



CFOs' tech investments reach record levels

Tech budgets rise while cost cuts diminish

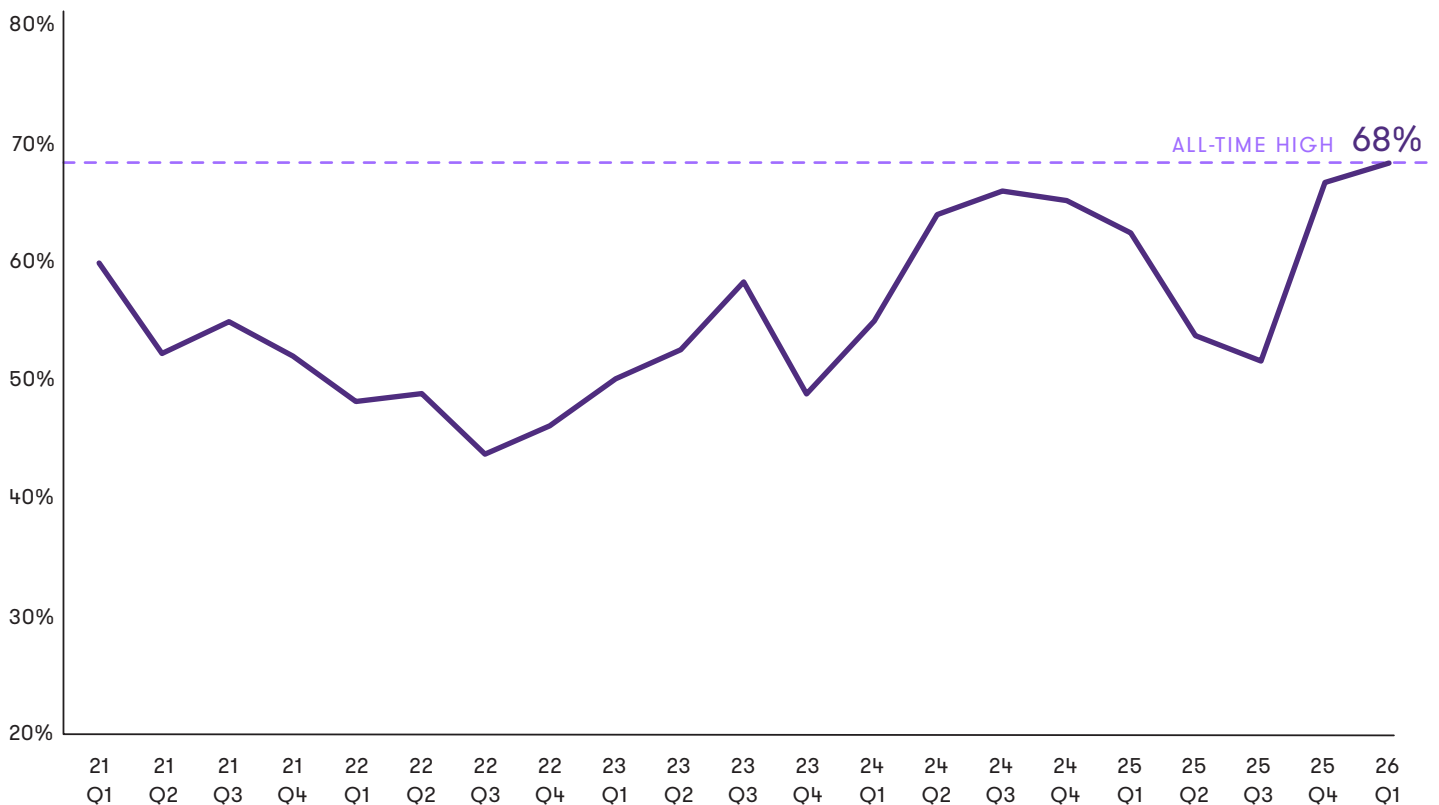
Executive summary

Finance leaders are making record investments in AI and digital transformation, with 68% of them increasing spending on technology, according to Grant Thornton's 2026 Q1 CFO survey.

As CFOs balance short-term profitability expectations with long-term growth ambitions, layoffs remain muted and outsourcing is expanding to address talent and technology gaps. Meanwhile, amid affordability pressures, CFOs are using advanced pricing strategies and analytics to protect margins while remaining responsive to customer price sensitivity.

Tech spending expectations hit record high

Portion of finance leaders who say their IT/digital transformation spend will increase in the next 12 months





Introduction

As AI capabilities transform the business environment, CFOs are doubling down on technology.

In Q1 2026, 68% of the 233 participants in our CFO survey said they expect their IT/digital transformation costs to increase in the next year — the highest level in our survey’s 21-quarter history, building on the momentum set with a then-record 67% mark last quarter.

The survey results show that across industries, CFOs are accelerating smart AI investments that can deliver growth and efficiency, despite uncertainty about the broader economy. “Companies can’t afford to treat AI as optional,” said Grant Thornton Chief Growth Officer Paul Melville. “But investment alone isn’t enough. You need to deliver ROI.”

