

Business Inflation Expectations (BIE) Survey

Monthly Report: May 2026



Federal Reserve
Bank of Atlanta

Headline Results

1. Firms' year-ahead unit cost expectations increased to 2.4 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 back up since a low of 1.9 percent in February this year.
2. Firms reported a mean 3.7 percent (median 3.0 percent) price increase over the past 12 months, and a mean 4.1 percent (median 3.0 percent) expected price increase over the next 12 months. Realized and expected price increased from February (3.0 percent median realized price, 3.0 percent median expected price).
3. In May's special questions, we asked firms to consider their use of AI and its impact on employment and task allocation.
4. Overall, most firms report some use of AI technologies, however the tools being reported greatly varies. Firms also report an anticipated positive impact on sales volume per employees due to AI tools and a slight reduction in employment in certain task types due to AI.

About the BIE

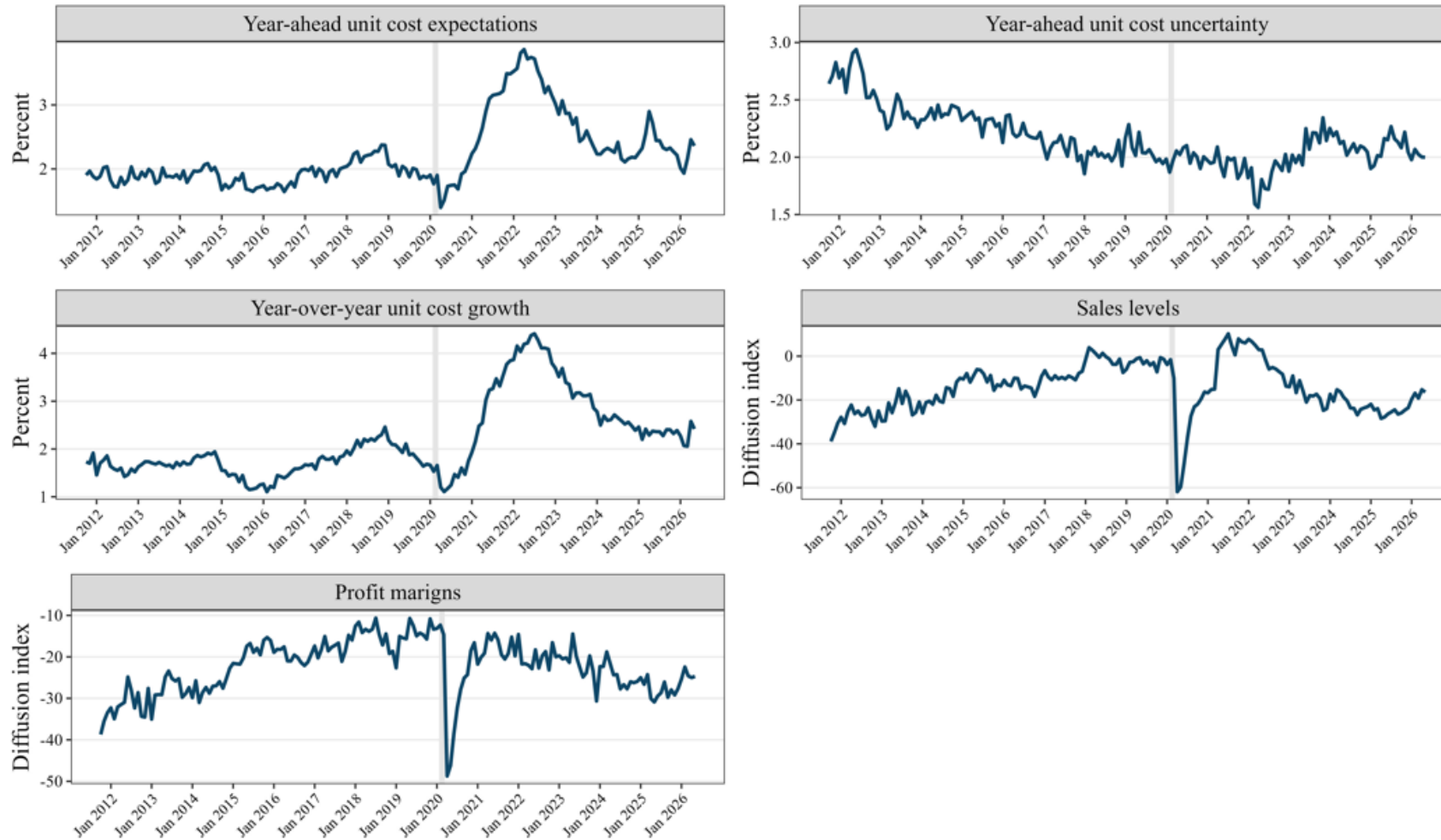
The Business Inflation Expectations (BIE) survey is fielded by the Federal Reserve Bank of Atlanta. It was designed, tested, and refined by the Atlanta Fed Economic Research Survey Center.

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](#).

