Business Inflation Expectations (BIE) Survey

Monthly Report: August 2026

Federal Reserve Bank of Atlanta

Headline Results

1. Firms' year-ahead unit cost expectations remained constant at 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 reported a mean 4.5 percent (median 4.0 percent) price increase over the past 12 months, and a mean 3.7 percent (median 3.0 percent) expected price increase over the next 12 months. Realized price increased from May (3.7 percent mean realized price), while expected price has decreased (4.1 percent mean expected price).
3. In August's special questions, we asked firms to consider their responses to tariffs and the recent energy cost spike.
4. Overall, most firms report that in response to future cost shocks, they anticipate avoiding changes to labor inputs, instead focusing on their supply chains and other nonlabor costs to find reprieve. Additionally, many firms indicate that the effects of the oil shock were more broadly impactful than that of the tariff shock.

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.

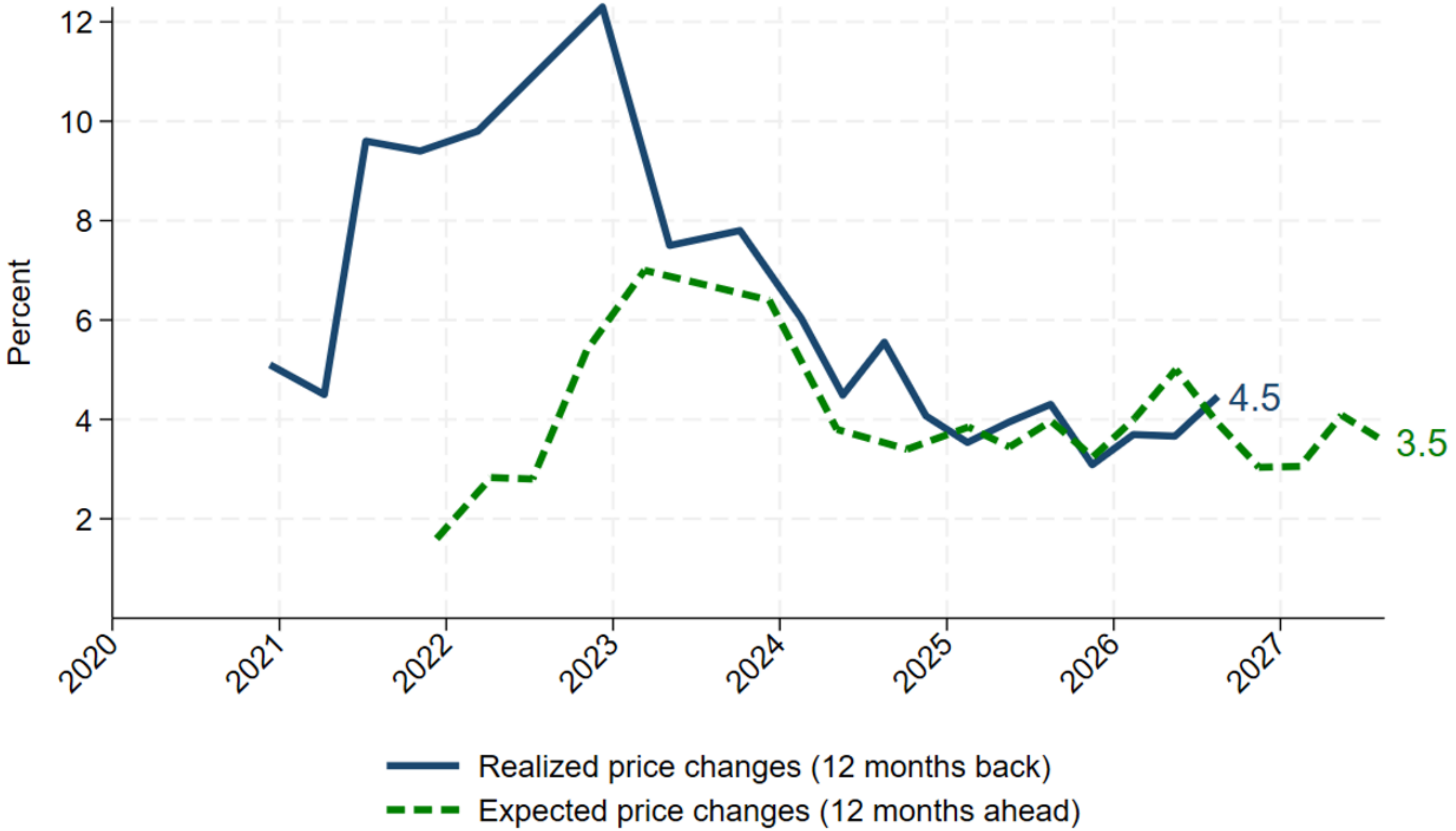
For more information on survey design and methodology, please refer to resources on the BIE page.

