

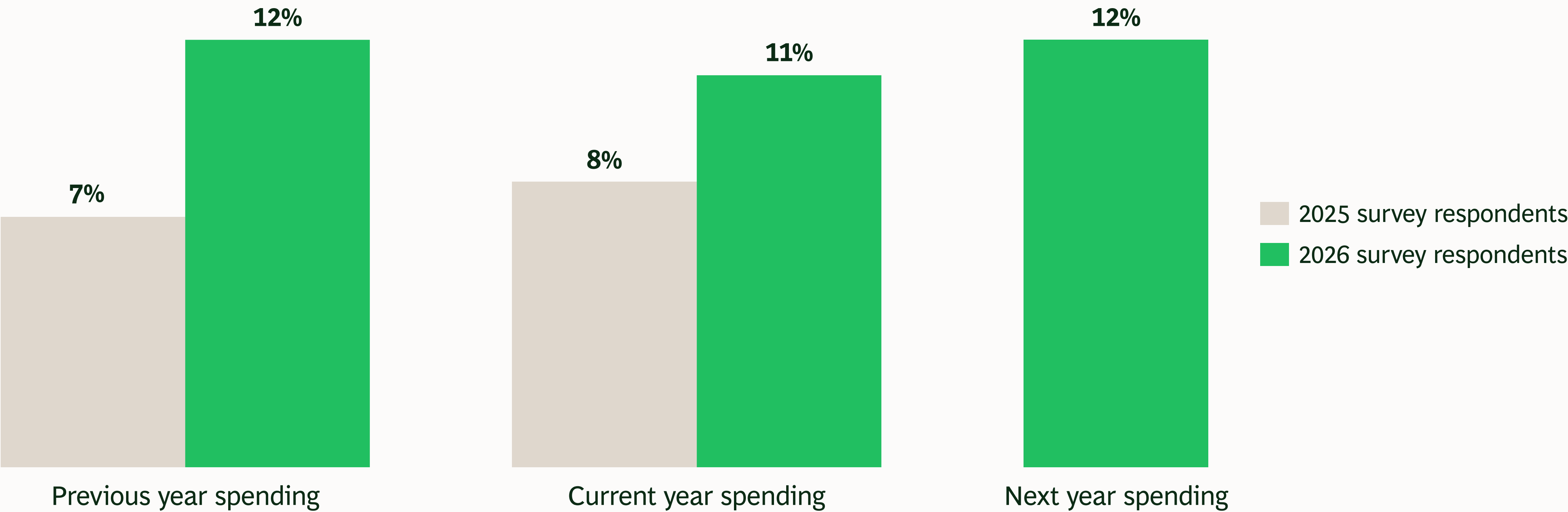


Cybersecurity Budgets Are Growing Fast. AI Threats Are Growing Faster.

August 2026

Cyber spending continues to outpace projections, driven by AI and growing compliance requirements

INCREASE IN CYBERSECURITY SPENDING (%)



Sources: BCG & GLG CISO Survey 3.0 (May 2025, N=300), 4.0 (March 2026, N=302); BCG analysis.
Note: Each year’s survey asks respondents about their cyber budgets in the previous year and current year, along with projections for the coming year.
Question: How will/has your company’s cybersecurity spend changed year over year?

