

2026

# National Compensation Forecast



d. hilton associates inc.

## 2026 Compensation Outlook: Steady Numbers, Shifting Challenges.

When bank and credit union leaders were polled on 2026 pay planning, most signaled steadiness: salary-increase budgets are expected to hold roughly flat with 2025 - in the ~3.4% - 3.6% range per WTW, WorldatWork, Payscale, and The Conference Board. Salary structure movements are likewise expected to be on par to slightly lower than last year, continuing the gentle cooling that began after 2023's spike. And critically for our sector, credit unions enter 2026 from a position of strength: assets, loans, deposits, and net income all rose through mid-2025, lifting the systemwide net-worth ratio to ~11.1%. This provides a window to "catch up" if you fell behind during the rapid market run-up over the last few years.

**Welcome to D. Hilton Associates' 24th National Compensation Forecast.** This report distills where the 2026 compensation market is heading for credit unions and translates it into salary administration design moves you can act on. With salary budgets plateauing and structure shifts modest, 2026 favors precision - tight job architecture, refreshed ranges, differentiated funding for hard-to-hire skills, and governance that stands up to expanding pay-transparency rules. Expect cross-winds: ongoing compliance and risk-talent demand, AI and data skills premiums, and selective bonus pressure in trading-adjacent roles even as broad base-pay growth cools.

We believe credit unions should prepare for **three themes in 2026**:

**Issue One: Transparency Under the Spotlight.** A growing wave of state and local pay-transparency laws is forcing institutions to disclose ranges and benefit values more openly. This will demand disciplined job architecture, clear communication, and competitive positioning to avoid reputational and compliance risks.

**Issue Two: Work From Anywhere Has Homogenized Market Values.** Remote and hybrid flexibility has compressed pay differentials across geographies. For many financial roles, local premiums are disappearing as candidates benchmark against national - or even global rates, requiring careful range management and refreshed survey strategies.

**Issue Three: The Hybrid Work Impact.** Hybrid models are reshaping culture, collaboration, and performance expectations. For compensation, that translates into sharper focus on retention levers beyond base pay - such as incentive design, recognition, and well-being benefits - to maintain engagement when employees spend less time together in person.

**Benefits watch (what this means for total rewards).** Employer health-care costs are projected to rise another ~9% in 2026 (tempered to ~7 - 8% with plan redesign), driven by specialty pharmacy (GLP-1s), cancer, and mental-health utilization. Many employers will respond with design changes, navigation/COE strategies, and tighter utilization management. Plan your 2026 merit and structure moves alongside medical trend to keep total comp in balance without eroding member-service talent.

Look for the discussion of these topics and more at the 2025 Total Rewards Symposium this November 6<sup>th</sup> and 7<sup>th</sup>!

**All the best in 2026,**



Jeff Rock, PHR, Vice President

# D. Hilton's 2026 Budgeting Forecast



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# D. Hilton 2026 Budget Forecast

