

Weighing the costs of action in AI against the price of inaction

EY US AI Pulse Survey Wave 5

July 2026



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EXECUTIVE SUMMARY

Right now, your employees could be using AI to innovate tomorrow’s new revenue streams or to create videos of your CEO dancing in the club. They’re developing powerful new agents and burning through entire quarterly budgets duplicating software that no one will maintain.

That’s why, after years of focusing on AI adoption and experimentation, C-suites are pivoting to better balance cost and value, the latest EY US AI Pulse Survey shows – with dramatic implications for the incoming era of hybrid human/agentic work.

Senior leaders tell us that agentic “vibe coding” has flipped the AI imperative on its head. All these AI efforts are metered through tokens: the usage-based fees charged when an AI model processes input and generates output, which are [creating a new paradigm for executives to confront](#). And leaders are still getting their hands around the issue, telling us that they are concerned about mounting token costs and overwhelmingly changing directions, although many lack visibility into this spend or have defined the budget for it. ▶

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The survey offers an inside look into how leaders are trying to determine the boundaries of human and agentic work and how they intersect, under operating models, budgets and guardrails that remain uncertain.

Taken together, these results show that the business world is at a crossroads: to drive AI usage or strategically throttle it, to reduce headcount and redirect capital or to equip talent to do more than ever, and to minimize costs or to maximize value. But does that mean organizations are hitting pause on AI transformations and casting aside their experiments? Hardly.

In fact, our survey affirms that companies want to develop their own software at an accelerated pace and are already seeing value from it – even as they clamor for the simplicity of off-the-shelf solutions amid concerns about shadow IT, regulatory implications and cybersecurity. The survey offers an inside look into how leaders are trying to determine the boundaries of human and agentic work and how they intersect, under operating models, budgets and guardrails that remain uncertain.



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Cost: who gets to use AI and why?

COST: WHO GETS TO USE AI AND WHY?

Like so much in the AI era, “tokenmaxxing” – the push to use as many tokens as possible to demonstrate robust AI adoption – proved to be short-lived. The trajectory of AI has shifted from experimentation and adoption at all costs to a discussion of value and strategy, while the multi-trillion-dollar AI infrastructure buildout takes its course.

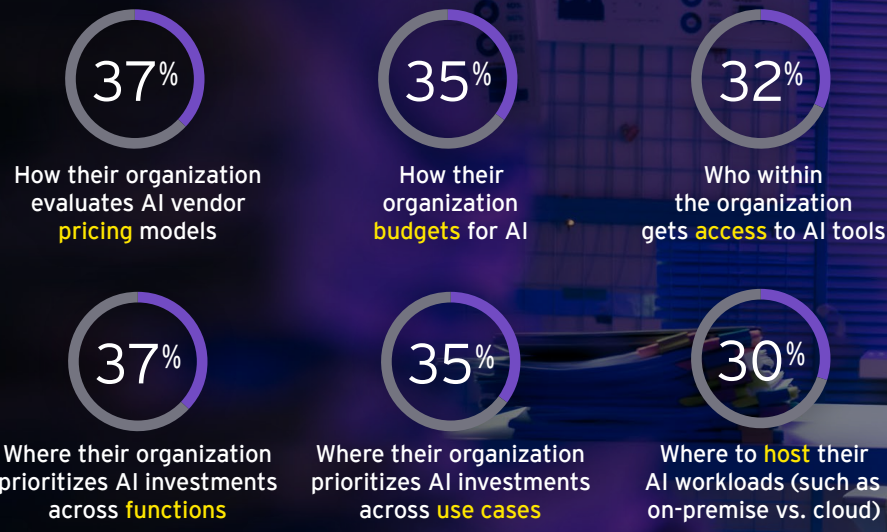
All told, about a third of senior leaders whose organization is investing in AI and uses tools that require AI tokens are scrutinizing how they budget for AI, incentivize adoption and measure results, potentially heralding a new phase of “strategy-maxxing.”

