Business Inflation Expectations (BIE) Survey

Monthly Report: July 2026

Federal Reserve Bank *of* Atlanta

Headline Results

1. Firms' year-ahead unit cost expectations decreased to 2.2 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 were mixed compared to April 2026. Sales levels for small firms decreased by 2.2 percentage points, while medium firms' sales levels increased by 0.5 percentage points, and large firms' sales levels increased by 1.5 percentage points.
3. In July's special questions, we asked firms to consider the key determinants of their pricing strategy.
4. Overall, most firms report that their dominant pricing strategy in 2026 has been in response to key events. When compared to previous years this has meaningfully increased to now account for around three-quarters of respondents. Additionally, of firms that are using fixed price horizons, many of these horizons have reduced in some way from BIE responses in 2019.

About the BIE

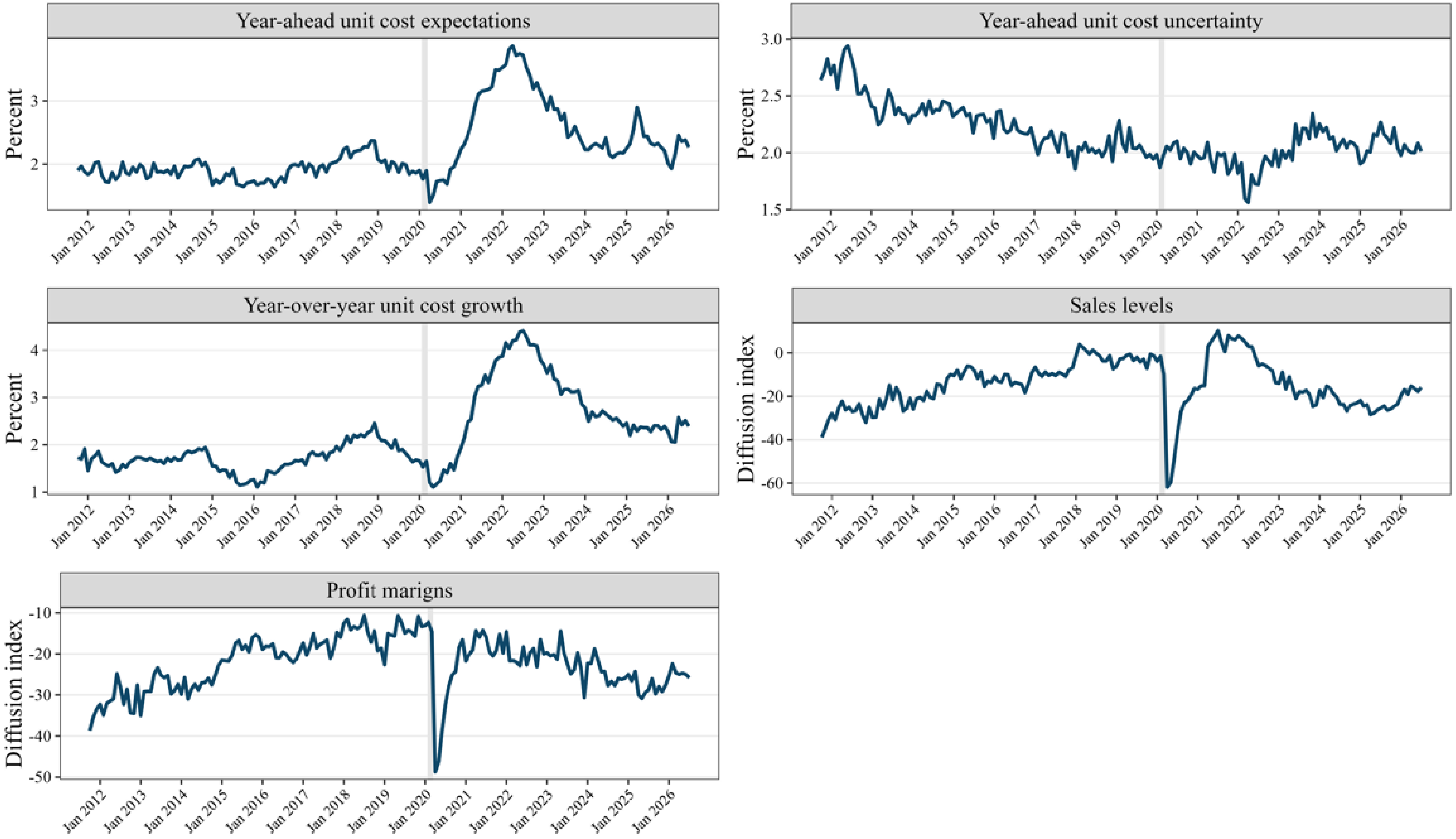
The Business Inflation Expectations (BIE) survey is fielded by the Federal Reserve Bank of Atlanta. It was designed, tested, and refined by the Atlanta Fed Economic Research Survey Center.

