

Business Inflation Expectations (BIE) Survey

Monthly Report: January 2026

Headline Results

1. Firms' year-ahead unit cost decreased to 2.0 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 October 2025. Sales levels for small firms decreased by 0.5 percentage points, while medium firms' sales levels increased by 0.6 percentage points, and large firms' sales levels increased by 2.8 percentage points.
3. In January's special questions, we asked firms to consider their present interaction with the labor market and their most pressing concerns for 2026.
4. Around two-thirds of firms indicated that they have active job openings they are seeking to fill, with most firms indicating that the labor market is about the same as 12 months ago. Many firms see a stabilization in the economy, innovative expansion strategies, and oncoming capital upgrade programs as major opportunities in 2026.

About the BIE

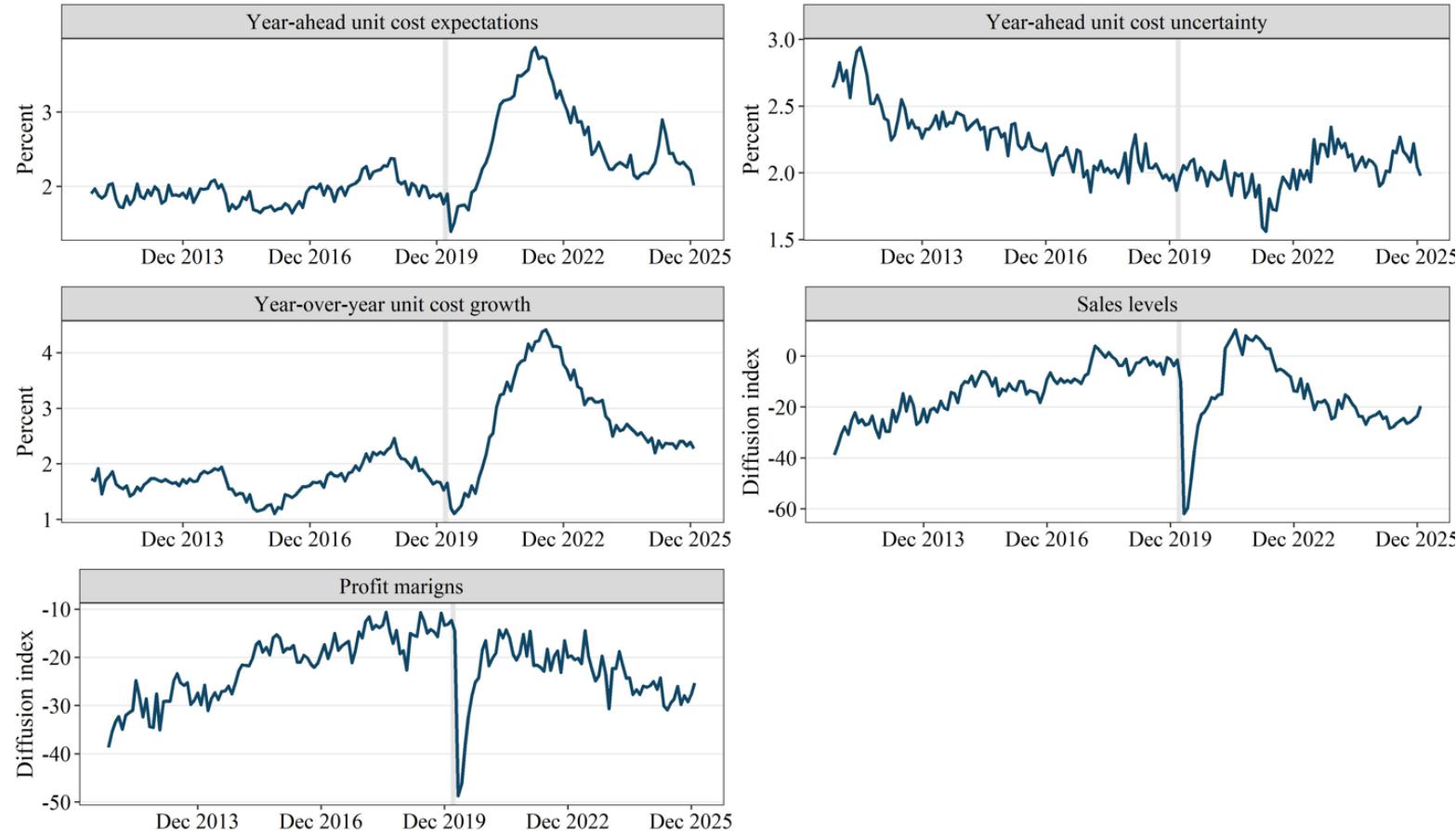
The Business Inflation Expectations (BIE) survey is fielded by the Federal Reserve Bank of Atlanta. It was designed, tested, and refined by the Atlanta Fed Economic Research Survey Center.

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](#).

