

IT Spending Pulse: With Rising Optimism, CIOs Pursue Targeted Investments in AI and Security Priorities

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Our latest CIO Spending Pulse survey makes all too clear just how challenging the past year has been for IT leaders. The optimism expressed in our December 2024 survey, when growth and [digital transformation](#) dominated the IT agenda, was replaced just four months later by concerns about macroeconomic conditions and the impact of [tariffs](#); cost-cutting became top of mind for CIOs.

Now, as those pressures ease, CIOs’ priorities have shifted yet again. Budgets are stabilizing and buyers are returning to strategic initiatives with renewed confidence. Long-term concerns such as security and [risk mitigation](#) have become imperatives once more. And digital transformation has returned to the top of the agenda, as [GenAI](#) begins to prove its value.

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These new results suggest that IT leaders believe they are now operating in a less uncertain environment and are therefore taking a cautiously optimistic approach to the ongoing quest for growth.

Rebounding Optimism After a Year of Turbulence

Compared with our April 2025 survey, IT buyers are now less focused on cost and spending or macroeconomic conditions and are instead concentrating on long-term priorities. With short-term concerns fading, security and risk mitigation and driving digital transformation have risen to top of mind (see Exhibit 1.)

IT Spending Is Recovering, If Slowly

IT leaders now expect to increase their 2025 spending to 2.9% over the previous year, up from 2.4% in April 2025. And they expect to increase spending further in 2026, to 3.6%. While that is still well below pretariff highs, it reflects growing optimism (see Exhibit 2.) In addition, fewer companies are delaying projects, although restarts of projects previously put on hold remain selective; just 46% of respondents said they expect to resume projects within the next 6 to 12 months. The shift marks a move away from reactive pauses toward more deliberate prioritization (see Exhibit 3.)

One defining factor in the move toward active prioritization is a company's relative GenAI maturity. More mature organizations dedicate 4.1 percentage points more revenue to IT than do their less mature peers, and they expect twice as much ROI from GenAI and AI agents (see Exhibit 4.) Still, enthusiasm for GenAI has tempered across the board compared with late 2024, as leaders set more realistic targets for value creation.

AI Leads and ERP and Security Gain in Product Investment

AI continues to dominate investment agendas, with AI and machine learning (including GenAI) attracting the strongest net expansion. Yet buyers are not pursuing AI in isolation. Enterprise resource planning (ERP) and customer relationship management (CRM) systems have regained momentum, reflecting their role as essential foundations for advanced analytics and GenAI adoption. Meanwhile, standalone analytics as a proportion of IT budget has fallen sharply—down 18 percentage points compared with April 2025—as its capabilities increasingly become embedded within broader AI initiatives. (See Exhibit 5.)

Security spending also remains robust, but here too priorities are shifting. Rather than expanding across fragmented stacks, buyers are consolidating vendors as they seek fewer but stronger tools to ensure resilience and manage complexity.

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Taken together, these moves signal a maturing approach: organizations are modernizing core platforms and securing data environments to lay the groundwork for AI at scale.

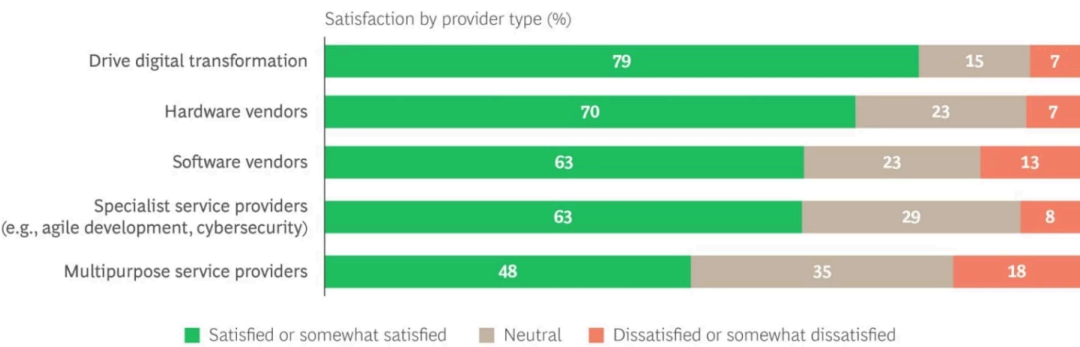
Vendor Satisfaction Varies Considerably Depending on Type

Satisfaction with technology providers varies sharply, and the divide between leaders and laggards is widening. Vendors of digital platforms stand out, with nearly eight in ten buyers reporting satisfaction, while hardware providers follow at a solid 70% satisfaction rate. Software vendors and specialist service firms perform more moderately, with 63% reporting satisfaction. (See Exhibit 6.)

