

Business Inflation Expectations (BIE) Survey

Monthly Report: June 2025



Federal Reserve
Bank *of* Atlanta

Headline Results

1. Firms' year-ahead unit cost expectations remained relatively unchanged at 2.4 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' long-run (five to 10 years ahead) unit cost expectations remained relatively unchanged from March 2025 at 2.8 percent.
3. In June's special questions, we asked firms about their current vacancies, hires, and training/onboarding costs.
4. About 70 percent of firms report that they had at least one opening in May. This share has remained relatively stable over the past year after declining from its peak in 2022.
5. Firms report spending over twice as many hours training a new hire than they do searching or onboarding a new hire. However, firms report spending more than twice as many dollars on external goods and services when searching for a new hire compared to onboarding a new hire.
6. Seventy percent of firms in our sample reported that doubling the number of hires they wished to make would less than double their training and onboarding costs.

About the BIE

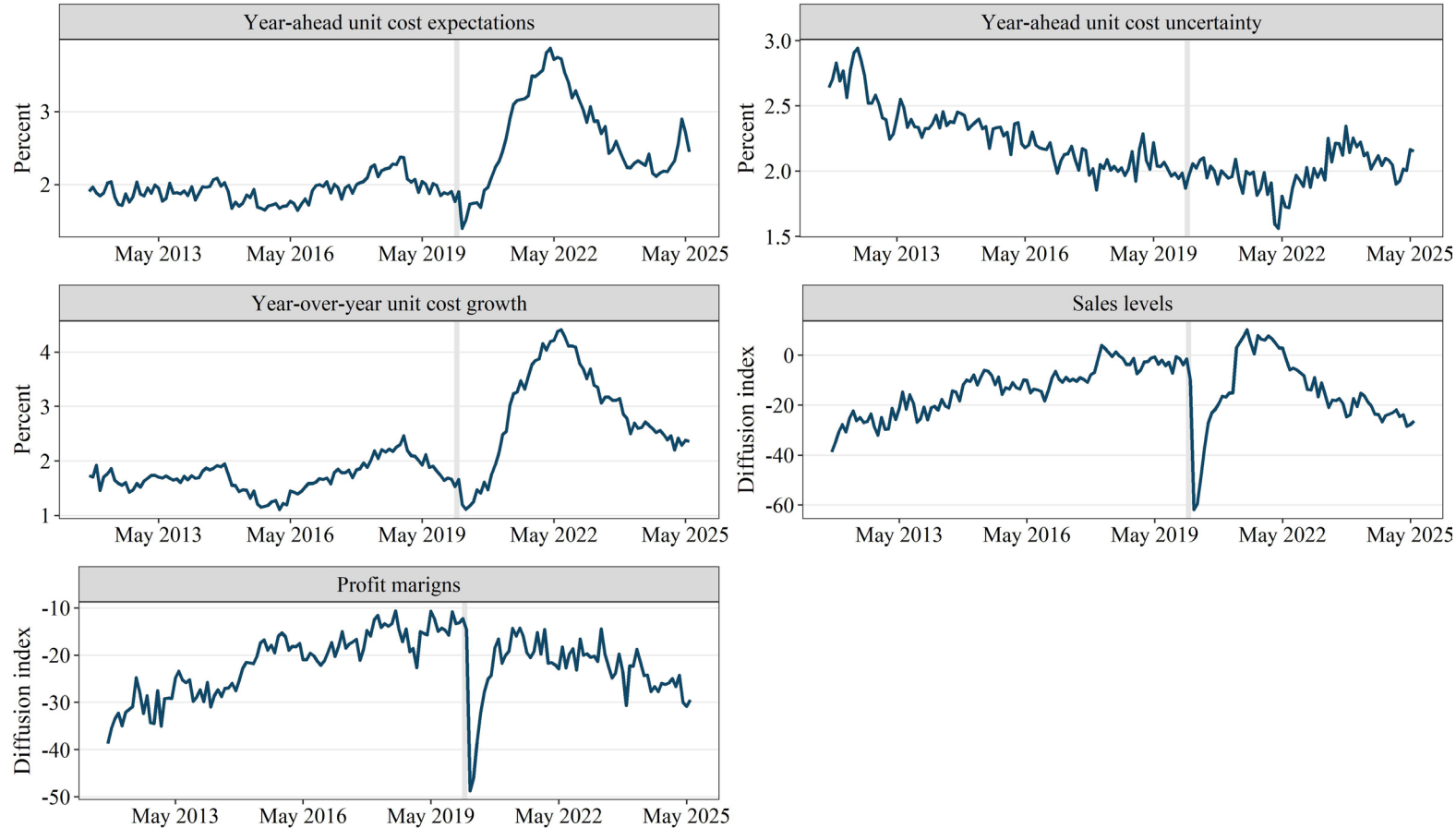
The Business Inflation Expectations (BIE) survey is fielded by the Federal Reserve Bank of Atlanta. It was designed, tested, and refined by the Atlanta Fed Economic Research Survey Center.

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](#).

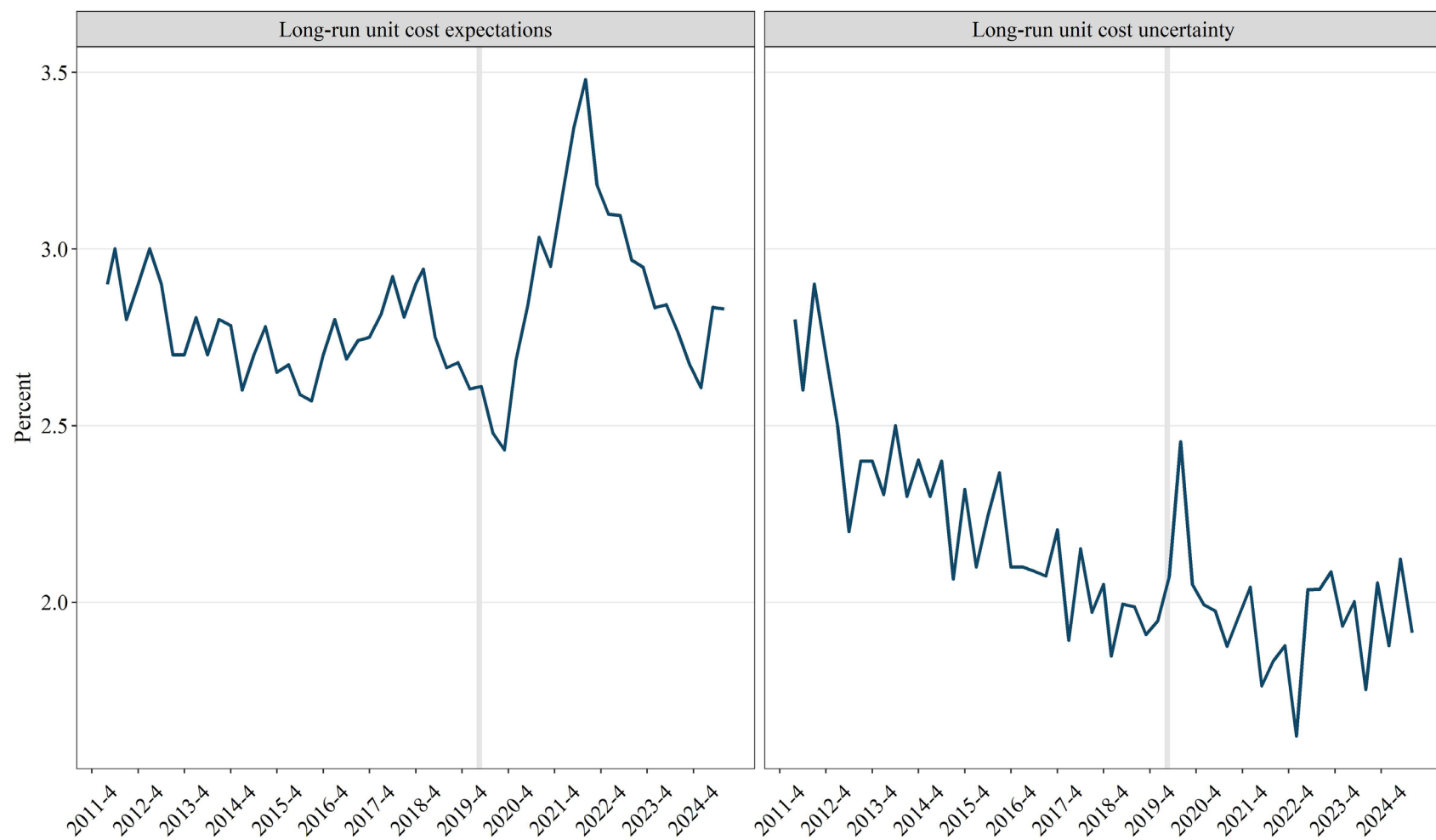
Core Monthly Questions



Note: The data are shown monthly.