Cost cuts decrease

AI spending is part of a broader shift, as CFOs are refraining from cost cuts more boldly than at any other time in the past five years. When given a detailed list of which costs they plan to cut, an eye-opening 28% said they don’t plan to cut any. Over 15 quarters, the previous high was 18%.

Compared with Q4 of last year, expectations for cuts finance leaders say they will make have declined sharply across several areas, including:

- Professional consulting support (52% last quarter, 32% now)
- Human capital expenses for headcount and compensation (43% last quarter, 29% now)
- Vendor or supplier costs (42% last quarter, 29% now)

Companies are investing to improve operational efficiency while enhancing the value they deliver to customers. Many technology investments are designed both to strengthen existing market differentiators and to introduce new sources

of competitive advantage.

“Embedded in all this, we see companies balancing short-term profitability requirements with the long-term,” said Grant Thornton Audit Growth Leader Mike Desmond. “They have today’s costs and profitability pressures, but they’re also focused on the investments needed to drive value in the future.”

The slowing of expected reductions in human capital spending cuts aligns with other survey findings showing that CFOs do not broadly view AI investments as a catalyst for layoffs. Despite the workforce reductions announced by major tech companies in the past several months, just 29% of finance leaders said they expect potential layoffs over the next six months, tying a 15-quarter low.

Views on economy

CFO sentiment toward the U.S. economy remains mixed. Optimism dropped from 52% to 46%, pessimism fell from 31% to 25%, and neutral views of the economy grew from 17% to 29%. The survey was in the field for 14 days ending Feb. 19, one day before the [Supreme Court ruled](#) against the Trump administration’s use of tariffs under the International Emergency Economic Powers Act — and before other developments that changed the geopolitical landscape.

As they awaited that ruling amid ongoing tariff uncertainty, finance leaders were united in their sensitivity to consumers’ affordability challenges. Almost three-fourths (73%) said affordability concerns had affected their pricing strategies, and 65% said they have dynamic or segmented pricing models in at least the pilot stage as they work to balance margin protection with customer price sensitivity.

A group of business professionals in a meeting room, looking at a whiteboard with sticky notes. The scene is brightly lit, with large windows in the background. The text is overlaid on the bottom left of the image.

**Are CFOs funding
growth — or
just efficiency?**

The survey suggests that finance leaders increasingly view AI investments as a driver of growth, not just operational efficiency. CFOs are investing in technology at record levels, but they're not cutting elsewhere to fund it. And 72% say they expect their net profit to grow over 12 months, up from 68% last quarter.

So where might that growth come from? One answer could be AI-driven revenue expansion and productivity gains, and this might also explain the low layoff expectations. Grant Thornton Tax Solutions, Quality & Risk Leader Dana Lance said that in some cases, headcount retention — or even expansion — is needed to support the growth that AI is delivering.

AI staffing strategies

Roles might shift, with more staffing needed in strategy, quality control, sales or other functions as the workforce is restructured to support rising production capacity.

“To deliver growth, AI-driven productivity often requires investments in people for quality control and product support where the existing headcount does not have the appropriate skillset for the work,” Lance said.

But confidence in realizing tech's full benefits is not universal.

Just 62% are confident that they'll be able to achieve their technology objectives.

Success with AI in the current environment requires:

- Aligning AI use cases with clear business opportunities
- Scaling successful AI pilots into profit-generating solutions
- Maintaining systems that are dependable, secure and connected

- Establishing responsible governance and pragmatic controls
- Designing workflows and user training that accelerate adoption

Finance leaders cited technology and data constraints (53%) as the top challenge to digital transformation in the finance function, followed by competing priorities (45%) and skills gaps (41%).

“If you have a complex technology environment with inconsistent data quality it becomes very challenging to realize value from your program,” said Raul Vega, CEO of Grant Thornton | Auxis Business Modernization & Outsourcing Services. “AI needs good data, compatible systems and effective knowledge management.”

Consulting plans

Our survey data shows that companies are turning to consultants to overcome these challenges. The 32% making consulting cost cuts in Q1 marked a 15-quarter low. This likely shows that companies are getting external help in their AI transformation programs.

Consultants are helping organizations better understand how to optimize technology investments and design control frameworks that manage the risks associated with AI adoption.

