Business Inflation Expectations (BIE) Survey

Monthly Report: March 2026

Federal Reserve Bank of Atlanta

Headline Results

1. Firms’ year-ahead unit cost expectations increased to 2.1 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’ long-run (five to 10 years ahead) unit-cost expectations increased from December 2025 to 2.8 percent.
3. In March's special questions, we asked firms to consider long-run unit-cost expectations, and how intensively they use them when setting current prices, employment levels, and capital investment.
4. About half of firms indicated that they did not find long-run unit-cost expectations important in current price setting, employment planning, or capital investment. The level of usefulness of long-run unit cost expectations varied heavily by industry and the metric firms were considering, with capital investment being the indicator most heavily influenced by long-run unit-cost expectations.

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.

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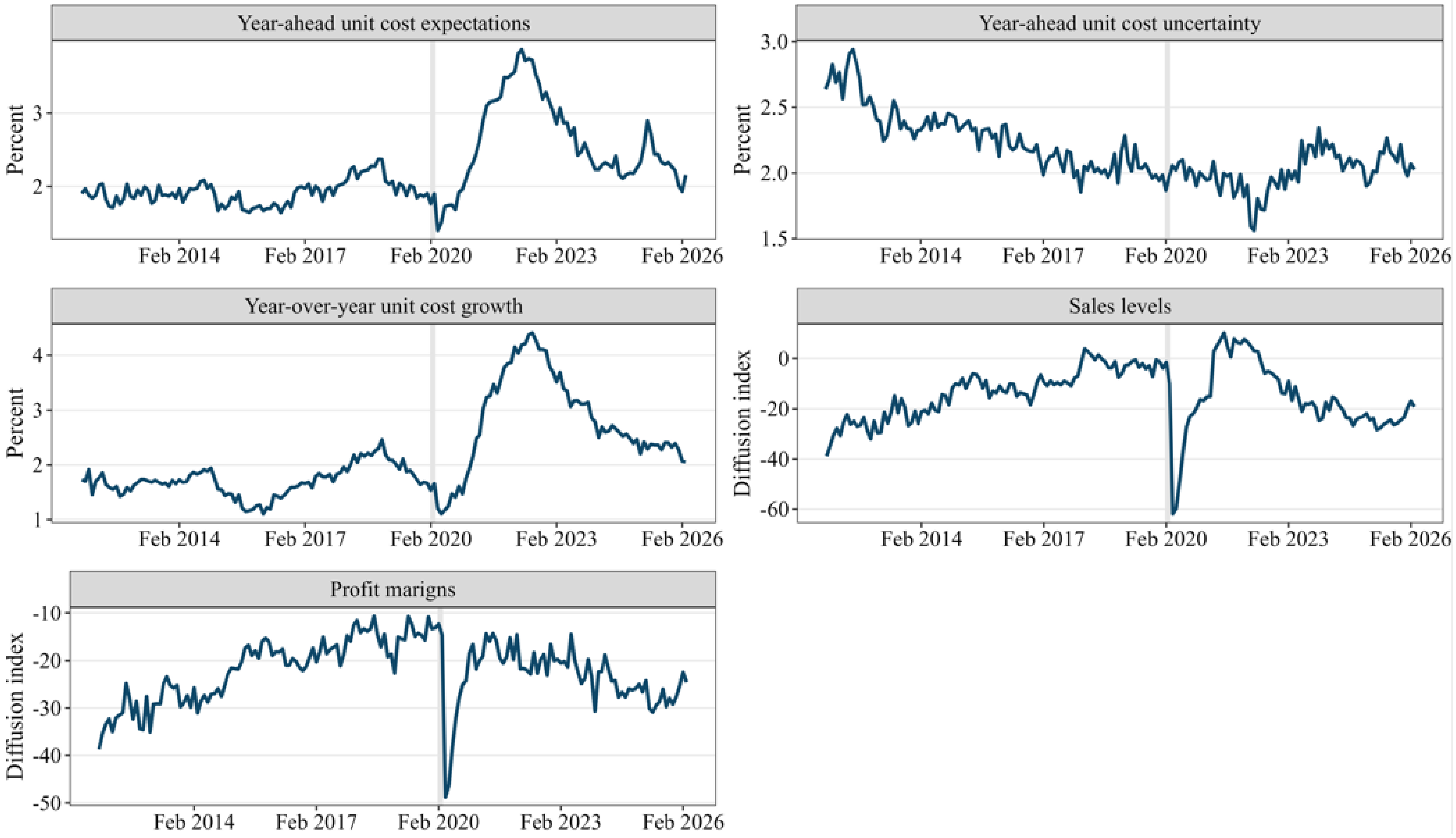
Core Monthly Questions



Note: The data are shown monthly.
Source: Atlanta Fed Business Inflation Expectations (BIE) survey

