Small Business Bulletin

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Learning and Development Tips for Small Businesses 2026



In 2026, small businesses face rapid change driven by technological disruption, evolving skill needs and a growing employee appetite for meaningful career development. As a result, learning and development (L&D) has become a strategic necessity rather than a nice-to-have.

One of the most influential trends shaping L&D in 2026 is the rise of skills-based development. As artificial intelligence (AI), new technologies, shifting market conditions and rapid industry cycles continue to reshape roles, the skills required to succeed are evolving faster than traditional job structures can keep up. In response, small businesses are moving toward granular skill frameworks that pinpoint the exact capabilities employees need to stay effective today and adaptable tomorrow. This approach can boost organizational agility and ensure training directly supports the demands of a quickly changing business landscape.

Consider implementing the following five L&D tips:

1. **Adopt a skills-based approach.** Shift from role-based training to skills-focused development by creating detailed skill frameworks and regularly evaluating gaps. This can help your workforce remain aligned with evolving business needs and emerging technologies.
2. **Leverage AI.** Use AI tools to deliver tailored learning paths, track progress and predict skill needs. These tools reduce administrative burden while increasing training effectiveness through targeted recommendations.
3. **Show the impact of training.** In 2026, leaders can engage employees by demonstrating how training can help them advance in their careers and help them succeed in their roles.
4. **Aligning learning initiatives with organizational goals.** Partner with business leaders to identify priority skills, define success metrics and ensure training supports long-term strategic objectives. This improves relevance and strengthens leadership buy-in.

5. **Stay committed to continuous development.** Organizations that consistently invest in upskilling enjoy higher retention, better performance and greater resilience, underscoring the importance of ongoing L&D in a rapidly changing business environment.

Employer Takeaway

Ultimately, L&D in 2026 is fast, personalized, tech-enhanced and deeply tied to business strategy. Small businesses that adopt these practices—skills-based development, AI personalization, immersive tools and outcome-driven planning—will be best equipped to grow, innovate and retain talent in an increasingly competitive landscape.

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Small Businesses Scale Back Employer-sponsored Health Insurance

Small businesses across the United States are scaling back employer-sponsored health insurance in 2026, driven primarily by rising premiums, wage inflation gaps and widening financial pressures. Although employment-based health insurance remains the most common source of coverage for working-age Americans, recent research shows that smaller employers are increasingly unable to sustain traditional health plans.

According to the Employee Benefit Research Institute (EBRI), only 49% of employers offered health benefits in 2024, up slightly from 46.3% in 2023, but the gains came almost entirely from large employers. Small businesses continue to pull back, exacerbating a long-term erosion in their sponsorship of health coverage.

"If health insurance premiums rise faster than wages and general inflation, small employers are likely to face intensified financial strain, which could accelerate the erosion of health plan sponsorship among firms with fewer than 100 workers," said Paul Fronstin, Ph.D., director of Health Benefits Research at EBRI.

In general, smaller employers are less likely to offer health insurance because they operate under different compliance requirements than larger organizations. Under the Affordable Care Act (ACA), only applicable large employers are required to offer affordable, minimum value health coverage to their full-time employees, or they face potential penalties. This rule applies exclusively to employers who employ an average of 50 or more full-time employees, including full-time equivalent employees, during the previous calendar year. Employers falling below this threshold are exempt from the mandate. While they may still choose to offer health insurance, they are not legally obligated to do so.

Rising costs remain at the heart of the issue. According to a November report by Mercer, premiums for employer-sponsored health insurance reached an average of $17,496 in 2025, a 6% increase over the prior year, outpacing both inflation and wage growth. Costs are expected to climb another 6.7% in 2026, further straining small business budgets. Analysts warn that if premiums continue rising faster than wages, many small employers may be forced to either reduce benefits or drop coverage entirely.

Industry experts also emphasize that these financial pressures lead to structural shifts in the type of coverage businesses provide. While large employers may maintain health plan offerings, they increasingly shift costs to workers through higher deductibles, more restrictive networks or increased coinsurance. Small employers, facing even tighter margins, often lack this

flexibility, making discontinuation of coverage more likely than simply modifying plan designs. Fronstin warns that this dynamic could lead to greater employee out-of-pocket cost exposure and heightened financial insecurity, especially among workers at smaller firms.

Employer Takeaway

For smaller employers, the continued rise in health insurance premiums underscores the importance of proactively reassessing long-term benefit strategies. As health care costs outpace wage growth, employers who stay informed, evaluate options early and communicate transparently with their workforce will be better positioned to navigate the shifting landscape of employersponsored coverage. For many small businesses, health insurance may not be required or even feasible to offer, but understanding coverage and how it impacts employees allows savvy employers to continue adapting to a changing work environment.

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