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?

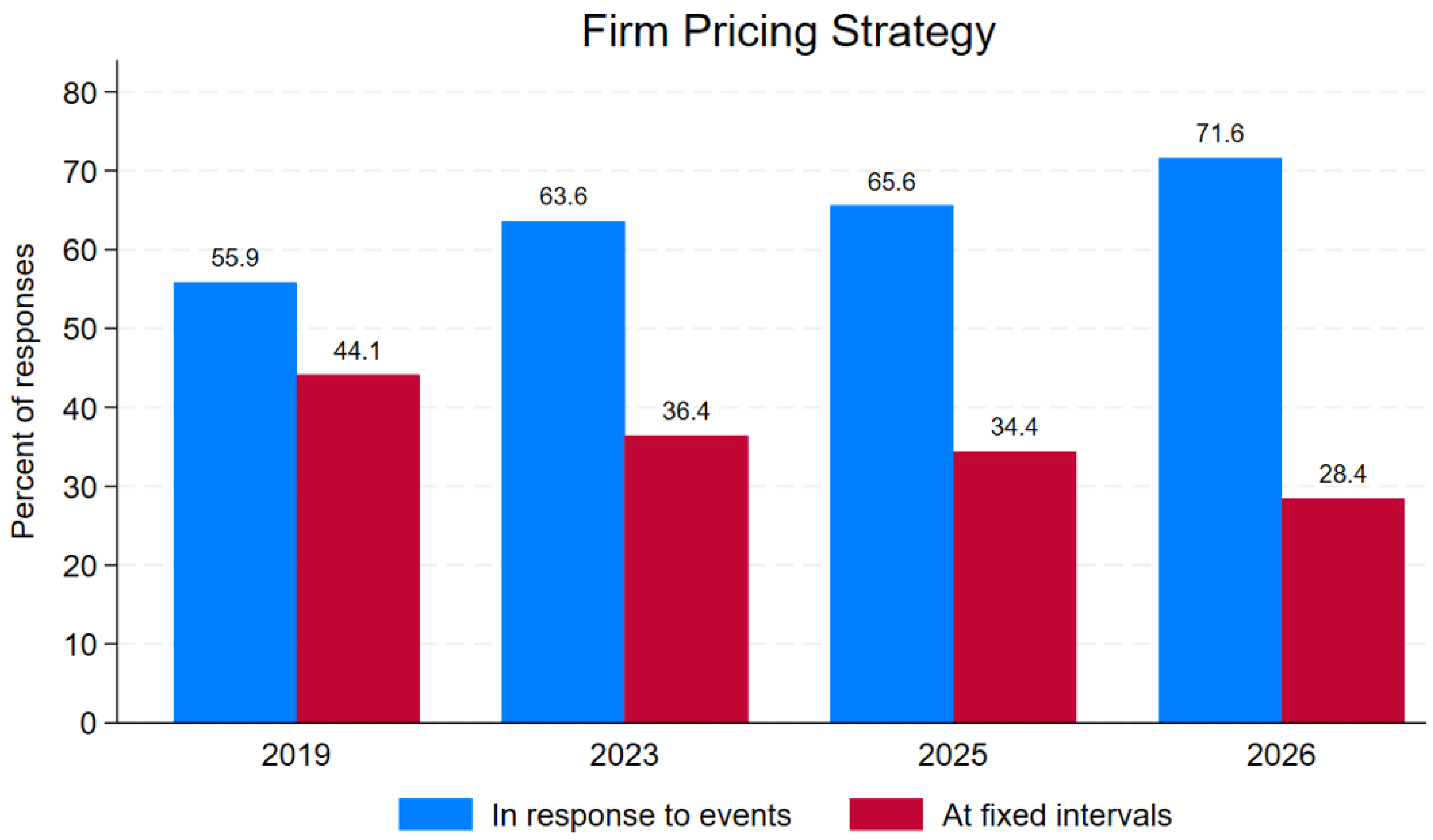
Source: Atlanta Fed Business Inflation Expectations (BIE) survey

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: July 2026

Which of the following best describes how your firm has set prices in each of the following years?

When firms were asked to consider their past pricing strategies, we see a shrinking share of firms using fixed interval pricing and shifting to pricing behavior determined by specific events.