EXHIBIT 6

IT Leaders Are Far More Satisfied with Focused Vendors Than with Multipurpose Service Providers

Q: How satisfied are you with the performance of your current vendors?



Source: BCG IT Buyer Pulse Check 9.0 (August 2025), N = 395.

At the bottom of the spectrum, multipurpose service providers are struggling to meet expectations, with satisfaction levels standing at just 48%. The frustrations are familiar but pressing: costs for their services can be higher than anticipated, while their productivity benefits have proven elusive. The result is an uneven landscape in which a handful of provider categories are reinforcing their leadership positions, while others risk being left behind.

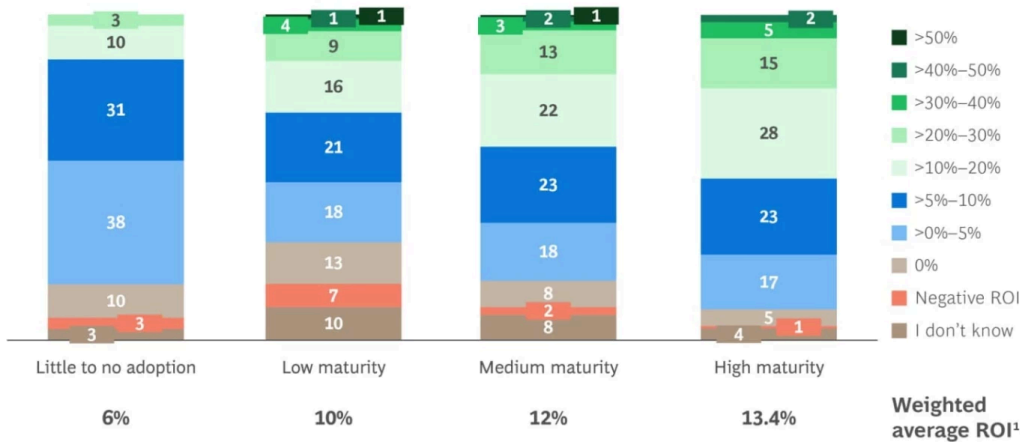
GenAI and AI Agents Are Delivering Real ROI

Adoption of GenAI is entering a new phase, one defined less by hype and more by demonstrable value. Average returns on GenAI deployments to date edged upward to 11.2%, according to the survey, compared with 10.6% reported in December 2024. Experience matters: organizations high in their GenAI maturity journey report more than double the ROI of more limited adopters, while companies still early in their adoption journey are more likely to report negative or unclear returns, underscoring the importance of maturity and disciplined scaling. (See Exhibit 7.)

EXHIBIT 7

Highly Mature AI Adopters Are Seeing More Than Twice the ROI as the Least Mature

Q: Approximately how much ROI to date have you measured from the GenAI/AI agent implementation?



Source: BCG IT Buyer Pulse Check 9.0 (July 2025), N = 434.

¹Calculated using midpoint of ranges: 0%, >0%–5%, >5%–10%, >10%–20%, >20%–30%, >30%–40%, >40%–50%, >50%; >50% weighted at 75%; negative ROI weighted at –5%.

Moreover, hopes for the future remain strong, with respondents expecting returns from GenAI in general to reach 14.1% over the next three years. And as AI agents emerge as some of the most practical applications of GenAI, expected returns from AI agents are even higher, at 14.7% (see Exhibit 8).

Yet even the most mature companies are shifting from broad AI experimentation to more targeted deployments in customer service, analytics, and security and risk prevention. To that end, they are also reducing the number of use cases to which they apply both GenAI and AI agents. (See Exhibit 9 and Exhibit 10.) Interest is also building in customer relationship management, where AI's potential to enhance engagement is becoming clearer.

A Reset Toward Resilience and Selectivity

The past year has seen IT buyers seesawing between the exuberance of late 2024 to the tariff-driven austerity of early 2025. Our most recent IT buyers survey reveals an industry finally moving past these short-term shocks and charting a more measured course.

Security and resilience anchor today's IT agendas. AI investments are shifting from hype to ROI-driven scaling. Supplier consolidation reflects a pragmatic push to simplify portfolios, fund innovation, and reduce risk.

The message is clear: IT leaders are no longer chasing growth at any cost, nor retreating into defensive cost cutting. They are rebalancing—prioritizing resilience while building the foundations to reap the truly transformational benefits of AI.

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