



2026 NFP U.S.

Benefits Trend Report: Cost Containment

Recalibrating strategy across key cost drivers and understanding the priorities shaping organizations.

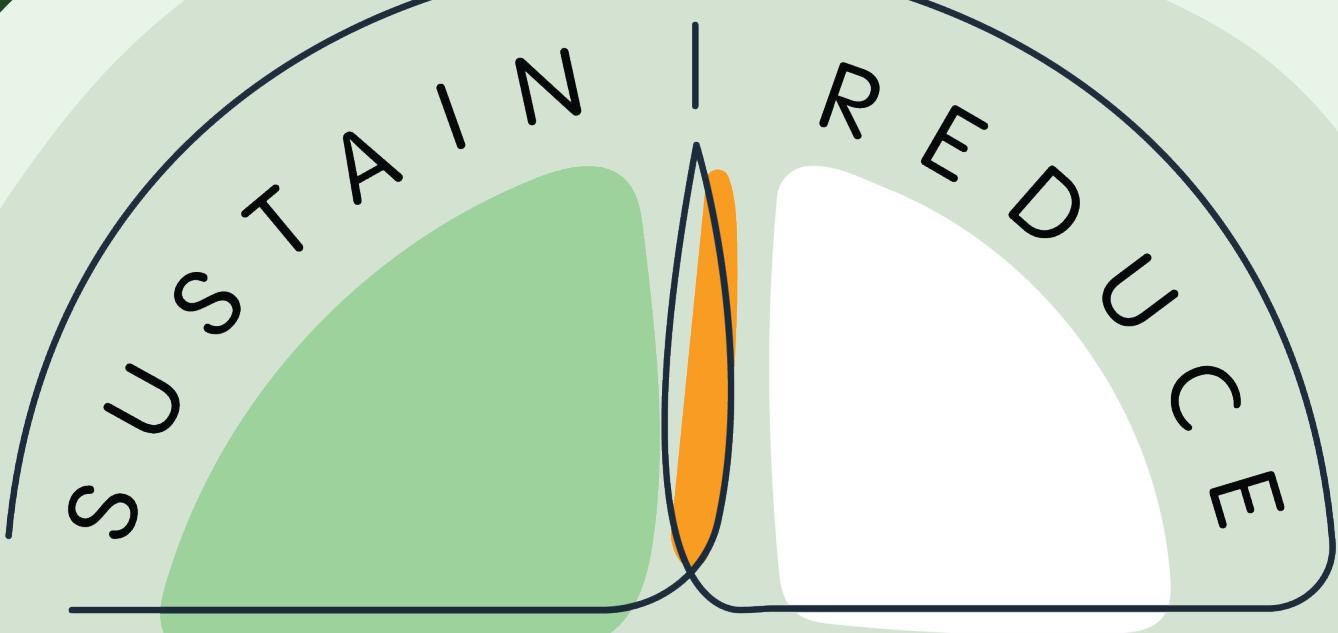


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A Letter from Kim and Beth

The benefits landscape is shifting in ways that are both familiar and fundamentally new. Costs are on the rise, as are expectations, and the pace of change shows no signs of slowing. As leaders are being asked to manage uncertainty with more precision and support their people with more intention, yesterday's solutions are no longer meeting the needs of today.

What we heard in this year's research is a story of dual pressures. Employers are contending with structural cost drivers across the workforce, the growing complexity of care and the expansion of new, high-cost treatments like GLP-1s. At the same time, employees are carrying greater financial strain and looking to their employers for help, stability and support. These pressures magnify each other. When the cost of care becomes harder to manage, it becomes harder for employees to thrive. And when employees struggle to thrive, employers feel it in every corner of the business.

This moment is also defined by opportunity. Organizations are rethinking outdated approaches, embracing new technologies and using data to make smarter, more confident decisions. They are sharpening their understanding of what people need, expanding the definition of what a benefits program can deliver and recognizing that employee experience and organizational resilience are inseparable.

Across industries, we're seeing leaders shift from a transactional view of benefits to a strategic one that balances financial stewardship with the responsibility to care for a workforce under growing strain. Leaders know that cost containment and employee wellbeing are not competing priorities. They are two sides of the same path forward.

