Business Inflation Expectations (BIE) Survey

Monthly Report: October 2025

Federal Reserve Bank *of* Atlanta

Headline Results

1. Firms' year-ahead unit cost expectations remained the same at 2.3 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 come down some after a peak in July.
2. Firms' sales levels increased compared to July 2025. Sales levels for small firms increased by 1.3 percentage points while medium firms increased by 4 percentage points. Sales levels for large firms remained relatively stable.
3. In October's special questions, we asked firms about their estimates for inflation as measured by the CPI, unit cost expectations for next year, and price change expectations.
4. When informed of how other firms in their unique sector perceived a given metric, a majority of firms did not alter their decision. However, firms were more likely to alter their anticipated measure of inflation (measured via the CPI) than other firm-specific metrics.

About the BIE

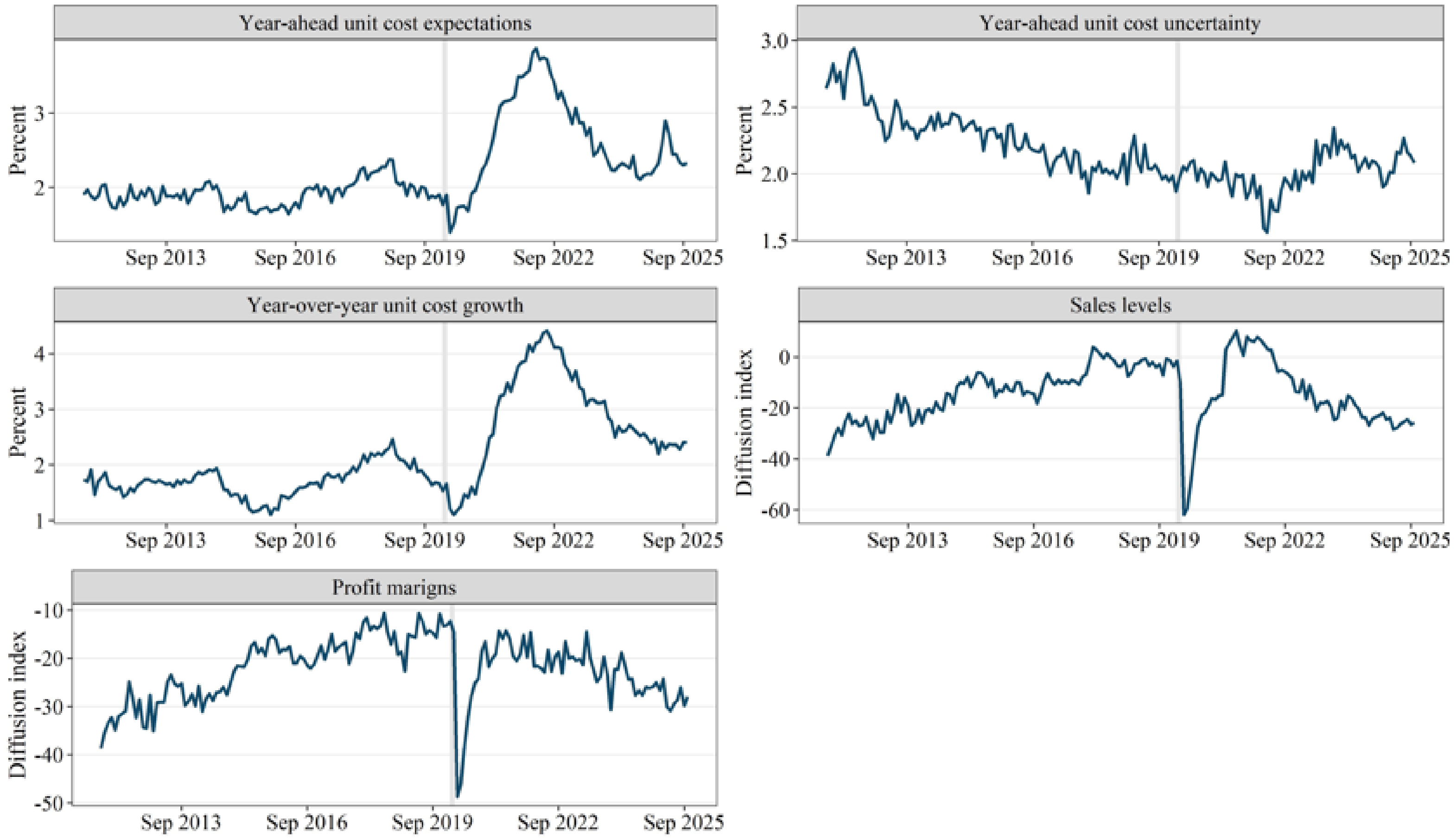
The Business Inflation Expectations (BIE) survey is fielded by the Federal Reserve Bank of Atlanta. It was designed, tested, and refined by the Atlanta Fed Economic Research Survey Center.

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.

