Survey of Business Uncertainty Monthly Report

January 2026

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SBU

Federal Reserve Bank *of* Atlanta

Based on survey responses from 12-23 January 2026

Headline Results

January 2026 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. Business executives forecast lower Federal Funds Rate than they did in the past two quarters. (Slides 7-8)
4. Over half of businesses sell solely to other businesses. About 30 percent sell to both businesses and consumers. (Slide 9)
5. Of firms that sell to both types of customers, over 70 percent of their revenue comes from business customers. (Slide 10)

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.

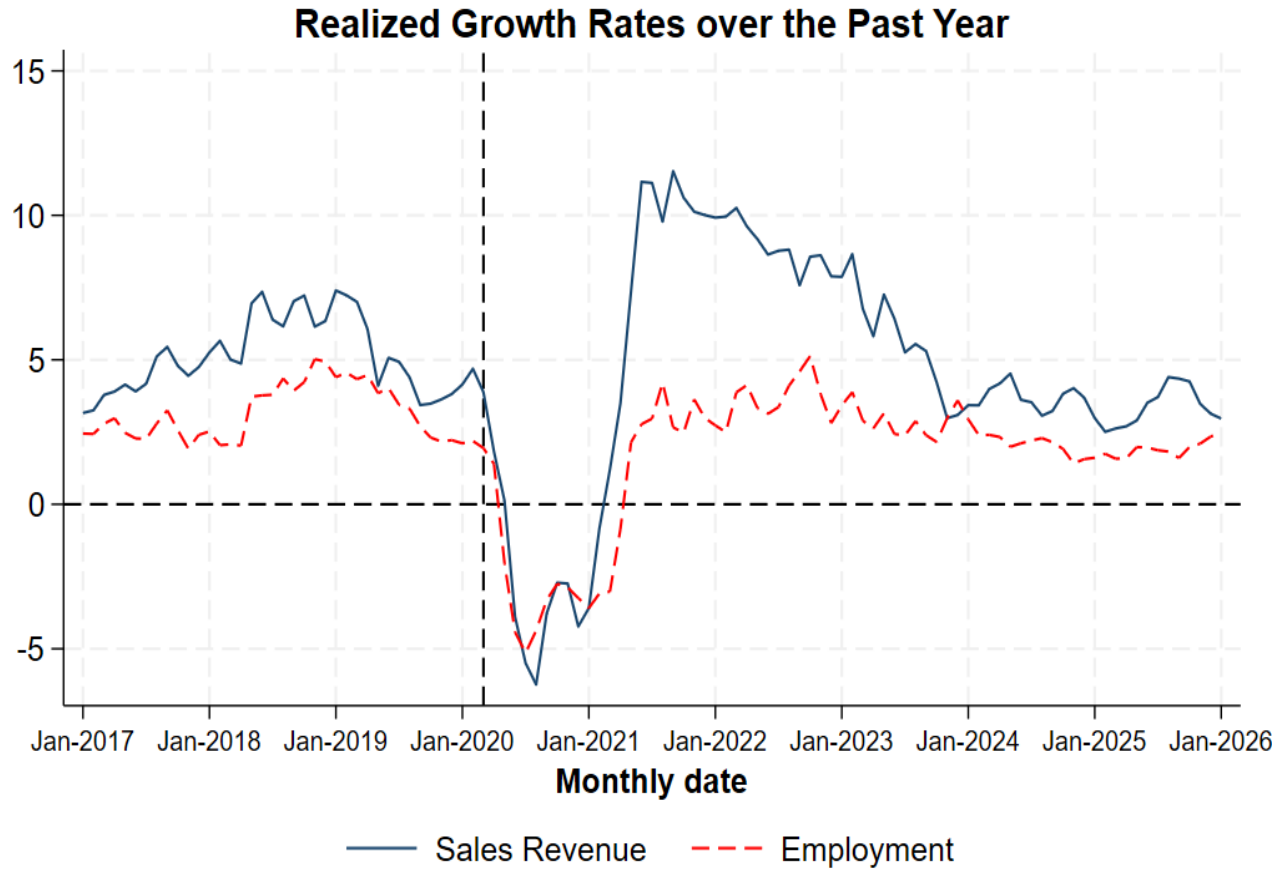
The SBU questionnaire goes to about 1500 panel members, who occupy senior finance and managerial positions at U.S. firms. We contact panel members each month by email, and they respond via a web-based instrument.

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–January 2026



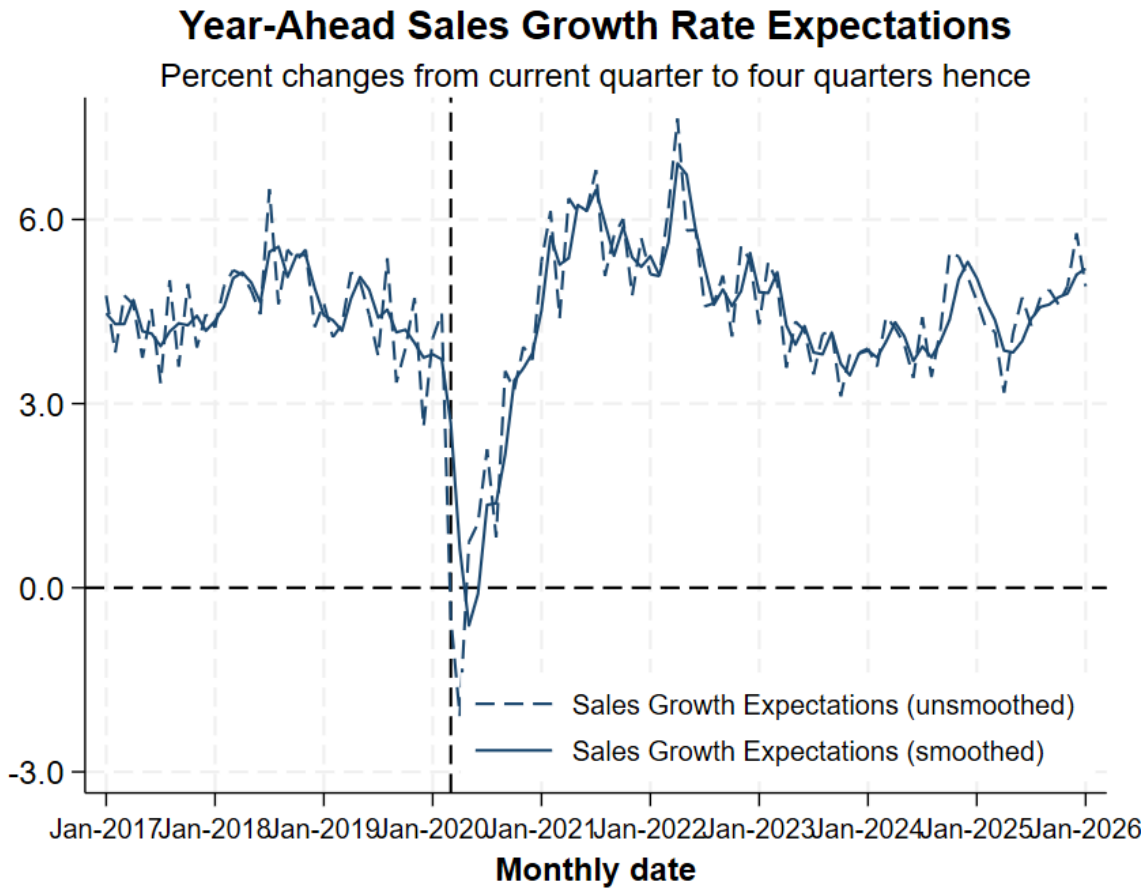
NOTE: Calculated using monthly data through January 2026. Realized growth rate series for sales revenue and employment are activity-weighted averages of firms' reported (look-back) growth rates over the past year (specifically, the previous four quarters for sales revenue and previous 12 months for employment).