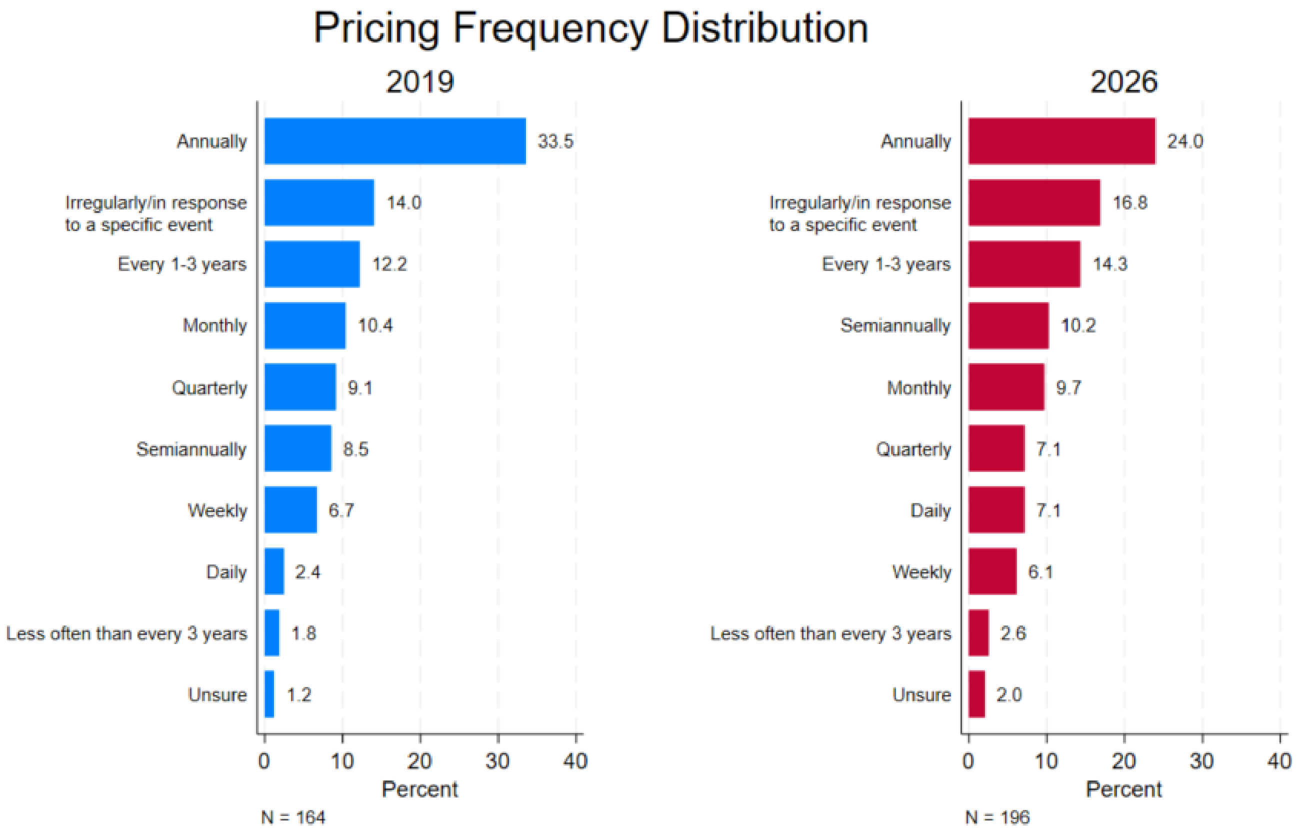


Source: Atlanta Fed's Business Inflation Expectations (BIE) survey

Which of the following statements best describes the prices you charge?

How often do you typically change the price of the product or service responsible for the largest share of your sales revenue?