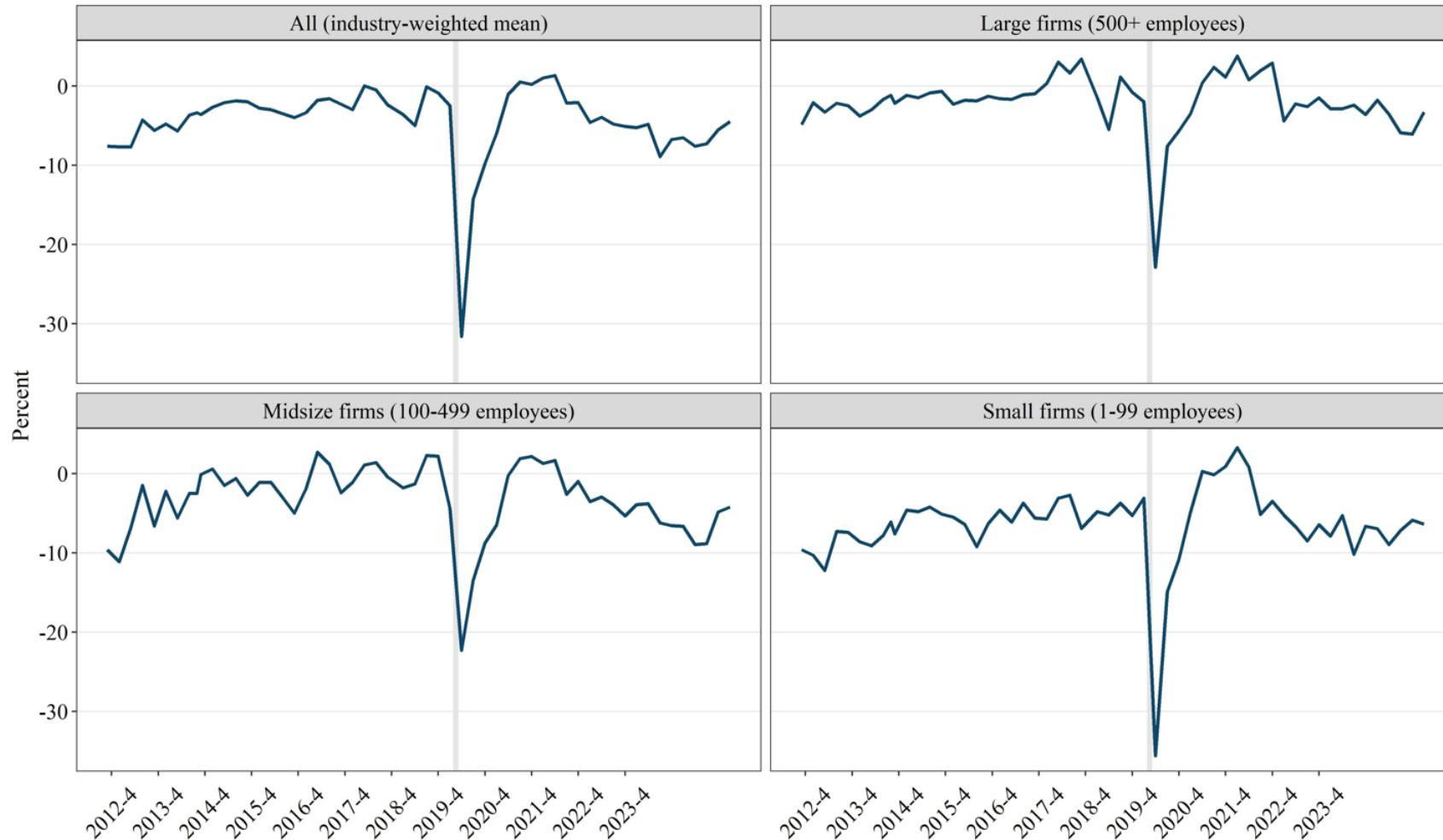
Core Monthly Questions



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

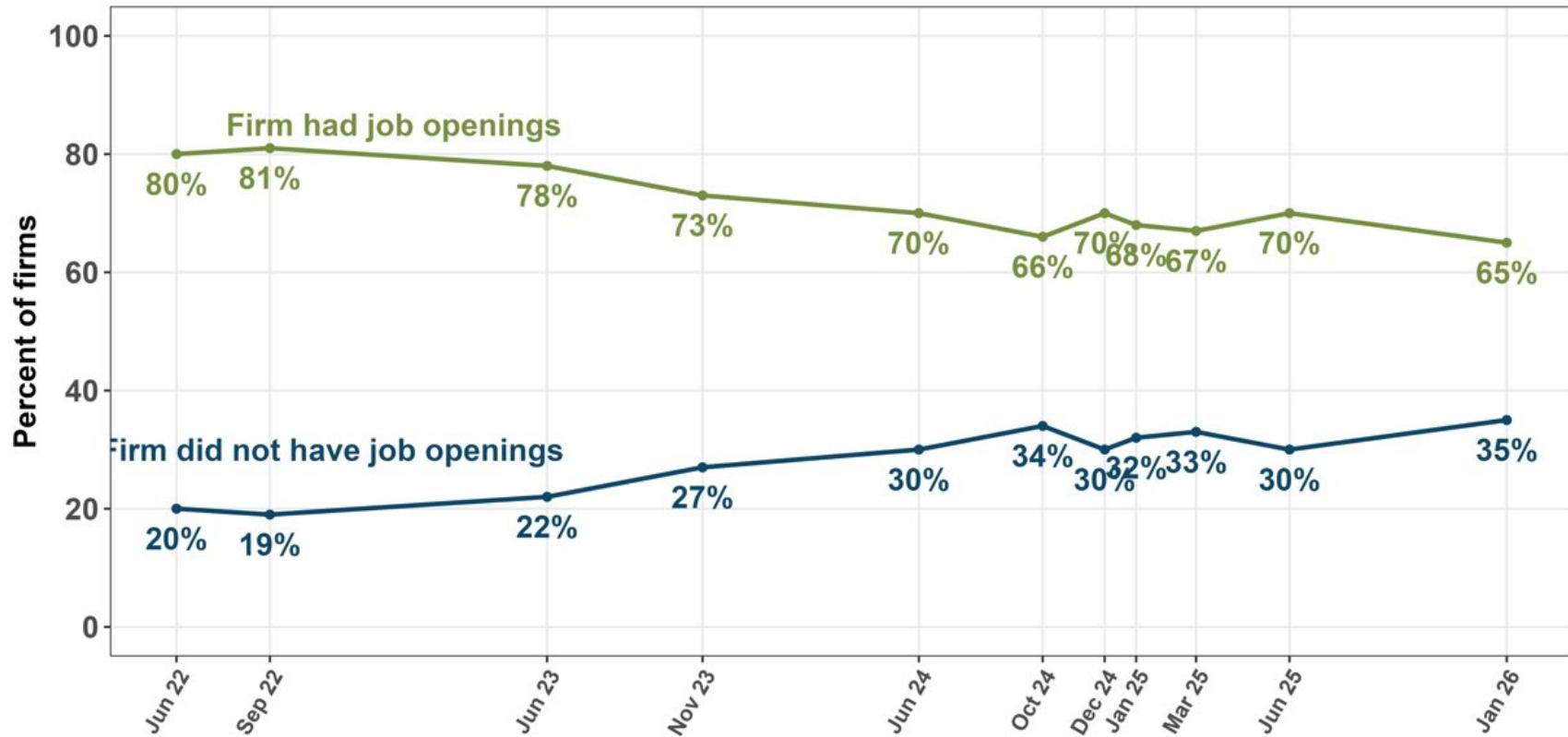
Note: This quarterly question officially started in February 2024. The results prior to that were results collected through our Special Questions Series.