CISOs see budgets increasing in cloud, data, and managed security

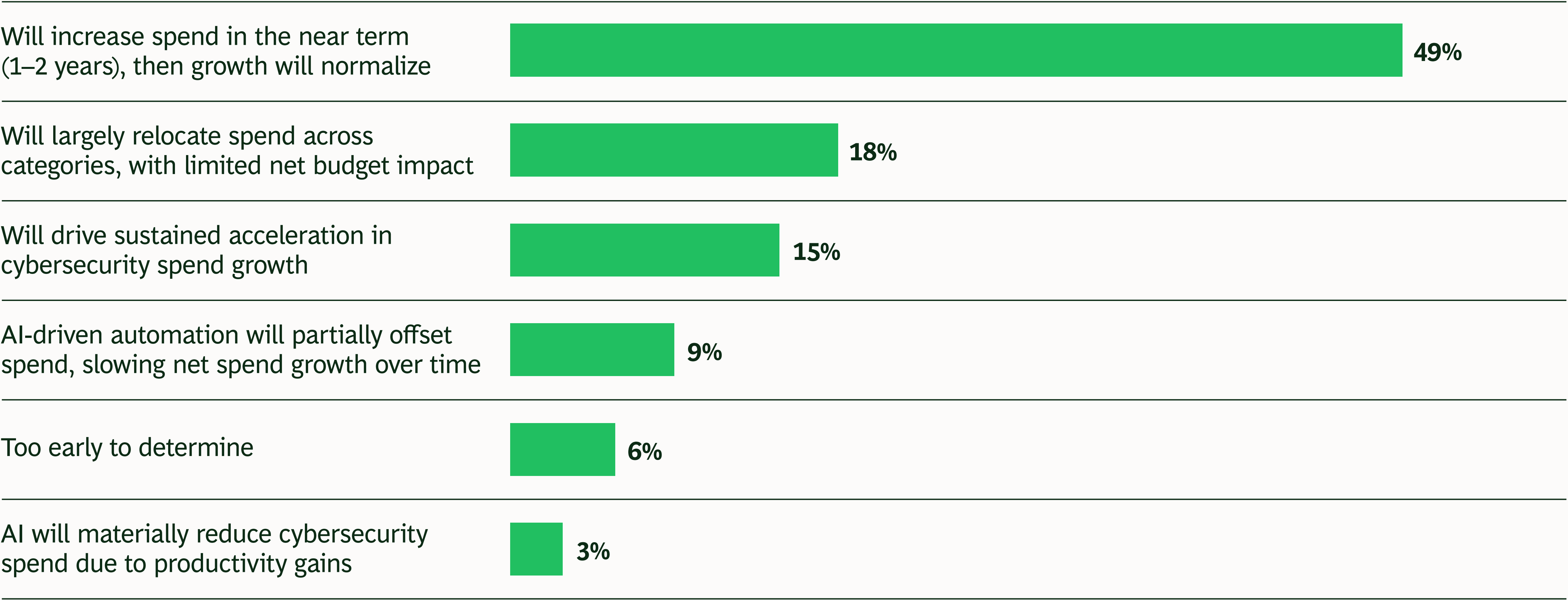
SHARE OF RESPONDENTS EXPECTING TO CHANGE SPEND BY PRODUCT CATEGORY (% , 2026 VS. 2025)				2026 rank	vs. 2025
Cloud and container security	69	27		1	↑ 14
Data security	65	27	4	2	=
Managed security services	54	40	4	3	↑ 8
Threat intelligence	54	38	4	4	↓ 2
Cloud security posture management	50	41	5	5	New
Application security	50	42	6	6	↓ 2
Data loss prevention	47	45	6	7	New
Vulnerability assessment and management	46	49	4	8	↓ 2
Identity and access management	46	46	7	9	↓ 3
Security information and event management	46	46	8	10	↓ 2
Zero-trust network access	44	47	5	11	↓ 5
SaaS security posture management	39	48	6	12	↑ 4
Cloud workload and container protection	39	49	5	13	New
Observability and telemetry	39	54	6	14	=
Endpoint protection	39	47	8	15	↓ 10
Governance, risk, and compliance	38	56	3	16	↑ 5
Security orchestration, automation, and response	37	52	8	17	↓ 5
Network detection and response	36	54	8	18	↓ 4
Extended detection and response	35	53	7	19	↓ 8
Managed detection and response	35	55	7	20	New
Secure access service edge	32	56	5	21	↓ 3
Backup and recovery	32	57	9	22	↓ 2
Firewall / next-generation firewall	31	57	10	23	↓ 8
Mobile threat defense	30	59	4	24	=
Cloud access security / secure web gateway	28	58	6	25	↓ 3
Data encryption, tokenization, and key management	27	63	6	26	=
Unified endpoint management	25	66	7	27	↓ 9
Other	38	25	13	NA	NA

Sources: BCG & GLG CISO Survey 4.0 (March 2026, N=302); BCG analysis.