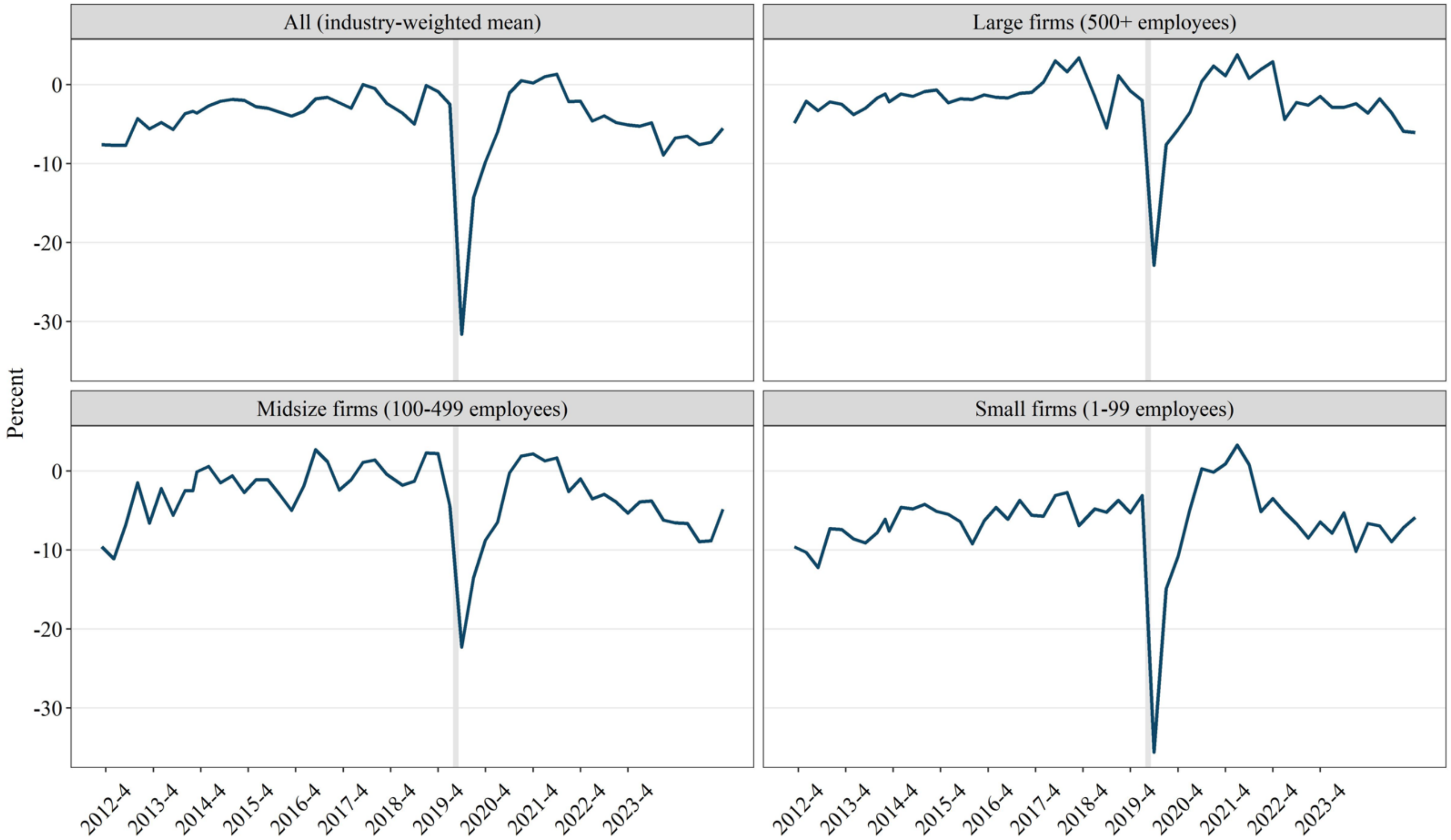
Core Monthly Questions



Note: The data are shown monthly.

Source: Atlanta Fed Business Inflation Expectations (BIE) survey

Rotating quarterly question: By roughly what percent are your firm's sales levels above or below normal, if at all?



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: October 2025

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

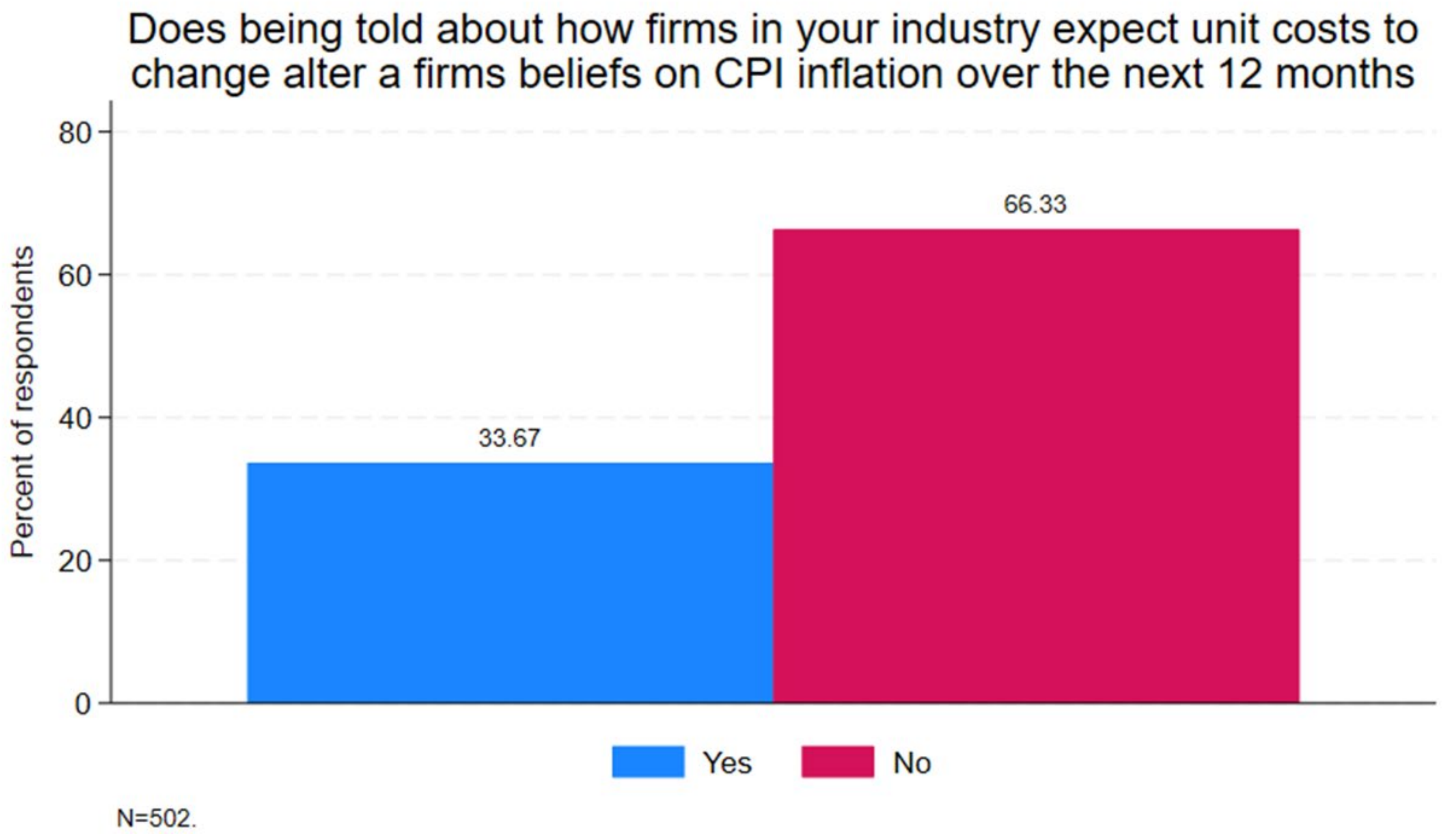
Projecting ahead, to the best of your ability, what do you expect the aggregate rate of inflation, as measured by the CPI, will be over the next four quarters?

Every month, this survey—the Atlanta Fed's Business Inflation Expectations (BIE) survey —asks firms across the Federal Reserve's Sixth District to forecast their own-firm future unit-cost growth.