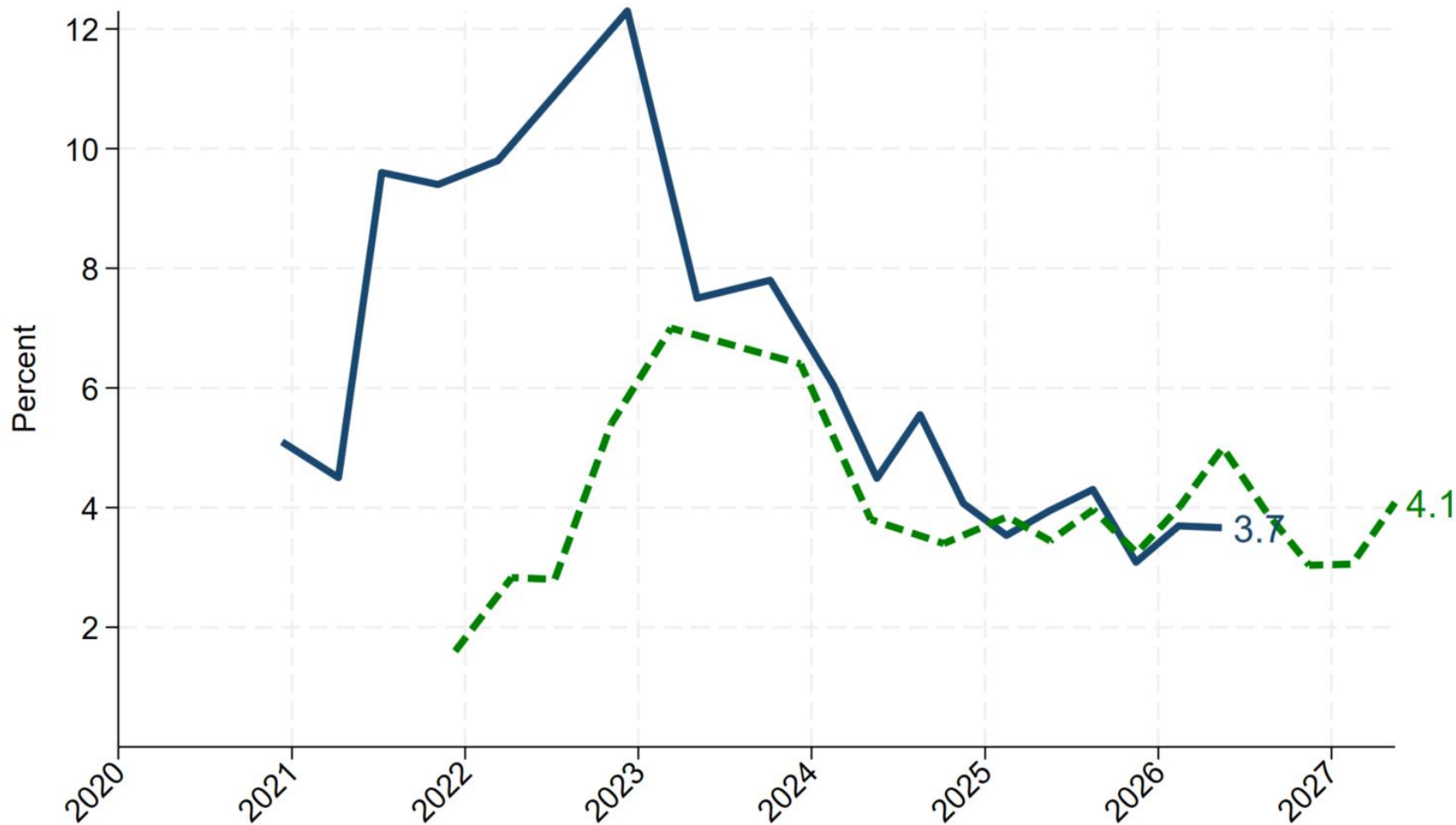
Core Monthly Questions



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

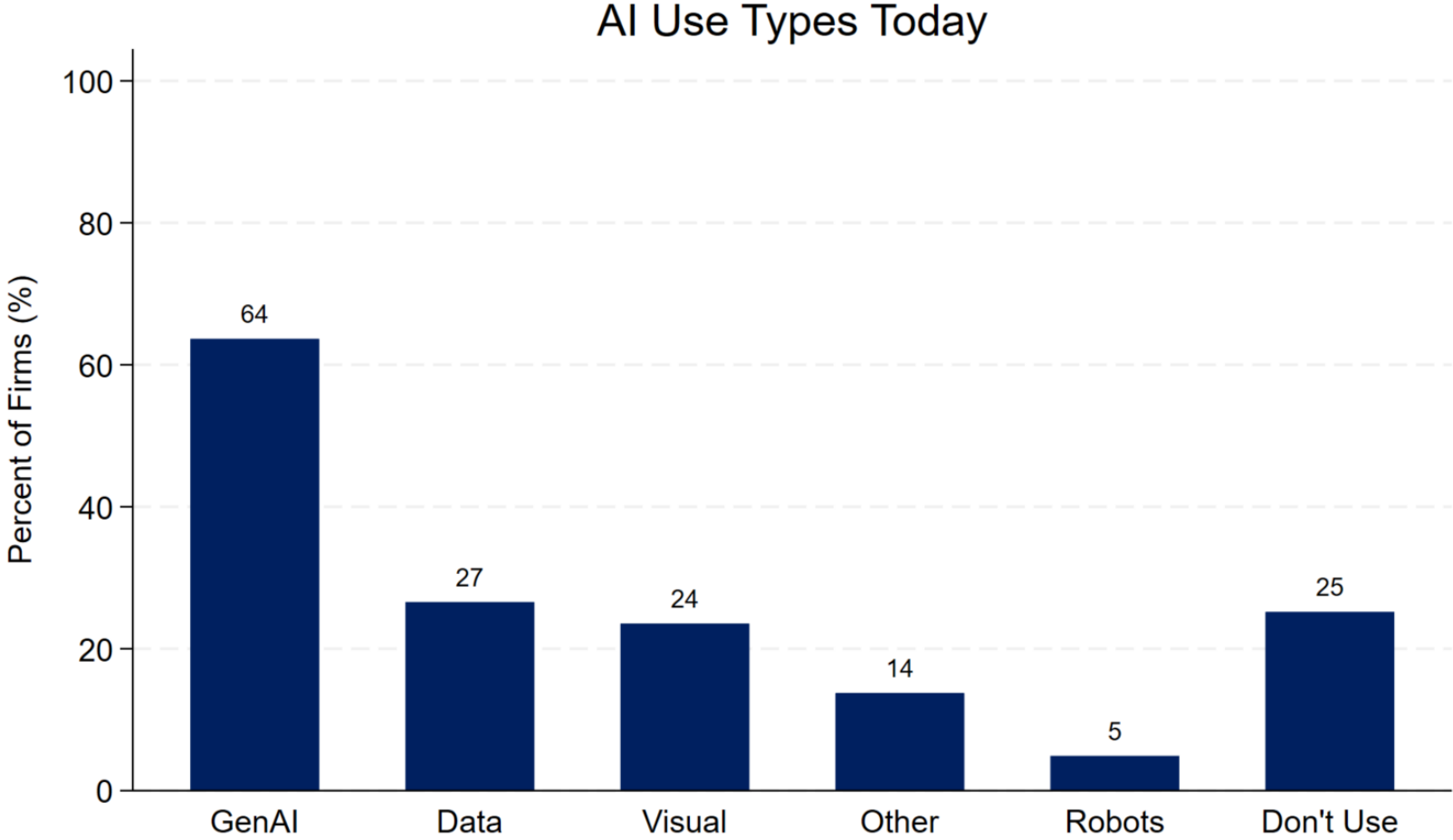
BIE Special Questions: May 2026

Which of the following artificial intelligence (A.I.) technologies does your firm currently use?

And which A.I. technologies do you expect your firm to make use of over the next 12 months?