These results point to how AI can be used in the most and least impactful ways imaginable, without many mechanisms for defining the difference, and with ROI difficult to pinpoint. The bottom-up approach to adoption, in which those in the lower ranks experiment with the technology just to get a feel for it, is now yielding to a top-down imperative for a strategic balance.



The right equation will differ based on the organization. But there is growing acceptance that using AI for growth, not just automation that cuts headcount, is the larger play, and that operating models must be adjusted accordingly. ►

The survey shows that AI token usage and related costs have caused senior leaders to reconsider:



Senior leaders are also reconsidering personnel decisions, such as how their organization:





“ ‘AI saves time’ is no longer a sufficient business case when the costs are mounting and difficult to ascertain over the long run,” said Dan Diasio, EY Global AI Consulting Leader. “Companies are showing signs of reckoning with setting priorities rather than merely driving adoption. And those priorities must be focused on doing different things, not the same things differently.”

Nonetheless, more organizations are hitting the accelerator than the brakes. Among senior leaders whose organization is investing in AI and uses tools that require AI tokens, 37% say that token usage and related costs have caused their organization to reconsider the scope of their organization’s AI rollout by expanding it, compared with 15% considering reducing it. And 29% are speeding up their AI rollout vs. 15% that are slowing it down.

One potential reason is clear: agentic coding, or “vibe coding.”

FURTHER READING

[Unlocking agentic value: a new investment discipline for the agentic era](#)

As the agentic era reshapes the AI economics of enterprise technology, organizations have an opportunity to govern run-rate exposure as a growth investment, protecting operating budgets and margin while compounding enterprise value.

[EY.ai Value Blueprints](#)

Shift from bolt-on AI to built-in AI with scalable blueprints that unlock innovation, new models and enterprise-wide transformation.

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Dan Diasio, EY Global AI Consulting Leader



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Vibe-coding: customization delivered rapidly

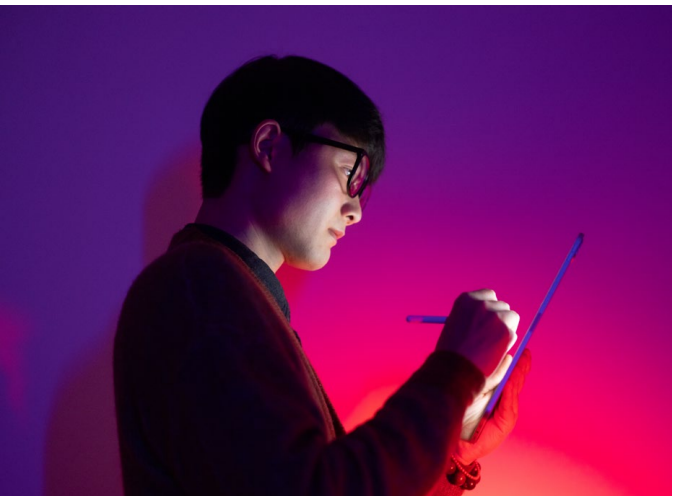
VIBE-CODING: CUSTOMIZATION DELIVERED RAPIDLY

If you could build anything instantly tomorrow, what would you build? This is no longer a blue-sky question for executives thanks to agentic coding, and our survey reflects how organizations are already reaping the benefits.

Senior leaders are highly enthusiastic about in-house, AI-built software development for internal organizational use. In fact, 91% of senior leaders whose organization is investing in AI say that their organization views in-house, AI-built software development for internal organizational use as a critical way to de-risk reliance on traditional enterprise software vendors.