Over the last three months, firms in the (firm’s unique sector) sector reported that they expect their unit-cost growth to be (unique unit cost to sector) over the next 12 months.

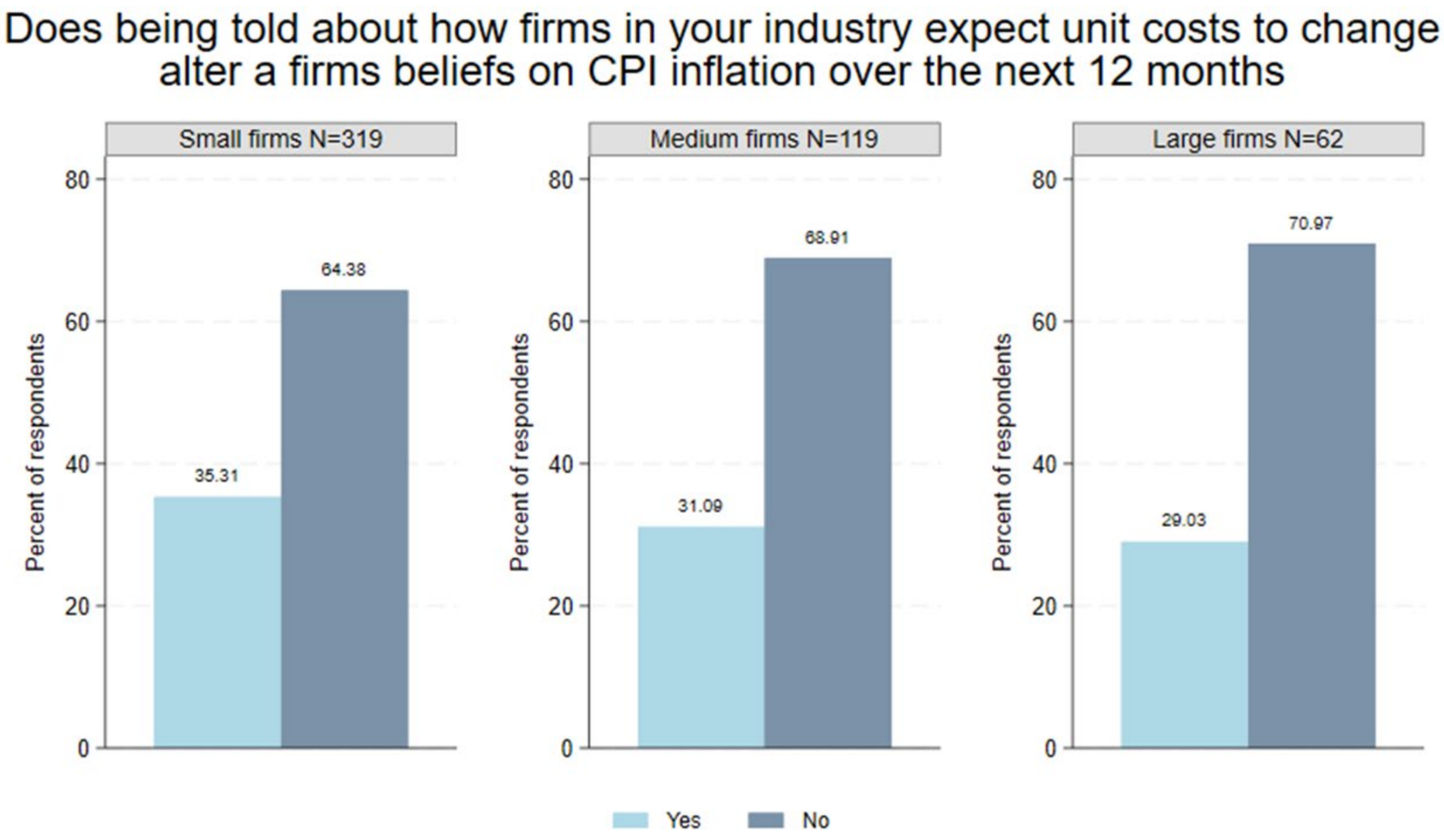
Does this information affect your beliefs for CPI inflation over the next 12 months?

Firms were shown their industry's unit-cost expectations and asked if that changed their inflation expectation. When informed by the level of unit cost growth anticipated by all firms in their sector, about a third of firms elected to change their inflation outlook.



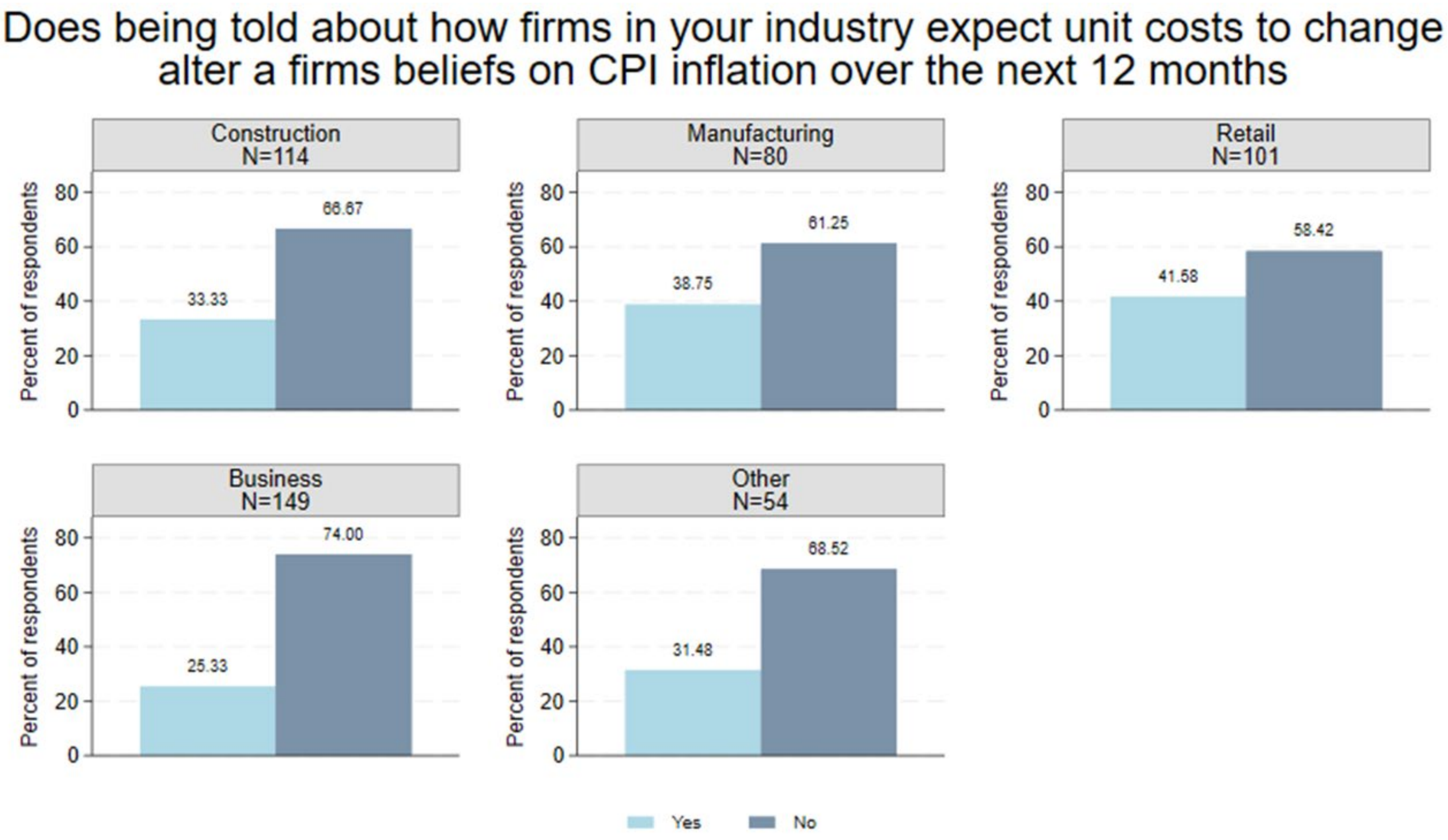
Source: Atlanta Fed's Business Inflation Expectations (BIE) survey