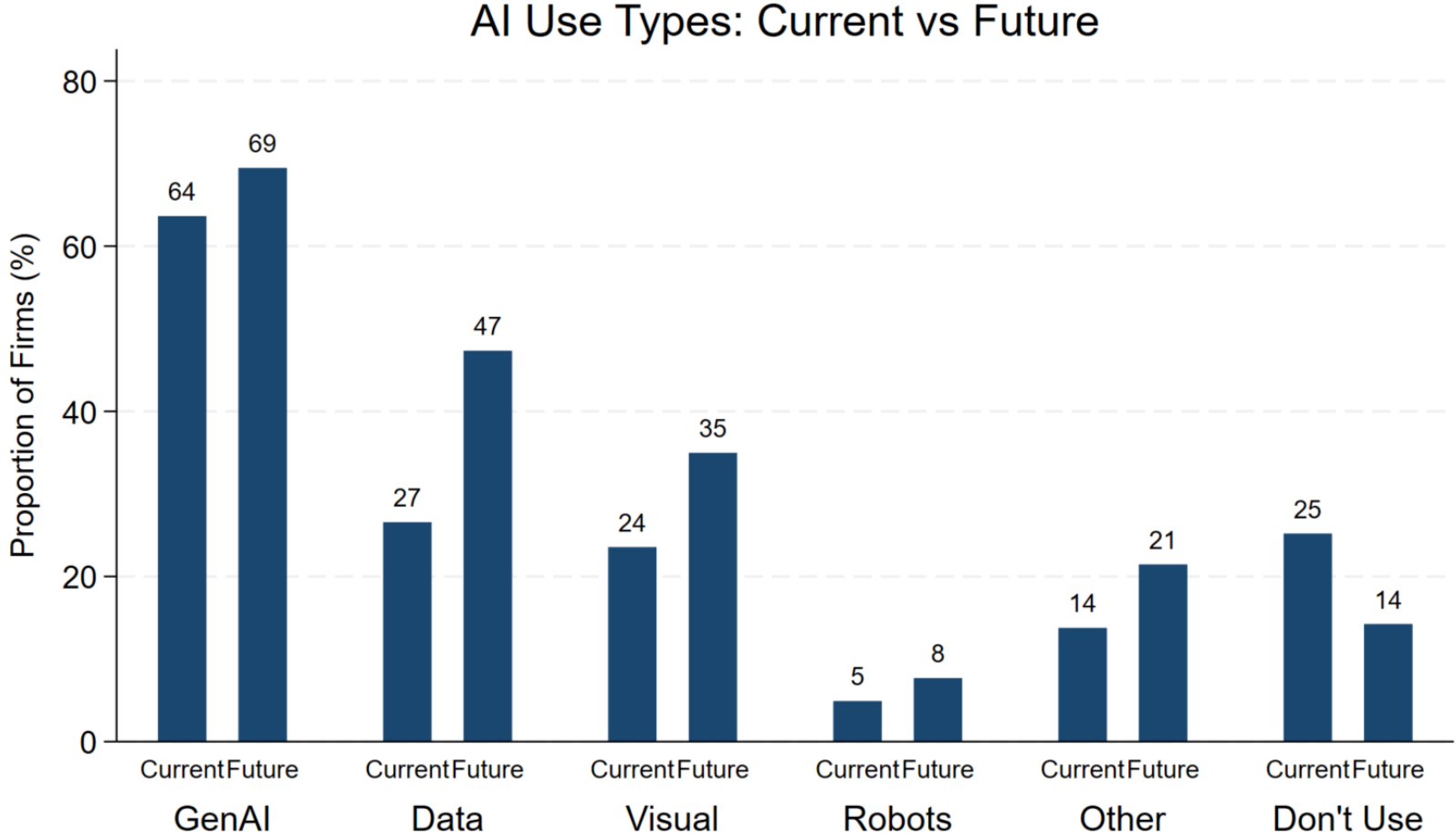
Include new A.I. technologies that your firm plans to adopt, and A.I. technologies your firm is currently using and plans to continue using

Around three quarters of firms report some use of AI technologies today, with over two thirds using generative AI alone. Other more specialized applications are currently used by a quarter or less of respondents.



