Survey of Business Uncertainty Monthly Report

December 2025

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SBU

Federal Reserve Bank *of* Atlanta

Based on survey responses from 8-19 December 2025

Headline Results

December 2025 Survey of Business Uncertainty

1. Sales revenue growth expectations have risen somewhat over the past few months. (Slide 4)
2. Firms remain more uncertain about future sales growth than before the pandemic. (Slide 4)
3. Nearly three quarters of business executives personally use AI for at least one hour in a typical work week. (Slide 8)
4. Adoption of AI technologies is expected to increase over the next 3 years, but the share of firms using AI is expected to remain the same. (Slide 9)
5. Business execs expect AI to slightly increase their productivity but slightly decrease their employment. (Slides 10-12)

SBU Survey of Business Uncertainty

About the Survey

The Survey of Business Uncertainty (SBU) is fielded each month by the Federal Reserve Bank of Atlanta.

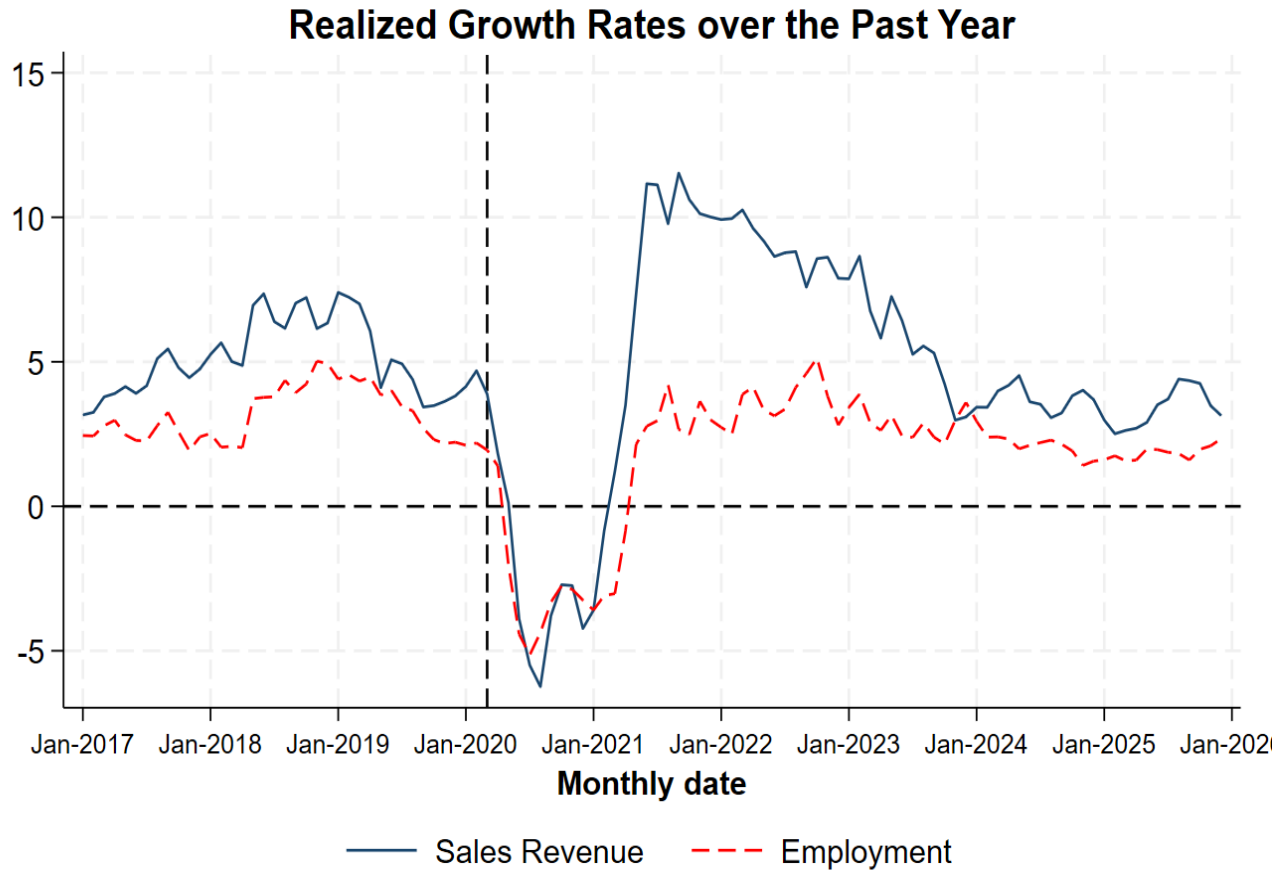
The SBU questionnaire goes to about 1500 panel members, who occupy senior finance and managerial positions at U.S. firms. We contact panel members each month by email, and they respond via a web-based instrument.

Survey questions pertain to current, past, and future outcomes at the respondent's firm. Our primary objective is to elicit the respondent's subjective forecast distributions over own-firm future sales growth rates and employment levels. We also ask special questions on timely topics.

For more information on survey design and methodology, please refer to the resources on the SBU page and "Surveying Business Uncertainty," published in the *Journal of Econometrics* and also available as NBER Working Paper 25956.

The recent uptick in nominal sales growth has stalled but remains in line with pre-pandemic growth. Recent employment growth is in line with pre-pandemic growth.

January 2017–December 2025



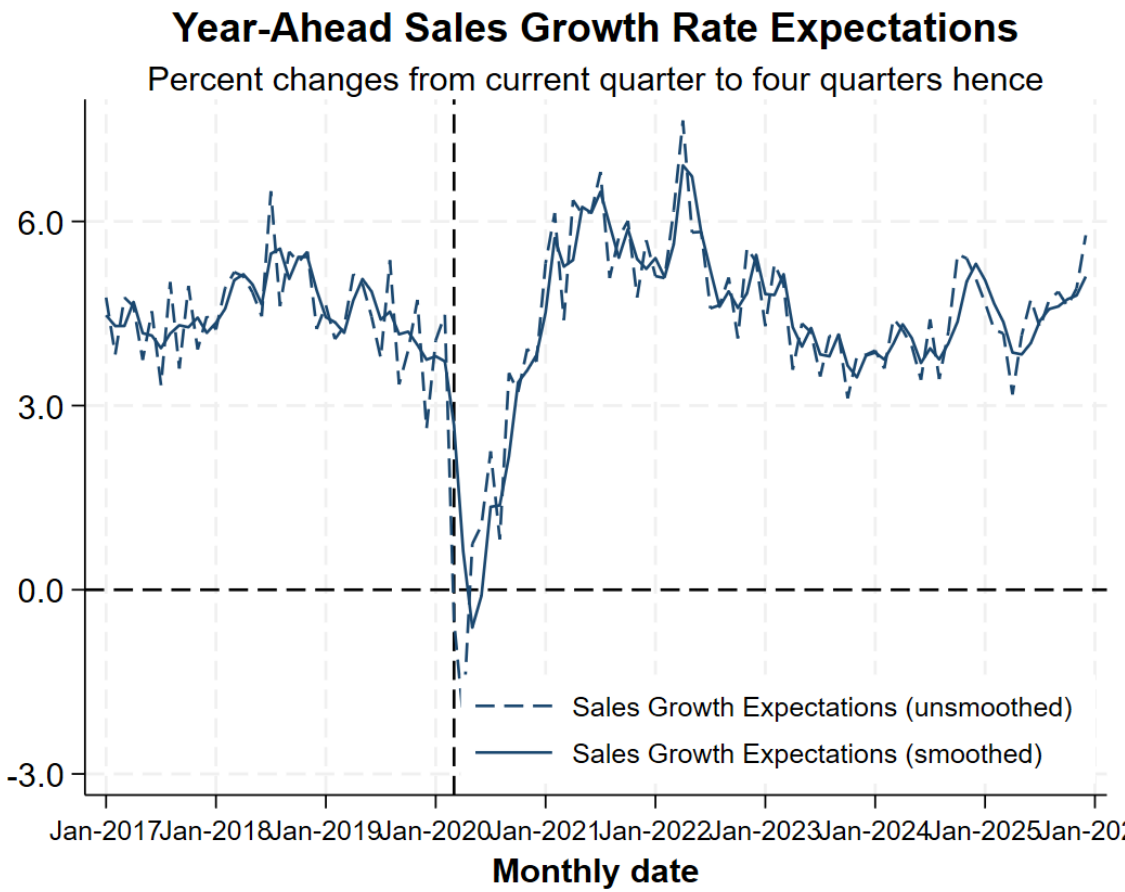
NOTE: Calculated using monthly data through December 2025. Realized growth rate series for sales revenue and employment are activity-weighted averages of firms' reported (look-back) growth rates over the past year (specifically, the previous four quarters for sales revenue and previous 12 months for employment).