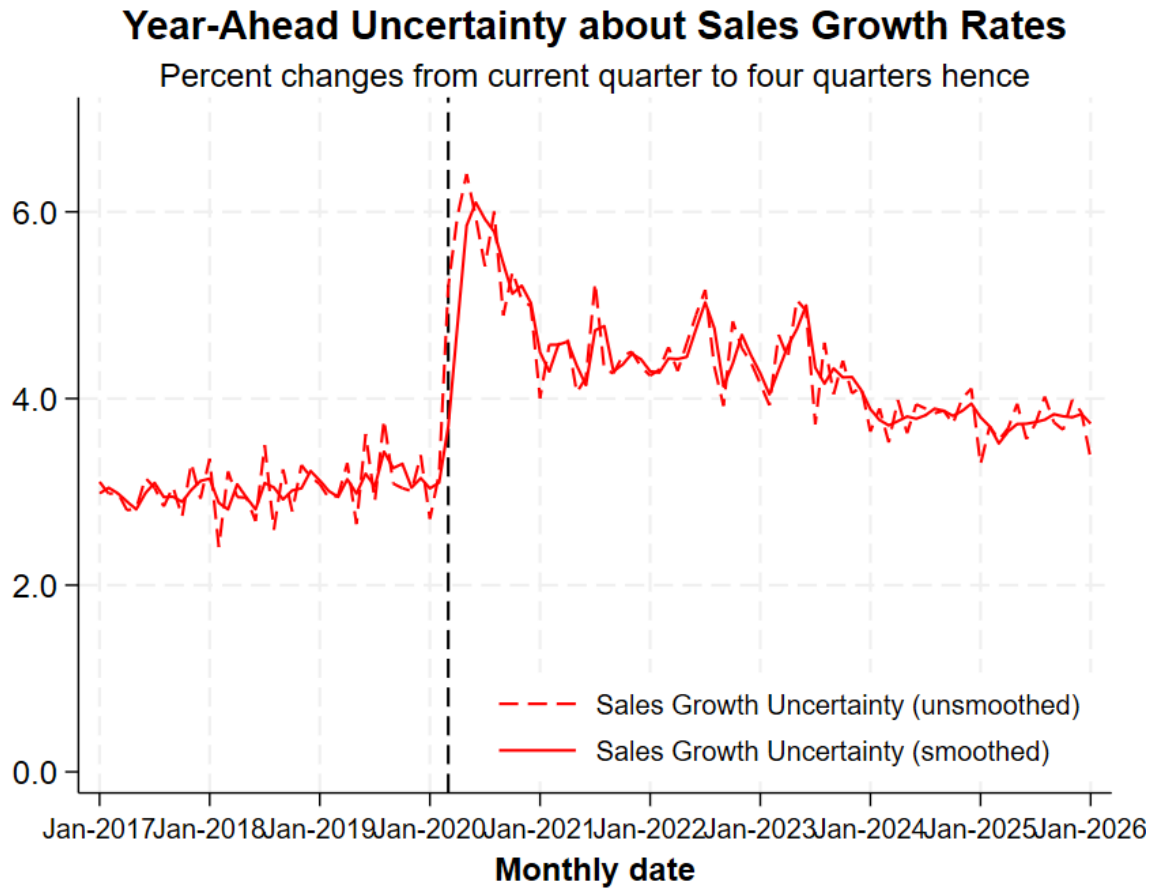
NOTE: The chart shows smoothed series.

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–January 2026





NOTE: The charts show smoothed series.

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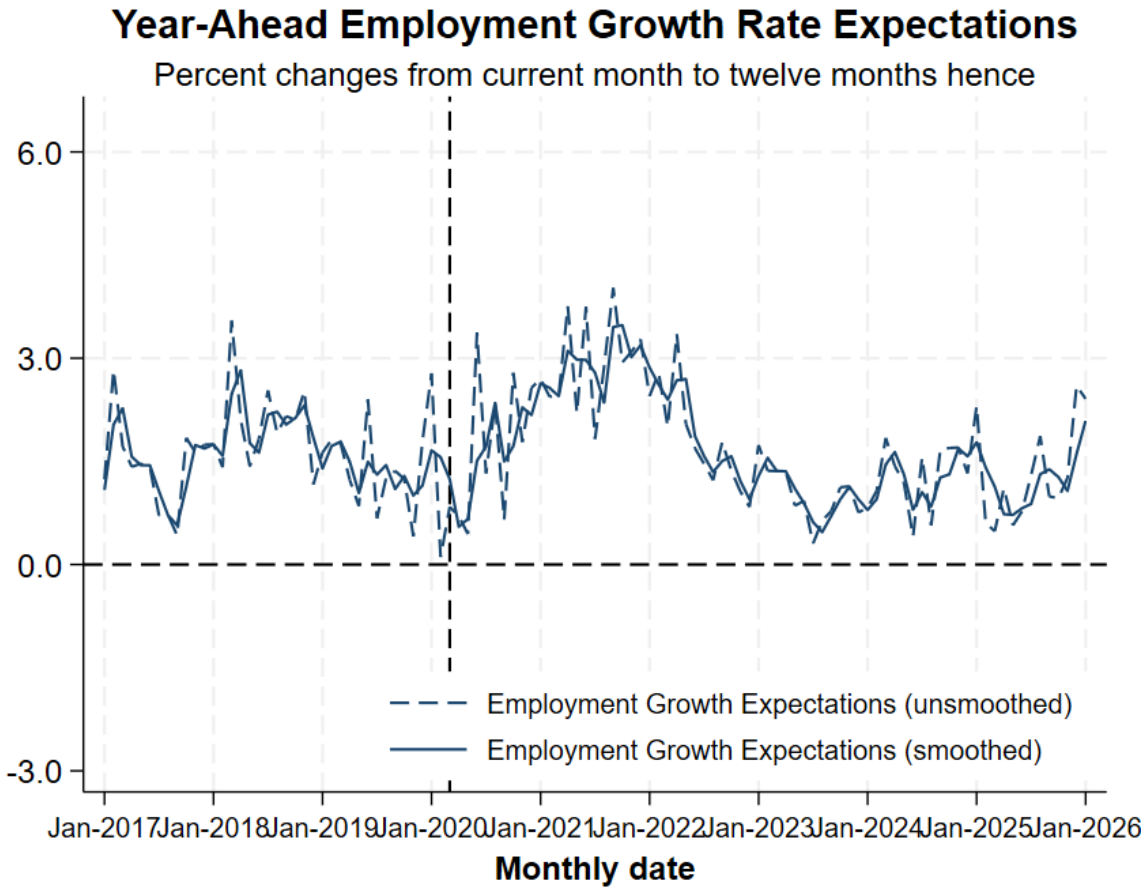
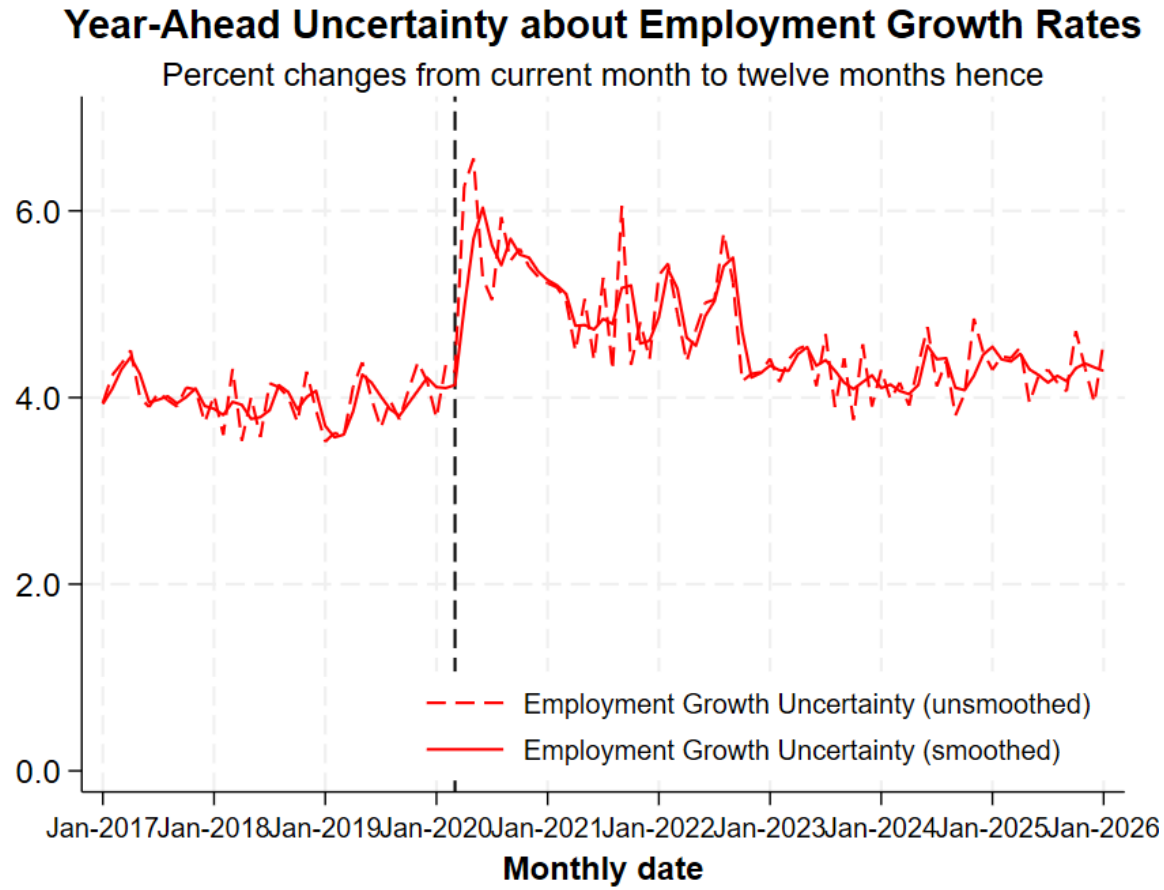
Expected employment growth has risen slightly after decreases in recent months. Uncertainty about employment growth is slightly elevated over pre-pandemic levels.