NFP's teams have the privilege of walking that path with you. Our role has always been to help employers see around corners, interpret complexity and build strategies that reflect both the realities of today and the possibilities of tomorrow. This year's report captures those realities with clarity and looks ahead with optimism. We hope it helps you take your next step with confidence.

A handwritten signature of the name "Kim Bell" in black ink.

Kim Bell
EVP, Head of Health and Benefits

A handwritten signature of the name "Beth Robertson" in black ink.

Beth Robertson
Co-Leader, Health and Benefits

Key Takeaway

Cost Containment

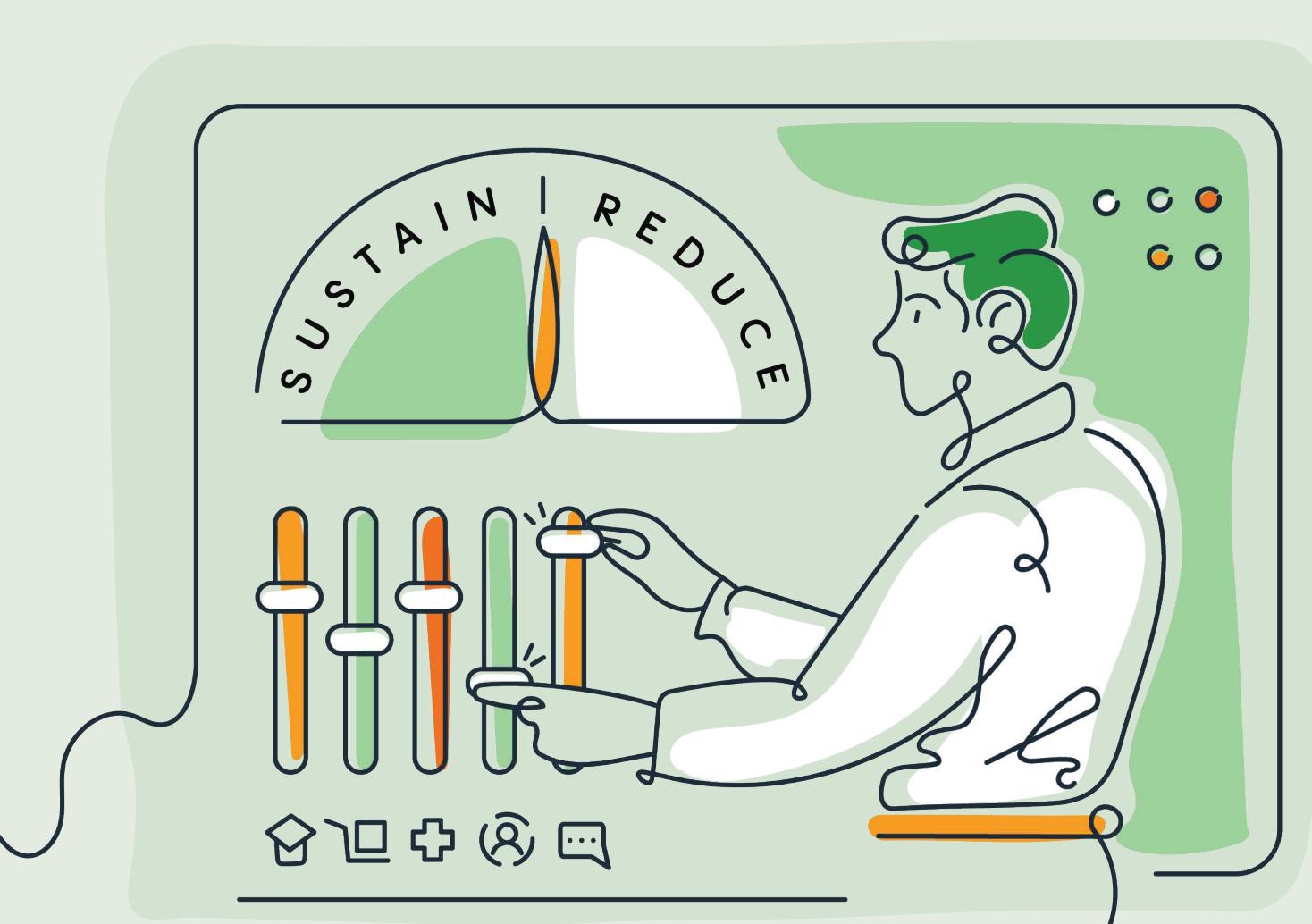
Employers expect healthcare costs to rise, so many are increasing budgets.