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: August 2026

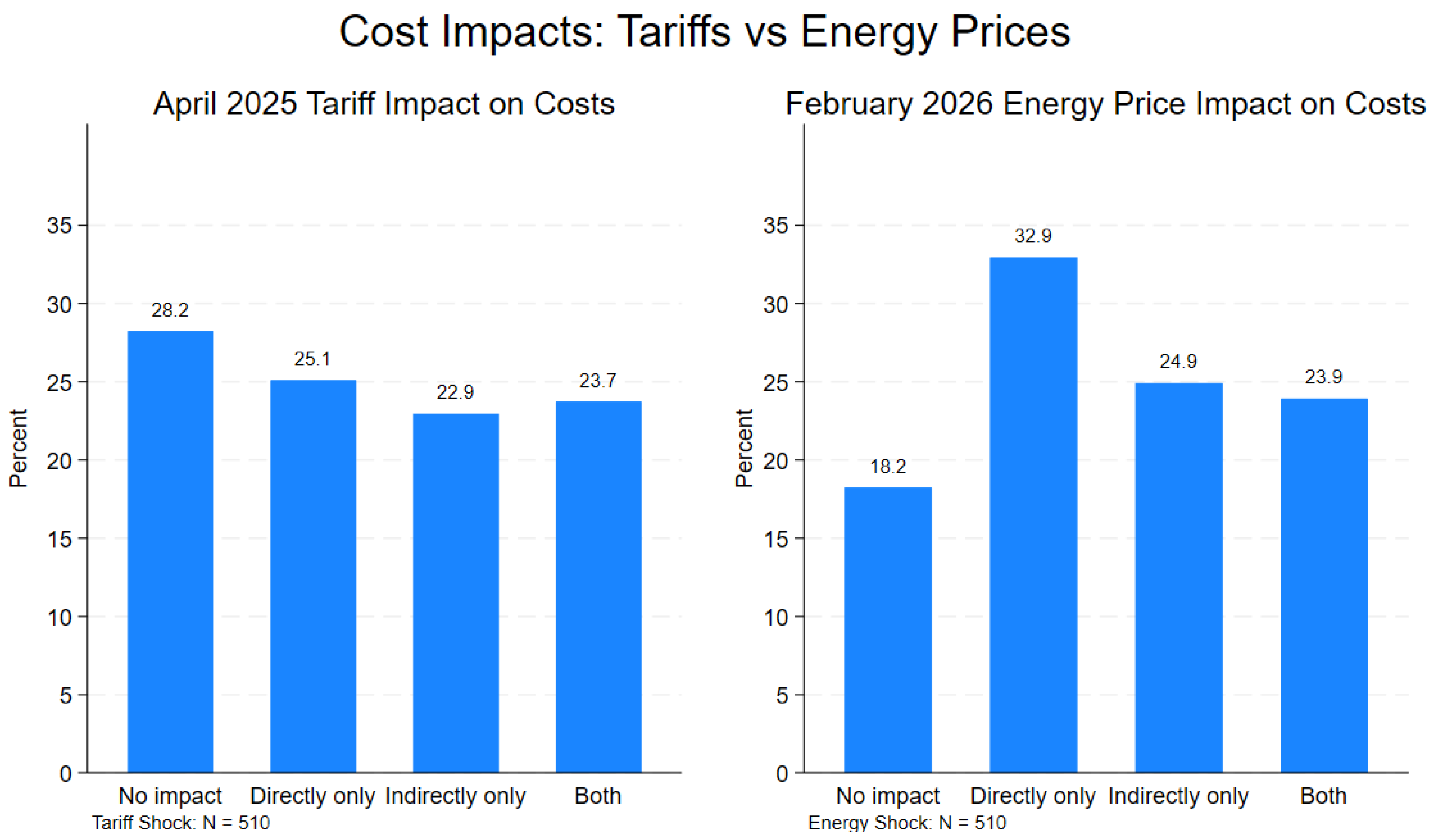
Since the tariff announcements of April 2025, have your firm's input costs been impacted by tariffs?

Since the start of the Iran conflict at the end of February 2026, have your firm's input costs been impacted by oil and/or energy price increases?

Suppose there is a sudden cost increase in the inputs your firm uses to produce goods and/or services.