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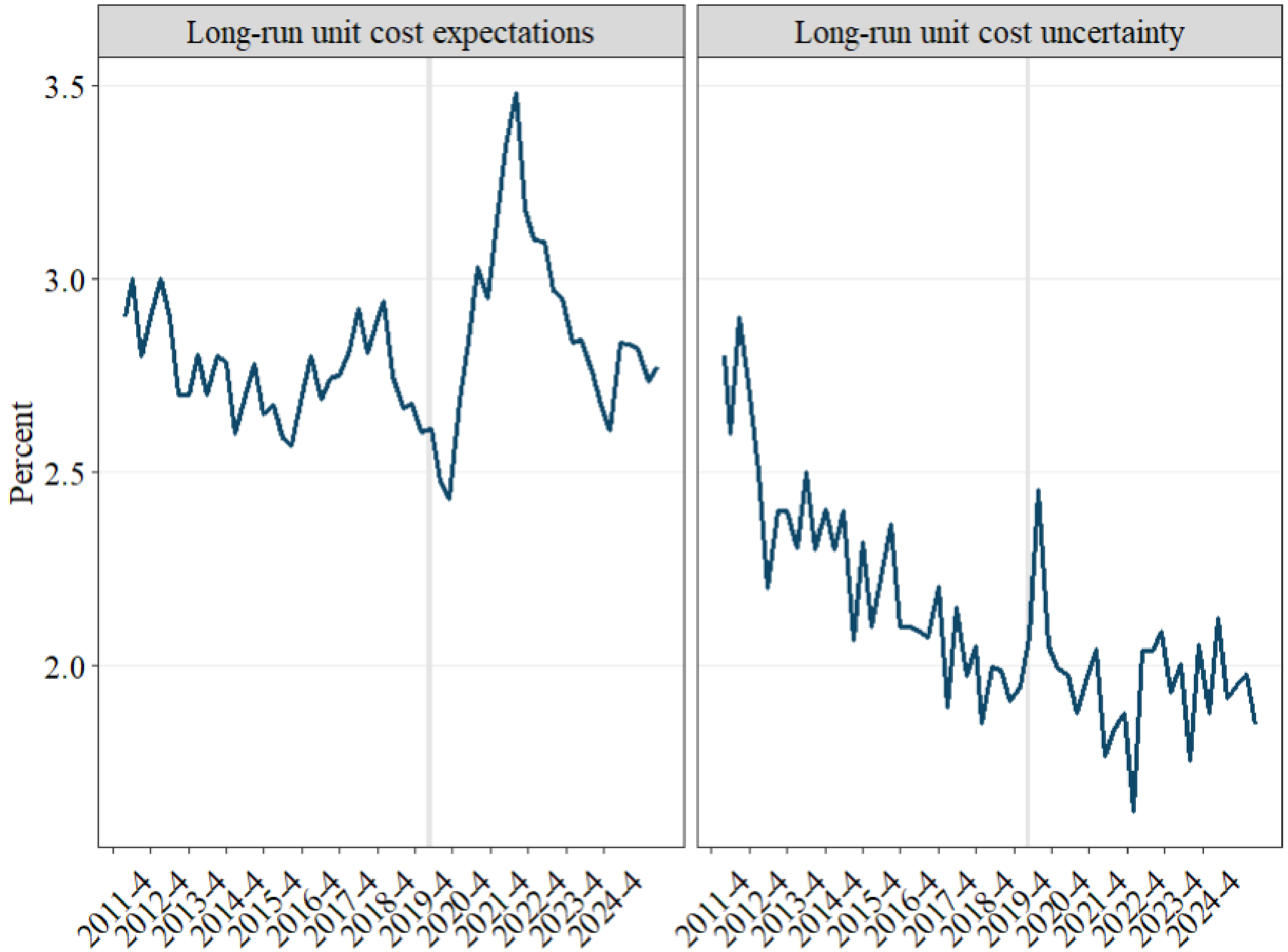
Rotating quarterly question: Projecting ahead, to the best of your ability, please assign a percent likelihood to the following changes to unit costs per year, over the next five to 10 years.



Source: Atlanta Fed Business Inflation Expectations (BIE) survey

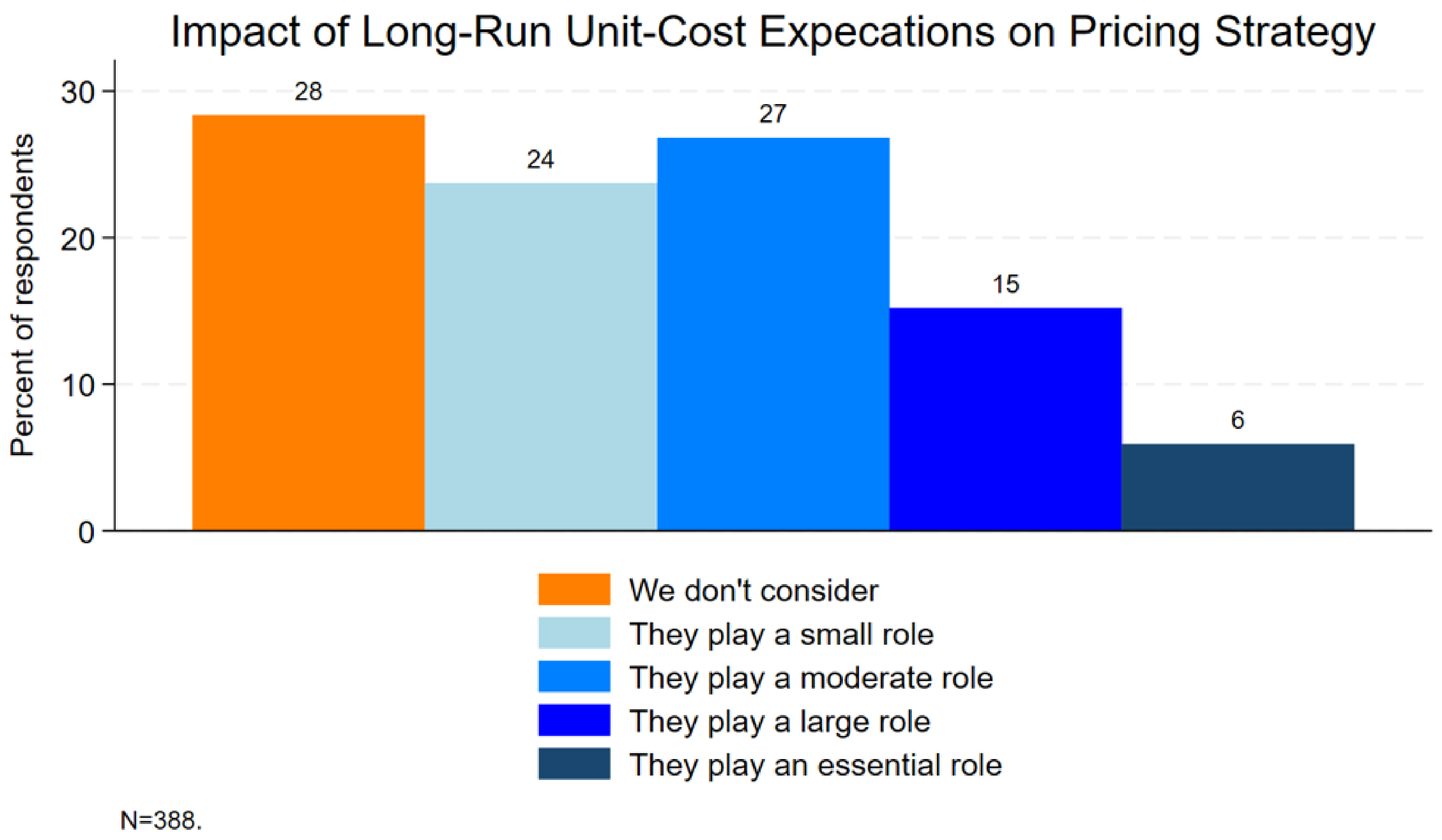
BIE Special Questions: March 2026

For the remaining questions, continue to think about your firm's long-run unit-cost expectations over the next five to 10 years.

We'd like to know how long-run unit-cost expectations factor into your firm's current pricing strategy.

