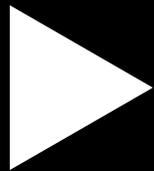


**Strategy**₪

# The State of AI+BI Analytics Global 2025 Survey

Government, Education, and  
Nonprofits in Focus

Start



# Executive Summary

Public sector organizations, including governments, educational institutions, and nonprofits, are moving beyond pilot projects and into deployment of AI-powered analytics. The shift is driven by the need for faster decision-making, increased productivity, and better resource optimization in the face of budget constraints and rising citizen expectations.

At the center of this transformation is AI+BI: the combination of artificial intelligence with business intelligence to make data-driven insights more accessible, explainable, and actionable—even for less technical users.

This research brief explores how public sector organizations are deploying AI+BI to:

- Automate workflows for data professionals
- Empower less technical staff to ask and answer data questions
- Improve speed, accuracy, and trust in decisions
- Adapt to growing AI regulatory demands while increasing citizen/stakeholder satisfaction



#1 public sector priority: **faster decision-making** and innovation



**27%** of public sector organizations want to extend AI+BI tools to at least 31% of their workforce—4x current levels



**50%** are already using **advanced analytics**; 40% report organization-wide governance and semantic layers



Only **13%** of public sector respondents are concerned about vendor lock-in, though that may rise with increased multi-cloud adoption

## What sets leaders apart?

They are investing in **natural language tools, AI+BI agents, and literacy programs** that reach beyond analytics teams and into classrooms, city halls, and service centers.

Case studies from the Prince William County Public Schools and Honeywell show how these innovations are already delivering real-world results—from trusted data to real-time insights and chatbots.

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# Key Takeaways from the 2025 Survey

AI-powered analytics is no longer theoretical in the public sector. This report summarizes findings from a global survey conducted in the first half of 2025 by Dúnedain Research, sponsored by Strategy, focusing on government, education, and nonprofit organizations

## Faster decisions are top priority

Across public sector respondents, faster decision-making and innovation ranked as the most cited outcome of AI-powered analytics.



## Dual-track adoption

Organizations are going to production on two fronts: automation for data experts and simplified data access for non-technical users through natural language.

## Adoption maturity is rising

Public sector organizations report increasing capability beyond departmental analytics, with 50% using BI with advanced analytics and 40% deploying organization-wide semantic layers.



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# Where AI+BI Is Working Now

AI and BI adoption in the public sector remains behind other industries. Globally, over 40% of organizations have at least partially operational AI-powered analytics use cases. In contrast, adoption in the public sector lags at 27% among data experts and 33% among less technical users.

That said, progress is accelerating on two key fronts: streamlining workflows for data experts and enabling self-service analytics for non-technical users through natural language queries and auto-generated visualizations. While some agencies are still in pilot phases, a growing number are moving into production.

## Pilots and adopters

Data experts drive adoption, self-service analytics follows suit (responses in %)



## Use Case 1: Data Experts

Public sector organizations are gradually adopting AI-powered analytics tools for data experts, with:

- **23%** currently running projects in the pilot or testing phase
- **27%** having partially or fully operational tools in place



## Use Case 2: Self-Service

For less technical staff, natural language interfaces and automated visualizations are gaining traction more quickly, with:

- **33%** reporting partially or fully operational AI-powered analytics use cases
- **23%** planning to adopt within the next 12 months

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# Bringing Data to the Frontlines

The frontlines of the public sector look different than in commercial industries—but the need for accessible insight is just as urgent. AI+BI tools are increasingly embedded into the daily workflows of administrators, faculty, field agents, and even citizens.

**23%** of surveyed public sector organizations have **already deployed AI-powered analytics agents or bots** for specific functions. These tools are enabling:

- Staff to receive insights directly in tools they already use, like Microsoft 365
- Residents to interact with public services via AI-assisted chatbots
- Educators and administrators to explore dashboards without needing technical expertise.

## Why It Matters

Public institutions are expanding access to analytics—not just for analysts, but for staff and citizens on the frontlines. What’s driving this shift?