January 2017–January 2026





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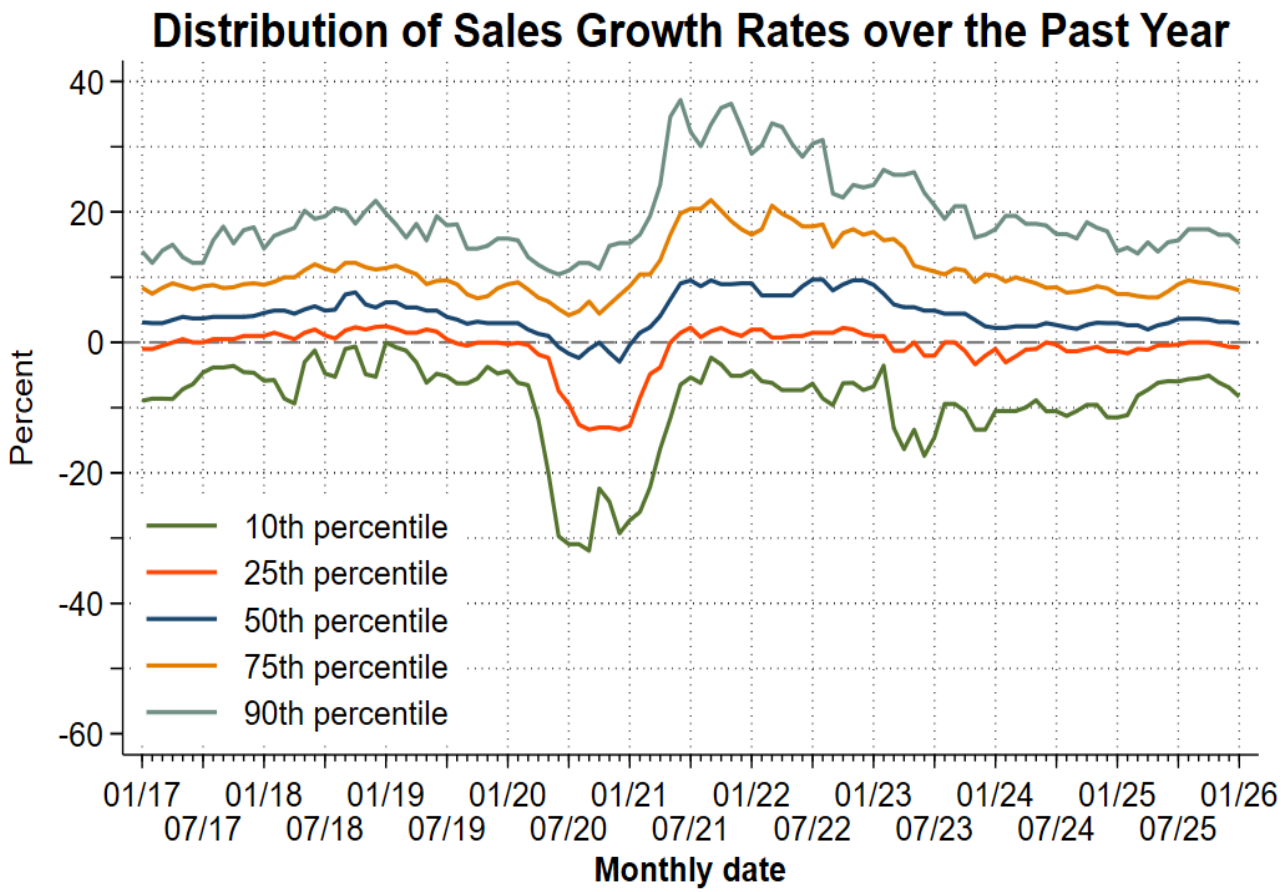
The distribution of sales growth rates across firms remains wider than before the pandemic.

January 2017–January 2026

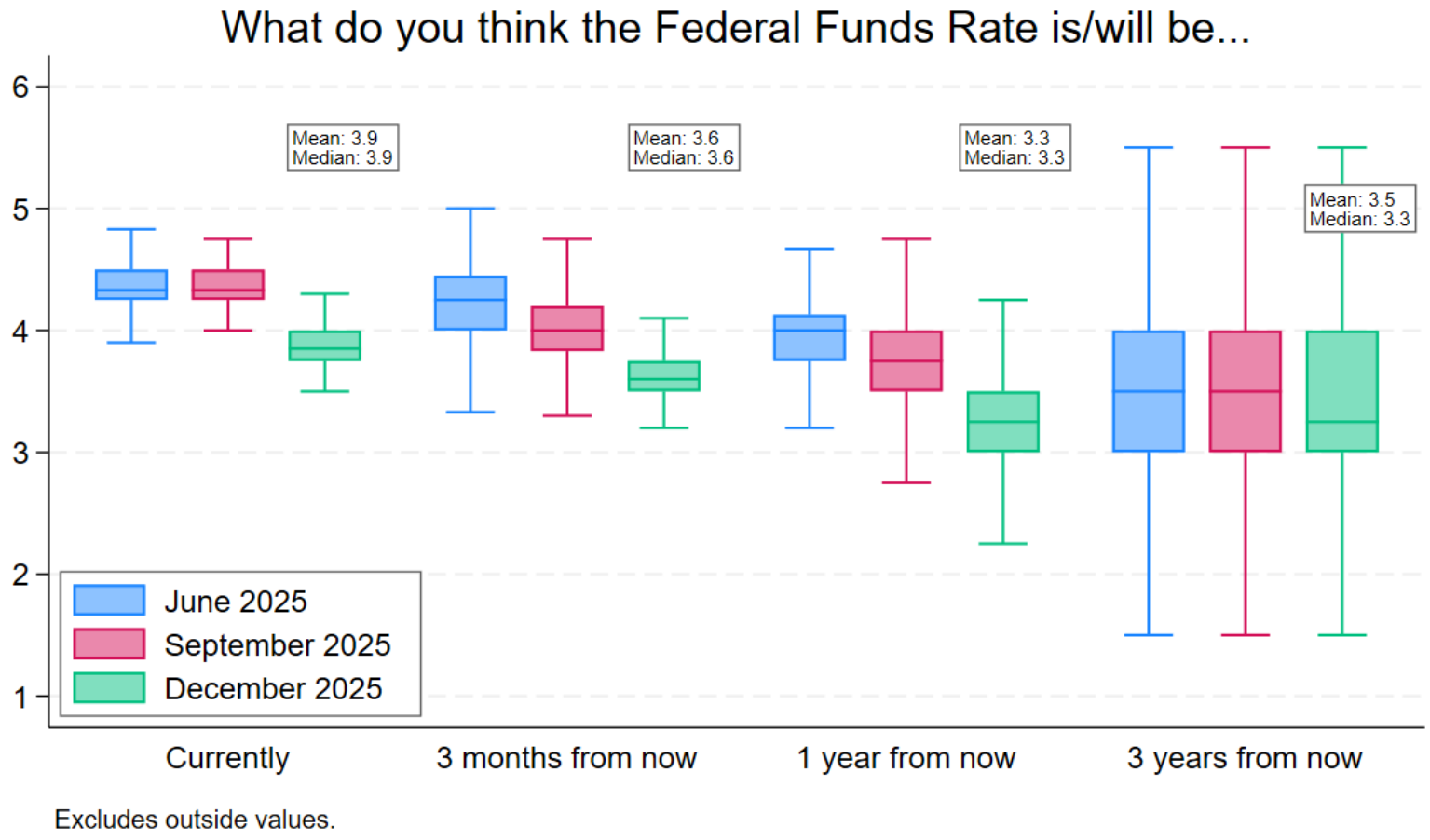


NOTES: Calculated using monthly data through January 2026. The chart shows smoothed series. Lines show percentiles of the activity-weighted distribution of firm-level sales growth rates over the past year.