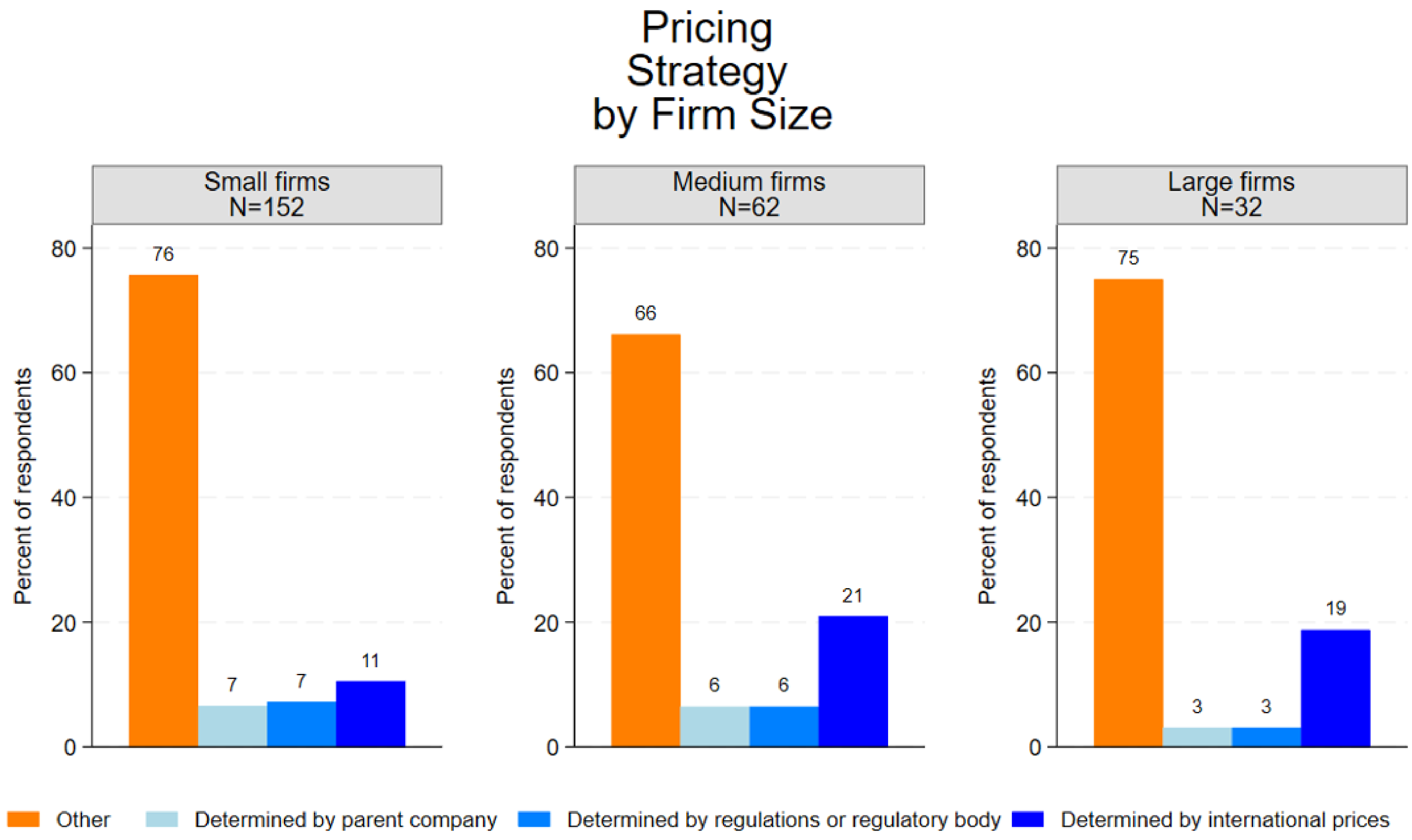
Since 2019 there has been a meaningful decline in the share of firms that change prices annually, conditional on the firm being able to set its own prices.



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

Which one of the following groups currently accounts for the largest share of your sales revenue?

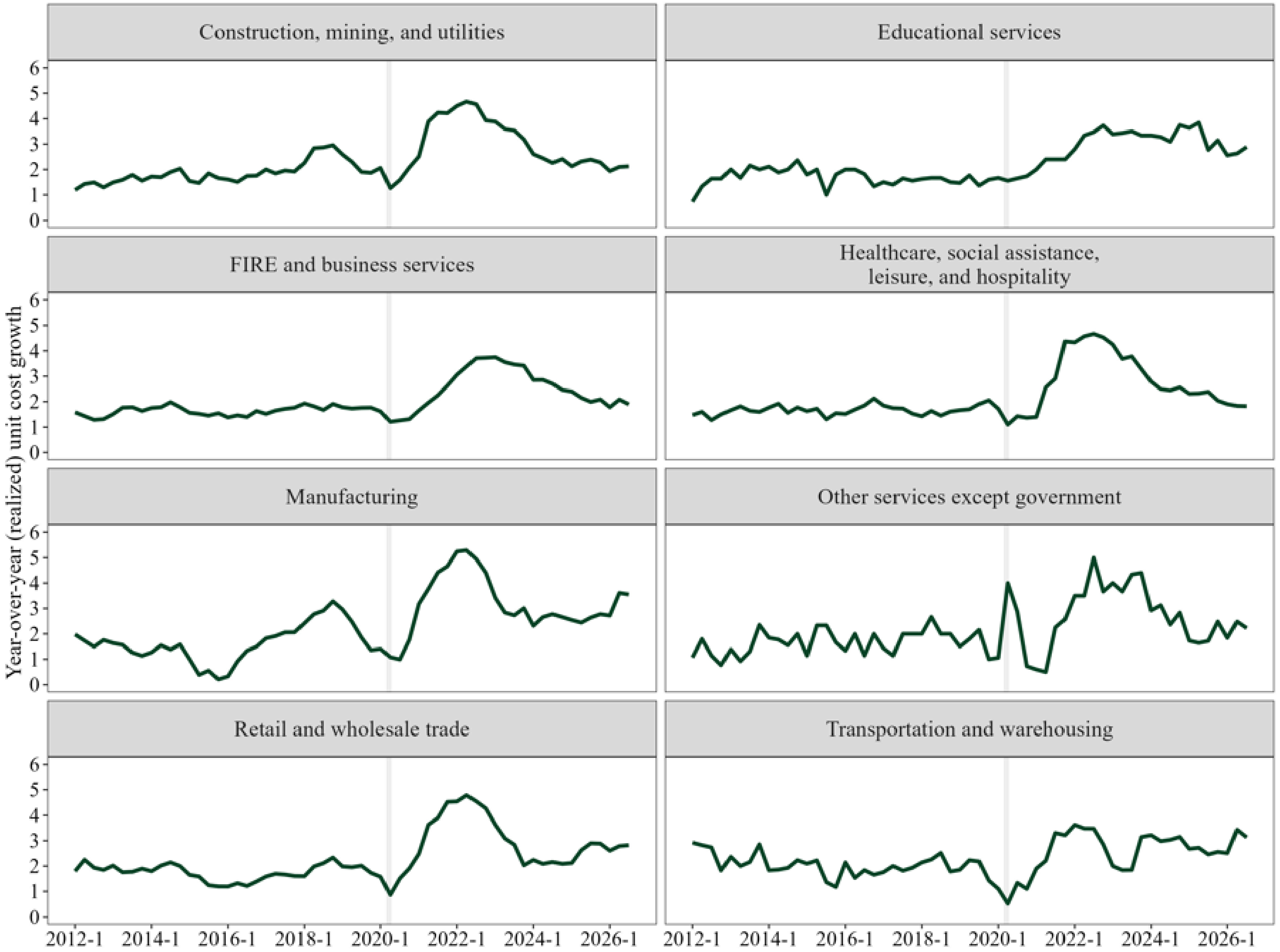
Across firm sizes, most respondent firms are not having their prices directly determined by major external factors. Instead, these firms are able to exercise some agency in their pricing strategy.