44%

of employers anticipate higher medical/Rx benefit budgets next year, driven by inflation, medical claims and chronic-condition trends.

Facts and figures are from NFP's 2025 employer and employee benefits trends surveys unless otherwise indicated.

The majority of employer respondents (76%) represented organizations with 1,000 employees or fewer. Employee respondents included a mix of ages, genders and income levels, and the majority (89%) were full time employees. See "About the Data" on page 10 for a full overview of the survey population.



Cost Containment

Balancing Rising Pressures with Smarter Strategy

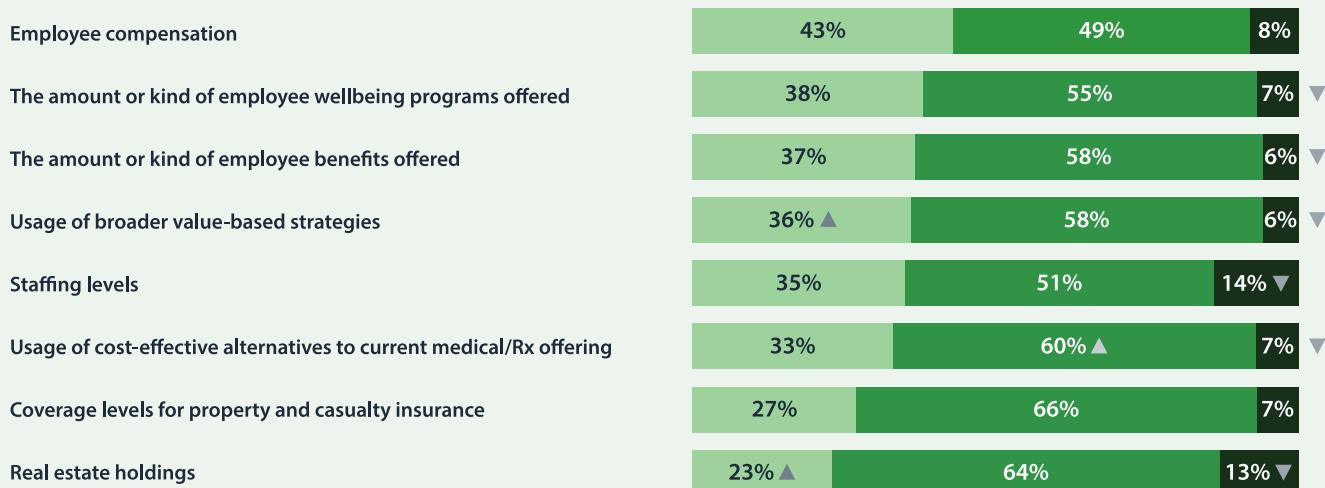
While pharmacy costs remain a major pressure point, employers are entering 2026 with a broader challenge: healthcare spending continues to rise. According to our data, employers anticipate that broader economic conditions will affect their benefits programs in the year ahead. Almost half (44%) expect their healthcare budget to go up in the next plan year.

And although our survey shows slight softening in macroeconomic concerns and fewer expected negative business impacts, even modest trend increases strain budgets. This year's more substantial movement is intensifying that strain amid ongoing inflation and workforce pressures.