Source: Atlanta Fed Business Inflation Expectations (BIE) survey

Rotating quarterly question: Projecting ahead, to the best of your ability, please assign a percent likelihood to the following changes to unit costs per year, over the next five to 10 years.



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: June 2025

How many job openings did your firm have last month, from May 1 to May 31?

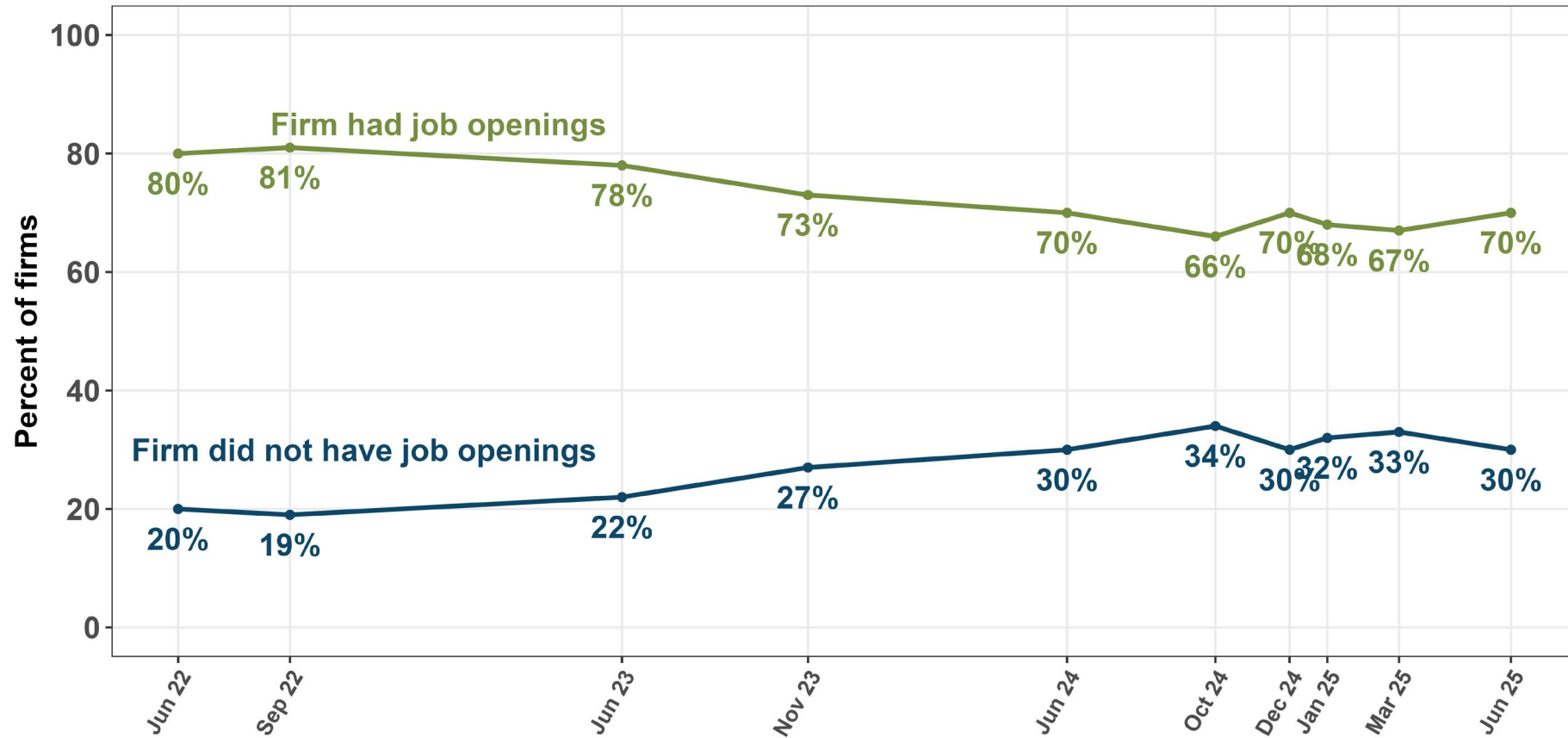
Include all job openings that were active and eligible to be filled on any day in May.

You said that your firm had [number] job openings in May. How many of these openings were carried over from April?

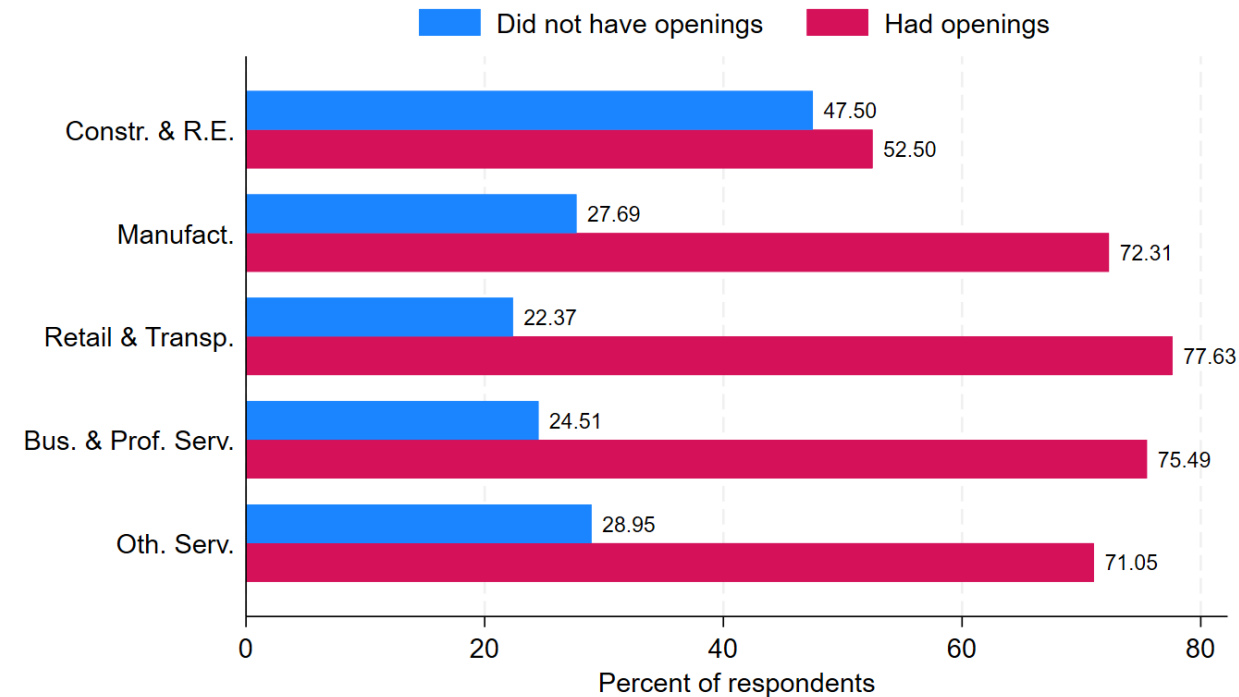
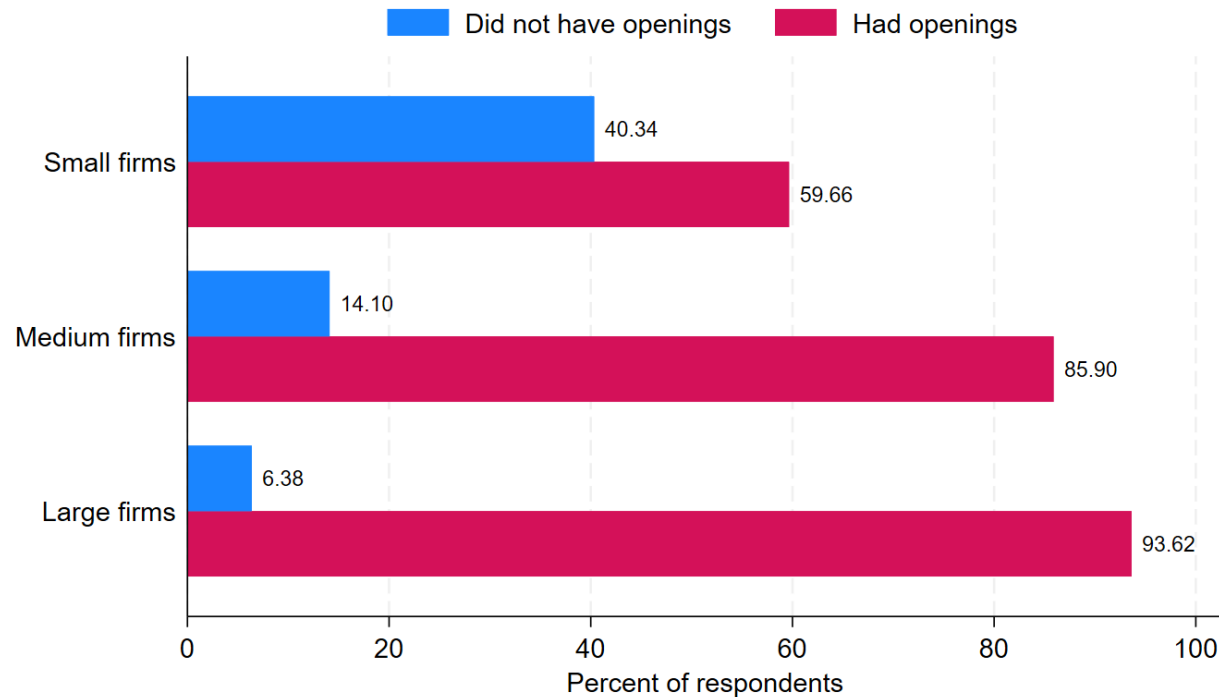
How many hires did your firm make in May?

