

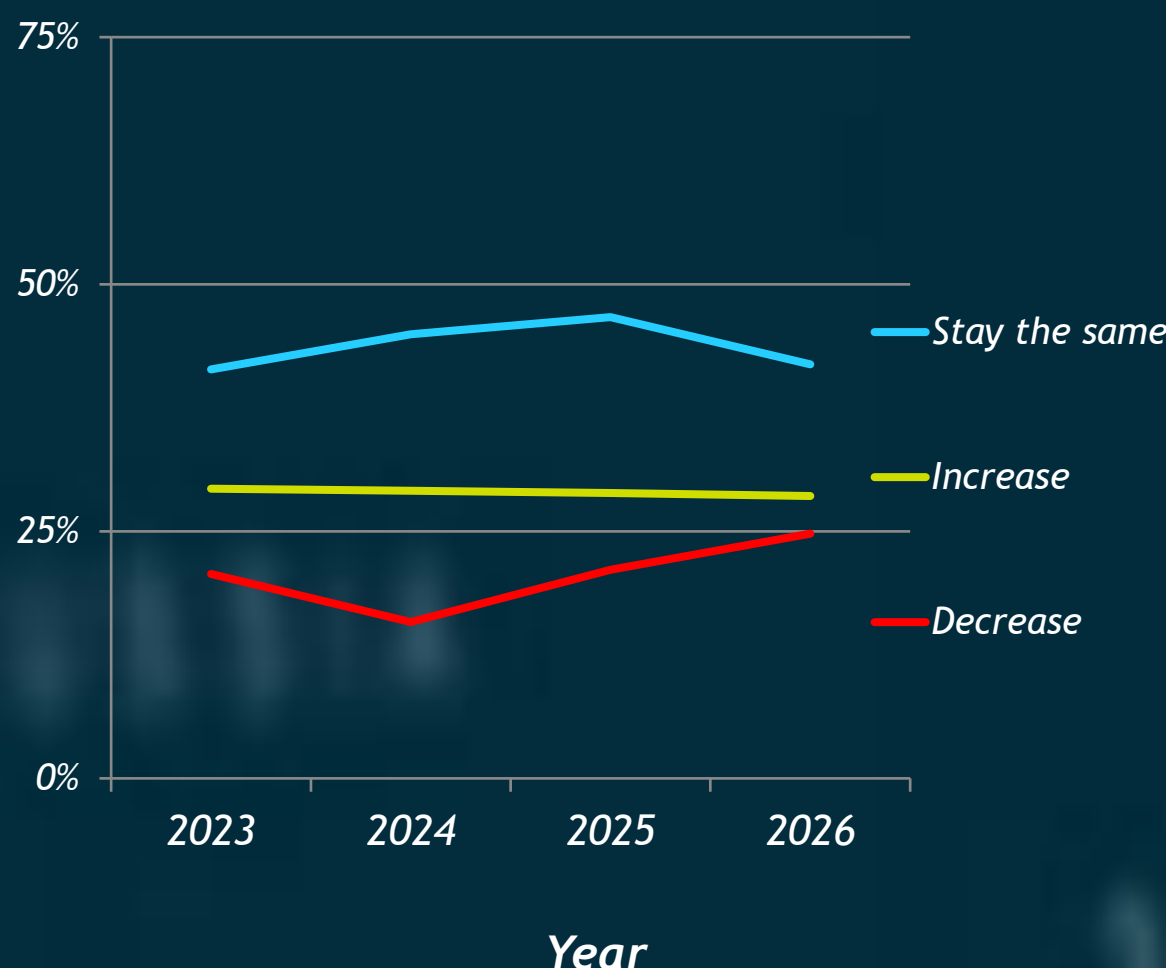
# Digital Learning Realities 2026

## Key L&D Budget and Investment Trends

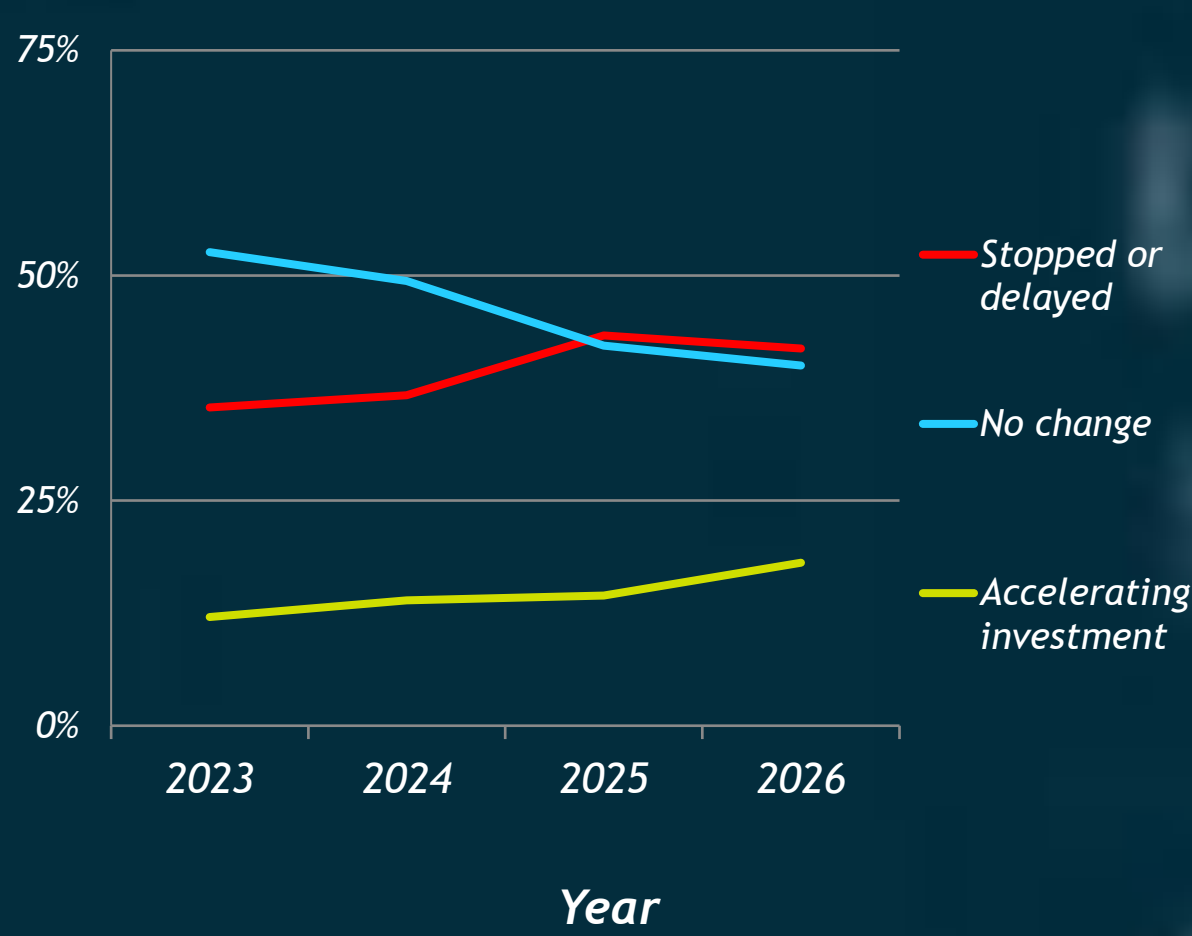
### L&D budgets are now under growing pressure, to an extent not seen since the COVID-19 pandemic