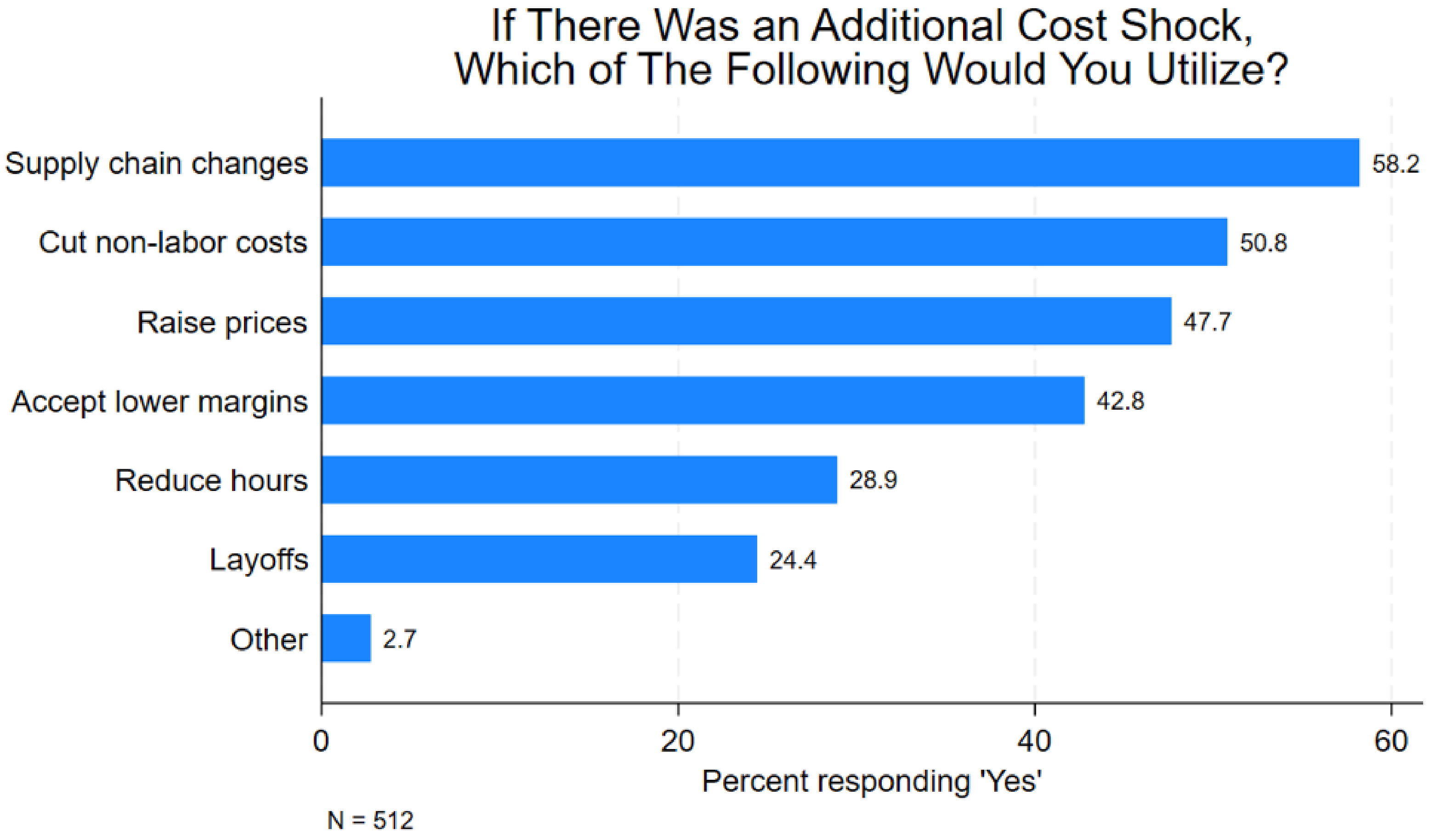
How would your firm handle the unexpected increase in costs?

Firms' cost impact from the February energy price shock were more direct than those from the tariff shock in 2025. The attributed impact for both events varies meaningfully by sector with services feeling more of an impact from the energy shock than in the tariff shock.



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

