

How Spokane's 2026 Economic Trends Are Shaping Employee Benefits

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As Spokane, WA heads into 2026, economic signals indicate stabilization rather than rapid growth. Healthcare remains a key driver of job creation, while housing, labor participation, and infrastructure investments continue to evolve in ways that directly impact employee benefits strategies. In addition, three of the top ten employers by workforce include Providence Health Care (Sacred Heart and affiliated facilities), MultiCare Health System – Inland Northwest, and Mann-Grandstaff VA Medical Center.

A HEALTHCARE-DRIVEN ECONOMY RAISES THE STAKES FOR BENEFITS

Healthcare remains Spokane's main driver for job growth, especially as the population ages. At the same time, labor force growth is slowing down due to retirements and limited replacements in skilled trades. For employers, particularly in healthcare, education, and public services, this tighter labor market increases the need for competitive, clearly communicated benefits to attract and keep top talent, and to build a strong 'employer of choice' brand.

Affordability of medical plans, predictable cost-sharing, and access to local provider networks will remain priorities. Employers may also see increased interest in voluntary benefits such as hospital indemnity, accident, and critical illness coverage to help employees manage out-of-pocket costs without significantly raising premiums. Given 2025's historic year for health plan rate increases, employers and benefits consultants need to think more creatively about how to offer comprehensive benefit options while controlling costs.

FINANCIAL PRESSURE FUELS DEMAND FOR SMARTER BENEFITS

Although inflation has slowed, many lower-income workers still experience a "shadow pay cut." This ongoing pressure is changing how employees perceive benefits, leading to greater sensitivity to payroll deductions and increased demand for immediate financial security. In Spokane, this often shows as increased interest in HSAs, FSAs, and financial wellness tools; greater use of voluntary benefits; and a growing appreciation for employer-paid essentials such as life and disability insurance. Clear education and decision support remain vital as employees compare costs and benefits. Additionally, TextCare is becoming more popular as it offers on-demand medical consultations for a predictable, flat monthly fee.

HOUSING STABILIZATION SUPPORTS WORKFORCE STABILITY

Spokane's housing market is shifting from fierce competition to a more balanced and negotiation-friendly market. Slower price growth and potential modest dips can boost stability for first-time homebuyers and mid-career workers. As wellness-focused "nesting" trends grow, employees value benefits that support mental health, work-life balance, and long-term wellbeing more than ever.

This increases demand for comprehensive mental health coverage and Employee Assistance Programs (EAPs), flexible work arrangements where possible, and benefits supporting holistic wellness, not just acute care. Combining internal wellness initiatives with local third-party wellness consultants to improve benefit offerings will continue to gain momentum.



SUSTAINABILITY AND TRANSIT CHANGES AFFECT ACCESS TO CARE

The City's focus on climate-resilient infrastructure, zero-emission initiatives, and potential Spokane Transit Authority route changes may also impact benefits decisions. Transportation access can affect commute times and healthcare access, especially for lower-wage workers and healthcare workers. Employers might need to consider expanded telehealth or TextCare options, benefits communication that reflects transit adjustments, and equity-focused plan design to ensure workforce access.

LOOKING AHEAD

Policy uncertainty, including potential Medicaid changes, Washington's recent paid-leave revision, and trade-related impacts, complicates the landscape for Spokane employers. In this environment, employee benefits are no longer just a cost center but a strategic tool for attracting, retaining, and supporting a workforce facing economic, housing, and climate-related changes.

For Spokane employers in 2026, the most effective benefits strategies will balance affordability, protection, and flexibility based on a clear understanding of local realities.

WHAT SPOKANE EMPLOYERS SHOULD DO NOW TO ENHANCE THEIR BENEFITS STRATEGY

1. **REASSESS MEDICAL PLAN DESIGN WITH LOCAL COST PRESSURES IN MIND**
Healthcare dominates Spokane's job market, but rising out-of-pocket costs continue to strain employees, especially lower-wage earners. Employers should review deductibles, copays, and network access to ensure plans align with local provider availability and employee utilization patterns. Additionally, organizations need to explore alternative funding arrangements (fully insured vs. level-funded vs. self-funded vs. Captive vs. ICHRA vs. MERP).
2. **STRENGTHEN VOLUNTARY & SUPPLEMENTAL BENEFITS**
With ongoing financial pressure, voluntary benefits such as accident, hospital indemnity, and critical illness coverage can help employees manage risk without significantly increasing employer costs.
3. **EXPAND MENTAL HEALTH AND WELLNESS SUPPORT**
As housing "nesting" trends and wellness priorities grow, employees increasingly expect benefits that support mental and emotional health. Employers should ensure parity for mental health coverage, promote EAP utilization, and consider virtual therapy options to enhance access across the region.
4. **FOCUS ON BENEFITS EDUCATION AND DECISION SUPPORT**
A slowing economy and cautious workforce make employees more selective about their benefits choices. Clear, simple education, especially about HSAs, FSAs, and voluntary benefits, can boost engagement and increase satisfaction during open enrollment.
5. **LEAN ON PARTNER FIRM EXPERTISE**
The growing complexity of paid leave laws and legislative updates is taking more time for organizations to stay informed. Seek help from key partners to support these efforts and hold them to high service standards.
6. **PREPARE FOR WORKFORCE AGING AND RETIREMENTS**
Flat labor growth driven by retirements makes retention essential. Employers should review long-term disability, life insurance, and retirement benefits to ensure they support an aging workforce while staying attractive to mid-career talent.
7. **MONITOR TRANSIT AND ACCESS IMPACTS**
Potential Spokane Transit Authority route changes could impact commute times and access to healthcare. Employers should consider telehealth/Text-Care, flexible scheduling, or commuter benefits to assist employees with transportation adjustments.
8. **STAY ALERT TO POLICY SHIFTS AFFECTING HEALTHCARE EMPLOYMENT**
Possible Medicaid changes and uncertainty in healthcare funding could affect Spokane's biggest employment sector. Employers should stay informed and include flexibility in workforce and benefits planning to adapt quickly.

