PIES

Price and Inflation Expectations Survey

FEDERAL RESERVE BANK PHILADELPHIA

2026 Q4

Release Date: November 25, 2026

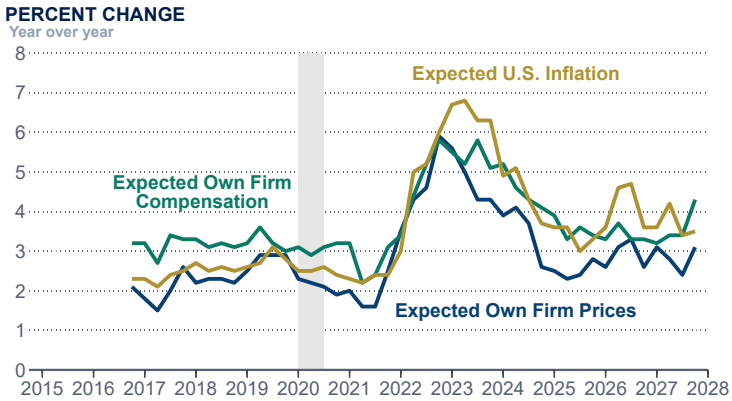
Firms' Expectations of Price Growth Rose Relative to Last Quarter

Third District firms reported in the fourth quarter of 2026 that expected increases for their own prices and U.S. inflation over the next four quarters moved higher compared with the third quarter of 2026. Their expectations for compensation increased notably. Compared with last quarter, firms reported a larger increase in their own prices over the past year.

Firms Expect Larger Rise in Own Prices and Compensation Relative to Last Quarter

For the fourth quarter of 2026 through the fourth quarter of 2027, the firms' mean forecast for their own prices was for an increase of 3.1 percent, up from 2.4 percent last quarter. Firms' expected growth in compensation costs per employee rose from 3.4 percent to 4.3 percent this quarter, its highest level in three years. The mean forecast for U.S. inflation ticked up from last quarter (see page 2).

One-Year-Ahead Expectations

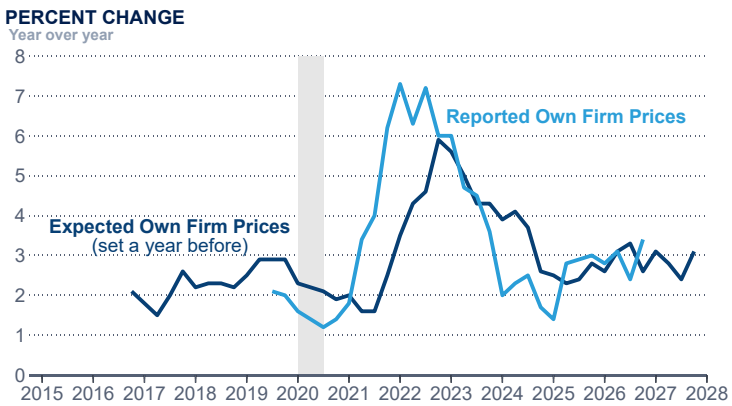


Notes: PIES data are the 10 percent trimmed mean of responses provided by firms through 2026 Q4. Data are plotted four quarters ahead to reflect the period for which they are forecast. Shaded areas indicate NBER recessions.

Firms Expect Smaller Price Increases Compared with Their Current Price Growth

Looking back over the past year (the fourth quarter of 2025 to the fourth quarter of 2026), firms reported that the prices they received for their own goods and services rose 3.4 percent, up from the 2.4 percent they reported last quarter and above the 3.1 percent growth they expect over the next four quarters.

Reported Changes in Own Prices vs. Expectations



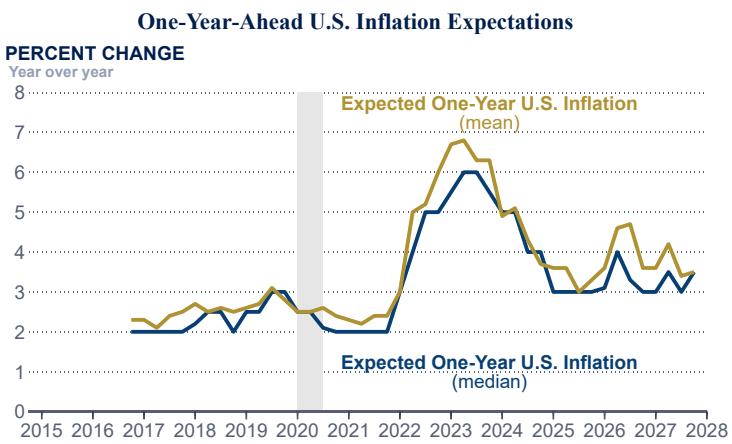
Notes: PIES data are the 10 percent trimmed mean of responses provided by firms through 2026 Q4. Expected Own Firm Prices data are plotted four quarters ahead to reflect the period for which they are forecast. Shaded areas indicate NBER recessions.