BIE Special Questions: January 2026

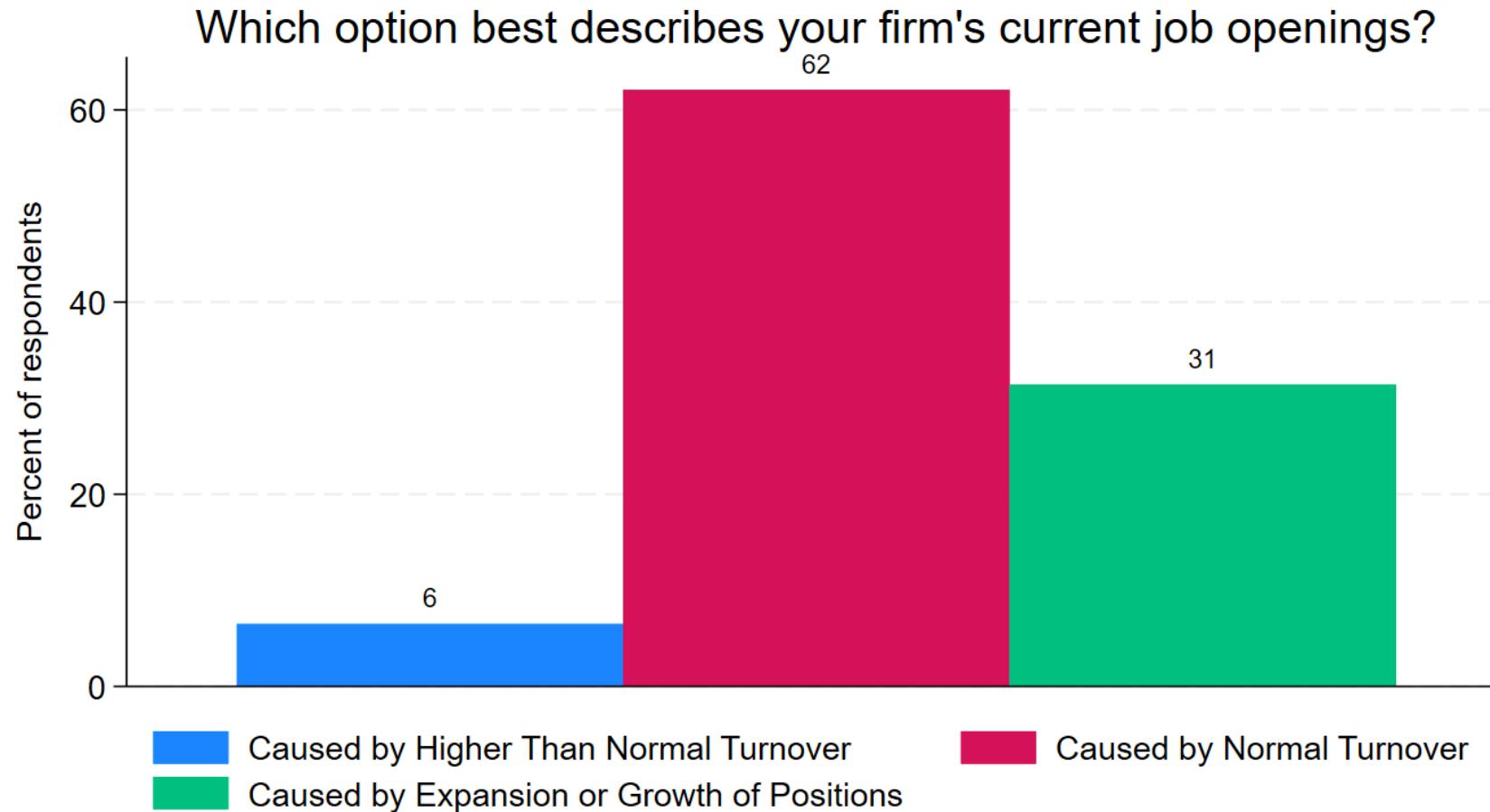
What was your firm's **number of job openings** as of Friday, January 2?

Which option best describes your firm's current job openings?

About two-thirds of firms report having an active job opening, the lowest share since the postpandemic job market expansion.



Among firms with current job openings, most are caused by normal turnover, while roughly one-third result from expansion efforts.

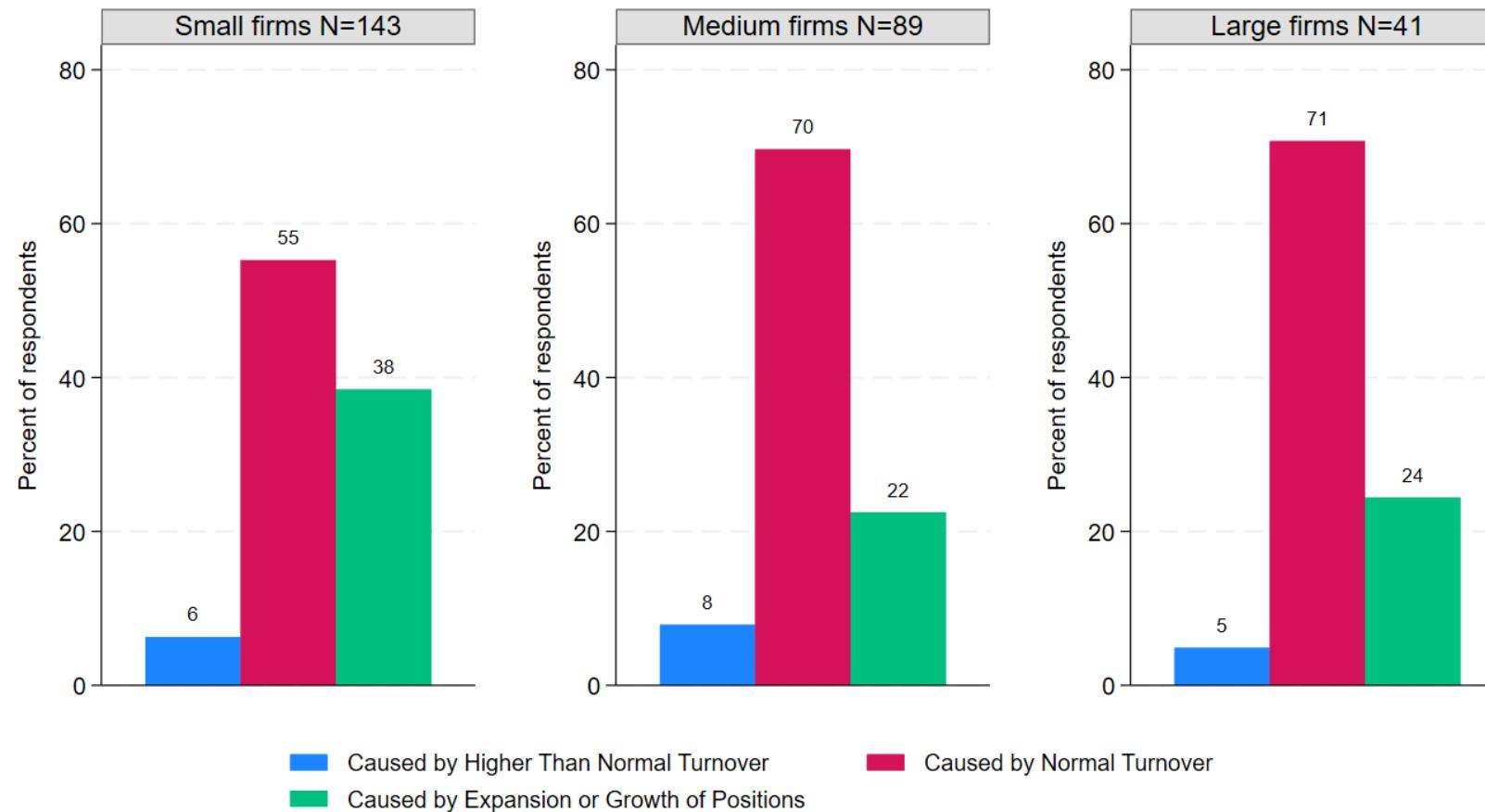


N=277.

