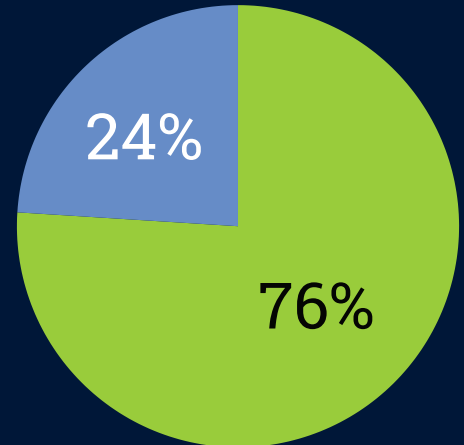


2025 IT Budgets and Spending Study

The State of IT Budgets

- In 2024, enterprises faced rising IT costs from increased cloud and security spending plus new AI spend.
- This was exacerbated by a period of higher inflation and wage costs.
- Averaged, respondents estimated their organizations spent 5.7% (\$742M) of total revenue on IT solutions, services and staffing in 2024 globally.
- On average, enterprises estimate 2025's total IT budget change at 1.8%.

2024 IT budget was on average \$742 million (5.7% of revenue)



● 24% spent outside IT ● 76% spent by IT

IT Staffing by the Numbers

In-house and Outsourced IT Staffing

The human element of IT spending averages \$323 million, of which almost half is made up of outsourced or augmented staff. Enterprises are now looking to restrict this outsourced spending in 2025 as IT brings process efficiencies, and as discretionary spending is more closely controlled.

In-house IT Staff:



Average of 990 IT employees



27% of overall IT budget



1.1% expected growth in 2025

Top Areas of IT Investment Impact in 2025

Spending Aligned to Desired Impact

Enterprises highlighted **productivity and cost management** as the two priorities where performance improvements are most demanded. They also identified IT as having the greatest impact in these areas.

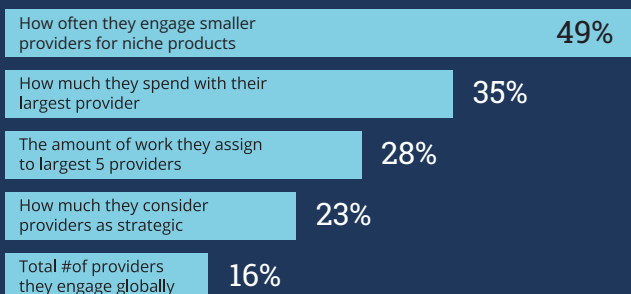
- 1 Improving productivity
- 2 Reducing cost
- 3 Customer experience
- 4 Driving innovation
- 5 Digital transformation

Changes to Sourcing Strategies in 2025

49% Plan to Increase Niche Provider Use

To meet changing priorities, enterprises plan to be more strategic with their biggest providers to achieve cost optimization and transformation. They also want to bring innovation into the business via niche players. Despite this, the number of providers they engage in total will remain largely the same.

% of Enterprises Will Increase



300 decision makers from G2000 firms in N. America, EMEA and ANZ were interviewed about their IT spending expectations for 2025.



Respondents were C-level (72%), senior IT (15%), and finance/procurement leaders (13%).

Contact us to find out more about this study. If your organization needs help navigating the technologies, processes and culture needed to optimize IT spending, ISG can help.