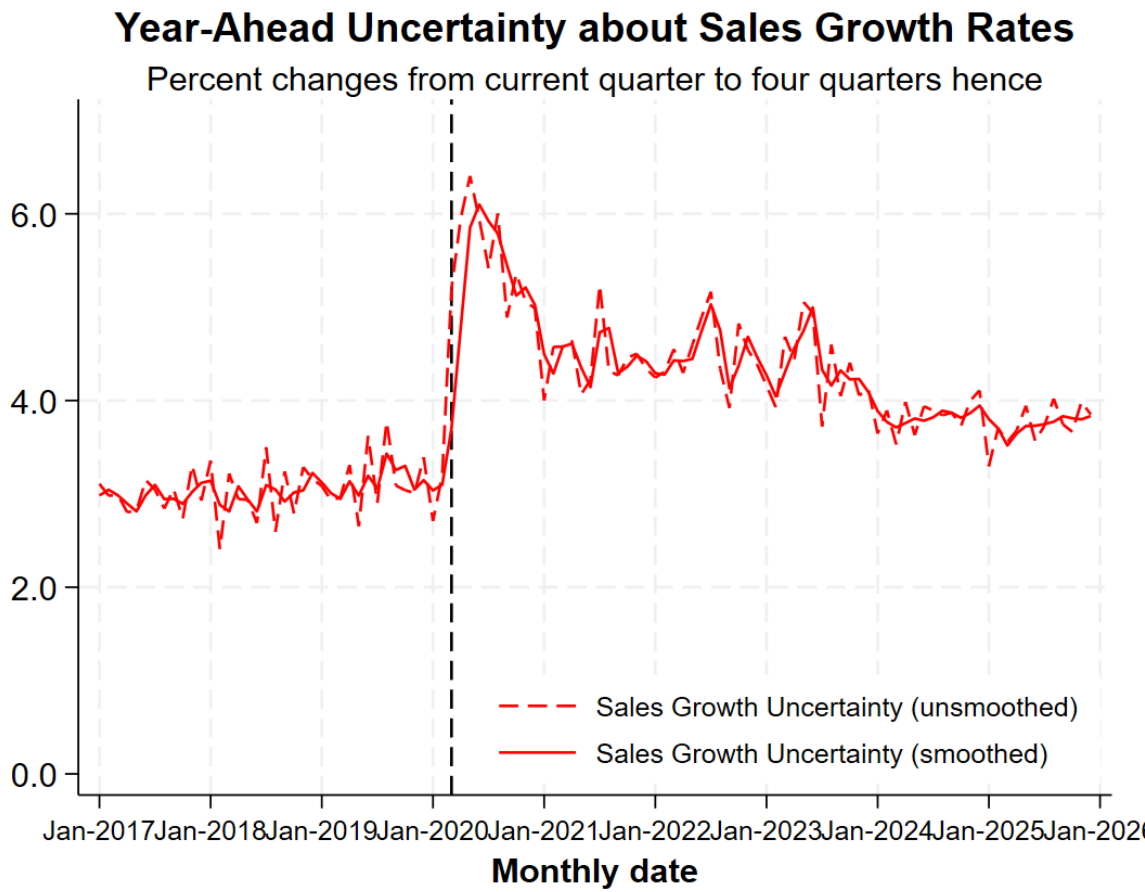
NOTE: The chart shows smoothed series.

Source: Survey of Business Uncertainty conducted by the Federal Reserve Bank of Atlanta. For more information, see "Surveying Business Uncertainty" by David Altig, Jose Maria Barrero, Nick Bloom, Steven J. Davis, Brent Meyer, and Nick Parker, NBER Working Paper No. 25956, February 2020. The vertical dashed line shown in the plot marks the start of the COVID-19 pandemic.

Sales revenue growth expectations have risen in recent months after declining. Firms remain more uncertain about future revenue growth than they were before the pandemic.

January 2017–December 2025





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Expected employment growth has risen slightly after decreases in recent months. Uncertainty about employment growth is slightly elevated over pre-pandemic levels.

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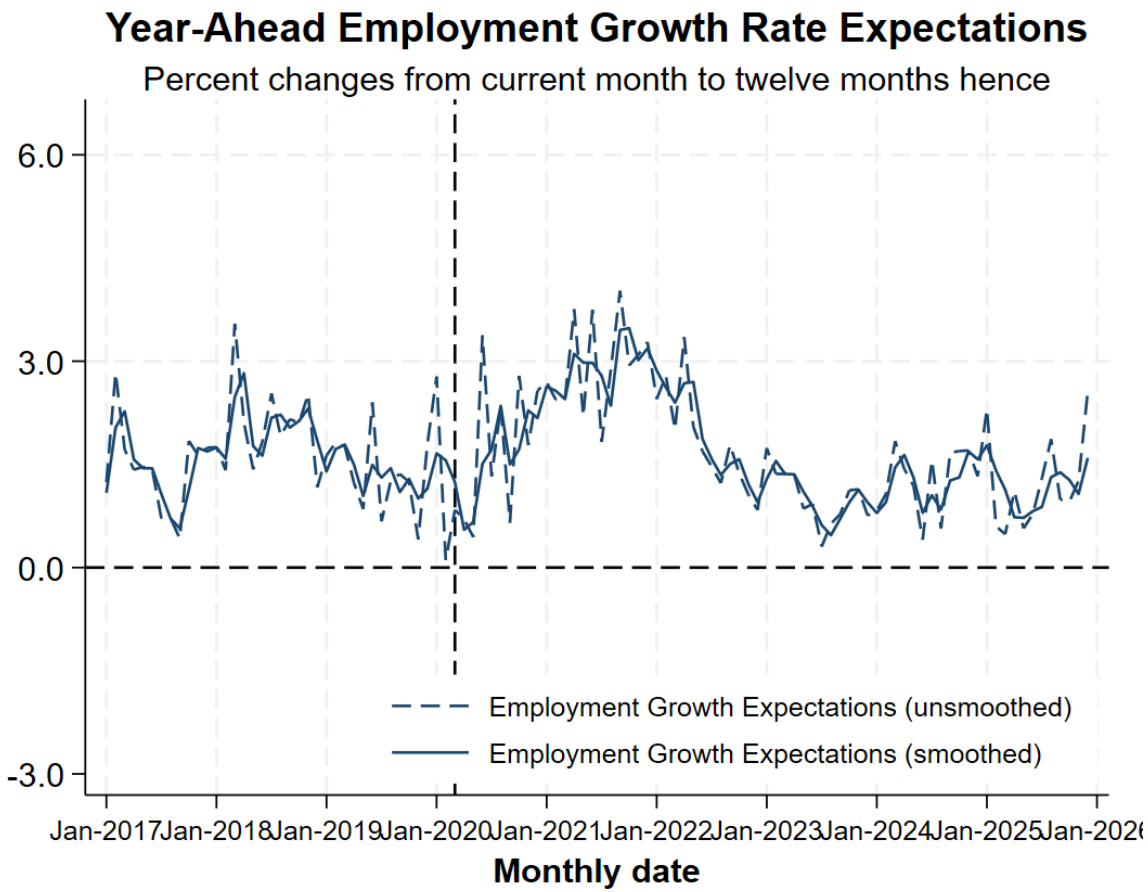

