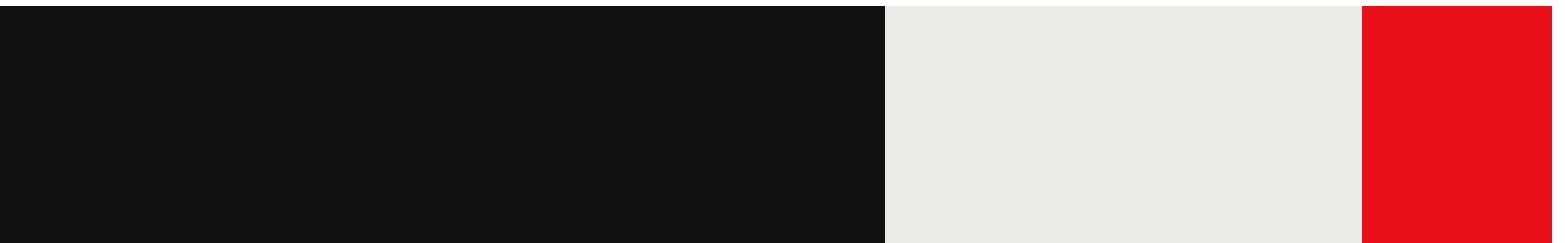


AI spending set to outpace IT budgets in 2025

Article



The news: Enterprise leaders plan to increase [spending on AI](#) at a faster rate than IT spending next year.

- AI budgets are expected to rise an average of 5.7% YoY in 2025, per a study by [Information Services Group](#), compared with an expected 1.8% increase for overall IT budgets.

- IT budgets will go up an average of \$11.5 million, with about \$3.4 million (30%) of that going toward AI.

IT budgets are forecast to be padded by heightened investments in security, cloud-based infrastructure, and customer experience initiatives.

Rerouting funds: While executives are pushing more money toward [generative AI \(genAI\) programs](#), that extra spending may have to be pulled from other projects.

- “We're not seeing a change in what our clients are spending on IT, but what we are seeing is a **continued trend of trying to save money on IT to free up the spending on areas of genAI**,” [Accenture](#) CEO Julie Sweet said on the company's Q4 earnings call.
- Scaling back IT spending could come from automating routine tasks, reducing software subscriptions, and controlling discretionary spending.

Trimming fat? Salaries are one of the biggest expenses for IT departments, with in-house staff accounting for 27% of overall IT budgets, per ISG. The average annual salary for an AI specialist in the US is about \$143,000, per [Glassdoor](#), compared with \$85,000 for an IT specialist.

This could lead companies to cut back on IT teams—either in-house or outsourced—to free up spending for genAI programs and specialized workers.

However, **pulling back on IT teams or spending could make basic services and security operations more vulnerable**. Currently, [only 16% of tech leaders are very confident](#) that their companies' current cloud and data systems can support genAI, per IBM.

Our take: The full [financial benefits of genAI](#) could still be some time away, and decreasing spending on crucial IT services could lead to security missteps or worse customer experiences in the meantime.

Cross-training genAI and IT employees could address redundancies, boost team morale, and ensure that all team members can contribute to both new programs and basic service operations.

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