Natural language access to data for non-technical staff



Auto-generated insights that reduce reliance on IT teams and dashboard dependencies



Analytics embedded into platforms like Microsoft 365, LMS portals, and service apps



AI literacy training and change management drive adoption

## Honeywell: Powering Data-Driven Frontline Missions

At the Kansas City National Security Campus, operated by **Honeywell**, over 7,000 engineers and specialists support the nation’s non-nuclear arsenal—delivering high-quality, high-integrity manufacturing at scale.

With tens of thousands of data products and a workforce that has doubled in five years, Honeywell empowers frontline teams to act on accurate, trusted data in real time.

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# Adoption Gains—and Growing Pains

Despite decades of investment in business intelligence, most public sector workers still rely on spreadsheets—or lack access to analytics altogether. AI-powered tools promise to change that. The question is: how many people will actually use them?

Surveyed organizations showed encouraging signs of progress, with clear intent to scale adoption:

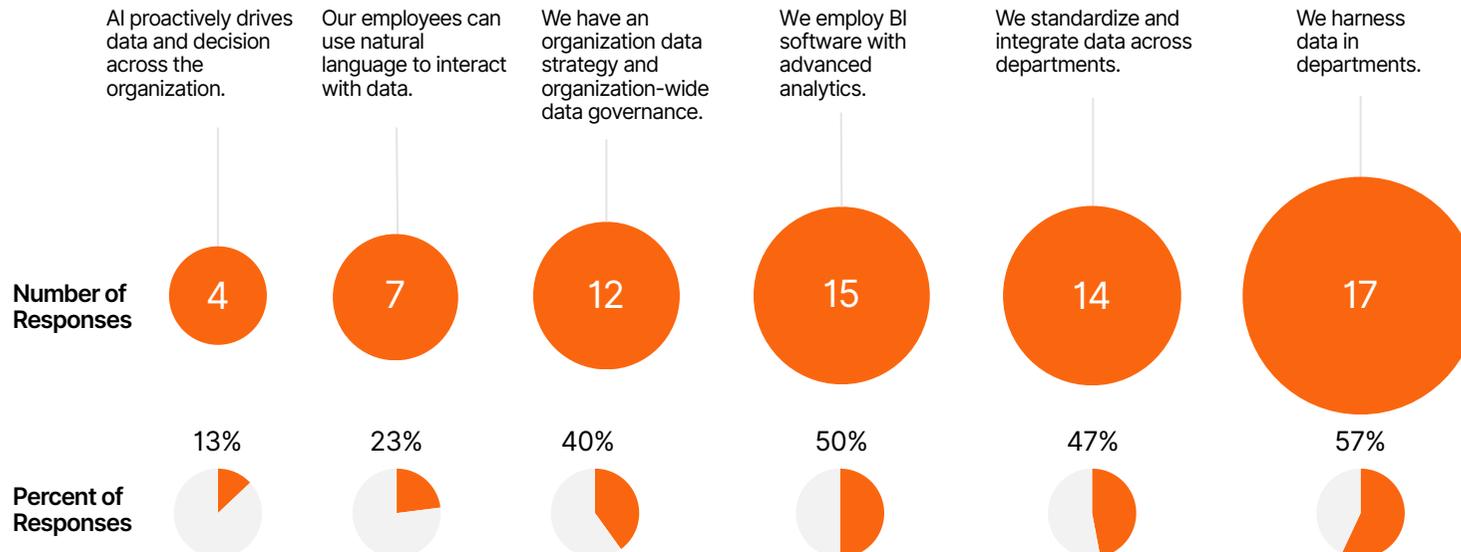
- Only ~10% of staff in most agencies currently use advanced BI tools
- But 27% of public sector respondents want to expand access to over 31% of their workforce in the next 12 months—a 4x increase

## Facilitating adoption

If AI+BI is to fulfill its promise, it must be as easy to use as a spreadsheet—while delivering exponentially more value.

## Analytics Maturity Snapshot

Public sector is moving from siloed data towards AI-powered analytics



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# Top 3 Barriers to Scale

As interest in AI-powered analytics grows, so do the challenges of scaling adoption. Public sector organizations face a blend of policy, operational, and financial hurdles—many of which are unique to mission-driven institutions with limited budgets and heightened scrutiny. In the 2025 survey, three barriers rose to the top in the public sector:



## Regulatory compliance and privacy risks

As many as **67%** of respondents cited compliance (bias in AI models, data privacy concerns, regulations) as the main challenge to the adoption of AI-powered analytics.