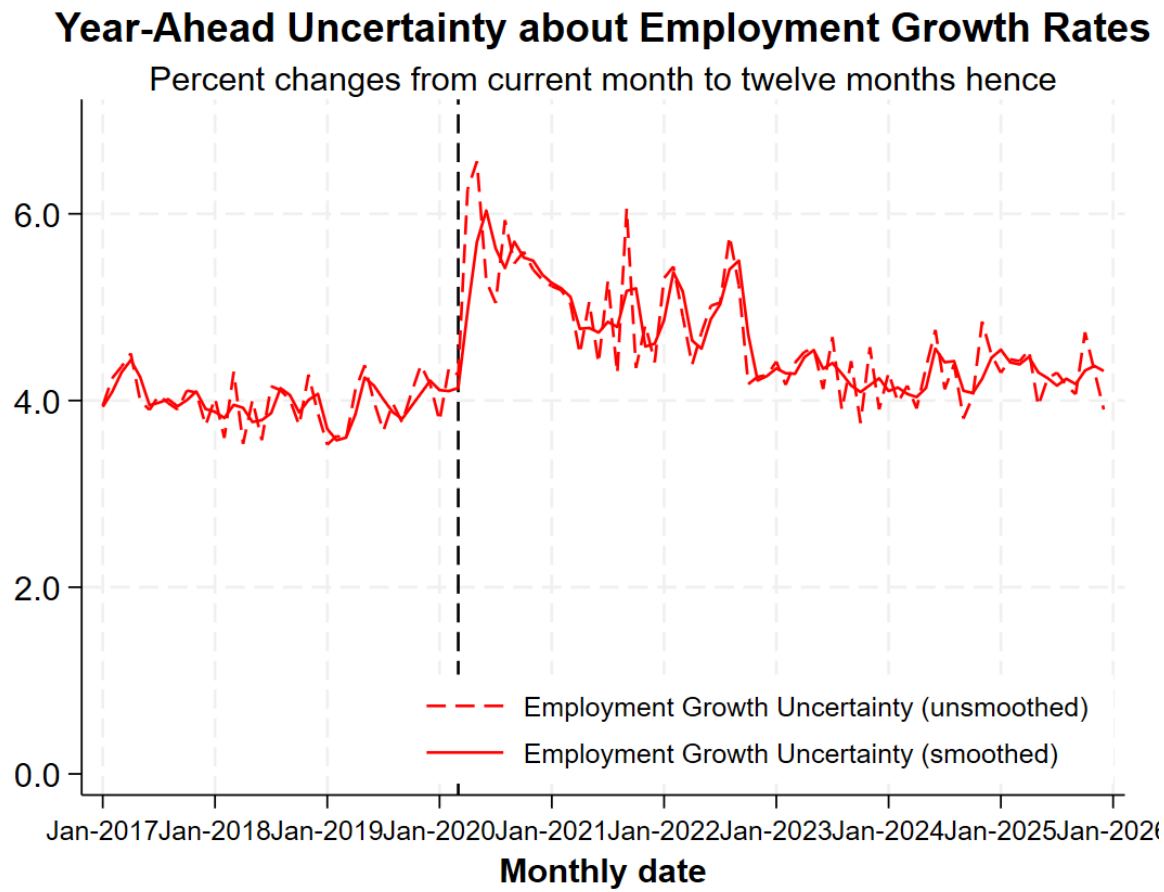

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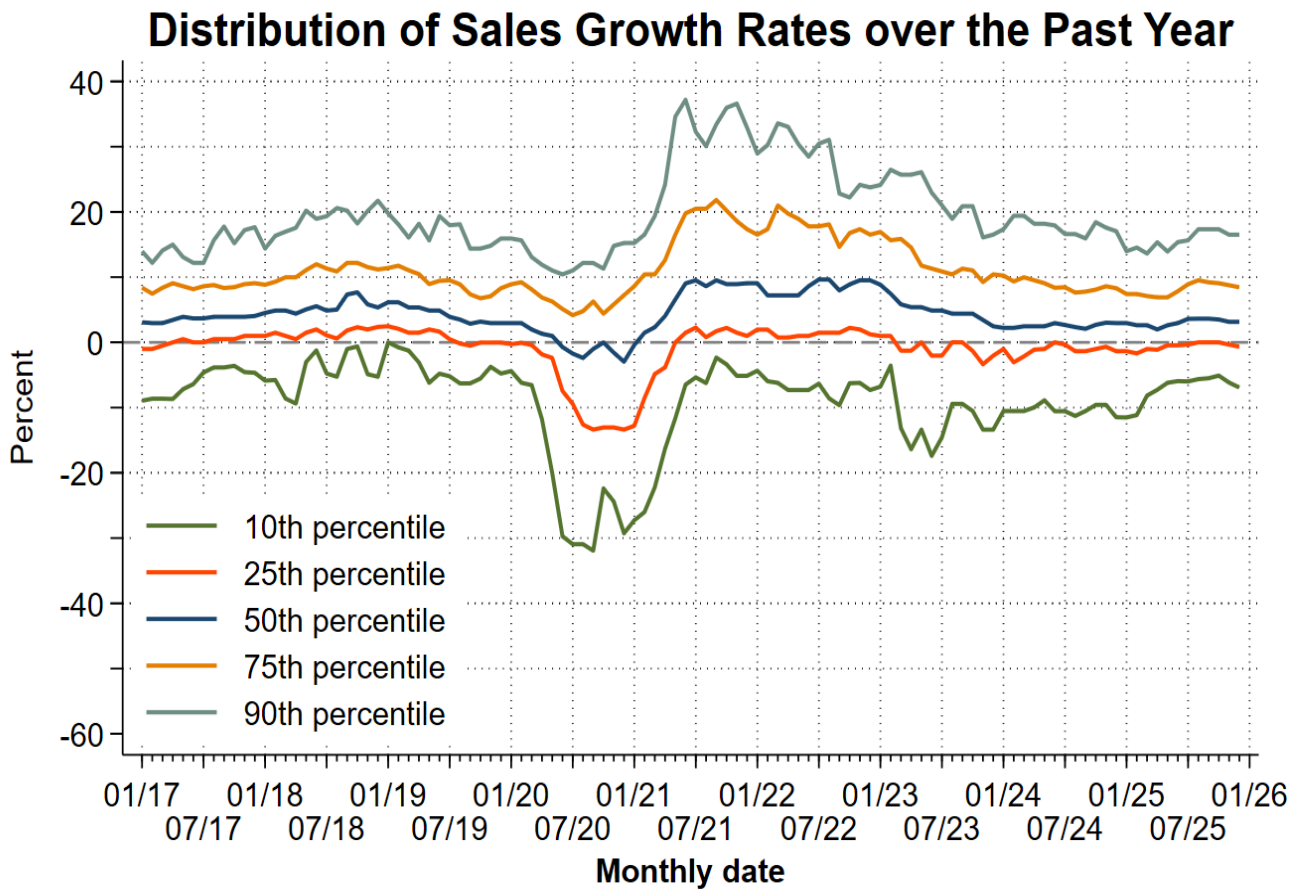
The distribution of sales growth rates across firms remains wider than before the pandemic.

January 2017–December 2025



NOTES: Calculated using monthly data through November 2025. The chart shows smoothed series. Lines show percentiles of the activity-weighted distribution of firm-level sales growth rates over the past year.

Source: Survey of Business Uncertainty conducted by the Federal Reserve Bank of Atlanta.

Nearly 70% of business executives say their firms use a "personalized pricing" system, in which prices differ across customers or transactions based on characteristics or behaviors.

Question: *For each pricing strategy shown below, which response best describes your firm's position?*

- *Rule- or time-based: Prices follow simple pre-set rules or vary by time of the day, week, or season.*
- *Market-responsive: Software/algorithms (including AI) automatically adjust prices based on demand, capacity, or competitor prices.*
- *Personalized: Prices differ across customers or transactions based on characteristics or behavior.*

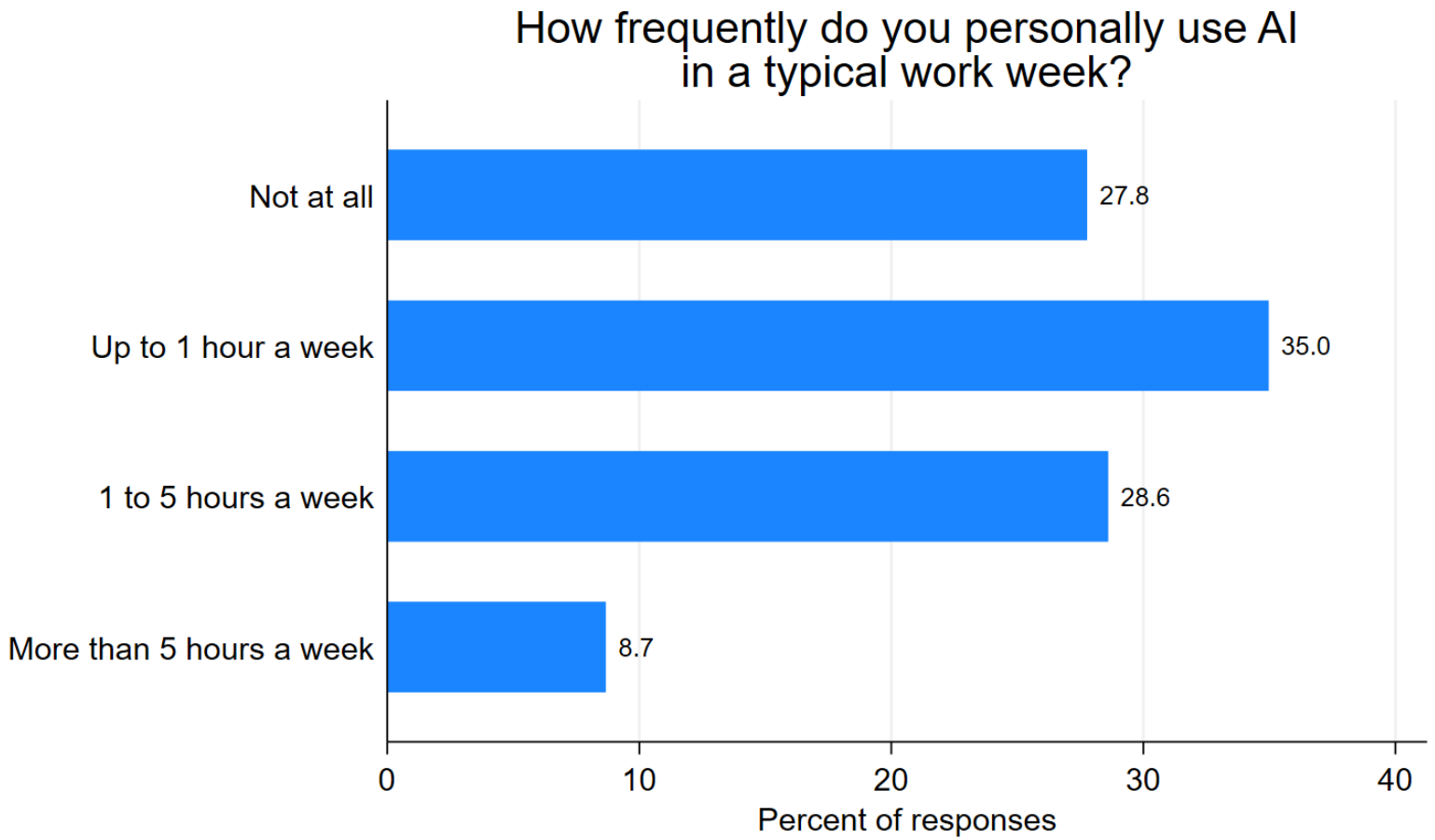
Firm pricing strategy
November 2025 SBU (% of firms, employment-weighted)

