Robins Regional Chamber Economic Outlook & Update- August 2026

August 13, 2026

Federal Reserve Bank *of* Atlanta

The views expressed here are mine and not necessarily those of the FOMC, the Federal Reserve Bank of Atlanta or the Federal Reserve System.

Fed Overview

The Federal Reserve System

1 U.S. Central Bank

- The Federal Reserve System

3 Key Entities

- Federal Reserve Board of Governors
- 12 Federal Reserve Banks
- Federal Open Market Committee

5 Key Functions

- Conducting the nation's monetary policy
- Helping maintain the stability of the financial system
- Supervising and regulating financial institutions
- Fostering payment and settlement system safety and efficiency
- Promoting consumer protection and community development

The Dual Mandate

Price Stability

Maximum Employment

Fed Overview

Policymaking at the Atlanta Fed

Economic Indicators

Surveys

Economists

\+

Business Outlook Team

Boards of Directors

Advisory Councils

One-on-One Meetings

Interim President Venable

FOMC

The Atlanta Fed and Business Outreach

*"Through the **Regional Economic Information Network (REIN)**, we continually harvest insights from an extensive network of business decision makers, along with community and nonprofit organizations, and blend that information with macroeconomic models and data."*

Raphael Bostic
President and CEO
(retired)

Key Points

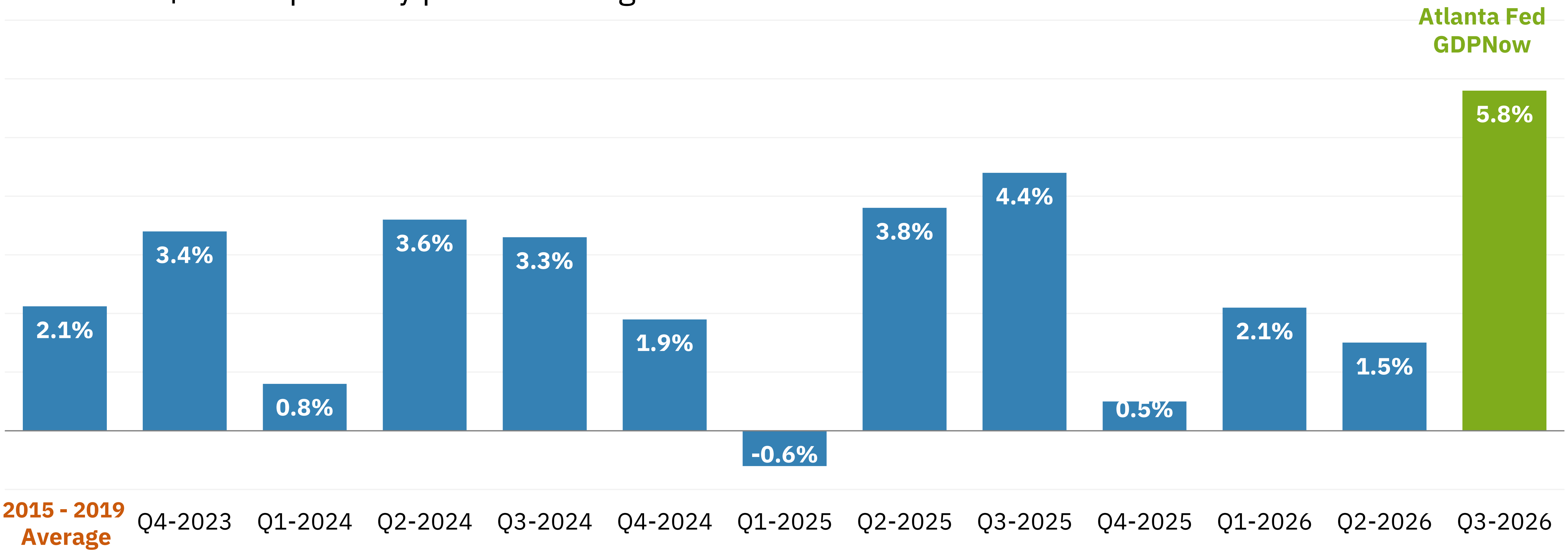
The current economic narrative

- The pace of economic growth remained strong in the first half of 2026, and consumer spending has remained solid despite the sharp rise in prices this year.
- The economy continues to expand at a solid pace, with robust growth in consumption and private investment.
- The labor market looks to be largely “in-balance.”
- Inflation has remained elevated above the Federal Reserve’s longer run 2% target.
- The Middle East Conflict, tariffs and ongoing geopolitical uncertainty continue to weigh on businesses and households and cloud the outlook

Source: Bureau of Economic Analysis, Federal Reserve Bank of Atlanta, GDP Now updated on Aug 1, 2025

Real GDP growth has been volatile over the past two years due to swings in net exports, inventories, and government spending

Real GDP | SAAR quarterly percent change

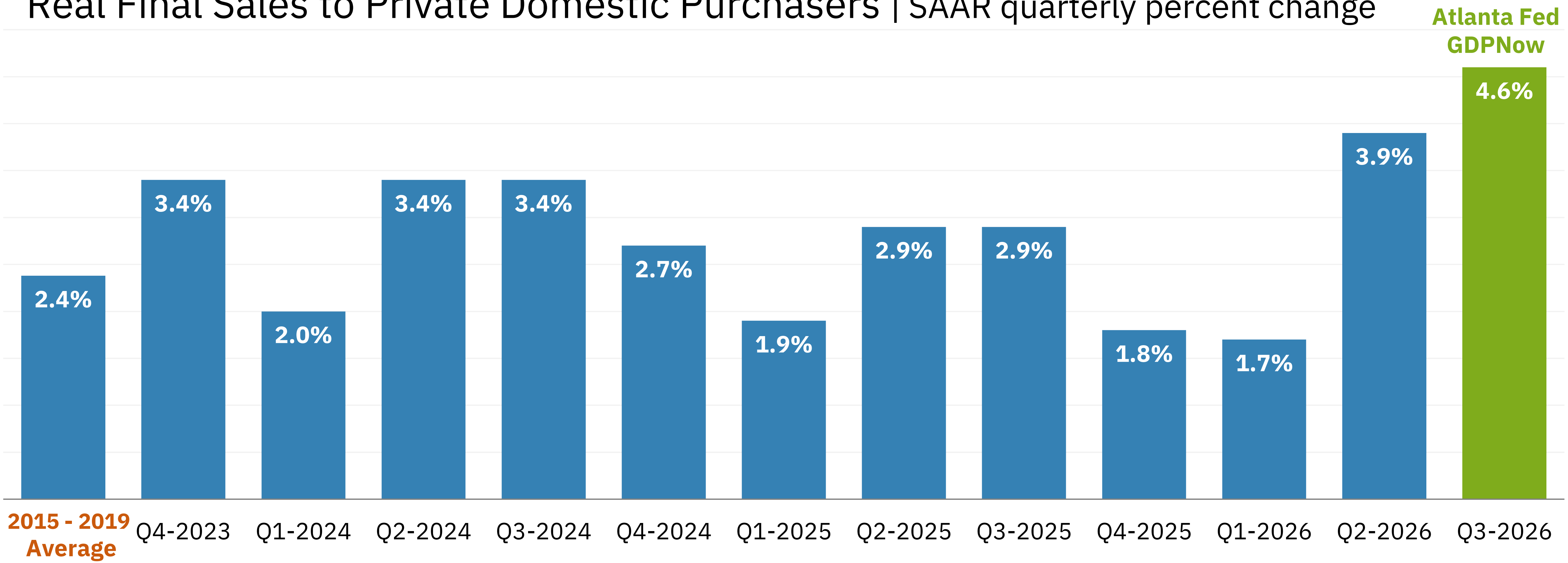


Source: Bureau of Economic Analysis, Federal Reserve Bank of Atlanta

Data for GDPNow current through August 6, 2026

Growth in Final Sales to Private Domestic Purchasers (consumption and fixed investment) has remained strong over the past several years

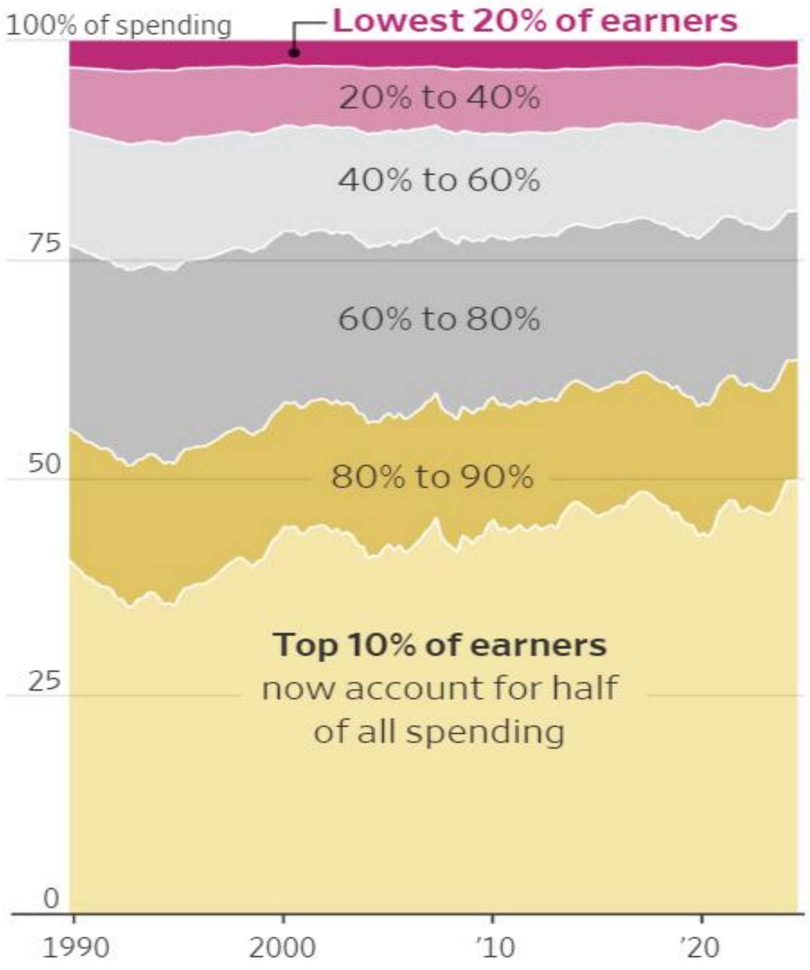
Real Final Sales to Private Domestic Purchasers | SAAR quarterly percent change



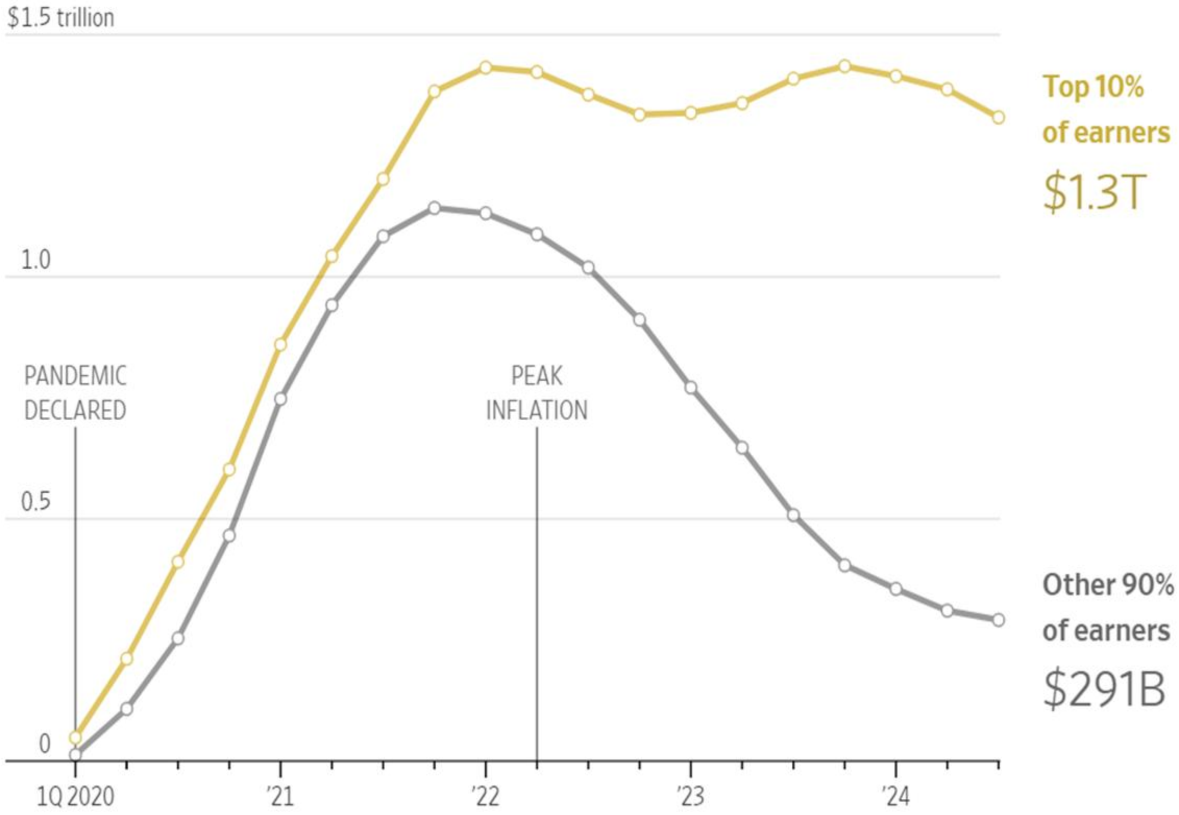
Data for GDPNow current through 06-Aug-2026

Source: Bureau of Economic Analysis, Federal Reserve Bank of Atlanta

Spending has been driven by higher-income households.



