

# Business Inflation Expectations (BIE) Survey

Monthly Report: January 2025



Federal Reserve  
Bank *of* Atlanta

# Headline Results

1. Firms' year-ahead unit cost expectations increased 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).
2. Firms' sales levels continue to run below "normal," but they remain at levels relatively similar to October 2024.
3. In January's special questions, we asked firms questions about their vacancies and concerns.
4. Although the share of firms with at least one opening has declined from its peak in 2022, it has remained relatively steady over this year at around 65 to 70 percent. Over the past month, there has not been much change in the share of firms reporting at least one opening.
5. About 78 percent of firms in our sample state that they are committed to filling every opening posted while 22 percent of firms do not necessarily intend to fill every opening. This figure is the same as July 2024, the last time we asked this question.
6. Looking ahead to 2025, the top three concerns reported by firms in our sample are labor quality/availability, demand/sales/revenue, and monetary policy.

## About the BIE

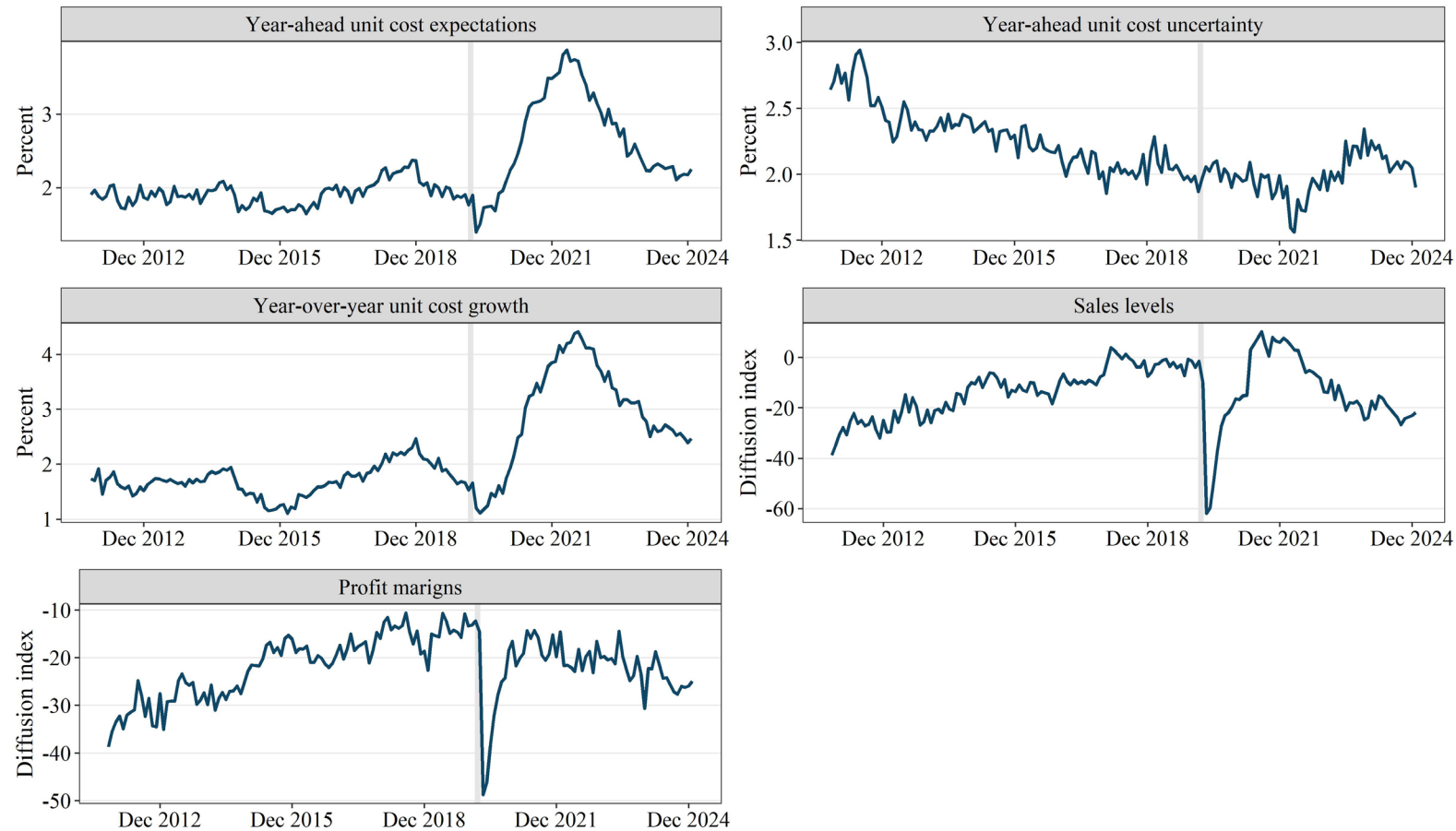
The Business Inflation Expectations (BIE) survey is fielded by the Federal Reserve Bank of Atlanta. It was designed, tested, and refined by the Atlanta Fed Economic Research Survey Center.