## Budget and cost concerns

Unsurprisingly for public sector organizations, like government and education institutions, costs and budgetary concerns were one of the chief barriers for **53%** of respondents.



## Integrations and unrealistic expectations

Due to the proliferation of legacy tools, public sector institutions cite integration with existing applications (**40%**) and unrealistic expectations (also **40%**) as major challenges.

These issues underscore a central theme: public sector organizations want AI to scale, but they lack the structural and cultural foundation to support it with confidence.



## Operational Friction Points

When asked about the biggest technical and operational blockers:

**57%**

of respondents pointed to the **cost**

**53%**

noted **incorrect or inconsistent answers** due to weak metadata and siloed data sources

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# Compliance Is the Dealbreaker

In the public sector, the most formidable barrier to AI+BI adoption isn't cost—it's compliance. Regulatory complexity, citizen trust, data privacy, and bias mitigation are all top of mind for agencies under constant scrutiny.

- 67% of respondents named compliance as their most pressing concern
- This includes fears around algorithmic bias, data boundary violations, and uncertain regulatory landscapes

“*The real challenge isn't capability—it's accountability.*”

Survey participant

## Why Governance Alone Isn't Enough

Even with semantic layers and central governance frameworks in place, compliance extends further. It touches how AI decisions are made, explained, and audited. Public sector institutions need systems that can:



The risk of noncompliance isn't just reputational—it can stall funding, provoke legal challenges, or restrict access to sensitive data systems altogether.

## Responsible Data Use

Successful adopters are investing in compliance-aware AI+BI platforms that are multi-cloud compatible, transparent, and designed for cross-functional governance. They're treating responsible data use not as a box to check—but as a strategic differentiator.

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# AI Regulations and Readiness

AI-powered analytics doesn't exist in a vacuum—especially in the public sector, where compliance and public trust are paramount. As adoption grows, so too does the regulatory scrutiny around how AI is built, deployed, and governed.

Across regions, public institutions are facing a patchwork of AI-related laws and shifting expectations around transparency, fairness, and data protection.

## Key Regulatory Trends Shaping AI+BI in 2025

**European Union:** The AI Act's initial prohibitions took effect in February 2025, with broader rules for high-risk and general-purpose AI systems coming into force by August

**India:** Launched a national AI Safety Institute in January 2025

**Canada:** Appointed its first-ever Minister of AI and Digital Innovation

**El Salvador:** Passed Latin America's first national AI legislation to attract innovation and clarify liability

**United States:** Uncertainty around federal funding is creating ripple effects across states, universities, and nonprofits—slowing or deferring AI+BI rollouts

## The Implication

For public institutions, readiness isn't just about tools—it's about proving accountability, fairness, and transparency. AI+BI platforms must support auditability, ethical use, and alignment with emerging laws, or risk becoming liabilities.

Even at the state level, enforcement is evolving. For example, California Attorney General Rob Bonta has warned local industries—including public health and education—about legal risks tied to AI misuse, from privacy breaches to algorithmic bias.

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# PWCS: Driving Student Success with Real-Time Data

Prince William County Public Schools (PWCS) is Virginia's second-largest and one of the most diverse U.S. school divisions, serving over 90,000 students across 100 schools.

## Challenge & Solution

PWCS needed to unify siloed systems, improve data access, and deliver timely insights to educators, administrators, and external stakeholders. Manual, inconsistent reporting made it difficult to track student progress, meet state and federal requirements, and support academic success.

To address these challenges, PWCS partnered with Strategy to modernize its data ecosystem and deliver transparent, real-time insights district-wide.

- Implemented Strategy One's data fabric to ensure governance, integrity, and scalability
- Built a public-facing Progress Monitoring Portal to share key metrics with stakeholders
- Enabled real-time reporting on student progress across 15+ KPIs
- Deployed self-service tools to empower leaders and educators



*Everything that we do must be backed by data analytics. Strategy One ensures that everyone can leverage the same clean data to make the right decisions for students—and move the needle on strategic goals.”*

**Dr. Charmelle Ackins**

Chief Equity Officer, Prince William County Public Schools

[Find out more >>](#)

## Impact

### Transparency:

Stakeholders access real-time data to support timely decisions

**Agility:** Mid-year progress checks allow faster adjustments to learning plans

**Student Success:** Gains in academic performance, wellness, and program retention

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# Honeywell: Trusted Insights for National Security

The Kansas City National Security Campus (KCNSC), managed by Honeywell, manufactures the non-nuclear components of the U.S. nuclear stockpile and supports national security programs.