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

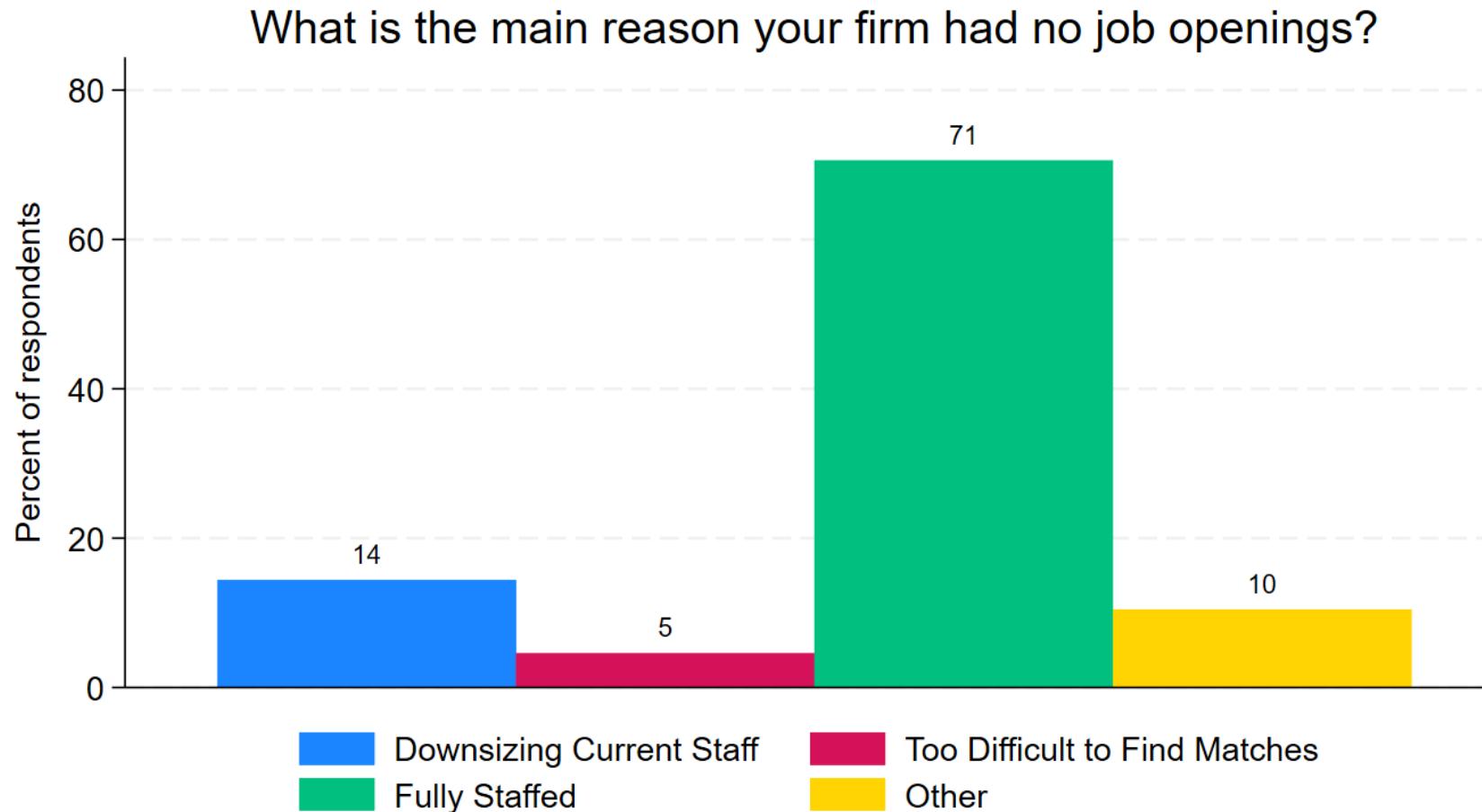
Small firms (by employment size) are closer to being evenly split between turnover from normal attrition and expansion, compared to medium and large firms. Around 70 percent of medium and large firms' job openings are due to normal turnover.

Which option best describes your firm's current job openings?



What is the main reason your firm had no job openings?

Firms without active openings overwhelmingly report being fully staffed, a trend consistent across firm size, sector, and prior to the times the question was asked in 2024.

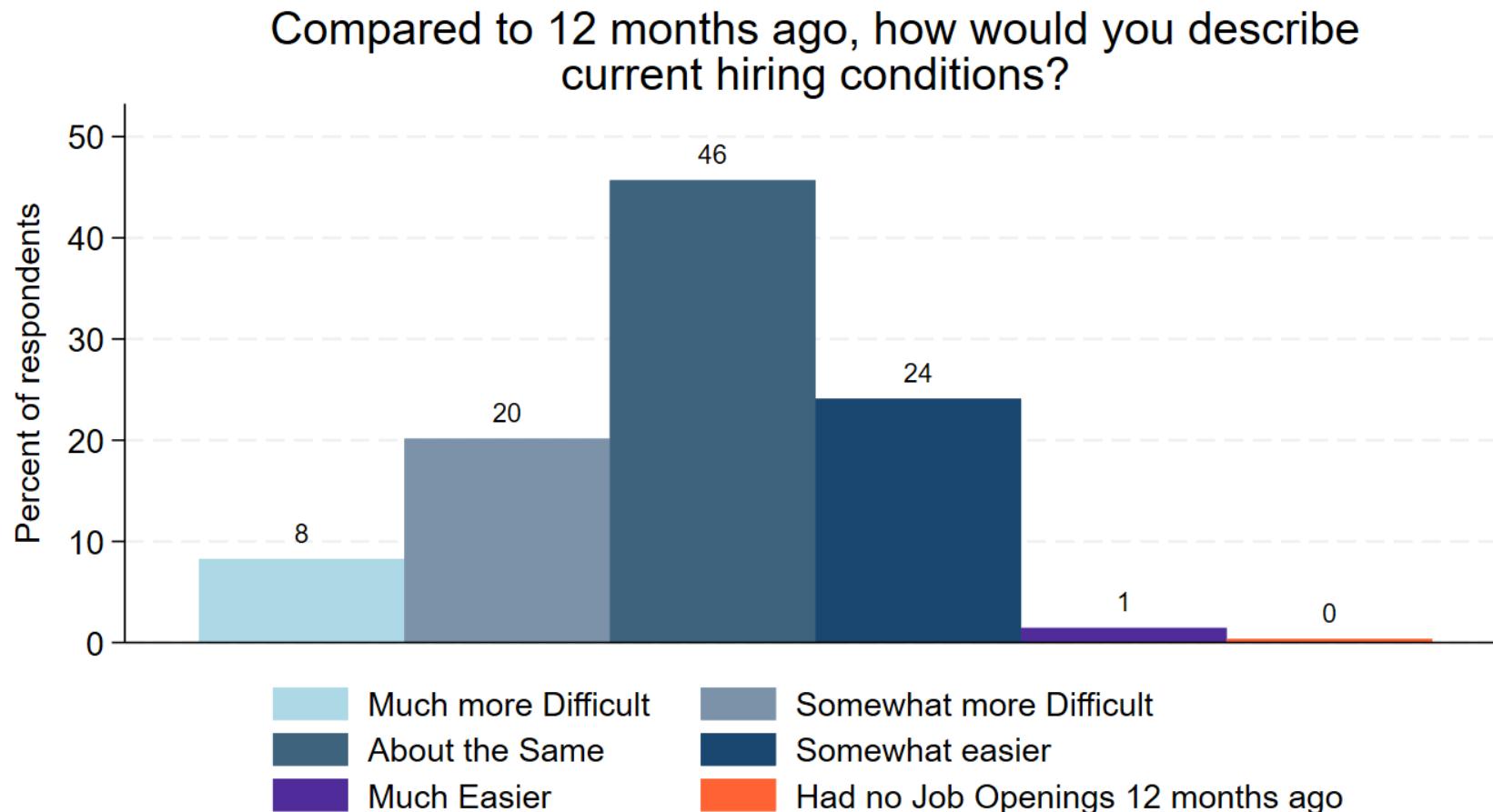


N=153.