Smaller firms were a bit more sensitive to information on their industry's unit cost outlook, but overall firms responded similarly. There was no difference in unit cost expectations themselves nor pricing across firm sizes.



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

Broadly, around a third of firms adjusted their inflation expectation when informed of their industry's unit-cost expectation. Firms in the Business sector adjusted their inflation expectation the least while Retail firms were most likely to change expectations. There was no difference in unit cost expectations themselves nor pricing across sectors.



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

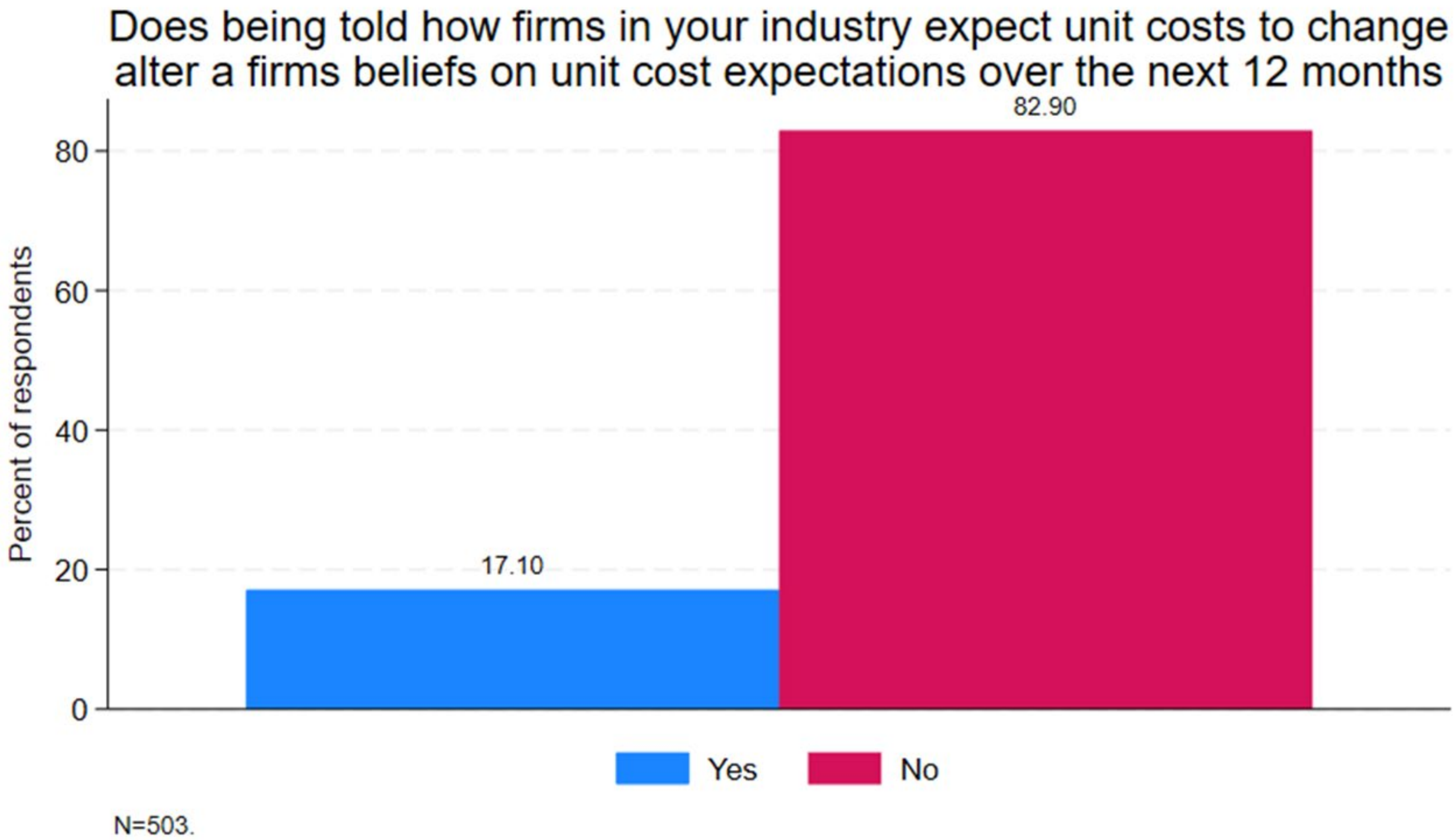
Projecting ahead, to the best of your ability, please assign a percent likelihood to the following changes to UNIT COSTS over the next twelve months. (Values should sum to 100%.)

Earlier, you gave us estimates for your firm's unit cost expectations.

That was before we told you that the BIE reports that future unit-cost growth in the (firm's unique sector) sector will be (unique unit cost to sector) over the next 12 months.

Does the BIE report affect your forecast about your firm's unit cost growth over the next 12 months?

Firms were shown their industry's unit-cost expectations and asked if that changed their unit cost expectation. When informed by the level of unit cost growth anticipated by all firms in their sector, over three quarters of firms stayed consistent on their unit cost expectations.