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

Compared to current use, firms expect to increase their use of specialized AI applications, such as using AI technology in Data and Visualization spaces.

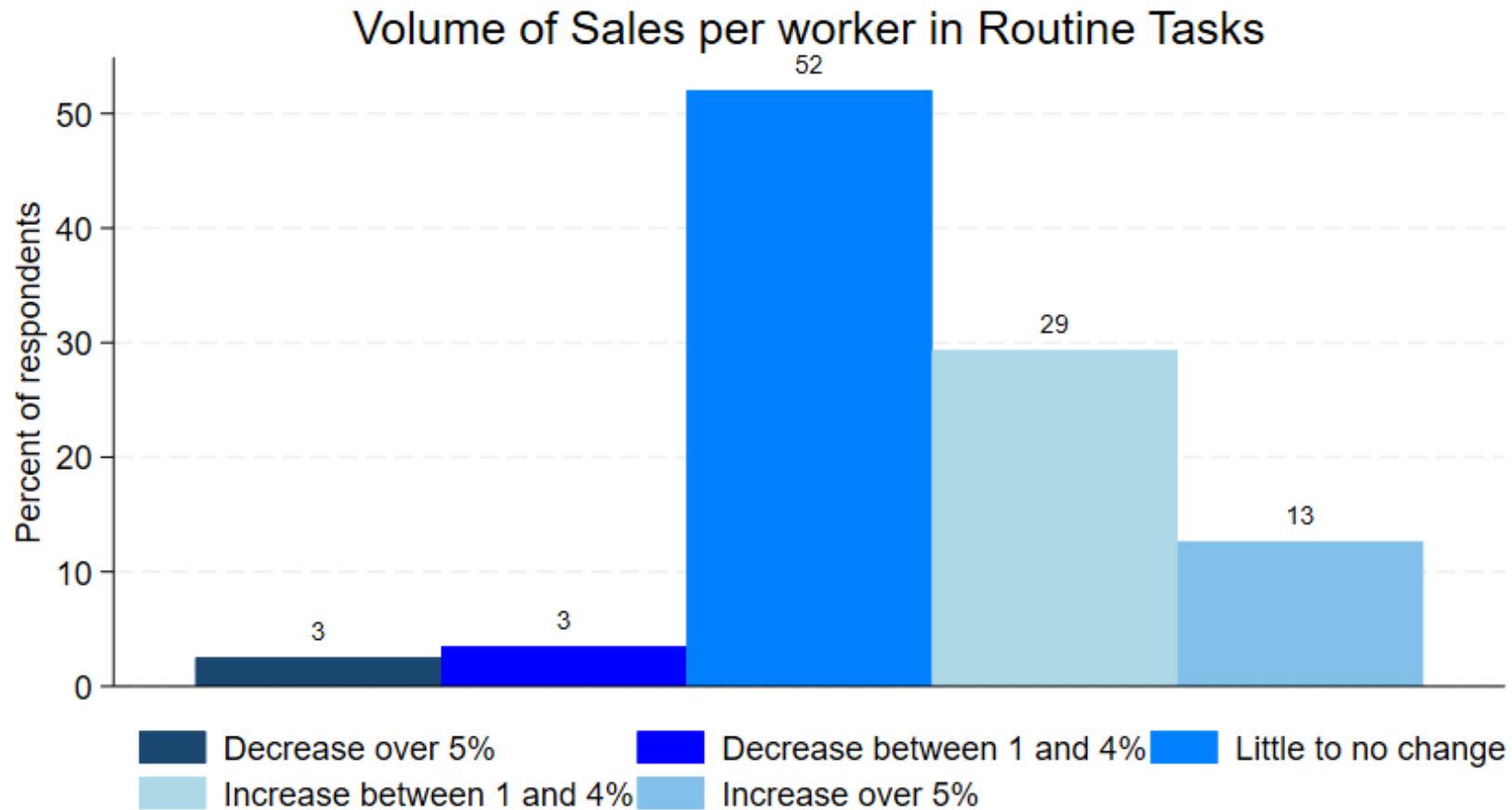


Source: Atlanta Fed's Business Inflation Expectations (BIE) survey

You said that your firm is currently using these A.I. technologies:
{Respondent's selected AI applications}

How do you expect the use of A.I. technologies to affect your firm's volume of sales per employee over the next 12 months, for each of the following kinds of workers?