Concern About U.S. Economic Situation



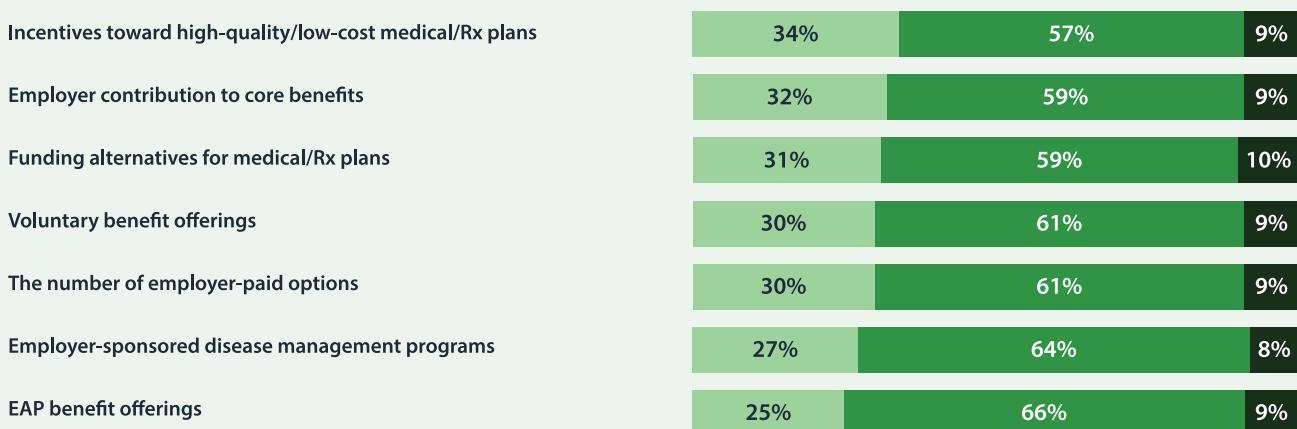
Anticipated Impact of Economic Concerns on Business in Next Year



Key:

 Will increase  Keep same  Will decrease

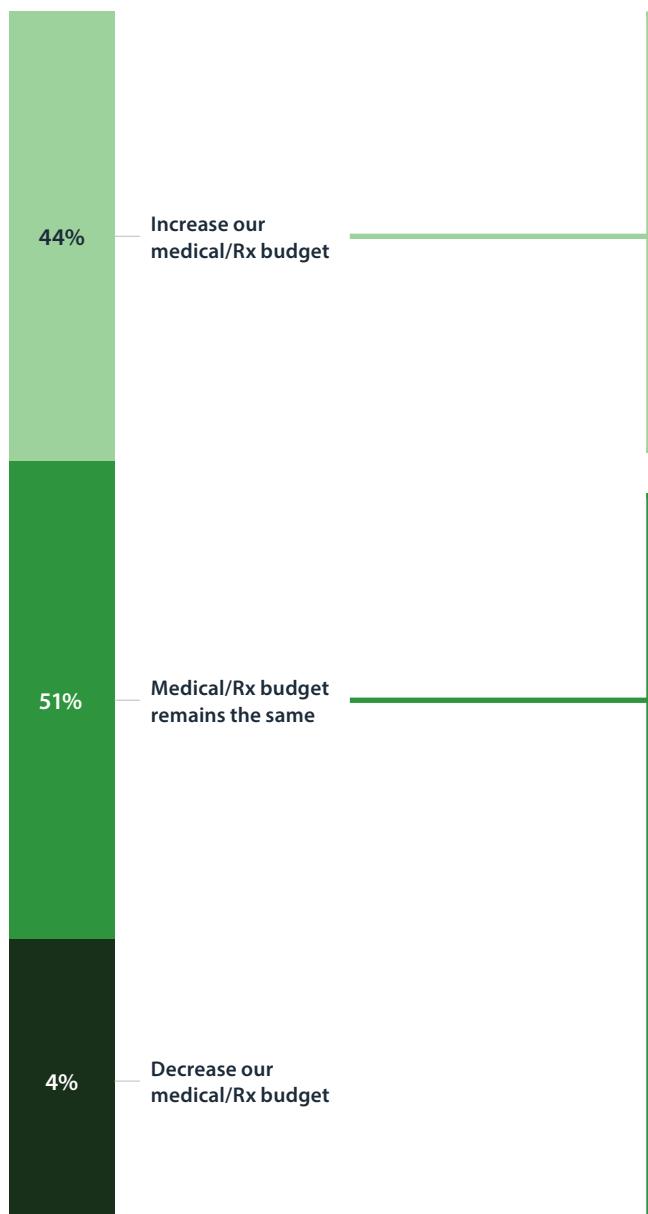
Anticipated Impact of Economic Concerns on Employee Benefits Program in Next Year