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

Once again, business executives forecast lower Federal Funds Rate than they did in the past two quarters.

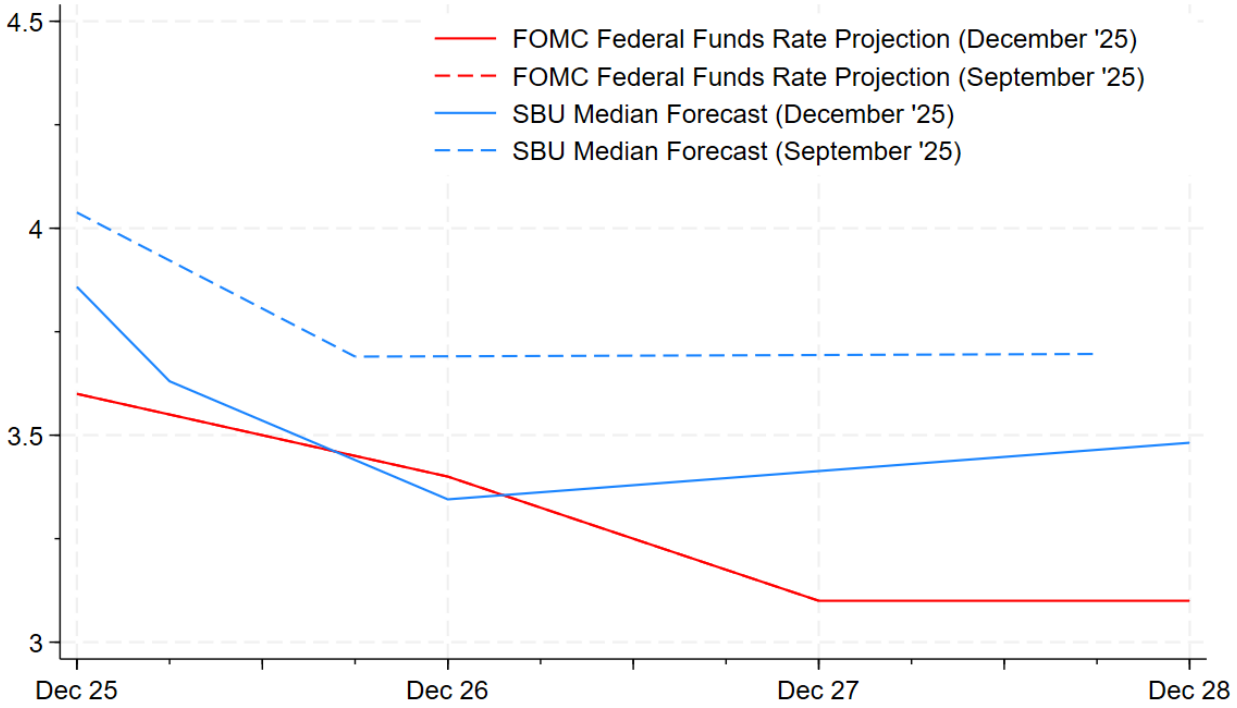
Question: *What do you think is the current Federal Funds Rate? What do you think the Federal Funds Rate will be [three months, one year, three years] from now?*

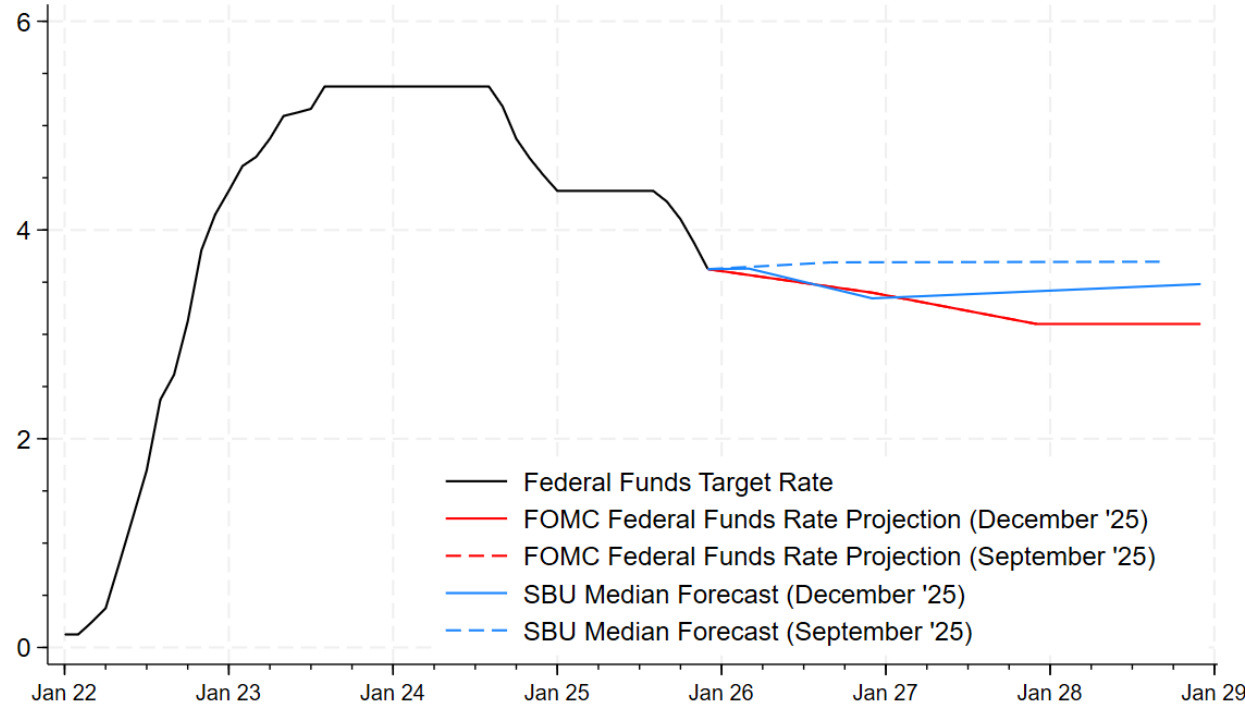


Note: The SBU survey fielded these questions to panelists from 12/8/25 – 12/19/25. The sample covers all U.S. states and major industry sectors. Observations beyond the IQR not shown. N = 1,090 (12/25).

SBU panelists reported lower FFR forecasts this quarter compared to last quarter. The sample's long-run expectations are higher than official projections.

