

A decorative graphic on the right side of the page features a horizontal line. To the left of the line is a small bar chart with five orange bars of increasing height. To the right of the line is a large orange sphere with a white grid pattern, partially cut off by the edge of the page.

2024 Security Budget

Benchmark Summary Report

This summary report provides high-level insights from our 2024 Security Budget Benchmark Report.

The complete 2024 Security Budget Benchmark Report is a comprehensive, 28-page breakdown that offers a more detailed set of data and is available to IANS clients through the IANS Portal or to non-clients upon request by contacting us at info@iansresearch.com.

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Executive Summary

Amidst global economic and geopolitical uncertainty, markets are jittery, companies are spending frugally and investors remain cautious. Security budgets are also affected by these realities, with most budgets remaining flat or increasing modestly. Situations of significant budget and staffing growth typically occur in response to external risks or the evolving maturity of the security function.

To assess the current state of security budgets and staffing, IANS and Artico Search conducted their fifth annual CISO Compensation and Budget Research Study. Data collection for this report began in April and ran into August 2024. We gathered responses from 755 CISOs, whose insights on security budget and staffing trends form the basis of this report. Find details on the methodology and a breakdown of the sample in the methodology section of this report.

Security budget growth hits 8%, up from 2023

Nearly two-thirds of CISOs report increasing budgets. The average growth has risen from 6% in 2023 to 8% this year, but this is only about half of growth rates in 2021 (16%) and 2022 (17%). A quarter of CISOs experienced flat budgets while 12% faced declines.

Cautious spending has led to slower hiring. Staff growth decreased from 31% in 2022 to 16% in 2023 and dropped further to 12% this year, with more than a third of CISOs maintaining consistent headcount.

CISOs attribute high growth scenarios to external circumstances

Our analysis of the key drivers behind security budget growth reveals significant increases are often triggered by incidents or breaches, or by rising risks such as those associated with AI adoption. Additionally, CISOs identify internal factors contributing to accelerated budget growth, including rapid company expansion or strategic shifts like M&As.

Security outpaces IT spend and annual revenue growth

Over the past five years, security as a percentage of IT spend has steadily increased from 8.6% in 2020 to 13.2% in 2024. As a percentage of revenue, security budgets also rose gradually during the same period (from 0.50% to 0.69%).

These upward trends indicate larger shares of organizations' resources are being allocated to security compared to other functions.

What CISOs Will Find in This Report

This year's Security Budget Benchmark Report equips CISOs with relevant data and insights for the upcoming budget cycle. In it, CISOs will find:



The latest annual budget growth data

Self-reported data from 755 CISOs; 681 of whom completed the budget section on budget and security headcount growth and multiyear budget trends. This is a 25% increase in the number of completes from 2023.



Insights and anecdotes

Executives at Artico Search, in particular Steve Martano, IANS Faculty member and partner in Artico Search's cyber practice, and Matt Comyns, Artico Search's co-founder and president, offer their insights.



Key drivers of above-average budget growth

The arguments with which CISOs have been able to successfully justify budget increases beyond incremental growth.



Objective and vendor-free research

Currently in its fifth year, our process of participant recruitment, data collection, vetting and analysis ensures the report's objectivity, legitimacy and value.



Key budget metrics

Benchmark data for four commonly used security metrics CISOs use to determine budget and security headcount and justify continued increases.

Security Budget Hypergrowth Has Ended

The period of double-digit growth in security budgets seen in 2021 and 2022 has not returned. During those years, many organizations were still in catch-up mode regarding their cybersecurity programs.

Today, at a growing number of organizations, the function is better understood due to increased collaboration among CISOs, the leadership team and the board of directors.