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

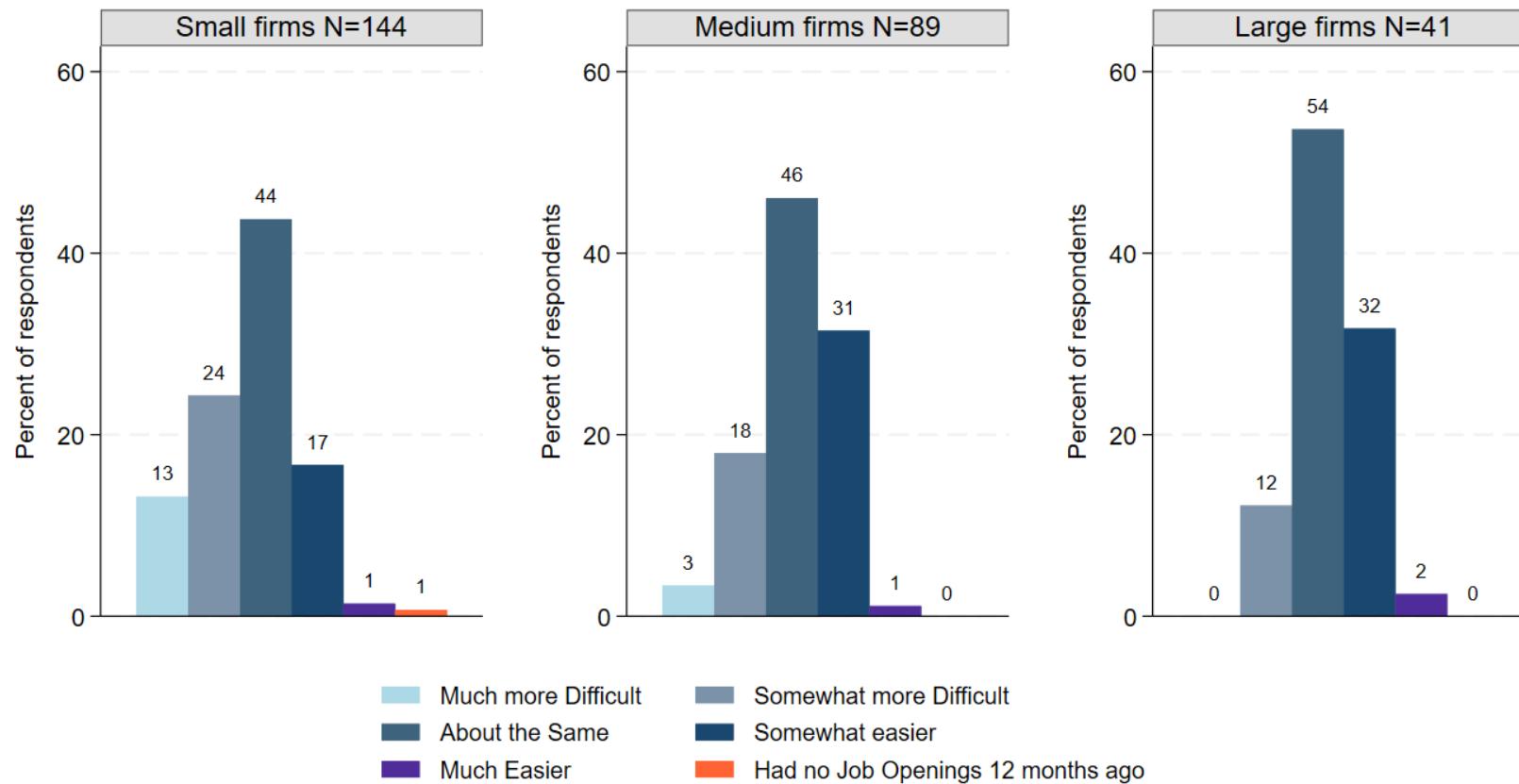
Compared to 12 months ago, how would you describe current hiring conditions?

Firms are split in their assessment of current hiring conditions, with about half saying conditions are similar, while about a quarter say hiring is more difficult and about a quarter saying hiring is easier.



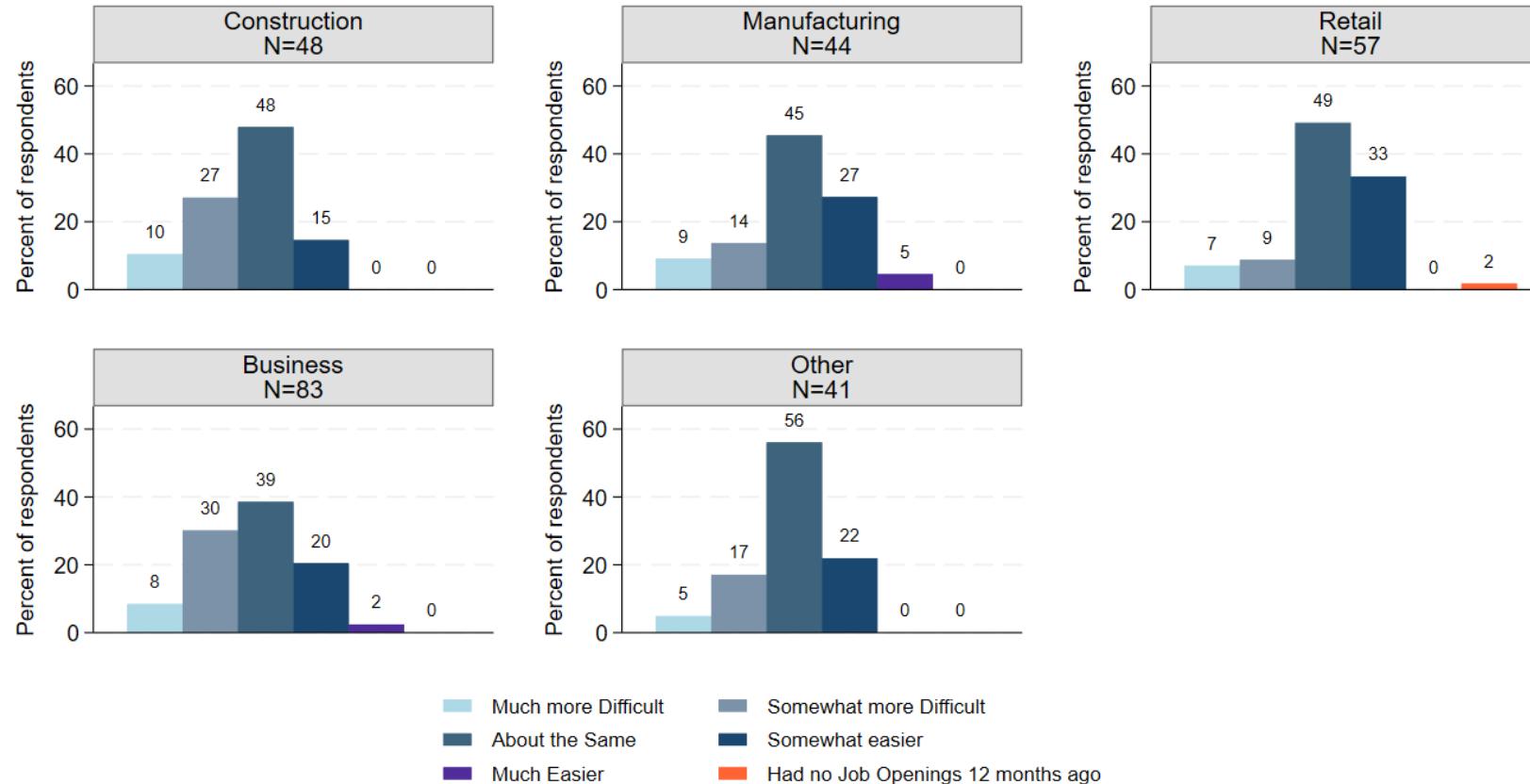
Across firm sizes, medium and large firms (by employment size) mostly view the hiring market as about the same or easier than last year. More small firms report hiring difficulties compared to medium and large firms.