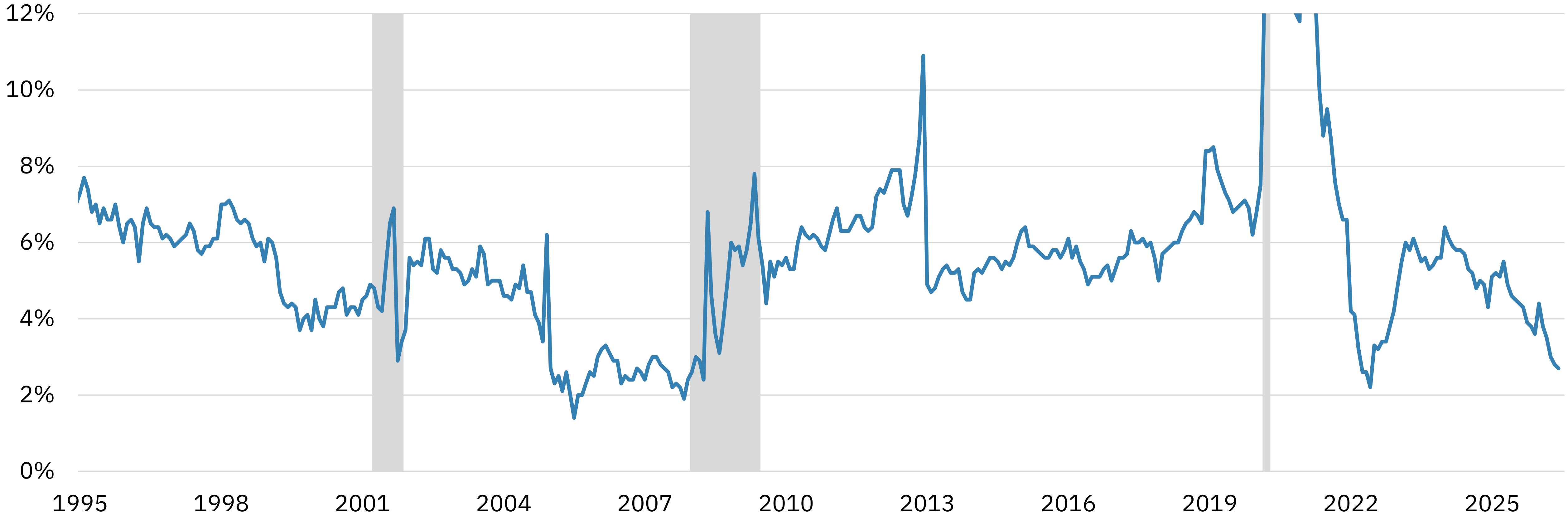
Source: Moody's Analytics



Note: Chart shows savings above the typical prepandemic saving rate.
Source: Moody's Analytics

The personal savings rate has declined sharply over the past year

Personal Savings Rate | percent change, annualized



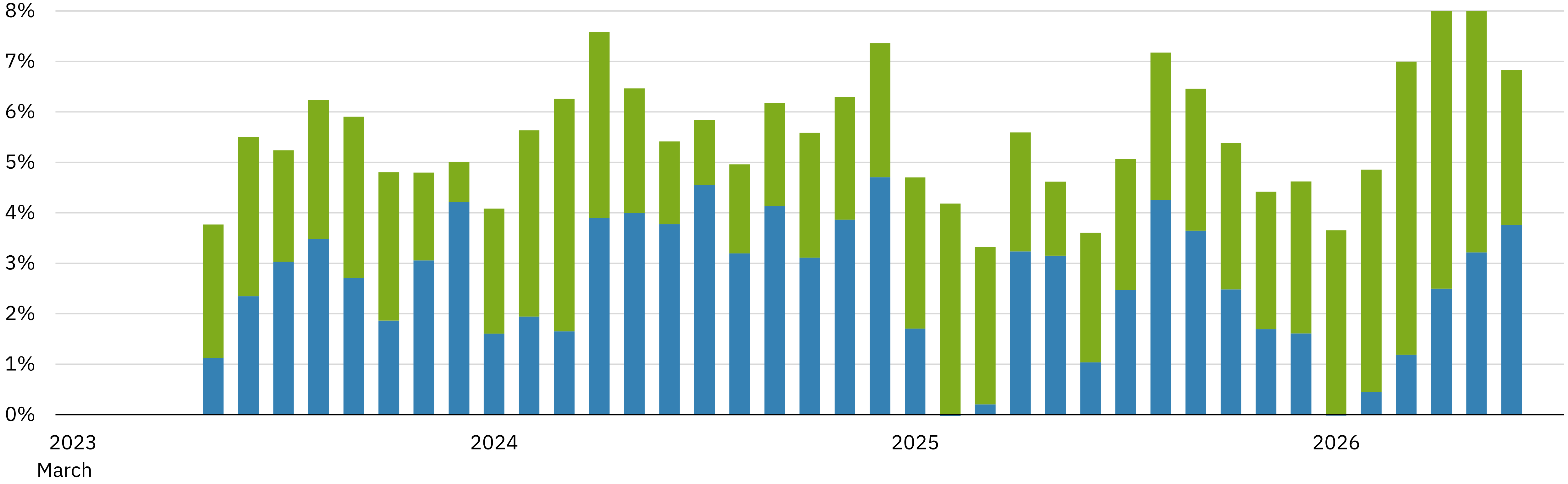
Source: Bureau of Economic Analysis.

Data through Jun-2026

Real consumption growth has strengthened in recent months

Personal Consumption Expenditures | 3-month percent change, annualized

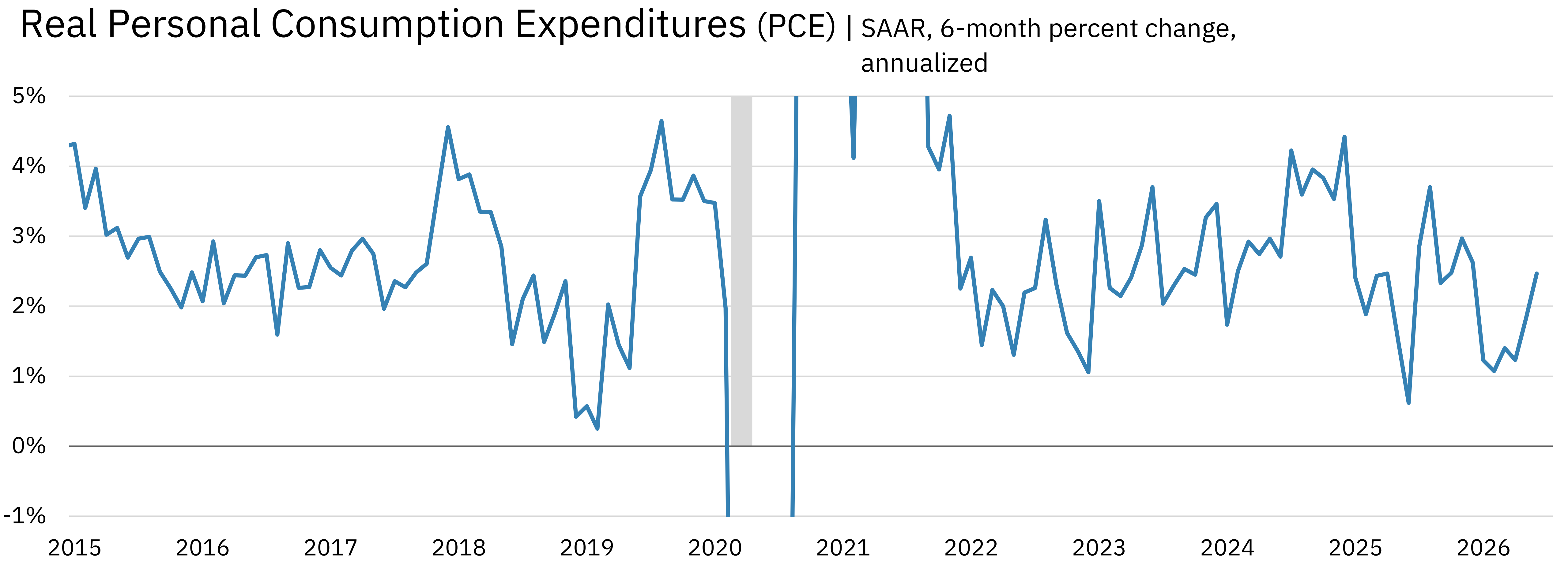
Real Personal Consumption Expenditures **PCE Chain Price Index**



Source: Bureau of Economic Analysis

Data through Jun-2026

The rate of growth in real consumer spending has strengthened in recent months

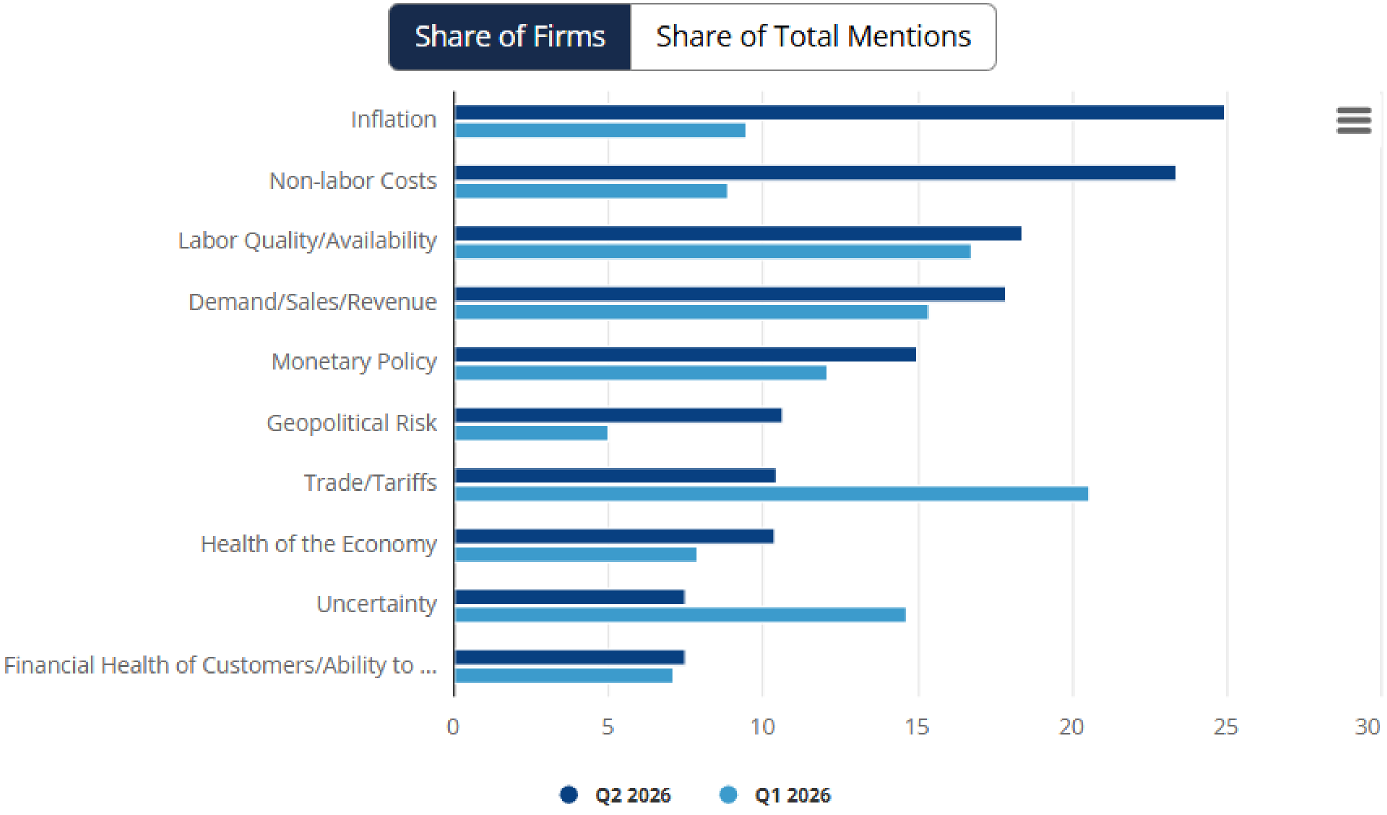


Source: Bureau of Economic Analysis

Data through Jun-2026

Inflation and non-labor costs are influencing firms' outlook and actions.

Firms' Most Pressing Concerns

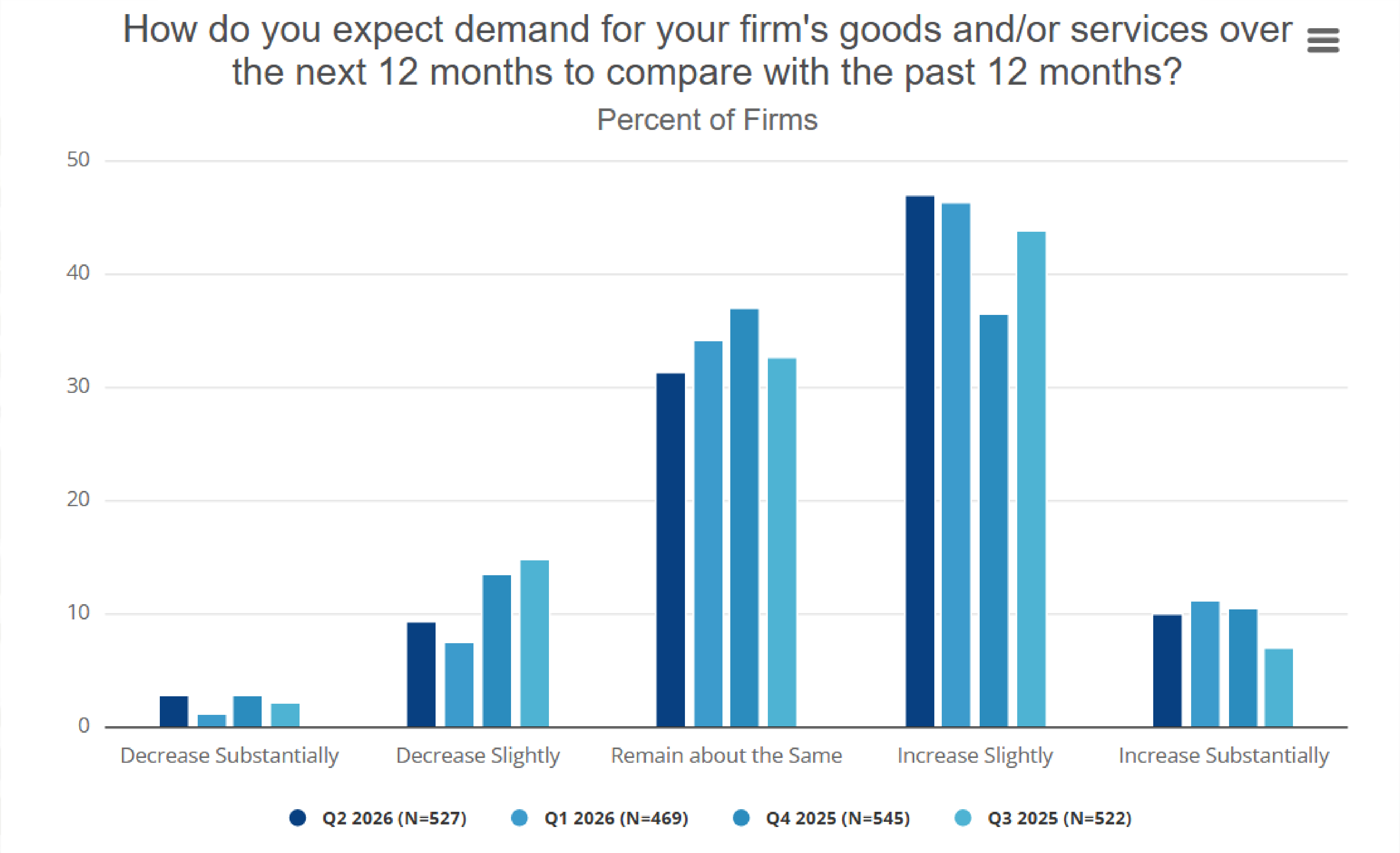


Note: Percentages do not sum to 100 because only the top ten topics (and ties) are shown. Results from the Q1 2026 survey (February 17 - March 5, 2026) are shown for comparison.