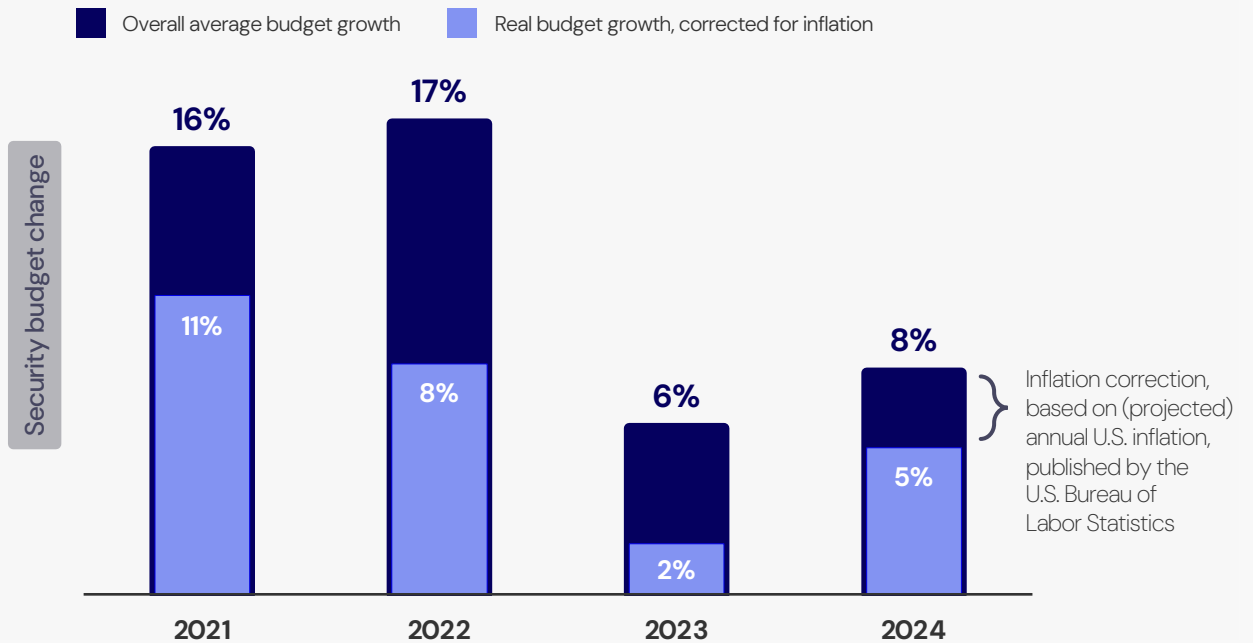
For 2024, the overall growth rate is 8%, an improvement from 2023 but still around half of 2021 and 2022 levels.

When adjusted for inflation, the real growth rate for security budgets is around 5%, up from 2% in 2023 (according to the Bureau of Labor Statistics' Consumer Price Index, inflation for 2024 is forecasted to be around 2.5%). As FIGURE 1 shows, despite high inflation in 2021 and 2022, real growth in 2024 is significantly lower compared to those years.

FIGURE 1 Source: IANS & Artico Search

Overall Security Budget Change Improves Modestly Versus 2023

Year-over-year change in the security budget



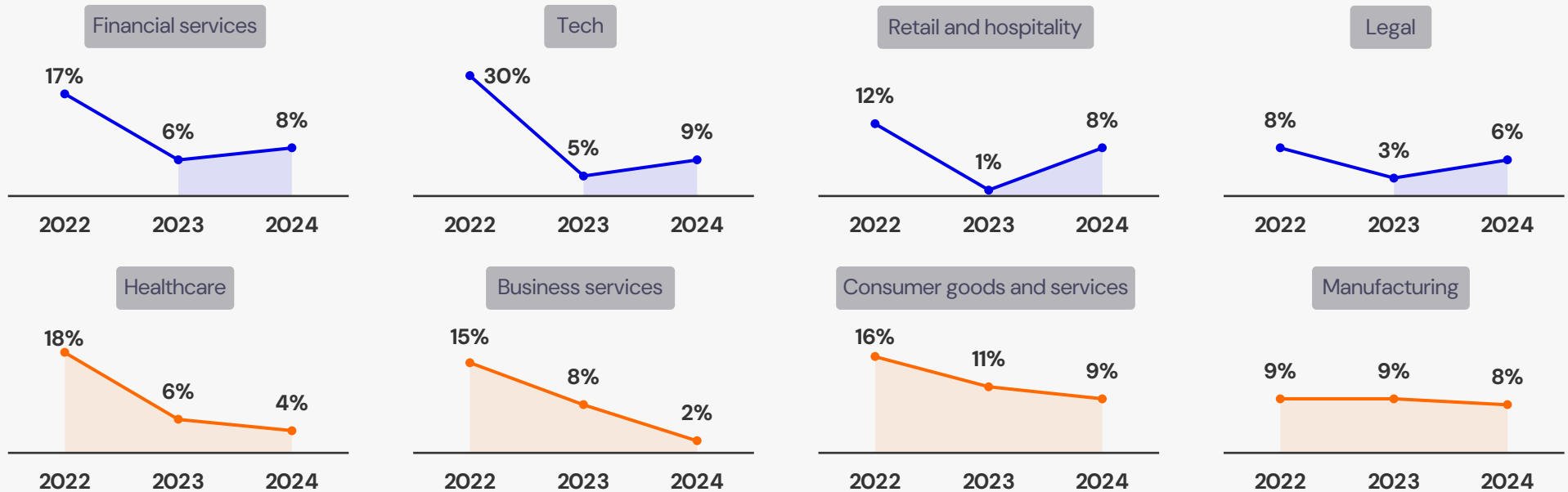
Multiyear budget growth trends vary by industry (not adjusted for inflation). In the finance, tech, retail and hospitality, and legal sectors, average security budget growth has improved from 2023 levels but remains in the high single digits.