■ Increase ■ No change ■ Decrease ■ Unsure/cannot say

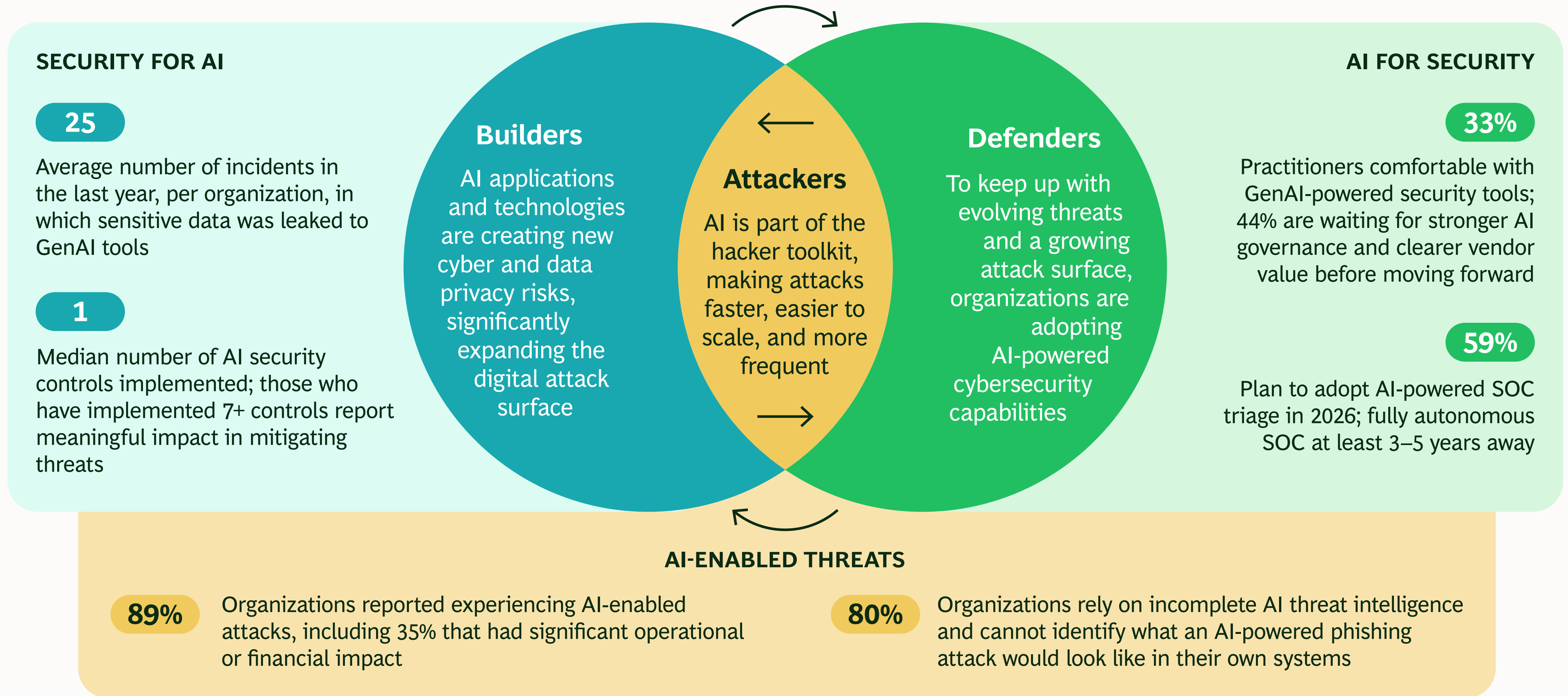
CISOs expect that AI adoption will continue to lead to higher cyber spend for another one to two years before budgets return to normal

Over the next 3 to 5 years, what impact do you expect AI adoption across your organization to have on your overall cybersecurity spend?



Sources: BCG & GLG CISO Survey 4.0 (March 2026, N=302); BCG analysis.