		Rule- or time-based pricing			Market-responsive pricing			Personalized pricing		
	N	Currently using	Expect in next 12 months	Don't expect in next 12 months	Currently using	Expect in next 12 months	Don't expect in next 12 months	Currently using	Expect in next 12 months	Don't expect in next 12 months
Full sample (Employment-weighted)	**1077**	**29.4**	**3.3**	**67.2**	**16.7**	**12.2**	**71.1**	**65.6**	**5.9**	**28.5**
Full sample (Equal-weighted)	1077	25.4	4.6	70.1	13.9	9.9	76.1	64.6	4.9	30.5
Industry Class										
Construction, Real Estate, Mining, and Utilities	186	33.5	2.1	64.3	11.2	8.9	79.9	66.5	5.1	28.4
Manufacturing	188	17.7	3.2	79.1	14.0	14.5	71.5	78.5	2.5	19.0
Retail and Wholesale Trade and Transportation	189	32.5	4.0	63.5	18.7	10.6	70.7	68.1	4.9	27.1
Business and Professional Services	382	25.9	3.1	71.0	17.8	13.1	69.1	67.0	5.5	27.5
Other Services	131	41.4	4.1	54.5	19.4	12.4	68.2	47.0	11.9	41.1
Firm Size Class										
0-50 Employees	420	23.3	5.0	71.7	13.5	7.5	79.1	64.8	3.4	31.8
50-99 Employees	165	26.6	1.7	71.7	14.0	4.4	81.7	68.0	2.2	29.8
99-249 Employees	205	26.9	7.7	65.4	11.0	12.7	76.3	66.8	5.8	27.4
250+ Employees	287	30.8	2.2	67.0	18.7	13.2	68.2	65.1	6.5	28.4

Note: The SBU survey fielded these questions to panelists from 11/10/25 – 11/21/25. The sample covers all U.S. states and major industry sectors.

Nearly three quarters of business executives state that they personally use some form of AI for at least one hour in a typical work week.

Question: *On average, how frequently do you personally use AI technologies in a typical working week? Note: Among other things, AI technologies could include text generation using large language models, data or image processing using machine learning, and visual content creation.*



Note: The SBU survey fielded these questions to panelists from 11/10/25 – 11/21/25. The sample covers all U.S. states and major industry sectors. N=1,084.

The share of firms using any AI technology is expected to remain the same over the next three years. However, apart from text generation, the usage of each individual AI technology is expected to increase.

Question: *Which of the following artificial intelligence (AI) technologies, if any, does your firm currently use? And which do you expect to make use of over the next three years? Select all that apply.*
Options (Using/Not using): Autonomous vehicles, Data processing using machine learning, Image processing using machine learning, Robotics, Text generation using large language models, Visual content creation, Other, No AI technologies.

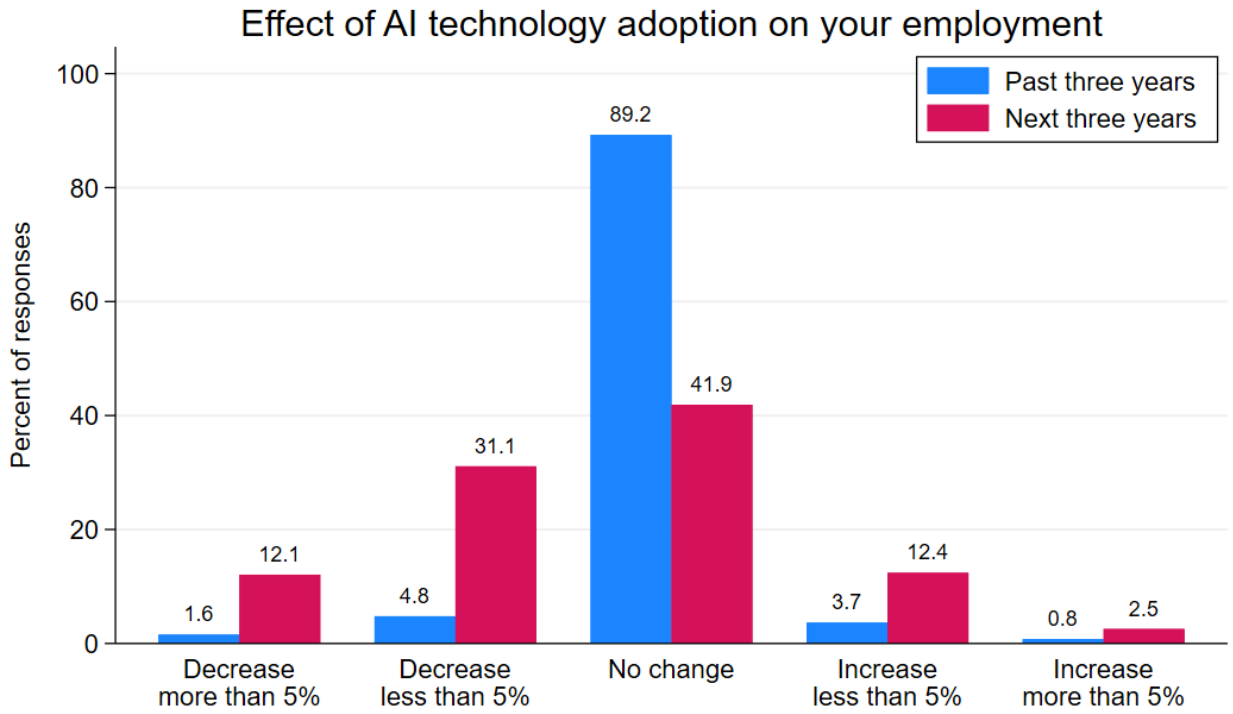
Firm AI technologies adoption
November 2025 SBU (% of firms, employment-weighted)

		Autonomous vehicles		Data processing		Image processing		Robotics		Text generation		Visual content creation		Other		None		Any	
	N	Currently	Expect next 3 years	Currently	Expect next 3 years	Currently	Expect next 3 years	Currently	Expect next 3 years	Currently	Expect next 3 years	Currently	Expect next 3 years	Currently	Expect next 3 years	Currently	Expect next 3 years	Currently	Expect next 3 years
Full sample (Employment-weighted)	**1032**	**4.5**	**14.5**	**36.9**	**45.9**	**26.7**	**31.6**	**13.0**	**22.3**	**53.5**	**28.8**	**32.5**	**32.8**	**34.0**	**34.7**	**22.5**	**23.4**	**77.5**	**76.6**
Full sample (Equal-weighted)	1032	3.0	10.6	26.9	41.1	19.6	27.1	7.1	17.4	46.4	27.2	26.1	29.7	29.7	30.7	30.6	31.2	69.4	68.8
Industry Class																			
Construct., Real Estate, Mining, and Util.	179	4.0	17.5	39.8	38.4	17.5	39.7	7.8	26.5	55.7	23.7	32.3	29.9	28.3	36.6	22.8	20.4	77.2	79.6
Manufacturing	177	8.3	11.7	17.5	55.9	22.4	37.1	27.1	37.1	49.9	31.5	32.2	32.5	28.6	46.1	23.5	18.7	76.5	81.3
Retail, Wholesale, and Transport.	179	8.3	16.3	38.7	50.2	23.8	27.9	11.6	28.5	54.1	23.1	35.0	26.2	36.4	25.1	25.9	22.0	74.1	78.0
Business and Professional Services	374	2.4	12.8	41.1	43.1	35.9	25.7	11.0	14.3	54.9	31.5	35.1	32.0	36.6	33.8	21.5	28.8	78.5	71.2
Other Services	122	1.6	16.6	42.3	44.1	21.3	36.7	9.4	15.2	51.1	30.7	24.5	44.2	35.8	34.5	20.1	20.1	79.9	79.9
Firm Size Class																			
0-50 Employees	394	2.7	6.3	22.6	32.9	14.5	21.9	2.8	12.8	45.7	23.4	22.3	27.0	27.5	23.1	33.8	40.3	66.2	59.7
50-99 Employees	154	1.5	7.4	22.8	41.6	14.2	29.6	5.2	14.9	43.3	27.0	17.7	30.2	26.0	31.8	34.0	34.0	66.0	66.0
99-249 Employees	201	3.5	11.9	29.3	52.5	19.0	31.6	9.1	22.2	47.1	32.7	26.7	35.3	24.9	37.2	27.4	19.4	72.6	80.6
250+ Employees	283	5.1	16.3	41.0	45.4	30.6	32.4	15.3	23.5	56.5	28.3	36.0	32.7	37.5	35.1	19.6	22.5	80.4	77.5

Note: The SBU survey fielded these questions to panelists from 11/10/25 – 11/21/25. The sample covers all U.S. states and major industry sectors.

Over 40% of business executives expect AI adoption to decrease their employment over the next three years. Over a tenth expect AI to decrease their employment by more than 5%.