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](#).

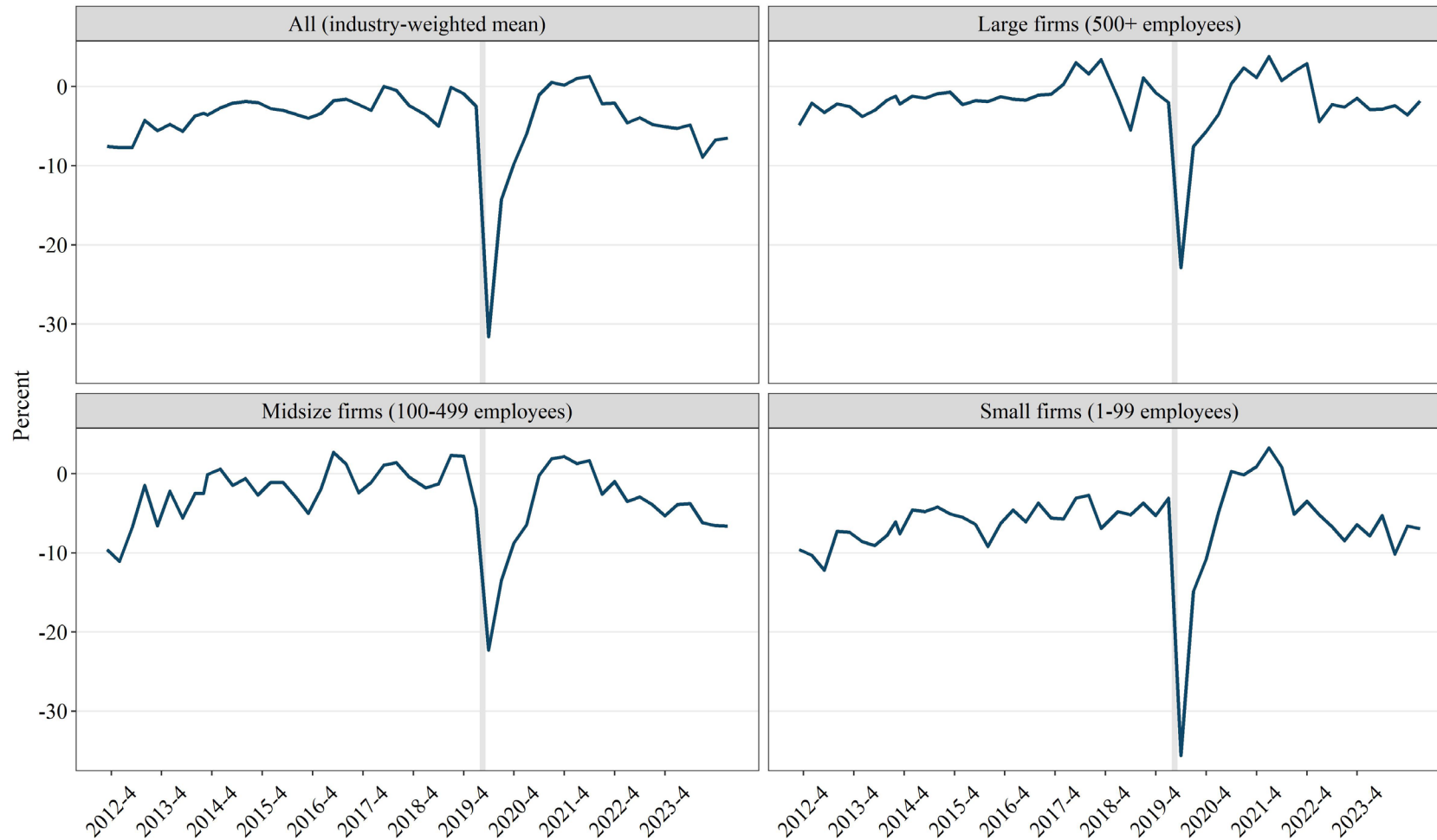
# Core Monthly Questions



Note: The data are shown monthly.