AI is simultaneously increasing cyber risks, enabling new threats, and powering defenses



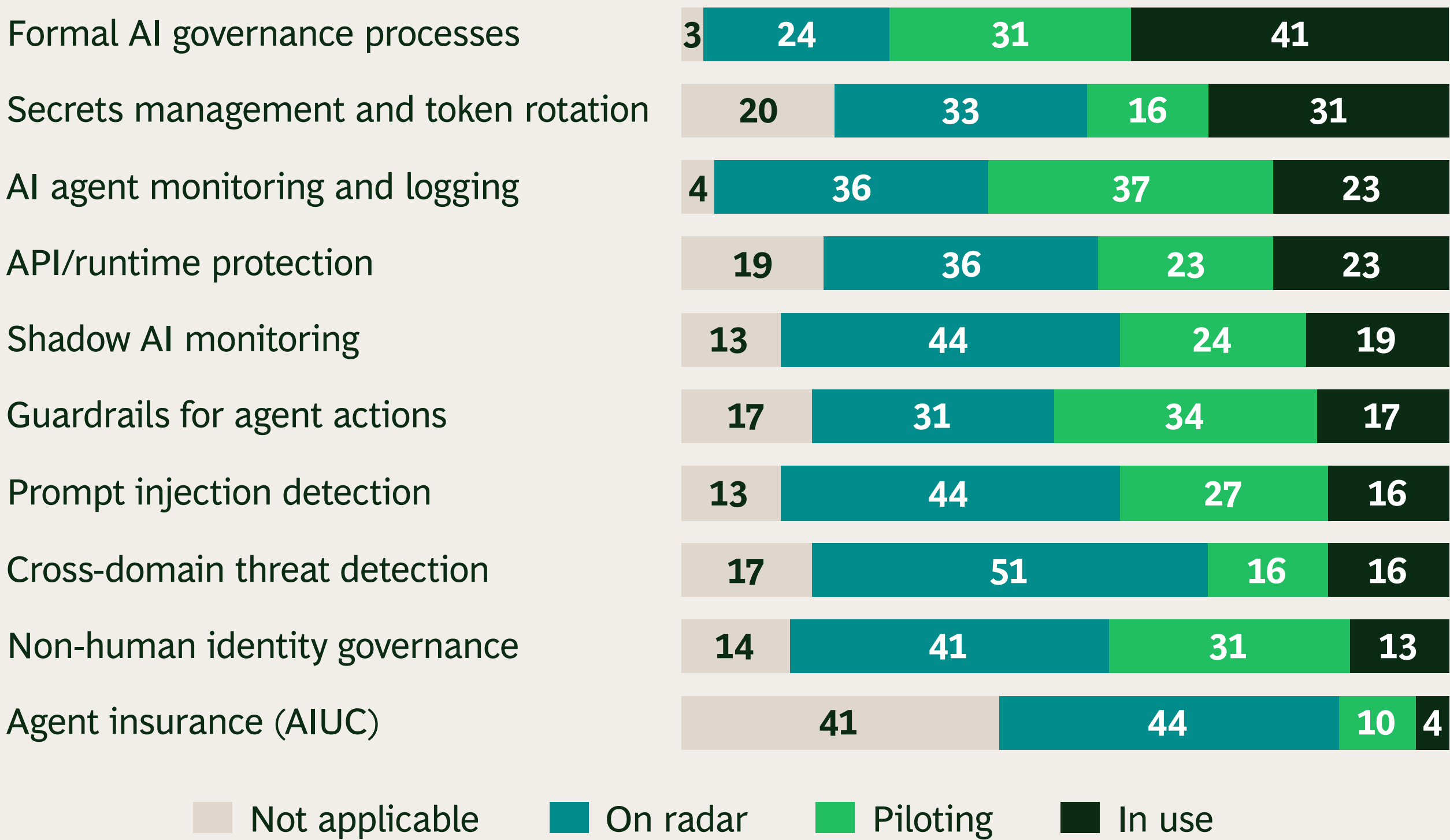
Sources: BCG & GLG CISO Survey 4.0 (March 2026, N=302); BCG analysis.

Note: SOC = security operations center.