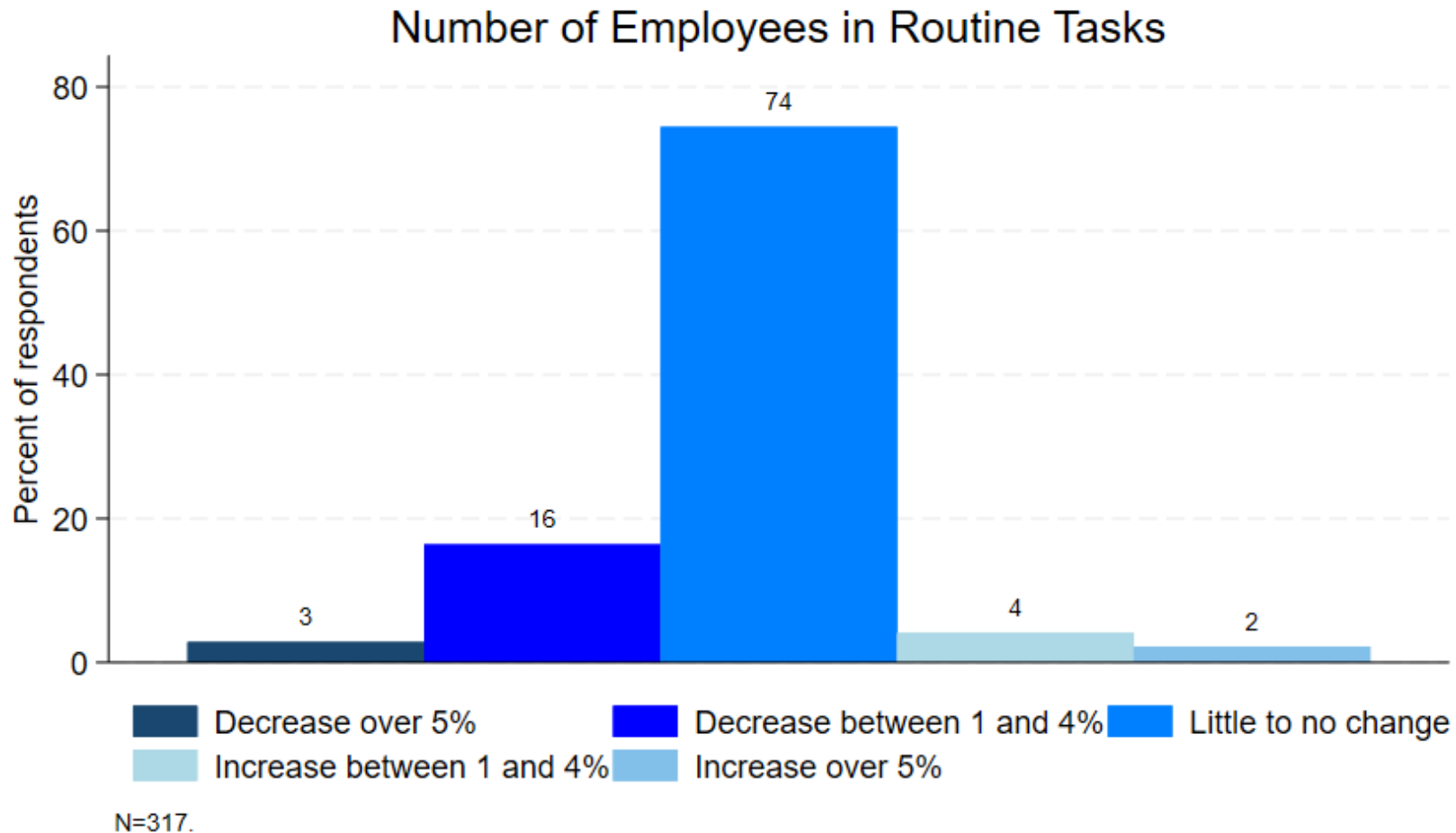
Firms anticipate that their current use of AI technology will either have little to no impact of sales per worker, or will have some positive impact, across all sectors.



N=317.

How do you expect the use of A.I. technologies to affect your firm's number of employees over the next 12 months, for each of the following kinds of workers?

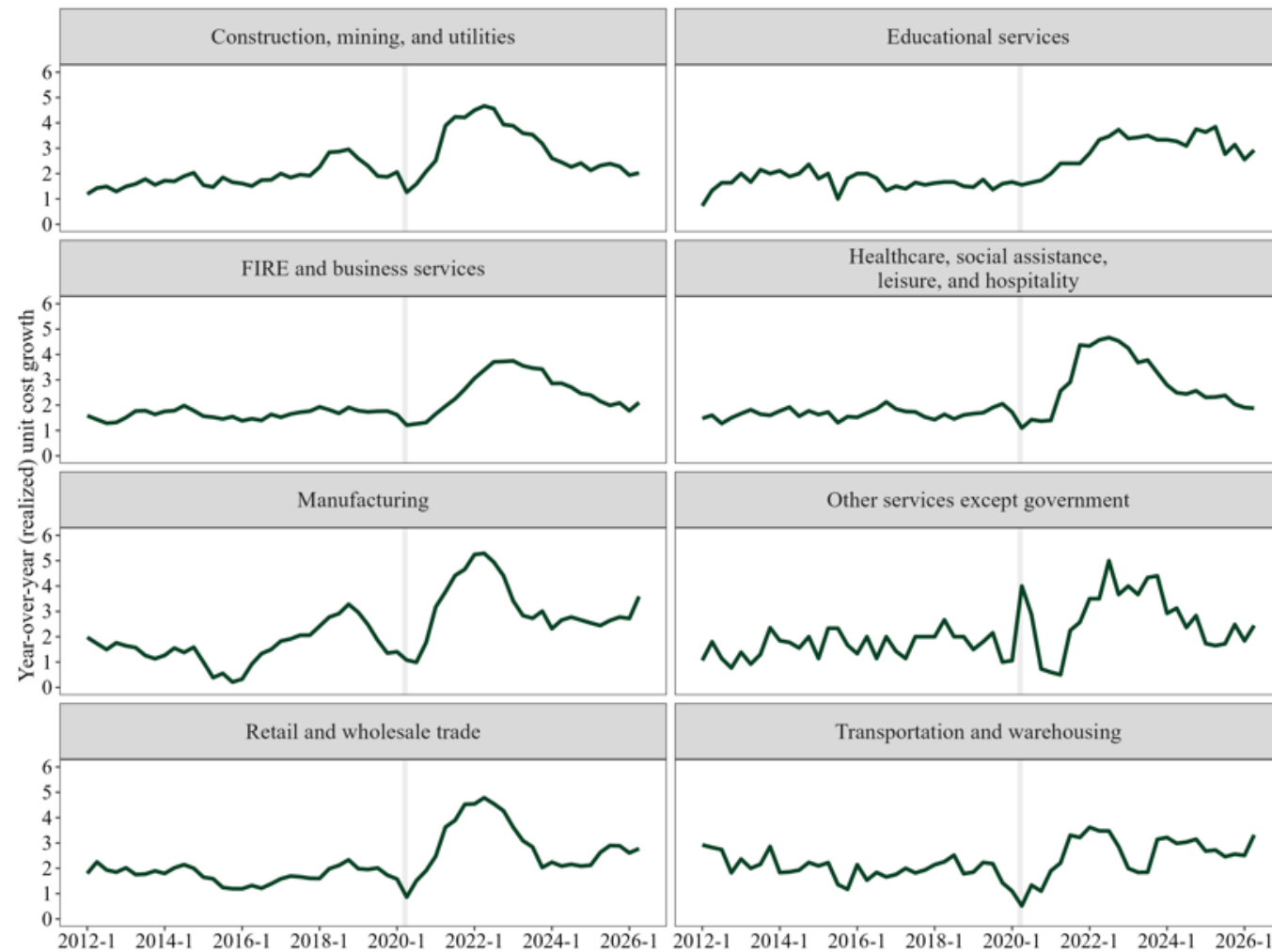
These same firms, however, expect their application of AI technology to have little to some negative change on the number of employees they retain in routine tasks. This negative effect is most pronounced in large firms.