## Capital Concerns

<7% Capital

66 Credit Unions (1.5%)

### Forecasts

Staff Merit Increases

0.0% - 2.5%

Executive Merit Increases

2.5% - 3.5%

## Sufficiently Capitalized

7% - 10% Capital

1123 Credit Unions(24.9%)

### Forecasts

Staff Merit Increases

3.1% - 4.1%

Executive Merit Increases

4.25% - 6.25%

## Well Capitalized

>10% Capital

3316 Credit Unions (73.6%)

### Forecasts

Staff Merit Increases

4.1% - 5.1%

Executive Merit Increases

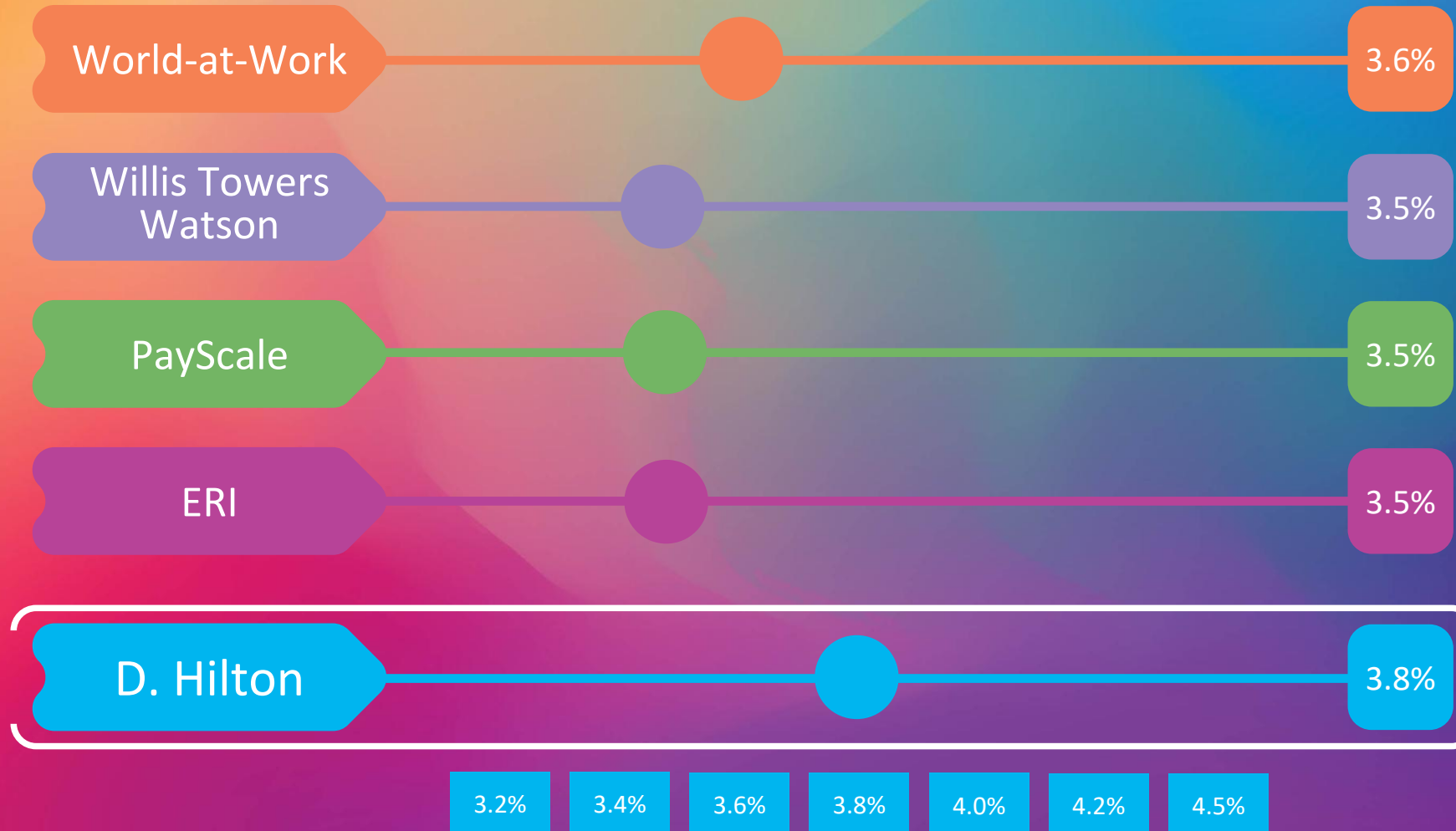
5.75% - 7.75%