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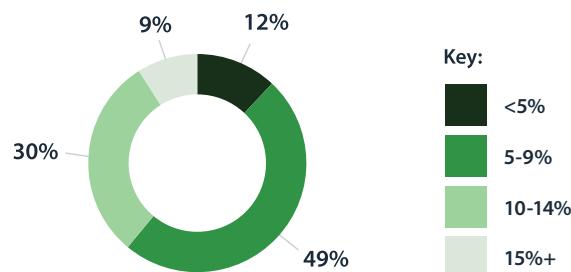
 Will increase  Keep same  Will decrease

Plans for Medical/Rx Renewal

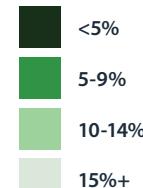


Planned Budget Increase

(Among those planning to increase medical/Rx budget)



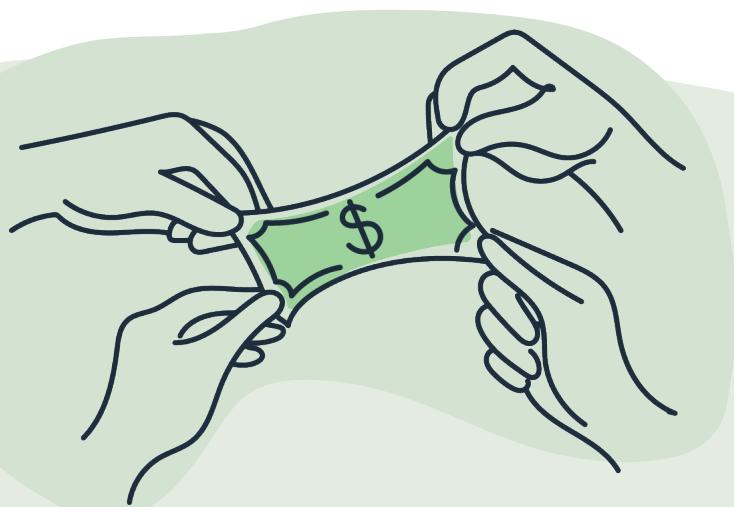
Key:



Considerations for Offsetting Costs

(Among those planning to keep costs the same)

Benefit modifications (e.g., to plan design, the number of programs offered)	34%
Value-based benefits to incent better health care behaviors	29%
Direct to hospital/providers agreements to reduce costs	26%
Require vendors to commit to measurable outcomes with performance guarantees and include outcomes-based scoring RFP	25%
Passing along any increase to plan participants	24%
High performance clinical programs	23%
Changing carriers, administrative service organization (ASO), third-party administrators (TPAs)	22%
Changing funding approach (e.g., fully-insured to level or self-funding, captive etc.)	22%
None of the above	10%



The Catch-22 is that employers know they cannot sustain escalating expenses indefinitely, while recognizing that reducing benefits is not an acceptable option to stay competitive in today's labor market.

To cope with conflicting pressures, cost containment strategies are shifting from reactive responses to forward-facing approaches built on purpose, data and precision.



Many employers are reexamining the core drivers of their spending like medical claims, chronic condition patterns, out-of-network utilization and behavioral health needs. They are evaluating which levers create the most immediate and long-term value for their population.

Data guides these decisions, but employers acknowledge a gap between the insights they need and the insights they actively use. While analytics rank among the most important tools for controlling costs, many organizations are still building the capabilities required to translate data into action. Most remain early in efforts to segment populations, pinpoint high-cost drivers, or evaluate whether their benefits align with actual utilization patterns. Those further along this curve tend to report greater confidence in choosing interventions that deliver both immediate relief and long-term value.