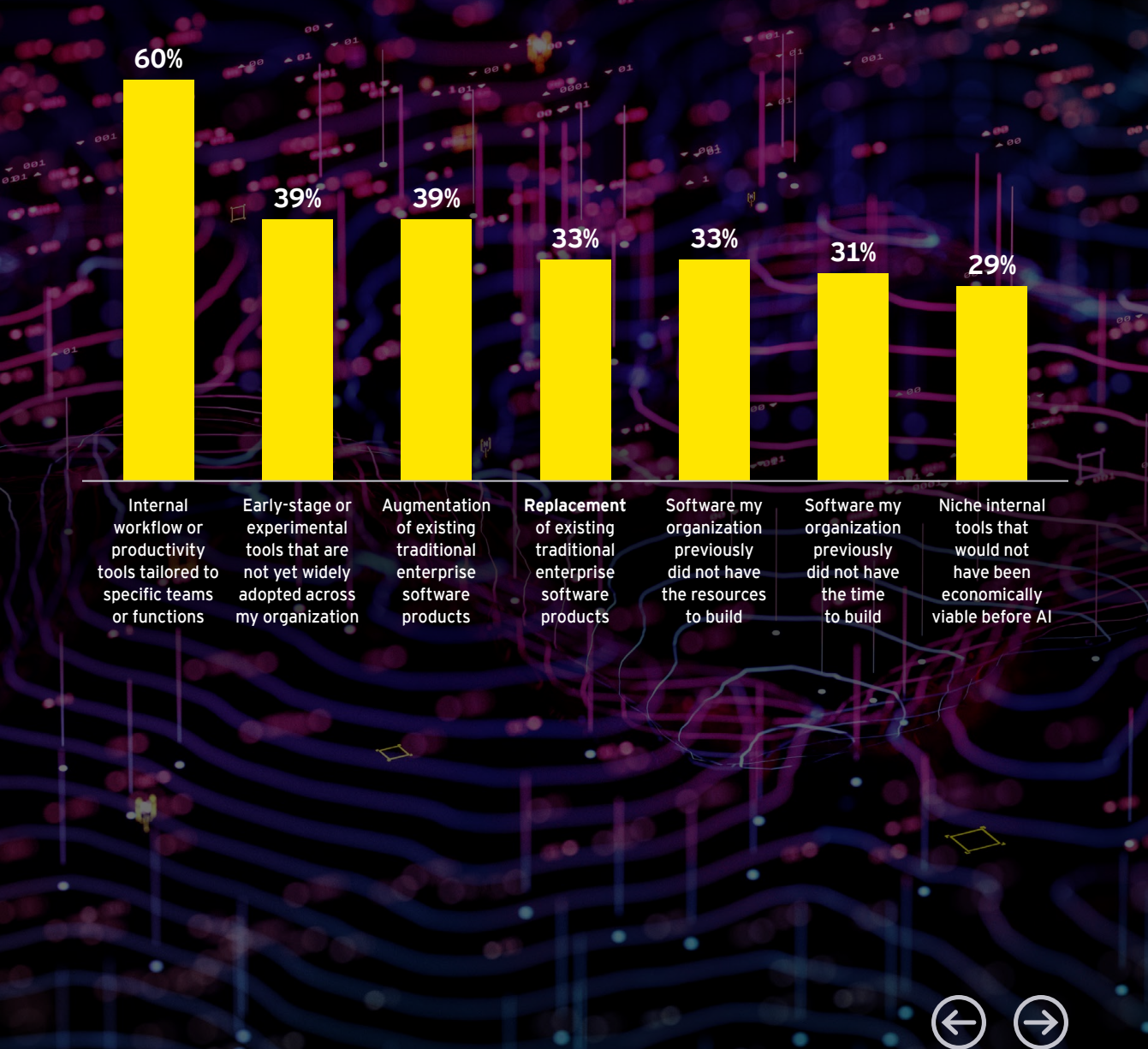
The strategy is already well underway, as 87% of senior leaders whose organization is investing in AI say they have either fully deployed or are piloting programs to develop in-house, AI-built software for internal organizational use. And senior leaders are already

reaping the rewards: 94% of those whose organization is investing in AI and has fully deployed/is piloting AI to develop in-house software say AI enables their organization to build software faster than traditional development approaches. The type of custom software being built with AI for internal use includes tools and solutions shown in the chart at right. ▶



Types of custom software being built with AI for Internal use

(Among senior leaders whose organization is investing in AI and has fully deployed/ is piloting AI to develop in-house software for internal organizational use)



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Agentic coding is like having 500 junior coders at your disposal, and leaders must come to terms with the capabilities and the drawbacks of this abundance when their minds are primed for scarcity.