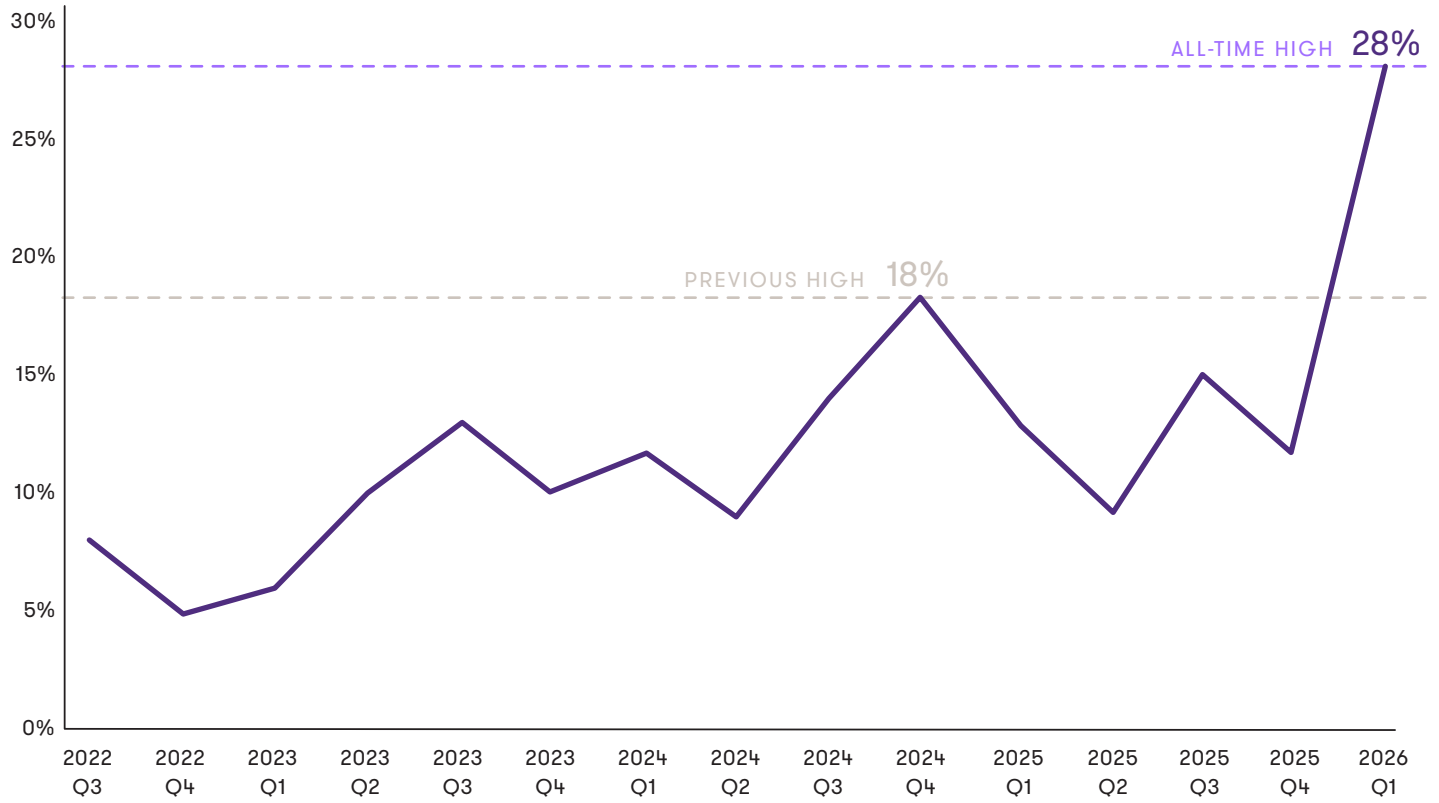
“Audit committee members and directors are focused on educating themselves on business opportunities related to AI while ensuring that governance and risk mitigation techniques are in place,” Desmond said.

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Mike Desmond
Audit Growth Leader, Grant Thornton LLP

Cost-cutting pressure eases

Portion of CFOs who don't plan to cut any costs over the next 6 months





**How are CFOs
addressing
persistent
talent gaps?**

54% of finance leaders expect continued challenges attracting and retaining the right talent over the next six months.

Many organizations are turning to outsourcing to gain access to the specialized skills they need. More than half (54%) of finance leaders expect continued challenges attracting and retaining the right talent over the next six months. Outsourcing is emerging as a key strategy to address those gaps.

Sixty-four percent of organizations are already implementing or actively evaluating offshoring or nearshoring for their finance operations, while just 36% plan to maintain a fully U.S.-based model.

Outsourcing's many benefits

Just over one-third of finance leaders cited cost reduction as the primary benefit of outsourcing, while almost two-thirds (66%) cited other strategic factors. When ranking outsourcing benefits from 1 to 5, respondents selected the following as their No. 1 priority in the percentages shown below:

- Cost reduction (34%)
- Scalability and process standardization (22%)
- Access to talent (19%)
- Technology and AI enablement (17%)
- Internal focus on higher-value functions (10%)

This data spotlights a market shift, as organizations increasingly evaluate outsourcing not just as a cost lever but as a mechanism for modernizing operations and supporting broader transformation efforts. These expanded benefits are bringing more mid-market organizations to the table for outsourcing.

“Outsourcing used to be something only large organizations pursued, but it is increasingly becoming the de facto model across the board,” Vega said. “What’s changing is the reason why. Today, companies are turning to outsourcing to access specialized talent, support higher-complexity work and accelerate innovation — not simply to reduce costs.”