Most organizations have adopted minimal AI-specific security controls, but high control adoption is well correlated with mitigating AI threats

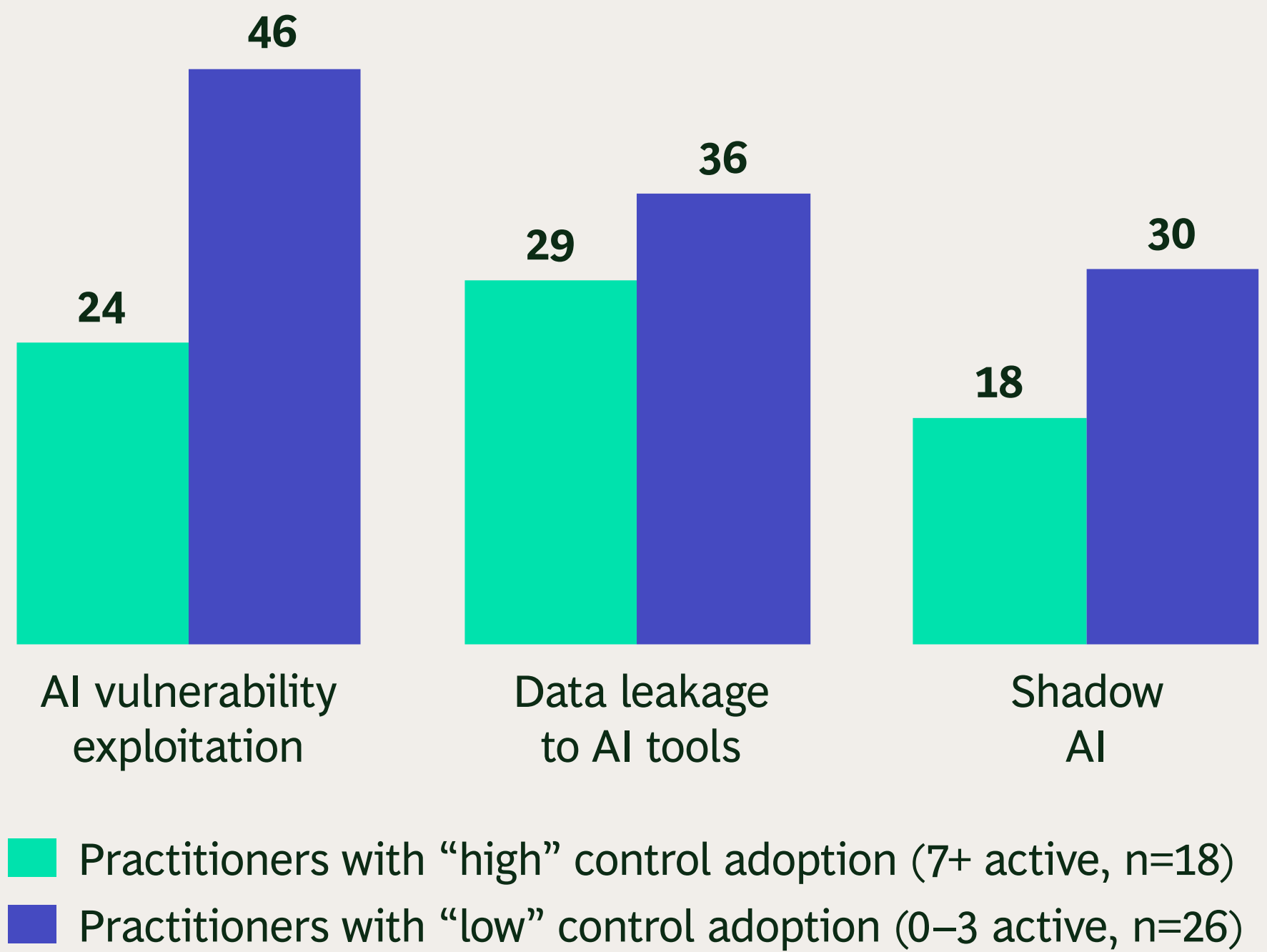
Which of the following capabilities is your organization actively applying to secure AI systems, AI agents, or non-human identities? (n=70)

STAGE OF CONTROLS ADOPTION (%)



Which AI-related cybersecurity threats has your organization experienced, and how would you describe the impact?