Traci Gusher, EY Americas AI and Data Leader

As executives shed more light on the total cost of ownership of AI, it becomes even more imperative to work through the strategy of what to achieve, because the value is tremendous: for example, 31% are building custom software their organization previously didn't have time to build, and 29% are building niche internal tools that would not have been economically viable before AI.

“Agentic coding is like having 500 junior coders at your disposal, and leaders must come to terms with the capabilities and the drawbacks of this abundance when their minds are primed for scarcity,” said Traci Gusher, EY Americas AI and Data Leader. “The cost of pursuing a good idea has fallen dramatically, but so has the cost of a bad idea. You’ve got a fast car: who do you trust to drive it, and where do you want to go?”

In theory, that roadmap will take them away from established software providers, whether by using AI to build custom software for internal use to augment (39%) or replace (33%) existing traditional enterprise software products. Yet for every solution, there is a problem: who is maintaining, governing and securing these projects?

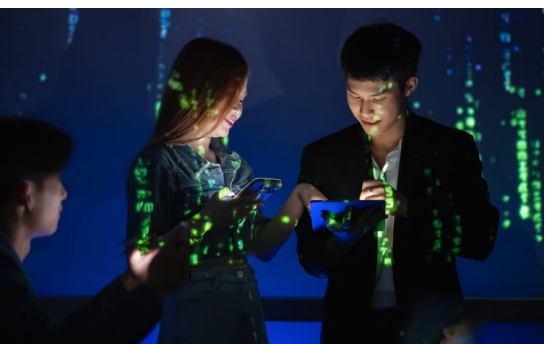
3

Governance: a challenge that should be reframed as an opportunity

GOVERNANCE: A CHALLENGE THAT SHOULD BE REFRAMED AS AN OPPORTUNITY

Unfortunately, 72% of senior leaders whose organization is investing in AI also say their organization is facing challenges with in-house, AI-built software that is slowing progress, hitting a wall where cost, talent and trust intersect. A whopping 92% of senior leaders whose organization is investing in AI say their organization faces barriers developing in-house, AI-built software.

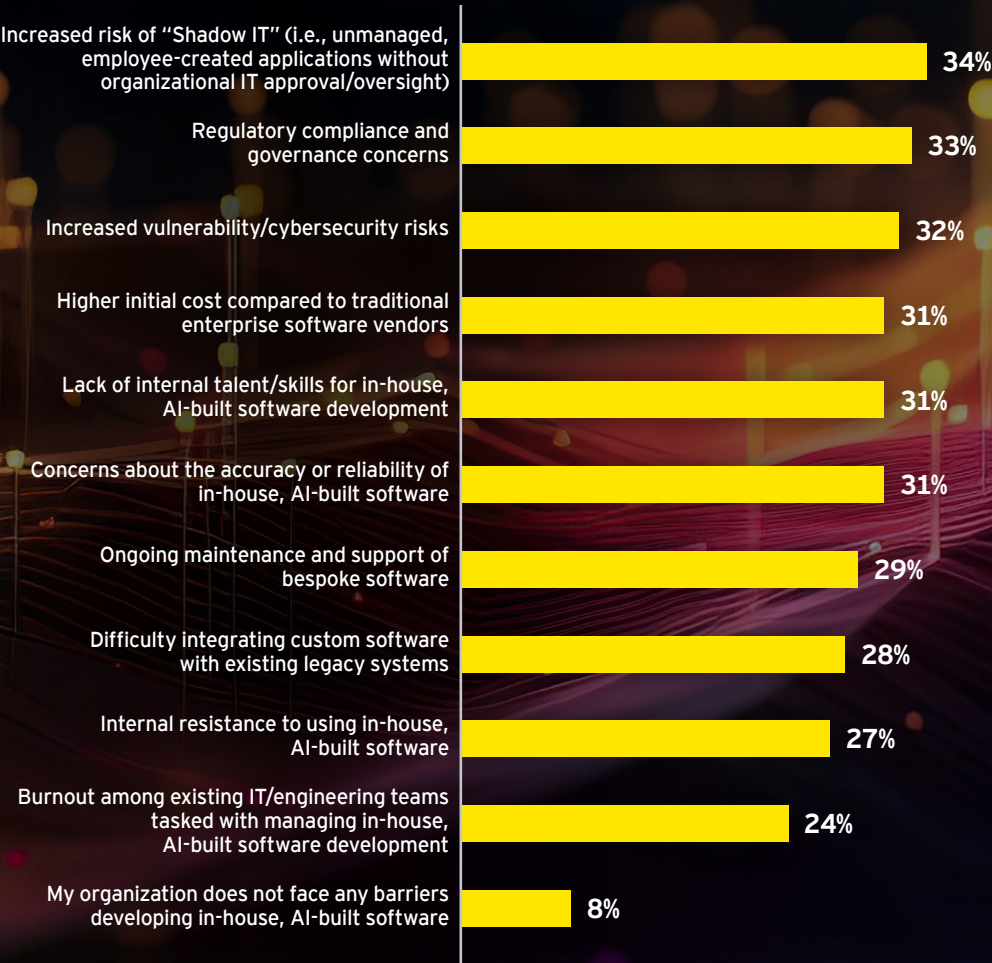
Among those challenges, respondents cited the increased risk of “shadow IT (34%), in which employee-created applications fall outside of IT oversight and become unmanaged. The sheer velocity at which ideas can be made tangible is forcing CIOs to revisit long-established principles, as shown in a recent roundtable of these executives. One said: “We used to say, ‘Hey, this is our landscape, and this is how you will live.’ We created that environment, but we outgrew it in six months.” Even more startling is that 24% of senior leaders whose organization is investing in AI say that burnout among existing IT/engineering teams tasked with managing in-house, AI-built software development is one of the biggest barriers to developing it.