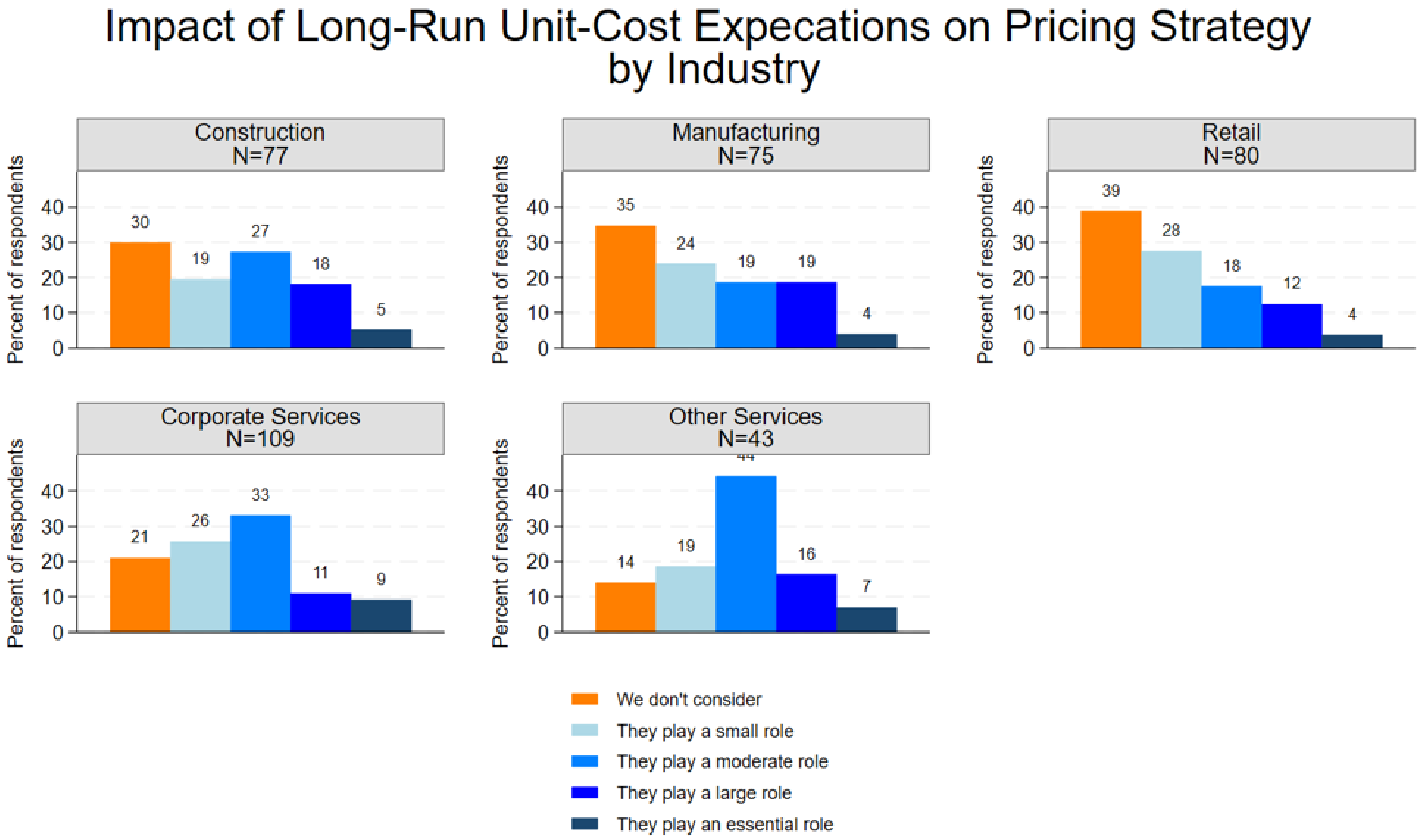
That is, do long-run unit-cost expectations play a role in the prices your firm charges today?

About half of firms either don't consider or don't rely significantly on long-run unit-cost expectations for their current pricing.



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

Respondents in the Manufacturing and Retail sectors considered long-run unit-cost expectations the least, while firms in service sectors considered it at significantly higher rates.