In contrast, the healthcare, business services, and consumer goods and services sectors have seen further declines in average growth rates, compared to 2023 (see FIGURE 2).

FIGURE 2 Source: IANS & Artico Search

Budget Growth is Dependent on Industry

Year-over-year change in the security budget



“ Companies that have been hit the hardest by inflation and other macro challenges are cutting back the most—not only in cyber, but in budgets across the board. With healthcare costs skyrocketing, consulting budgets being slashed and consumer packaged goods companies on the front line dealing with inflationary pressures, it’s not shocking that security budgets in these sectors have been trending downwards.

— Steve Martano

Signs of security budget frugality

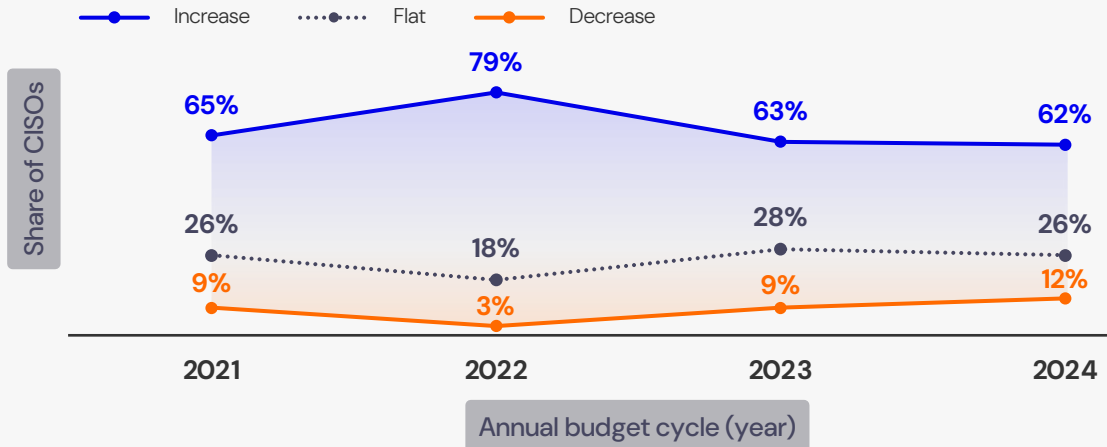
In this year’s survey, about two-thirds of CISOs reported growing security budgets. For about a quarter of CISOs, budgets stayed flat, and 12% had a budget reduction. These figures are similar to 2023 but are a departure from 2022, when more than three-quarters of security budgets increased (see FIGURE 3).

Digging deeper, we find 30% of CISOs received just modest budget increases of 1% to 5%. This means that, of CISOs with increasing budgets, the majority (71%) of increases are modest in nature with at most 10% growth.

FIGURE 3 Source: IANS & Artico Search

62% of CISOs Received a Budget Increase

Year-over-year change in the security budget



Drivers of high budget growth

We asked CISOs with growing budgets to list the top reasons driving their budget increases. FIGURE 4 illustrates these reasons in a bubble chart, with the percentage of CISOs citing each reason as the top factor on the left side and the average budget increase shown on the right. The size of the bubbles represents the magnitude of the increase.

The largest average increases are linked to incidents or breaches and changes in risk appetite, in each case resulting in a 26% average budget boost. This is followed by company repositioning, company growth, increased risk and major industry disruptions.

CISOs who indicated their growth as a typical annual change reported an average budget increase of 7%.