Given all these challenges, it comes as no surprise that 93% of senior leaders whose organization is investing in AI say that organizations need to have the proper governance framework to safely allow employees to develop in-house, AI-built software for internal organizational use. ►

Biggest barriers to developing in-house, AI-built software for internal organization use

(Among senior leaders whose organization is investing in AI)



“Governance enables confidence, which is an invaluable commodity when the integrity of data and the AI reasoning based on that data can feel unknown.

George Haggar, EY Americas Risk Consulting Leader

“Governance enables confidence, which is an invaluable commodity when the integrity of data and the AI reasoning based on that data can feel unknown,” said George Haggar, EY Americas Risk Consulting Leader. “For governance to be effective across AI it needs to be AI-enabled with humans on the loop, not in the loop. We cannot govern AI the same way we govern traditional technology. Otherwise we will not realize any value.”

While we hear talk of how AI shatters governance models, it’s also a solution for governance at a scale that has never existed before. Governance models can be codified in human language and injected into products up front much more easily and conceivably automated entirely, whereas in the past the governance would be shaped after those products are released.

Within cybersecurity, “AI and scaling execution are widening the gap between action and control,” said Ganesh Devarajan, EY Americas Consulting Cyber Risk Practice Leader. “Organizations slow down because control happens after decisions. Teams recheck, escalate and delay when they don’t trust execution. But we can move control into decision flows, embedded as code, like never before, so that decisions can scale without increasing risk or exposure.”

FURTHER READING

[How AI is reshaping software development into product development](#)

AI orchestrators are redefining how products are conceived, built and launched at enterprise scale.

[How CIOs can reinvent software delivery and reduce time to market](#)

AI coding tools are only the start. Product development lifecycle shifts teams to product thinking and rewires skills and operating models for modern delivery.

[How can reimagining risk prepare you for an unpredictable world?](#)

Forward-thinking Risk Strategists are positioning their organizations to thrive in a more complex operating environment, the 2025 EY Global Risk Transformation Study shows.

4

Off-the-shelf solutions

OFF-THE-SHELF SOLUTIONS

Amid that rise in experimentation, more companies are simultaneously seeking off-the-shelf AI solutions – as in, those that are not bespoke or specifically designed for an organization. The percentage of senior leaders saying their organization is currently focusing AI investments on buying off-the-shelf AI solutions has risen from 56% in 2025 to 66% today.