Note: Survey responses were collected from November 9 to November 19.
The First Quarter 2027 Price and Inflation Expectations Survey will be released on February 24, 2027.

For more regional economic analysis, see www.philadelphiafed.org/regional-economy.

Firms' U.S. Inflation Expectations Rise Relative to Last Quarter

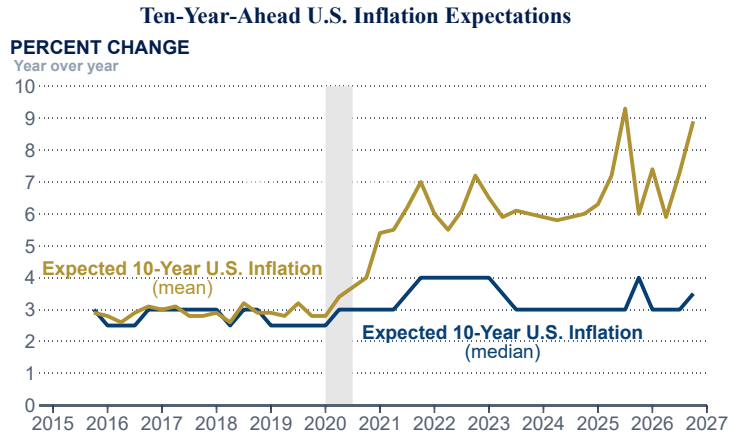
Firms' median expectation for U.S. inflation returned to 3.5 percent after falling to 3.0 percent last quarter. The mean expectation was also 3.5 percent, up slightly from 3.4 percent last quarter.



Notes: PIES data are the 10 percent trimmed mean and median of responses provided by firms through 2026 Q4. Data are plotted four quarters ahead to reflect the period for which they are forecast. Shaded areas indicate NBER recessions.

Long-Term Median Inflation Expectations Move Higher

For the longer run, firms' median expectations of the average annual price increase that U.S. consumers will experience over the next 10 years rose to 3.5 percent after holding steady at 3.0 percent for three consecutive quarters. The mean expectation rose to 8.9 percent from 7.3 percent.



Notes: PIES data are the 10 percent trimmed mean and median of responses provided by firms through 2026 Q4. Data are plotted in the quarter in which the forecasts were collected. Shaded areas indicate NBER recessions.

Relationship with U.S. Inflation Data

To see how reported and expected firm prices compare with U.S. CPI over time, see the PIES Data Explorer on our website.

For more information on how PIES data compare with U.S. CPI as well as with other inflation forecasts, see Introducing PIES.

Price and Inflation Expectations Survey			
	Firm Type	**Current 2026 Q4 (%)**	**Previous 2026 Q3 (%)**
Reported Change in Own Firm Prices Prices the respondent's firm received (for its own goods and services sold) over the past four quarters	**All**	**3.4**	**2.4**
	Manufacturing	4.5	3.1
	Nonmanufacturing	2.5	1.9
Expected Change in Own Firm Prices Prices the respondent's firm will receive (for its own goods and services sold) over the next four quarters	**All**	**3.1**	**2.4**
	Manufacturing	3.6	3.2
	Nonmanufacturing	2.7	1.8
Expected Change in Own Compensation Compensation the respondent's firm will pay per employee (for wages and benefits) over the next four quarters	**All**	**4.3**	**3.4**
	Manufacturing	4.2	3.5
	Nonmanufacturing	4.4	3.3
Expected U.S. Inflation Prices U.S. consumers will pay for goods and services over the next four quarters	**All (median)**	**3.5**	**3.0**
	All	**3.5**	**3.4**
	Manufacturing	3.5	3.2
	Nonmanufacturing	3.5	3.6
Expected Long-Run U.S. Inflation Prices U.S. consumers will pay for goods and services over the next 10 years (2026–2035)	**All (median)**	**3.5**	**3.0**
	All	**8.9**	**7.3**
	Manufacturing	7.9	7.0
	Nonmanufacturing	9.9	7.6

Notes: Results reflect data received through November 19, 2026. The numbers in the table represent the trimmed means of individual firm forecasts (percent changes) unless noted otherwise. For Long-Run U.S. Inflation forecasts, firms provided a 10-year annual-average change. The previous quarter's results reflect forecasts made in 2026 Q3 for 2027 Q3.