Source: Duke University, FRB Richmond and FRB Atlanta, The CFO Survey - Q2 2026 (May 18 - June 5, 2026)

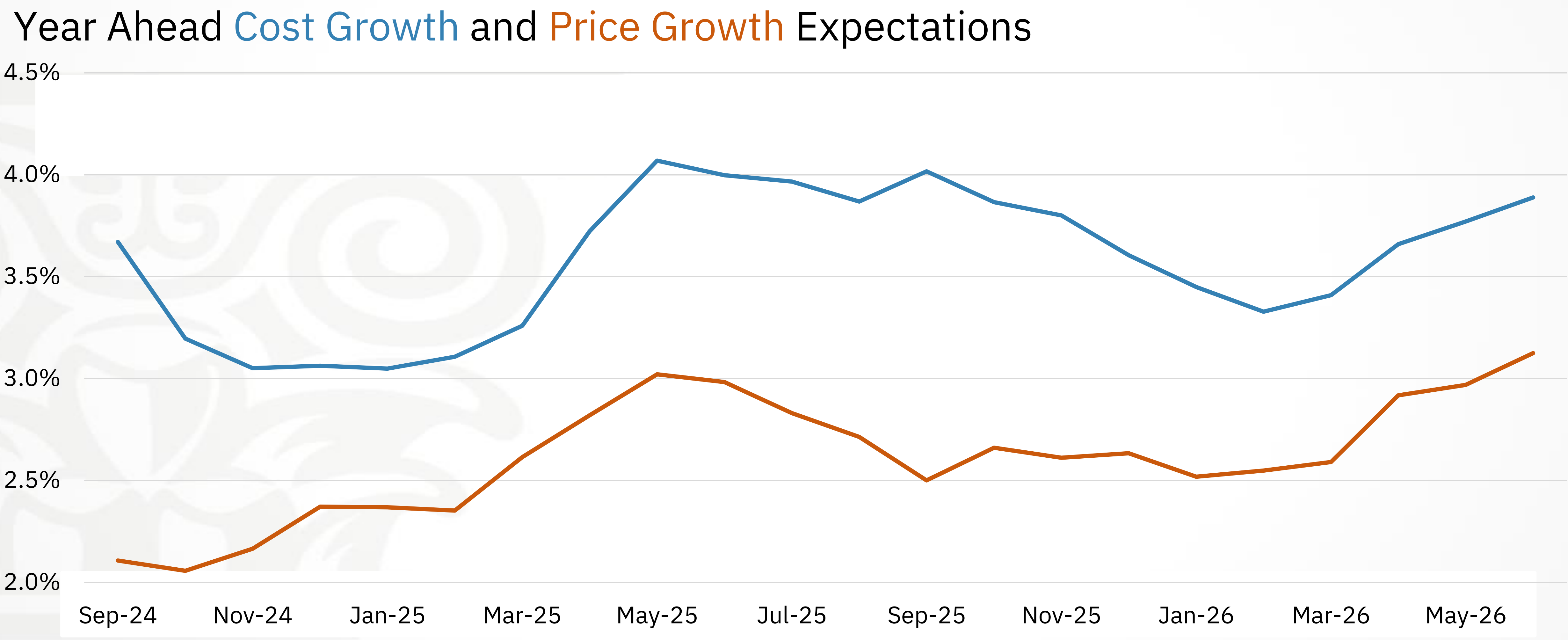
Business Outlook

Majority of firms expect demand to increase slightly or remain flat over the next 12 months.



Source: Federal Reserve Banks of Richmond and Atlanta, Duke University *CFO Survey Q2 2026*

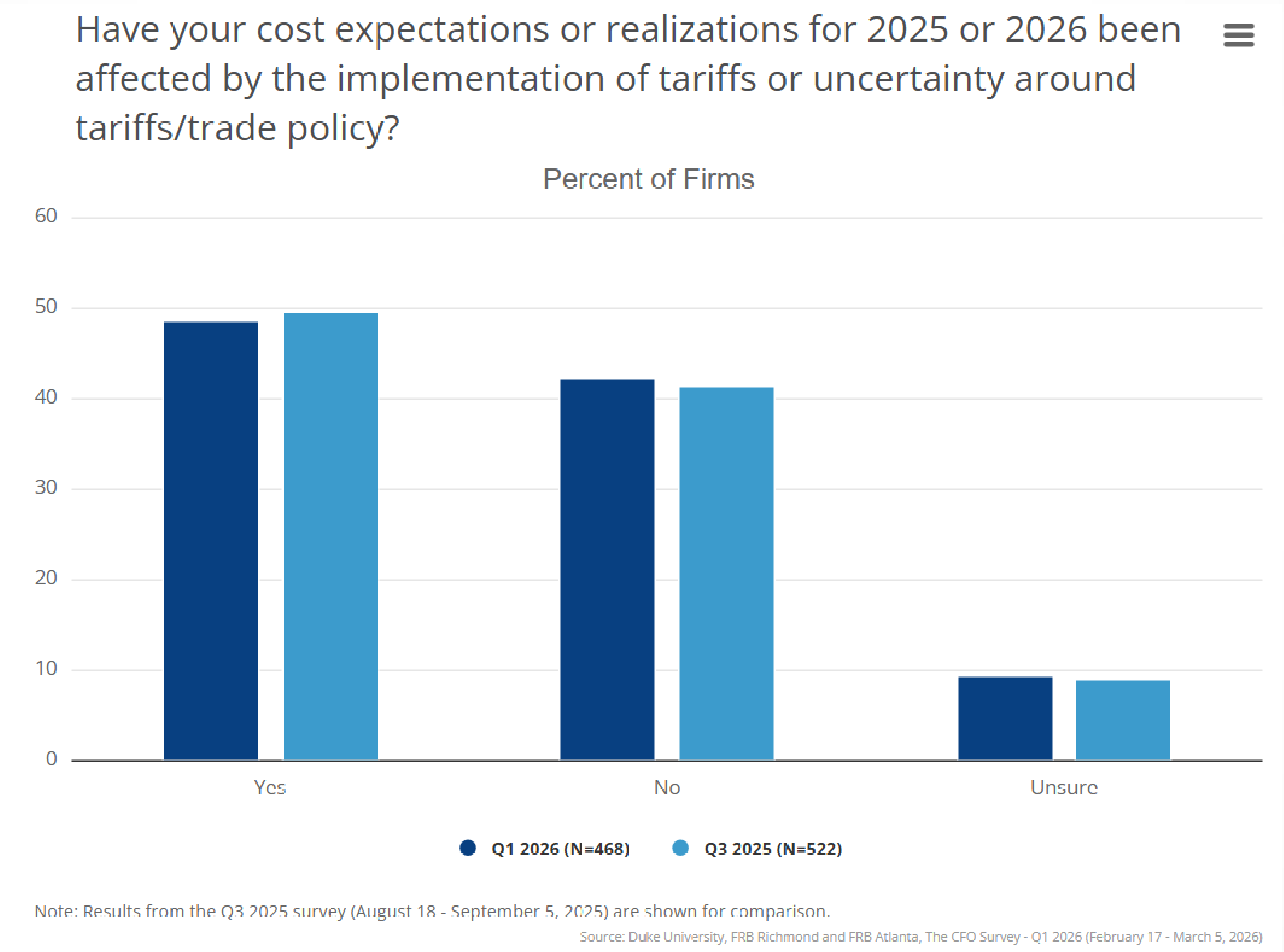
Firms in our Survey of Business Uncertainty continue to expect higher cost and price growth over the next 12 months. Both series have been increasing since the start of the Iran war, and there were no differences in expectations pre- and post the Islamabad MOU.



Data through June-2026

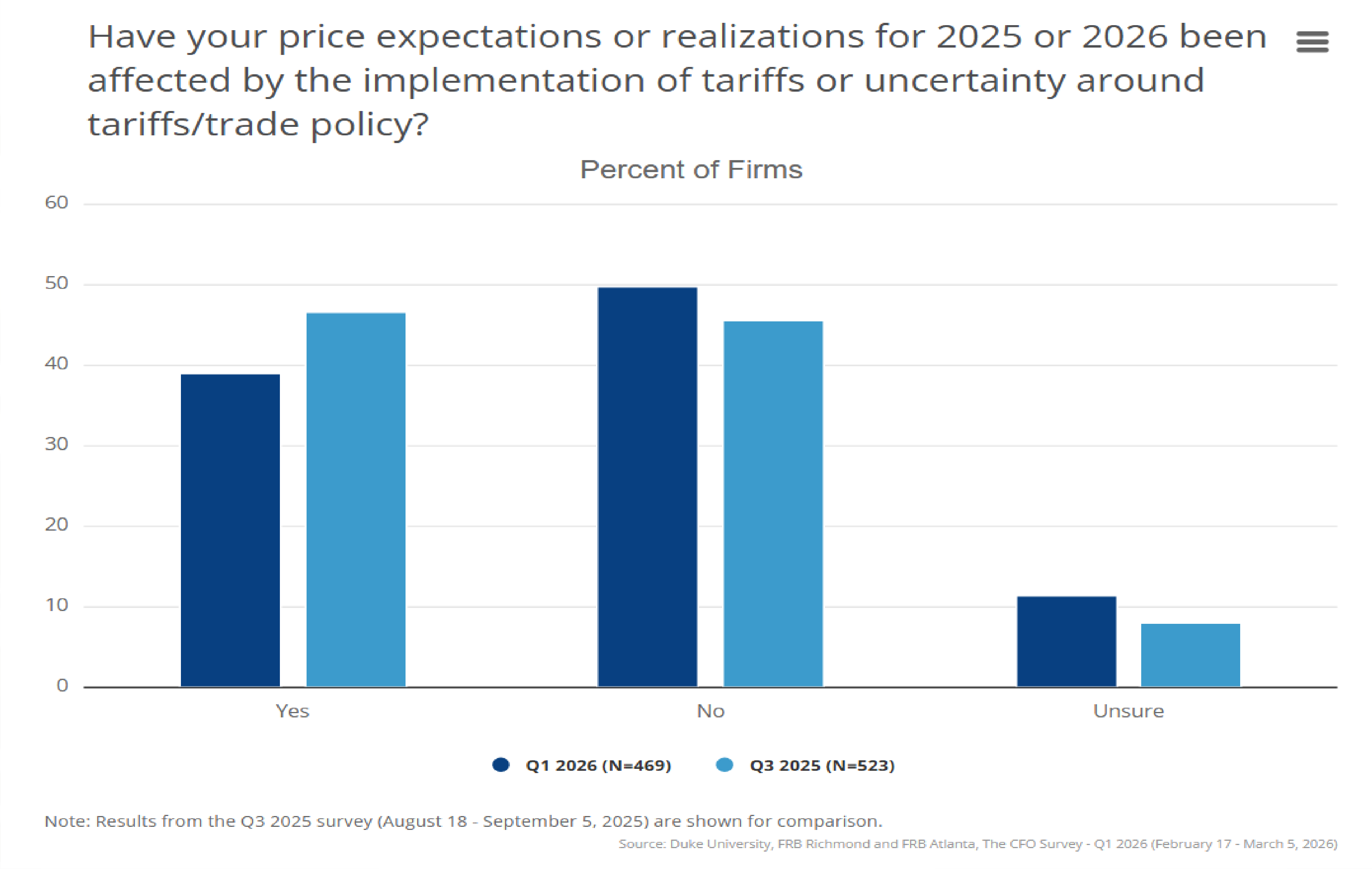
Business Outlook

Tariff policy continues to influence firms’ costs.