Source: Atlanta Fed Business Inflation Expectations (BIE) survey

# Rotating quarterly question: How would you describe your firm's sales levels versus what you consider to be normal?



Source: Atlanta Fed Business Inflation Expectations (BIE) survey

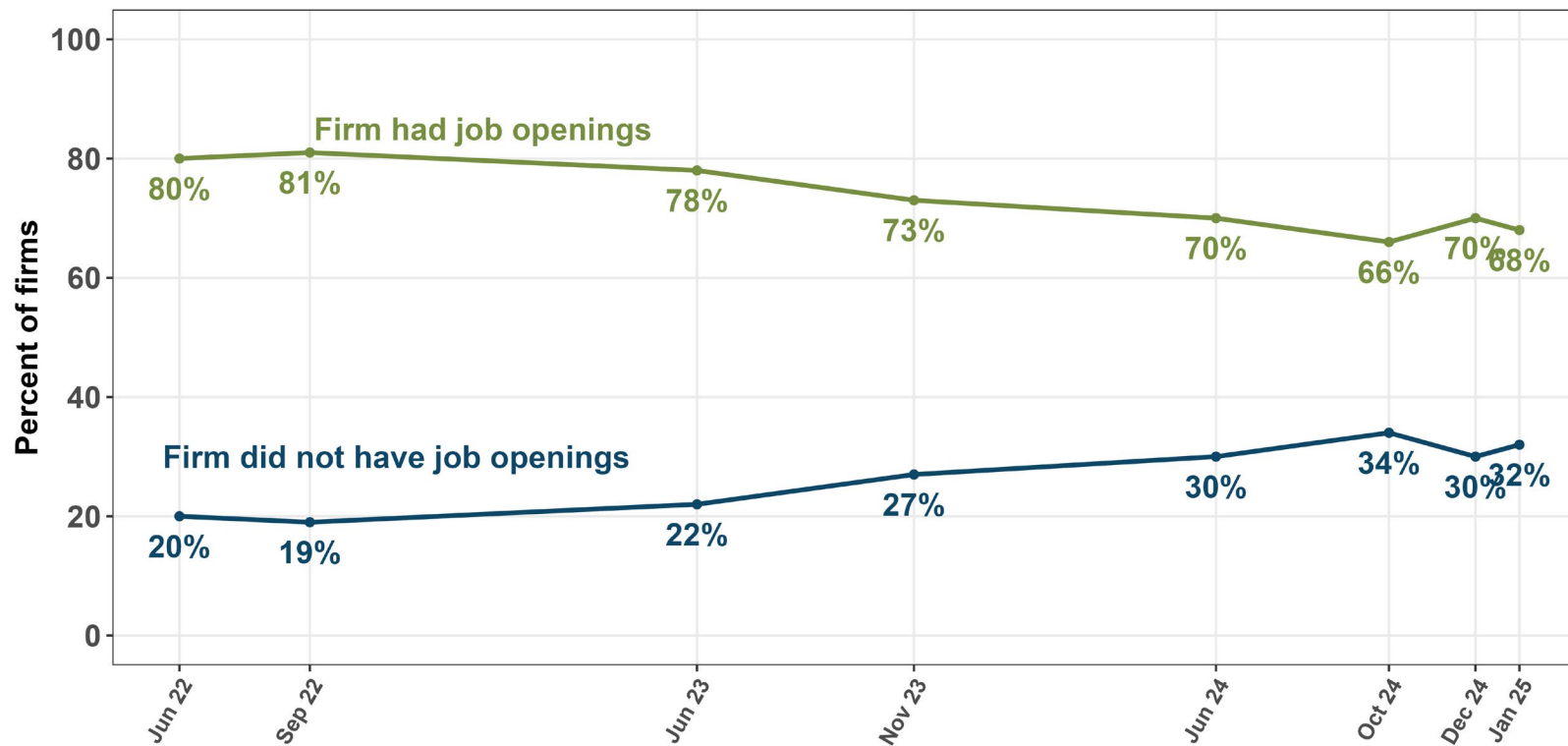
Note: This quarterly question officially started in February 2024. The results prior to that were results collected through our Special Questions Series.

# **BIE Special Questions: January 2025**

What was your firm's number of job openings as of Friday, January 3, 2025?

Please select the option which best describes your firm's current approach to fulling job vacancies.