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

If your firm were to change prices today, by about what percent would you change prices?

Use a negative number to indicate a price cut.

The BIE reports that firms in the (firm's unique sector) sector expect unit-cost to change by (unique unit cost to sector) over the next 12 months.

If you were changing your prices today anyway, would this information lead you to move your price any more or less than you would have?

Firms in the manufacturing and retail and transportation sectors had the highest anticipated increase in prices if changed today.

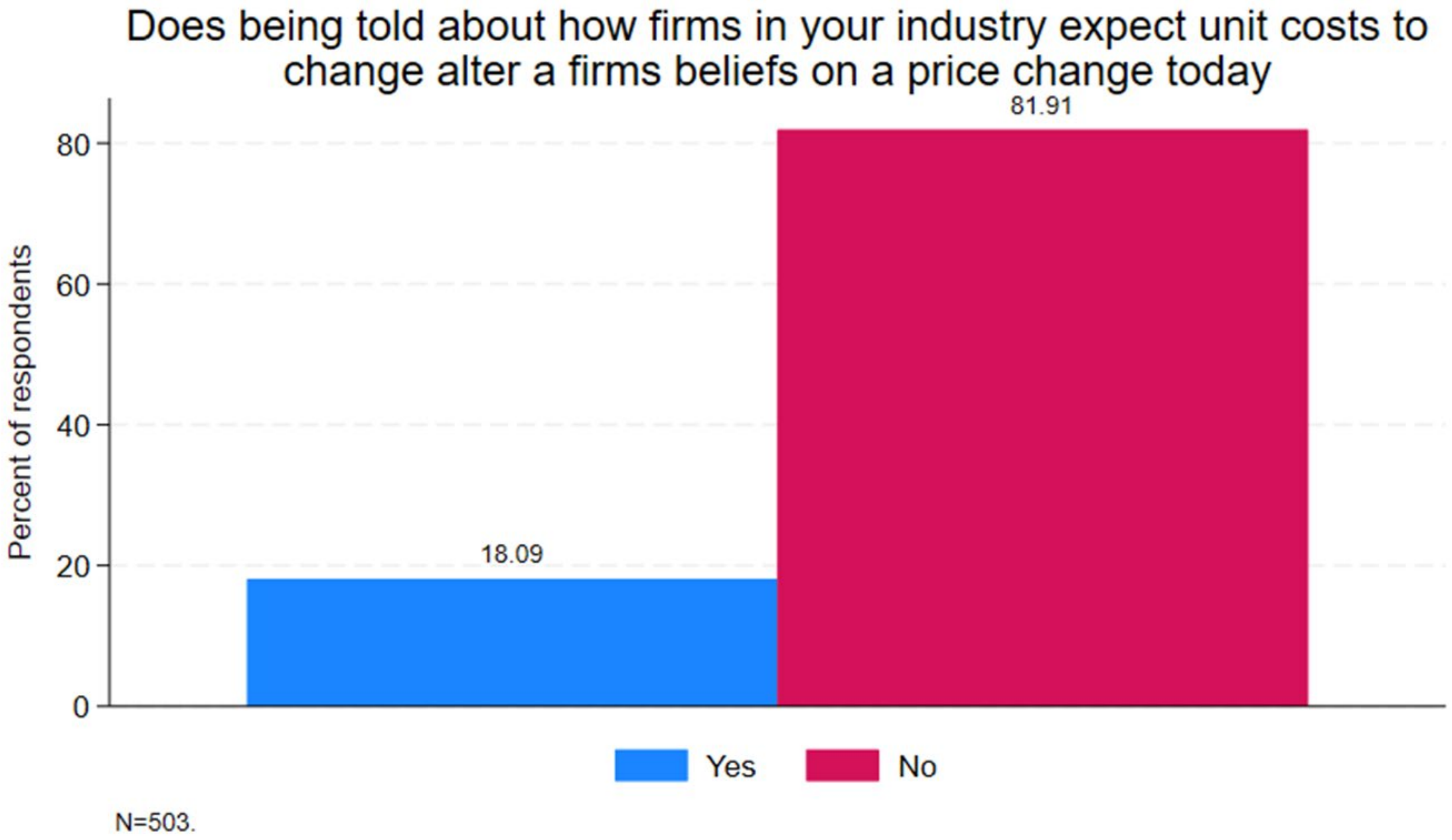
Percent Firms Would Change Pricing if Changed Today

	Count	Mean
Overall	499	3.63%
Construction and Real Estate	114	2.47%
Manufacturing	76	4.67%
Retail & Transportation	101	4.21%
Business & Professional Services	147	3.44%
Other Services	54	4.18%

Note: Conditional on firms responding to the October BIE survey, as well as responding to the percent amount they would alter pricing today if they had to.