Source: Federal Reserve Banks of Richmond and Atlanta, Duke University *CFO Survey*

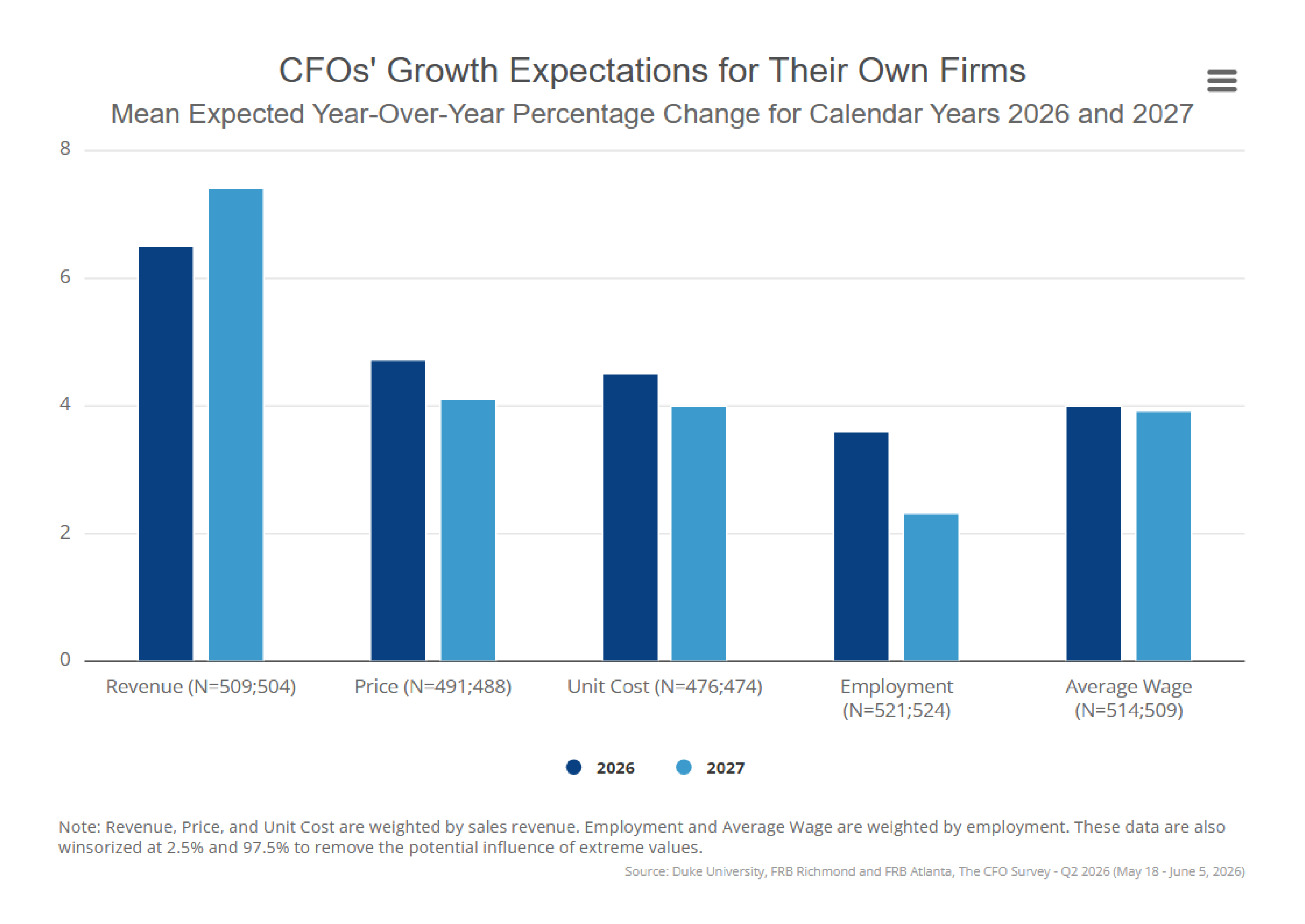
Tariff policy continues to influence firms' prices.



Source: Federal Reserve Banks of Richmond and Atlanta, Duke University *CFO Survey*

Business Outlook

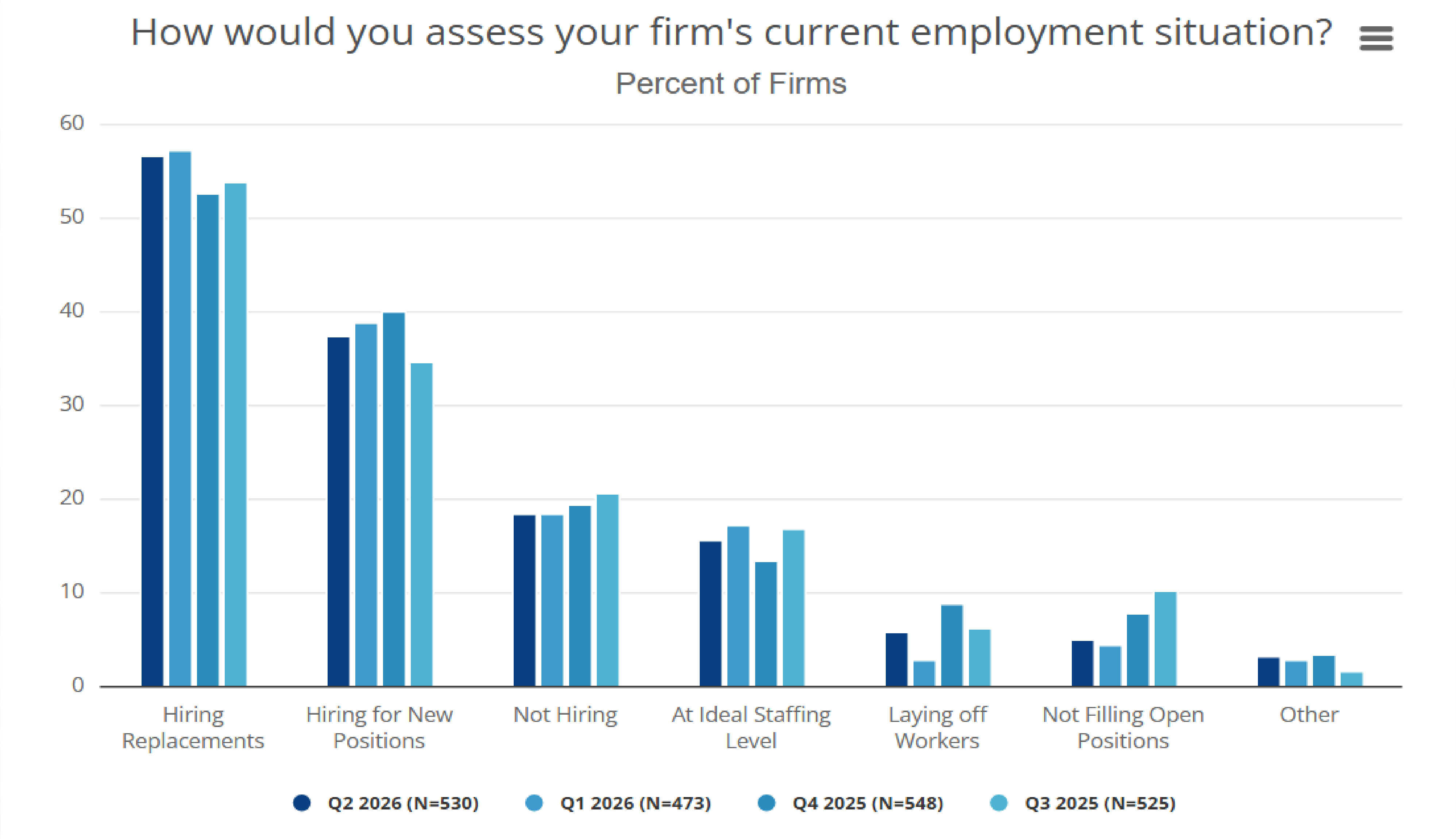
Most firms expect revenue growth in 2027 but anticipate limited growth in employment.



Source: Federal Reserve Banks of Richmond and Atlanta, Duke University *CFO Survey Q2 2026*

Business Outlook

Firms vary on their employment outlook for the remainder of 2026.

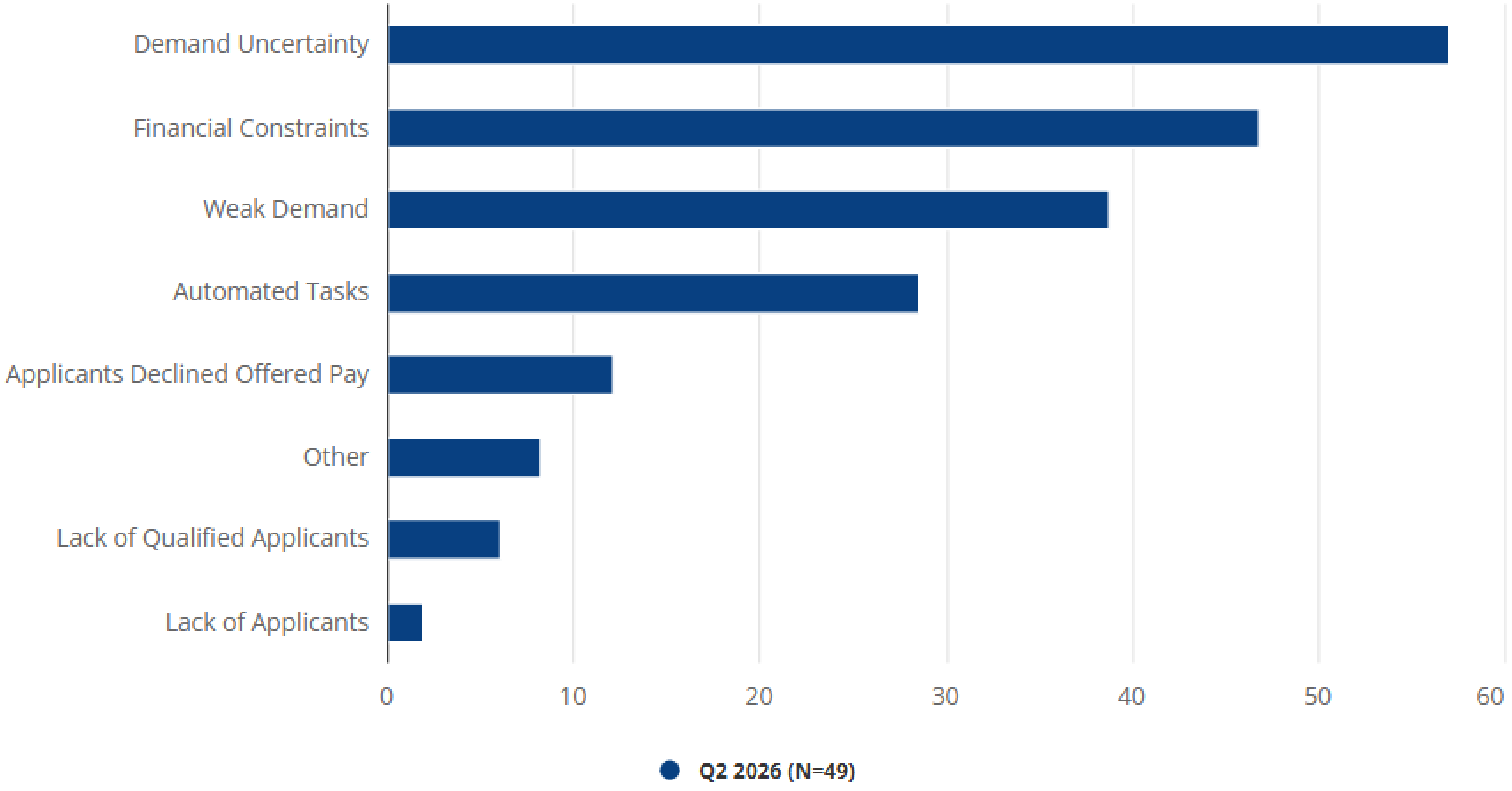


Source: Federal Reserve Banks of Richmond and Atlanta, Duke University *CFO Survey Q2 2026*

Demand Uncertainty and financial constraints on firms appear to be primary drivers of contraction.

Why are you laying off workers or declining to fill open positions?

Percent of Firms that Reported Laying Off Workers or Declining to Fill Open Positions



Note: Percentages do not sum to 100 because respondents could select more than one option.

Source: Duke University, FRB Richmond and FRB Atlanta, The CFO Survey - Q2 2026 (May 18 - June 5, 2026)

Source: Federal Reserve Banks of Richmond and Atlanta, Duke University *CFO Survey Q3 2025*