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

Realizations and expectations by industry

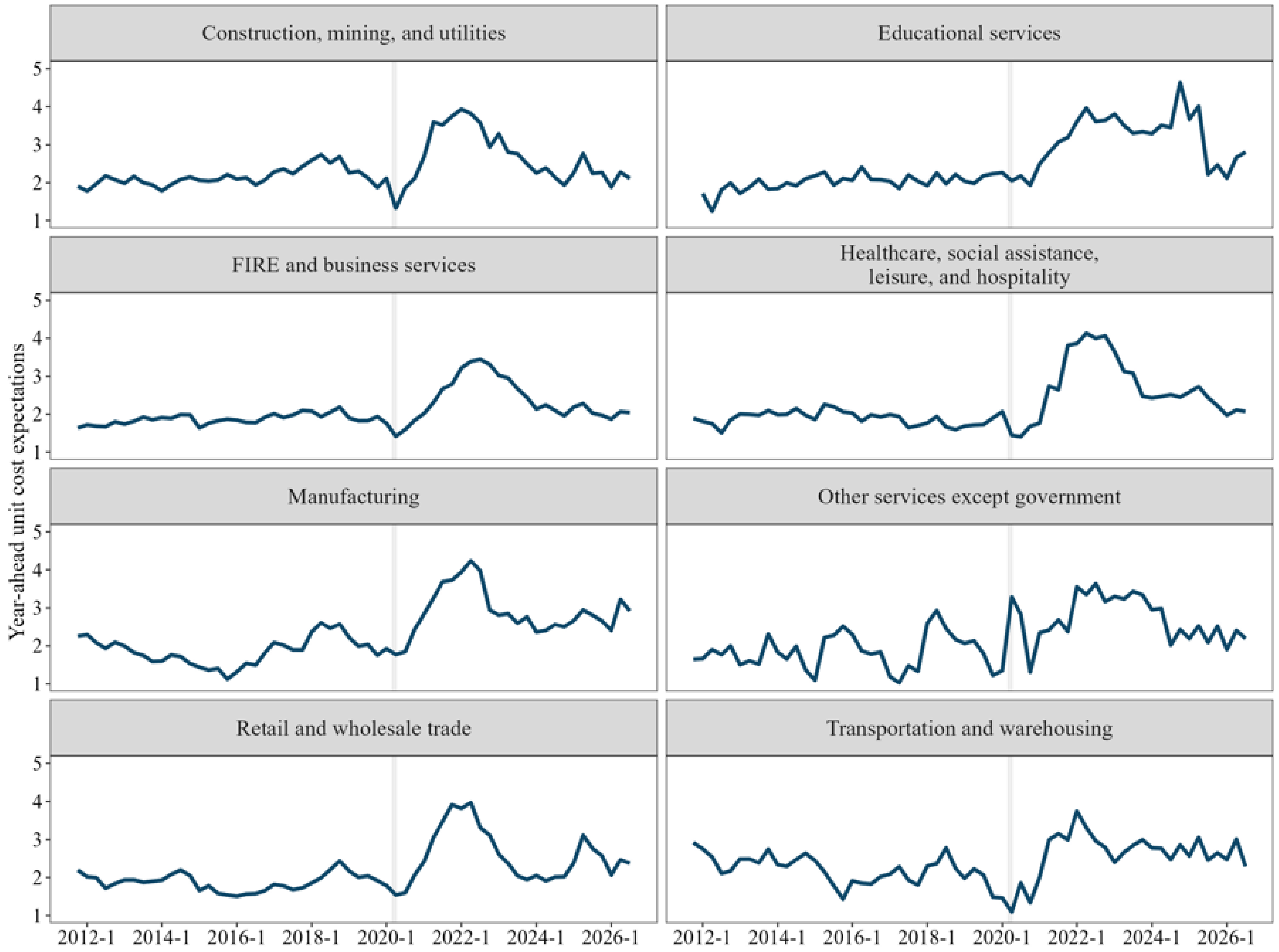
Firms' realized unit-cost growth across most broad industry classifications continues to ebb from peak levels.