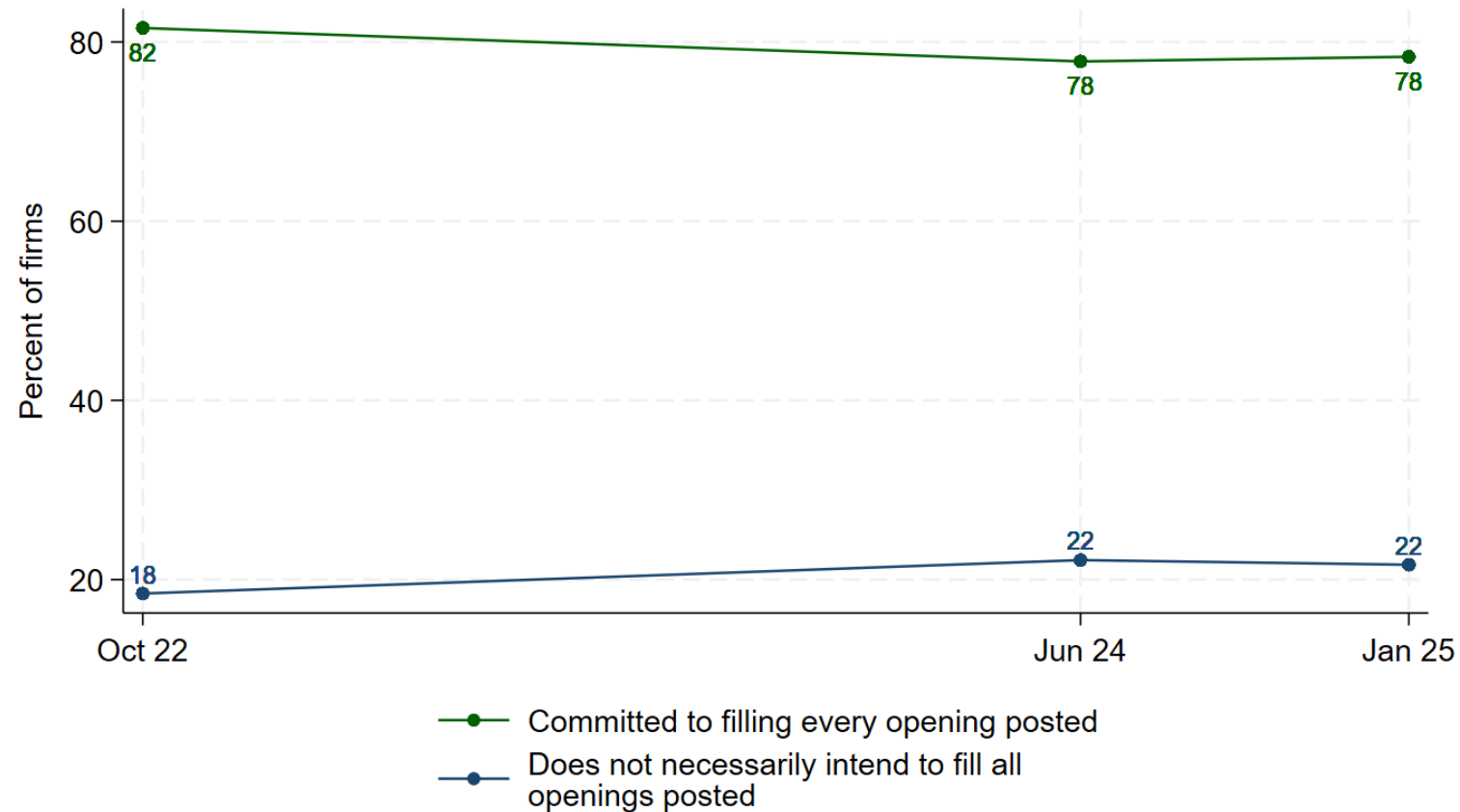
**While the share of firms in our sample that reported at least one opening has declined from its peak in September 2022, it continues to remain between 60-70 percent over the past year.**