Business Outlook

Impacts of the Middle East Conflict on Firms

Figure 2: Increase in Oil Prices - Impact on Unit Costs to Date

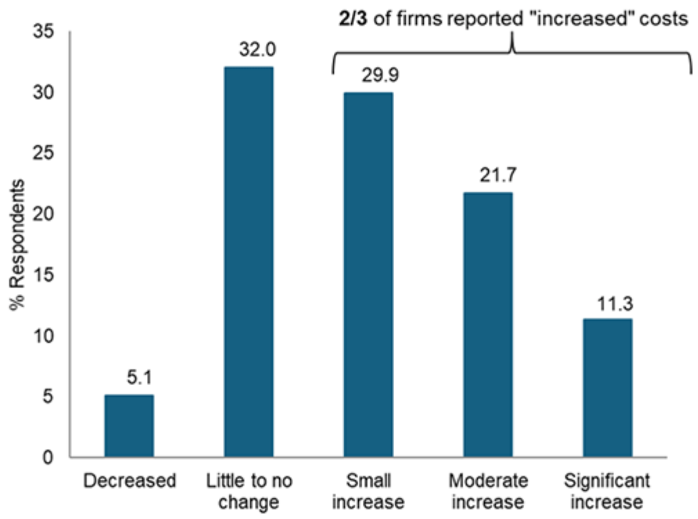


Figure 3: Increase in Oil Prices - Impact on Prices to Date

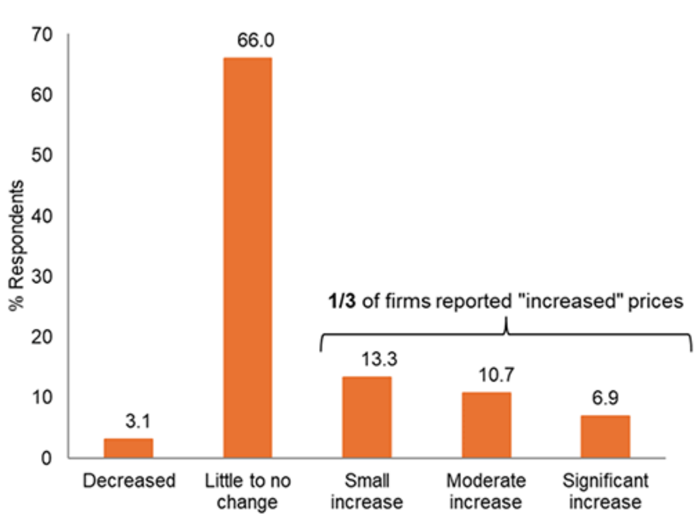
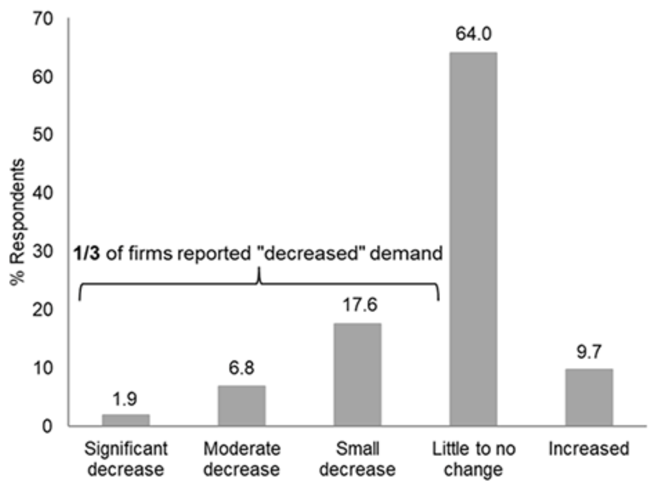
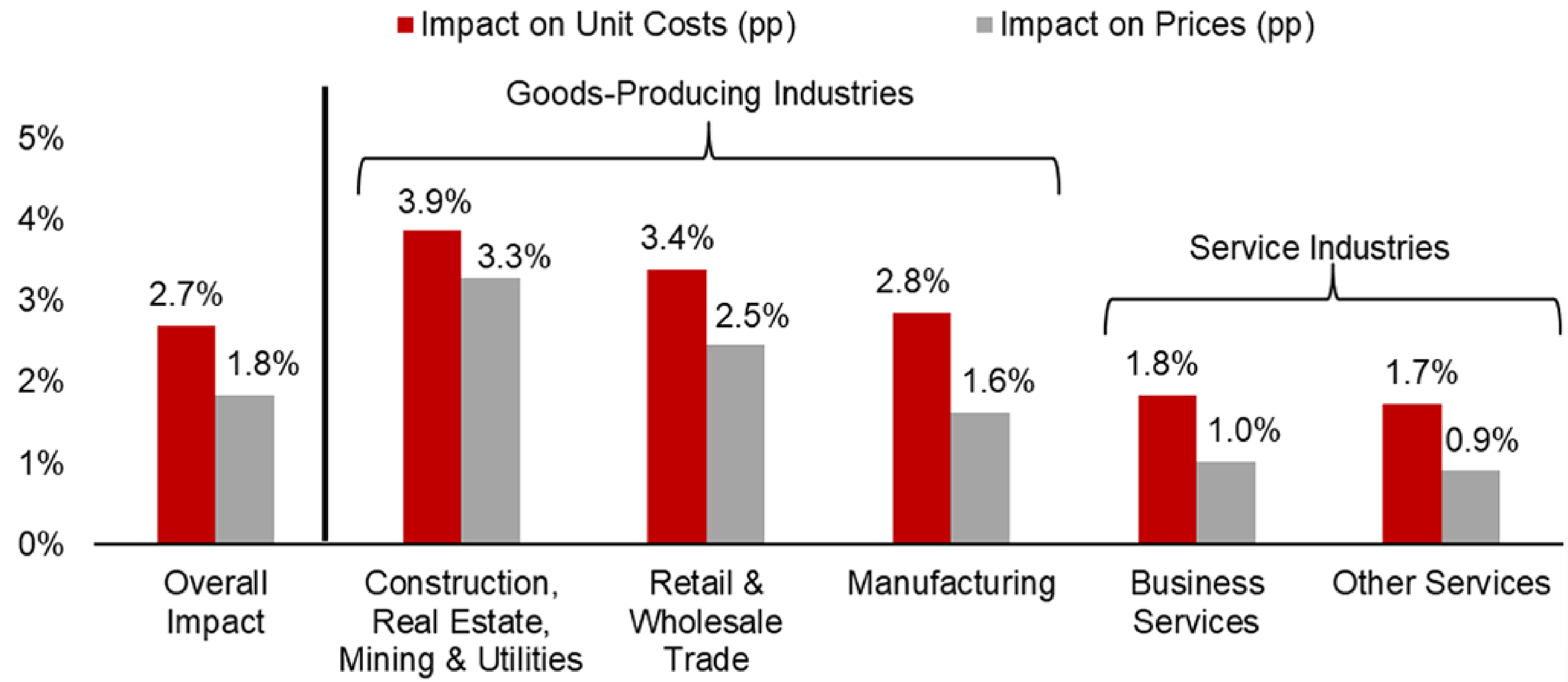


Figure 4: Increase in Oil Prices - Impact on Demand to Date



Impacts of the Middle East Conflict on Firms

Figure 5: Oil Price Impact to Date by Sector
Revenue-weighted mean (percentage point, pp)



Note: Categories mapped to numerical midpoints of given range, or assumed value for highest/lowest buckets. i.e., Significant decrease = -8% (or respondent-provided value).; Moderate decrease = -4%; Small decrease = -2%; Little/no change = 0%; Small increase = 2%; Moderate increase = 4%; Significant increase = 8% (or respondent-provided value).

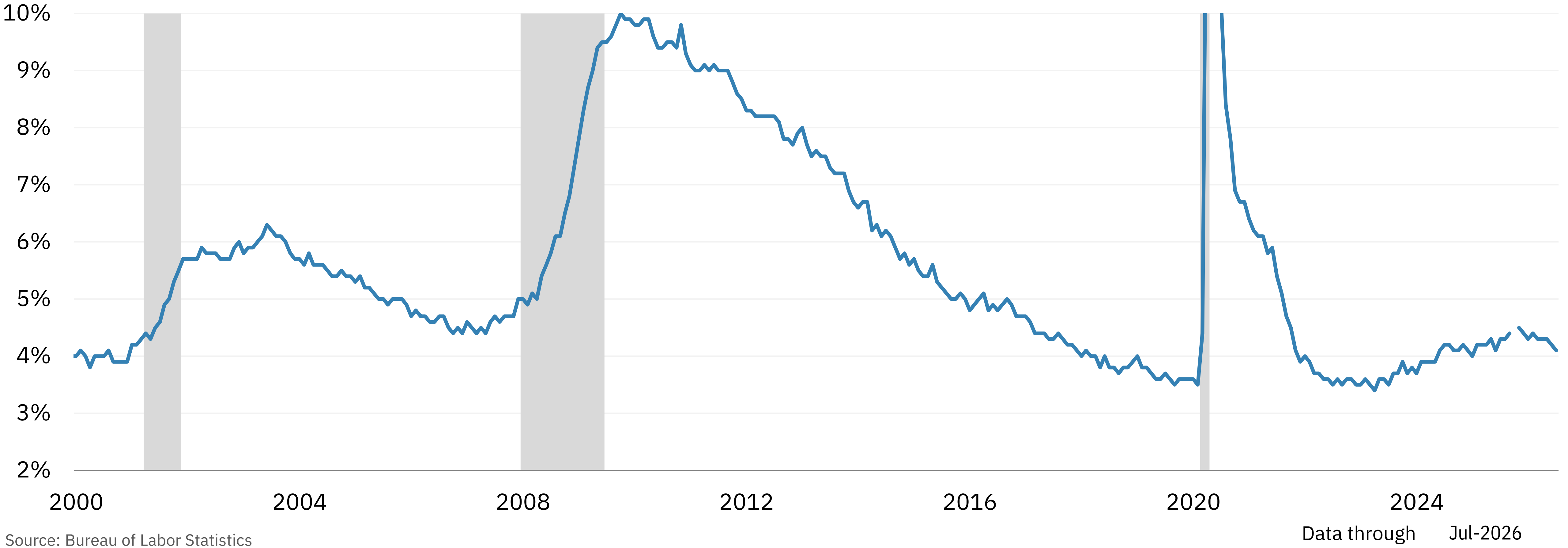
Key Points

Labor Markets

- Employment growth remains stable
- Labor supply could contract near-term
- Contacts generally holding employment levels flat and operating in a “low hire, low fire” environment

The unemployment rate remains at a level that is consistent with a labor market where supply and demand are roughly in balance

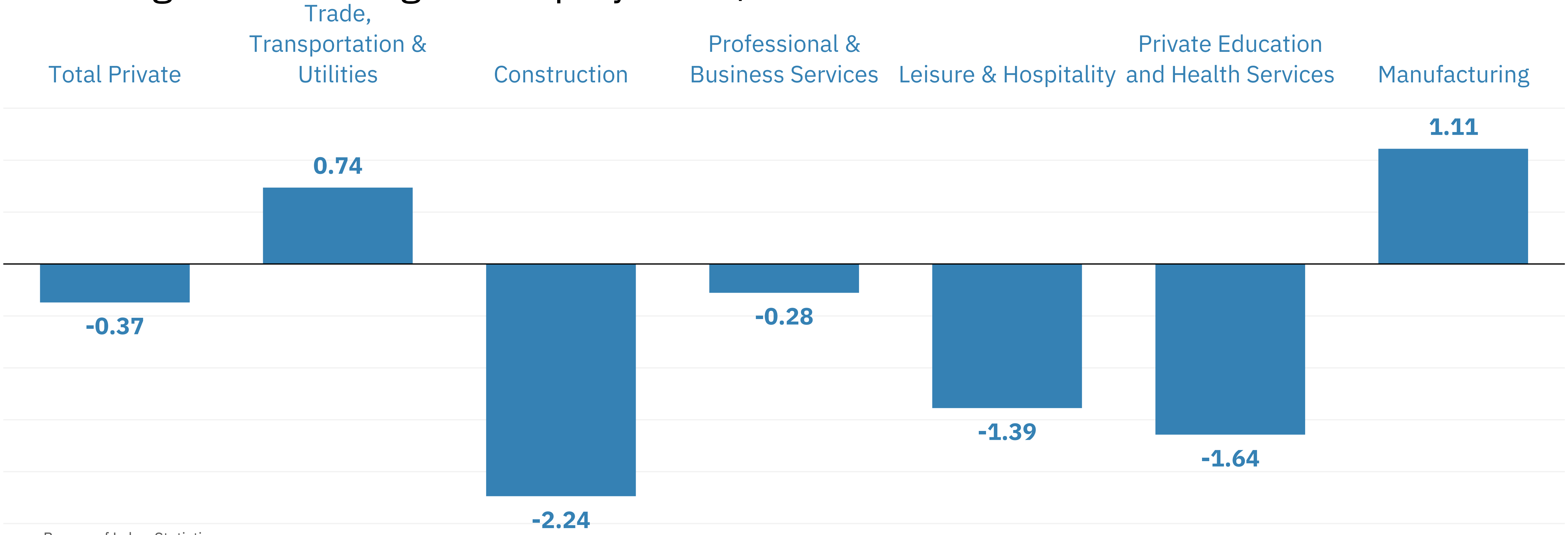
Unemployment Rate | seasonally-adjusted



Source: Bureau of Labor Statistics

Employment growth has moderated across multiple industries over the past six months

Percentage Point Change in Employment | Jan-2026 to Jul-2026

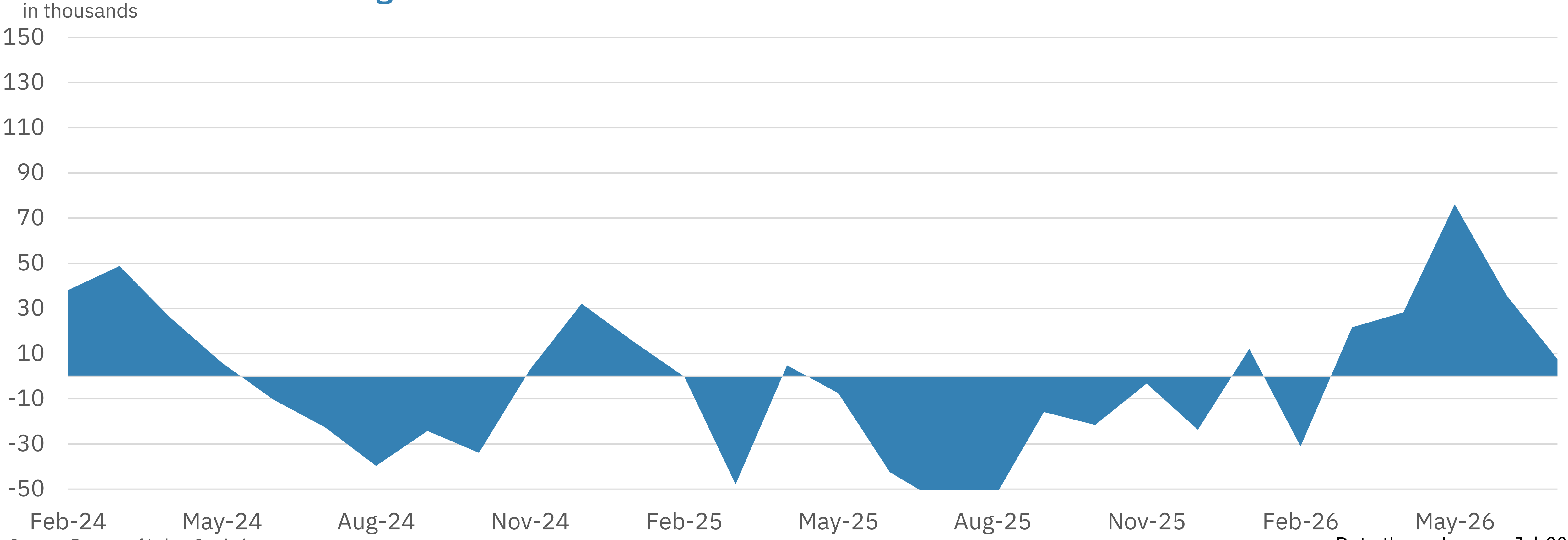


Source: Bureau of Labor Statistics
Note: Calculated as the difference between the 3-month percent change between the two periods.