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

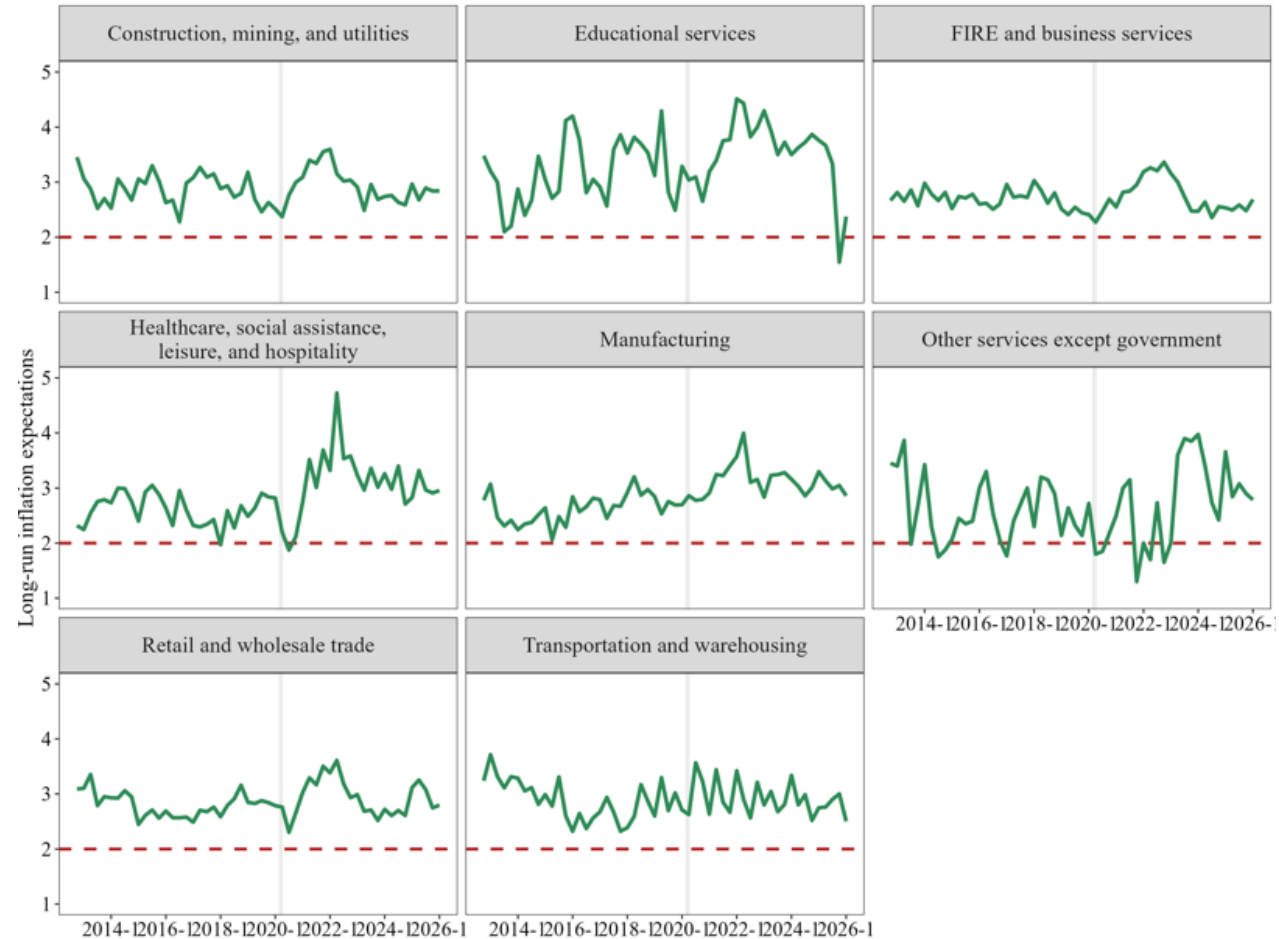
Year-ahead unit-cost expectations vary meaningfully by sector.



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.