Note: The data are shown monthly.

Source: Atlanta Fed Business Inflation Expectations (BIE) survey

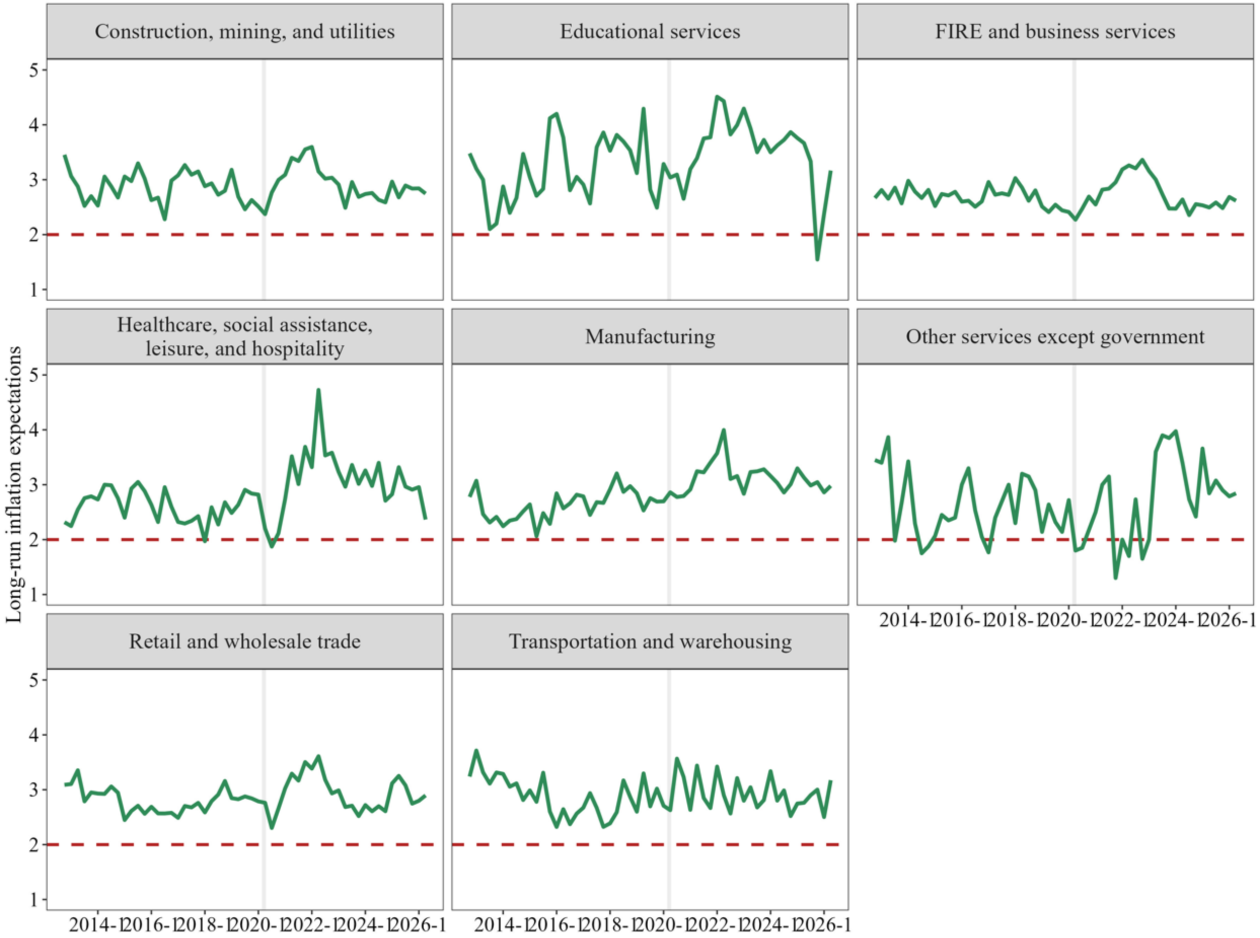
Year-ahead unit-cost expectations vary meaningfully by sector.