Compared to 12 months ago, how would you describe current hiring conditions?



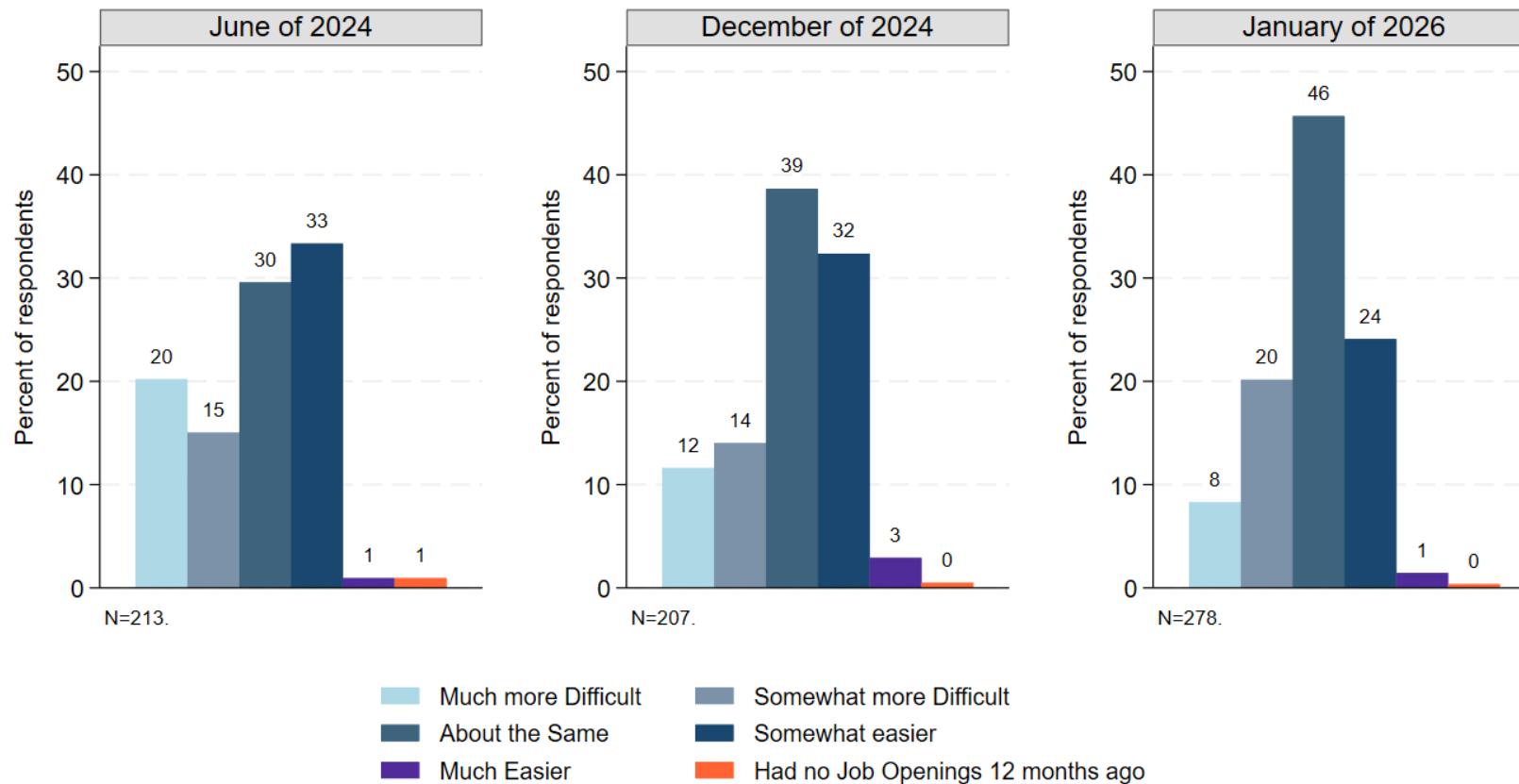
Most sectors show a fairly uniform distribution, but firms in the Business sector report greater hiring challenges than those in Retail or Manufacturing.

Compared to 12 months ago, how would you describe current hiring conditions?



Compared to June and December 2024, more firms are reporting that hiring conditions are about the same as 12 months prior.