When asked how they would respond to an additional cost shock, around half of firms indicated they would adjust their supply chain, reduce their nonlabor expenses, or both.



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

Which of the following statements best describes your firm's pricing decisions related to increased costs from tariffs?

Consider increased costs caused both directly and indirectly by tariffs.

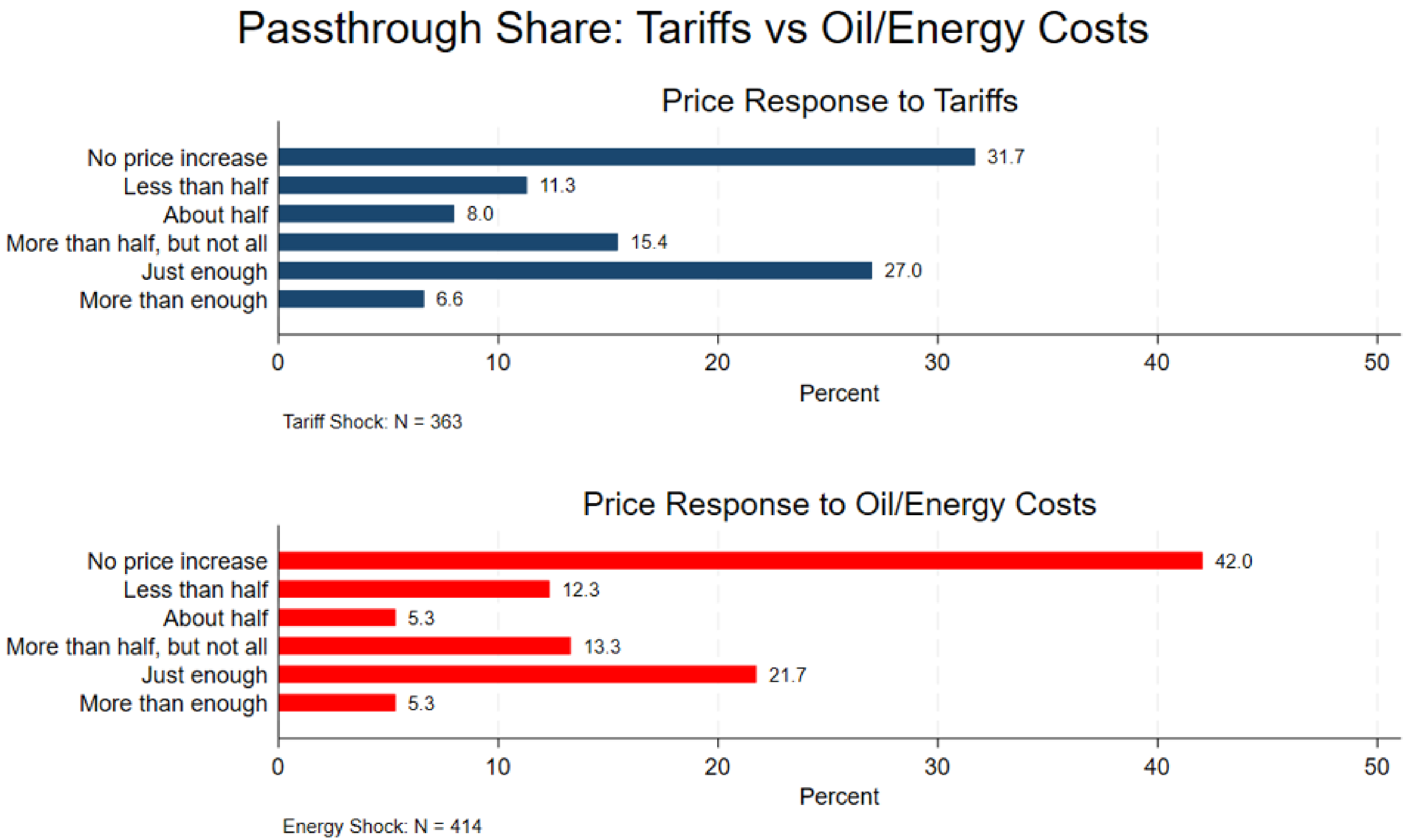
In addition to regularly scheduled price increases, our firm...