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

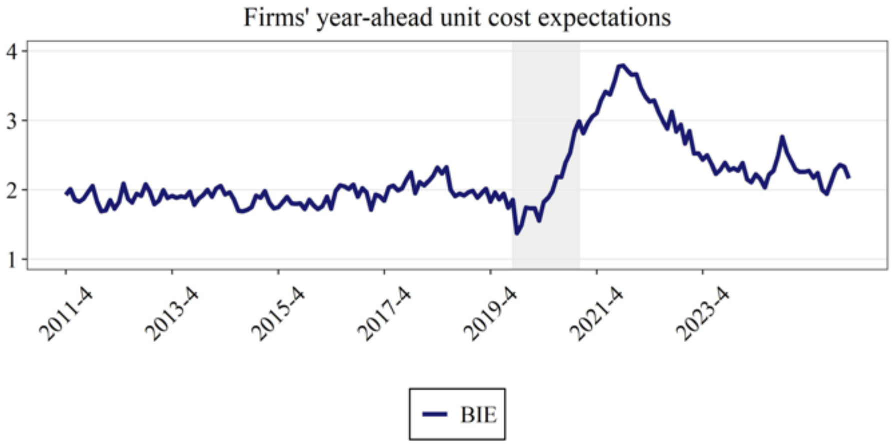
Comparing BIE realizations and expectations to actual data and other surveys

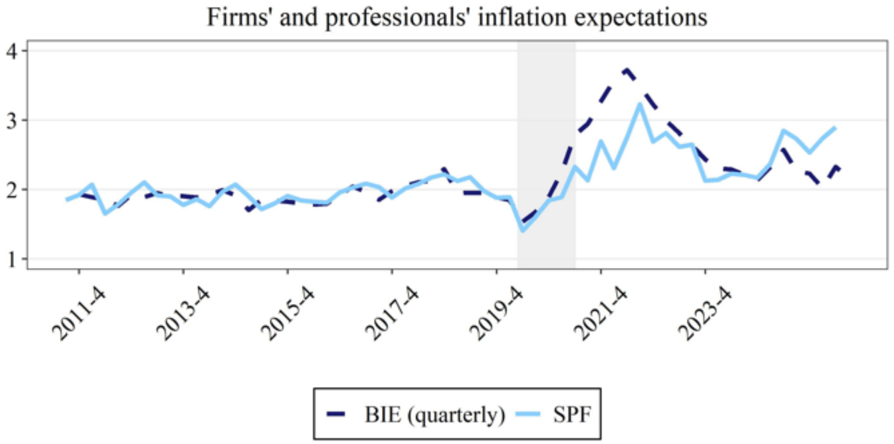
BIE Unit Cost Growth versus GDP Chain-type Price Index

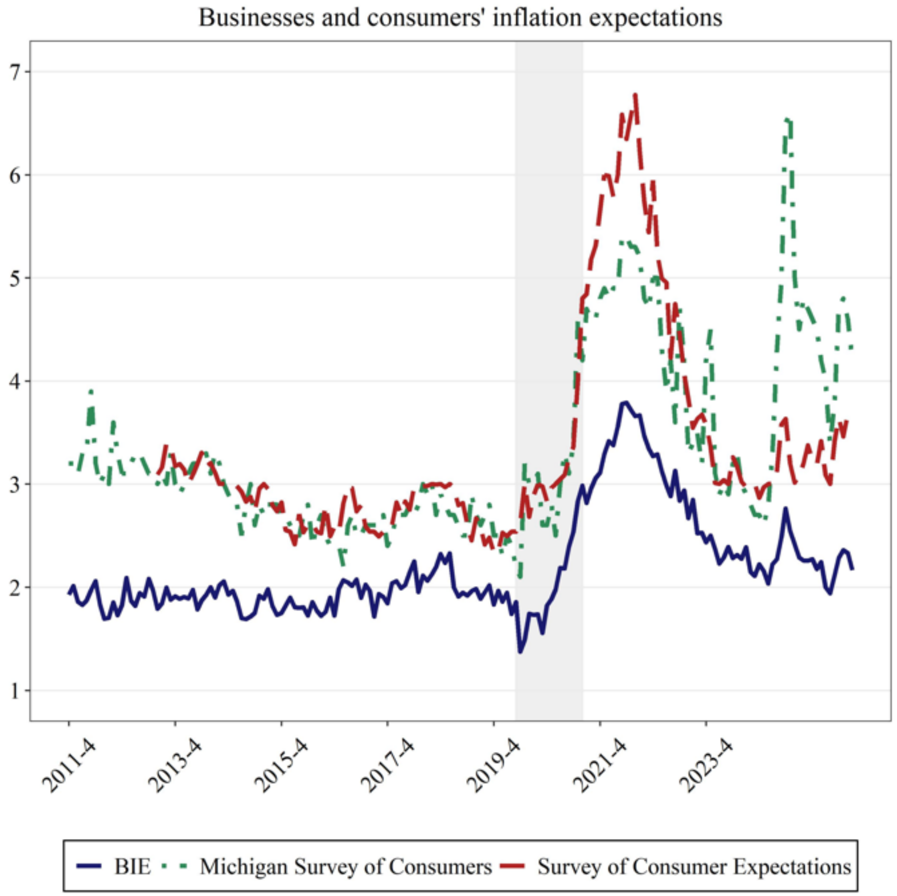
Note: The data are shown quarterly for both measures.