## Challenge & Solution

As KCNSC rapidly scaled from 4,000 to over 7,000 employees, its legacy reporting processes—spanning thousands of isolated spreadsheets and custom reports—strained IT systems, led to inconsistent insights, and created costly inefficiencies.

To standardize reporting, reduce system load, and ensure trusted insights, the team implemented a modern data pipeline, with a semantic layer.

- Streamlined high-volume data ingestion from operational systems
- Reduced redundant queries and centralized reporting with semantic models
- Empowered citizen developers with sandbox and federated zones
- Delivered governed, reusable analytics via MicroStrategy Library APIs

“*It’s empowering to have Strategy as our partner. They help us ensure the solutions we leverage continually add value.*”

**Samuel Feinberg**

Manager, Data Analytics Platform  
Honeywell Federal Manufacturing & Technologies

[Find out more >>](#)

## Impact

### Cost Reduction:

Eliminated report sprawl, unlocking over \$1 million in measurable savings.

### Faster Decisions:

Improved data delivery accelerated action across 1,000 downstream users.

### Trusted Data:

Standardized definitions ensured consistency in mission-critical reports.

**\$1M+**

in measurable **savings**, unlocked through eliminating redundant effort and report sprawl.

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# Conclusion

Governments, universities, and nonprofits are navigating unprecedented complexity—from tightening budgets and evolving regulations to rising citizen and stakeholder expectations. AI-powered analytics offers a path forward—not just for operational efficiency, but for building more responsive, transparent, and resilient institutions.

This report confirms that public sector organizations are advancing from pilots to production, with growing maturity across both technical and organizational dimensions. Leading adopters are already using AI+BI to:

- Automate routine workflows for data and reporting teams
- Enable staff at all levels to ask questions and make decisions using governed data
- Expand citizen access through bots and embedded experiences
- Align with evolving AI regulations through strong semantic governance

Yet challenges remain. Compliance, not cost, now leads as the top adoption barrier. And without a strong data foundation, many institutions risk stalling at the proof-of-concept stage.

## What to Expect Next

The next wave of transformation will hinge on building trust, through:

- clear governance
- accessible platforms
- and broad-based literacy.

The public institutions that prioritize these foundations today will be best equipped to deliver intelligence everywhere—safely, equitably, and at scale.

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# Research Methodology

This report is based on the 1H 2025 global survey on AI-powered analytics, conducted by an independent research firm .

- **Survey size:** 235 organizations worldwide
- **Public sector segment:** 30 organizations
- **Countries represented:** 12 (Argentina, Austria, Brazil, Germany, Honduras, Mexico, Peru, Saudi Arabia, South Africa, Spain, UK, and USA)
- **Organization types:** National, state/provincial, and local governments, educational institutions, and nonprofits
- **Sizes surveyed:** From under 500 employees to over 20,000
- **Roles surveyed:** Data leaders, analytics practitioners, and senior public sector stakeholders

Public sector respondents represented a geographically and functionally diverse sample. Asia Pacific public sector organizations did not participate in this segment of the 2025 survey, but future editions aim to broaden coverage.

## About the Authors

This report was authored by the research team at Dúnedain Research, specialists in enterprise analytics, AI adoption, and data strategy. The lead analyst, Brett Sheppard, has over two decades of experience in business intelligence—including roles as a Gartner analyst and U.S. military data engineer. The team’s work has appeared in publications by Gartner, GigaOM, and O’Reilly, and has been cited by outlets such as Businessweek, Wired, and Computerworld. Their mission is to provide actionable, data-driven insight to help organizations navigate the evolving analytics landscape.

Explore more insights from the Global Survey, including regional findings and industry-specific reports, at: [strategysoftware.com/survey](https://strategysoftware.com/survey).



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