Yet, when it comes to software solutions, 76% of senior leaders whose organization is investing in AI say off-the-shelf software solutions no longer meet their organization’s specific needs.

This is perhaps not as paradoxical as it sounds. When facing the mandate to find cost savings quickly to finance AI investments, and to do it quickly, leaders may explore off-the-shelf solutions that slot neatly into their product stacks, hoping for solutions that drive back-office improvements, for example. And while there is no shortage of ready-to-use software products on the market, our survey respondents are underwhelmed.

The survey findings suggest that organizations are beginning to rethink a technology strategy that has dominated for decades, said [Colm Sparks-Austin](#), EY Americas Technology Consulting Leader. “Companies have been adapting their processes to fit their business ▶



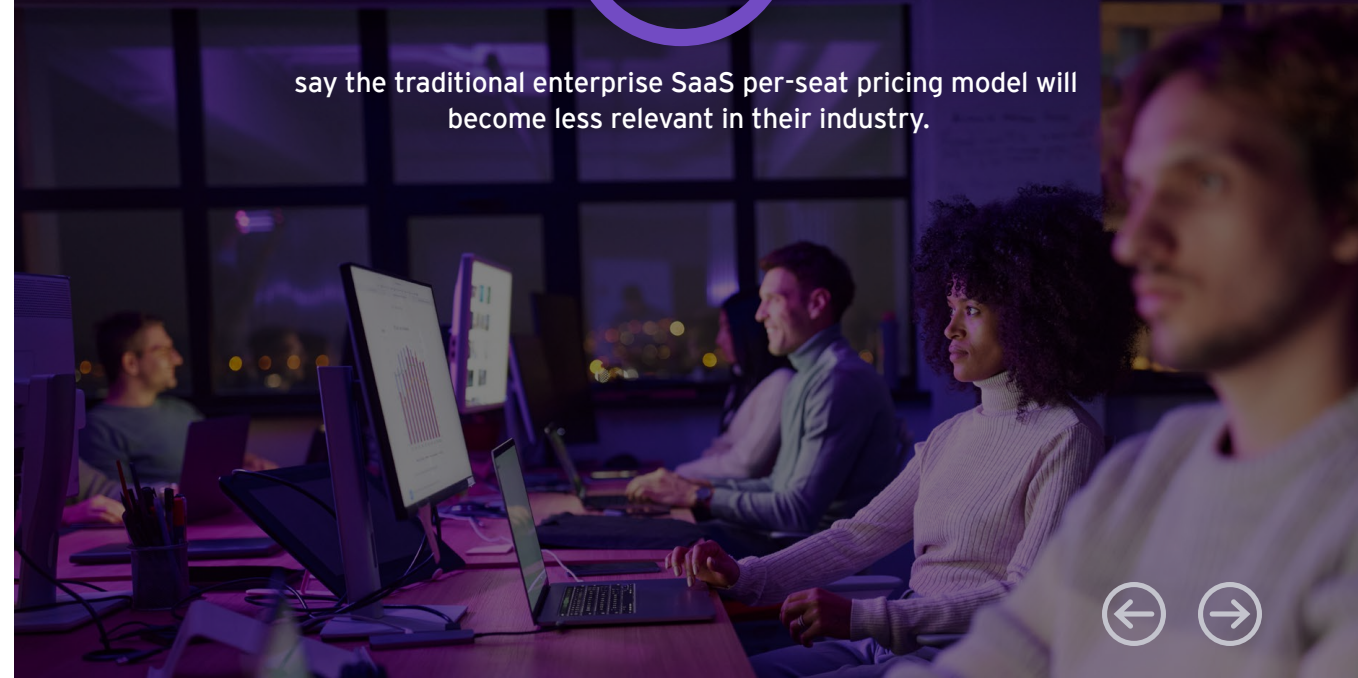
Software solutions may be facing even more headwinds ahead. Among senior leaders investing in AI, when asked to look ahead five years:

95%

say their organization’s relationship with traditional enterprise software vendors will change.