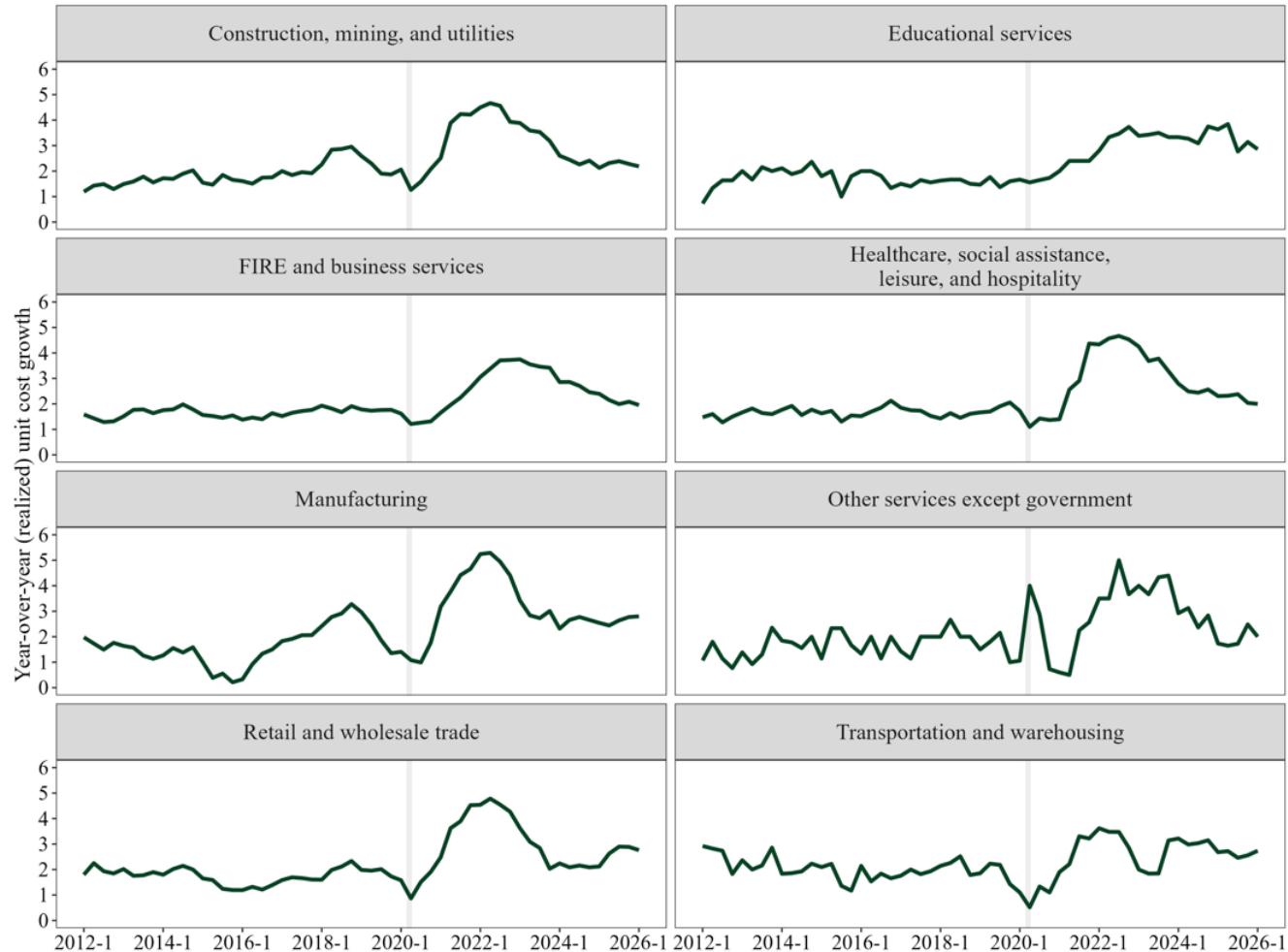
Compared to 12 months ago, how would you describe current hiring conditions?



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

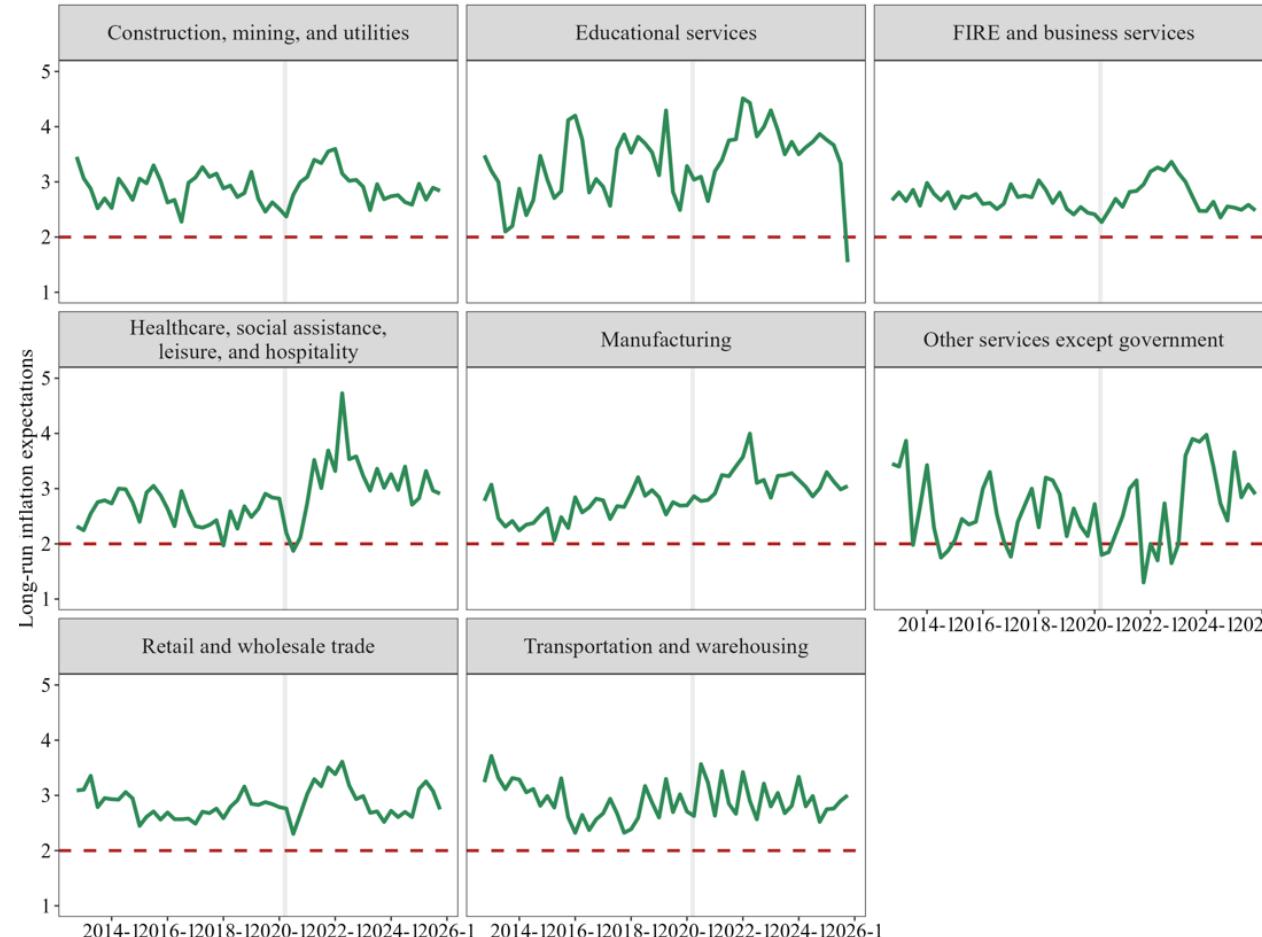
Year-ahead unit-cost expectations vary meaningfully by sector.