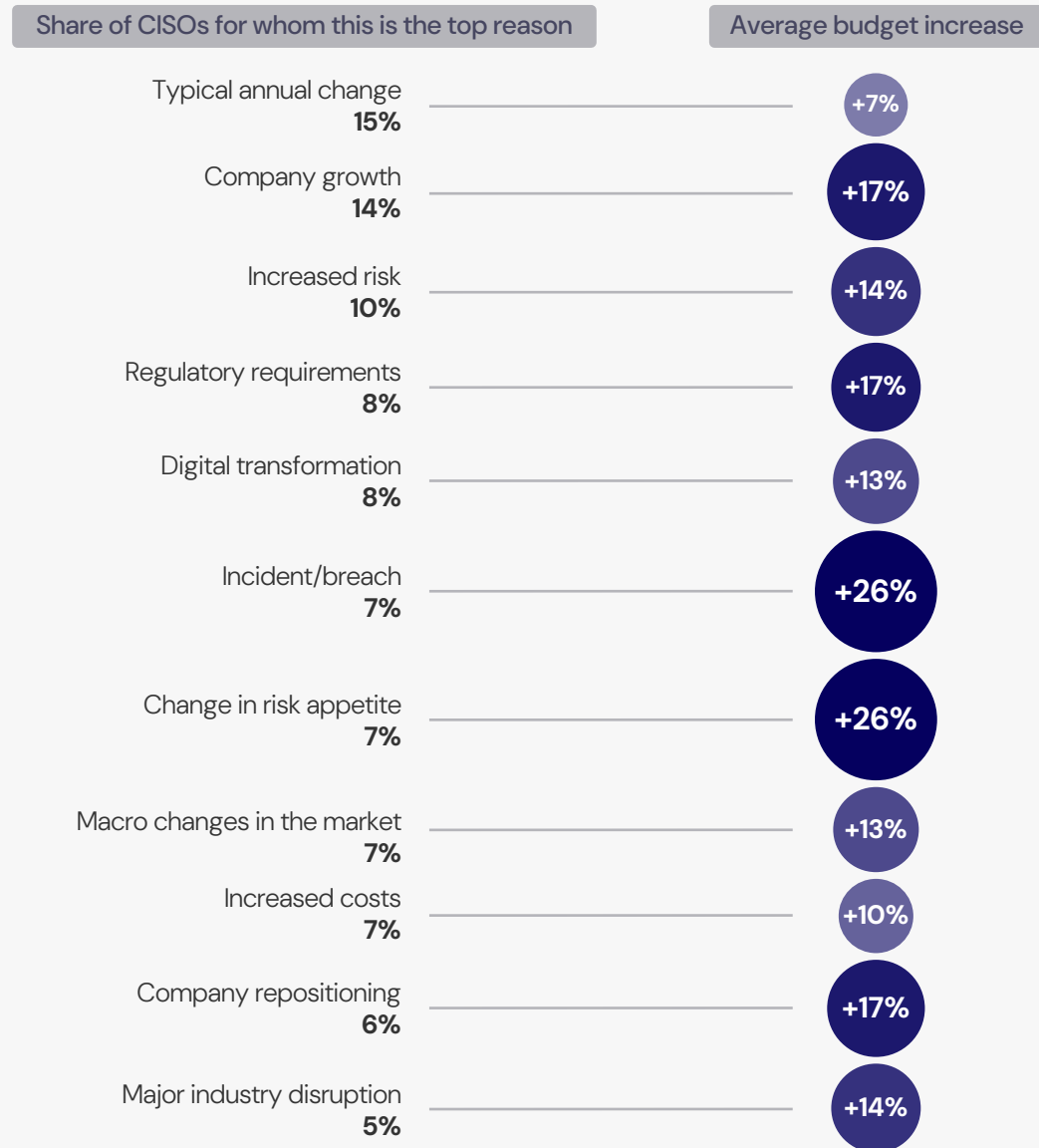
With risk levels and risk tolerance weighing heavily in budget decisions, Matt Comyns explores the link between increased risk and the proliferation of AI:

Over the last 12 months, more CISOs are serving on AI steering committees, bringing their unique perspective to the organization with regard to using AI securely to appropriately manage customer data and ensure customer trust. Although AI may have far-reaching positive implications for the business, the security implications of using AI have an upfront cost in terms of both time and budget, stretching CISOs even further into areas where they did not spend much time just a few years ago.

FIGURE 4 Source: IANS & Artico Search

The Top Reasons Behind Budget Increases

Top reasons for security budget increases and the corresponding average percentage increase to the budget



Security Headcount Growth Cools

The average security staff growth rate CISOs reported over the past four years shows a multiyear decline from 31% in 2022 to 12% in 2024 (see FIGURE 5).

Steve Martano comments on the hiring slowdown of security staff:



For the last 12 months, it has been difficult for CISOs to add staff even when there's a need in the organization. Teams are being asked to do more with less, and CISOs are finding it difficult to get budget for recruiting and hiring. This puts a lot of pressure not only on CISOs, but also on their teams.

Using multiyear survey data, we found 52% of CISOs are adding headcount to their security organizations, down from 55% in 2023 and 68% in 2022. A growing share of organizations are keeping headcount flat. Approximately one in 10 CISOs are cutting headcount (see FIGURE 6).