## Salary Range Increases

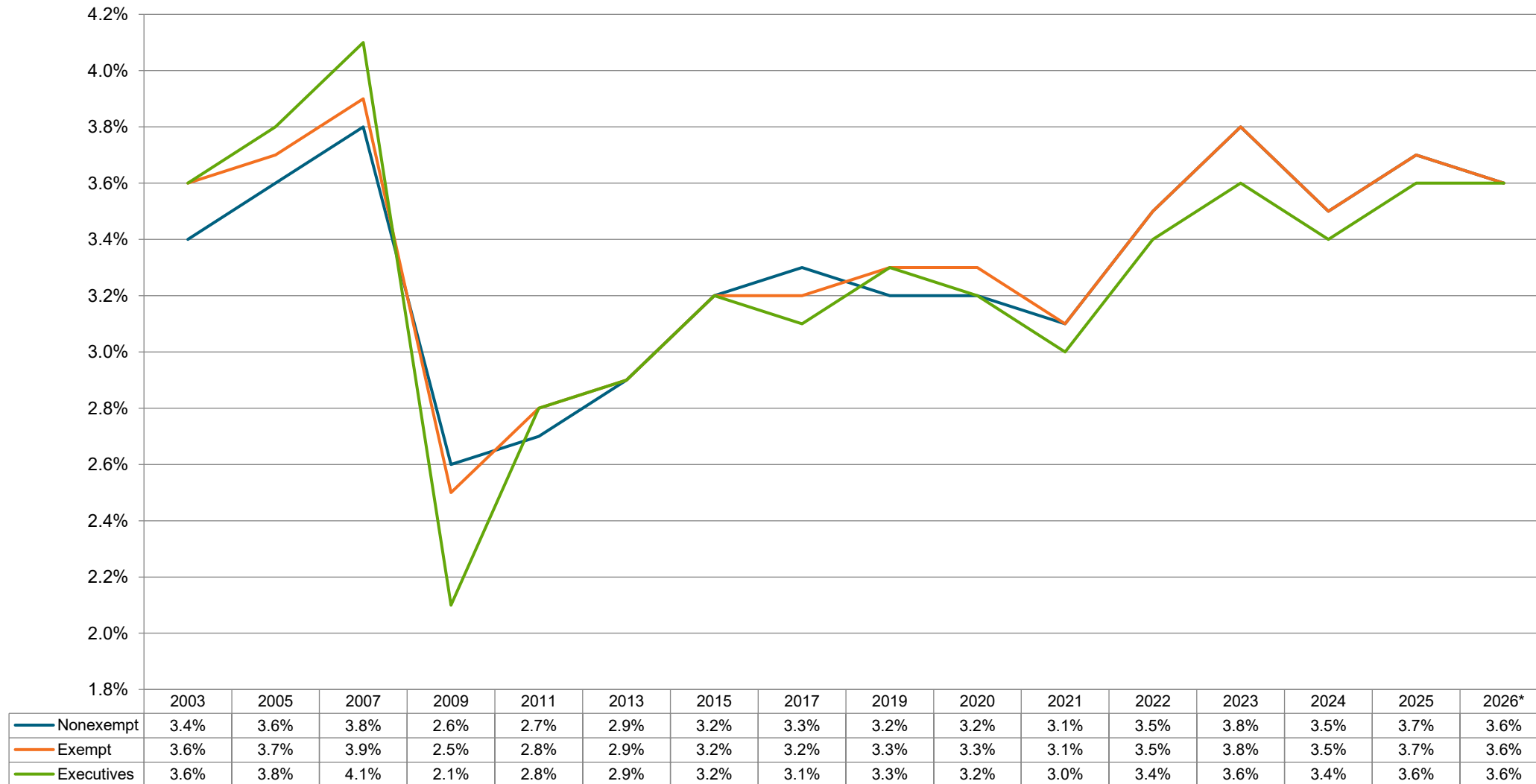
Staff/Management: 2.50%    Executives: 3.00%



# U.S. Salary Budget Forecast 2026



# U.S. Salary Budget Forecast 2026



\*projected

# Salary Range Adjustment Trends



\*projected

# Employers Brace for Another Year of Elevated Healthcare Cost Growth in 2026, Outpacing Forecasts Again

**Healthcare Cost Increase:** Employers expect a median health care cost increase of 9% before changes to plan design; with plan design changes, that can fall to about 7.6%.

