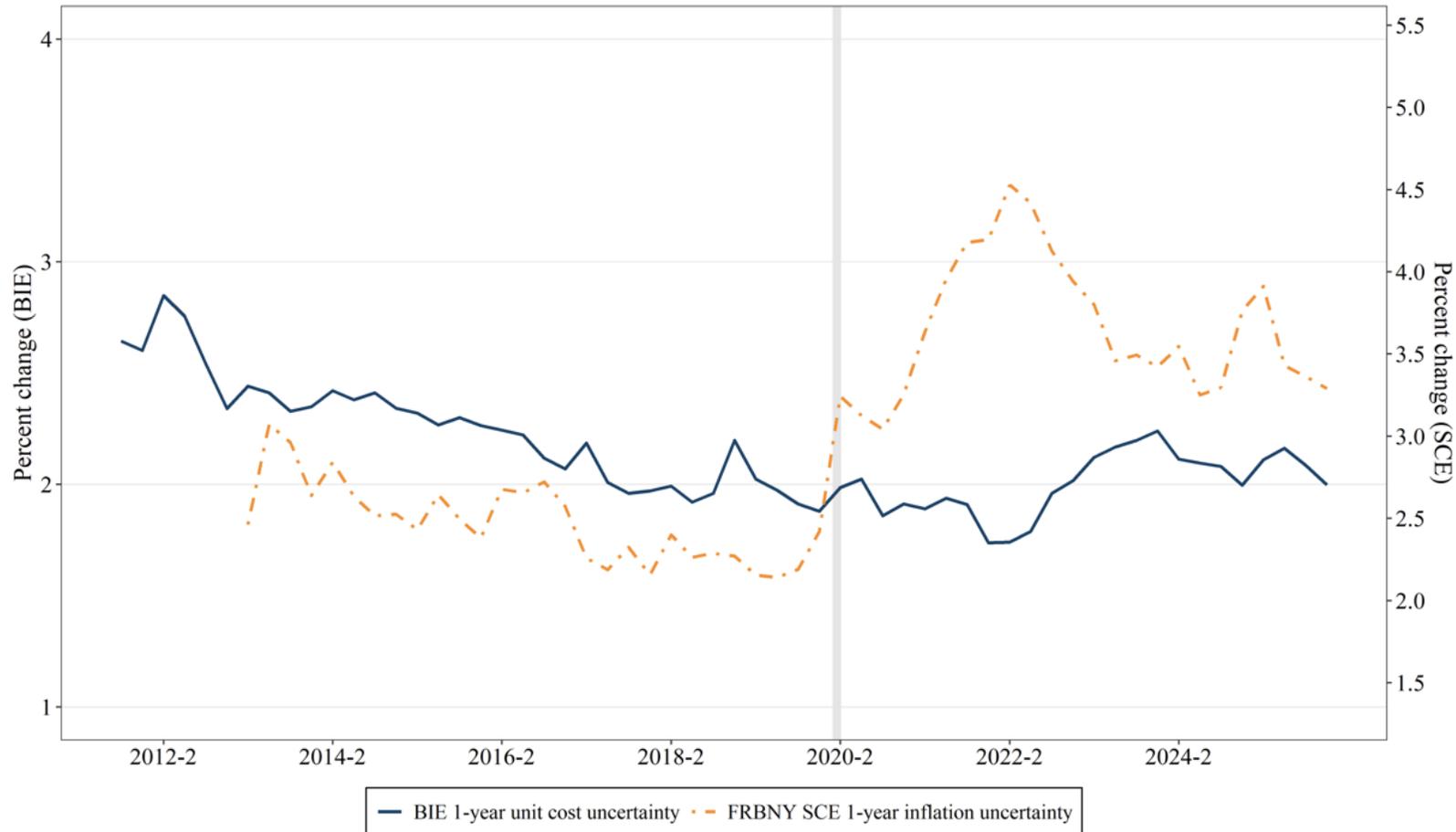
# BIE Survey versus SPF and Survey of Consumers



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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