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

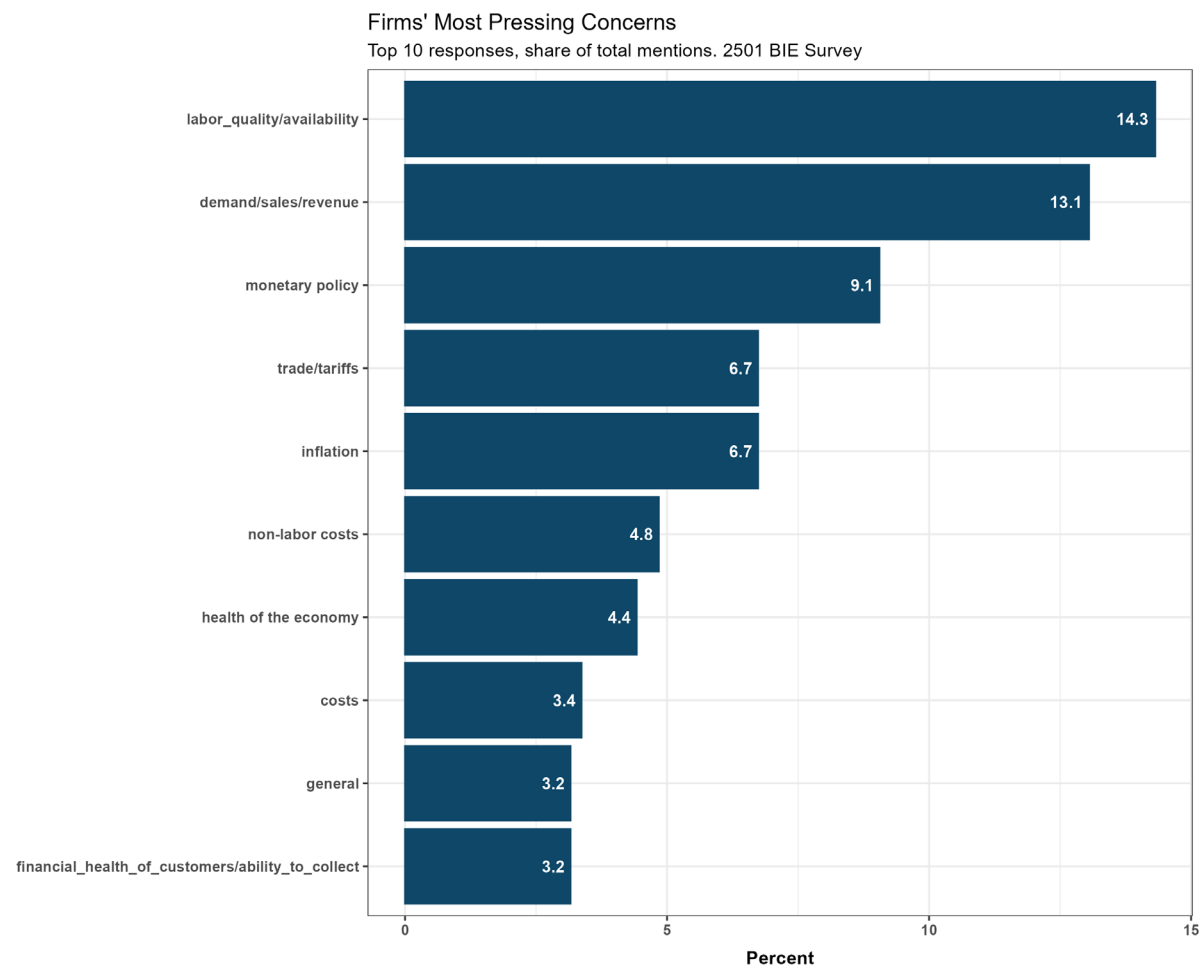


**Of surveyed firms that reported having job openings, 78 percent said that they were committed to filling every opening posted. This figure has declined slightly from October 22.**



Looking ahead into 2025, what are the areas of most pressing concern for your firm?

# Firms reported labor quality/availability, demand/sales/revenue, and monetary policy as their top concerns.



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

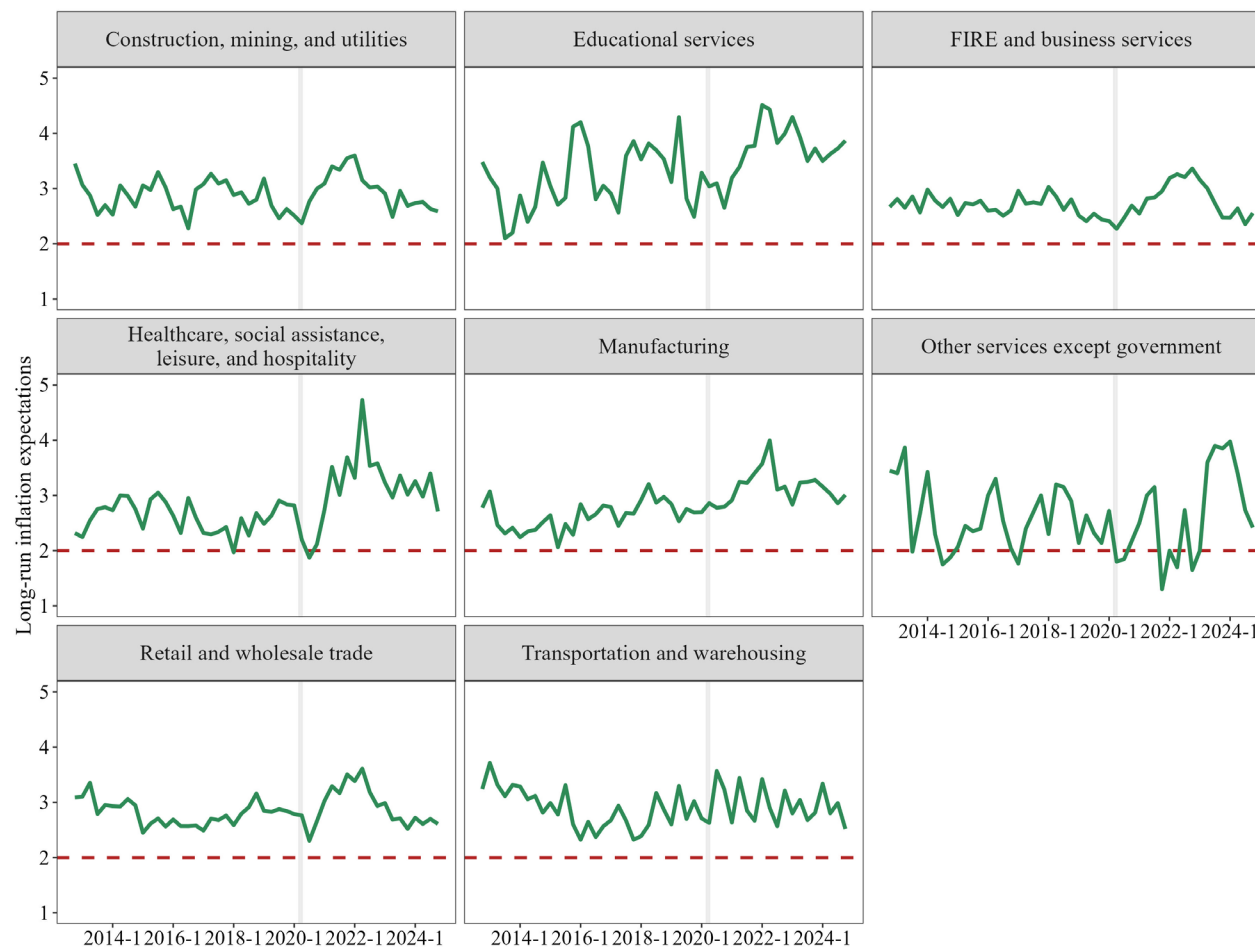
# Year-ahead unit-cost expectations vary meaningfully by sector.