Excluding healthcare and government sectors, employment growth has moderated in recent months

Nonfarm Payroll Employment | seasonally-adjusted 3-month moving average

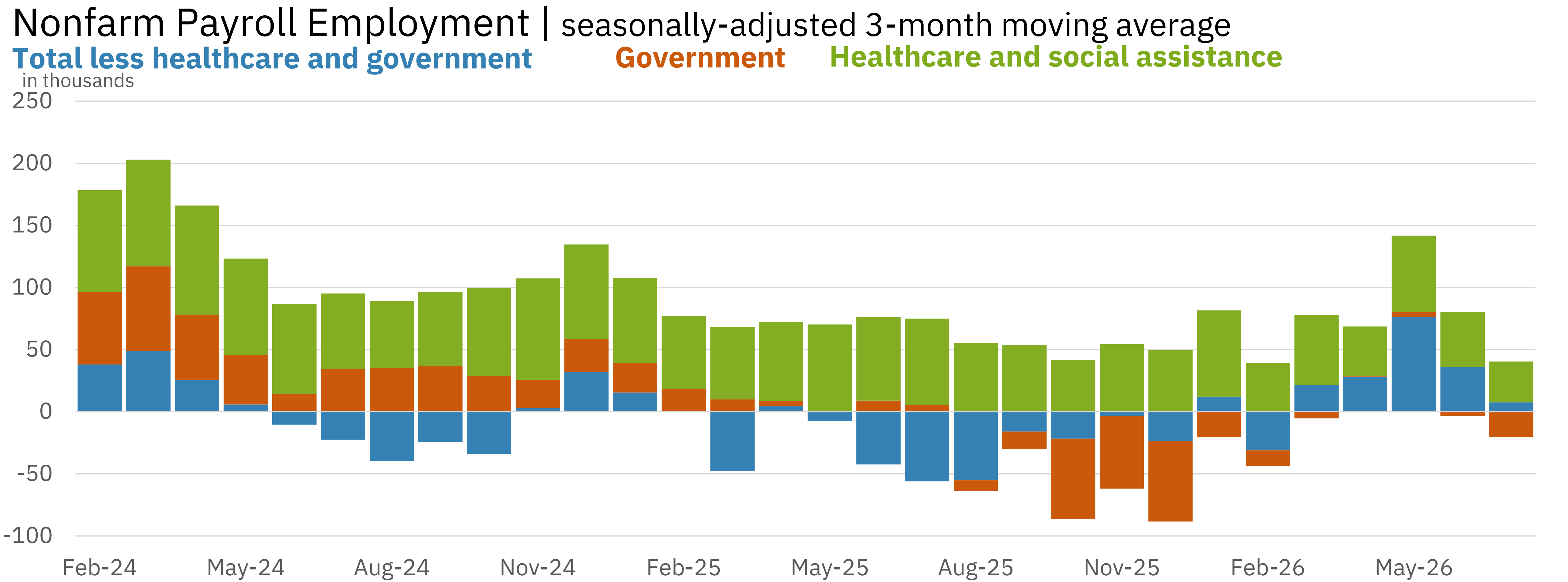
Total less healthcare and government



Source: Bureau of Labor Statistics

Data through Jul-2026

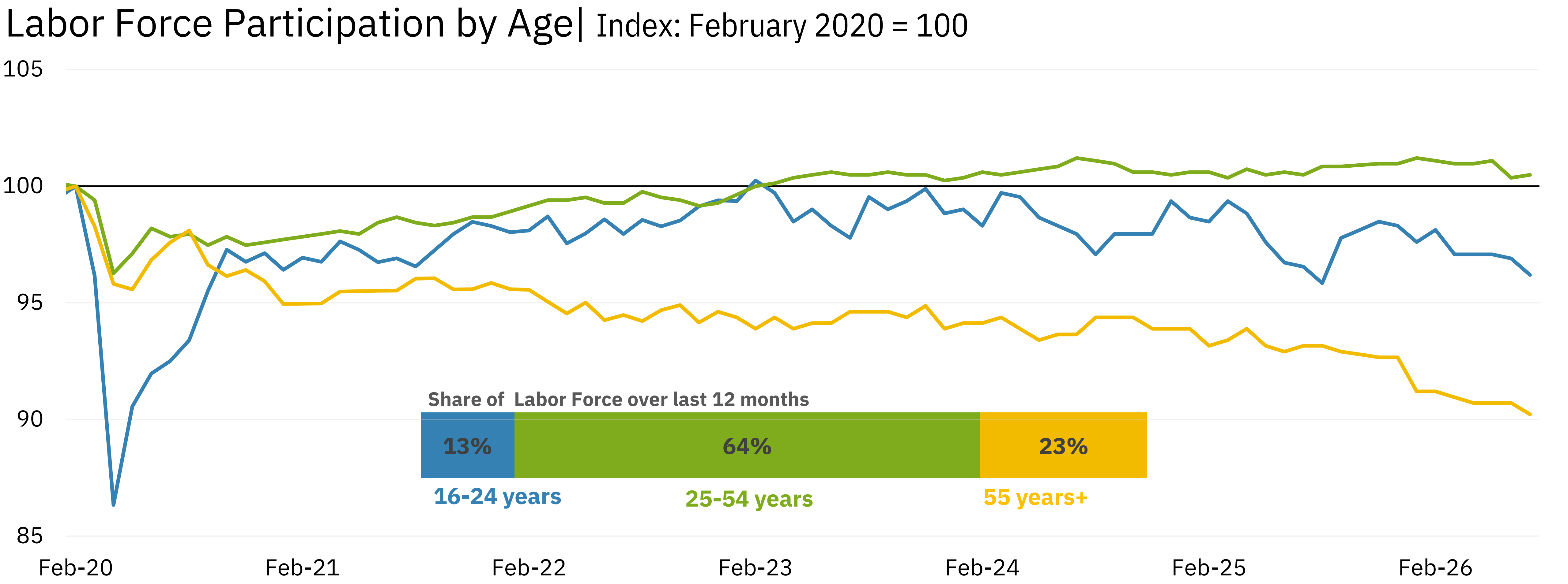
Employment growth has moderated in recent months



Source: Bureau of Labor Statistics

Data through Jul-2026

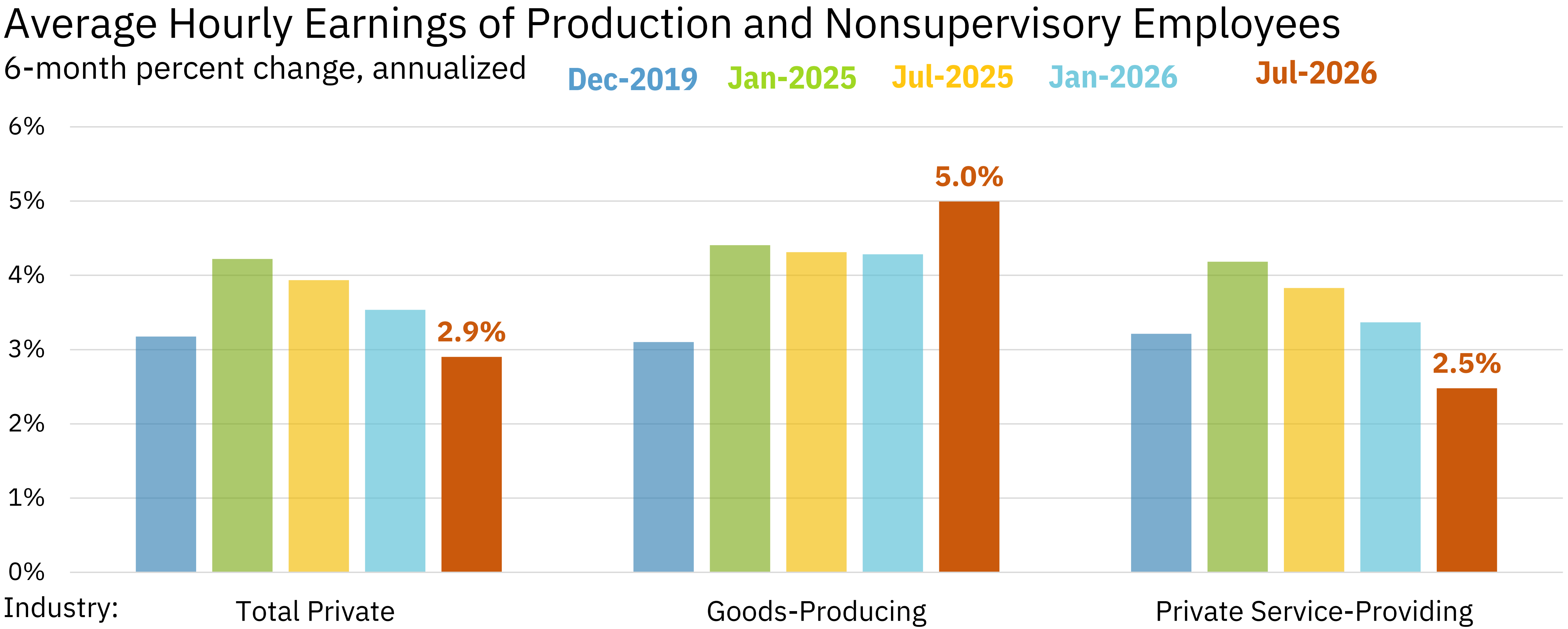
Labor force participation for prime age workers (ages 25-54) has remained strong while participation for younger and older workers (ages 16-24 & ages 55+) has weakened over the past year



Source: Bureau of Labor Statistics and staff calclulations to historically adjust for population controls Jan-12 through Dec-23.

Data data through Jul-2026

Wage growth over the past six months returned to levels close to the pre-Covid period with the exception of wage growth in goods-producing industries, which remains elevated

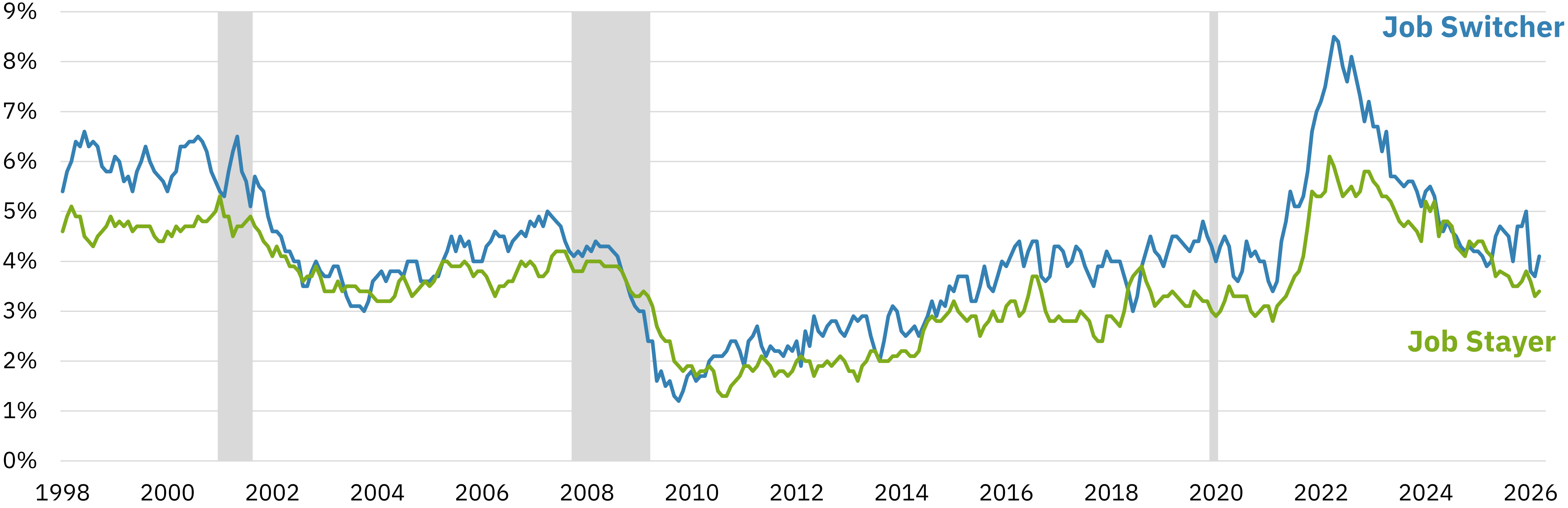


Source: Bureau of Labor Statistics

Data data through Jul-2026

Wage growth has declined for both job stayers and job switchers relative to a year ago

Nominal Wage Growth Tracker | 3-month moving average

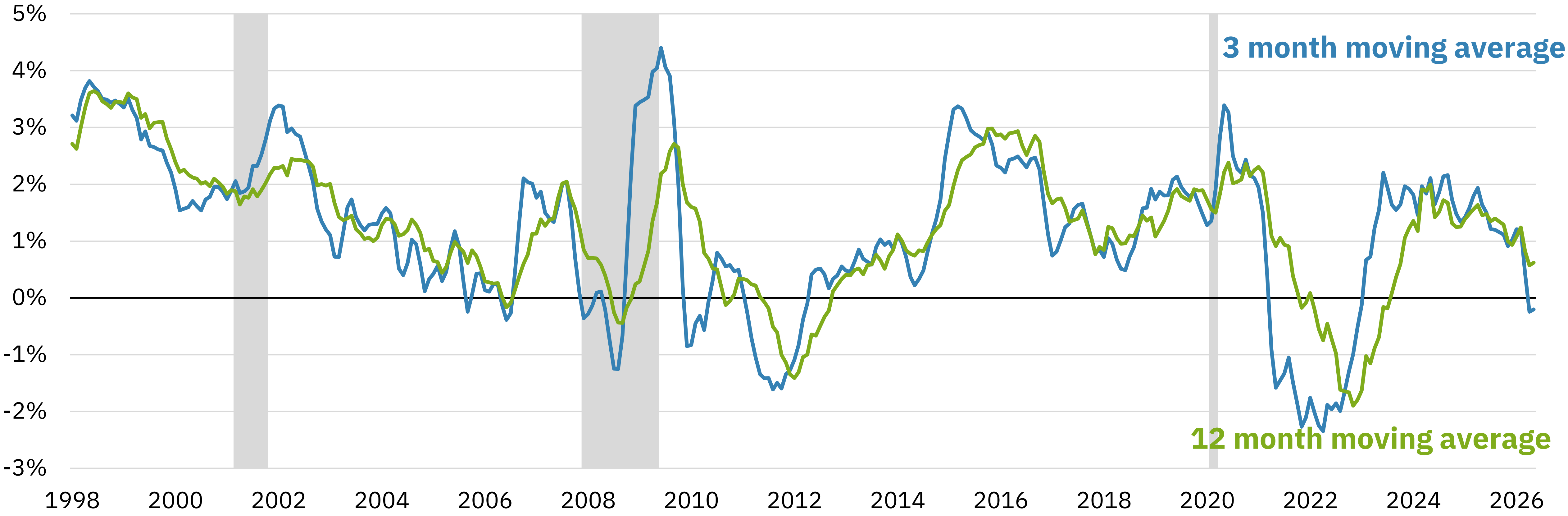


Sources: Current Population Survey, Bureau of Labor Statistics, and Federal Reserve Bank of Atlanta
Data updates can be found at https://www.frbatlanta/chcs/wage-growth-tracker.