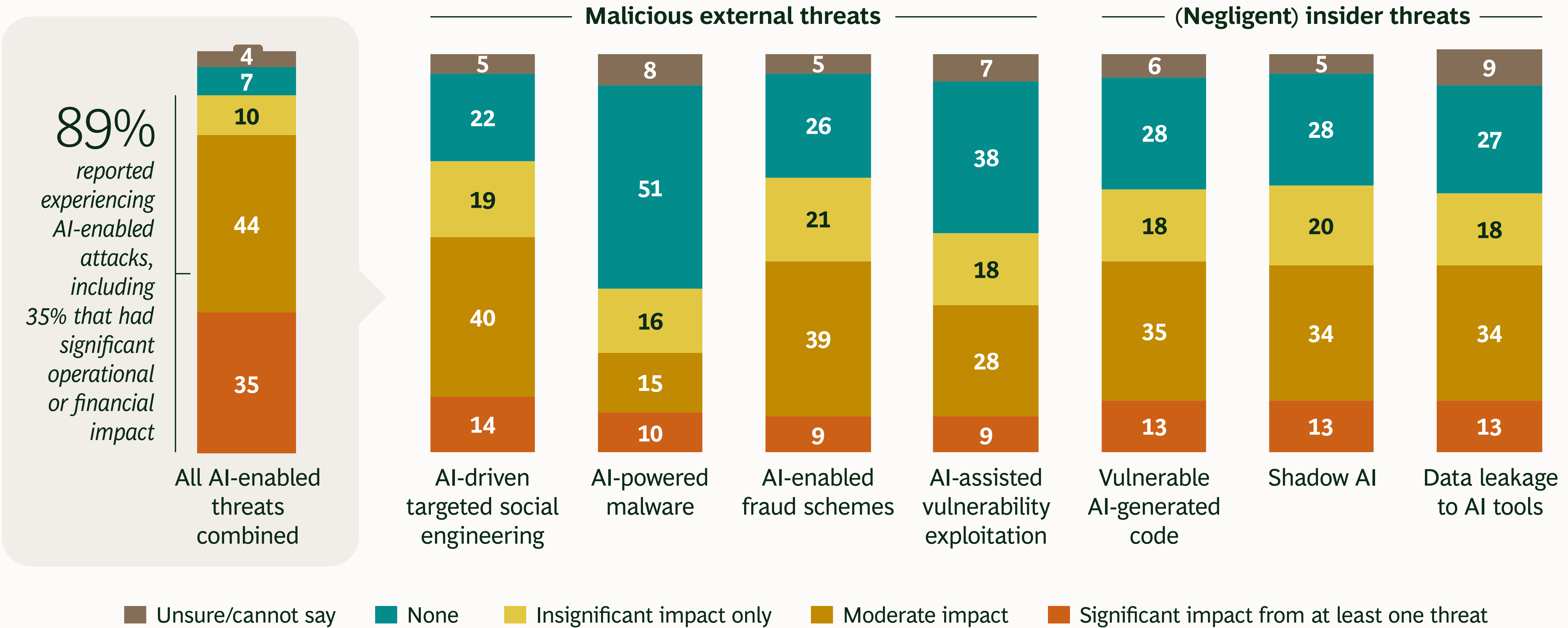
PRACTITIONERS EXPERIENCING ‘SIGNIFICANT’ THREAT IMPACT, BY CONTROLS ADOPTION TIER (%)



Sources: BCG & GLG CISO Survey 4.0 (March 2026, N=302); BCG analysis.

Roughly one-third of companies report significant operational or financial impact from AI-enabled attacks in the last 12 months

PRACTITIONERS EXPERIENCING AI-ENABLED THREATS AND LEVEL OF SEVERITY, BY CATEGORY (%)



Sources: BCG & GLG CISO Survey 4.0 (March 2026, N=302); BCG analysis.
Note: Totals may not sum to 100% due to rounding.