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.



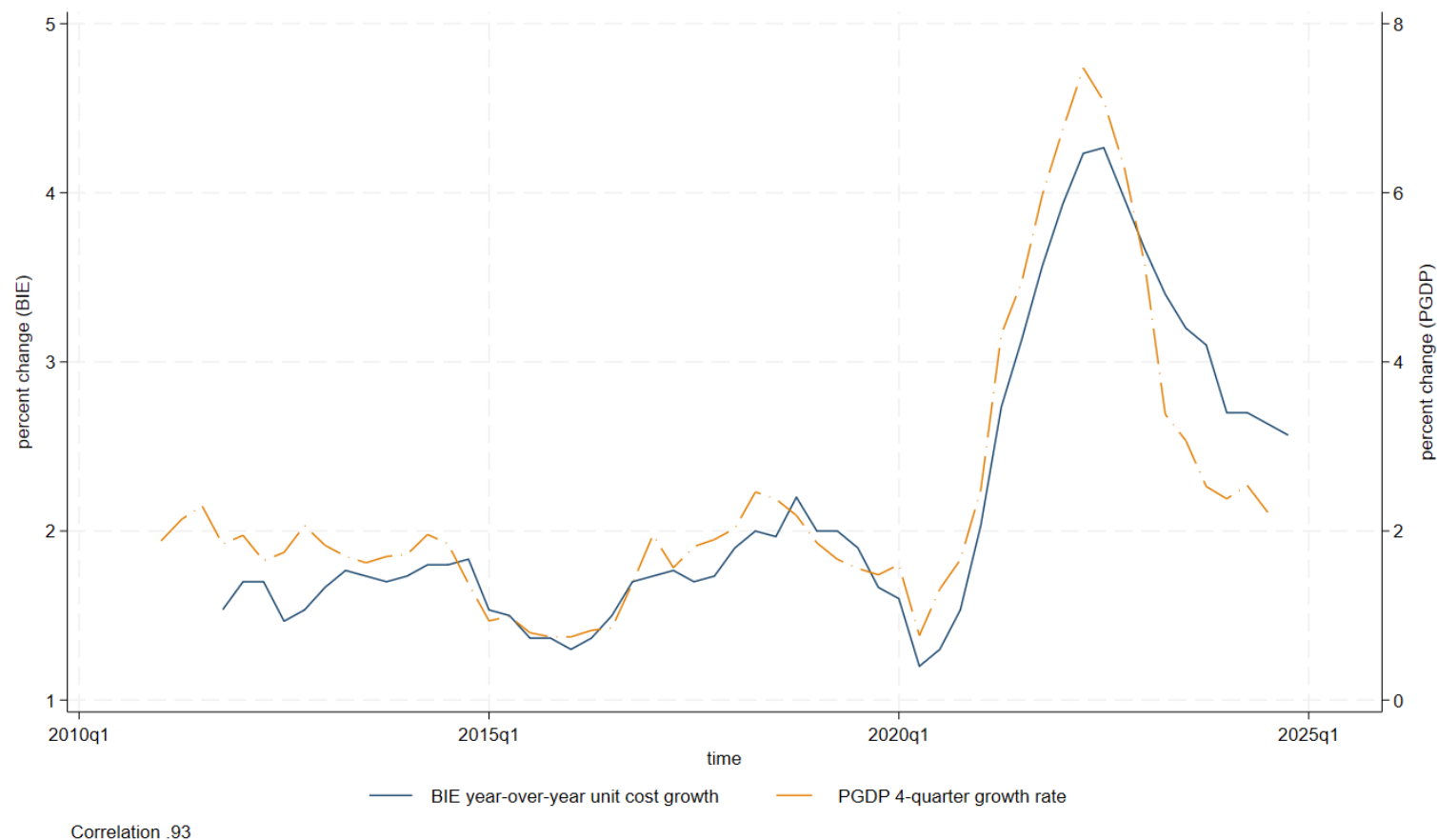
Note: The data are shown monthly.