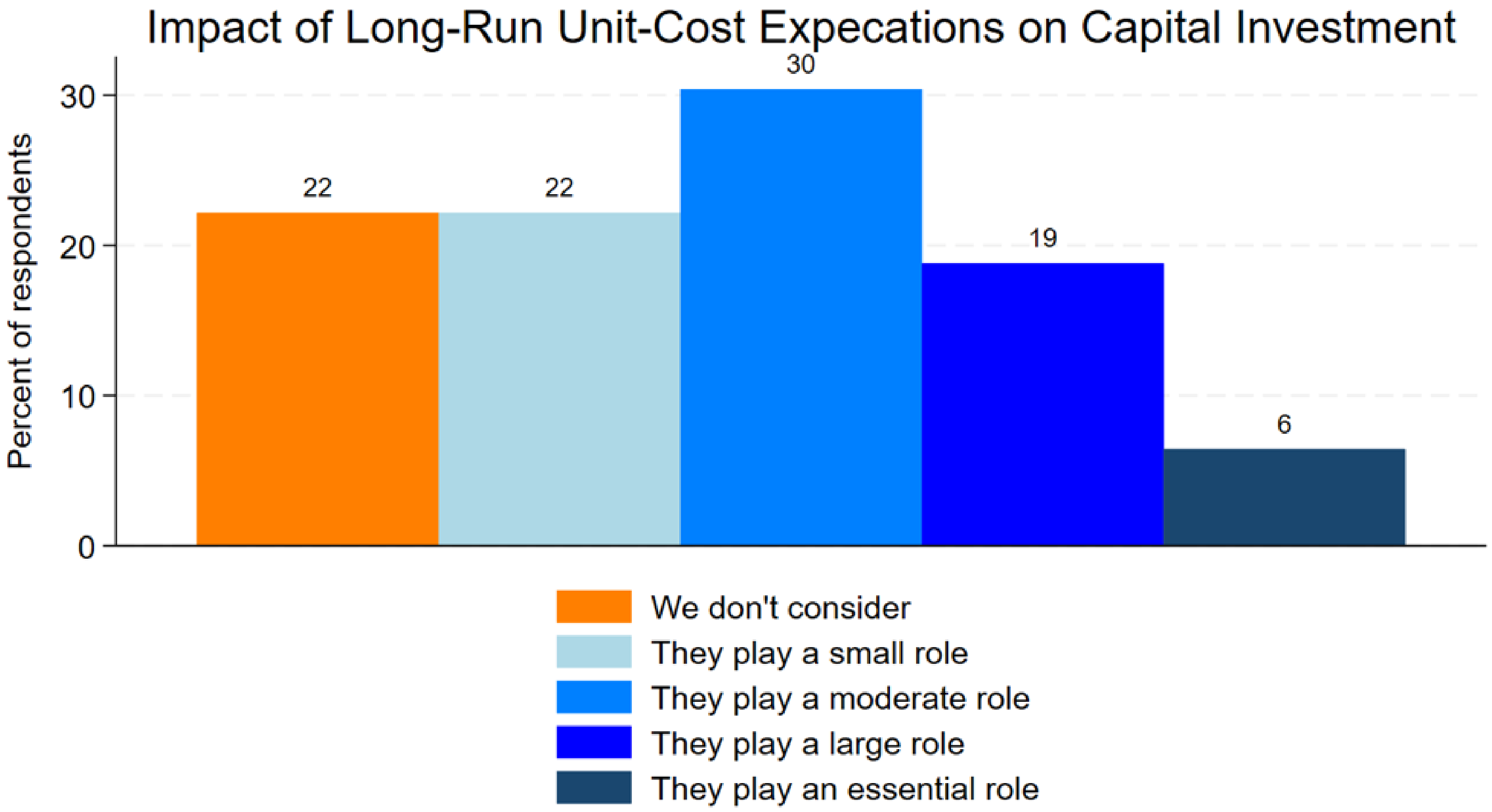


Source: Atlanta Fed's Business Inflation Expectations (BIE) survey

For the remaining questions, continue to think about your firm's long-run unit-cost expectations over the next five to 10 years.

What role do long-run unit-cost expectations play in your firm's capital investment planning for the current year?

Over half of respondents indicated that long-run unit-cost expectations played at least a moderate role in their capital investment planning.



N=388.

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

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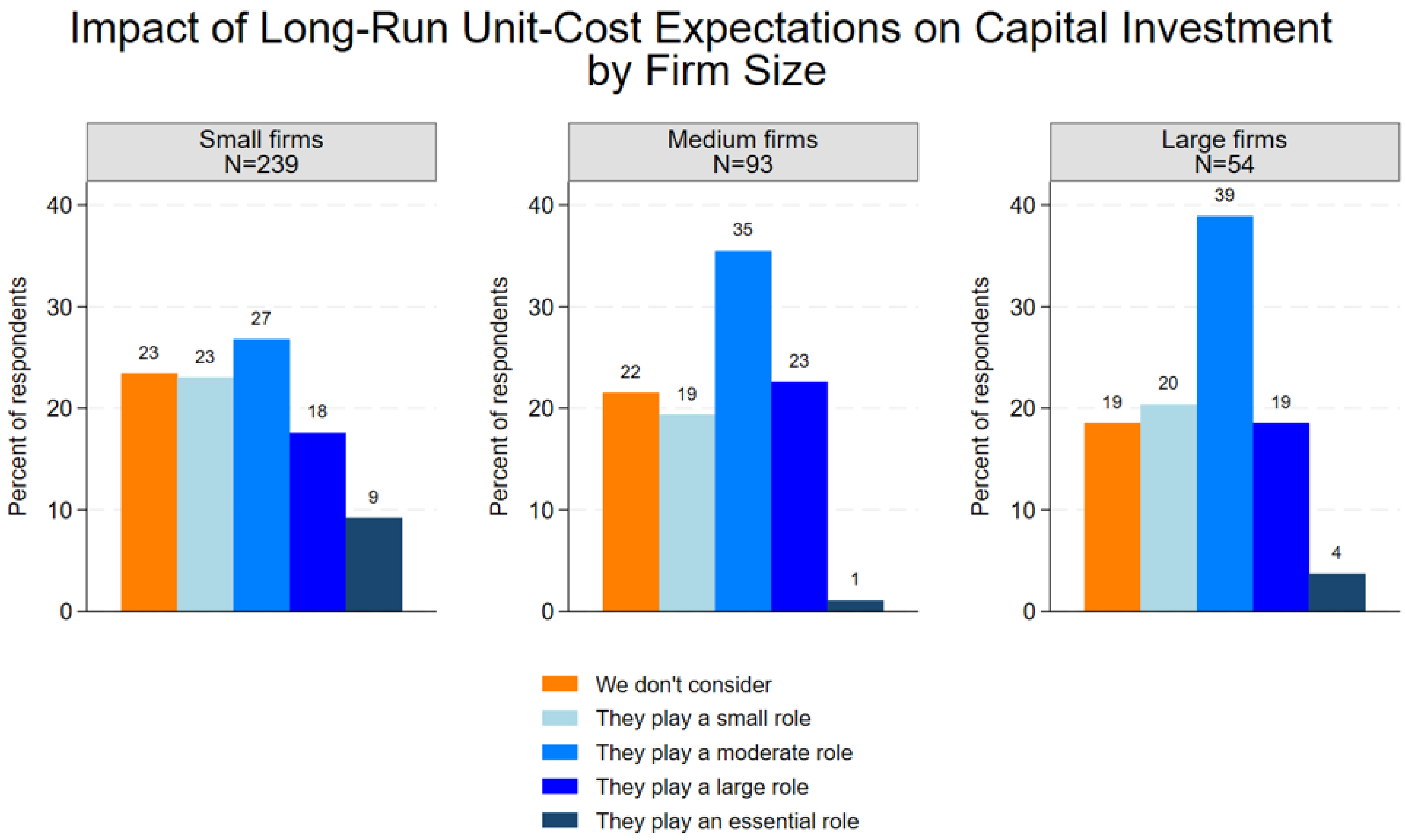
This relationship is consistent across firm size, however, as firms increase in size their specific consideration of the role for long-run unit costs tend to moderate as opposed to smaller peers.