Which of the following statements best describes your firm's pricing decisions related to increased costs from oil and/or energy price increases?

Consider increased costs caused both directly and indirectly by oil/energy price increases.

In addition to regularly scheduled price increases, our firm...

When asked if recent price increases had been used to offset recent cost spikes, only around a third of firms have raised prices by enough to offset price spikes attributed to tariffs and energy costs.

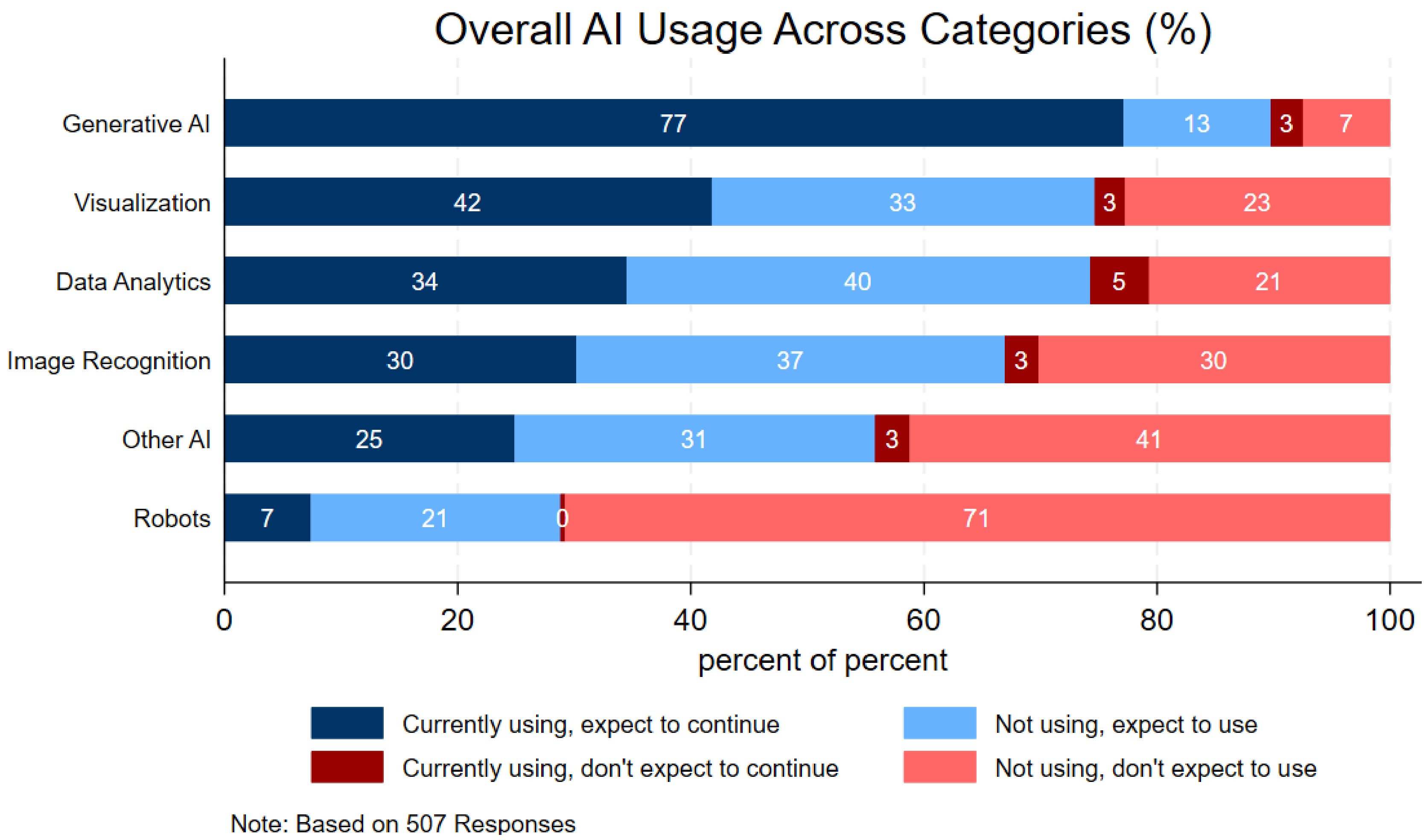


Source: Atlanta Fed's Business Inflation Expectations (BIE) survey

First, we want to know what kinds of AI technology your firm is using.