Plan design remains a priority for many employers. Value-based insurance design, targeted adjustments to copays and deductibles and calibrated member cost-sharing are emerging as levers that balance cost control with fairness. Others are exploring network optimization, alternative contracting arrangements, virtual care expansion and care navigation solutions intended to guide employees to high-quality, cost-effective providers and reduce unnecessary utilization. There is also rising interest in transparency tools, which help employees understand the financial implications of their care choices, and in utilization-management programs that ensure treatments align with clinical standards.

What ties these strategies together is a desire for sustainability. Employers want to control their costs without compromising employee health or eroding the competitiveness of their benefits. They understand that effective cost containment requires an integrated approach.

Employers are working to align plan design, navigation, data strategy and employee engagement within a single framework.

And they recognize that investment in data, clarity and education ultimately reduces friction, strengthens employee decision-making and leads to more stable long-term outcomes.

About the Report

NFP's 2026 U.S. Benefits Trend Report captures a snapshot of rising expectations, expanding complexity, and an ongoing gap between what employees need and what employers are equipped to deliver. What we heard from both employers and employees alike is a story of dual pressures.

Leaders are balancing structural cost drivers, talent shortages, regulatory evolution and the introduction of high-cost treatments. At the same time, they're working to maintain trust, simplify experiences and reduce friction across systems. Employees, with their own competing responsibilities, are seeking clarity, confidence, and meaningful support in moments that matter, yet still struggle to understand or fully utilize the benefits available to them.

Whether the challenge is cost, complexity or clarity, every solution starts with the same absolute: connection. When data, communication and benefit strategies operate as a single ecosystem, employers

can align intent with experience, close gaps in understanding and strengthen the value proposition for every employee. This report highlights where those opportunities exist and how employers can take action.

As you look to the year ahead, we hope these insights serve as a guide to help you see around corners, anticipate disruption and design benefits that support your people and your long-term goals. The challenges are real, but so is the opportunity to create a benefits experience that is more connected and reflective of where work and benefits are headed.

And as always, we're here to help you navigate the path ahead.

About the Data

NFP 2026 U.S. Benefits Trend Report draws on data from NFP's 2025 U.S. Benefits Trends Employer Survey and Benefits Trends Employee Survey, which were conducted in October 2025 in partnership with Empatix, a strategy, insights and activation firm.

The employer survey of 500 benefits decision-makers was conducted online. Respondents represented a mix of organizations across the US, ranging in size from <100 employees to 5,000+, with an emphasis on companies with 500 or fewer employees. To qualify for the survey, respondents had to have decision-making responsibility for their organization's benefits offerings.

The employee survey included a mix of 1,012 employees from various company sizes across the US. To qualify for the survey, respondents had to receive insurance through their employer and have primary or shared health insurance decision-making responsibility.

Any other sources are as referenced throughout. Due to rounding conventions, data may not add to 100%. 2025 data was compared to 2024 throughout. Statistically significant year-over-year differences are indicated by up or down arrows on 2025 data points. For full information on the methodology for each NFP survey, contact marketing@nfp.com.

Employee Survey Demographics

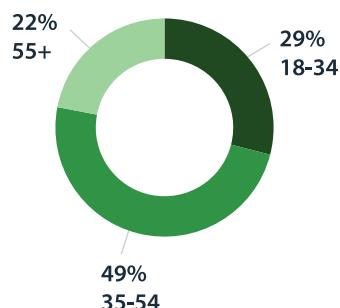
Household Income



Gender



Age



Employment Status

Employed full time	89%
Employed part time	10%
Contract employee	1%

Job Description

White collar – Office, cubicle, or other professional, desk-based environment, including remote	41%
Grey collar – Typically interact in-person with customers and/or the public in a non-office setting	35%
Blue collar – Requires physical labor/skilled trade	24%