Consider all hiring offers accepted in the month of May.

After decreasing from its peak in 2022, the share of firms in our sample with at least one opening has remained around 66-70 percent over the last year.



As expected, there are large differences when we cut the sample by size and sector. Fewer small firms and firms in construction/real estate had any openings compared to firms of other sizes and sectors. These figures are slightly higher than March, the last time we asked these questions.

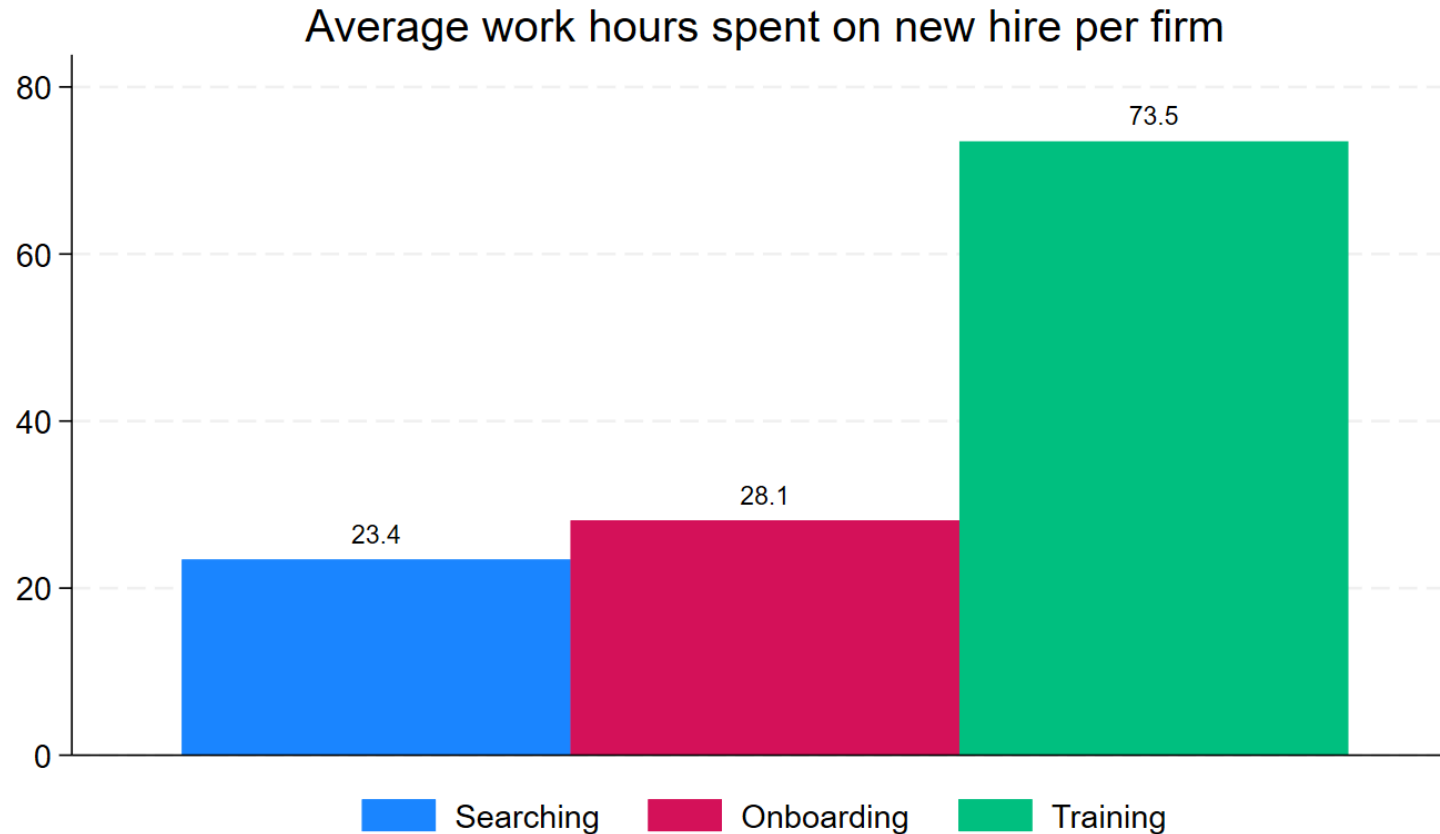


On average, about how many work-hours by current employees are required to support the onboarding process for one new hire?

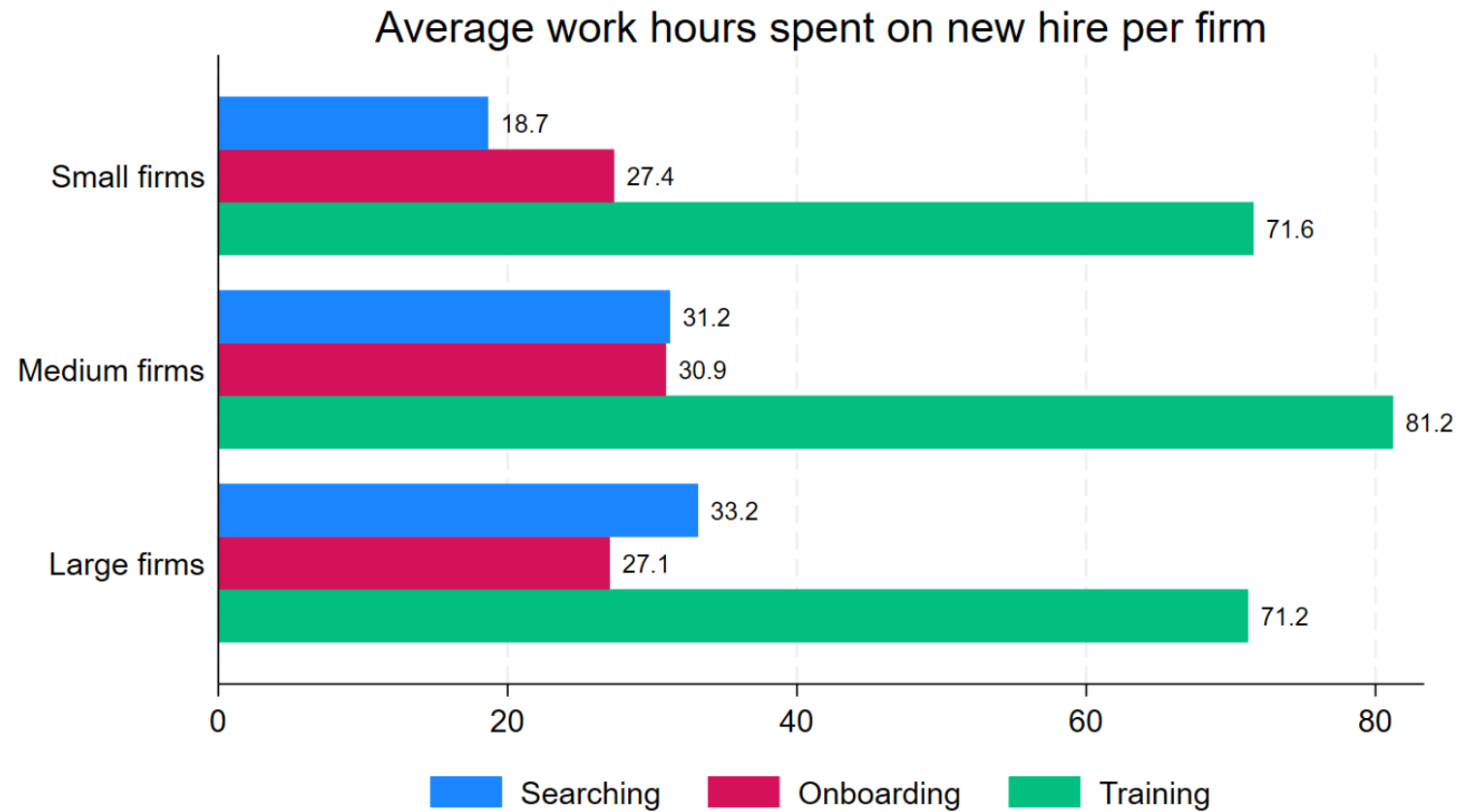
On average, about how much does your firm spend on goods and services procured from outside the organization to support the onboarding process of one new hire?