Location strategies are evolving alongside these priorities. While offshoring remains the most established delivery model, more organizations report evaluating nearshore locations for future operations (17%) than offshoring (13%). Nearshoring is also experiencing less pullback, with only 2% reducing nearshore operations compared with 7% scaling back offshore activity. As organizations move beyond cost-driven outsourcing, they are placing greater emphasis on delivery models that provide real-time collaboration (61%) and a greater ability to support complex processes (95%) when deciding on an outsourcing location.

Capabilities are growing

Meanwhile, the scope of outsourcing services continues to grow. While outsourcing services once handled primarily discrete tasks such as invoice processing, they are now supporting end-to-end accounting, collections, exceptions management and financial planning and analysis functions.

Advances in technology are also creating new opportunities to outsource compliance-related activities. “We’re seeing higher demand for outsourcing global tax compliance, and we expect continued growth in that area,” Lance said.

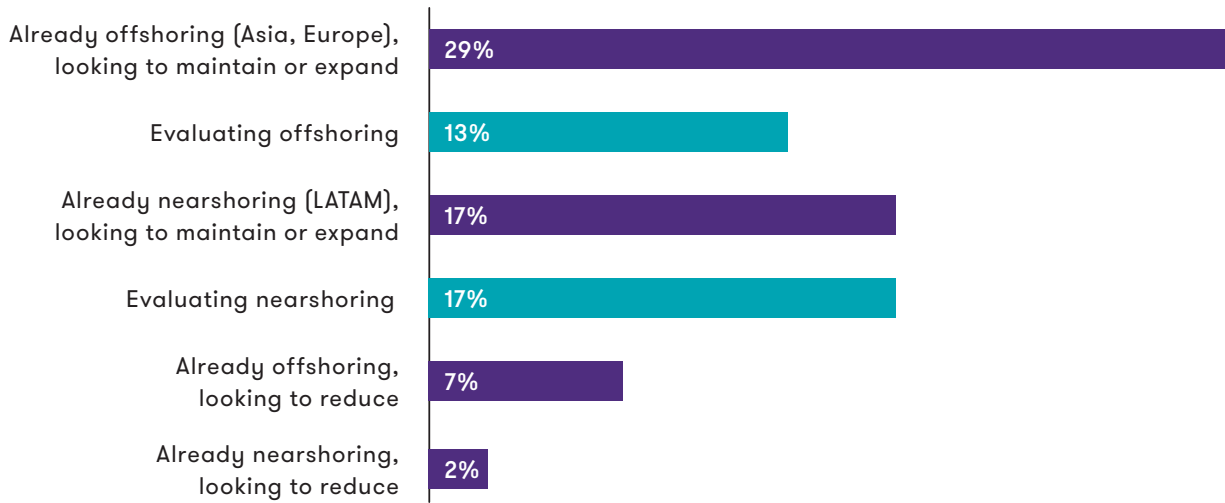
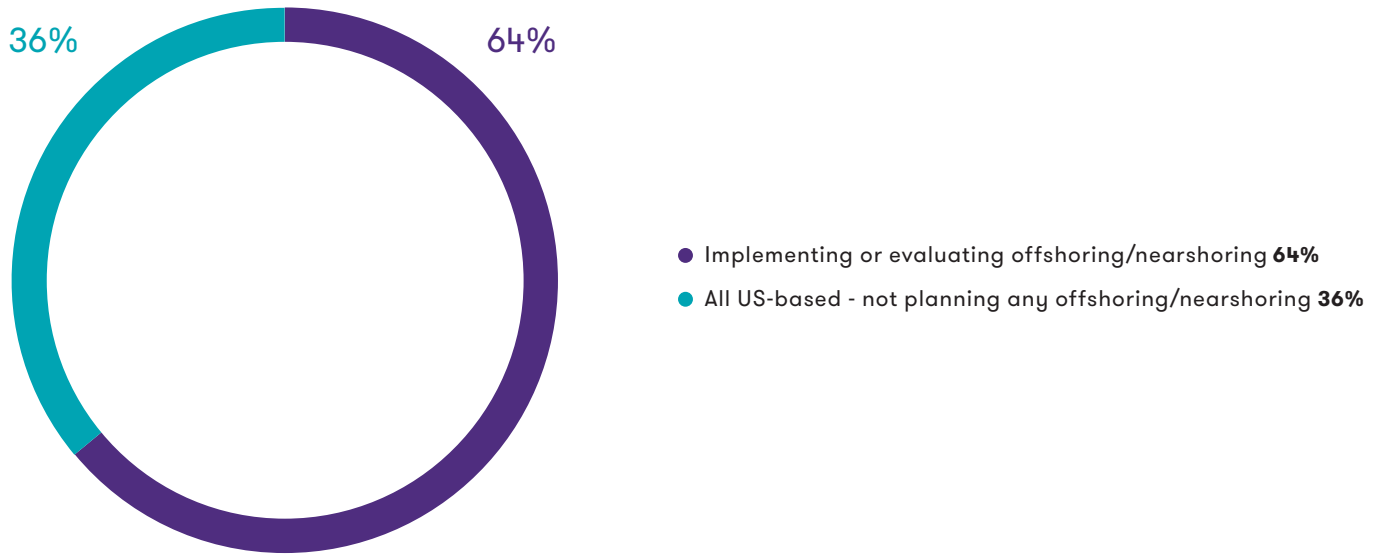
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Raul Vega

CEO, Grant Thornton | Auxis Business Modernization & Outsourcing Services

Nearshoring gains momentum

Q: How are you currently leveraging offshoring or nearshoring as part of your finance operating model?