FIGURE 5 Source: IANS & Artico Search

Overall Staff Growth Continues to Erode

Year-over-year change in the size of security staff

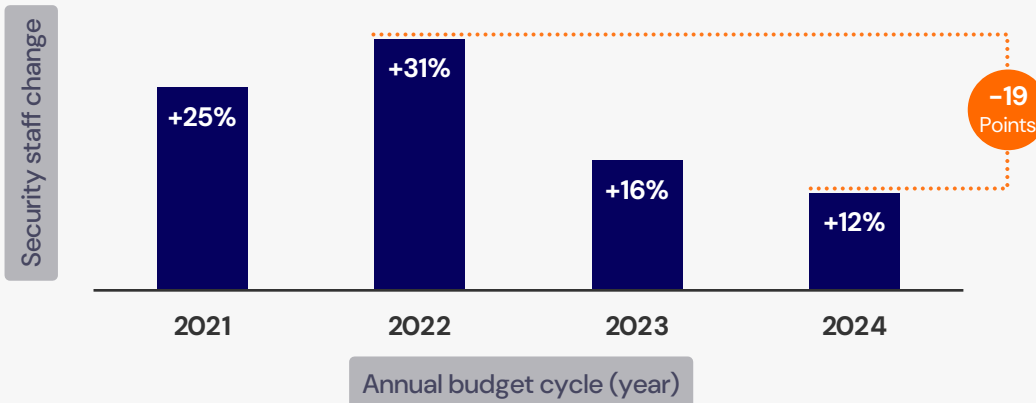
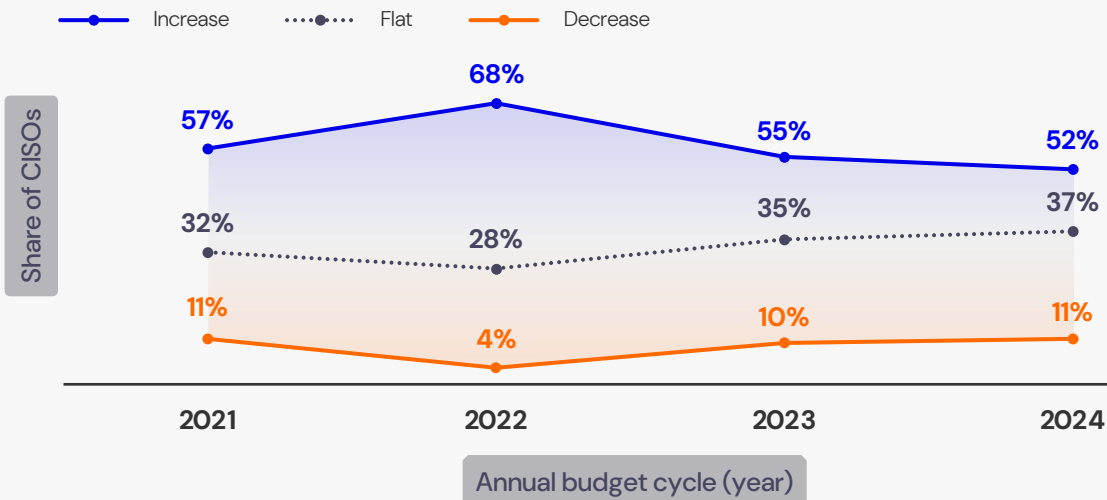


FIGURE 6 Source: IANS & Artico Search

Roughly Half of CISOs Couldn't Secure Staff Growth

Year-over-year change in the size of security staff



Key Metrics for Budget and Staffing Decisions

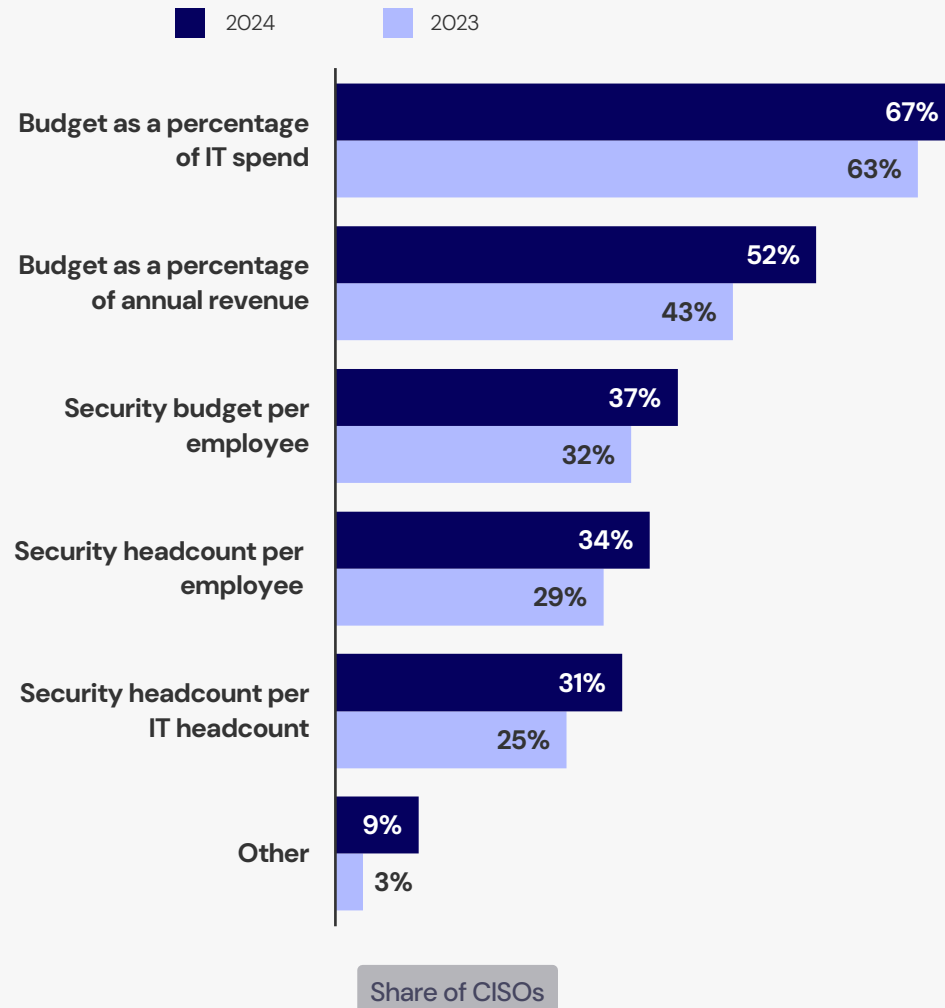
When asked which metrics they use to inform their budget and staffing requests, 67% of CISOs selected “budget as percentage of IT spend,” and 52% selected “budget as percentage of annual revenue.” Other common metrics include security budget per employee and per IT headcount (see FIGURE 7).