Question: *How has the adoption of AI technologies affected the number of employees of your business over the past three years? And how do you expect this to affect your number of employees over the next three years?*



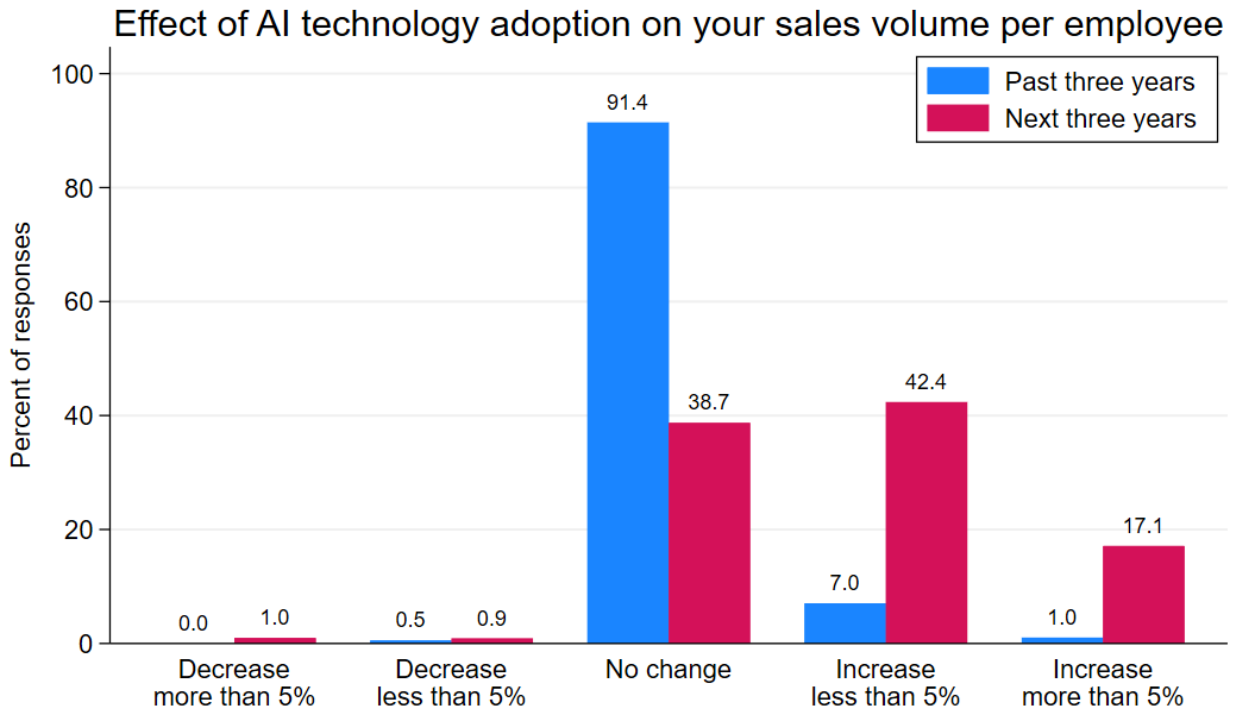
Effect of AI adoption on employment at your firm
November 2025 SBU (Employment-weighted)

	Past 3 years			Next 3 years		
	N	Mean	SE	N	Mean	SE
Full sample (employment-weighted)	**988**	**-0.1**	**0.0**	**1009**	**-1.2**	**0.1**
Full sample (equal-weighted)	988	-0.1	0.0	1009	-0.8	0.1
Industry Class						
Construction, Real Estate, Mining, and Utilities	173	-0.1	0.1	171	-0.9	0.2
Manufacturing	165	0.2	0.1	175	-0.7	0.2
Retail and Wholesale Trade and Transportation	176	0.0	0.1	176	-1.2	0.2
Business and Professional Services	357	-0.2	0.1	365	-1.5	0.2
Other Services	116	-0.1	0.1	121	-1.1	0.3
Firm Size Class						
0-50 Employees	381	-0.2	0.1	384	-0.6	0.1
50-99 Employees	149	-0.2	0.1	151	-0.7	0.2
99-249 Employees	192	0.0	0.1	199	-0.8	0.2
250+ Employees	266	-0.1	0.1	275	-1.4	0.2

Note: The SBU survey fielded these questions to panelists from 11/10/25 – 11/21/25. The sample covers all U.S. states and major industry sectors. We record “No change” for respondents whose firms do not use AI currently or do not plan to use AI over the next three years, respectively. Weighted by employment.

Over half of business executives expect AI adoption to increase their sales volume per employee over the next three years.

Question: *How has the adoption of AI technologies affected the volume of sales per employee of your business over the past three years? And how do you expect this to affect your volume of sales per employee over the next three years?*



Effect of AI adoption on sales volume per employee at your firm
November 2025 SBU (Employment-weighted)

	Past 3 years			Next 3 years		
	N	Mean	SE	N	Mean	SE
Full sample (employment-weighted)	**988**	**0.2**	**0.0**	**1005**	**2.2**	**0.1**
Full sample (equal-weighted)	988	0.3	0.0	1005	1.9	0.1
Industry Class						
Construction, Real Estate, Mining, and Utilities	172	0.2	0.1	169	2.0	0.2
Manufacturing	165	0.1	0.0	174	2.4	0.2
Retail and Wholesale Trade and Transportation	175	0.1	0.1	176	2.0	0.2
Business and Professional Services	356	0.4	0.1	365	2.5	0.2
Other Services	119	0.2	0.1	120	2.0	0.2
Firm Size Class						
0-50 Employees	380	0.4	0.1	383	1.7	0.1
50-99 Employees	149	0.4	0.1	152	2.0	0.2
99-249 Employees	192	0.1	0.1	194	1.6	0.2
250+ Employees	267	0.3	0.1	276	2.5	0.2

Note: The SBU survey fielded these questions to panelists from 11/10/25 – 11/21/25. The sample covers all U.S. states and major industry sectors. We record “No change” for respondents whose firms do not use AI currently or do not plan to use AI over the next three years, respectively. Weighted by employment.

Appendix: Technical Information

Computing Moments of the Firm-Level Subjective Forecast Distributions

We calculate first and second moments of the subjective growth rate distributions of employment and sales revenue over the next 12 months or four quarters, as appropriate. Following standard practice in the literature on business-level dynamics, we calculate the growth rate of *x* from *t–1* to *t* as $g_t = 2(x_t - x_{t-1})/(x_t + x_{t-1})$.*

Employment

$CEmp$ = firm's current employment level, as reported by the respondent

$FEmp_i$ = employment 12 months hence in scenario i, for $i = 1,2,3,4,5$

p_i = *the associated probabilities*, $i = 1,2,3,4,5$

Scenario-Specific Growth Rates

$$EGr_i = 2(FEmp_i - CEmp)/(FEmp_i + CEmp),\ i = 1,2,3,4,5$$

First and Second Moments of the Subjective Growth Rate Forecast Distribution

$$Mean(EGr) = \sum_{i=1}^{5} p_i\, EGr_i$$

$$Var(EGr) = \sum_{i=1}^{5} p_i (EmpGr_i - Mean(EGr))^2$$

$$SD(EGr) = \sqrt{Var(EGr)}$$

Sales Revenue

$CSale$ = firm's sales revenue in the current quarter, as reported by the respondent

$FSaleGr_i$ = respondent's scenario–specific sales growth rate from now to four quarters hence, $i = 1,2,3,4,5$

p_i = *the associated probabilities*, $i = 1,2,3,4,5$

Implied Future Sales Level

$$FSale_i = \left(1 + \frac{FSaleGr_i}{100}\right) CSale,\ i = 1,2,3,4,5$$

Scenario–Specific Growth Rates (re–expressing respondent growth rates to our growth rate measure)

$$SaleGr_i = 2(FSale_i - CSales)/(FSale_i + CSale) = 2FSaleGr_i/(FSaleGr_i + 2),\ i = 1,2,3,4,5$$

First and Second Moments of the Subjective Growth Rate Forecast Distribution

$$Mean(SaleGr) = \sum_{i=1}^{5} p_i\, SaleGr_i$$

$$Var(SaleGr) = \sum_{i=1}^{5} p_i (SaleGr_i - Mean(SaleGr)_i)^2$$

$$SD(SaleGr) = \sqrt{Var(SaleGr)}$$

Subjective Expectations and Uncertainty Indices

We construct a monthly activity-weighted expectations (first-moment) index for employment growth and sales growth looking one year ahead. We also construct a monthly activity-weighted uncertainty (second-moment) index for the employment growth and sales growth looking one year ahead.

- In month *t,* the index for employment (sales) takes a value equal to the activity-weighted average of subjective mean employment (sales) growth rates looking one year hence ($Mean(Gr)$), averaging across all firms responding that month. We compute these subjective mean growth rates as described on slide 3, and winsorize them at the first and 99th percentiles before using them to construct the index.
- The month-*t* index of year-ahead subjective uncertainty for employment (sales) growth is the activity-weighted mean of ($SD\ (Gr)$) values across firms responding in month *t*. We compute these subjective standard deviations over growth rates as described on slide 3, and winsorize them at the first and 99th percentiles before inputting them into the index construction formula.
- When constructing first- and second-moment employment growth indexes, we weight firm *i*'s subjective mean growth rate expectation and uncertainty by the average of its month-*t* employment ($CEmp_{it}$) and its expected employment level ($EEmp_{it}$). We top-code these weights at 500 to diminish the influence of outliers among very large firms.
- When constructing first- and second-moment sales revenue growth indexes, we weight firms *i*'s subjective mean growth rate expectation and uncertainty by the average of its month-*t* sales revenue ($CSale_{it}$) and its expected sales level ($ESale_{it}$). We winsorize these activity-weights at the 1st and 80th percentile.
- Finally, we smooth our topic-specific indices by taking a moving average. We set the window for the moving average to 2 or 3 months, to match the panel structure of our survey.