Frontier AI labs and cyber platform incumbents are winning the AI tools battle, with less than 40% of CISOs turning to hyperscalers and startups

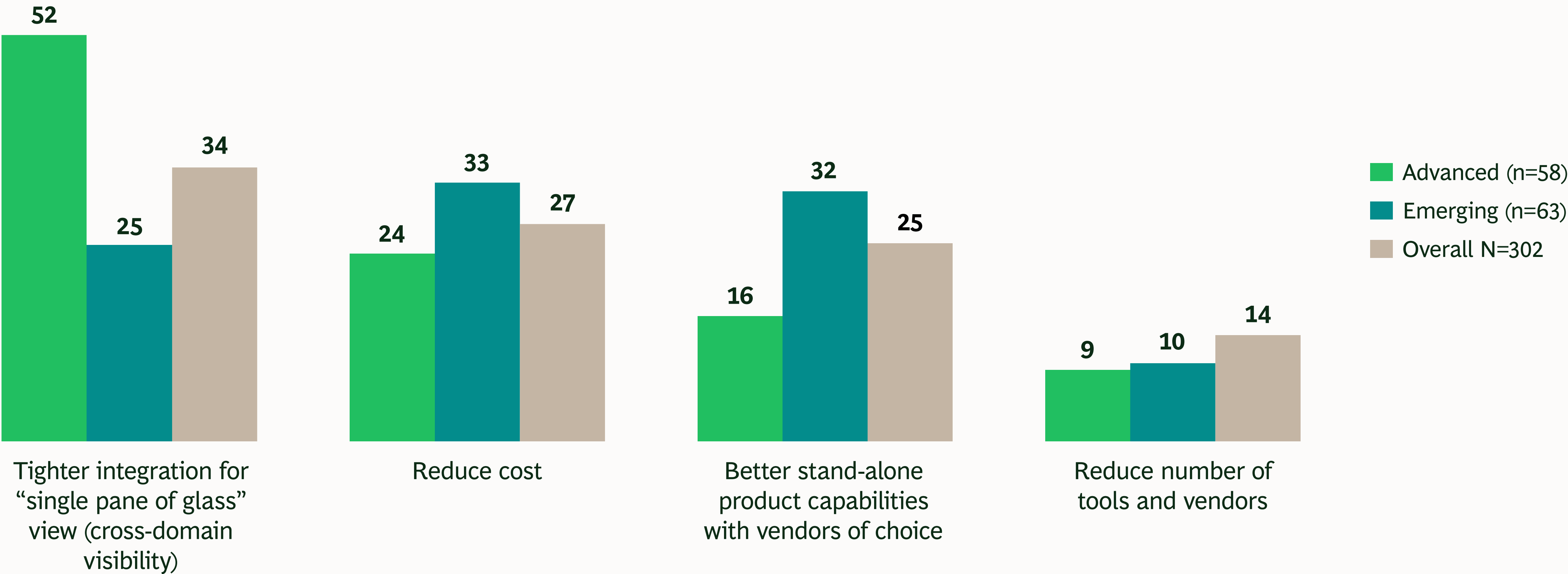
CURRENT USAGE OF PROVIDERS IN 2026, BY CATEGORY (%)

Frontier AI labs <i>(e.g., Open AI API, Anthropic API)</i>		64%	Primarily a complement, not replacement, for security-specific tools
Platform incumbents <i>(e.g., Palo Alto Networks, Crowdstrike, Microsoft)</i>		63%	Reduces tool sprawl and gives a unified platform (“single pane of glass”)
Hyperscaler solutions <i>(e.g., AWS, Azure, GCP)</i>		39%	Preferred for ease of integration and consolidated billing with cloud spend
AI-enabled security startups <i>(e.g., Abnormal AI, Darktrace)</i>		29%	Niche specialists winning in specific domains where incumbents have gaps
Model + DIY <i>(in-house)</i>		19%	Concentrated among the most AI-mature organizations with dedicated machine learning and engineering teams

Sources: BCG & GLG CISO Survey 4.0 (March 2026, N=302); BCG analysis.

Mature organizations consolidate to reduce complexity, while less mature organizations optimize for cost and better capabilities

RATIONALE FOR CONSOLIDATION, BY MATURITY OF ORGANIZATION (%)



Sources: BCG & GLG CISO Survey 4.0 (March 2026, N=302); BCG analysis.
Notes: Advanced and Emerging archetypes determined using BCG Cyber Maturity Scorecard. Totals may not sum to 100% due to rounding.