Question: *What do you think is the current Federal Funds Rate? What do you think the Federal Funds Rate will be [three months, one year, three years] from now?*

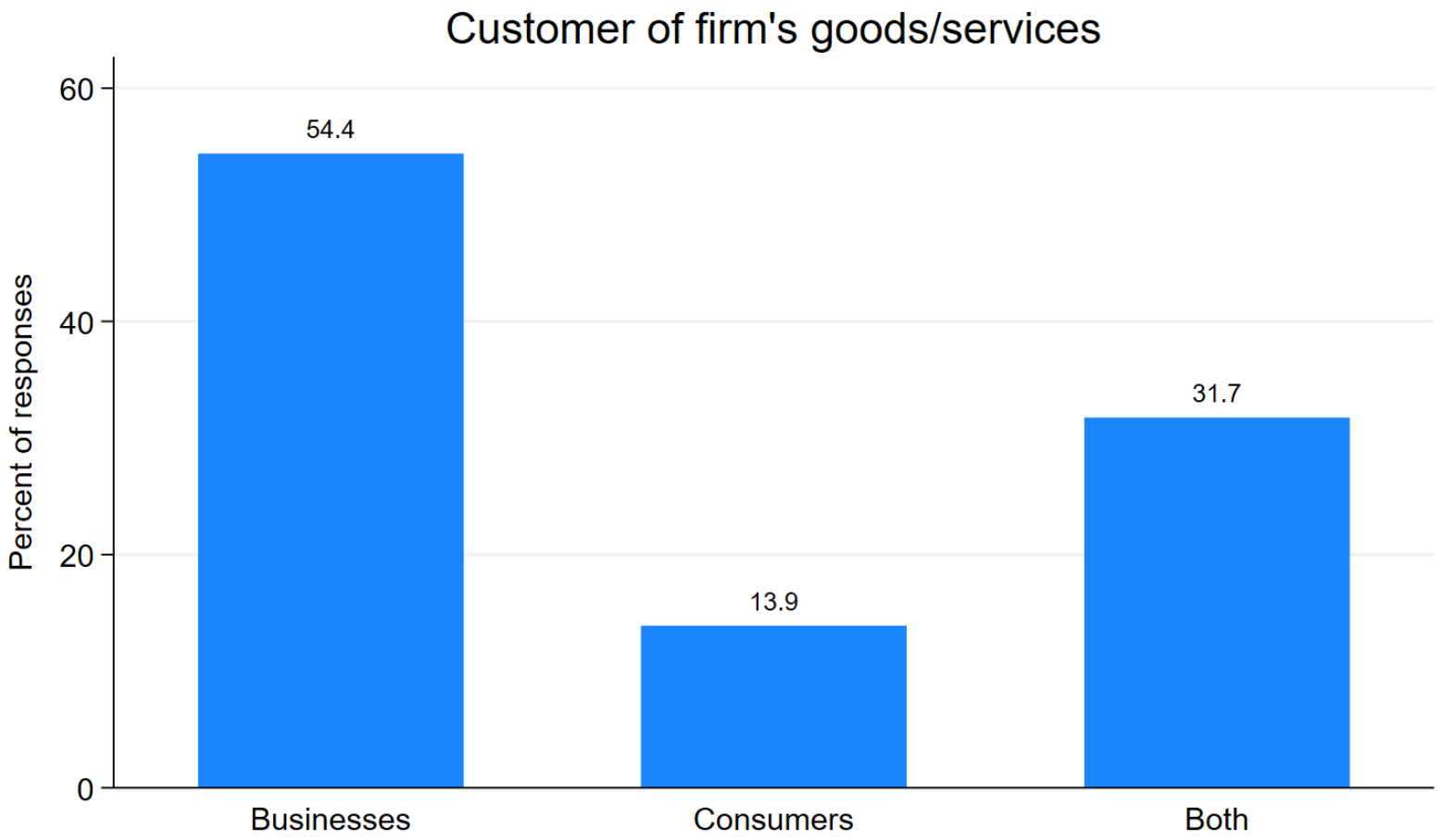




Note: The SBU fielded these questions in the September 2025 and December 2025 survey waves (12/8/25 – 12/19/25). The sample covers all U.S. states and major industry sectors. N = 1,134 (9/25), N = 1,090 (12/25).

Over half of firms in our panel sell their goods and/or services directly to other businesses. About a third sell to both businesses and consumers.

Question: *To what type of customer does your firm sell its goods and/or services?*



Note: The SBU survey fielded these questions to panelists from 12/8/25 – 12/19/25. The sample covers all U.S. states and major industry sectors. N=1,099.

On average, business executives say that over 70% of their firm's revenue comes from business customers.

Question: *To what type of customer does your firm sell its goods and/or services?*
Question: [Firm responded "Both" to previous question] *Over the past 12 months, approximately what share of your firm's revenue came from each type of customer?*

Approximate percentage of firm's revenue coming from type of customer
December 2025 SBU (Employment-weighted)

	Business customers			Consumer customers		
	N	Mean	SE	N	Mean	SE
Full sample (employment-weighted)	**1099**	**70.7**	**1.2**	**1099**	**29.3**	**1.2**
Full sample (equal-weighted)	1099	71.6	1.2	1099	28.4	1.2
Industry Class						
Construction, Real Estate, Mining, and Utilities	200	74.8	2.8	200	25.2	2.8
Manufacturing	190	94.9	1.3	190	5.1	1.3
Retail and Wholesale Trade and Transportation	190	75.4	2.8	190	24.6	2.8
Business and Professional Services	391	74.6	1.7	391	25.4	1.7
Other Services	127	26.3	3.3	127	73.7	3.3
Firm Size Class						
0-50 Employees	436	72.7	1.8	436	27.3	1.8
50-99 Employees	177	75.3	2.7	177	24.7	2.7
99-249 Employees	202	70.8	2.7	202	29.2	2.7
250+ Employees	284	70.1	2.4	284	29.9	2.4

Note: The SBU survey fielded these questions to panelists from 12/8/25 – 12/19/25. The sample covers all U.S. states and major industry sectors. We record 100 or 0 for firms that indicate they sell to one type of customer but not the other.

Business executives say that over a tenth of sales revenue over the past year came from new business customers.

Question: *What was the approximate number of unique business customers your firm had in 2025? What was the approximate number of unique business customers your firm had last year, in 2024?*
Question: *What was the share of sales revenue in 2025 from new business customers?*

Approximate number of unique business customers of firm, 2024 and 2025
December 2025 SBU (Employment-weighted)

	Last year (2024)			This year (2025)			Share of sales revenue in 2025 from new customers		
	N	Mean	SE	N	Mean	SE	N	Mean	SE
Full sample (employment-weighted)	**849**	**4993**	**638.5**	**848**	**5167**	**680**	**826**	**14.9**	**9.3**
Full sample (equal-weighted)	849	2276	439.1	848	2365	471.7	826	37.5	24.2
Industry Class									
Construction, Real Estate, Mining, and Utilities	144	2863	1039	144	2886	1040	140	11.4	1.1
Manufacturing	180	3340	661.2	180	3397	688.3	176	8.3	0.8
Retail and Wholesale Trade and Transportation	154	4370	1196.3	154	4606	1283.6	150	8.8	0.9
Business and Professional Services	317	7136	1417	316	7436	1521	307	22.6	24.0
Other Services	53	3656	1700.1	53	3622	1729.5	52	12.5	1.2
Firm Size Class									
0-50 Employees	345	460.0	86.3	345	458.9	89.0	338	82.5	63.6
50-99 Employees	143	760.7	145.6	142	854.7	170.6	139	14.1	1.4
99-249 Employees	151	1583	323.7	151	1585	325.2	146	12.3	1.2
250+ Employees	210	6721	1529	210	6960	1628	203	10.6	0.9

Note: The SBU survey fielded these questions to panelists from 12/8/25 – 12/19/25. The sample covers all U.S. states and major industry sectors. Only includes firms for which business customers account for greater than 25% of sales revenue.

Business executives say that nearly a fifth of sales revenue over the past year came from new consumer customers.

Question: *What was the approximate number of unique consumer customers your firm had in 2025? What was the approximate number of unique consumer customers your firm had last year, in 2024?*
Question: *What was the share of sales revenue in 2025 from new consumer customers?*

Approximate number of unique consumer customers of firm, 2024 and 2025
December 2025 SBU (Employment-weighted)

	Last year (2024)			This year (2025)			Share of sales revenue in 2025 from new customers		
	N	Mean	SE	N	Mean	SE	N	Mean	SE
Full sample (employment-weighted)	**373**	**339,794**	**40,332**	**374**	**351,501**	**41,387**	**365**	**22.6**	**1.3**
Full sample (equal-weighted)	373	114,469	23,955	374	117,832	24,548	365	24.8	1.4
Industry Class									
Construction, Real Estate, Mining, and Utilities	71	88,752	21,300	71	90,003	21,605	67	27.0	4.1
Manufacturing	22	51,321	17,812	22	51,381	17,809	21	14.9	3.4
Retail and Wholesale Trade and Transportation	52	453,132	144,089	52	454,151	144,036	51	23.7	3.2
Business and Professional Services	150	341,480	64,968	150	357,035	66,793	148	21.1	2.1
Other Services	78	416,122	91,421	79	431,910	94,704	78	23.2	2.8
Firm Size Class									
0-50 Employees	158	5,772	998	159	5,748	987	155	24.9	2.0
50-99 Employees	53	10,049	2,677	53	10,610	2,755	52	27.2	4.3
99-249 Employees	72	29,966	5,606	73	29,785	5,408	69	25.8	3.6
250+ Employees	90	481,574	95,344	89	500,803	98,633	89	21.1	2.5

Note: The SBU survey fielded these questions to panelists from 12/8/25 – 12/19/25. The sample covers all U.S. states and major industry sectors. Only includes firms for which consumer customers account for greater than 25% of sales revenue. We winsorize number of unique consumer customers within firm size class at the 5th and 95th percentiles.