Topic-specific Expected Excess Reallocation Indices

We construct forward-looking indices of excess job and sales revenue reallocation. These series measure the volume of cross-firm reallocation in economic activity above the reallocation required to support aggregate growth. For ease of exposition, we often refer to these as simply "reallocation rates":

- First, in each month *t,* we compute the activity-weighted average of own-firm expected gross job creation and destruction rates, which boils down to the activity-weighted average of the absolute value of subjective mean growth rates $|Mean(EGr)\ |$.
- Then , in each month *t,* we compute the absolute value of the activity weighted average of own-firm expected employment growth $Mean(EGr)$. This is effectively the absolute value of the employment growth expectations index in month *t*.
- We then obtain the expected job reallocation rate index value for month *t* by subtracting the outcome of the second bullet from the first. Letting w_{it} be firm i's activity weight in month t,

$$Expected\ Job\ Reallocation\ Rate_t = \sum_i w_t \cdot |Mean(EGr)\ | - \left| \sum_i w_t \cdot Mean(EGr) \right|$$

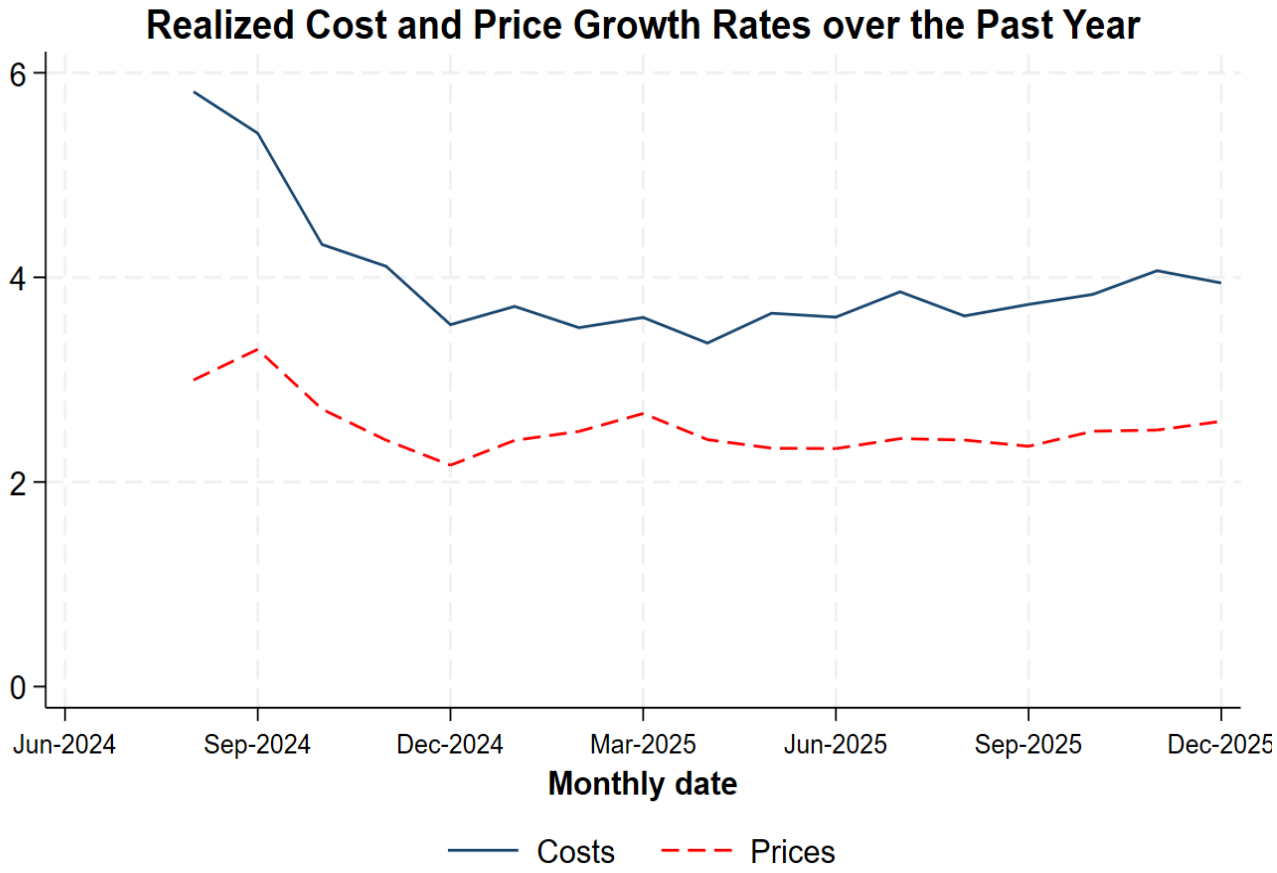
- Analogously, the expected sales revenue reallocation rate index in month *t* is the difference between the activity-weighted average of absolute expected sales growth rates, minus the absolute value of the average activity-weighted growth rate:

$$Expected\ Reallocation\ Rate\ For\ Sales\ Revenue_t = \sum_i w_t \cdot |Mean(SaleGr)\ | - \left| \sum_i w_t \cdot Mean(SaleGr) \right|$$

- We compute the subjective mean growth rates $Mean(EGr)$ and $Mean(SaleGr)$ as described on slides 18-21, and winsorize them at the 1st and 99th percentiles before using them to construct the index.
- Firm *i*'s activity weight w_{it} is the average of its month–*t* employment or sales level ($Cemp_{it}$ *or* $CSale_{it}$) and its expected employment or sales level twelve months hence ($FEmp_{it}$ *or* $FSale_{it}$). We top–code these weights at 500 for employment and at the 80th percentile for sales to diminish the influence of outliers among very large firms.

Nominal cost growth has risen slightly in the past few months. Nominal price growth has remained steady over the past year.