Source: Atlanta Fed Business Inflation Expectations (BIE) survey

# **Comparing BIE realizations and expectations to actual data and other surveys**



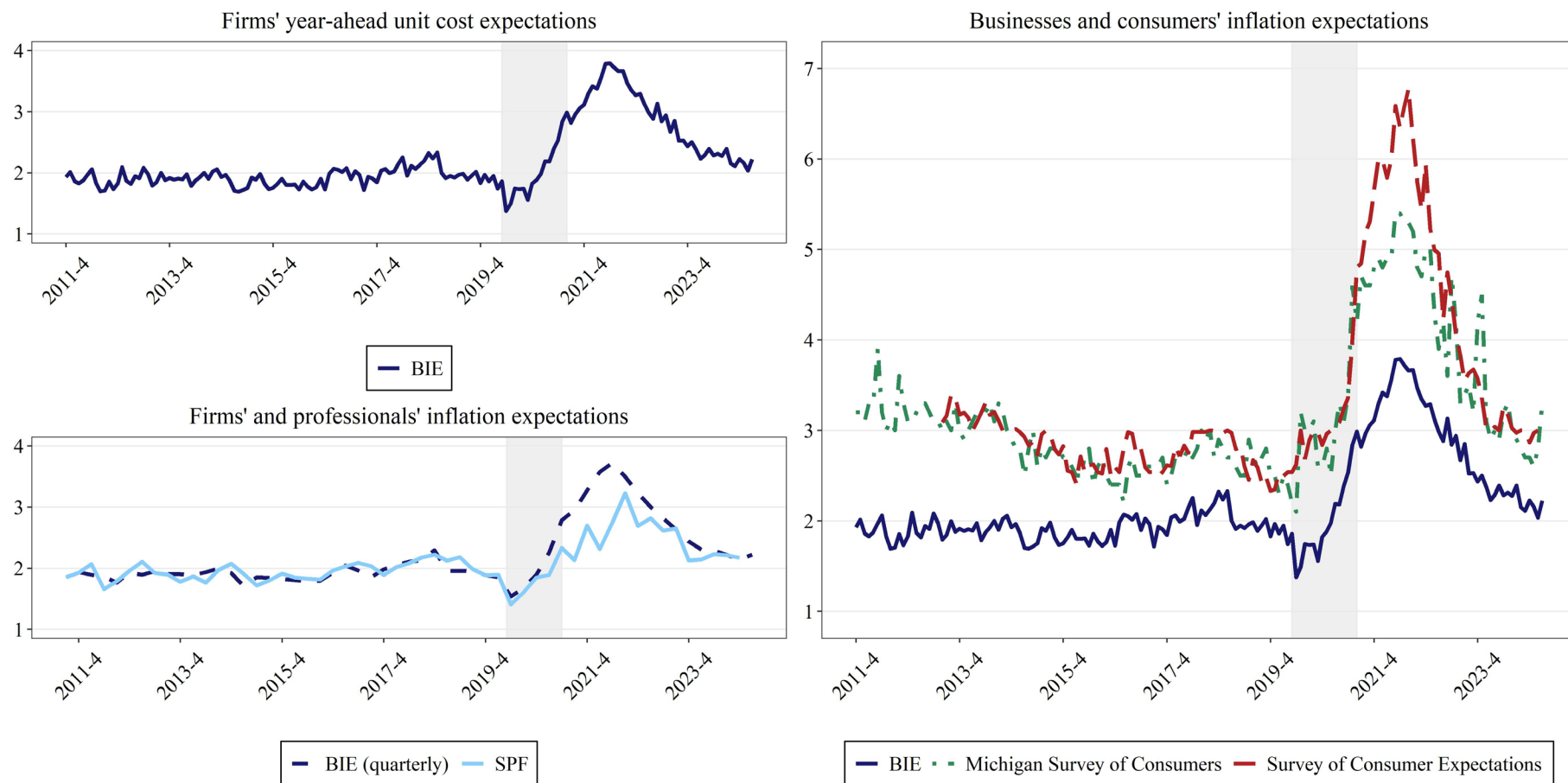
# BIE Unit Cost Growth versus GDP Chain-type Price Index