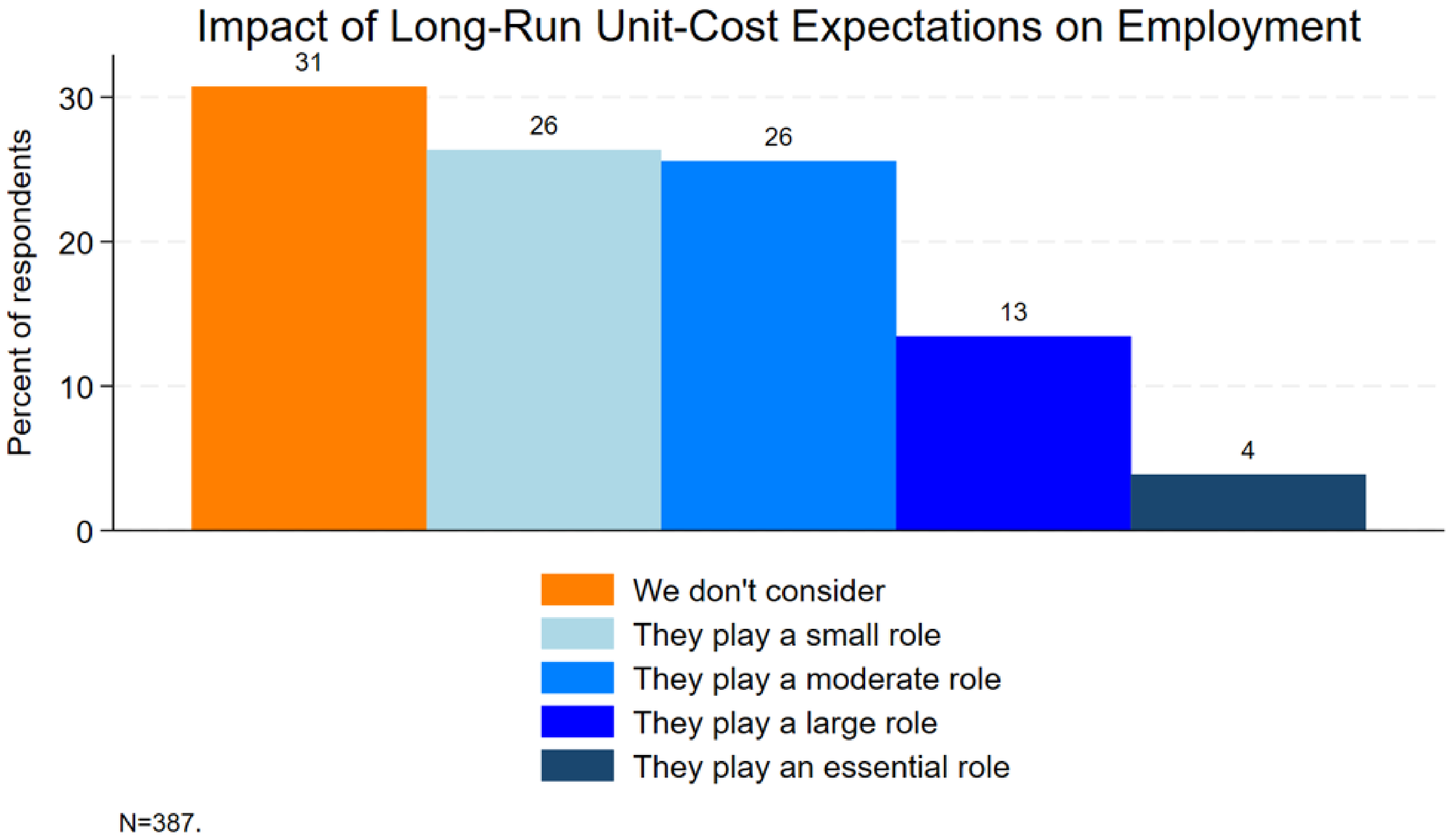


Source: Atlanta Fed's Business Inflation Expectations (BIE) survey

For the remaining questions, continue to think about your firm's long-run unit-cost expectations over the next five to 10 years.

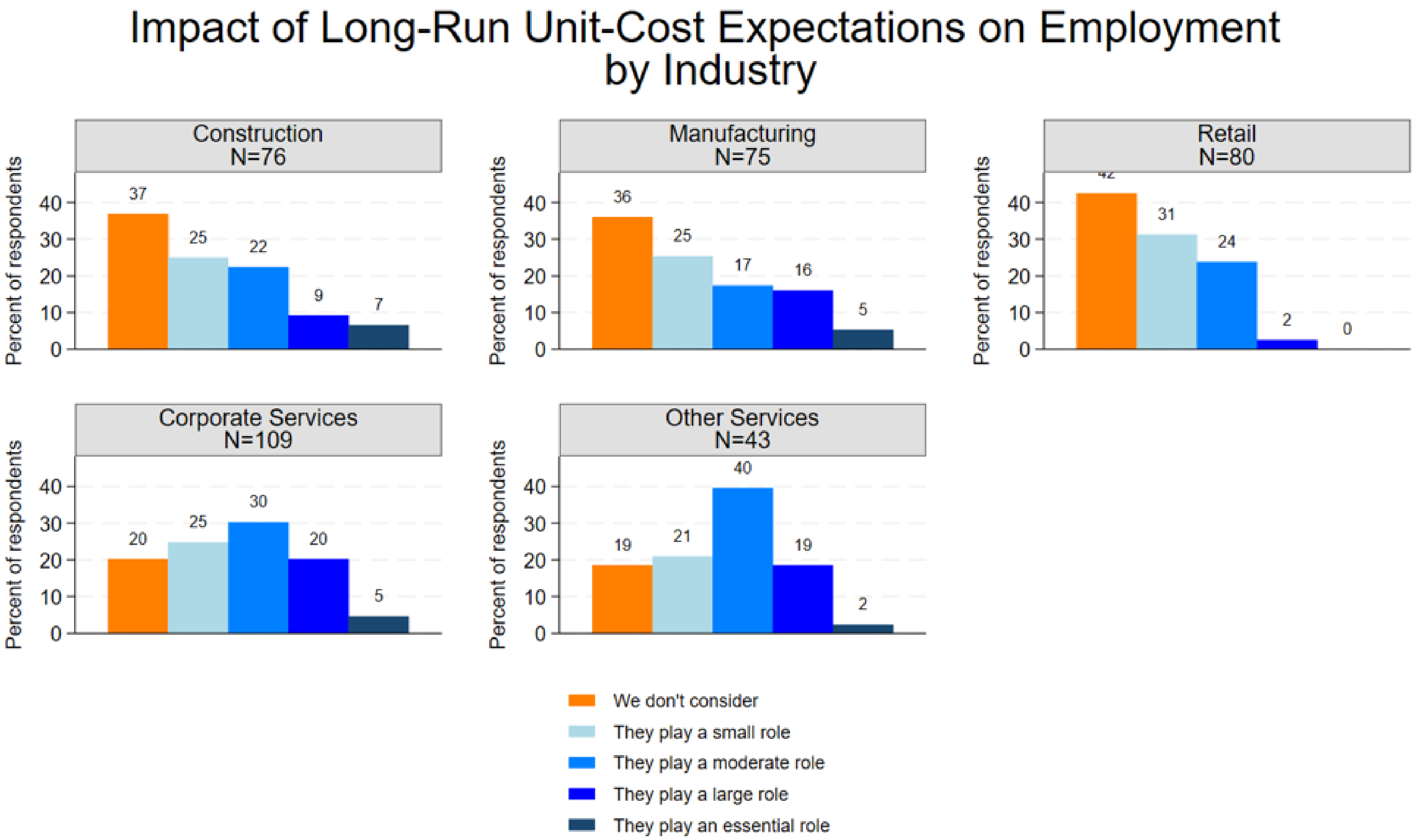
What role do long-run unit-cost expectations play in your firm's plans for hiring and employment levels for the current year?

Less than half of firms indicated that the role long-run unit-cost expectations played more than a small role in their employment planning.