The past four years have been tough with negative momentum for L&D budgets all over, with 2026 continuing the trend of decline. This year most learning teams saw continued budget stagnation, but the underlying trend is for a decrease in L&D spend. One in four L&D teams experienced budget cuts this year. At the current rate of change, by 2027 those who have a decreased budget look like they could exceed those expecting budget growth. The bad news about that projection is that this would push the balance of investment in learning into the negative at a time when the need for learning is growing. We are in the new normal. The promise of AI has raised expectation of teams doing more with less, and this has led to continued learning budget stagnation, at best. And given the wider economic pressures this decline shows little signs of abating. As a result, the need for L&D teams to articulate their value to counter budget cuts has never been higher.

#### How will your organisation's overall spend on L&D change this year?



#### Overall, is the economic climate impacting your investment in NEW digital learning projects or solutions for the year ahead?



### The macro-economic climate continues to disrupt investment in new digital learning projects

The global economy is also impacting investment L&D overall but also in new digital learning projects and solutions. 2025 saw the numbers who had delayed or stopped reach new highs. 2026 continues the trend. Over twice as many are rowing back on investment in new digital learning solutions compared with those who are accelerating their spend. But even that investment picture is heavily skewed. The big picture doesn't tell the full story. When you look at the detail the picture is clear. AI is hoovering up investment, and it looks as though there is a strong cost-saving mentality behind that AI spend.

### Investment in digital learning content is falling

The long-term trend shows a 10-year decline in investment in learning content budgets, and the advent of generative AI has just accelerated that trend. We have entered a period of stagnation that shows no immediate signs of changing. In fact, the future demand trajectory doesn't look good for digital learning content providers. This year saw the highest level of L&D teams who reported a decrease in investment in digital learning content. The bad news is that if this trend continues the market pressure this creates on suppliers is going to be significant. By 2027 we might even see the digital learning segment shrinking for the first time in three decades.

### Investment in digital learning platforms is weakening

Again, the long-term trend shows a ten-year decline in investment in learning platform budgets too. The appetite for investing in learning platforms has weakened significantly over the decade. Over that time the number of learning teams expecting to increase systems spend has fallen by nearly a third. Whilst we are far from a stagnant market, solution spend is not the vibrant space it once was. Unless of course you are buying into enhanced AI capabilities that target skills, AI content generation or that extend learning into just-in-time performance support.

### Budgets for the internal digital learning team are falling

The pressures on L&D team headcount are growing, and the 10-year trend sees a significant post-COVID-19 hangover that organisations don't seem to be able to shake. The pressure to decrease investment in internal digital learning has grown and grown. Just short of one in five learning teams expect their budget for their internal digital team to fall. Looking out to 2027 - we could see internal digital learning team budgets decline to such an extent that those digital learning teams looking to decrease their headcount is bigger than those expecting to increase it. Again - it's a decline that unprecedented in the previous 30 years.

### Budget for AI content authoring dominates intentions for L&D spend

With only 4% looking to reduce their AI content authoring spend, this continues to be the growth segment for learning team budgets. And the overall trajectory over the past three years is strong with 63% expecting their investment in this area to grow. AI is seen as the silver bullet to doing more with less, which in turn is commoditising the digital learning content market. And that looks like a trend that is going to last.

### Will AI be the death of outsourcing or its renaissance?

It's difficult not to see AI as a spectre which haunts most of the trends around digital learning and learning teams - and with outsourcing that feels even more true. If outsourcing was essentially about efficiency and cost management then today AI is increasingly playing that role. And it's hard to see outsourcing partners. And it's hard to see those most advanced AI users, and they can act as organisations' 'learning hyper-scalers'. So, internal learning teams be warned. The race for the use of AI in learning is on! It's not only AI which is a disruptor for you, its those who apply it most effectively who also want your role.

#### Digital Learning Content



#### Digital Learning Platforms



#### Internal Digital Learning Team



#### AI content authoring



#### Outsourcing digital learning team