For each AI technology shown below, which response best describes your firm's position?

When looking at AI utilization by firms, 83 percent report some current use of AI, with 94 percent anticipating some use in three years. Of firms reporting usage of AI tools, a large share are using gen AI with significant growth anticipated in visualization, data analytics, and image recognition.



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

Realizations and expectations by industry

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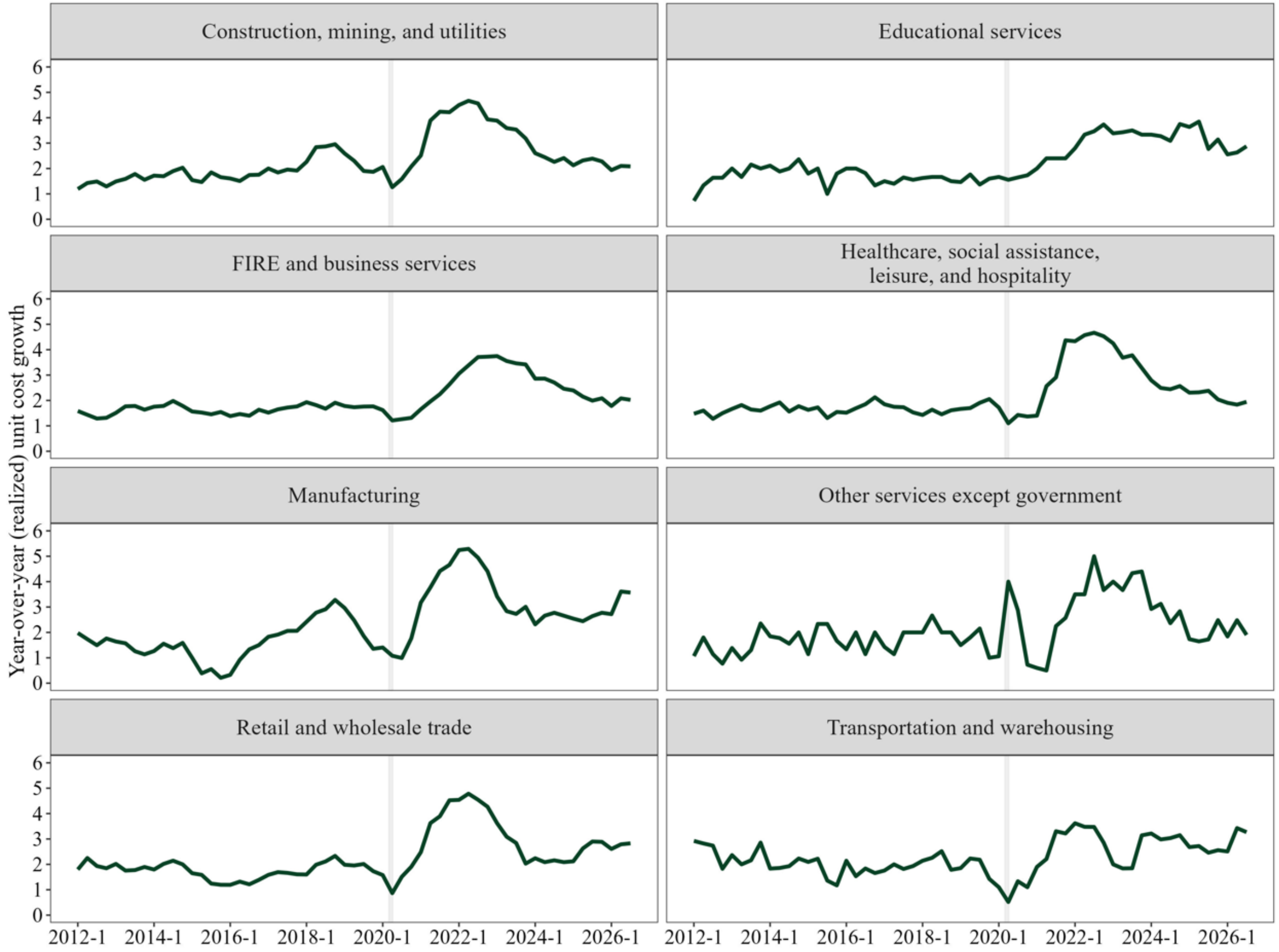
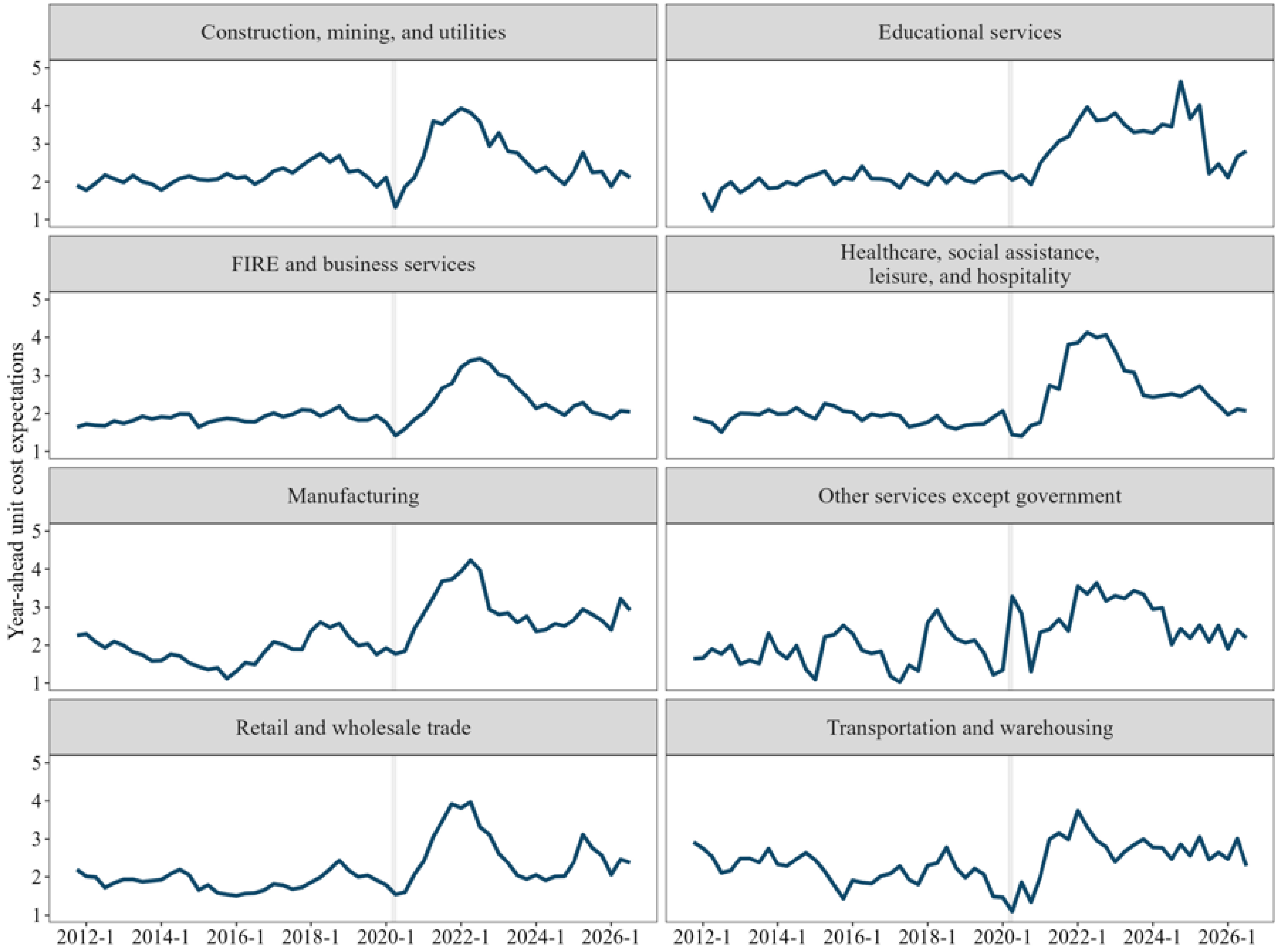
Firms' realized unit-cost growth across most broad industry classifications continues to ebb from peak levels.