CISO's reliance on the five metrics has increased since last year, an indication of maturation of the security discipline.

FIGURE 7 Source: IANS & Artico Search

In 2024, More CISOs Favor Common Metrics for Budget and Staffing

Metrics used in determining security budget and security headcount (multiple answers accepted)



Security continues to claim more IT resources

Examining the top two benchmarking metrics used by CISOs and comparing this year’s data with the previous four years reveals a clear upward trend.

As percentage of IT spend, the average security budget is up from 8.6% in 2020 to 13.2% in 2024 (see FIGURE 8). The median security budget percentage metric, which is less affected by outliers than the average, has also risen over the same five-year period.

Similarly, security budget as a percentage of revenue has increased, with organizations now spending an average of 0.69% of their revenue on security (equivalent to 0.69 cents per dollar of revenue).

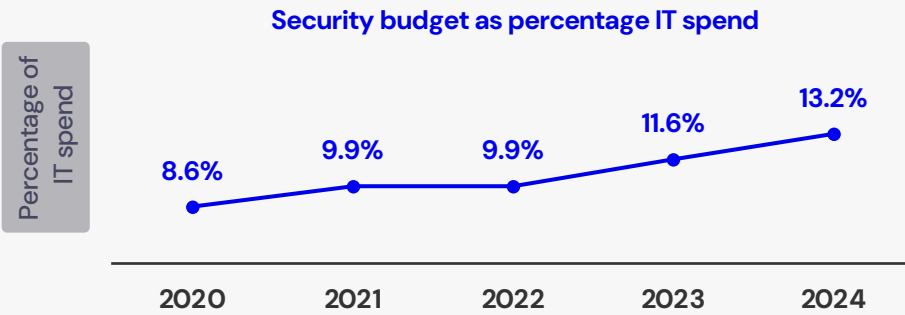
Steve Martano elaborates on these metrics and their multiyear trends:

Security budgets are continuing to outpace IT budgets as security becomes more directly correlated with enterprise value, particularly for companies planning to transact in the near term. Additionally, many companies are using their security program as a market differentiator, moving the budget from “cost center” to “value proposition” as CISOs are more engaged in customer conversations.

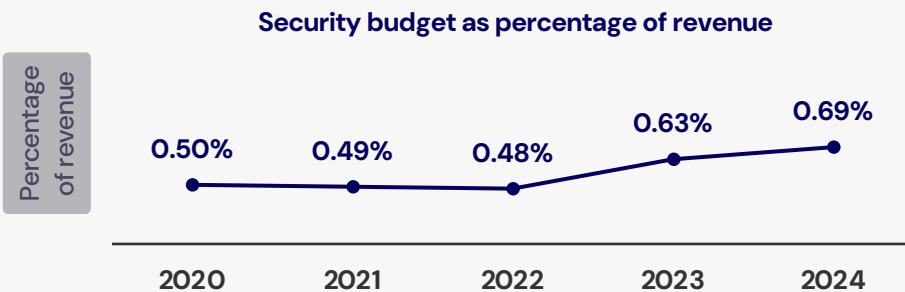
FIGURE 8 Source: IANS & Artico Search

Security Budget as Percentages of IT Spend and Revenue Trends Up

The company’s annual security budget as a percentage of the IT budget and of annual revenue



	2020	2021	2022	2023	2024
Average	8.6%	9.9%	9.9%	11.6%	13.2%
Median	7.0%	8.0%	7.0%	8.0%	8.3%



