Global enterprise IT spending in the banking and investment services market is forecast to increase by 7.2% in 2021 to $585 billion in constant U.S. dollars, up from $545 billion in 2020. Spending is expected to see a five-year CAGR of 5.6% to reach an estimated $718 billion by 2025.
Overview

All the growth and figures here are in constant currency, unless specified otherwise.

Worldwide banking and investment services spending on enterprise IT is forecast to grow by 7.2% in 2021 to $585 billion in constant U.S. dollars, up from $545 billion in 2020. The growth rate for the banking subindustry significantly outpaced the 2020 growth rate of 2.6%, rising to 8% in 2021. Growth in IT spending for the investment services declined slightly from 5.6% in 2020 to 5.1% in 2021.

The degree of positive growth varies significantly by region, ranging from an increase of 1.8% in Latin America to an increase of 11.9% in the Greater China region. Growth in emerging Asia/Pacific and North America markets is forecast above the global average at 10.1% and 8.1%, respectively.

Technology spending varies significantly by segment, with software and devices both seeing double-digit growth in 2021. Software is forecast to grow by 12.3% with the largest dollar increase of any technology sector of $24 billion. Devices will see the largest year-over-year increase, increasing by 20.4% or $7 billion dollars. IT services is forecast to increase by 8.2% or $16.7 billion.

The marked shift to digital engagement since the global pandemic has highlighted where processes available on the digital channels are not fully digitized, ranging from acquisition and onboarding, to account access and complex transaction processing. The increase in digital engagement and subsequent identification of improvement opportunities will continue to drive investments. According to Gartner's 2021 Financial Services Technology Survey, three initiatives emerged as the key focus for technology investments among financial services leaders:\1:

- Developing new or improving existing products and services
- Improving operational agility and speed to market
Improving the customer experience

Cybersecurity, data analytics and APIs are the top technologies where banks expect new or increased funding in 2021 as compared to 2020. Infrastructure services is the single area where CIOs reported spending is more likely to decrease (expected by 29% of CIOs) versus increase (expected by 24% of CIOs). In every other category surveyed, spending is more likely to increase than to decrease. The decrease for infrastructure likely reflects the corresponding increase in cloud services/solutions (see 2021 CIO Agenda: A Banking and Investment Services Technology and Service Provider Perspective). Across financial services, cloud technology has emerged as the foundation for achieving digital transformation goals. For example, cloud technology underpins the adoption of other technologies such as the use of APIs to facilitate ecosystem interactions or innovative solutions enabled by AI typically deployed in a SaaS fashion. More broadly, cloud enables workforce and technology flexibility, can reduce costs and helps the business scale its products and services (see Top Trends in the Cloud Heat Map for Banking and Investment Services for 2021).

Gartner projects that banking and investment services will spend $718 billion in 2025 (representing a 5.6% compound annual growth rate [CAGR] for the years 2020 to 2025).

This banking and investment services industry forecast provides total enterprise IT spending, including internal spending and multiple lines of detail surrounding spending on data center systems, devices, software, IT services and telecom services for 43 countries within 11 geographies, with detailed breakdowns for both the banking and securities submarkets.

The data in the .zip download contains one or more Excel reports, along with data formatted in a comma-delimited flat file (.csv) that can be imported into a variety of other applications.

Notable Changes on Segmentation

Gartner has updated its vertical industries forecast segmentation to align with our revised IT services forecast segmentation changes. The change will provide more accurate industry representation and provide additional levels of granularity. These changes to Gartner coverage are intended to better support and inform clients making critical product and business planning and investment decisions.
To provide additional time to further refine our estimates for infrastructure as a service (IaaS) we are not providing industry estimates but rather have created a No Breakout (N/B) segment until our 4Q21 update. Therefore, when reviewing the 3Q21 update, clients will notice a decline due to the absence of industry breakouts for IaaS.

Evidence

1 2021 Gartner Financial Services Technology Survey

Gartner’s 2021 Financial Services Technology Survey was conducted online from October 2020 through December 2020. The respondents included senior leaders who were either primary decision makers for their organization or business unit’s technology strategy or had a high level of influence in those decisions. The results of this study are representative of the respondent base and not the global financial services population as a whole. The sample was 847 respondents, with representation from Australia, Canada, India, Malaysia, Singapore, the United Kingdom and the United States, and both banking and investment services and insurance industry sectors. The survey was developed collaboratively by a team of Gartner analysts, and was reviewed, tested and administered by Gartner’s CIO Financial Services Quantitative Analytics and Data Science (QuADS) Team.

2 2021 Gartner CIO Survey

This survey was conducted online from 14 July 2020 through 14 August 2020 among Gartner Executive Programs members and other CIOs. Qualified respondents were the most senior IT leaders (CIO) for their overall organization or a part of their organization (for example, a business unit or region). The total sample was 1,877 with representation from all geographies and industry sectors (public and private), including 204 from banking. The survey was developed collaboratively by a team of Gartner analysts, and was reviewed, tested and administered by Gartner's Research Data and Analytics team. Disclaimer: Results do not represent “global” findings or the market as a whole but reflect sentiment of the respondents and companies surveyed.

Document Revision History

Forecast: Enterprise IT Spending for the Banking and Investment Services Market, Worldwide, 2019-2025, 2Q21 Update - 13 July 2021

Forecast: Enterprise IT Spending for the Banking and Securities Market, Worldwide, 2019-2025, 1Q21 Update - 22 April 2021
Forecast: Enterprise IT Spending for the Banking and Securities Market, Worldwide, 2018-2024, 4Q20 Update - 29 January 2021
Forecast: Enterprise IT Spending for the Banking and Securities Market, Worldwide, 2018-2024, 3Q20 Update - 21 October 2020
Forecast: Enterprise IT Spending for the Banking and Securities Market, Worldwide, 2018-2024, 2Q20 Update - 13 July 2020
Forecast: Enterprise IT Spending for the Banking and Securities Market, Worldwide, 2018-2024, 1Q20 Update - 8 May 2020

**Recommended by the Authors**

Some documents may not be available as part of your current Gartner subscription.

Market Definitions and Methodology: Vertical Industries
Forecast: Enterprise IT Spending by Vertical Industry Market, Worldwide, 2019-2025, 3Q21 Update
Top Trends in the Cloud Heat Map for Banking and Investment Services for 2021
Financial Services Technology Survey: Insights to Inform Product Leaders and Their Product Roadmaps
Tech Providers 2025: Banking as a Service Will Drive Success Across Verticals
Line-of-Business Survey: Banking and Investment Services Buyer Behavior