Note: The data are shown monthly.

Source: Atlanta Fed Business Inflation Expectations (BIE) survey

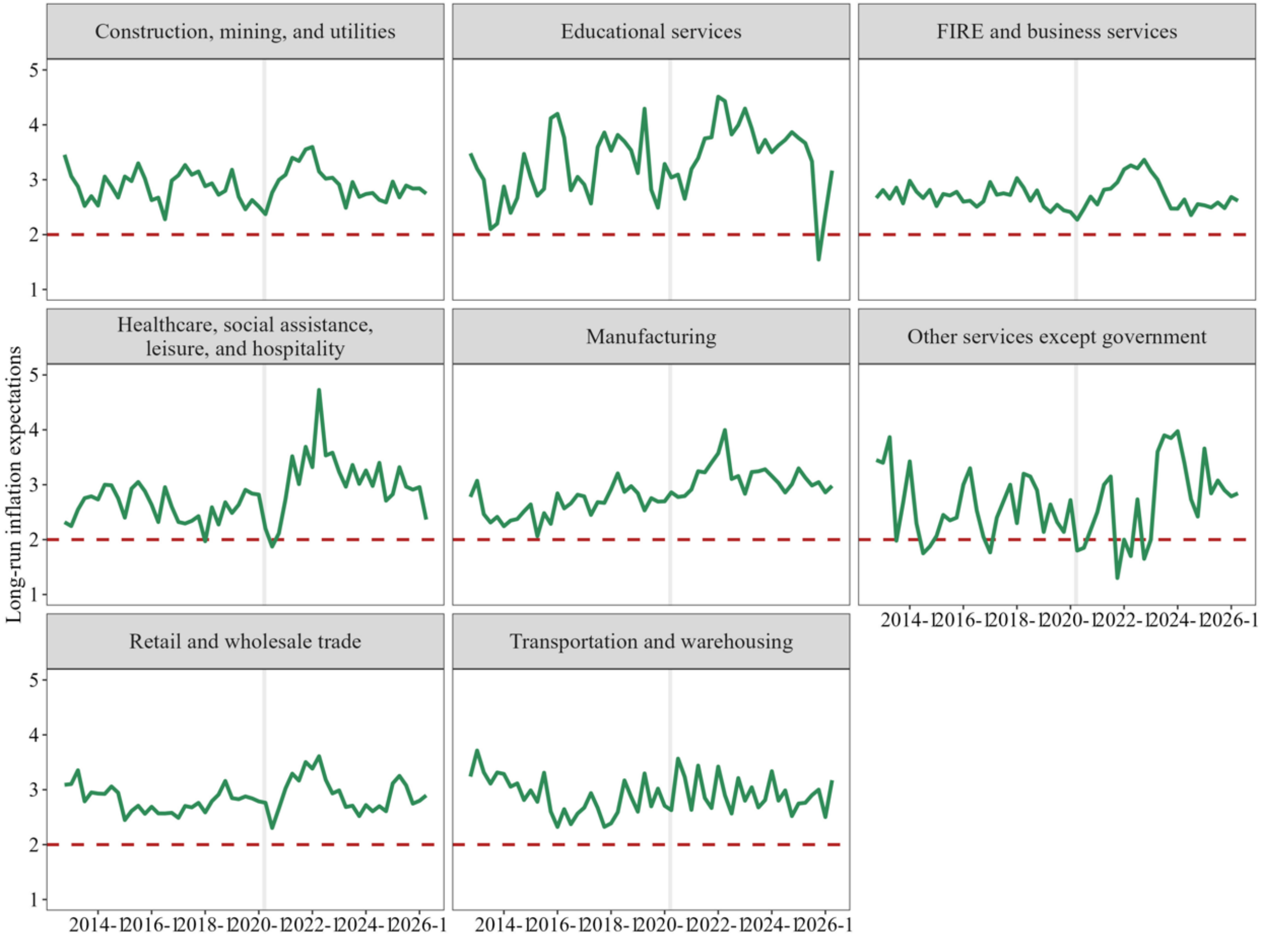
Year-ahead unit-cost expectations vary meaningfully by sector.



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

PUBLIC/OFFICIAL RELEASE // EXTERNAL

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

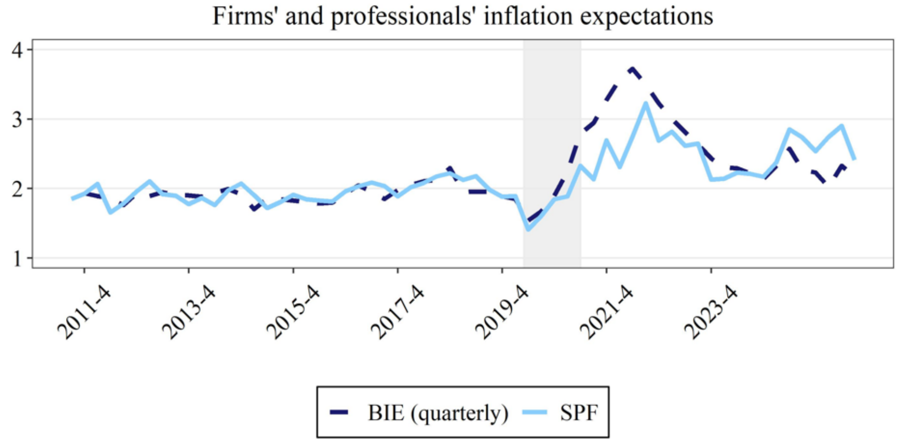
Comparing BIE realizations and expectations to actual data and other surveys

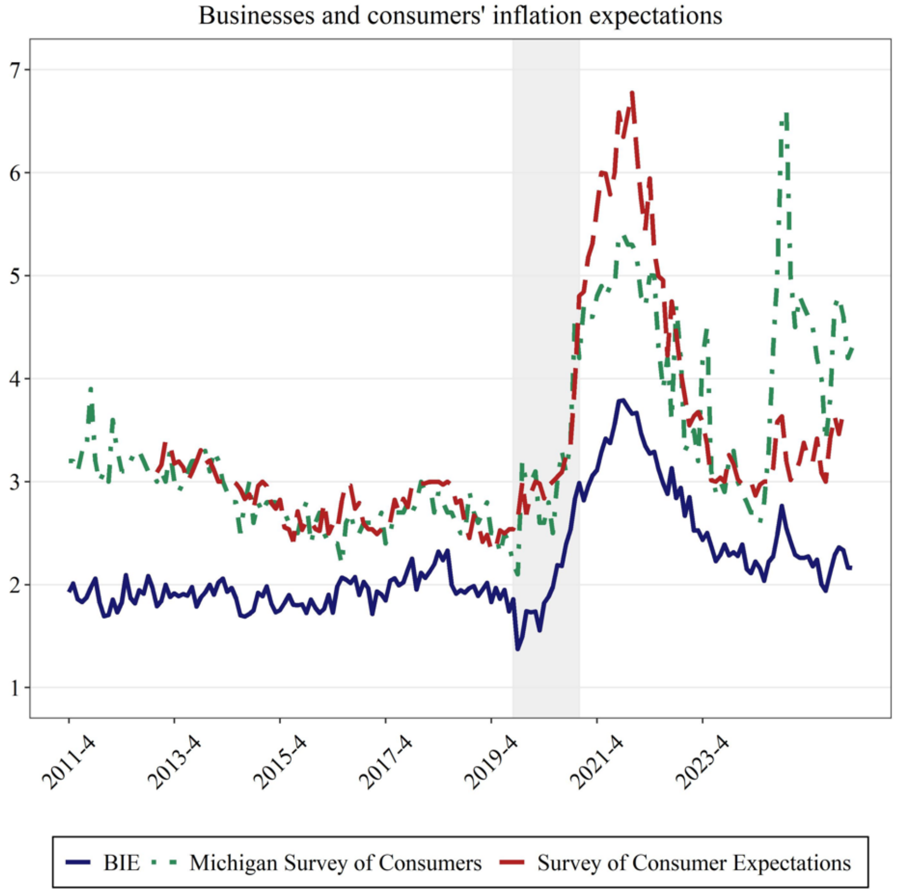
BIE Unit Cost Growth versus GDP Chain-type Price Index