**How is affordability
shaping business
strategies?**

As affordability has become a defining focus for consumers, 57% of finance leaders say customer price sensitivity has increased in their sector. At the same time, 84% of respondents say they have passed at least some of their cost increases through to customers over the past year. CFOs are trying to keep their prices affordable, but they're facing inflation themselves. Fifty-seven percent said they have at least moderately restructured their cost and operational efficiency practices over the past 12 months as a result of persistent inflation.

"AI and productivity improvements are helping companies protect margins while remaining responsive to customer price sensitivity," Melville said.

New pricing strategies

CFOs aren't choosing between margin and affordability. They're using analytics to manage both. Many are finding that advanced pricing models are helping them balance margin protection with customer price sensitivity:

- Some are using segmented pricing, setting different prices for different customer groups.
- Some are using dynamic pricing, varying what they charge based on factors such as current demand or inventory levels.

Segmented or dynamic pricing has been fully implemented by 16% of our respondents and is being broadly implemented across the business by an additional 35% — with 14% still piloting these approaches.

Desmond said the most successful companies are maintaining the relationship between pricing and value.

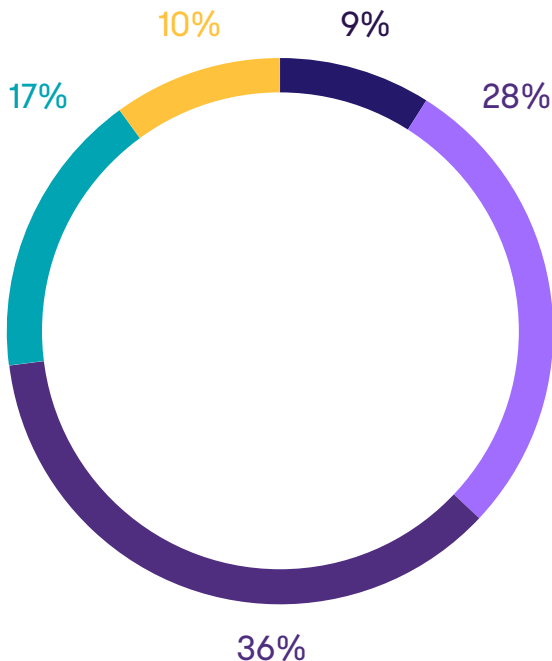
"If prices need to increase, companies are clearly articulating the additional value being delivered alongside that change," he said. "Pricing decisions are closely tied to the value customers receive."

"AI and productivity improvements are helping companies protect margins while remaining responsive to customer price sensitivity"

Paul Melville
Chief Growth Officer, Grant Thornton Advisors LLC

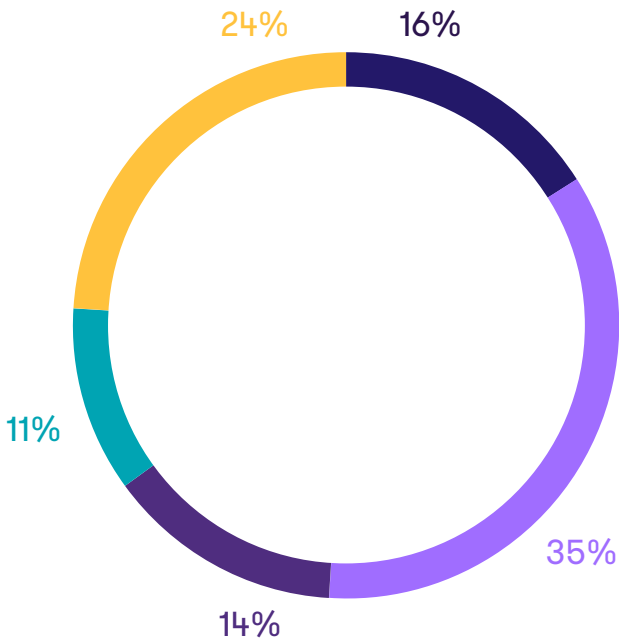
Consumer affordability influences pricing strategy

Q: Has the emergence of affordability concerns among consumers influenced your pricing strategy for 2026?