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

This was most consistent with firms in Construction, Manufacturing, and Retail, while firms in services used long-run unit-cost expectations at higher levels in their employment planning.



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

Realizations and expectations by industry

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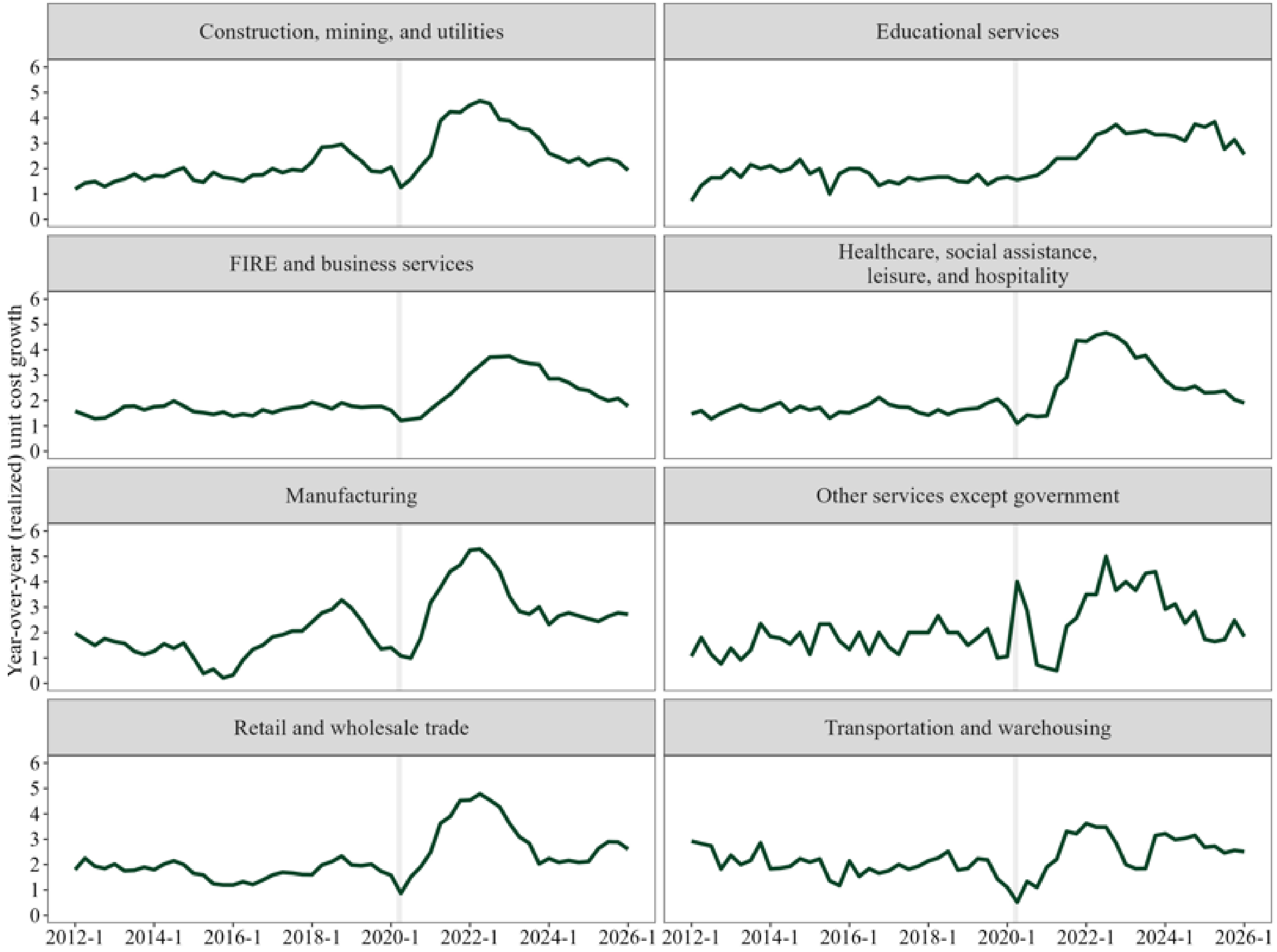
Firms' realized unit-cost growth across most broad industry classifications continues to ebb from peak levels.



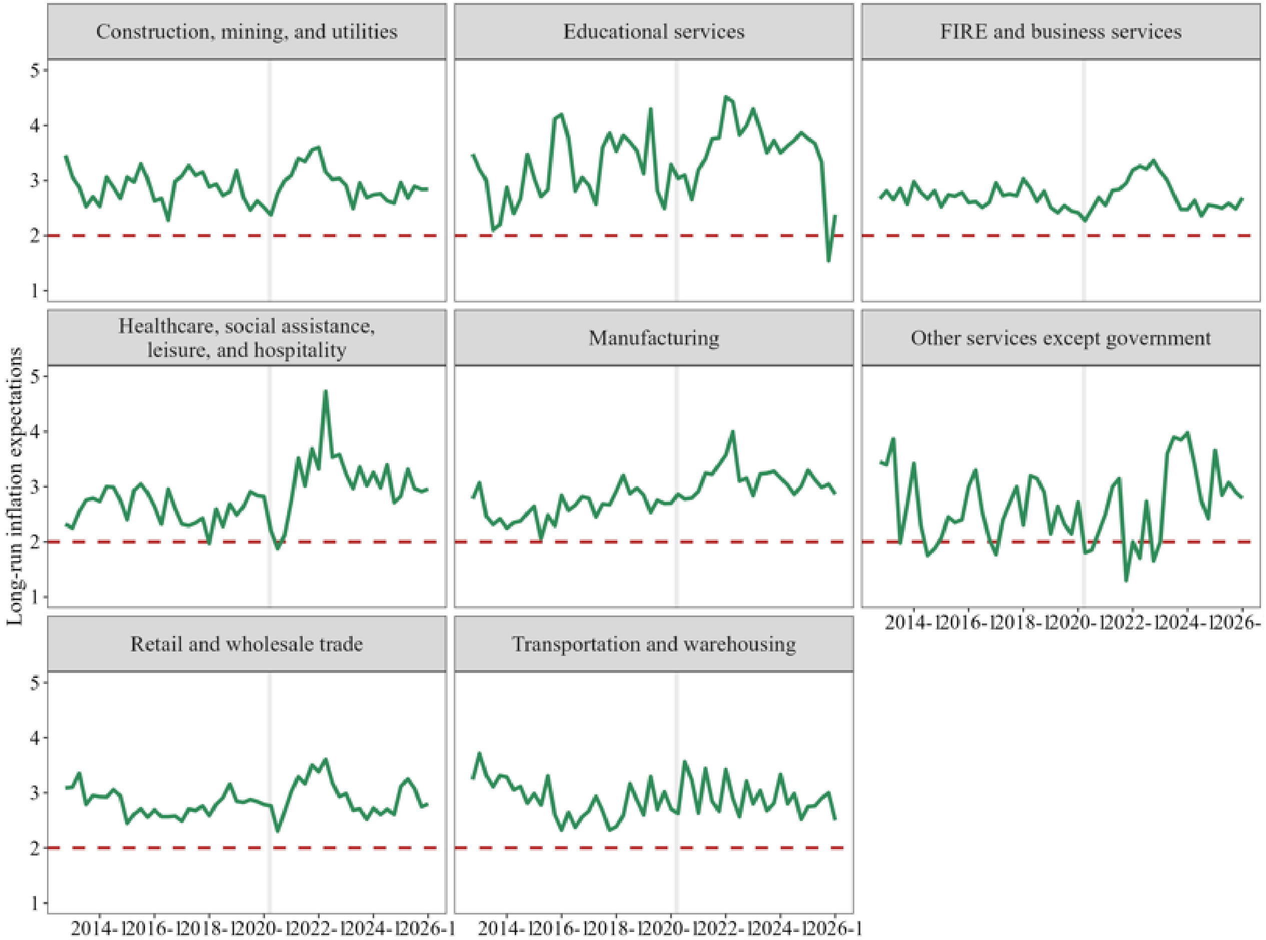
Note: The data are shown monthly.

