

# Five Education Trends to Watch in 2026



Educators around the world are facing a convergence of human, digital, financial and governance risk. In 2026, these risks are no longer considered emerging — they are now permanent fixtures that are increasingly interdependent.

What has changed most over the past year is not the nature of risks, but the **expectation of institutional readiness**. Leaders are now being tasked with both recognizing risk and demonstrating that they are effectively managing it across their organizations.

In this article, we explore five key trends in 2026 affecting primary, secondary, and higher education systems and highlight practical strategies to control their impact.



# Mental Health as a Core Risk

Mental health has become a defining factor in organizational strength and stability. Increasing demand for student and staff support, combined with workforce fatigue, has elevated mental health to a core operational risk.

## What has changed since 2025

In 2025, institutions focused on reducing stigma, increasing access and managing crises. In 2026, attention has shifted toward sustainability and accountability, with an emphasis on how well mental health programs are embedded within the educational institution.

## Key risk dynamics

- Demand for support exceeds available capacity.
- Educator and staff fatigue that affects decision-making.
- Growing scrutiny over how risks are managed before, during and after serious incidents.
- Privacy and oversight risks from digital and third-party mental health solutions.

## Recommendations

- Treat mental health infrastructure as essential, not supplemental.
- Improve workload management and expand access to mental health support resources.
- Consider partnering with a reputable third-party crisis consultant; conduct post incident reviews to guide program improvements.
- Strengthen oversight of third-party providers and digital tools.

## Insurance perspective

Mental health-related claims and costs are highly dependent on jurisdiction, with coverage typically revolving around questions of duty, discrimination, accommodation or professional judgment. Most risk management solutions sit outside insurance and require direct institutional funding.



## 2 Safeguarding in the Digital Era

Safeguarding expectations have expanded as the education world has become increasingly digital. In 2026, educators are expected to manage safeguarding risks not only in physical settings but across digital platforms that extend well beyond the traditional campus.

### What has changed since 2025

While 2025 focused on bullying, harassment, and underreporting, 2026 reflects a step change: Digital and AI-facilitated sexual abuse is now a recognized safeguarding exposure that requires appropriate prevention and response.

### Key Risk Dynamics

- Use of technology to create and distribute sexual content.
- Online grooming that occurs outside traditional supervision settings.
- AI-generated or altered content that makes investigations more complex.
- Inconsistent safeguarding standards of third-party providers.

### Recommendations

- Update safeguarding frameworks to specifically address digital behavior.
- Expand safeguarding measures beyond campus by training staff, students, and families to recognize and report inappropriate behaviors.
- Strengthen protocols for quick incident response and evidence preservation.
- Ensure alignment of third-party and institutional safeguarding standards.

### Insurance Perspective

Safeguarding related claims may involve multiple lines of coverage and encounter exclusions, sublimit or coverage uncertainty. Institutions should avoid assumptions that traditional safeguarding programs automatically address digital risk.





### 3 Financial Stability During Prolonged Uncertainty

---

In 2026, financial risk is being shaped by sustained economic volatility, rising operating costs, delayed capital investment, and growing insurance and risk transfer expenses.

#### What has changed since 2025

In 2025, financial risk discussions centered on immediate budget constraints. In 2026, the challenge is long-term tradeoffs between affordability, sustainability and risk tolerance.

#### Key Risk Dynamics

- Continued pressure on revenue and liquidity impairs strategic flexibility.
- Increasing costs consume larger shares of budgets.
- Deferred investment in people and facilities leads to greater loss severity and operational disruption.

#### Recommendations

- Stress test financial assumptions against adverse scenarios.
- Prioritize budget discipline by distinguishing essential spending from deferrable activity and aligning resources to mission-critical functions.
- Institute risk-informed, strategic investment in people and infrastructure to reduce the risk of larger losses and future operational disruption.

#### Insurance perspective

Insurance responds to defined loss events, not broader financial distress. Higher retentions and exclusions mean institutions must plan for uninsured and self-insured costs. Clear financial governance and risk transparency remain critical to sustainable insurance outcomes.

# 4 Cyber Risk in an AI-Enabled Environment

Cybersecurity is a persistent worldwide threat. In 2026, the adoption of artificial intelligence has amplified the ability of threat actors to use it to increase the sophistication and scale of their attacks.

## What has changed since 2025

Where 2025 emphasized preparedness and awareness of cyberthreats in general, 2026 incorporates AI-enabled attacks as an additional exposure.

## Key Risk Dynamics

- AI-driven impersonation and social engineering circumvent traditional controls.
- Dependence on shared platforms and vendors increases systemic exposure.
- Cyber incidents that disrupt core educational functions.

## Recommendations

- Embed AI governance into cyber risk oversight.
- Strengthen third-party cyber risk management by clarifying security responsibilities and planning for outages across shared platforms.
- Develop and regularly test continuity plans so essential functions can continue during a cyber incident.

## Insurance perspective

Cyber and crime policies respond to different triggers, and this may limit recovery. Definitions, exclusions and vendor-related limitations play an increasingly important role in loss outcomes.





## 5 Insurance Markets Defined by Selectivity

---

In 2026, educators face an insurance environment where insurers are increasingly selective and are relying on data quality and loss performance when making underwriting decisions.

### What has changed since 2025

Rather than broad premium escalation, 2026 is defined by differentiation: Institutions with strong risk management outperform those without.

### Key Risk Dynamics

- Greater retention of risk through higher deductibles and self insured layers.
- More complex placement structures involving multiple insurers.
- Reduced predictability of renewal outcomes.
- Increased demand for credible, consistent risk data.

### Recommendations

- Strengthen institutional risk narratives.
- Align claims experience with program design.
- Evaluate alternative risk financing solutions.
- Begin renewal planning earlier and with longer horizons.

### Insurance perspective

Coverage outcomes depend on precise wording, definitions and exclusions. As risks change, institutions should expect greater scrutiny and the need for tailored solutions rather than standardized programs.

### Parting Thoughts

Across education systems globally, 2026 is defined by the interconnectedness of human and digital risk, financial pressure, and insurance market changes. Institutions that recognize and address these connections will be better positioned to successfully navigate uncertainty and sustain their missions.



[AJG.com](https://www.ajg.com) The Gallagher Way. Since 1927.



The information contained herein is offered as insurance industry guidance and provided as an overview of current market risks and available coverages and is intended for discussion purposes only. This publication is not intended to offer financial, tax, legal or client-specific insurance or risk management advice. General insurance descriptions contained herein do not include complete insurance policy definitions, terms, and/or conditions, and should not be relied on for coverage interpretation. Actual insurance policies must always be consulted for full coverage details and analysis.

Gallagher publications may contain links to non-Gallagher websites that are created and controlled by other organizations. We claim no responsibility for the content of any linked website, or any link contained therein. The inclusion of any link does not imply endorsement by Gallagher, as we have no responsibility for information referenced in material owned and controlled by other parties. Gallagher strongly encourages you to review any separate terms of use and privacy policies governing use of these third-party websites and resources.

Insurance brokerage and related services provided by Arthur J. Gallagher Risk Management Services, LLC License Nos. IL 100292093 / CA 0D69293

© 2026 Arthur J. Gallagher & Co., and affiliates & subsidiaries | PMUS108907