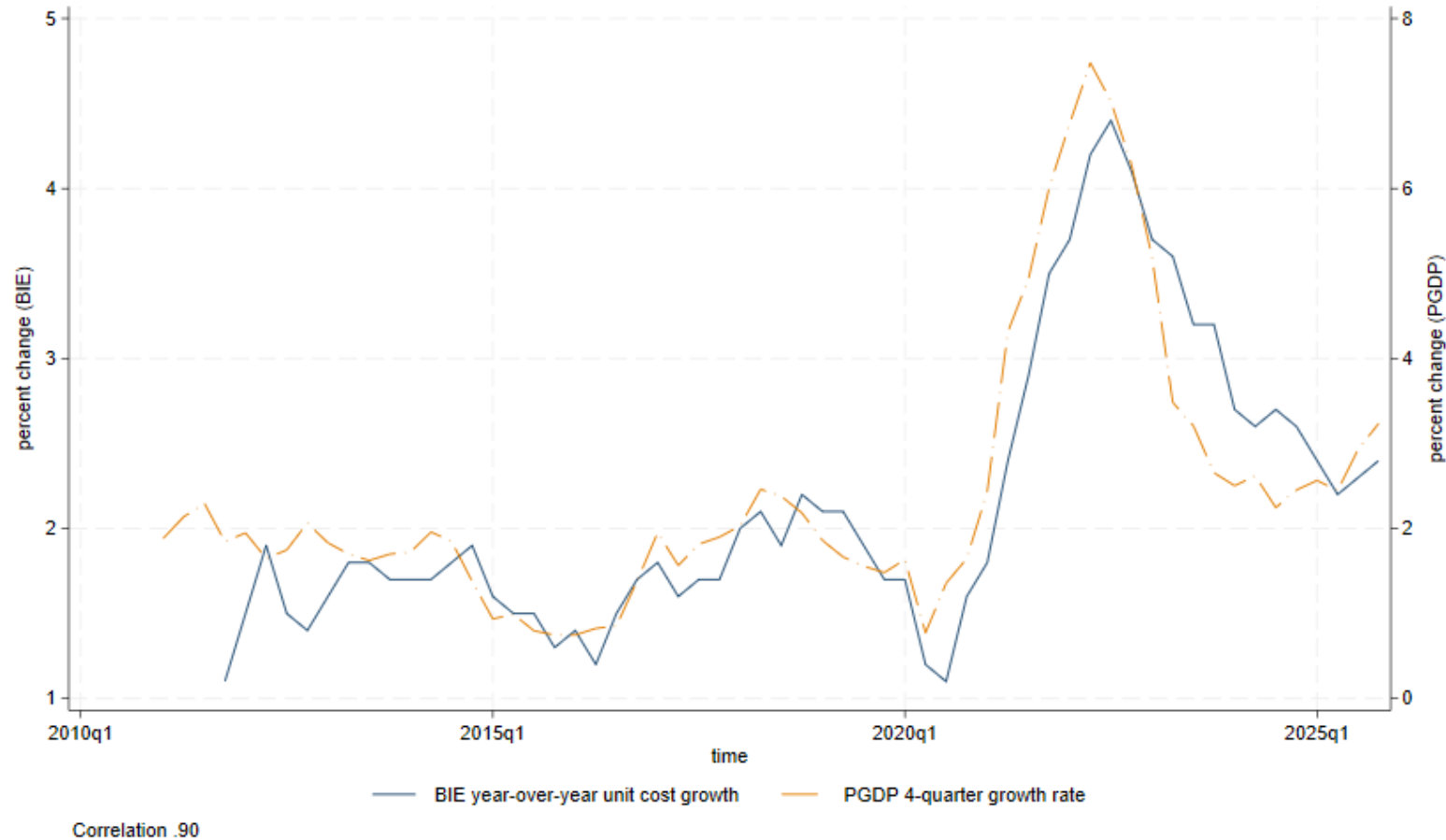


Note: The data are shown monthly.

Source: Atlanta Fed Business Inflation Expectations (BIE) survey

Comparing BIE realizations and expectations to actual data and other surveys

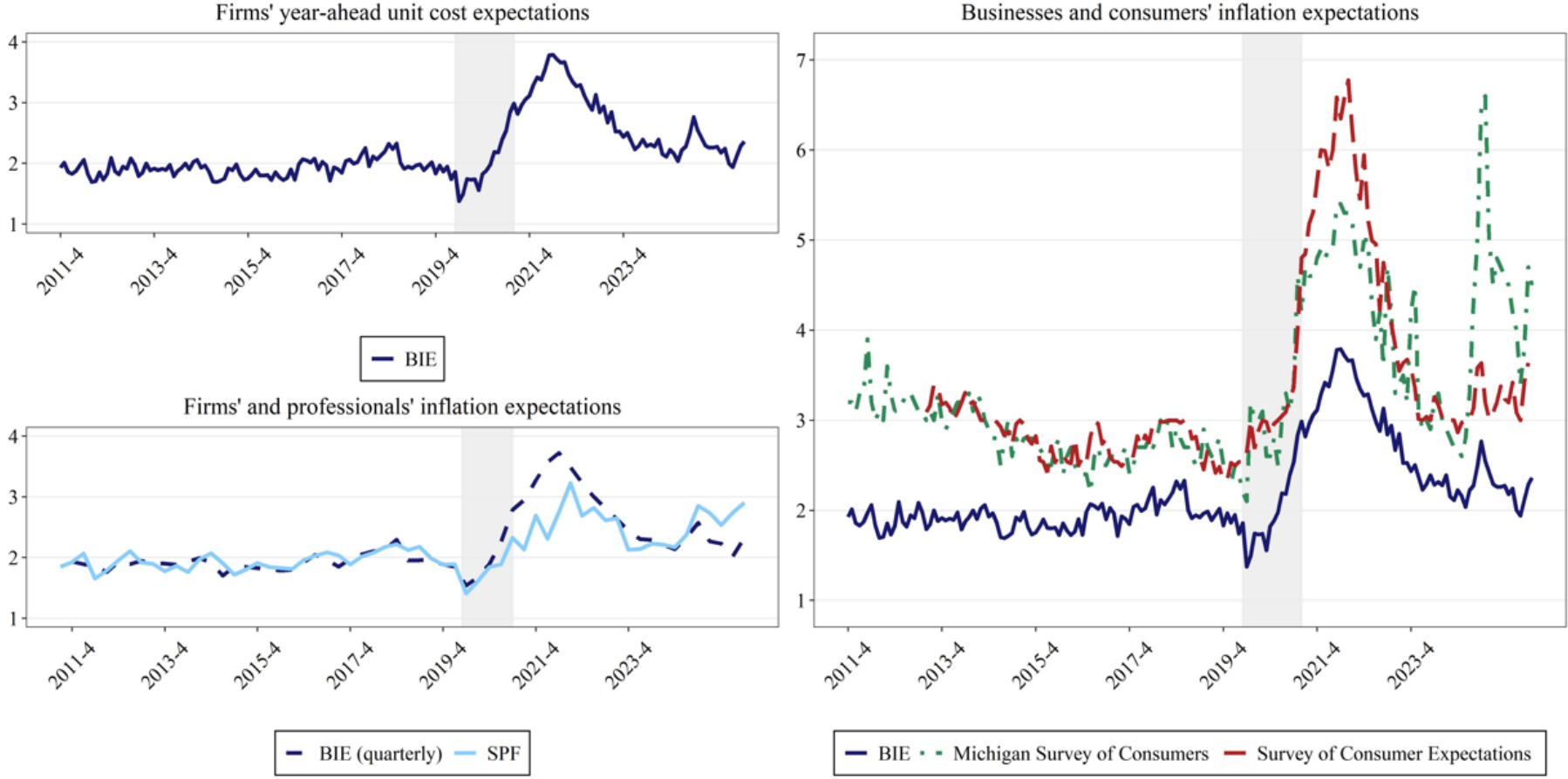
BIE Unit Cost Growth versus GDP Chain-type Price Index