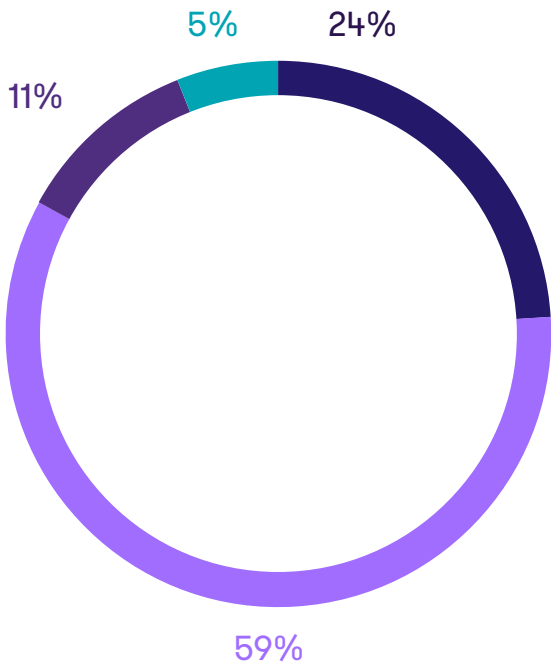
- Yes, we are reducing prices **9%**
- Yes, we are keeping prices stable **28%**
- Yes, we are limiting price increases as much as possible **36%**
- No, we are concerned about affordability but it's not influencing our pricing strategy **17%**
- No, we are not concerned about affordability **10%**

Approach to dynamic or segmented pricing



- Fully implemented **16%**
- Broadly implementing across the business **35%**
- Piloting dynamic select areas **14%**
- Considering but not yet implemented **11%**
- Not considering. Maintaining a uniform pricing strategy **24%**

Shifting costs to customers



- We have passed through all of our cost increases **24%**
- We have passed through some of our cost increases **59%**
- We have not passed through any of our cost increases **11%**
- Our costs have decreased or remained the same in the past year **5%**



Key takeaways



The data shows that CFOs are at an AI crossroads.

They need to get on the train, because many of their competitors have already boarded. The early adopters and fast followers are already comfortably in their seats, and even many of the laggards are having their tickets punched by the conductor.

“It’s no longer time for wait-and-see, or to let someone else try it,” Lance said. “There’s a greater understanding of AI’s capabilities now, and it’s time to take advantage of them.”

The most successful organizations are tying AI capabilities directly to business needs and measurable financial outcomes with clear ownership. For finance leaders in 2026, several priorities stand out:

- **Fund growth initiatives** while reinforcing the [resilient infrastructure](#) needed to support them.
- **Align AI initiatives** to clear financial owners and ROI milestones.
- **Plan staffing strategies** that support expected growth.
- **Address data and integration gaps early.** They remain the most-cited obstacles to adoption.
- **Strengthen pricing analytics** as affordability pressures increase.

CFOs are investing selectively and pragmatically with clear expectations for return. In doing so, they are building an AI foundation that supports current profitability goals and long-term growth ambitions.

“It’s no longer time for wait-and-see, or to let someone else try it. There’s a greater understanding of AI’s capabilities now, and it’s time to take advantage of them.”

Dana Lance
Tax Solutions, Quality & Risk Leader
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Mike serves as Grant Thornton's Audit Growth Leader and is the firm's Carolinas market managing partner. He is responsible for supporting our firm's industry programs to provide insights to our clients and audit professionals as well as attracting new client relationships with companies seeking a differentiated level of service. Mike has spent his entire career serving public and privately held companies, primarily in the manufacturing and technology industries.



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Dana has in-depth experience in providing a wide range of tax advisory services to businesses operating in many industries, but focuses primarily on technology, media and entertainment. Dana's practice concentrations include state tax minimization services, including assisting taxpayers with the development and design of effective state tax planning; state due diligence reviews and M&A transaction analysis and consulting; nexus reviews; voluntary disclosure agreement negotiations to minimize state tax exposures; accounting for income taxes and uncertain tax positions for both federal and state taxes; and compliance outsourcing and reviews.



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Paul oversees Grant Thornton's industry, geography, commercial platforms and analytics, and global account efforts. He leads Grant Thornton's AI, Data and Technology practice and has over 30 years of experience in advising clients. He has advised stakeholders, including bank groups, customers, suppliers and shareholders, in several different scenarios, including company viability, reconstructions, debt restructuring and strategic options.

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Raul Vega is the CEO and founder of Auxis, a Grant Thornton company, and an executive consultant focused on helping executive teams modernize their operating models to meet the increasing demands of today’s business environment.

Throughout his career of more than 30 years, Raul has worked with over 200 clients across more than 30 countries and successfully led business transformation initiatives in multiple industries, including consumer goods, industrial manufacturing, retail, transportation and telecommunications, among others. His clients have ranged from Fortune 100 multinationals to private equity-backed middle-market organizations.

