

Inside Look: Global Compensation Planning (GCPR)

**Global Compensation Planning (GCPR)
will be released on September 3, 2025!**

While preparing the data for the upcoming release, we found some interesting insights that we couldn't wait to share with you. Check out this sneak peek into the data and mark your calendar for the full release coming soon!

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“Wait-and-see” approach to 2026 salary increase budgeting amid economic uncertainty

Globally, 61% of companies have not yet started their 2026 salary increase budgeting process. Around one-third of companies have begun planning for their 2026 salary increases, and less than 5% have moved to the approval and finalization stage. This cautious approach is likely driven by uncertain business and economic conditions, and suggests companies are planning for stability in the face of potential volatility. Regionally, the Americas are slightly ahead, with 36% of companies indicating they have initiated planning, with over 5% at the approval and finalization stage.



Global and regional salary trends currently reflect a cautious outlook with some regional optimism for 2026

Globally, for companies that have started planning for 2026, the forecasted median salary increase for 2026 remains at 4.0%, consistent with actual increases in 2025. The Americas region currently projects a slight rise from 4.0% in 2025 to 4.2% in 2026, suggesting modest optimism. Asia Pacific's current forecasted budget is set at 4.8%, up from 4.5% in 2025, signaling stronger economic confidence. At this time, Europe's median salary increase budget is forecast to decline slightly from 3.9% to 3.8%, signaling ongoing caution. The Middle East & Africa region is currently set to maintain median budgets of 4.5%. Overall, regions are adopting a cautious stance, with some signs of increased optimism in the Americas and Asia Pacific regions.



Variations in 2026 salary increase budgets across markets underscore the importance of tailored compensation strategies

While regional forecasts show only minor changes, local market differences can be significant. For example, the Middle East & Africa region currently projects an overall salary increase budget of 4.0%, but key markets vary widely — companies in Israel anticipate a 4.0% increase, whereas those in Egypt are planning for a 16.0% increase. Similarly, Japan, which traditionally has lower salary increase budgets due to low inflation and conservative economic policies, currently forecasts a 3.3% increase. In contrast, India's predicted salary increase budget is 9.5% in 2026. These disparities highlight the need for organizations to closely monitor local economic conditions and adjust compensation strategies proactively to remain agile in a fluctuating global environment.