Security Budget

SNAPSHOT BENCHMARK REPORT

IANS ARTICO

2026

Executive Summary

Security budget growth in 2026 remained subdued, up just a point to 5% from 4% in 2025, well below the double-digit growth of 2021–2022. That modest average hides a widening split. Most CISOs saw flat or shrinking budgets amid broader market uncertainty and inflation, while a smaller group, concentrated in companies backed by venture capital (VC) and private equity (PE) and well-funded public firms, kept growing budgets aggressively, funding both business risk and new AI-specific security tooling.

To track key shifts in security budgets, IANS and Artico Search conducted their seventh annual CISO Compensation and Budget Research Study from April to August 2026, gathering data from more than 500 CISOs on budget size, growth and allocation, along with AI's expanding role in all three. This report also draws on expert perspectives from Artico Search's cyber practice, including Steve Martano, IANS Faculty and partner in Artico Search's cyber practice. Find detailed budget data in the appendices at the end of the report.

Key findings

Security budgets in 2026

Security budgets grew by 5%, on average—up a point from last year. However, median growth remained flat, and 55% of respondents kept budgets flat or made cuts, as economic headwinds outweighed AI's case for bigger budgets.

Business risk is the most common driver of budget growth for CISOs who saw their budgets increase, followed by AI-specific investment. New regulations and an increased board focus on security drove the biggest budget increases.

Financial performance decides who can act on forces driving a need for budget growth. Strong outperformance (more than 5% above revenue targets) pairs with security budget growth twice as often as cases of considerable underperformance.

Looking ahead, 64% of CISOs expect their budgets to grow next year. This year's numbers don't quite support such optimism: Sixty-four percent asked for an increase then, and only 45% got one.

How AI is impacting security budgets

AI is the single biggest priority for net new budget dollars, named by 69% of CISOs explicitly. AI is embedded in two other top priorities: security operations automation and IAM enhancements.

AI now represents 3% of the security budget on its own. Combined with the rest of the software category, that share grows to 35%—the closest it's ever been, at just 2 points behind staff & compensation.

About one in four CISOs expect to aggressively grow their spend (>10%) on AI security. Another 45% plan to grow their AI spend by 1%–10%. They're typically backed by a senior leadership team with a solid understanding of AI's risk.

CISOs expect AI will reshape security jobs more than cut them. Sixty-nine percent of CISOs do not expect to have to cut existing headcount due to AI, while 81% expect it to create demand for new roles and skills.

Security Budget Growth Remains Suppressed in 2026

Average security budget growth across the full sample of CISOs surveyed increased marginally, from 4% in 2025 to 5% in 2026. Median growth stayed at 0%—the same as last year.

Looking back at the past six years, growth has fluctuated widely from a high of 17% in 2022 to a low of 4% in 2025. Both macroeconomic conditions and cybersecurity trends explain the swings. Breaking the period into three stretches makes the pattern clearer (see Figure 1 on the next page).

Double-digit budget growth in 2021–2022

Near-zero interest rates, fueled by pandemic-era stimulus, meant cheap money for corporate investments, while COVID's forced shift to remote work drove urgent security build-outs and operational transitions. Additionally, high-profile ransomware attacks, the Log4Shell vulnerability's exposure of software supply-chain risk, and critical infrastructure threats from Russia's invasion of Ukraine provided justifications for fast-growing security budgets.

Normalizing growth in 2023–2024

The Silicon Valley Bank collapse in early 2023 triggered a regional banking shock and tighter corporate credit. This had a cascading effect on capital markets broadly, as initial public offering (IPO) issuance and PE deal activity both fell through 2022–2023. At the same time, many security programs moved past their initial build-out phase into a run-and-optimize mode with disciplined, incremental investment. The combined effect was a cooling of security budget growth to the mid-to-high single digits.