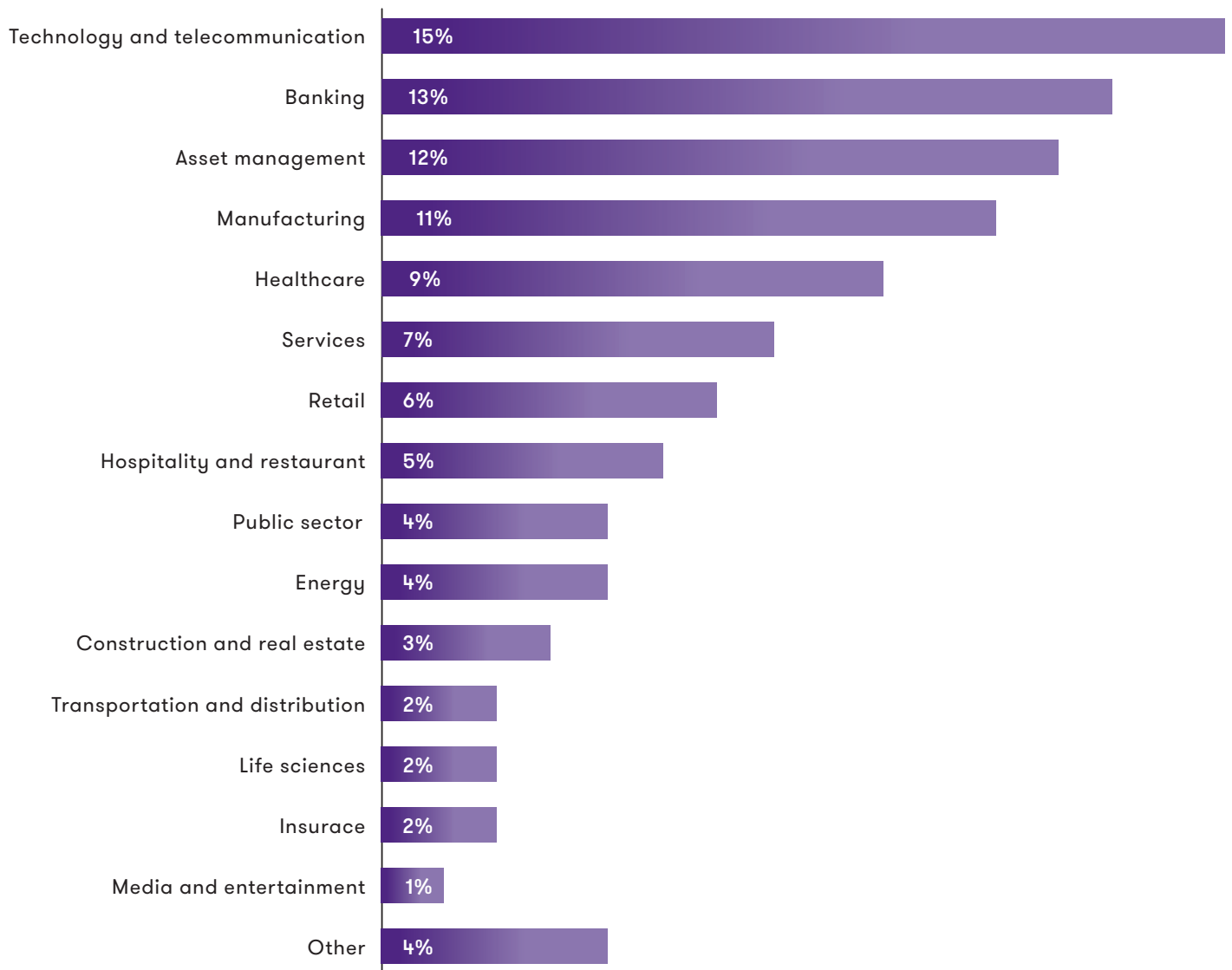
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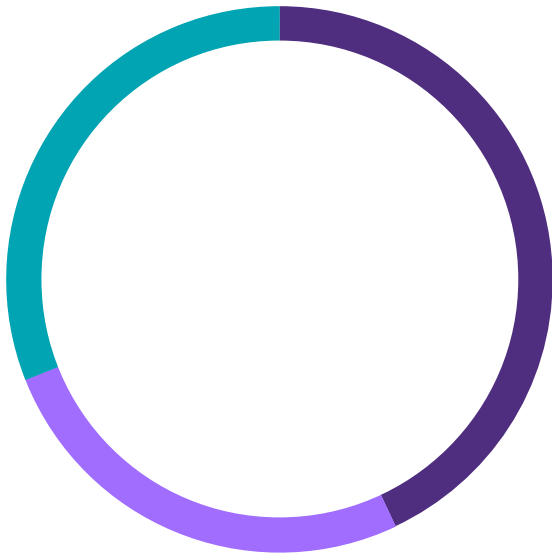