	2020	2021	2022	2023	2024
Average	0.50%	0.49%	0.48%	0.63%	0.69%
Median	0.21%	0.20%	0.23%	0.32%	0.32%

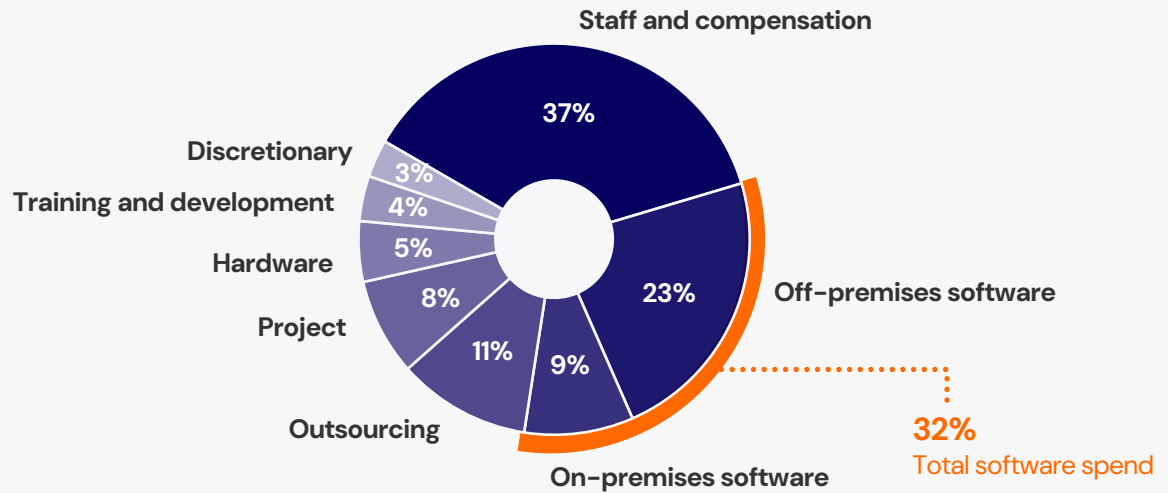
Security Budget Breakdown Shifts Marginally Over 4 Years

As part of the survey, CISOs provided a breakdown of their security budget across eight common budget categories. In aggregate, staff and compensation costs account for the largest share of the budget (37%), followed by off-premises software, outsourcing and on-premises software (see FIGURE 9).

FIGURE 9 Source: IANS & Artico Search

Staff Costs Represent the Largest Share of Security Budgets

Breakdown of the annual security budget



CISOs’ budget satisfaction hinges on visibility and credibility

Anecdotally, many CISOs think their budgets should be larger. Despite this, it is notable that only 28% expressed outright dissatisfaction with their budget, while 52% indicated being somewhat or very satisfied (see FIGURE 10).

FIGURE 10 Source: IANS & Artico Search

About Half of CISOs Indicate Being Satisfied With Their Budget

CISO satisfaction with the security budget



CISOs often talk about being asked to do more with less, but when asked objectively in the survey, less than a third of CISOs are dissatisfied with their budgets. While there is a prevailing narrative more money is better and leads to CISOs being more satisfied, the reality is more complex. CISOs who report that they are satisfied typically have visibility and credibility with leadership, engage in risk management discussions, and present program metrics to the board. CISOs that lead security programs viewed in the context of business risk are satisfied due to the alignment of the operational security up to the board level.

Steve Martano

Methodology

IANS and Artico Search fielded their fifth annual CISO Compensation and Budget survey in April 2024. From April until August, we received survey responses from 755 security executives at a diverse set of companies in regard to size, location and industry. Of them, 681 respondents completed the budget section of the survey.

Key steps in the research process are:

Survey design

We improve our surveys on an ongoing basis by incorporating feedback from respondents and adding topics based on client demand.

Respondent recruitment

We recruit from last year's already vetted respondents. We grew the sample by recruiting from diverse CISO audiences. Respondents receive a complimentary copy of the research. There is no monetary compensation attached to taking the survey.

Data hygiene

The survey design and data collection process includes precautions to prevent fake respondents and survey response errors. For example, respondents can skip questions if they don't have access to the requested information.

Analysis

A five-member team runs the analysis, builds the storyline and writes the report. This is a multidisciplinary team with combined expertise in data science, cybersecurity, CISOs' key imperatives, and cyber executive talent and recruitment.

Objectivity

This research is neither influenced by nor paid for by third parties. We report on the data objectively and free from personal bias and opinions. Clarifying insights are drawn from Artico's cyber practice and clearly marked as quotes.