On average, about how many work-hours by current employees are required to support the training process for one new hire?

Firms reported spending more twice as much time training a new employee as searching for or onboarding a new employee. On average, firms spend around 73 hours training one new hire.

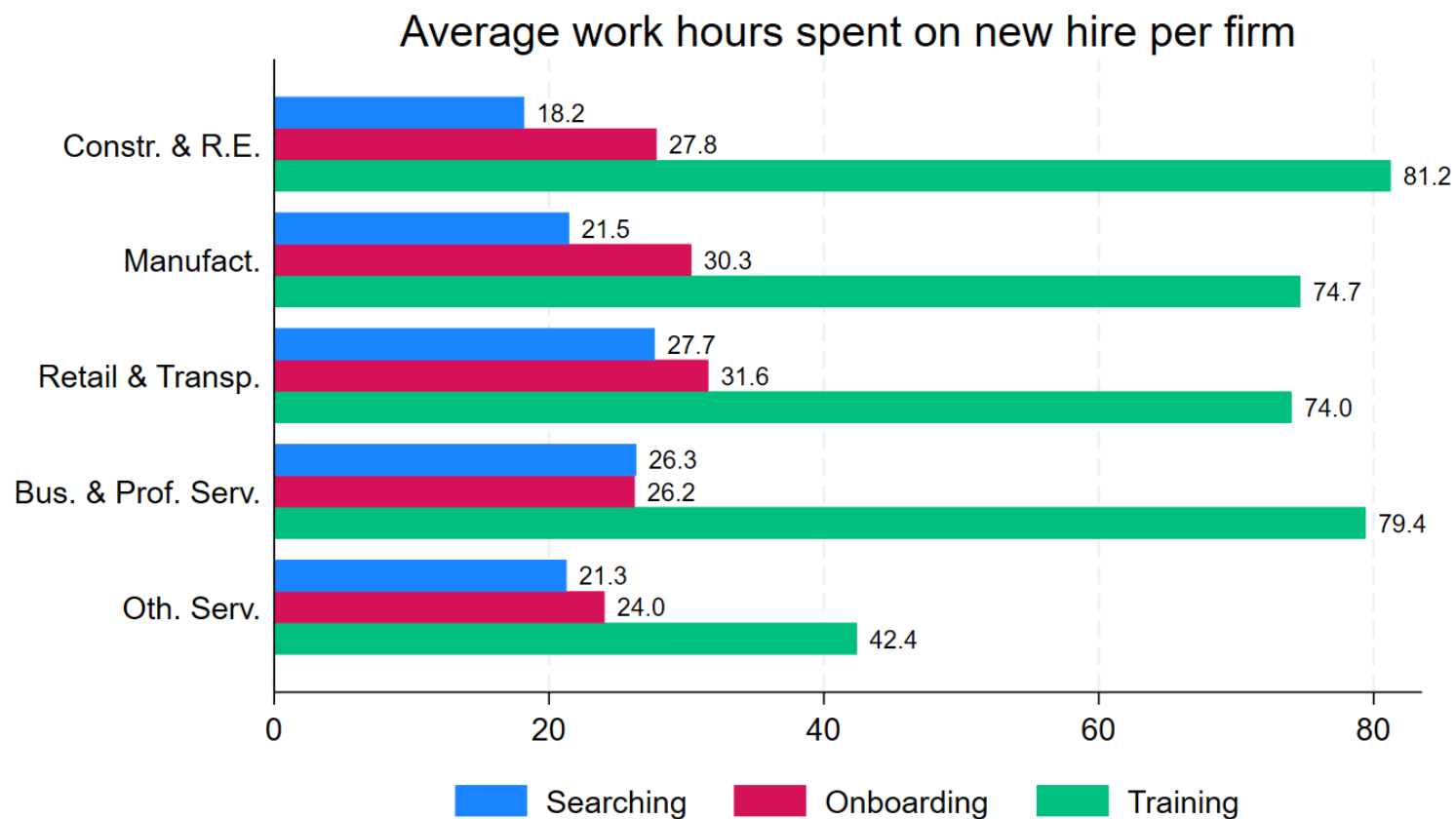


The same relationship holds true when we cut the firms by size...

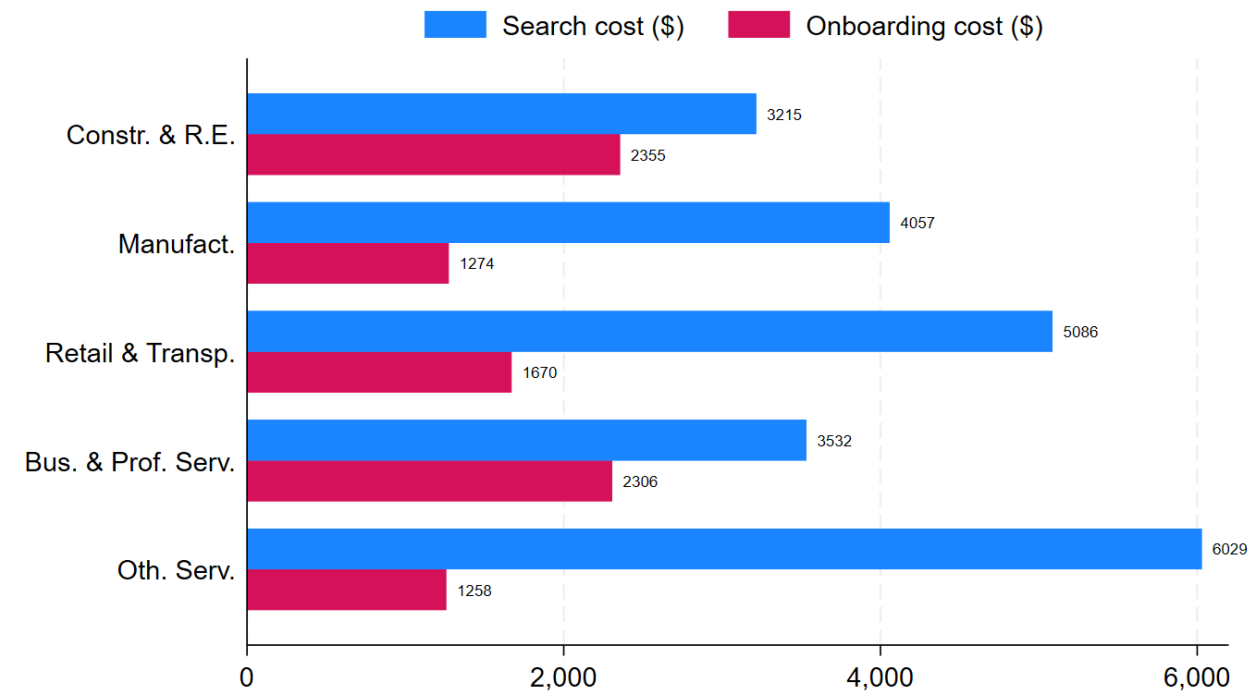
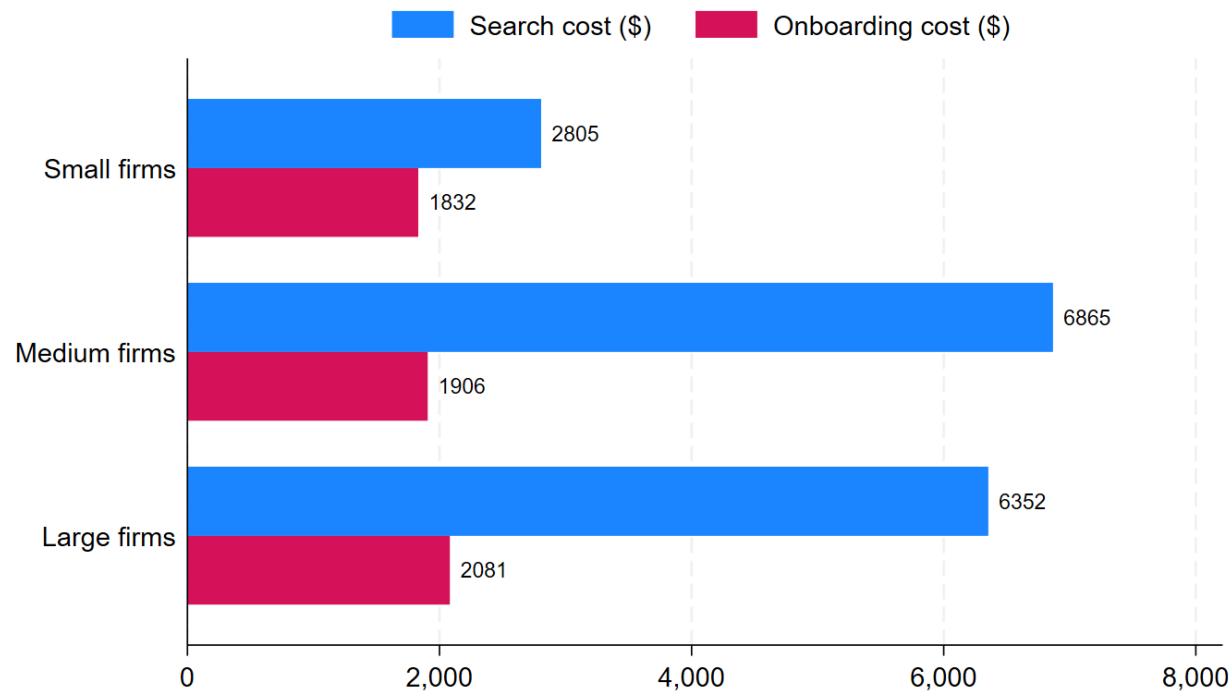