Appendix

Respondents' industries

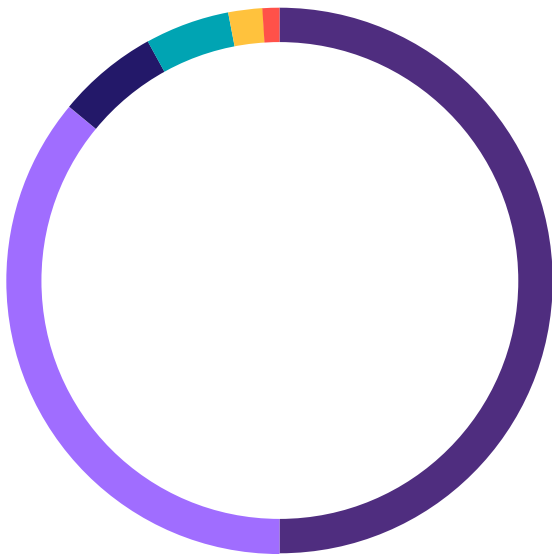


Respondents' company revenue

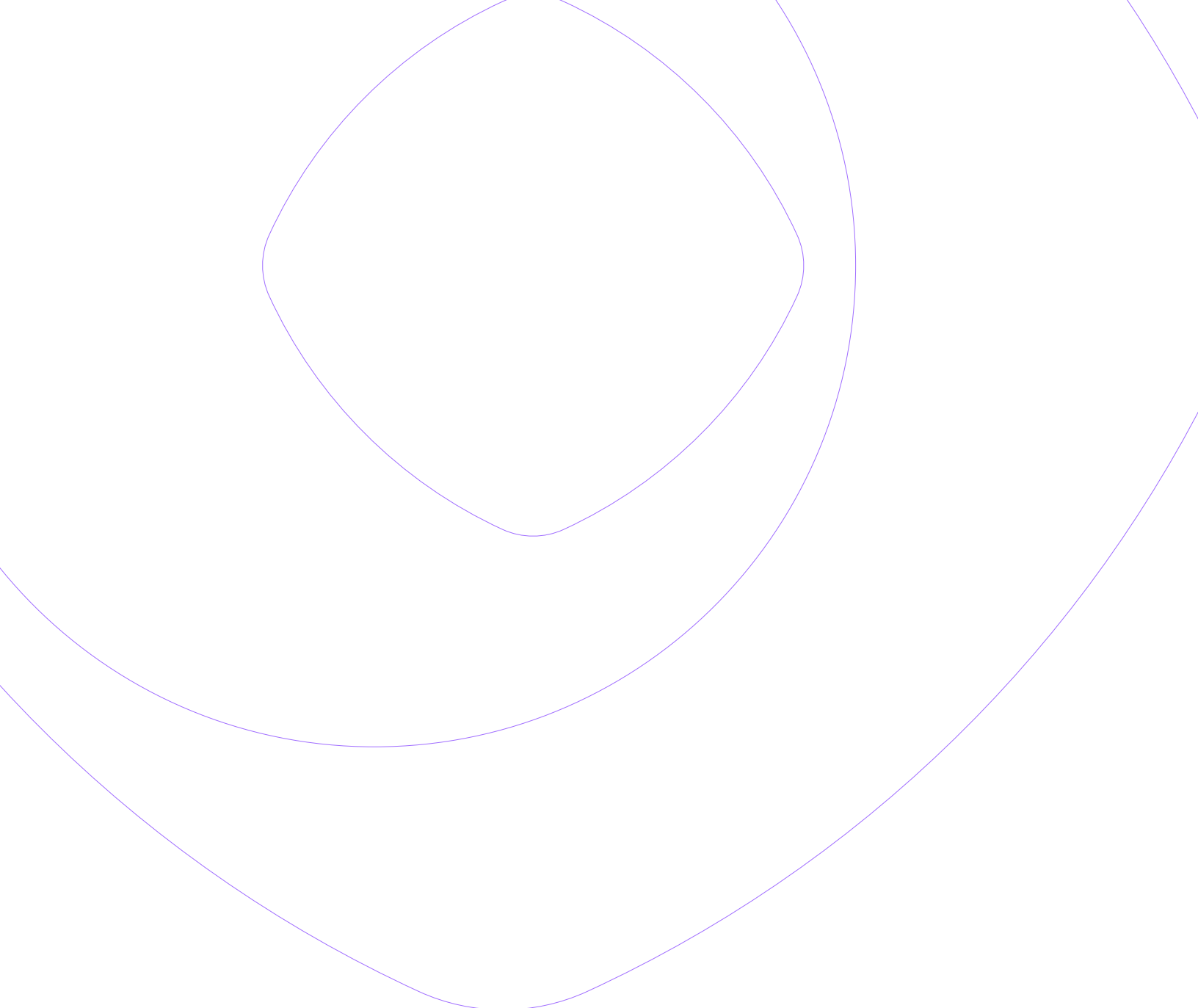


- \$101 million to \$500 million **43%**
- \$501 million to \$1 billion **26%**
- More than \$1 billion **31%**

Respondents' organization type



- Private, for-profit company **50%**
- Public, for-profit company **36%**
- Government, school or university **6%**
- Private equity portfolio company **5%**
- Private equity group **2%**
- Non-profit organization **1%**



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