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

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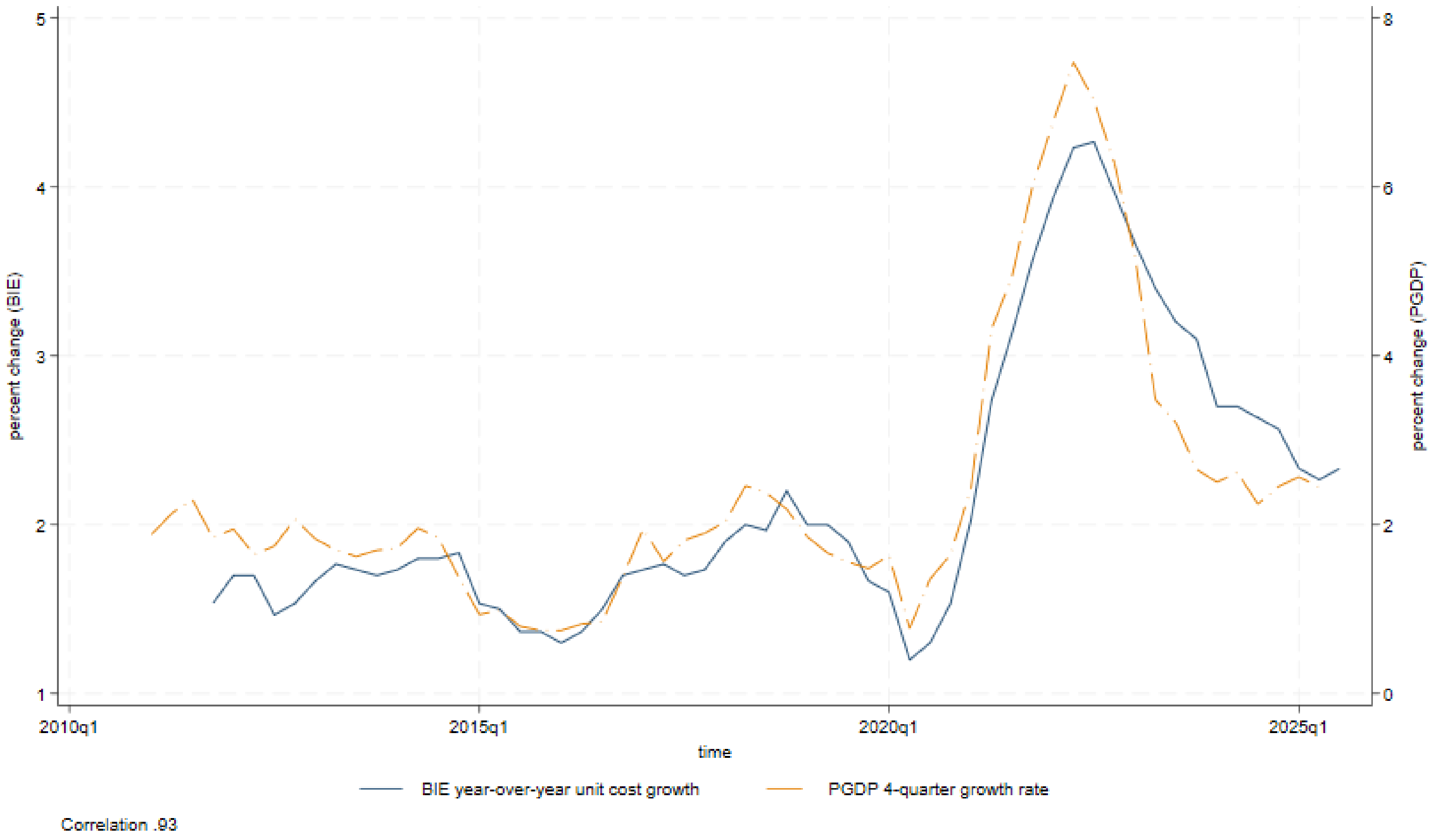
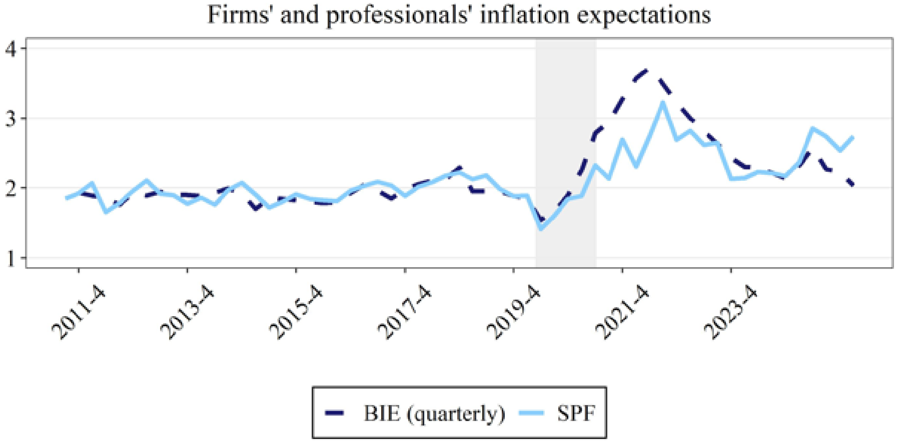
BIE Unit Cost Growth versus GDP Chain-type Price Index