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

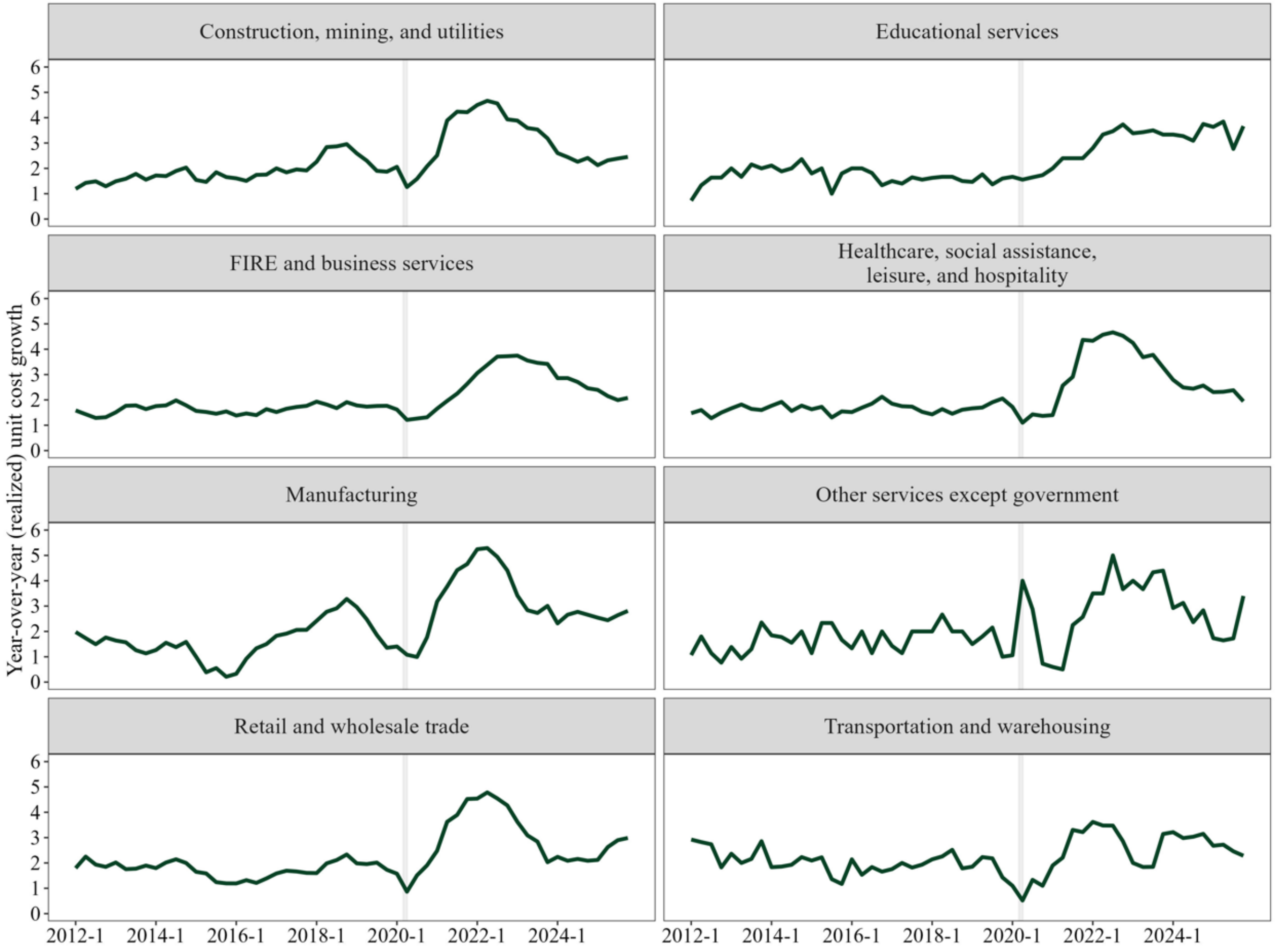
Firms were shown their industry's unit-cost expectations and asked if that changed their pricing plan. When informed by the level of unit cost growth anticipated by all firms in their sector, over three quarters of firms stayed consistent on their individual pricing decisions.



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.



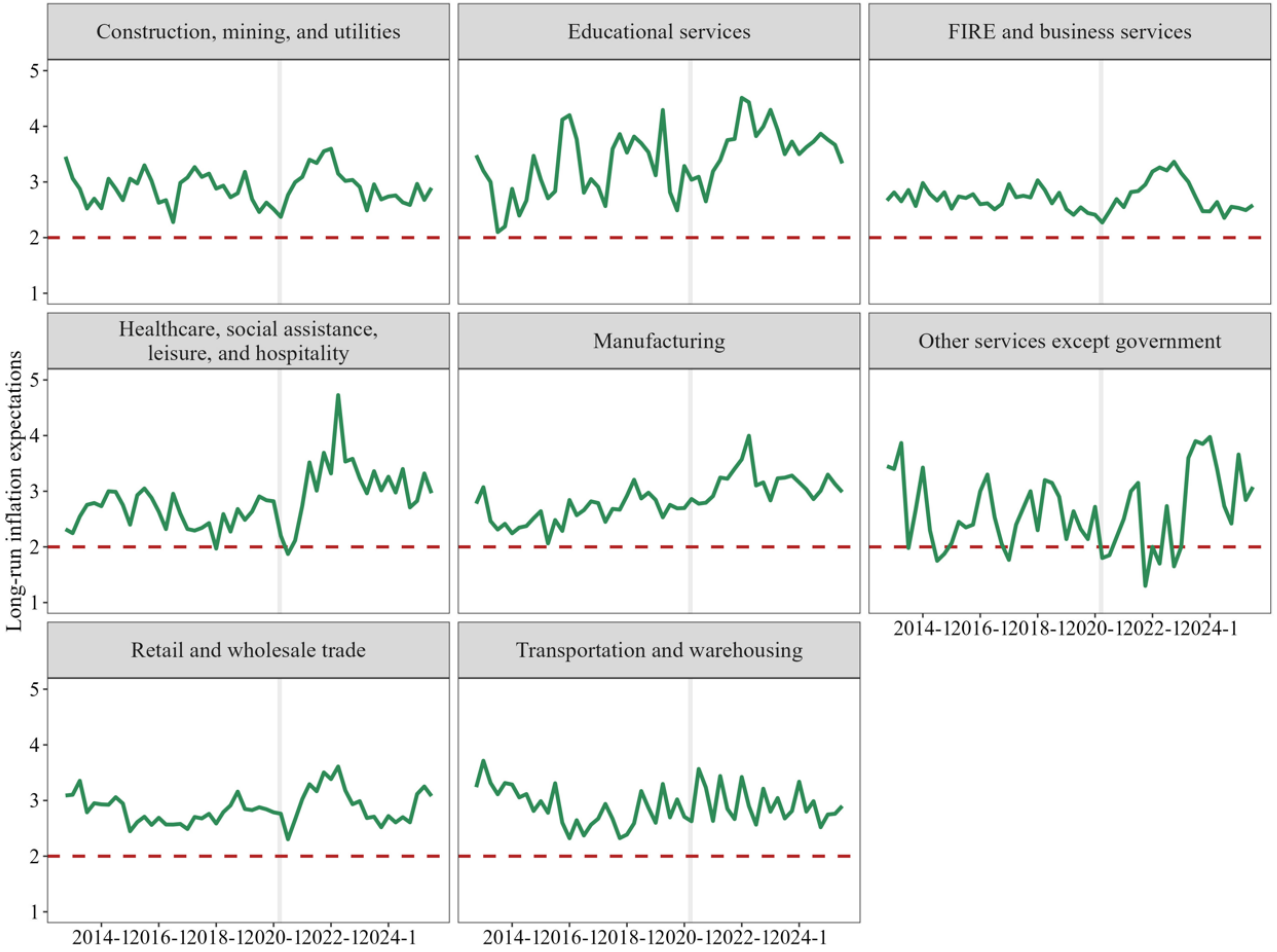
Note: The data are shown monthly.

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.