Data through Jun-2026

Real wage growth has decelerated over the past year

Real Wage Growth Tracker | 3-month moving average

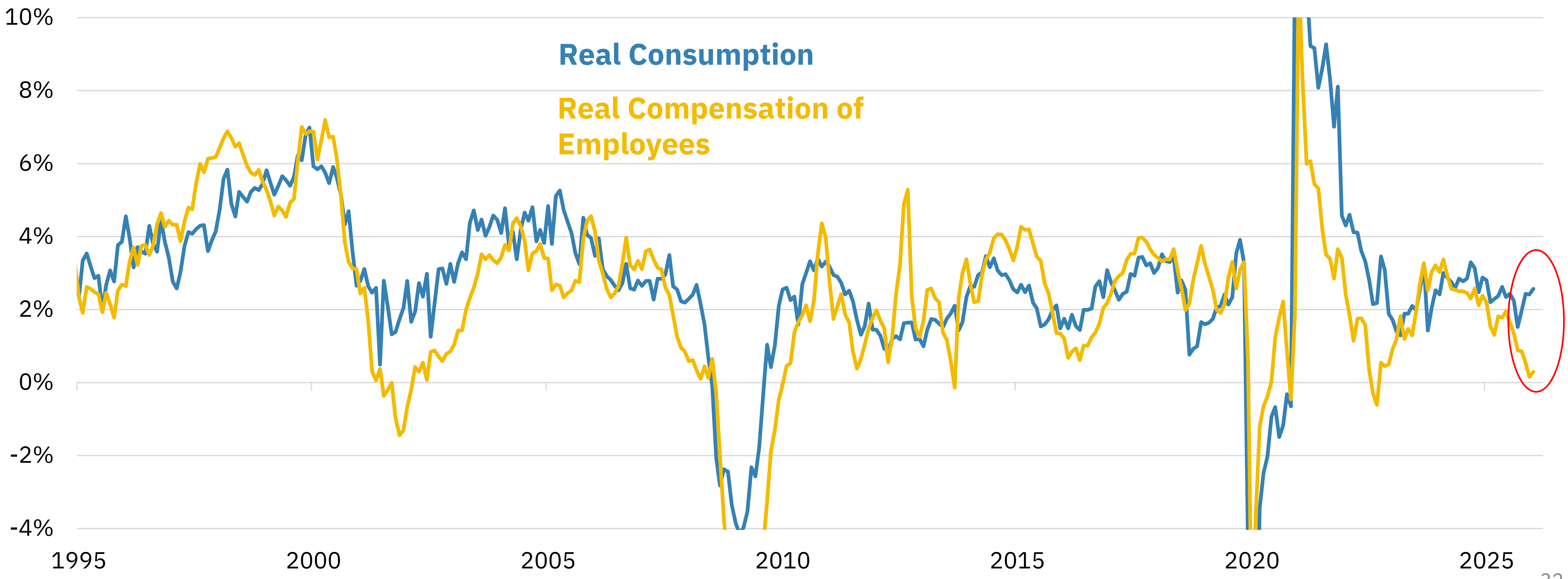


Sources: Current Population Survey, Bureau of Labor Statistics, and Federal Reserve Bank of Atlanta
Data updates can be found at https://www.frbatlanta/chcs/wage-growth-tracker.

Data through Jun-2026

Something's got to give here...

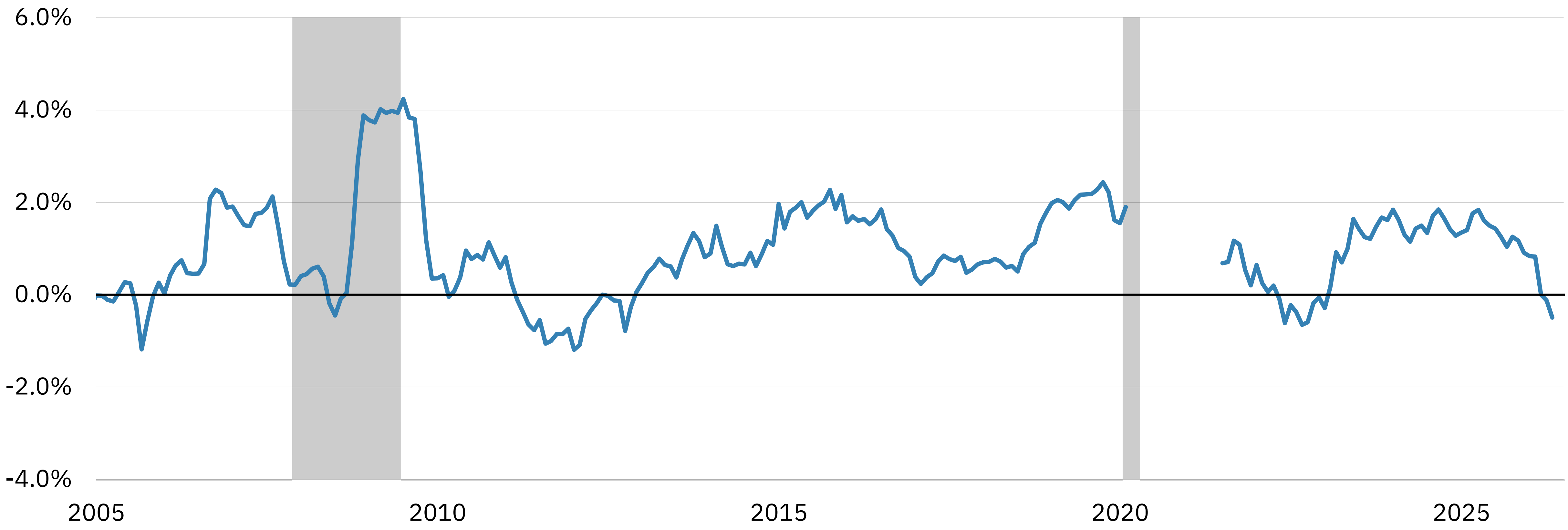
Real Labor Compensation and Consumption | 12-month percent change



Source: Bureau of Economic Analysis

Risk to the outlook: Real average hourly earnings growth has dipped into modestly negative territory, as nominal wage growth has not kept up with the recent rise in inflation, suggesting that households' financial situations are worsening.

Real hourly earnings | 12-month growth rate



Note: The wage series has been deflated by PCE Price Index. March 2020-June 2021 period has been removed from chart because the severity of the COVID pandemic distorted the average hourly earnings measure of wage growth. Data from US Bureau of Labor Statistics, US Bureau of Economic Analysis, and Haver Analytics.

Data through May-2026

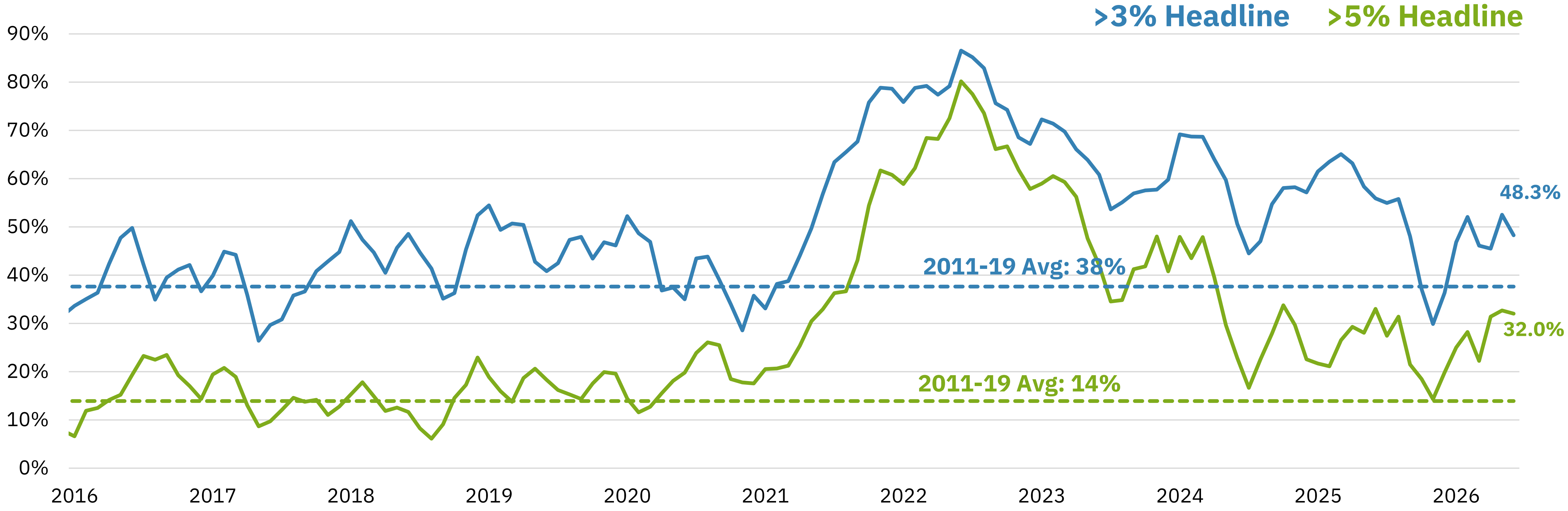
Key Points

Inflation

- Inflation is still above target
- Gathered evidence points to a broadening-out of Middle East Conflict price pressures
- Tariff-passthrough to prices appears to be a drawn-out process.

The share of the consumer basket with prices increasing at a rate greater than 3 and 5 percent has remained elevated relative to pre-Covid levels

Share of CPI Inflation Rising at Rates in Excess of 3 or 5 Percent | 3-month moving average

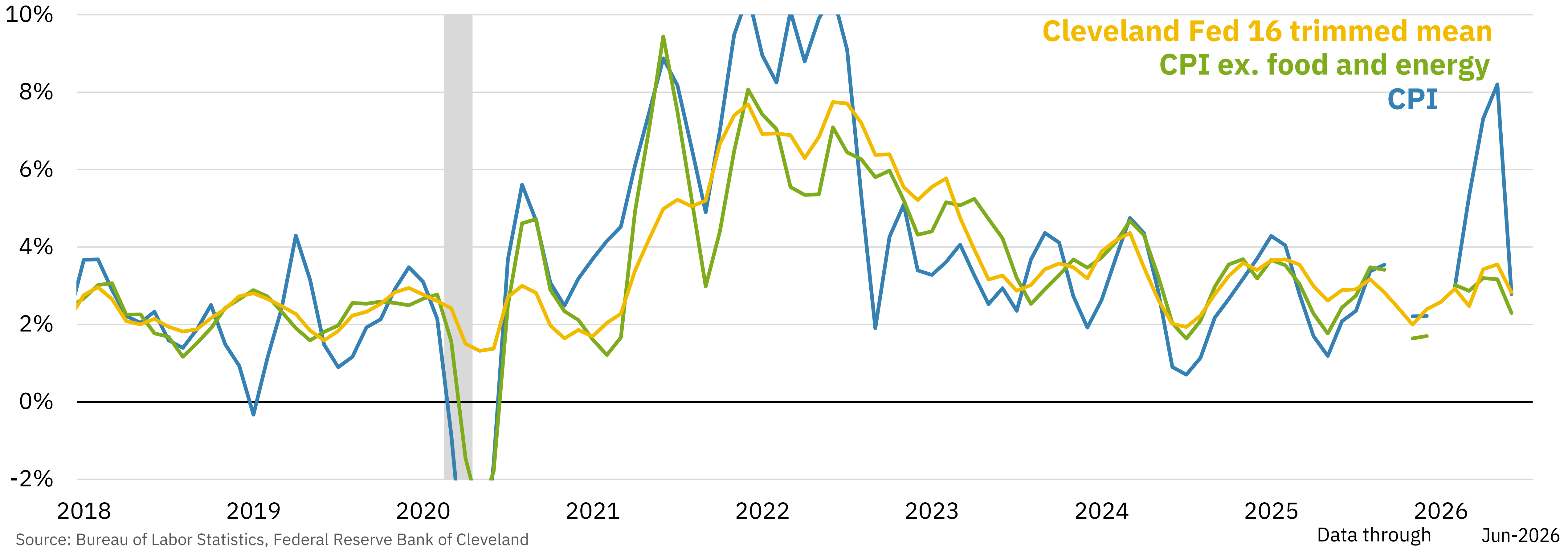


Data through May 1

Source: Bureau of Economic Analysis; author's calculations

Headline CPI inflation remains elevated

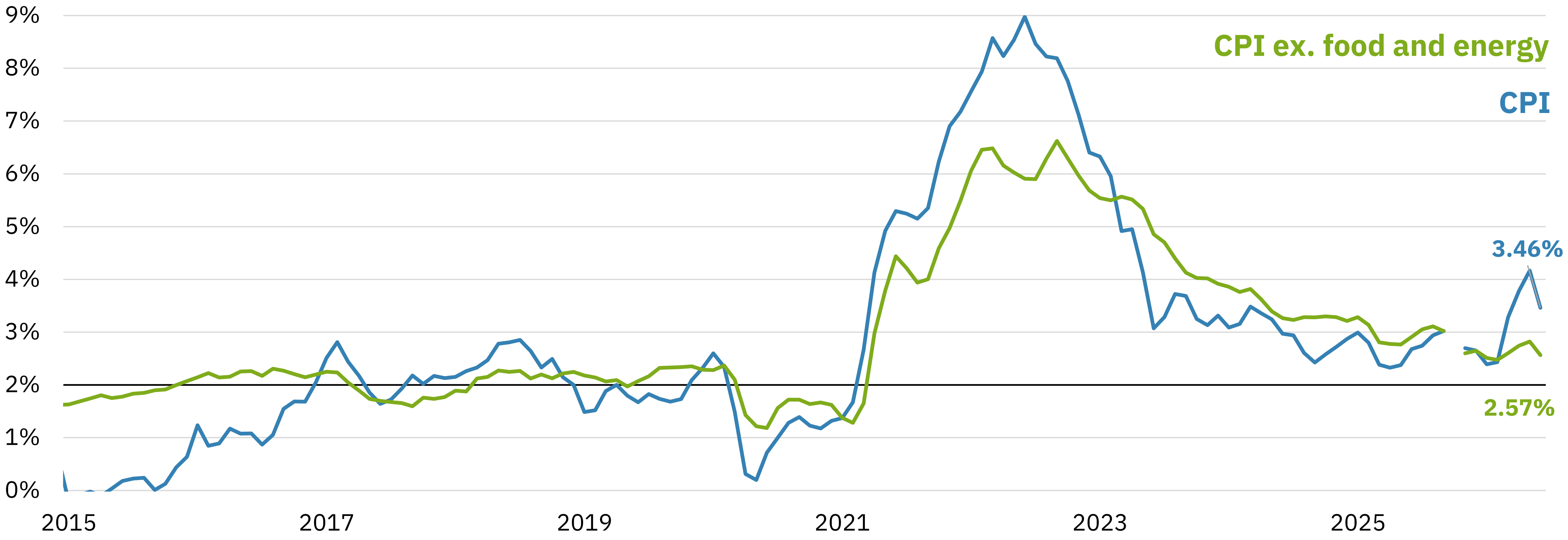
Consumer Price Index (CPI) | 3 month percent change, annual rate



Source: Bureau of Labor Statistics, Federal Reserve Bank of Cleveland

The 12-month CPI inflation rate remains above the FOMC's target.