Source: Atlanta Fed's Business Inflation Expectations (BIE) survey

...and by sector.



Here we compare pecuniary onboarding and search costs. There aren't large differences when we cut the sample by size, but there are when we cut the sample by sector. Firms in construction/R.E. and business/professional services spend more on average on external onboarding materials per new hire than other sectors. Overall, these numbers are smaller than firms reported spending in search of one new hire in the March BIE survey.



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

On average, about how many months does it take until new hires have acquired the skills and productivity of existing team members?

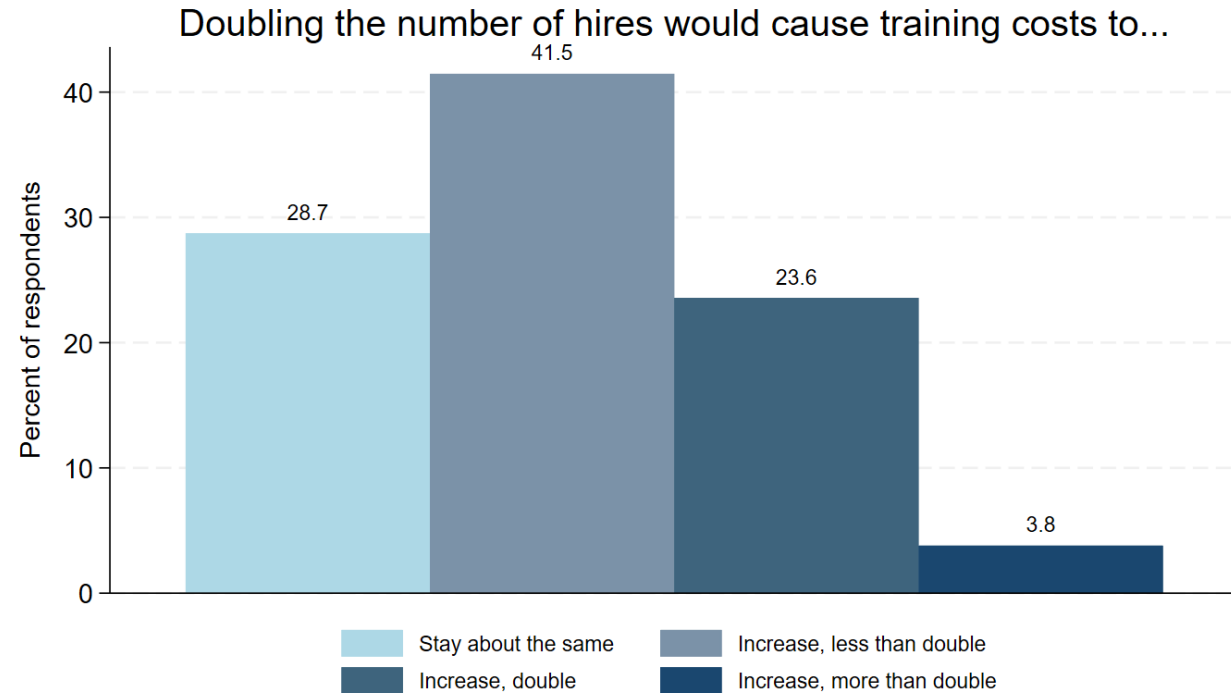
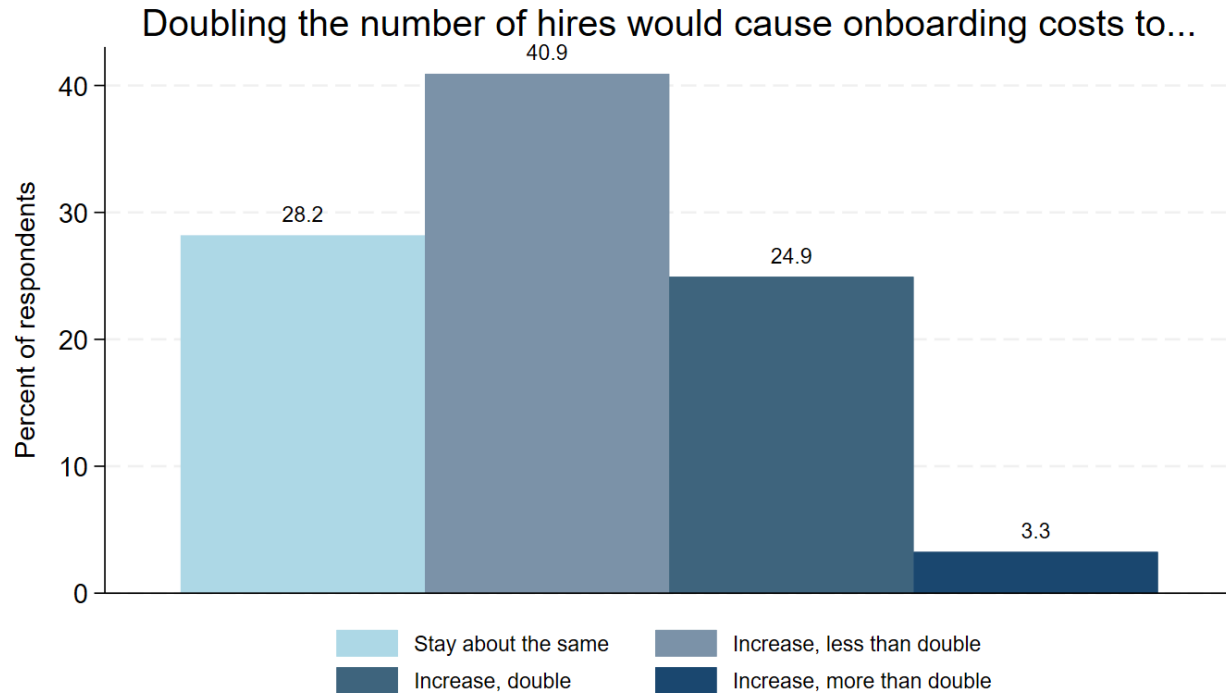
Firms reported that it takes an average of 6.2 months for a new hire to acquire the skills and productivity of an existing team member. The distribution looks similar when the responses are cut by firm size and sector.