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,

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

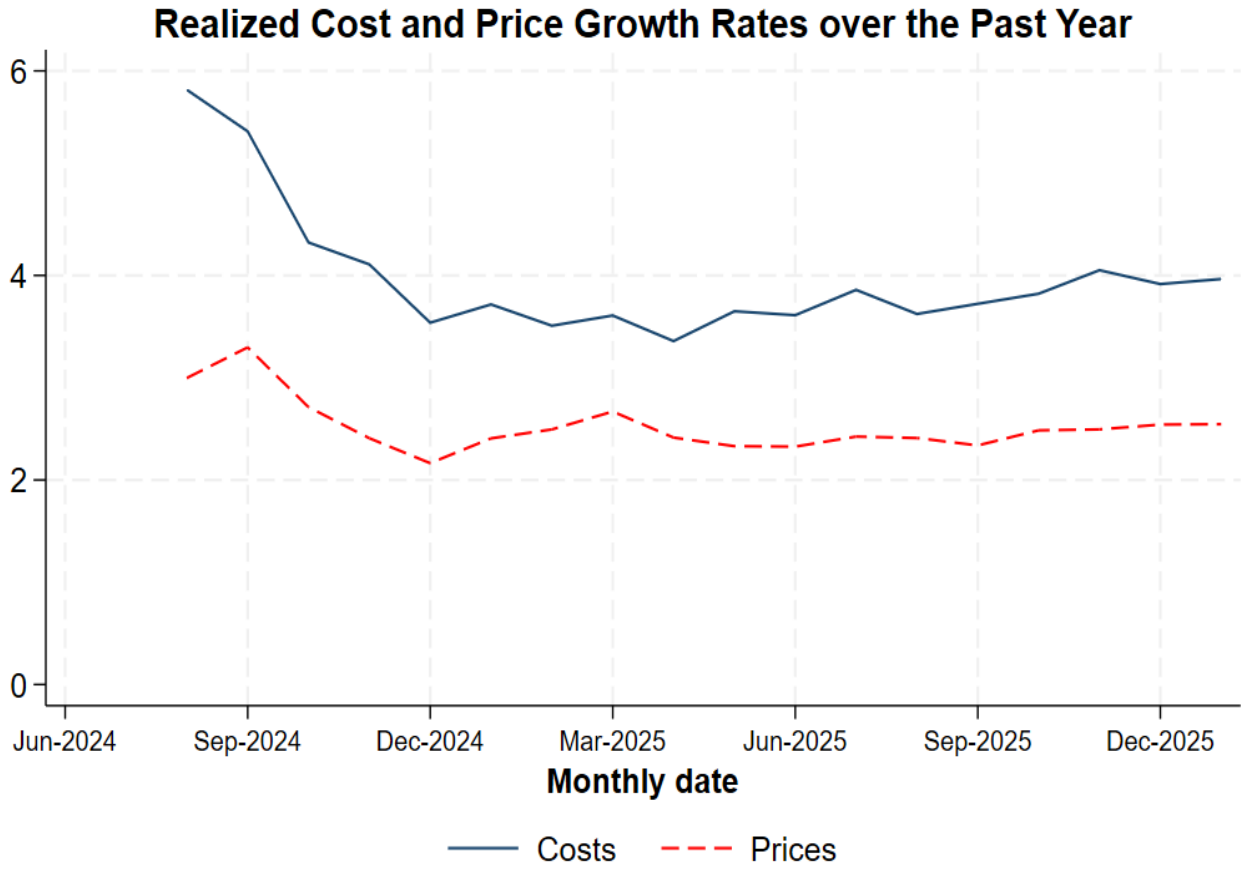
- Analogously, the expected sales revenue reallocation rate index in month *t* is the difference between the activity-weighted average of absolute expected sales growth rates, minus the absolute value of the average activity-weighted growth rate:

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

- 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–January 2026



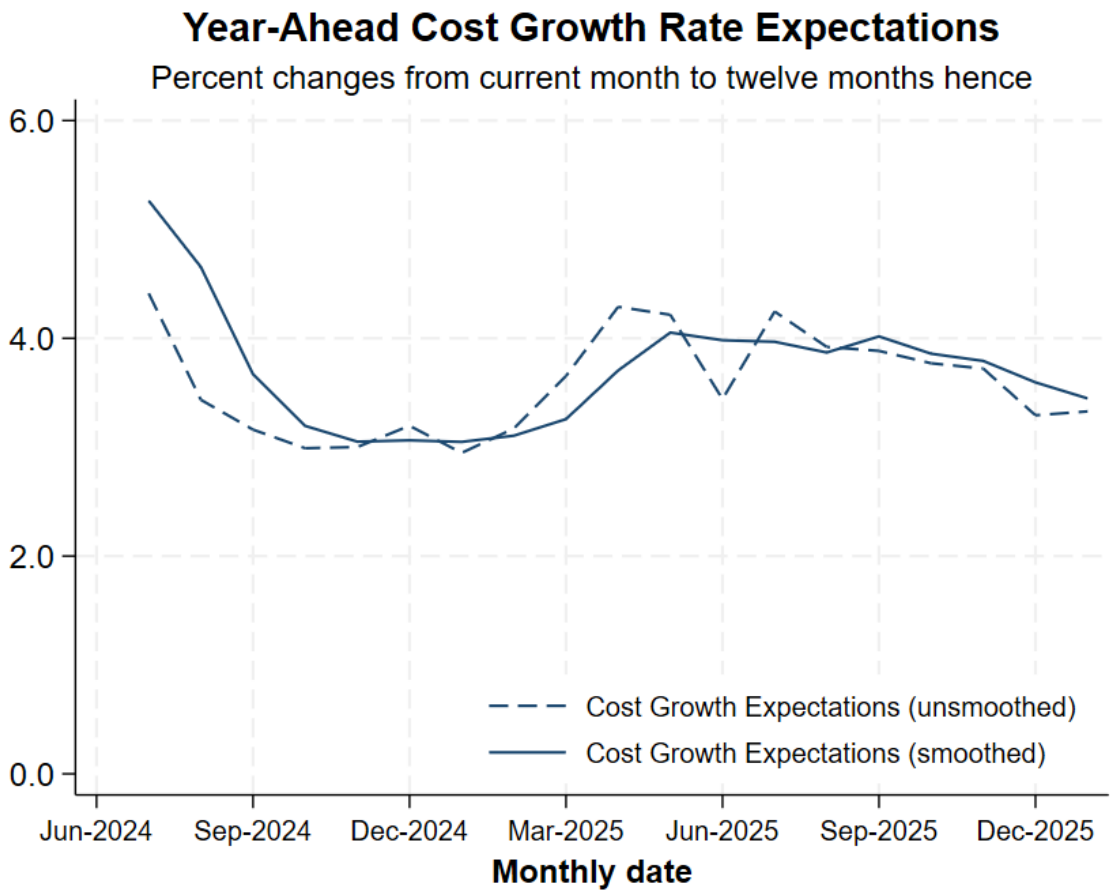
NOTE: Calculated using monthly data through January 2026. Realized growth rate series for costs and prices are activity-weighted averages of firms' reported (look-back) growth rates over the past year (specifically, the previous four quarters for sales revenue and previous 12 months for employment).