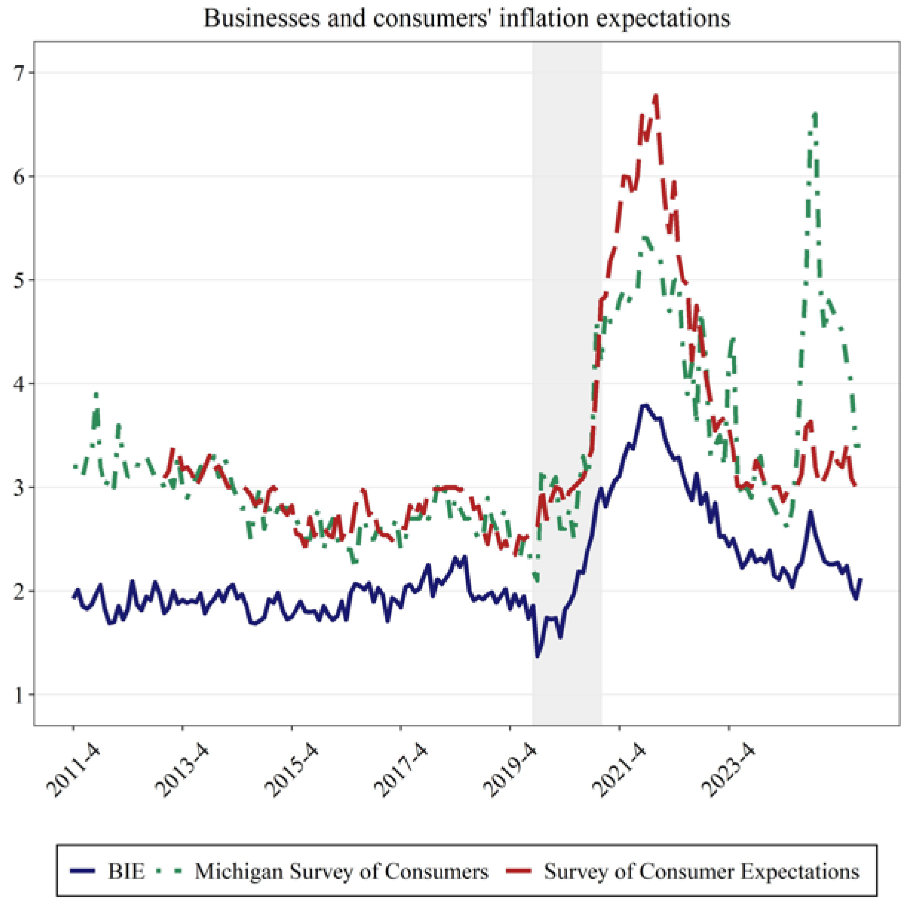


Note: The data are shown quarterly for both measures.

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

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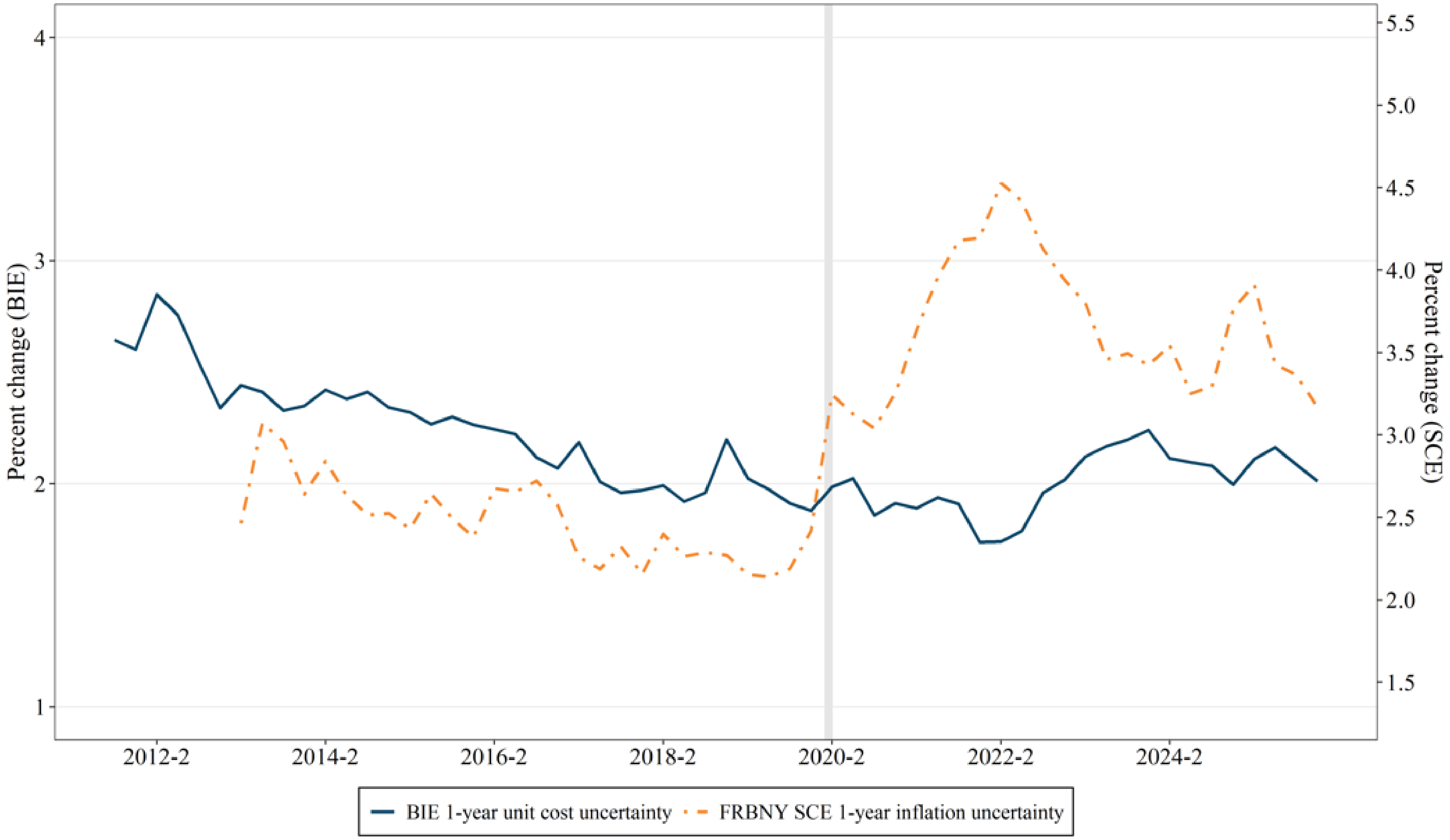
Uncertainty: BIE versus SCE



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)

Questions can be directed to:
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