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

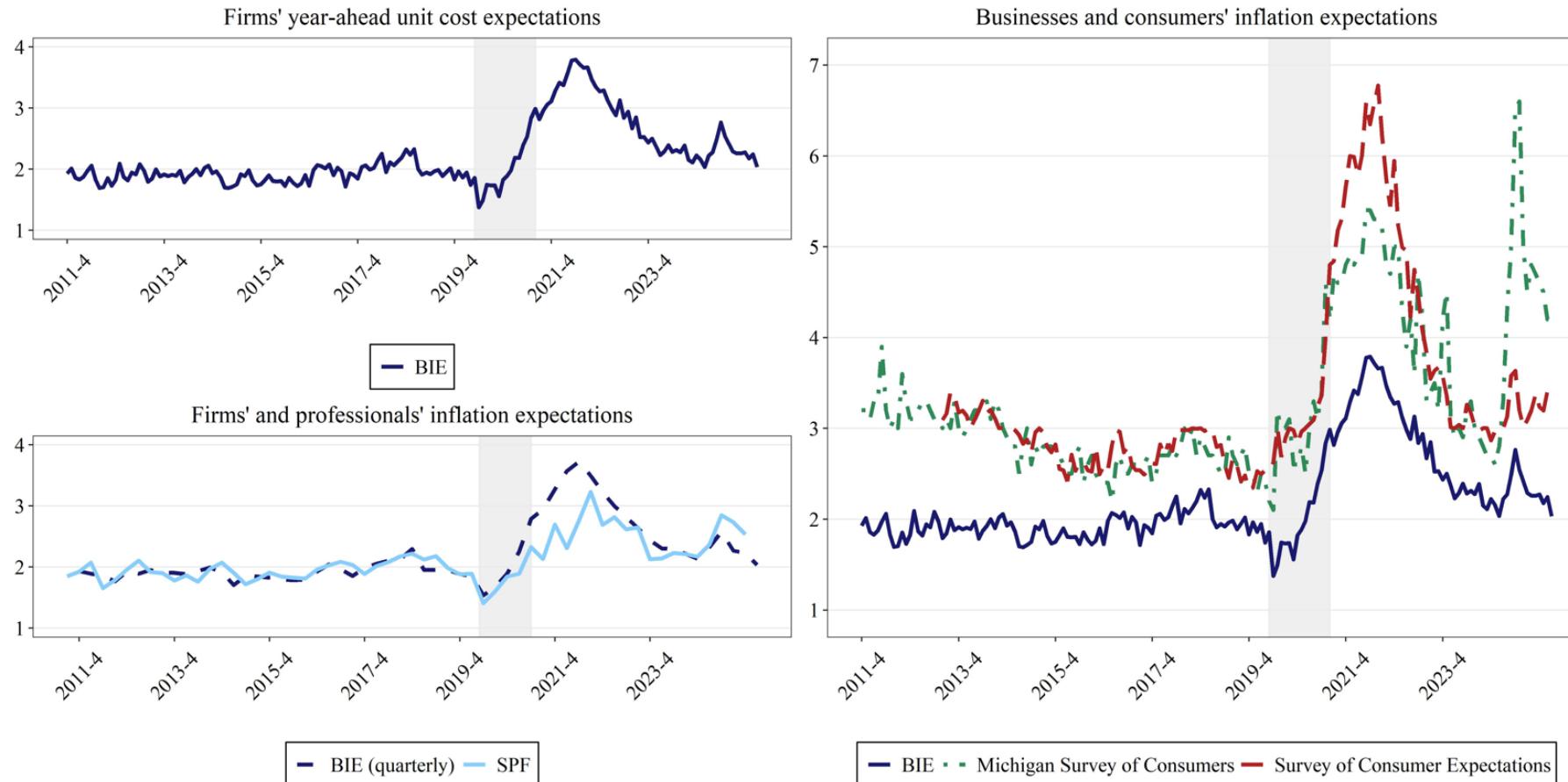
BIE Unit Cost Growth versus GDP Chain-type Price Index



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>

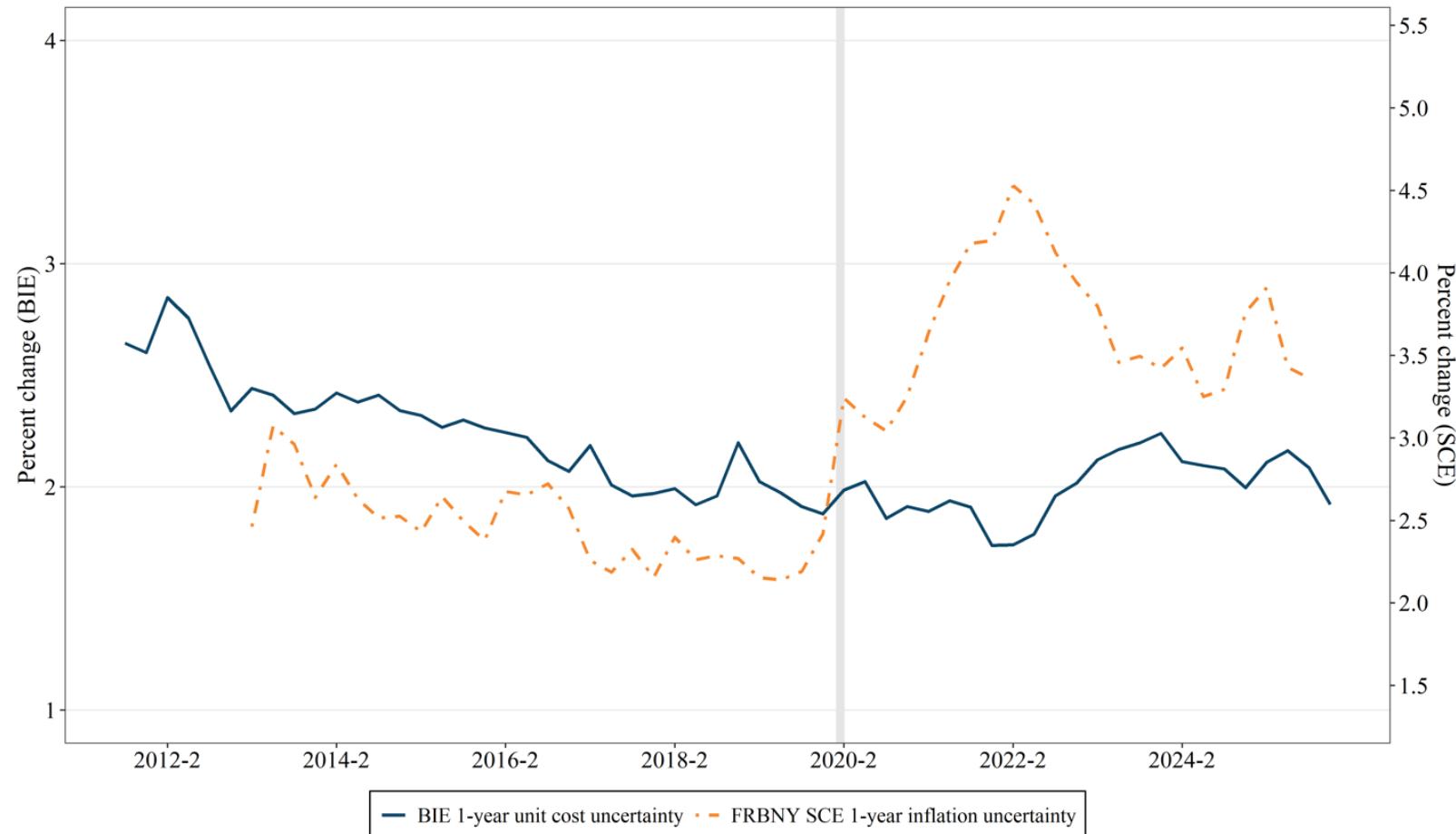
BIE Survey versus SPF and Survey of Consumers



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)

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