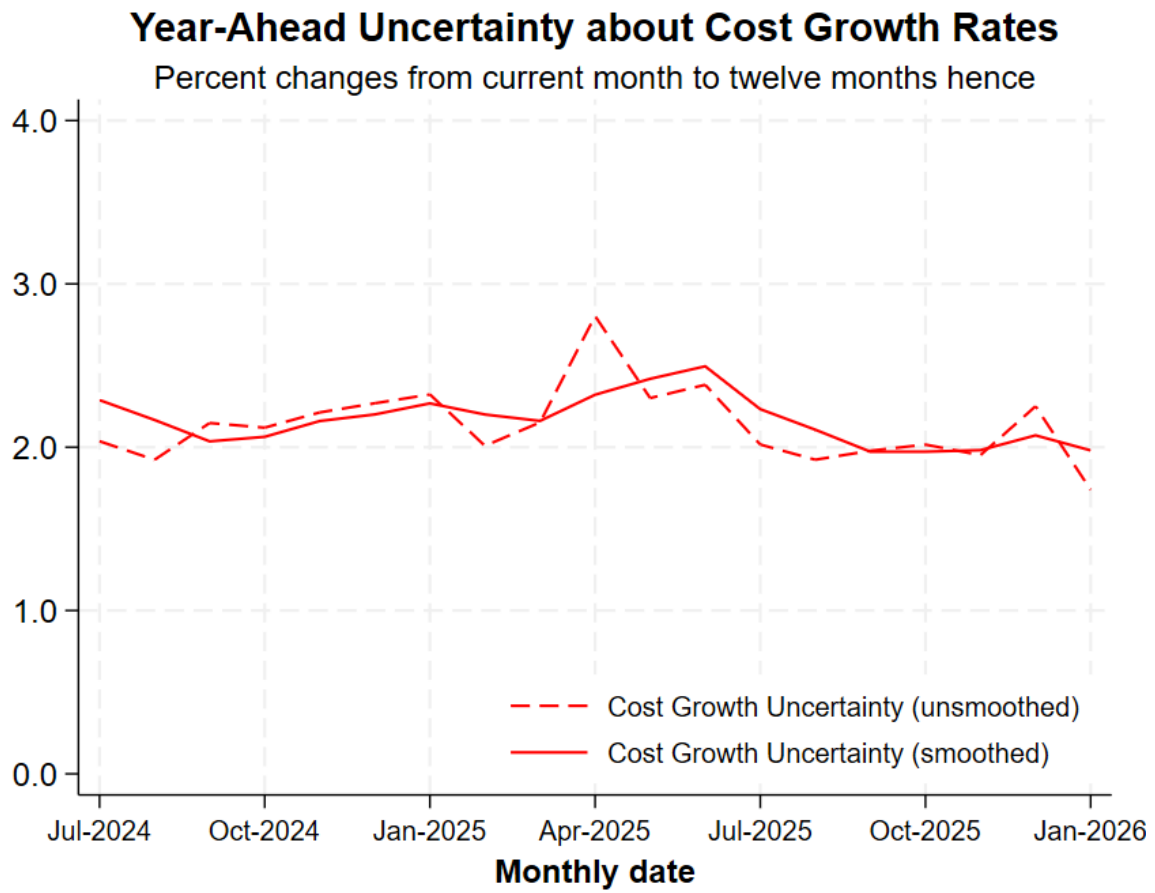
NOTE: The chart shows smoothed series.

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.

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

July 2024–January 2026





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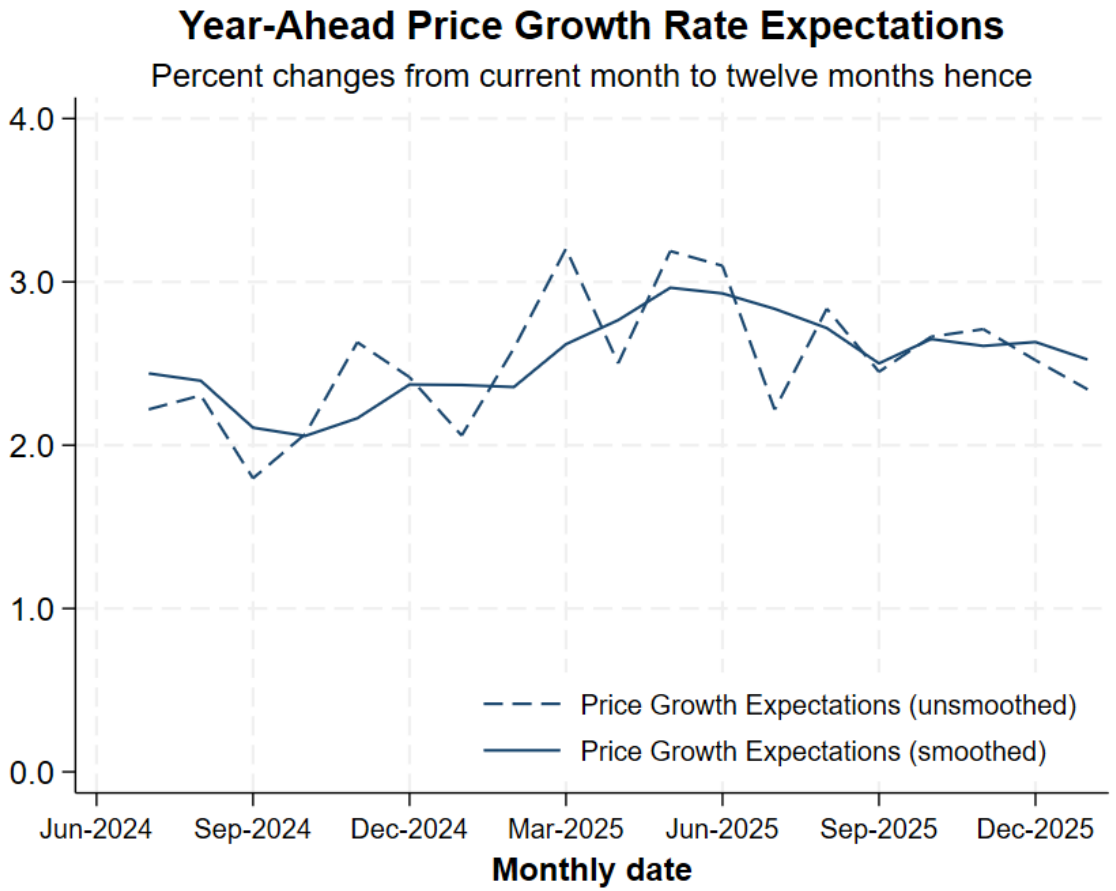
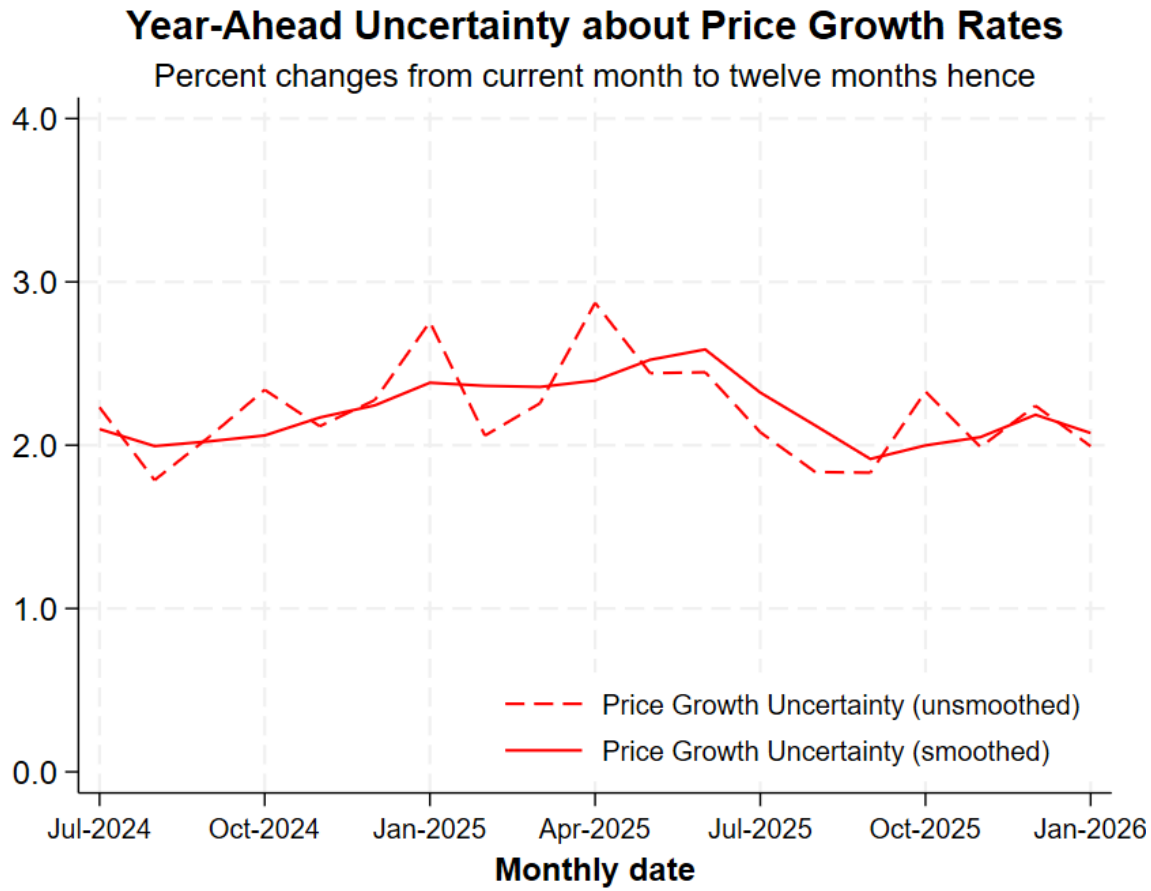
Price growth expectations have declined after a spike earlier in the year. Price growth uncertainty has fallen slightly over the past few months.

