Higher Education IT Spending Trends for 2024-2025

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2023 brought no pause from disruptive pressures for higher education leaders, and 2024 has been no different. Financial pressures, political pressures and reputational pressures all combine to challenge the business models and operating models of [institutions].

Top Business Trends in Higher Education for 2024

- Student recruitment and enrollment
- Modernize existing practices and systems
- Evolve teaching and learning models
- Support new academic offerings and delivery
- Financial

“...only 19% of higher education CIOs rate themselves and their IT leadership teams as proficient or expert in tracking and assessing disruptive trends...” - 2024 Gartner CIO and Technology Executive Survey
Figure 3: IT Spending as a Percent of Revenue

IT Spending as a Percent of Revenue
Midsize Enterprises

- MSE: 4.6%
- Banking and Financial Services: 8.1%
- Software Publishing and Internet Services: 8.1%
- Media and Entertainment: 7.3%
- Education: 5.7%
- Professional Services: 5.2%
- Utilities: 4.5%
- Healthcare Providers: 4.4%
- Insurance: 4.3%
- Pharmaceuticals, Life Sciences and Medical Products: 4.0%
- Industrial Electronics and Electrical Equipment: 3.6%
- Transportation: 3.4%
- Consumer Products: 2.6%
- Retail and Wholesale: 2.0%
- Industrial Manufacturing: 1.9%
- Food and Beverage Processing: 1.5%
- Construction, Materials and Natural Resources: 1.4%
Cross-Industry Comparison

IT Spending to Run, Grow and Transform the Business
Midsize Enterprises

<table>
<thead>
<tr>
<th>Year</th>
<th>Run</th>
<th>Grow</th>
<th>Transform</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>74%</td>
<td>17%</td>
<td>9%</td>
</tr>
<tr>
<td>2020</td>
<td>74%</td>
<td>17%</td>
<td>9%</td>
</tr>
<tr>
<td>2021</td>
<td>73%</td>
<td>17%</td>
<td>10%</td>
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<tr>
<td>2022</td>
<td>73%</td>
<td>16%</td>
<td>11%</td>
</tr>
<tr>
<td>2023</td>
<td>74%</td>
<td>16%</td>
<td>10%</td>
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Source: Gartner (2023)
Note: Totals may not equal 100% due to rounding.
2023 Spending on IT Services Versus Internal Services
(Billions of U.S. Dollars)

Cross-Industry Comparison
Gartner 2024 Higher Ed CIO and Technology Executive Survey Results

What are the most critical outcomes for digital technology investments?

- **83%** Excel in Customer (or Citizen) Experience
- **53%** Generate Revenue
- **47%** Ensure Compliance/Minimize Risks
Gartner 2024 Higher Ed CIO and Technology Executive Survey Results

Which technologies are most likely to be implemented by 2026?

- Artificial Intelligence/Machine Learning: 85%
- Generative AI: 83%
- Distributed Cloud: 77%
Gartner 2024 Higher Ed CIO and Technology Executive Survey Results

By 2027, 60% of higher education institutions will adopt a hybrid operating model that blends physical and virtual capabilities to deliver the institutional mission.

"Predicts 2024: Education Automation, Adaptability and Acceleration"
Importance of Technology Use Cases
Percent of higher education respondents indicating “very important”

- Classroom technologies for learning and engagement: 69%
- CRM for recruiting and admissions: 67%
- D&A for measuring academic progress and course engagement: 64%
- CRM for student success and advising: 59%
- Adaptive learning solutions for course delivery: 57%
- DXP for student engagement and omnichannel communication: 54%
- D&A for student retention: 53%
- AI/ML for digital assessment/testing solutions: 45%
- AI/ML for proctoring/remote proctoring: 43%
- AI and immersive technology for teaching & learning: 42%
- D&A for program planning: 41%
- D&A for professor feedback and planning: 40%
- FIS for faculty tenure tracking: 37%
- Credentialing technology solutions for certifications: 34%
- RPA for process improvement: 28%
Learning Management System [LMS]
<table>
<thead>
<tr>
<th>Week 1</th>
<th>Week 2</th>
<th>Week 3</th>
<th>Week 4</th>
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<tbody>
<tr>
<td><img src="image1.png" alt="Week 1" /></td>
<td><img src="image2.png" alt="Week 2" /></td>
<td><img src="image3.png" alt="Week 3" /></td>
<td><img src="image4.png" alt="Week 4" /></td>
</tr>
</tbody>
</table>

**First Month of Semester**
Can Predict a Future Grade Here!

*with a 60-70% accuracy rate