Forecast: Enterprise IT Spending for the Government and Education Markets, Worldwide, 2019-2025, 3Q21 Update

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Initiatives: Industry Markets and Technologies

This 3Q21 update reflects government and education investments to accelerate the digital transformation journey. Gartner forecasts a CAGR of 5.7% from 2020 to 2025. Excluding IaaS investments, enterprise IT spending is projected to reach over $710 billion (constant U.S. dollars) by 2025.

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Overview

Enterprise IT continues to play a critical role in maintaining stability as government and education organizations continue investing in measures to combat the ongoing COVID-19 pandemic, and support hybrid work and learning environments. Public health and safety remains a top priority as organizations continue to take actions to reduce risk and promote social well-being. Many organizations are continuing to modernize and digitalize public services.

We anticipate that government and education organizations will continue to accelerate investments in areas such as applications, infrastructure, consulting and business services over the next three years.

In education, these investments will likely continue to advance more options for digitizing the classroom, adding flexibility for on-campus, remote learning, or a hybrid of the two. There will be continued pressure to safely reopen primary and secondary schools as well as higher education institutions due to concerns with student engagement and achievement, as well as mental health. However, these pressures may well come up against areas of the world where pandemic infection rates are ebbing then suddenly rising, requiring a good deal of agility in response throughout the next year.

As a result of the continuing uncertainties induced by the pandemic, government organizations are accelerating investments in modernizing legacy applications and infrastructure as well as digitalizing public services. The overall objective is to build more sustainable and resilient services. We expect these investments to continue especially as governments come to terms with “learning how to live with the pandemic.”

We continue to see investments specifically designed to add to flexibility and adaptability, strengthening remote learning options and designs, and providing for some organizations the possibility of simply keeping hybrid models available permanently. These hybrid models will extend to employees as well.
Excluding IaaS investments, Gartner projects the following:

- Governments will spend over $615 billion in 2025, representing a 5.6% compound annual growth rate (CAGR) for the years 2020 to 2025.
- The global education spend is forecast to be over $94 billion the same year, representing a 6.3% CAGR.

These projections anticipate that as government and education organizations focus on digital initiatives and cost optimization strategies, enterprise IT spending will increase in cybersecurity, cloud services, unified communications and collaboration, external IT services, mobility and data analytics.

The government and education forecast provides an outlook on total enterprise IT spending, including internal services, software, IT services, telecom services, devices and data center systems for 43 countries across 11 regions. Included are detailed breakdowns for local and regional government, national government, higher education, and primary and secondary education.

All the growth and figures here are in constant U.S. dollars, unless specified otherwise. 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.

**Document Revision History**

Forecast: Enterprise IT Spending for the Government and Education Markets, Worldwide, 2019-2025, 1Q21 Update - 22 April 2021

Forecast: Enterprise IT Spending for the Government and Education Markets, Worldwide, 2018-2024, 4Q20 Update - 5 February 2021


Forecast: Enterprise IT Spending for the Government and Education Markets, Worldwide, 2018-2024, 2Q20 Update - 8 July 2020

Forecast: Enterprise IT Spending for the Government and Education Markets, Worldwide, 2018-2024, 1Q20 Update - 13 May 2020


Forecast: Enterprise IT Spending for the Government and Education Markets, Worldwide, 2017-2023, 3Q19 Update - 29 October 2019

Forecast: Enterprise IT Spending for the Government and Education Markets, Worldwide, 2017-2023, 2Q19 Update - 6 August 2019

Forecast: Enterprise IT Spending for the Government and Education Markets, Worldwide, 2017-2023, 1Q19 Update - 1 May 2019

Forecast: Enterprise IT Spending for the Government and Education Markets, Worldwide, 2016-2022, 4Q18 Update - 1 February 2019

Forecast: Enterprise IT Spending for the Government and Education Markets, Worldwide, 2016-2022, 3Q18 Update - 30 October 2018

Forecast: Enterprise IT Spending for the Government and Education Markets, Worldwide, 2016-2022, 2Q18 Update - 30 August 2018

Forecast: Enterprise IT Spending for the Government and Education Markets, Worldwide, 2016-2022, 1Q18 Update - 27 April 2018

Forecast: Enterprise IT Spending for the Government and Education Markets, Worldwide, 2015-2021, 4Q17 Update - 8 February 2018

Forecast: Enterprise IT Spending for the Government and Education Markets, Worldwide, 2015-2021, 3Q17 Update - 1 November 2017

Forecast: Enterprise IT Spending for the Government and Education Markets, Worldwide, 2015-2021, 2Q17 Update - 3 August 2017
Forecast: Enterprise IT Spending for the Government and Education Markets, Worldwide, 1Q13 Update - 19 April 2013


Forecast: Enterprise IT Spending for the Government and Education Markets, Worldwide, 2010-2016, 1Q12 Update - 12 April 2012


Forecast: Enterprise IT Spending for the Government and Education Markets, Worldwide, 4Q10 Update - 3 February 2011

Forecast: Enterprise IT Spending for the Government and Education Markets, Worldwide, 3Q10 Update - 22 November 2010

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**Recommended by the Authors**

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

- Market Definitions and Methodology: Vertical Industries
- CIO’s Research Collection for Online Teaching and Learning in Higher Education
- Priorities for Public-Sector Line-of-Business Buyers
- Survey Analysis: Aligning Products to Digital Government Drivers and Barriers
- Top 5 Trends Impacting K-12 Education in 2021
- Top Business Trends Impacting Higher Education in 2021