July 2024–December 2025



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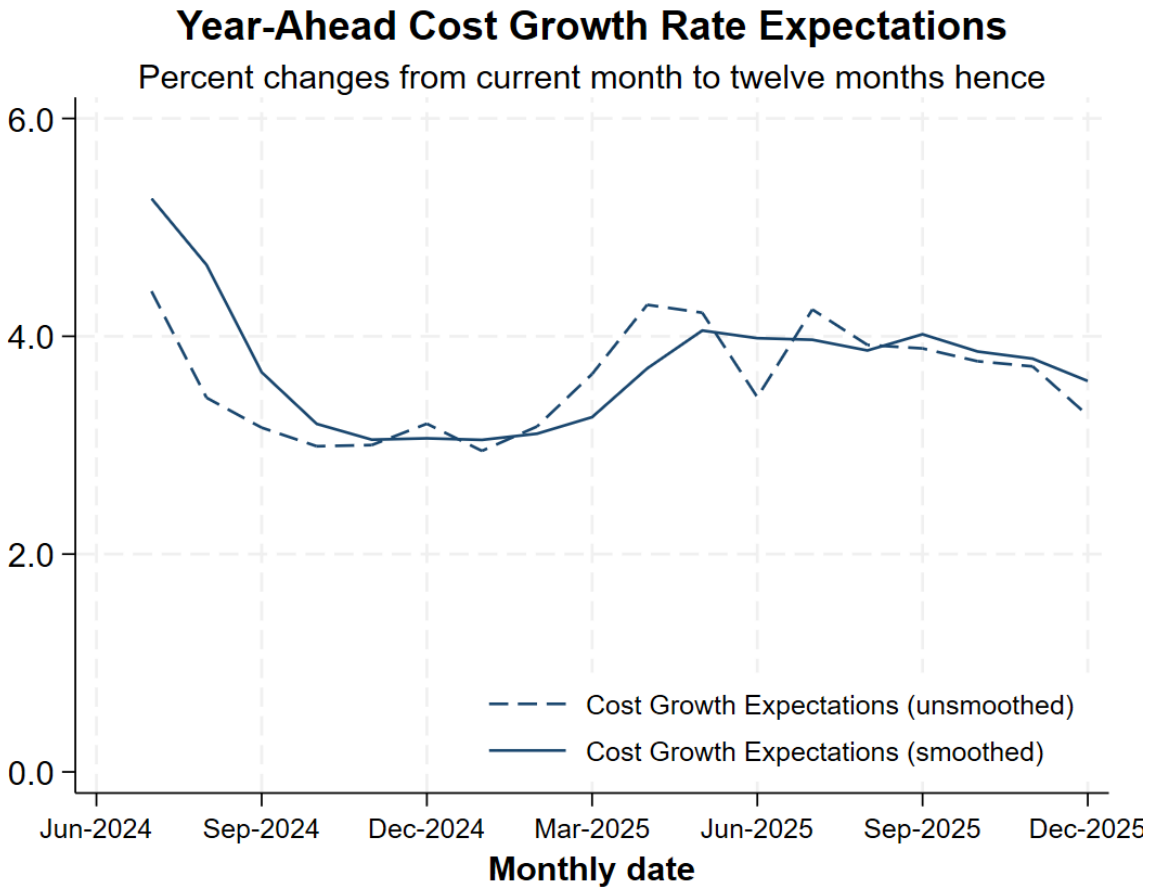
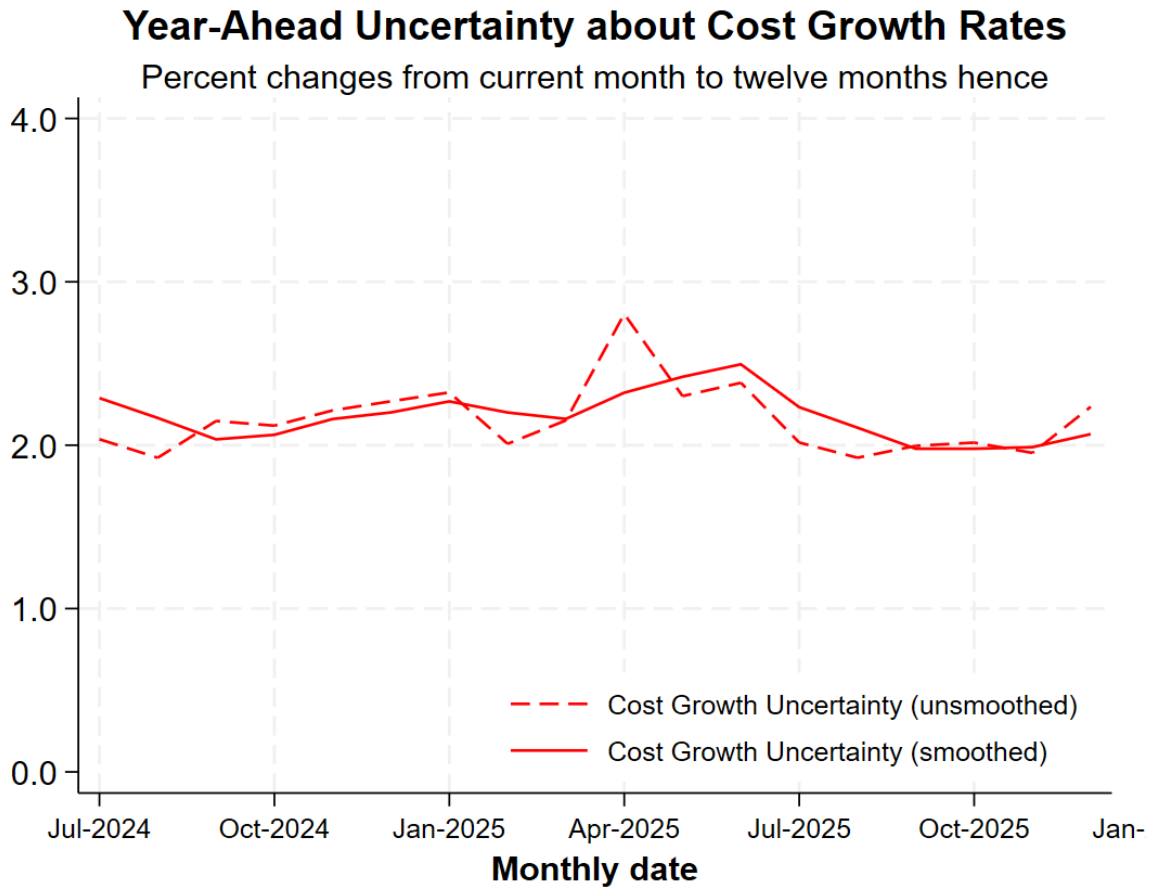
NOTE: The chart shows smoothed series.

Source: Survey of Business Uncertainty conducted by the Federal Reserve Bank of Atlanta. For more information, see "Surveying Business Uncertainty" by David Altig, Jose Maria Barrero, Nick Bloom, Steven J. Davis, Brent Meyer, and Nick Parker, NBER Working Paper No. 25956, February 2020. The vertical dashed line shown in the plot marks the start of the COVID-19 pandemic.

Cost growth expectations remain slightly elevated after falling considerably last year. Cost growth uncertainty remains steady.

July 2024–December 2025





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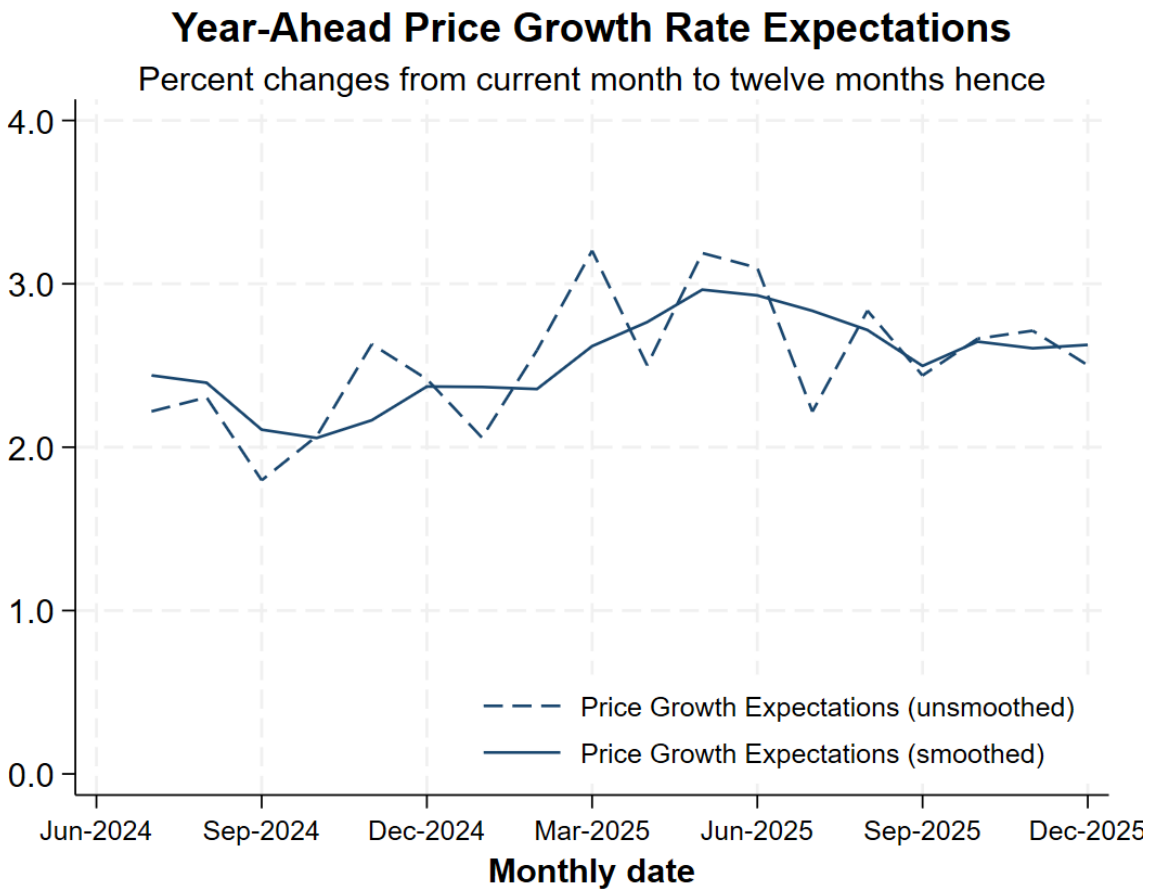
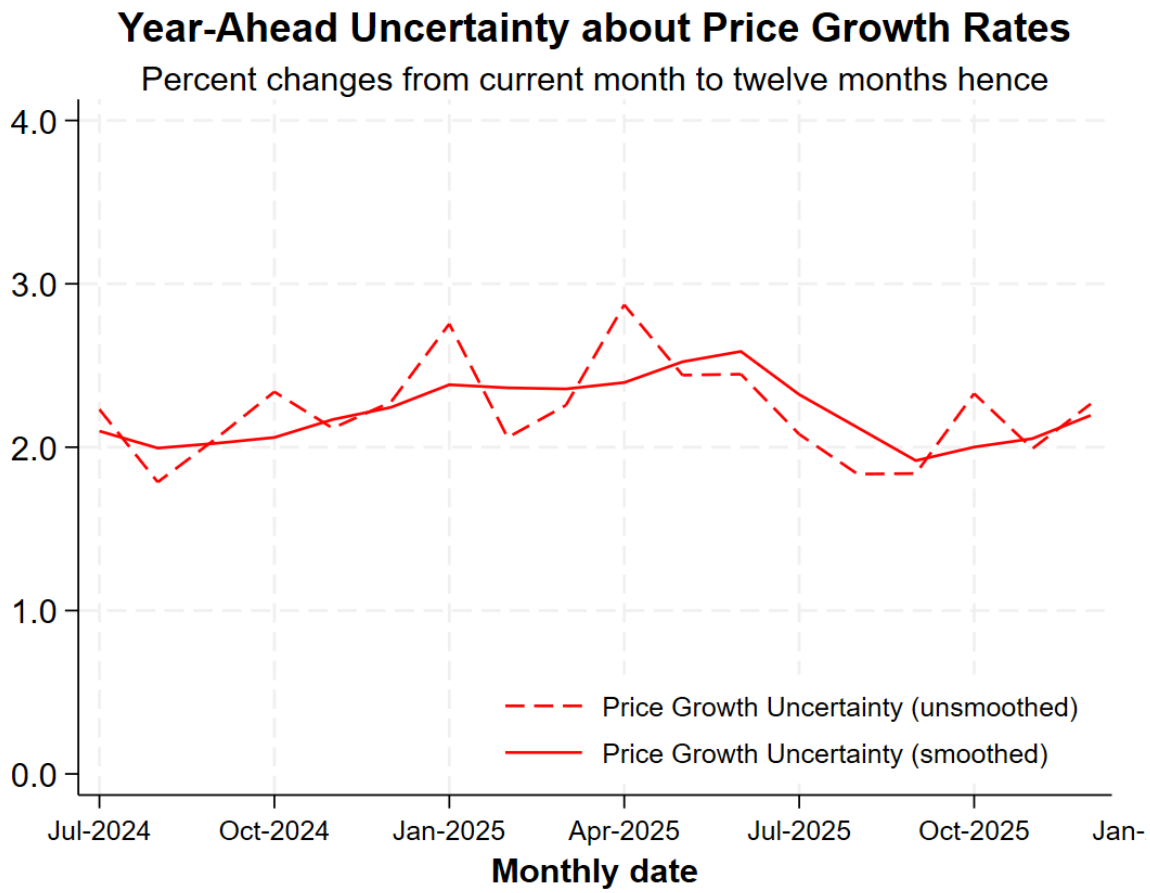
Price growth expectations have declined after a spike earlier in the year. Price growth uncertainty has fallen slightly over the past few months.