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>

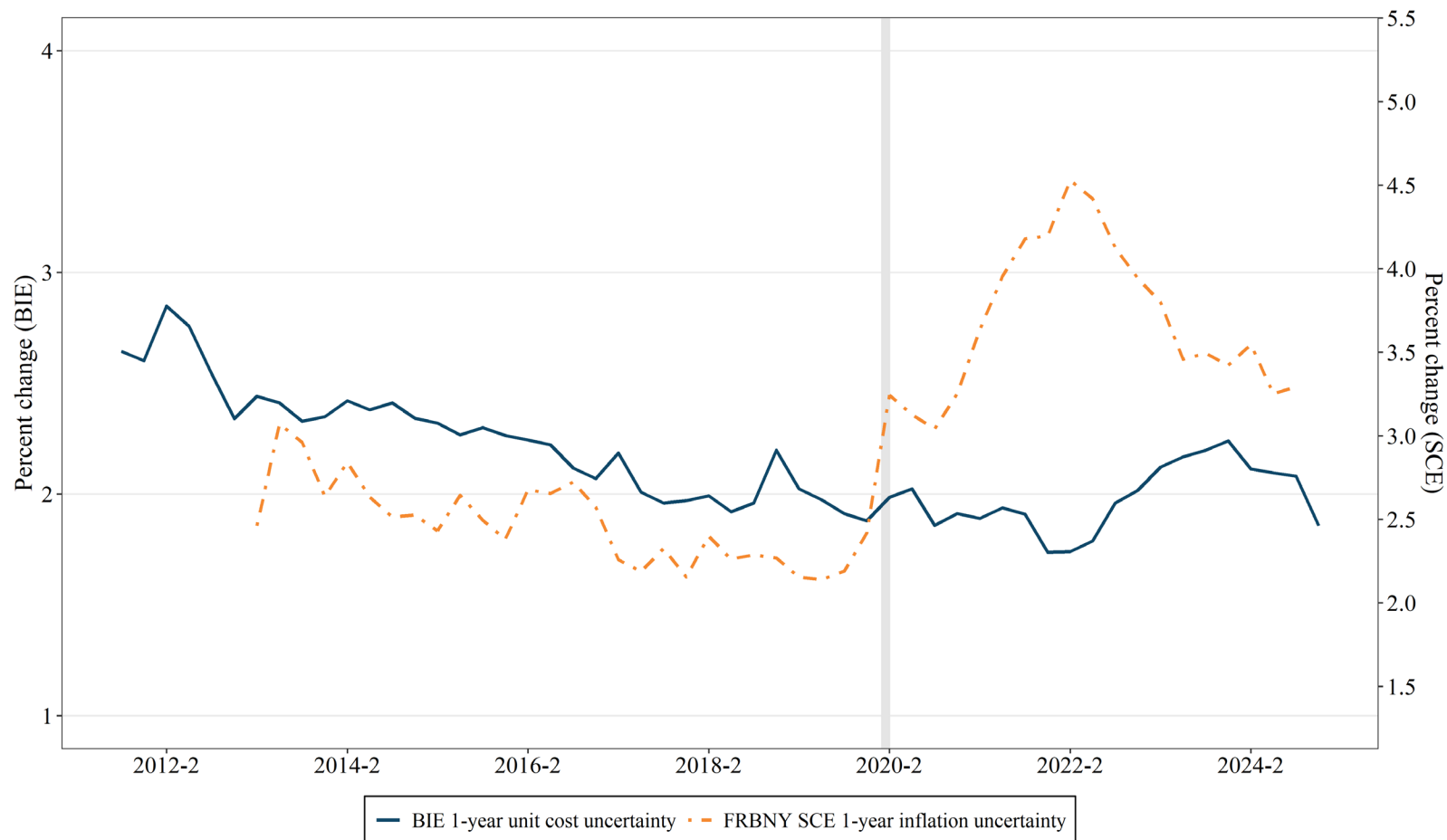
# BIE Survey versus SPF and Survey of Consumers



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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