Lagging growth in 2025–2026

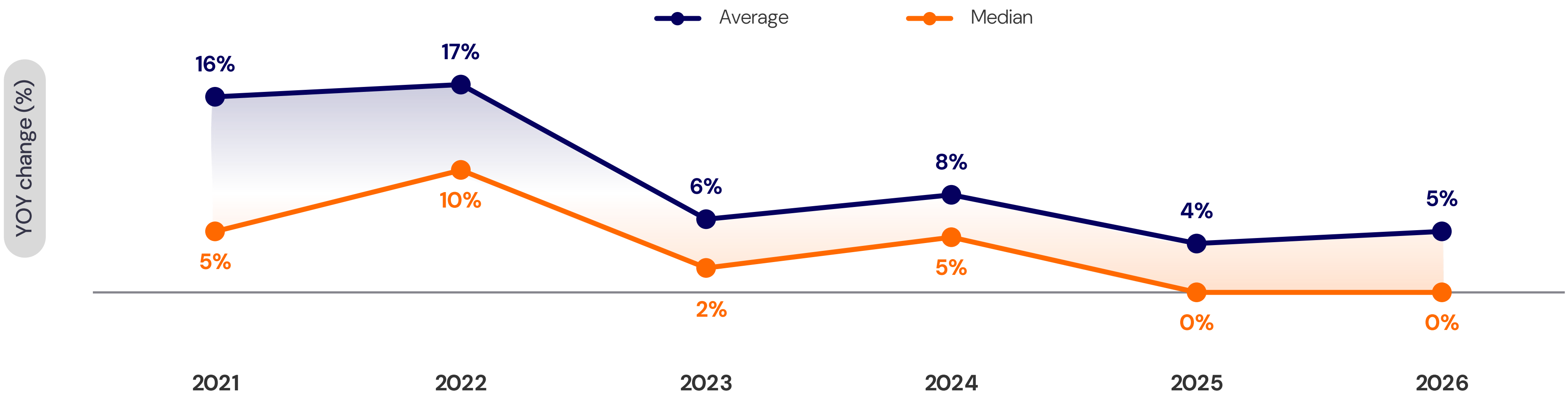
Sustained market uncertainty and inflationary pressures pushed organizations toward broad-based cost discipline with less room for discretionary investment. AI emerged as the new risk-and-investment frontier, with clear justification for more security spend. However, AI investment typically spread across the organization or was centralized in IT. As a result, security organization budget growth remained at multiyear lows.

> There are multiple factors that contribute to the ebb and flow of security budgets, but it's obvious in the data that macroeconomic trends and the general budgetary environment are key components. While security may be somewhat insulated from slashed budgets, there is still a relationship between security budgets and boom-and-bust market cycles.
>
> *Steve Martano*

FIGURE 1

Source: IANS & Artico Search

Year-Over-Year (YOY) Security Budget Growth



Key trends	**2021–2022**	**2023–2024**	**2025–2026**
Macroeconomic	• Pandemic-era stimulus • Near-zero interest rates • Geopolitical conflicts	• Bank credit tightening • IPO/PE deal pullback • Rising interest rates	• GDP slowdown • Fewer but larger M&A deals • Tariff-driven inflation
Cybersecurity	• COVID/remote work security • Major ransomware attacks • Critical infrastructure threats	• Security programs shifting from build to run-and-optimize	• AI is the new definitive business focus • AI amplifies security threats

The complete 2026 Security Budget Benchmark Report is a 30-page report that provides high-level insights and detailed data on security budget growth, spending priorities and AI's expanding role in security investment. It is available to IANS clients through the IANS Portal or to non-clients upon request.

To receive a copy of the full report, contact us at info@iansresearch.com

About Us

This publication is created in partnership between IANS and Artico Search.

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IANS is the practitioner-sourced intelligence engine where data, peer experience and expert insights converge for security teams. Our private knowledge base spans thousands of conversations among client security teams and our Faculty network of 170+ active cybersecurity practitioners, proprietary benchmarking data, and a continuously growing library of practitioner-authored research and content. Governed by strict anonymization and consent standards, this intelligence is now directly accessible through the AI tools security teams already use.

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