July 2024–December 2025





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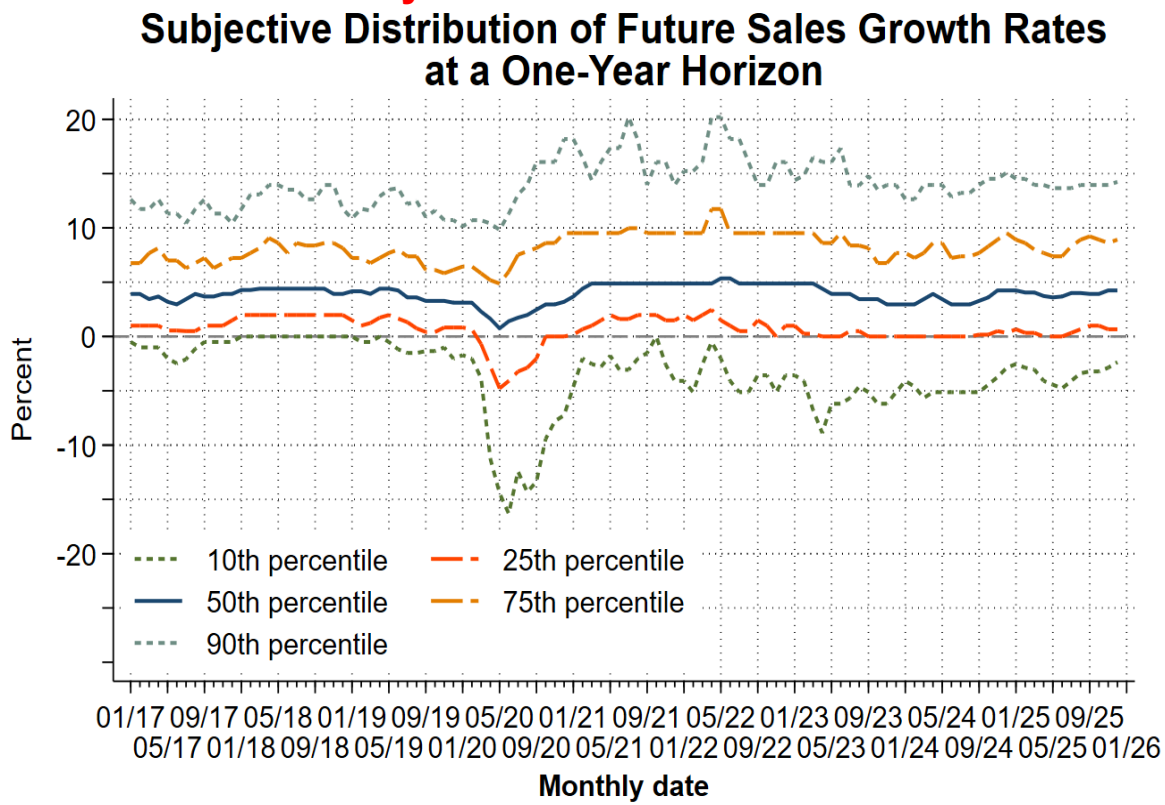
Appendix: Subjective Forecast Distribution of Future Sales Growth Rates at a One-Year Horizon

January 2017–December 2025

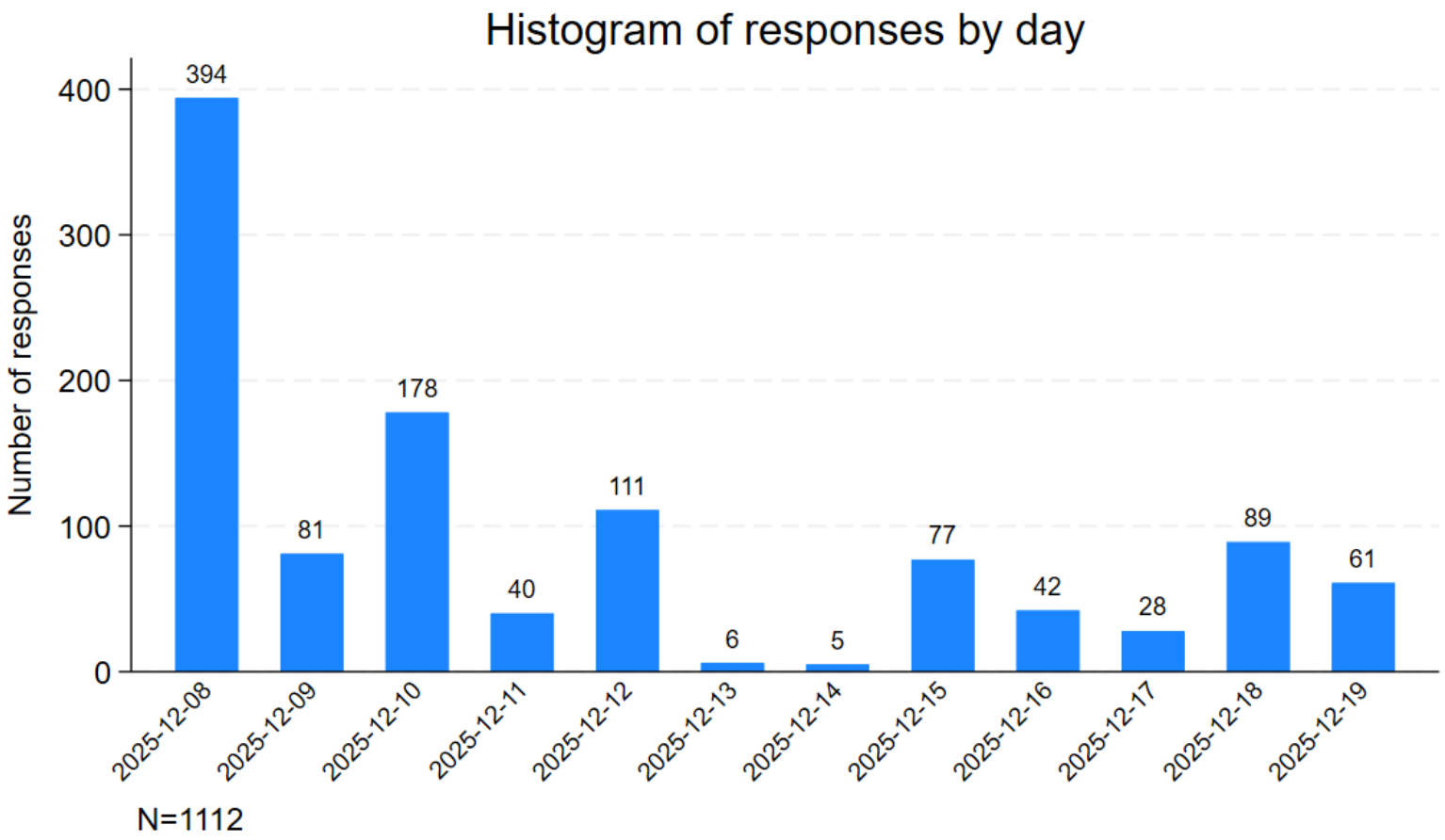


NOTES: Calculated using monthly data through December 2025. The charts show smoothed series. This is a plot of the subjective distribution for the representative firm's future sales growth rates over a 4-quarter look-ahead horizon. To calculate this distribution, we pool over all firm-level subjective forecast distributions in the indicated month and weight each firm by its activity level. Then we use the probabilities assigned to each possible future sales growth rate to obtain activity-weighted quantiles of the future sales growth rate distribution.

Source: Survey of Business Uncertainty conducted by the Federal Reserve Bank of Atlanta.

Appendix: Histogram of survey response frequency for the December 2025 survey wave

December 2025



Source: Survey of Business Uncertainty conducted by the Federal Reserve Bank of Atlanta.