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>

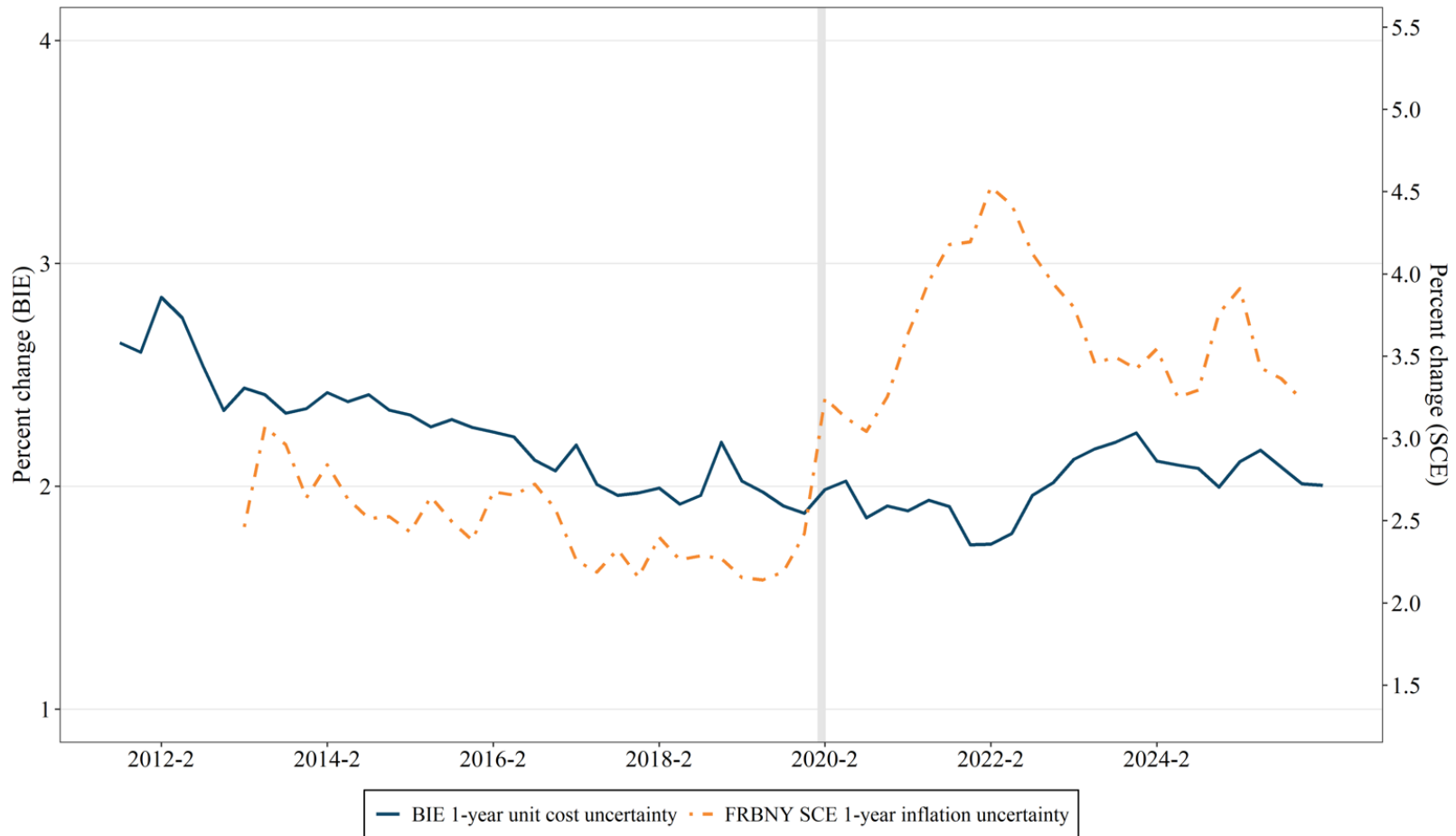
BIE Survey versus SPF and Survey of Consumers



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)

Questions can be directed to:
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