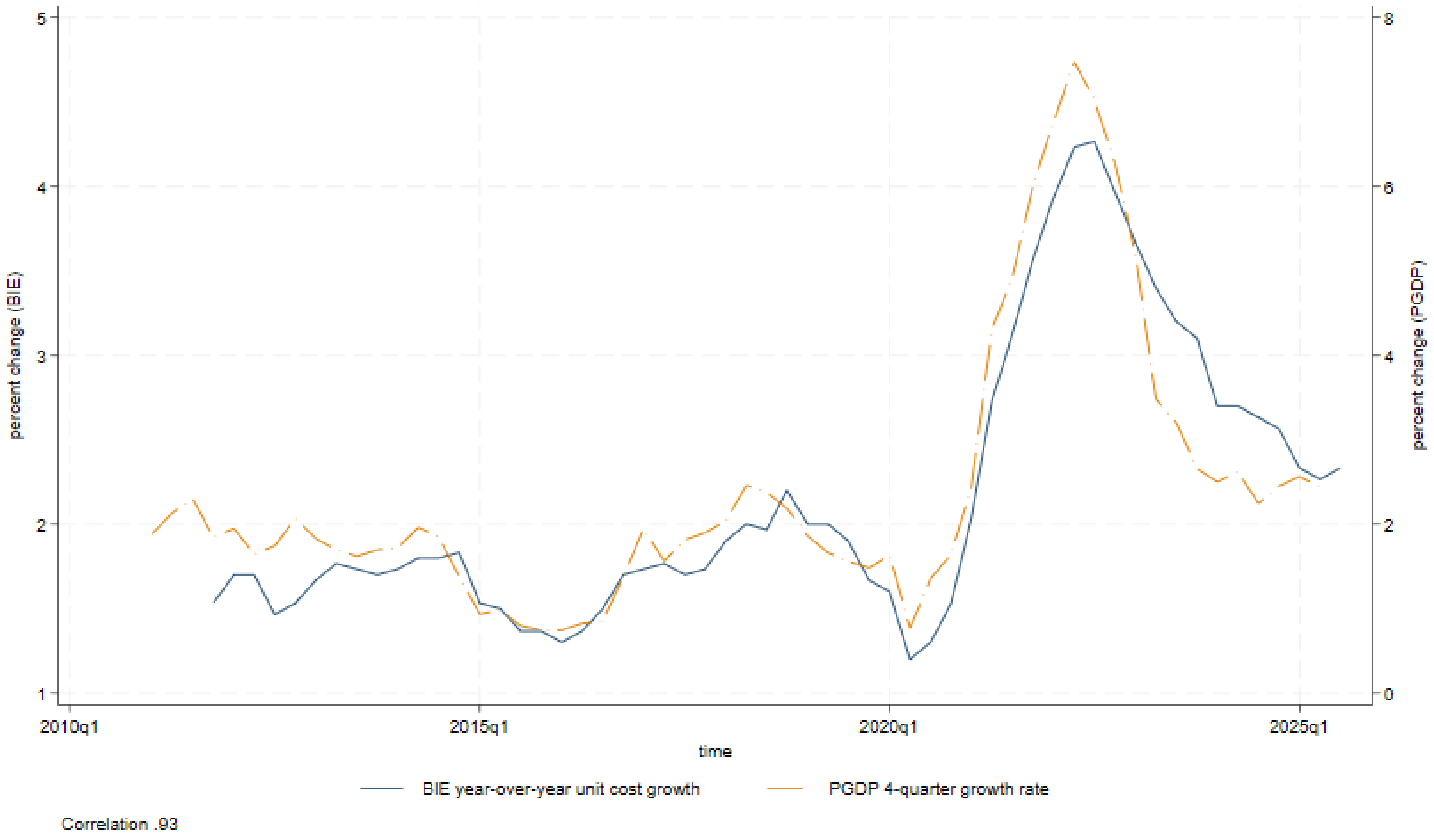


Note: The data are shown monthly.

Source: Atlanta Fed Business Inflation Expectations (BIE) survey

Comparing BIE realizations and expectations to actual data and other surveys

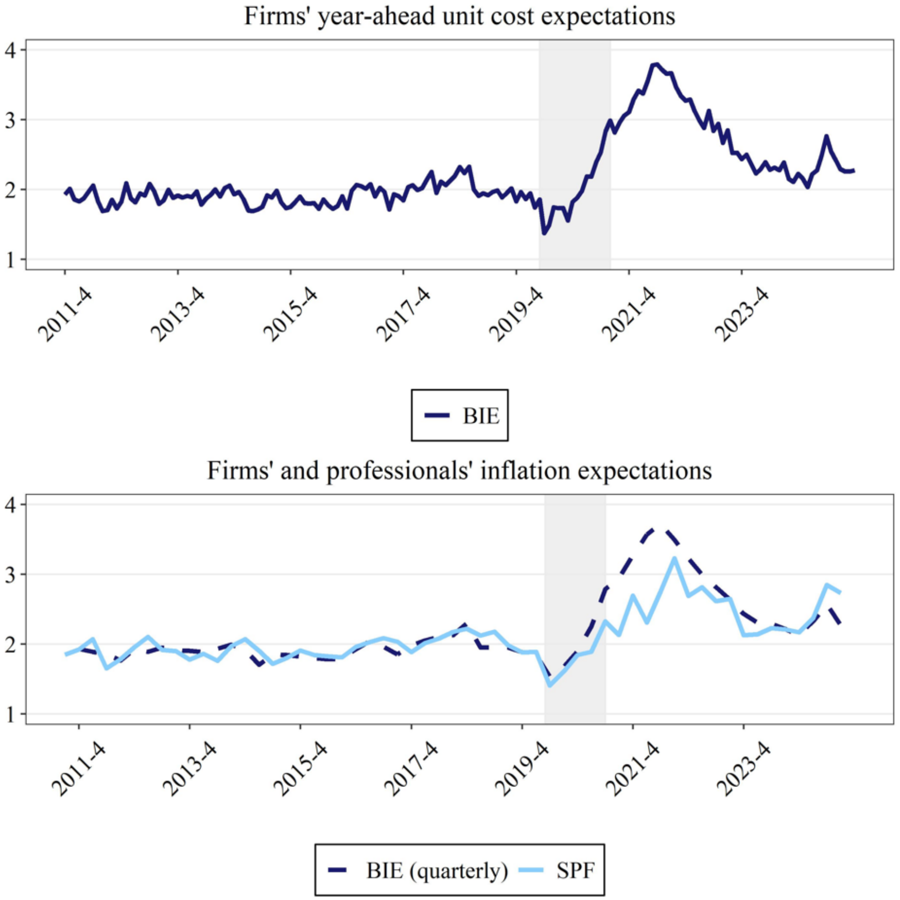
BIE Unit Cost Growth versus GDP Chain-type Price Index