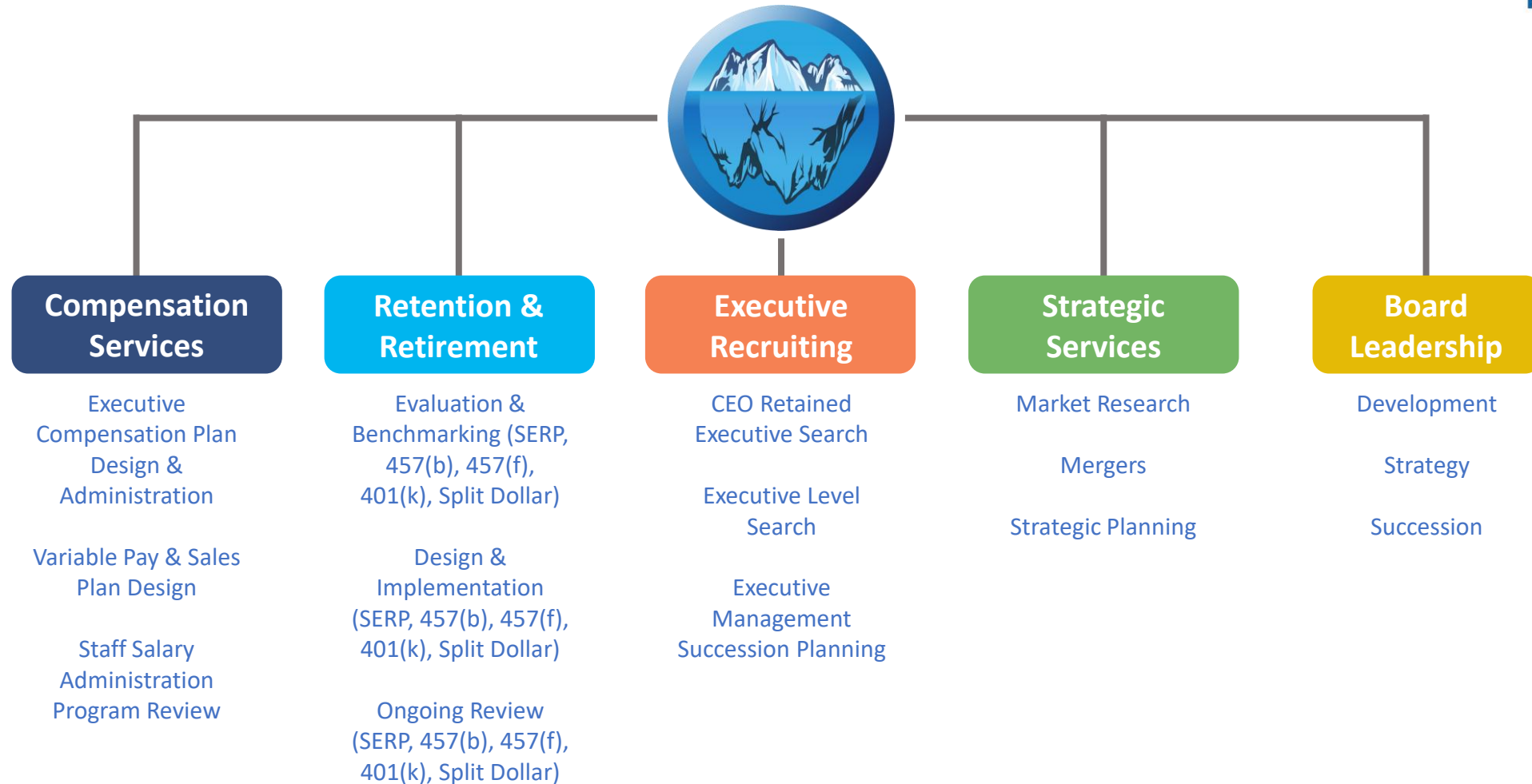
**Pharmacy Costs are Accelerating Sharply:** Employers project 11-12% increases in pharmacy cost trend for 2025-2026 before plan design changes; after plan design tweaks, it's estimated slightly lower (around 10-11%)

**Drivers of Cost Surge:** There are several “demand side” drivers such as increased prevalence of cancer, higher utilization of mental health & substance use disorder services, chronic condition management, autoimmune conditions, etc.

**GLP-1 Medications Play a Role in Overall Healthcare Costs:** A particularly sharp driver is obesity treatments, including GLP-1 medications. Employers see rising use and are putting in controls (e.g. prior authorization, requiring certain BMI/comorbidities) to try to manage cost and appropriateness.

**Focus on Design:** Employers are responding to rising costs by focusing on value in benefit design. They are steering employees toward higher-quality providers and care sites, while improving transparency and coordination to reduce waste. Plan design changes can also trim cost growth by about 1–2 percentage points.





For 40 years, D. Hilton Associates, Inc. has been the leader in executive recruiting and compensation advisory for the financial services industry. The firm employs 35 full-time employees in five major practice areas.

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Our commitment to clients is straightforward:

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- You will make strategic business decisions, not compensation decisions.
- You will not let compensation become an emotional decision.

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## Contributors

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