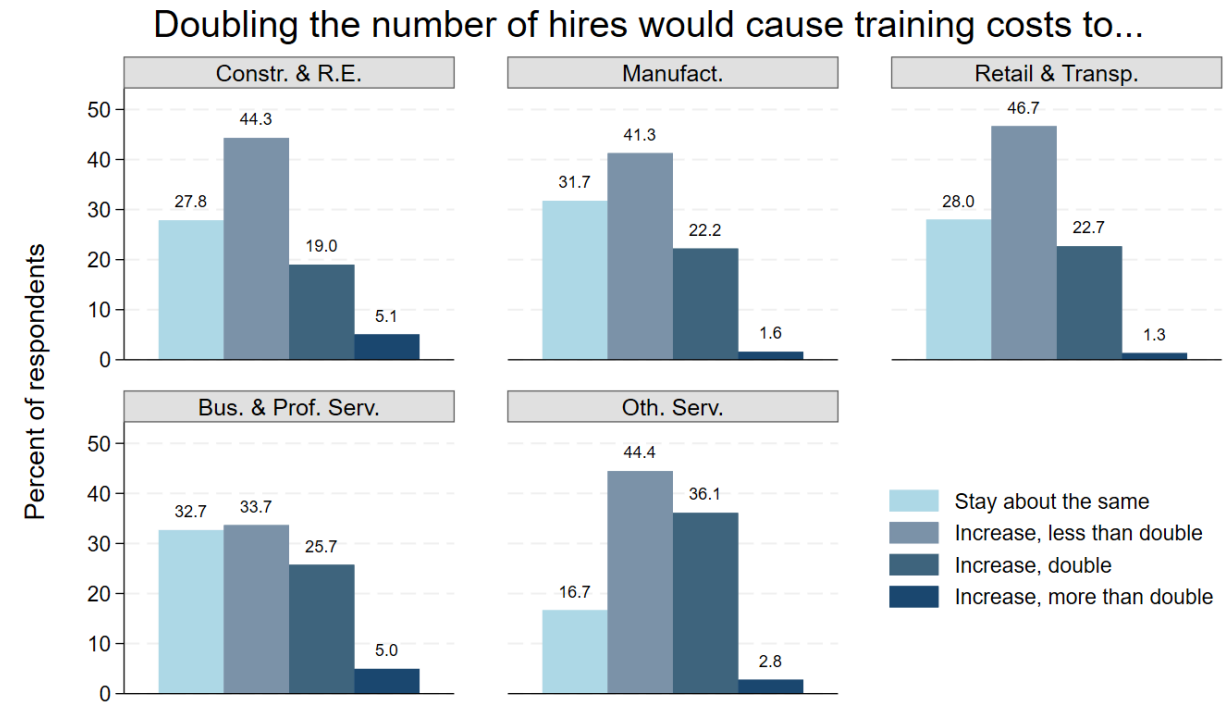
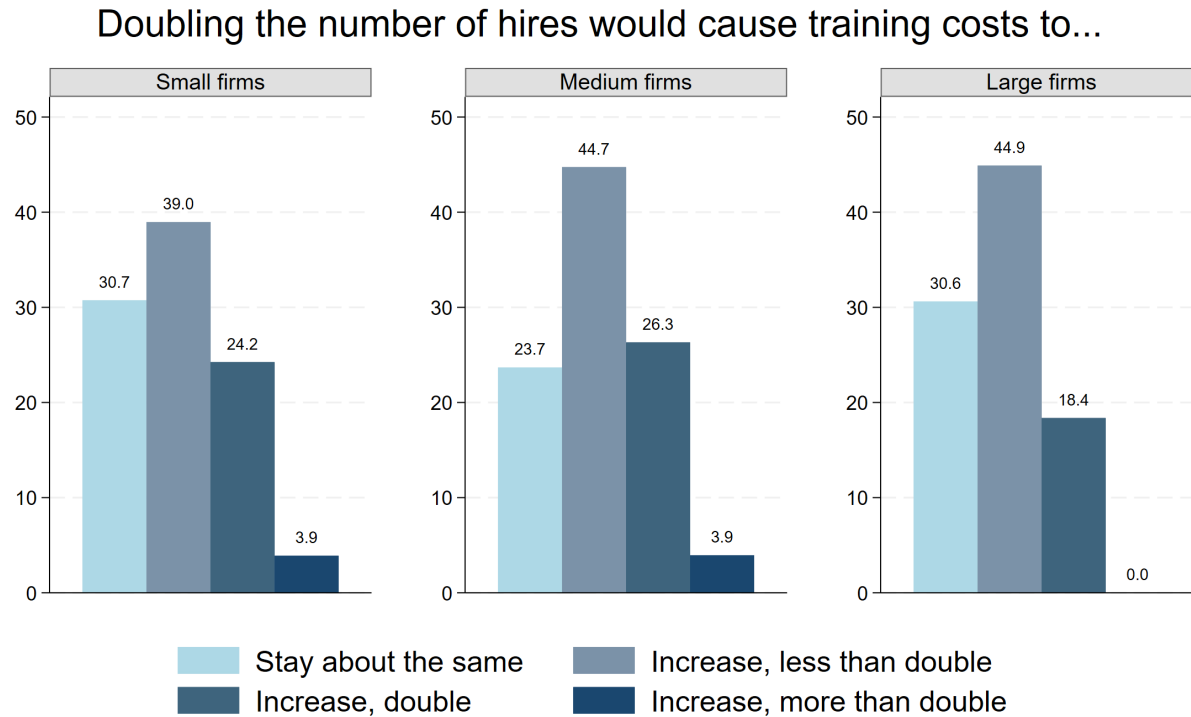
Source: Atlanta Fed's Business Inflation Expectations (BIE) survey

Suppose that you doubled the number of hires your firm made.
How would that impact the total onboarding/training costs for all your new hires, in dollar terms?

Most firms reported that doubling the number of hires they wish to make would increase their total onboarding and training costs for all their new hires. However, nearly 70 percent of firms reported that costs would less than double (stay the same or increase less than double). Very few responded that costs would more than double.