Employer Survey Firmographics

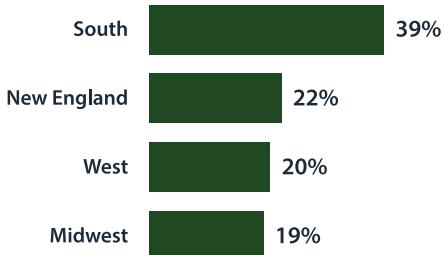
Employer Size

2-50	13%
51-100	19%
101-500	25%
501-1,000	19%
1,000+	24%

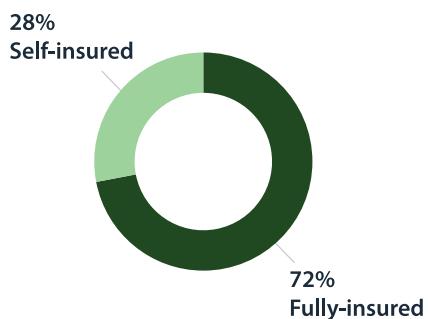
Industry

Healthcare	22%
Manufacturing	12%
Professional Services	11%
Retail and Wholesale Trade	10%
Construction	8%
Education	6%
Hospitality	6%
Financial Services	6%
Transportation/Trucking	5%
All Other (Government, Real Estate, Agriculture, Media, Life Sciencece, etc.)	15%

Company Headquarters' Region



Benefits Program Funding Model



Incorporation Status



About the Experts

Kim Bell

Kim is executive vice president, head of Health and Benefits at NFP, where she directs the overall strategy and operations for NFP's national employee benefits practice. With more than 30 years of experience in the employee benefits industry, Kim is an influential thought leader in the corporate benefits space. She graduated from Indiana University's Kelley School of Business with a Bachelor of Science in finance and has a Master of Science degree in management from Indiana Wesleyan University. Kim also holds the Certified Employee Benefits Specialist® (CEBS) designation from the International Foundation of Employee Benefit Plans.

Beth Robertson

Beth Robertson is the co-leader of the Health and Benefits business line at NFP. With over 25 years of experience in employee benefits, human resources and financial management, Beth brings a strategic and client-focused approach to leadership. Since joining NFP in 2005, she has held various roles, including managing director of the Atlantic region, vice president of Strategic Accounts and AVP, senior consultant. Beth's career is distinguished by her work across diverse industries, with a particular focus on government contractors, nonprofits, and private equity. Beth earned her Bachelor of Science degree from Penn State University.

Nick Conway

Nick is president of Rx Solutions, where he guides a team working across private equity, coalitions, small carved-in groups, consultants and pharmacists. Throughout his career, Nick has prioritized patient needs, community health and industry advancement to impact prescription medication accessibility and affordability nationwide.

Deb Smolensky

Deb Smolensky is senior vice president and practice leader for Vitality and Wellbeing Solutions and the #1 best-selling author of *Brain On!* She is an award-winning thought leader in health and human performance who advises executive teams on building healthier, higher-performing and more connected workforces. Deb also serves as an innovation leader across insurtech, fintech and digital health, helping organizations evaluate, shape and scale next-generation solutions that deliver workforce impact and business value. She holds a bachelor's degree in accounting from Illinois State University and multiple certifications in organizational health and productivity.

Maria Trapenasso

Maria M. Trapenasso serves as the senior vice president and national practice leader of Talent Solutions. She oversees NFP's HR consulting practice and guides clients to develop solutions unique to each organization. Maria specializes in leave management, compliance, HR audits and organizational development. Maria has 30 years of HR expertise. In previous roles, she focused on evaluating HR organizations for strategic alignment, implementing total rewards programs and designing impactful training initiatives. Maria is a Senior Certified Professional (SHRM SCP) and Leave Management Specialist (DMEC-CLMS), with membership in SHRM and the National Association of Female Executives since 1998. She also holds a NY State Insurance license for Health, Life and Accident Insurance.

About NFP

NFP, an Aon company, helps companies and individuals address today's most significant Risk Capital and Human Capital challenges.

With colleagues across the U.S., Canada, UK and Ireland, and global capabilities enhanced by the Aon advantage, NFP serves a diversity of clients, industries and communities. Our collaborative team provides specialized expertise and customized solutions, including property and casualty insurance, employee benefits, life insurance, executive benefits, wealth management and retirement plan advisory.

For more information, visit nfp.com.