Consumer Price Index (CPI) | 12-month percent change, annualized

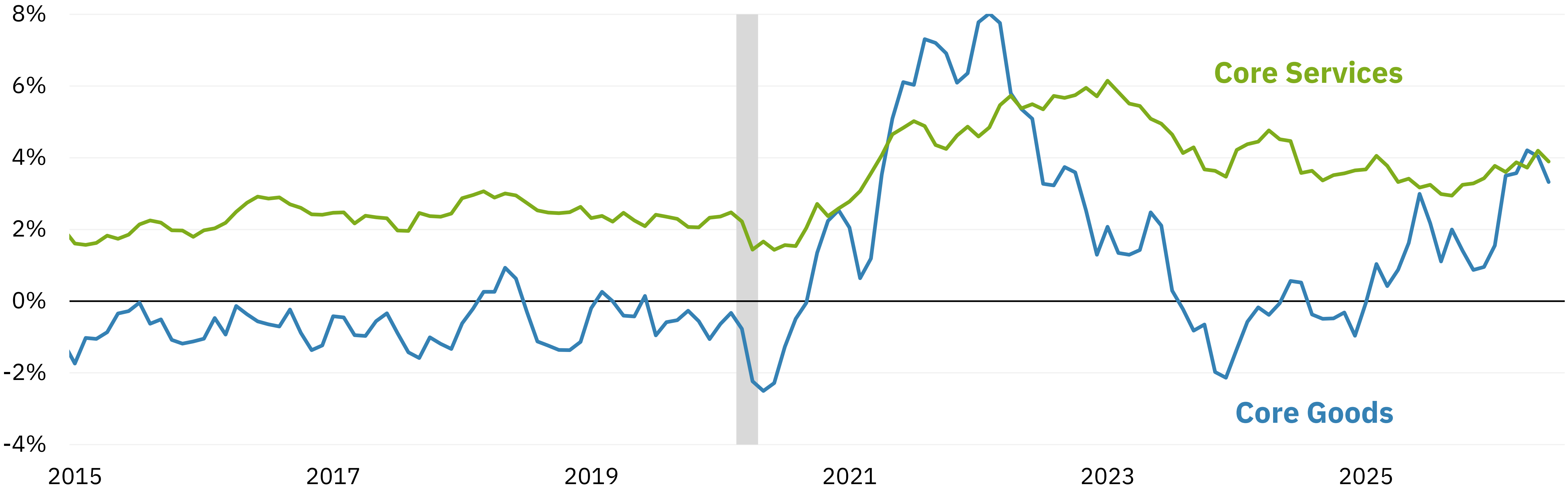


Source: Bureau of Labor Statistics

Data through June-2026

The rate of increase for prices of core goods has steadily increased over the past year due in part to the impact of higher tariff, energy, and shipping costs

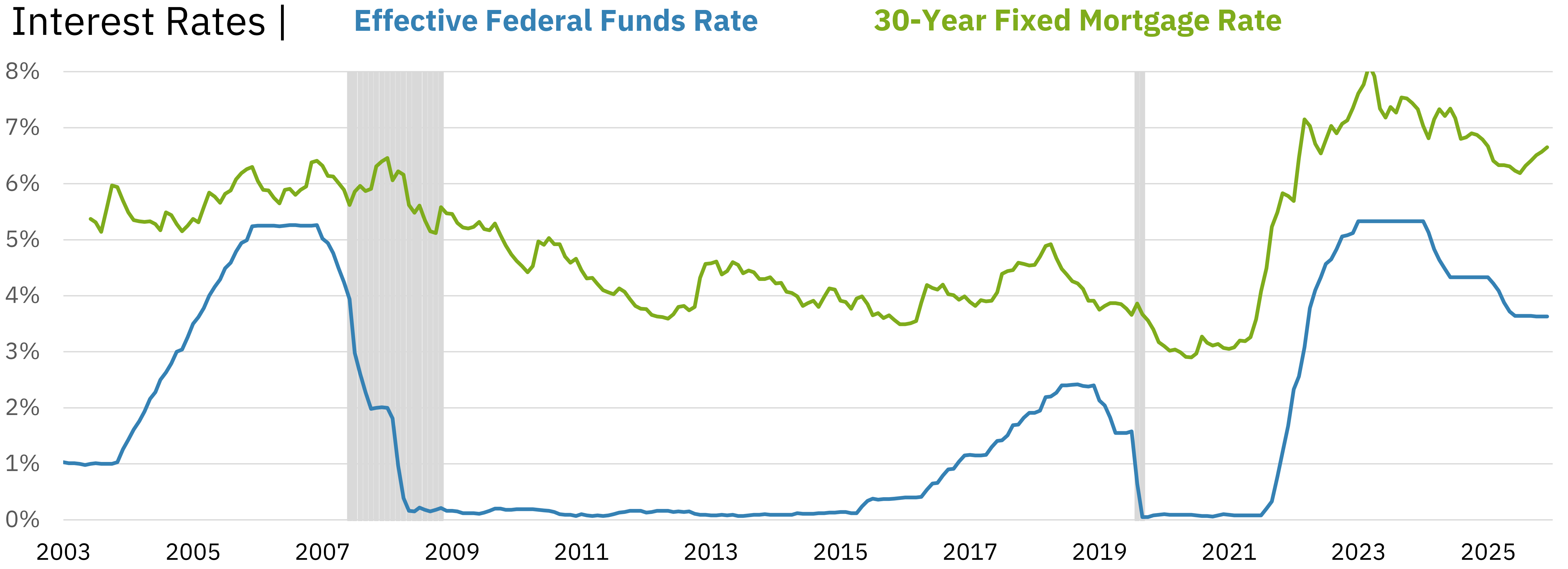
Personal Consumption Expenditures (PCE) Price Index | 6-month percent change, annualized



Data through Jun-2026

Source: Bureau of Economic Analysis

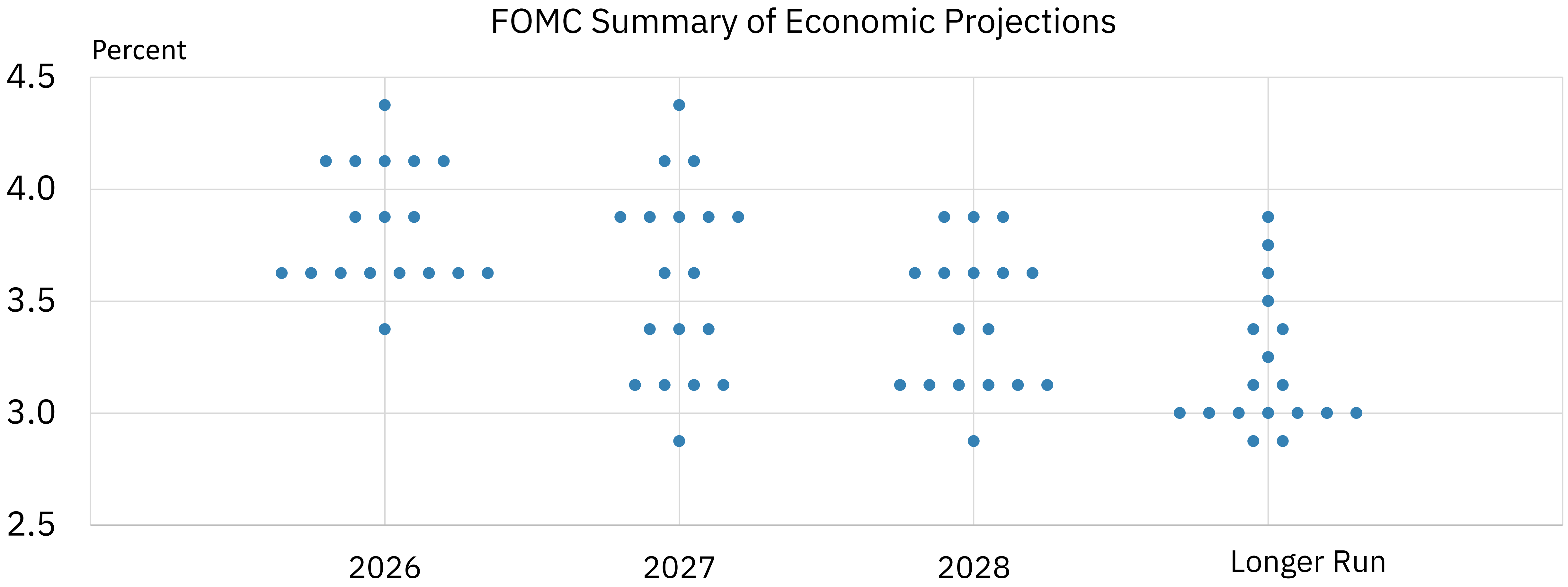
The Federal Reserve began the process of normalizing the federal funds rate in 2024



Source: Federal Reserve Board, Wall Street Journal

Data through Jul-2026

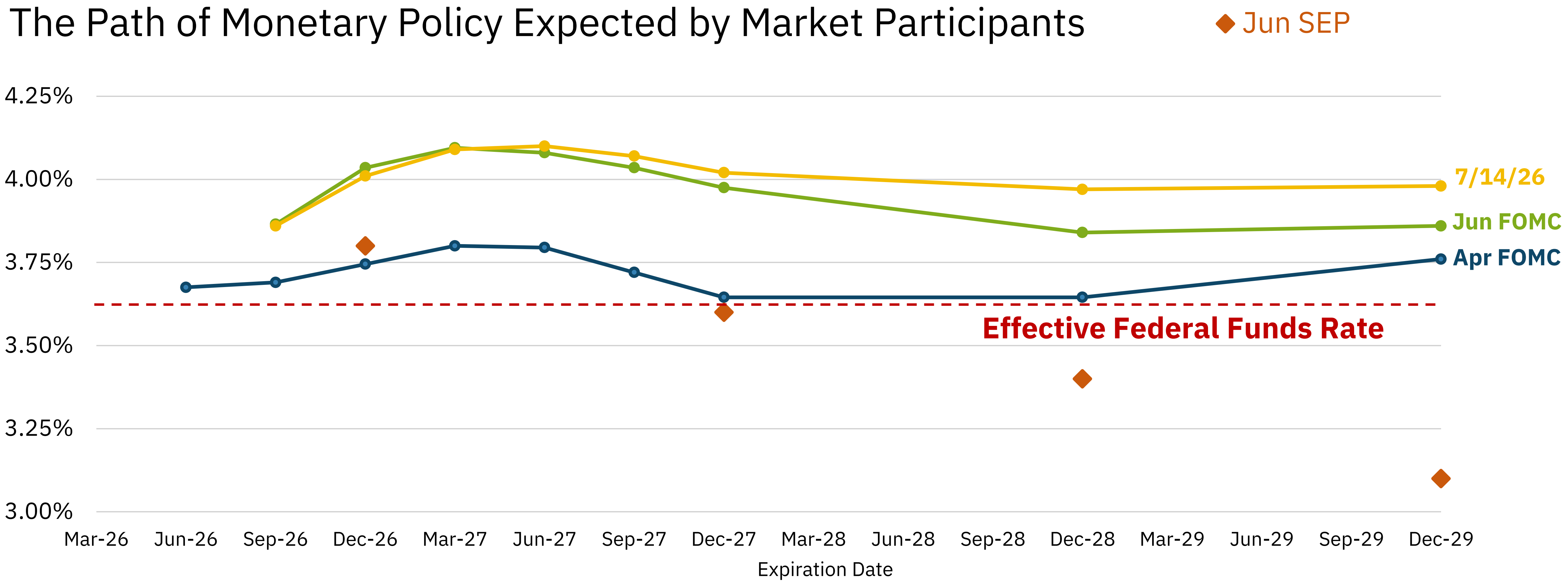
FOMC participants expect to lower the federal funds rate to its longer run level over the next two years



Source: Board of Governors of the Federal Reserve System.

Data through June 17, 2026

Financial market participants expect one rate hike as early as September.



Note: Data based on the prices of 3-month Secure Overnight Funding Rate (SOFR) futures with quarterly expiration dates.
Sources: CME Group, Federal Reserve Board of Governors, Atlanta Fed Market Probability Tracker www.frbatlanta.org/mpt

Forecast through 2029

Key Points

Risks to the Outlook

- Inflation is not at target and it is moving away
- Prices are already high, and the evidence suggests price pressures will move higher in the near term.
- Labor markets appear to be roughly balance but may be moving away

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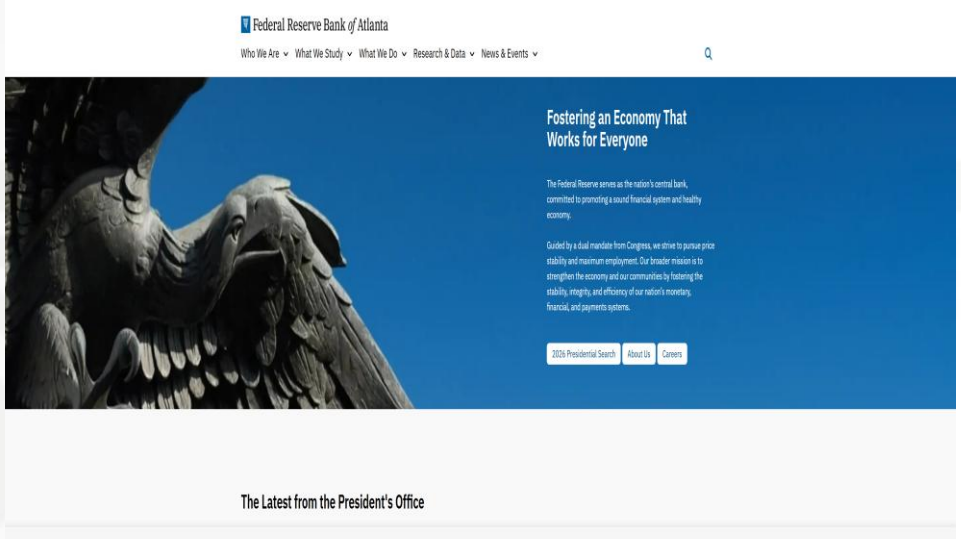

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