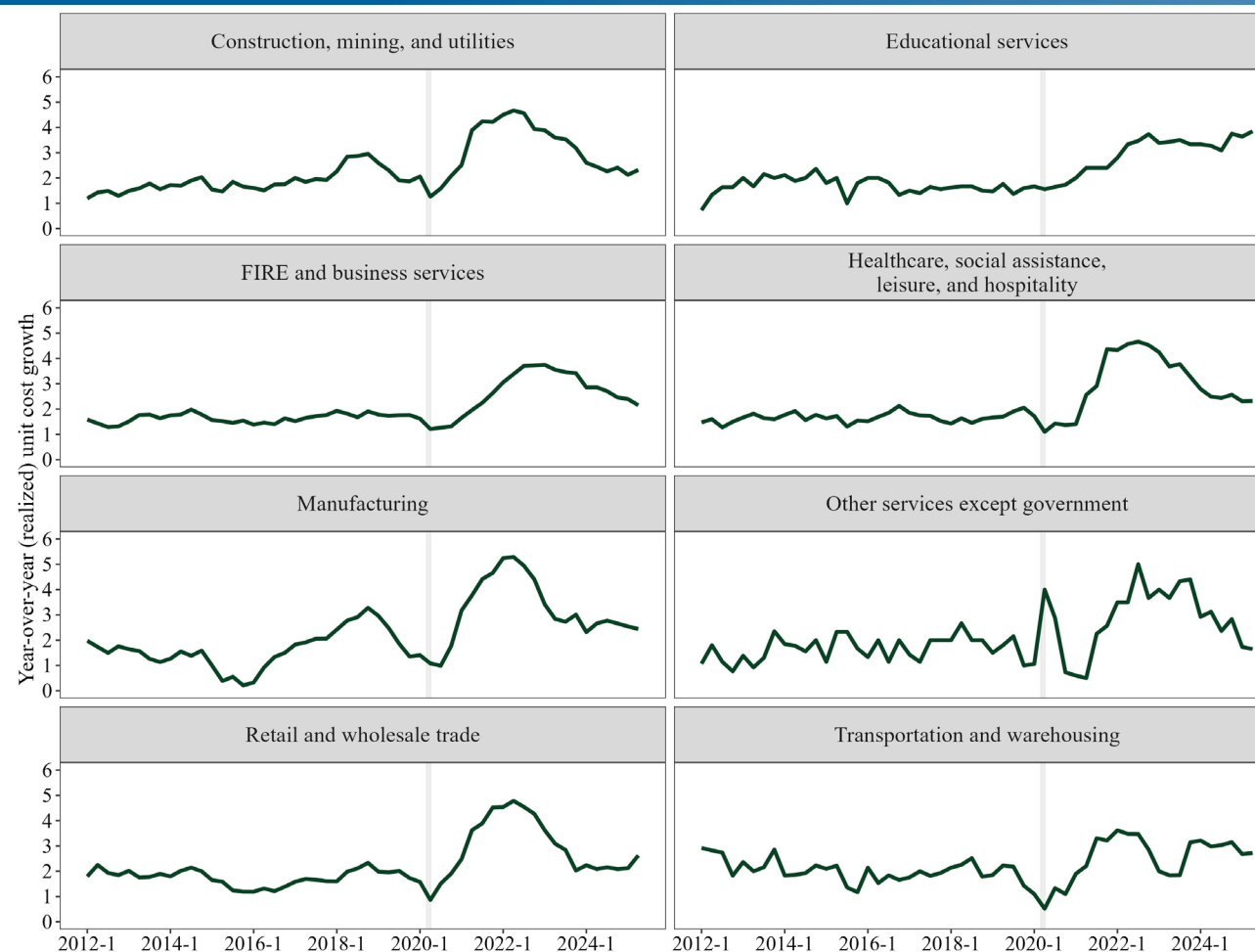


This relationship largely holds true across firm size and are nearly identical across training costs (pictured below) and onboarding costs (not shown). There are some differences for firms in the business/professional services and other services categories.



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

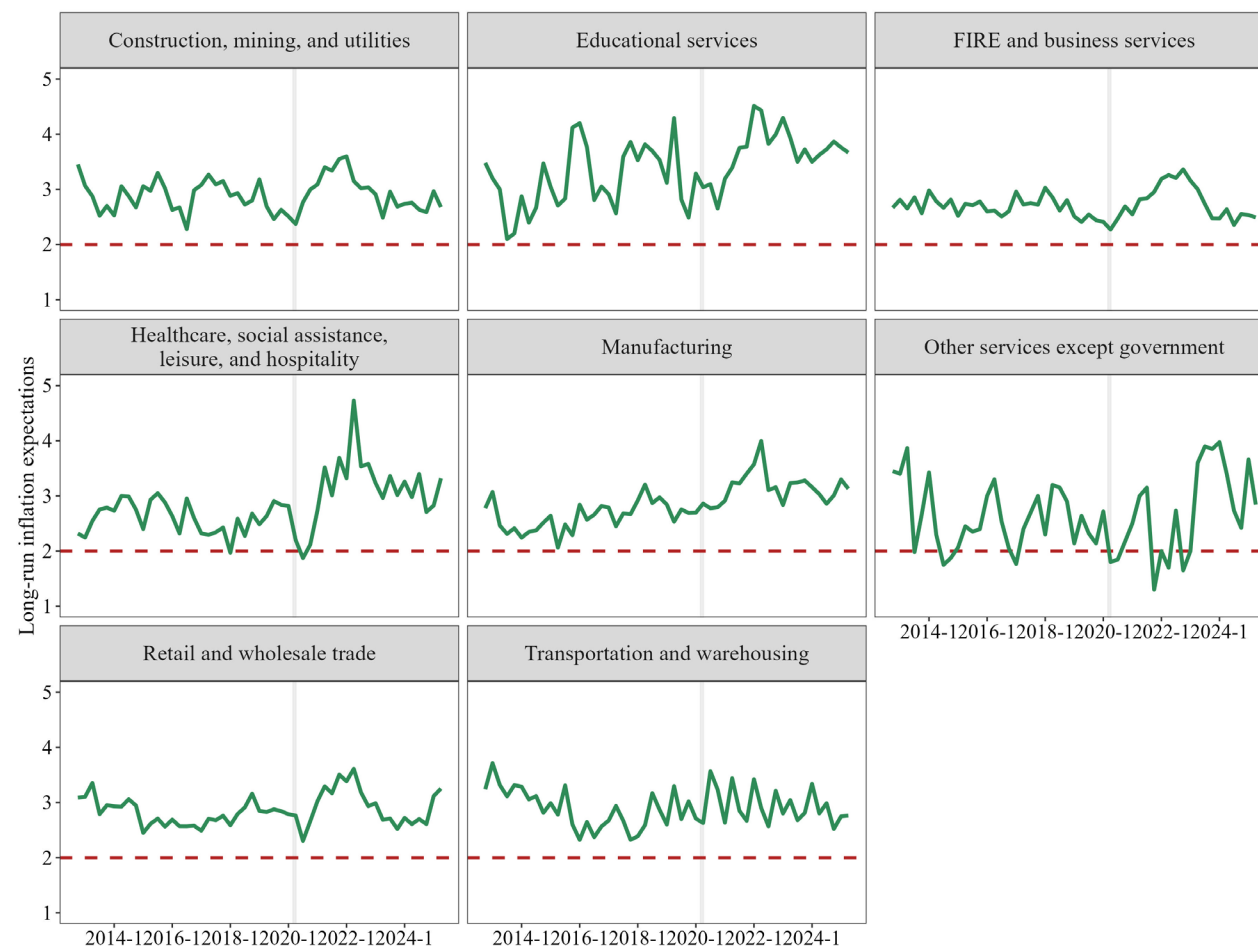
Year-ahead unit-cost expectations vary meaningfully by sector.



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.

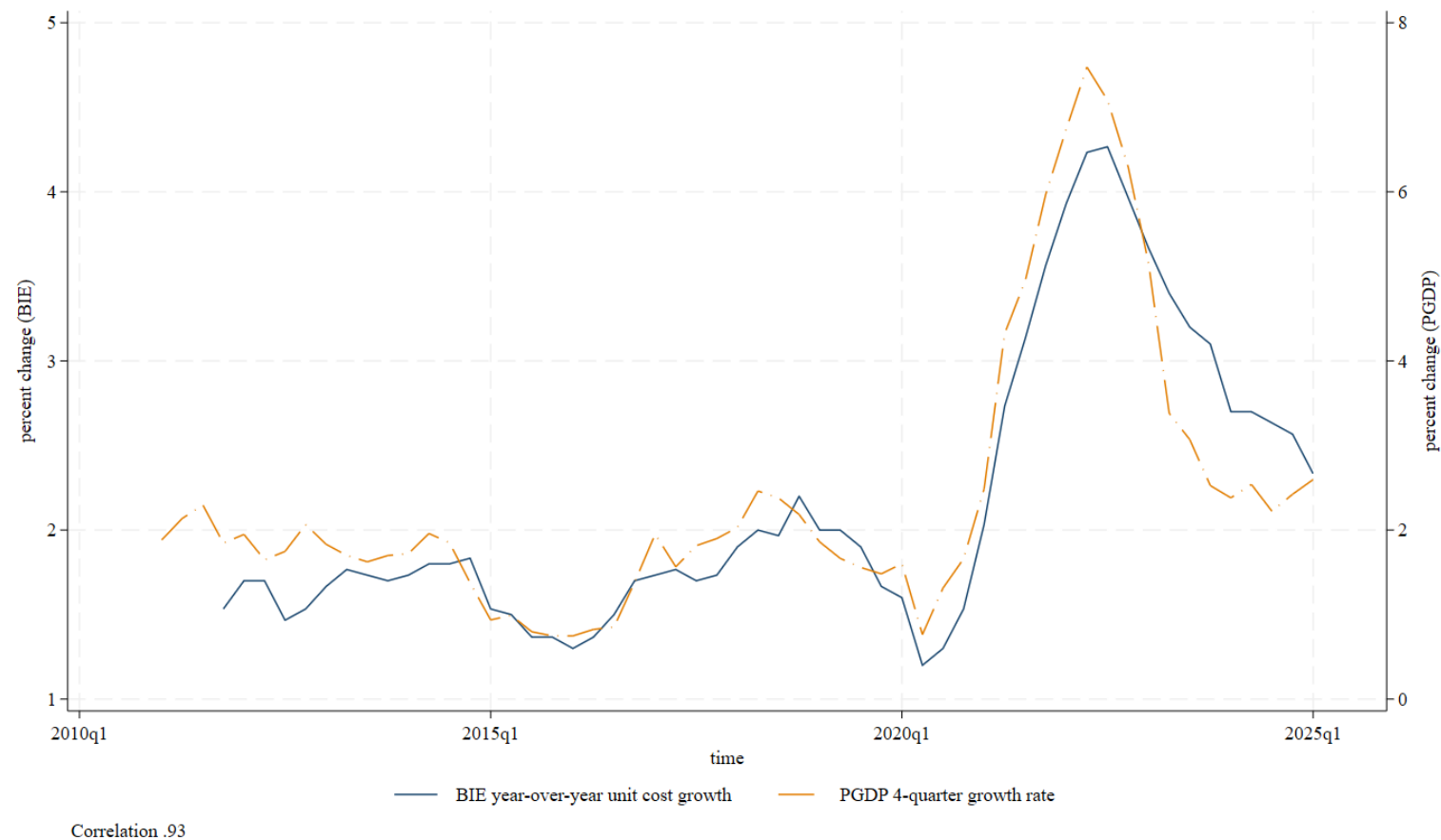


Note: The data are shown monthly.