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

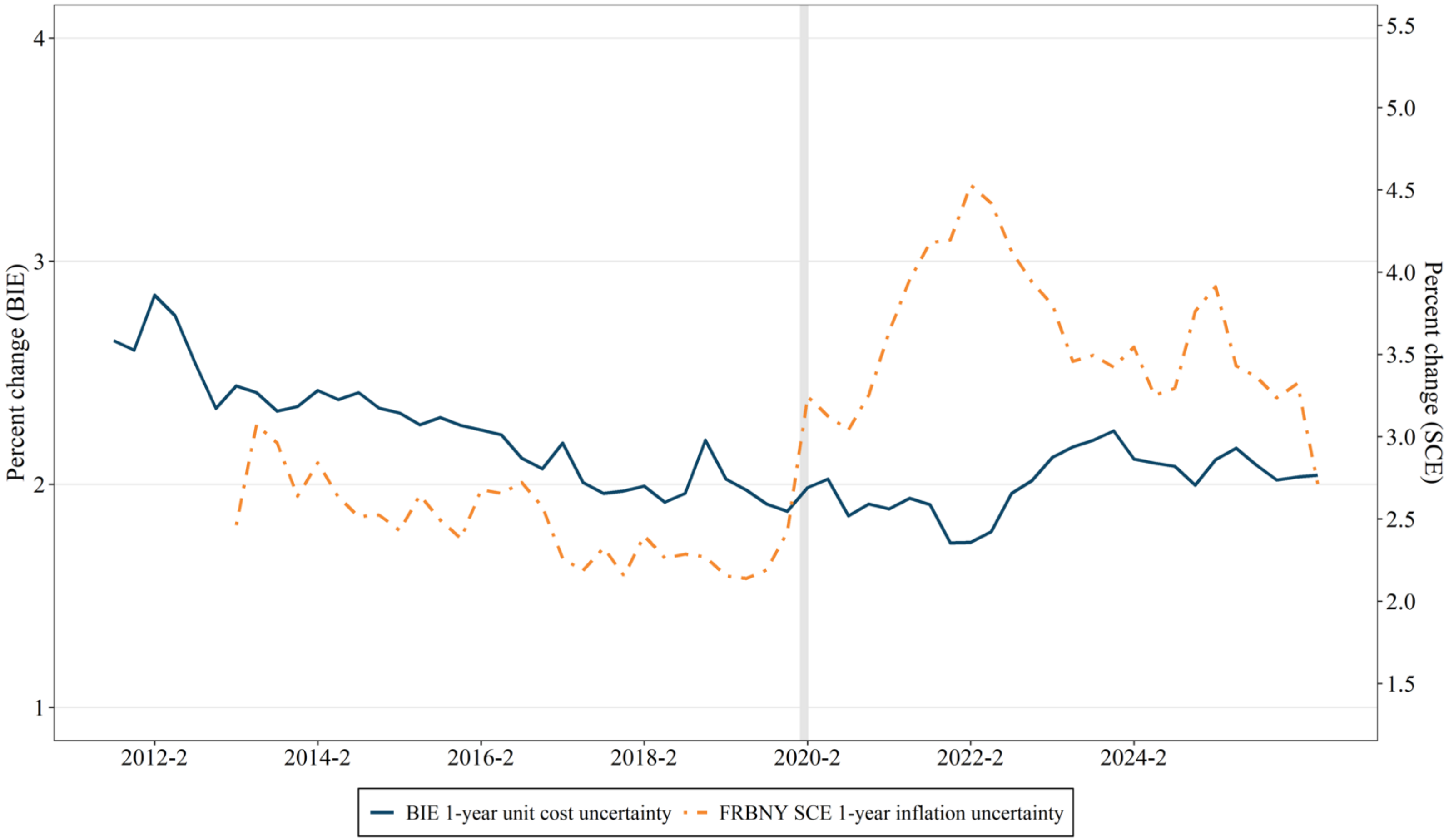




Note: Except the chart at lower left with quarterly data, all remaining chart data are shown monthly.

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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