82%

say the traditional enterprise SaaS per-seat pricing model will become less relevant in their industry.



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As AI creates more capacity, leaders have an opportunity to redirect that capacity toward growth, innovation and new opportunities they couldn't realistically pursue before.

Colm Sparks-Austin, EY Americas Technology Consulting Leader

into someone else's product, and AI changes that equation," he said. "Yet many organizations are still approaching AI as a technology purchase rather than a business opportunity. The question is no longer, 'Which product should we implement?' It's 'What problem are we trying to solve?' "

Everyone can access the same tools, but competitive advantage comes from what you build with them around your own data, processes and customers, Sparks-Austin said. That does not mean every organization should build everything from scratch. Rather, the opportunity lies in combining purchased technologies, internally developed capabilities and AI-enabled workflows in ways that solve problems unique to the business.

"Most organizations frame the discussion as build versus buy, but that's often the wrong question," Sparks-Austin said. "Some capabilities will be bought. Others will be built. What matters is how they come together to produce an outcome that's unique to your business. As AI creates more capacity, leaders have an opportunity to redirect that capacity toward growth, innovation and new opportunities they couldn't realistically pursue before."

FURTHER READING

[AI-native PDLC: reinventing software delivery](#)

An AI native framework designed for alignment, scale and sustained impact.

[Clarify your AI strategy: modernization, innovation and transformation](#)

These three distinct but related efforts can be so powerful when expectations and business goals are aligned.

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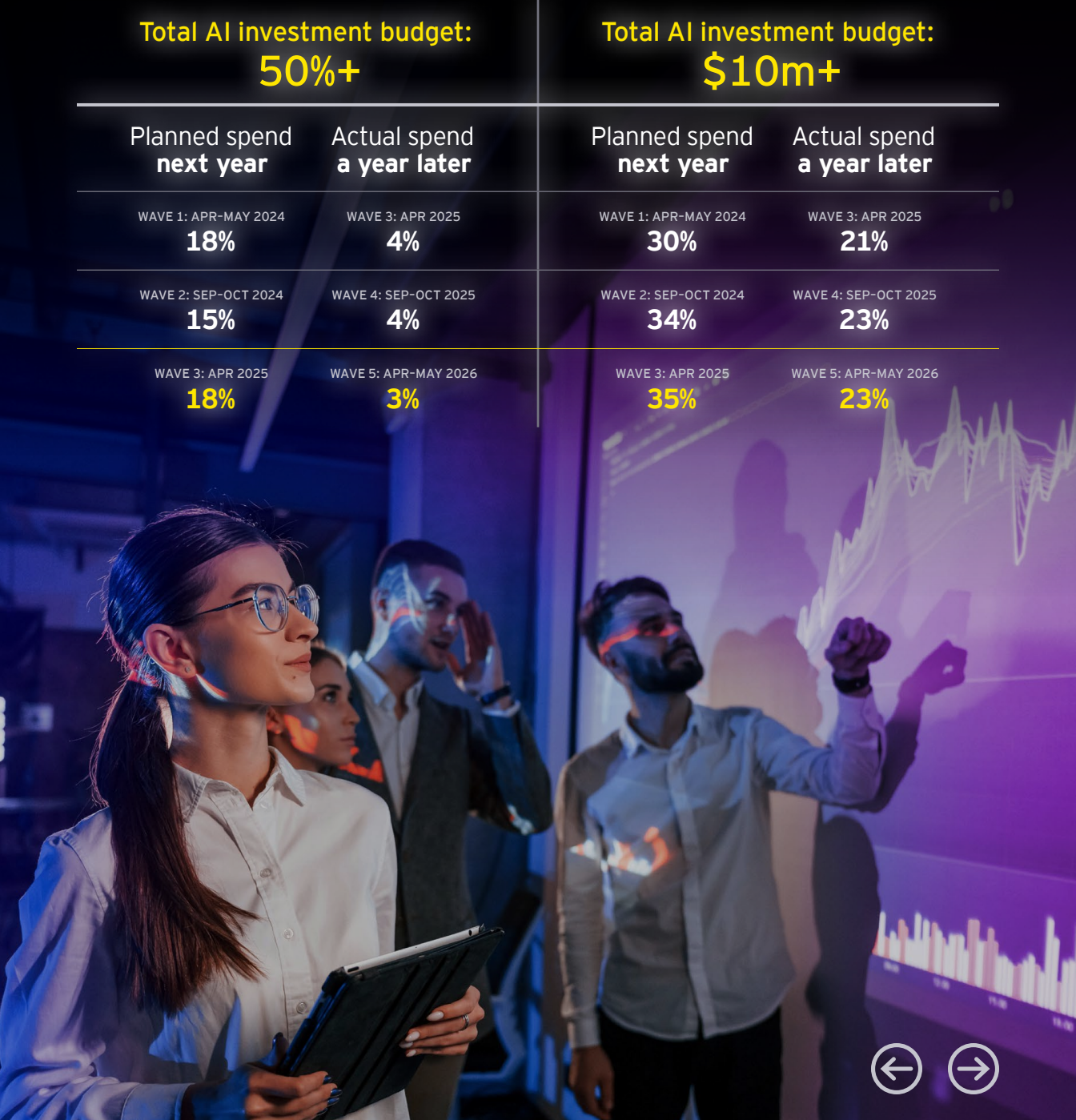
The more things change ...