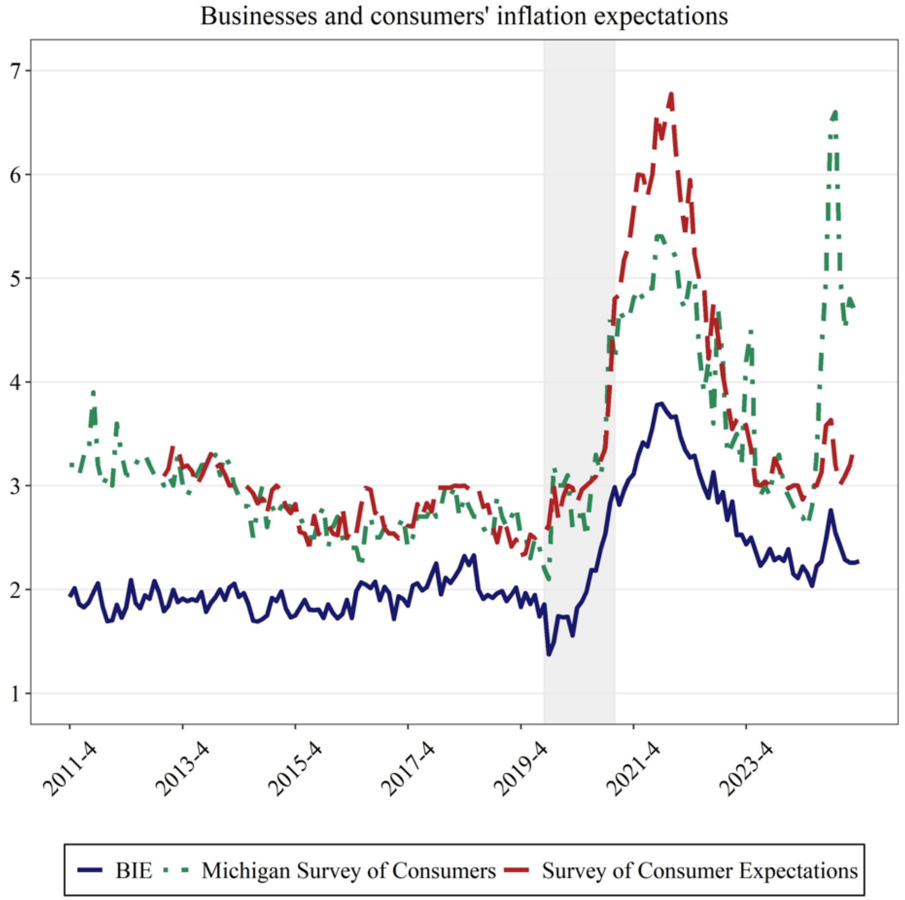


Note: The data are shown quarterly for both measures.

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

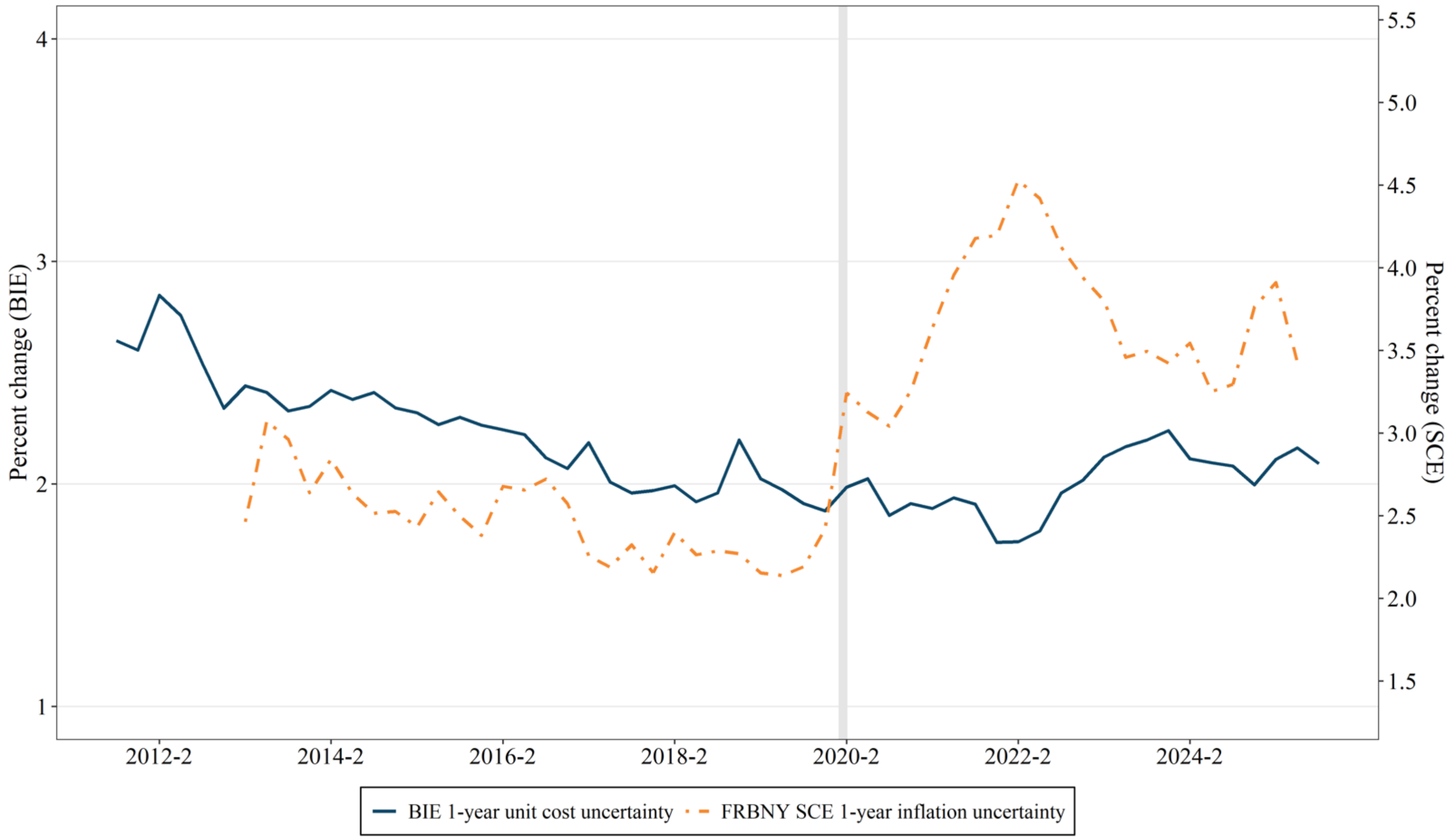




Note: Except the chart at lower left with quarterly data, all remaining chart data are shown monthly.

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:
Ty McClure (Ty.McClure@atl.frb.org)
Grace Guynn (Grace.Guynn@atl.frb.org)

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