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

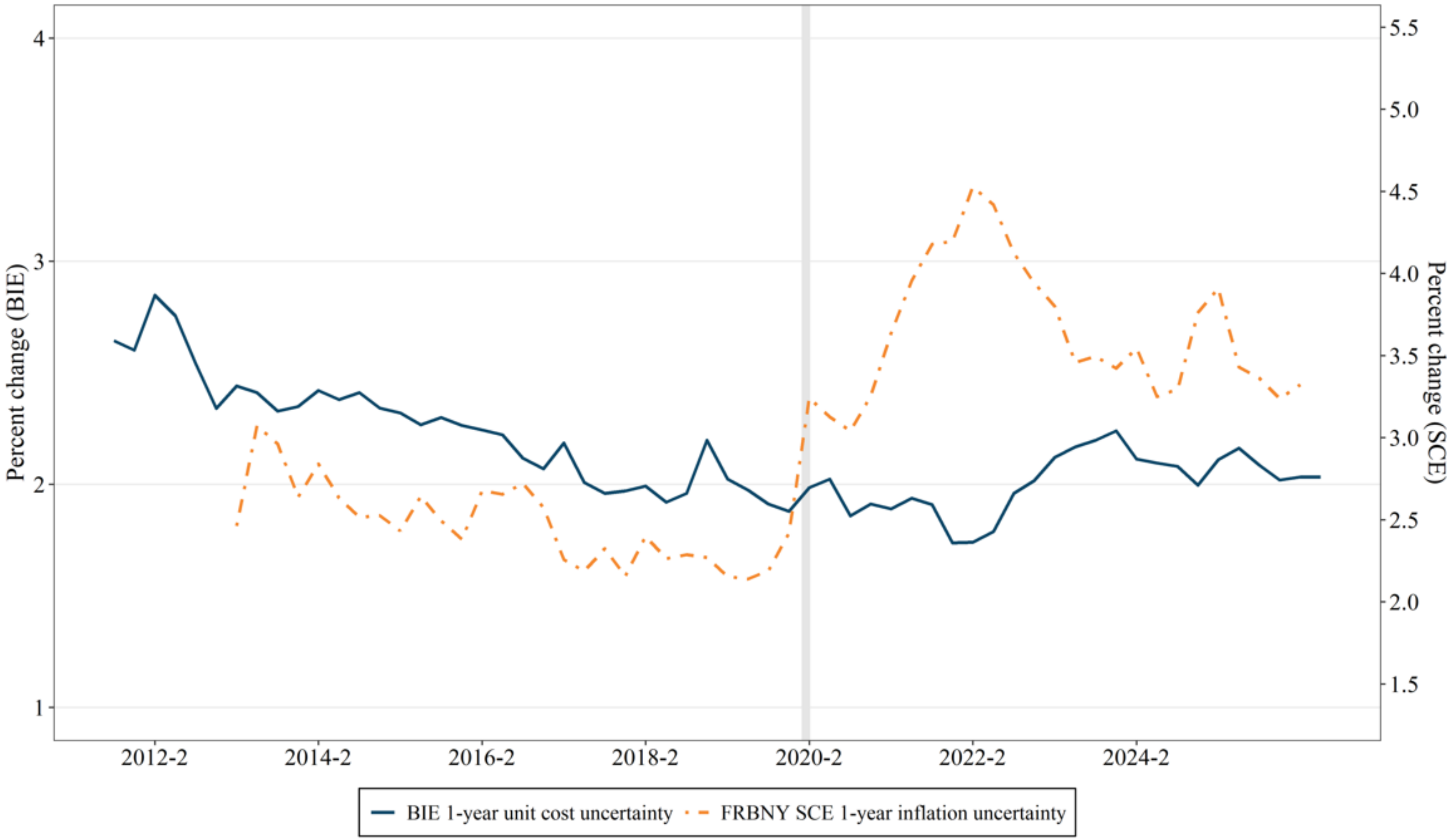






Note: Except the chart at lower left with quarterly data, all remaining chart data are shown monthly.
Source: Atlanta Fed Business Inflation Expectations (BIE) survey, Philadelphia Fed Survey of Professional Forecasters (SPF), and University of Michigan Survey of Consumers

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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