Source: Atlanta Fed Business Inflation Expectations (BIE) survey

Comparing BIE realizations and expectations to actual data and other surveys

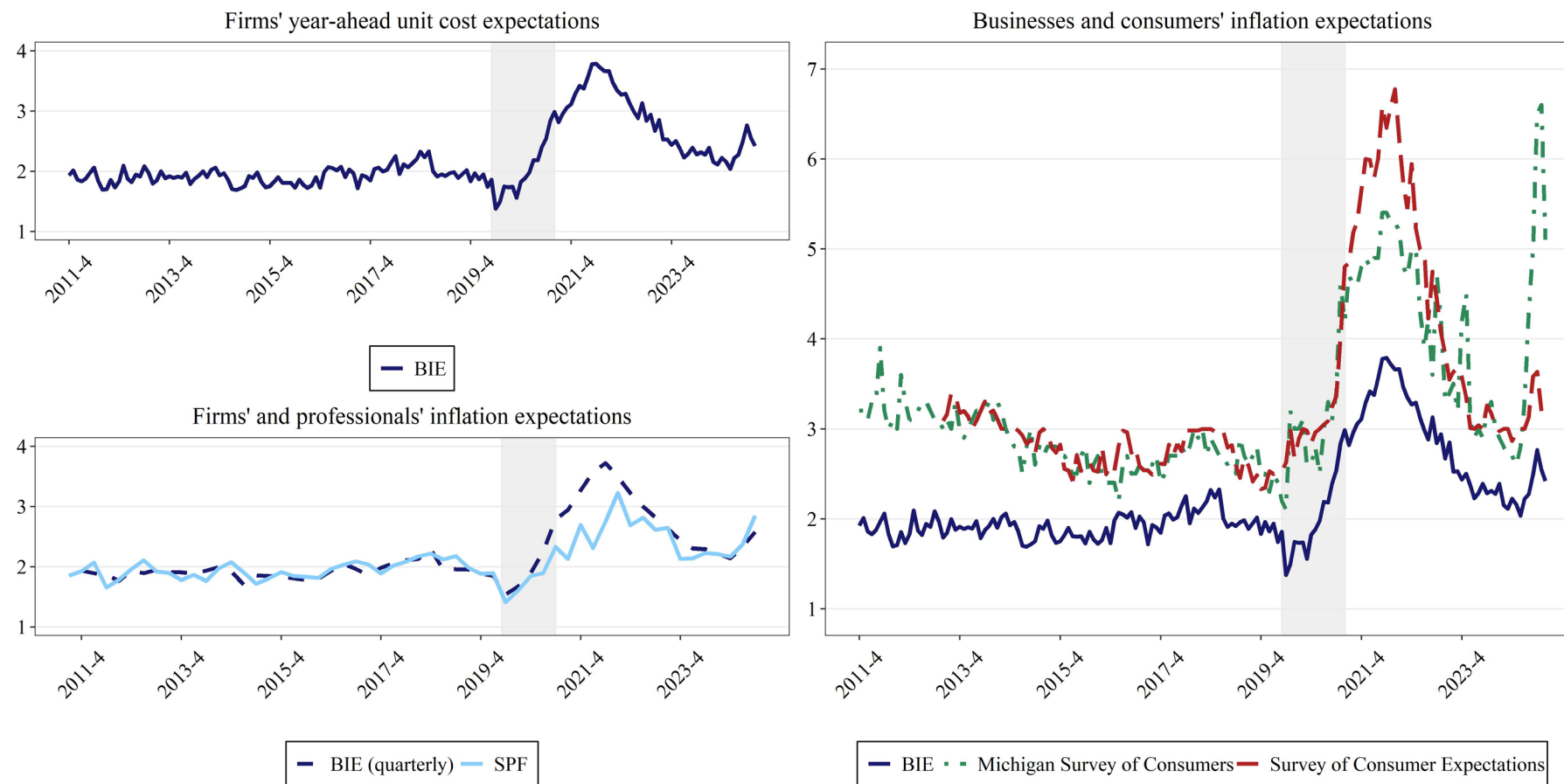
BIE Unit Cost Growth versus GDP Chain-type Price Index



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>

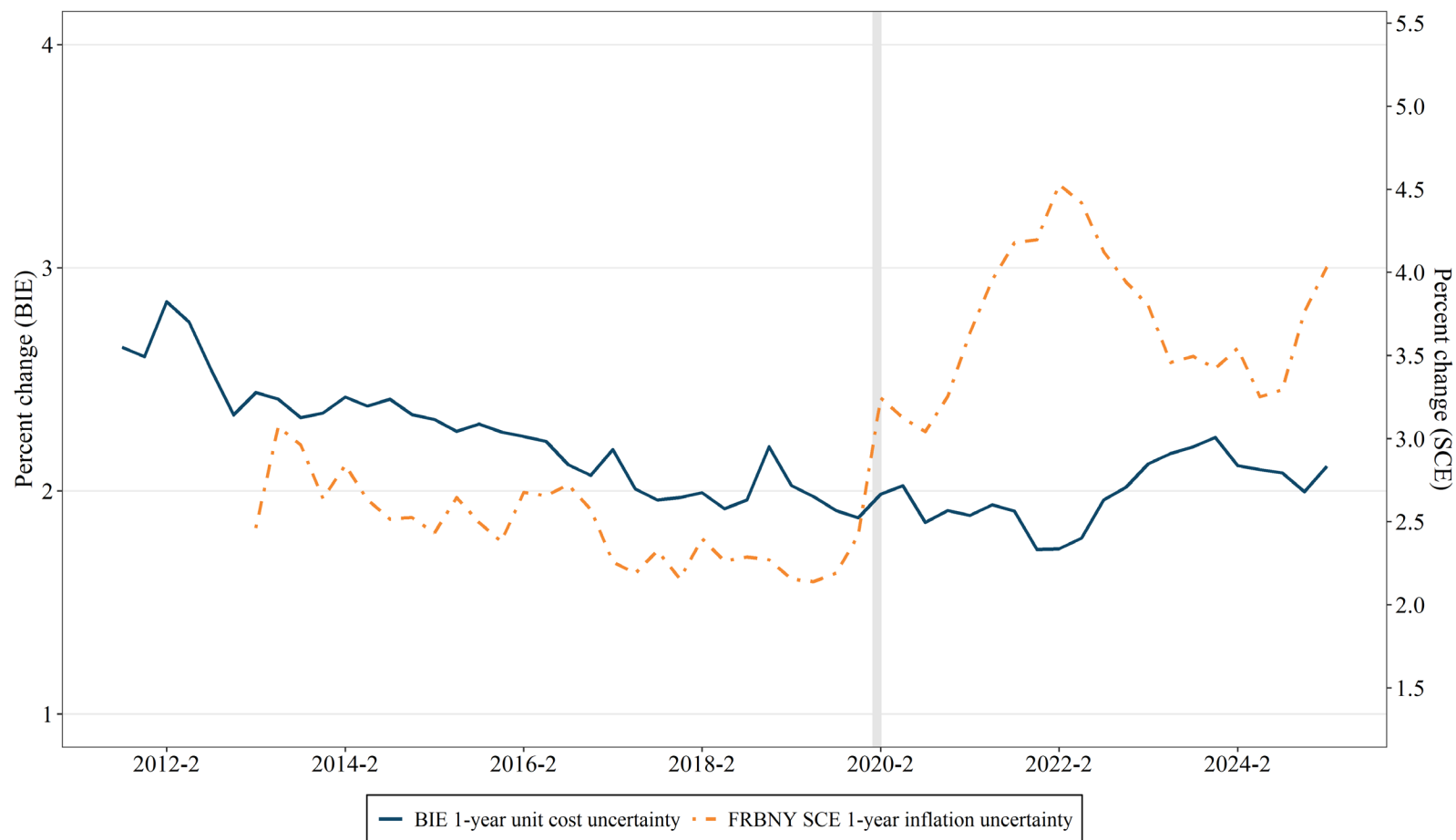
BIE Survey versus SPF and Survey of Consumers



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)

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