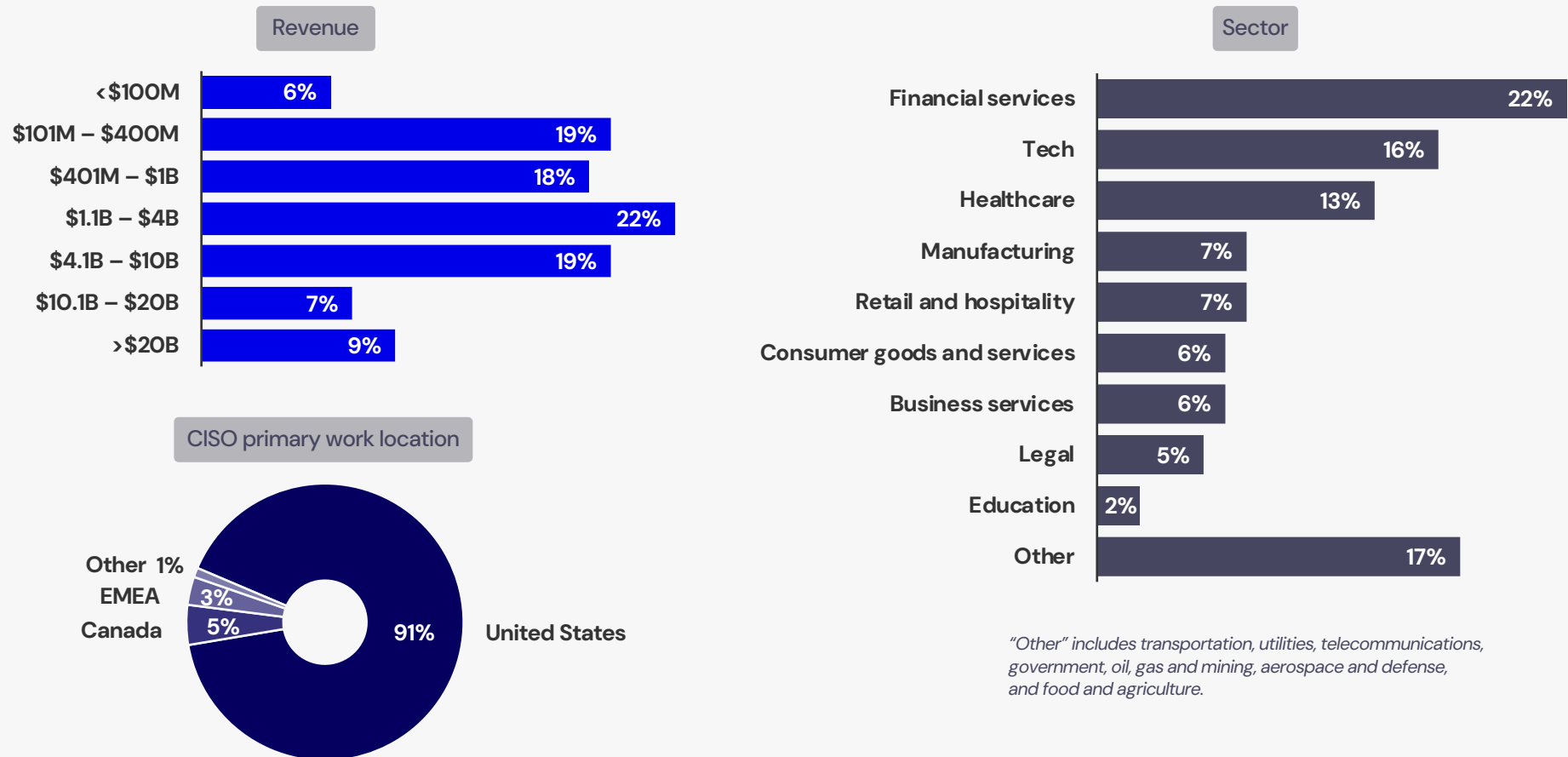
Sample breakdown

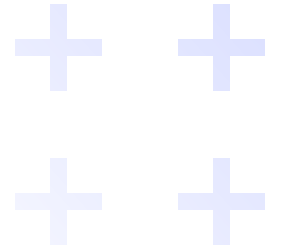
Respondents provided a range of budget data, including the absolute and relative size of their company’s security budgets, the annual growth rate of the budget, and how the budget breaks down into a set of commonly used spending categories. Using respondents’ data, we calculated averages (the statistical mean).

FIGURE 11 provides the breakdown of respondents by company industry, company size in revenue, organizational type and the respondents’ primary work location.

FIGURE 11 Source: IANS & Artico Search

Sample Breakdown: N = 755





About Us

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

Artico Search

articosearch.com

Founded in 2021, Artico Search's team of executive recruiters focuses on a "grow and protect" model, recruiting senior go-to-market and security executives in growth venture, private equity and public companies. Artico's dedicated security practice delivers CISOs and other senior-level information security professionals for a diverse set of clients.



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