July 2024–January 2026





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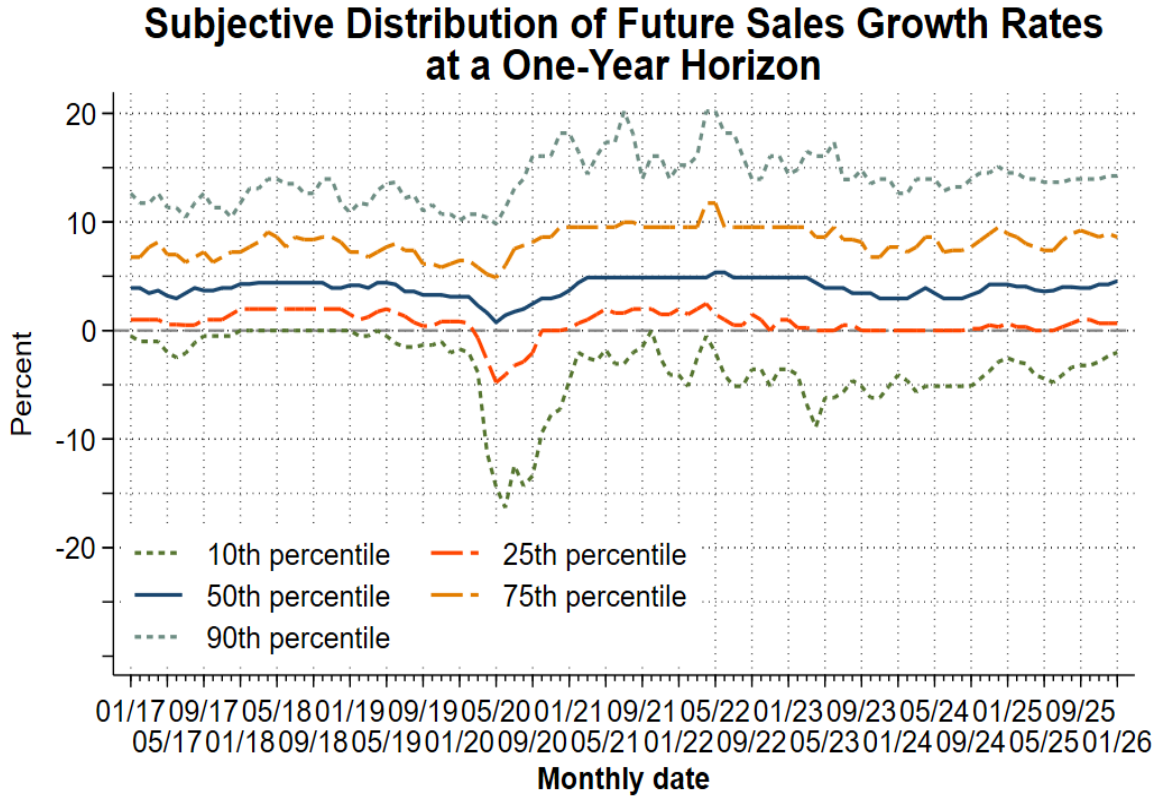
Appendix: Subjective Forecast Distribution of Future Sales Growth Rates at a One-Year Horizon

January 2017–January 2026

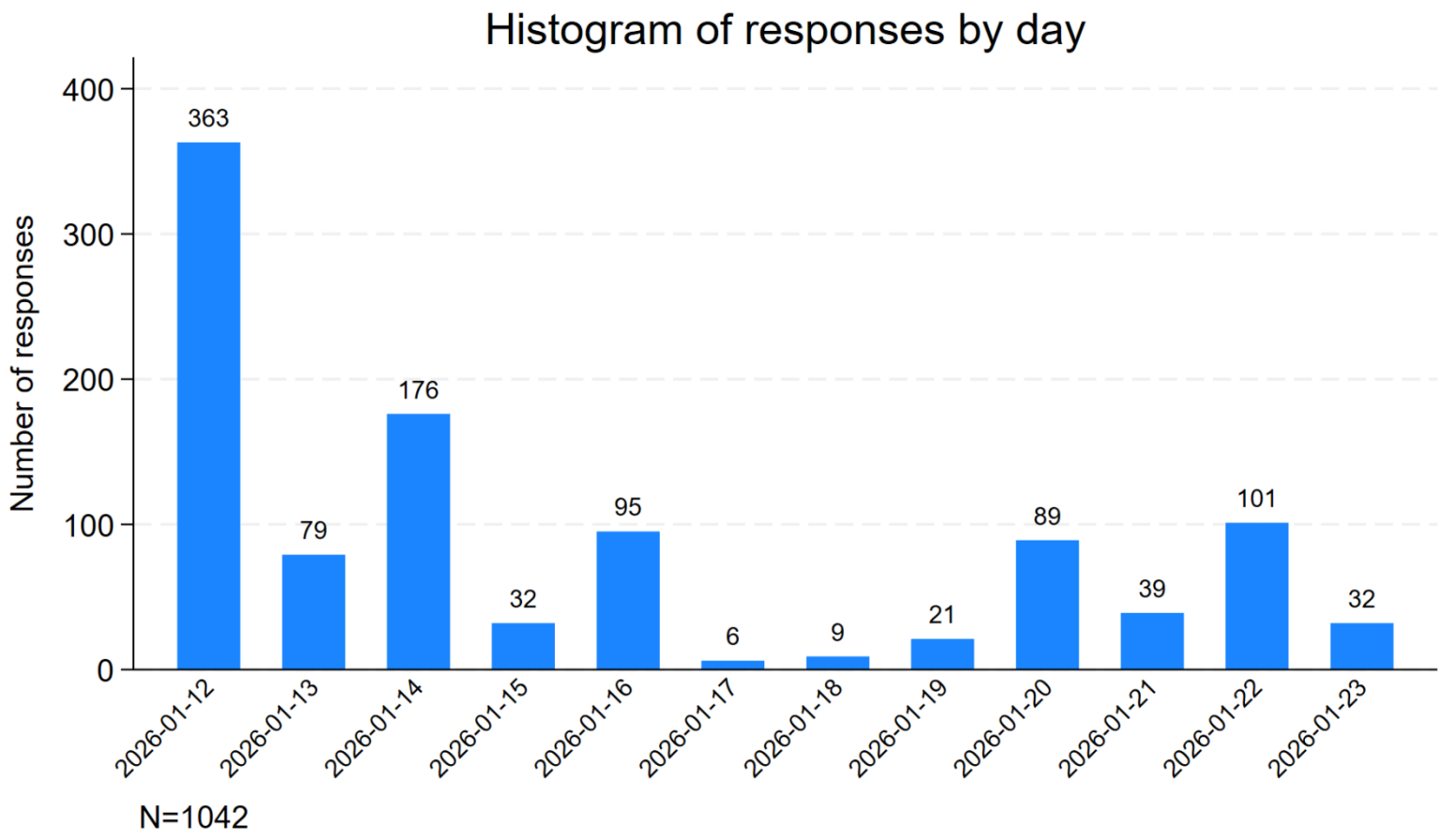


NOTES: Calculated using monthly data through January 2026. The charts show smoothed series. This is a plot of the subjective distribution for the representative firm's future sales growth rates over a 4-quarter look-ahead horizon. To calculate this distribution, we pool over all firm-level subjective 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 January 2026 survey wave

January 2026



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