THE MORE THINGS CHANGE ...

All this is playing out against dynamics that haven’t changed much at all after years of the EY US AI Pulse Survey: companies still say that they will spend more money on AI and care more about governance than they actually do.

For the past two years, senior leaders whose organization is investing in AI have projected high AI spend, both as a percentage of their total AI investment budget and in specific dollar allocations. In reality, investments remain at a plateau. While this signals a continuously high interest in AI investment, actual follow-through of funding remains constrained.

Similarly, senior leaders whose organization is investing in AI also say the time their organization will spend on training employees on how to use AI responsibly will increase over the next year (67%) and already has increased over the past year (66%). Yet these numbers have remained largely unchanged: a year ago, they were 64% and 59%, respectively. ▶



And despite all the promises of AI-led software development and increased integration to drive hybrid agentic and human work, around a third of senior leaders whose organization is investing in AI say they are not planning to change the time their organization will spend to train employees on how to use AI responsibly in the next year.

“Our findings often surface a disconnect between desire and action, or within competing priorities that are unresolved,” Diasio said. “This is a technology that moves the goal posts every six weeks, so it’s understandable that executives haven’t figured out the roadmap or the right narrative for change. Organizations must be intentional about which initiatives they take on and driving them through financial value, or else they end up running in place.”

Instead of sitting on the sidelines waiting for the one true software solution and the one true model, organizations must be intentional about their goals, beyond just productivity, and dedicate themselves to orchestrating it. The duality of AI – that it makes everything easier and seemingly more complicated at the same time – is embedded in its value proposition. The fact that it doesn’t neatly slot into today’s operations is why it’s so powerful.

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METHODOLOGY

Ernst & Young LLP (EY US) commissioned a third-party vendor to conduct the fifth wave of the EY US AI Pulse Survey. The online survey was conducted among 534 senior business leaders defined as US employed decision-makers (senior vice president or above) in the health; life sciences; energy; technology, media and telecommunications (TMT); government and public sector; consumer products and retail; advanced manufacturing and mobility (AMM); financial services; private equity; and real estate, hospitality and construction (RHC) industries.

The first wave of the EY US AI Pulse Survey was fielded April 29 to May 6, 2024. The second wave was fielded September 24 to October 4, 2024. The third wave was fielded April 17-30, 2025. The fourth wave was fielded September 19 to October 16, 2025. The fifth wave was fielded April 24 to May 17, 2026. For data integrity and comparison purposes, tracking questions and audience definitions remained unchanged wave over wave. The margin of error for the total sample per wave is plus or minus 4 percentage points at the 95% confidence interval.

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US SCORE no. 31631-261US
CS no. 2512-10414-CS
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