



# DATA TRENDS 2025 PUBLIC SECTOR

How government and education leaders are leveraging data modernization, collaboration and AI for mission success





# TABLE OF CONTENTS

<b>THE YEAR OF MODERNIZATION AND EFFICIENCY IN THE PUBLIC SECTOR .....</b>	<b>3</b>
<b>TRENDS THAT MATTER IN GOVERNMENT AND EDUCATION .....</b>	<b>4</b>
Trend 1: Organizations are embracing data modernization for greater efficiency.....	5
Trend 2: Data collaboration is becoming increasingly important .....	6
Trend 3: Despite concerns, leaders are increasingly recognizing AI's potential.....	7
<b>THE STATE OF THE AI DATA CLOUD FOR GOVERNMENT &amp; EDUCATION .....</b>	<b>9</b>



# THE YEAR OF MODERNIZATION AND EFFICIENCY IN THE PUBLIC SECTOR

For the public sector, 2025 signals a period of unprecedented and historic transformation. Federal, state and local government agencies as well as institutions of higher education are navigating rapid shifts across leadership, operational practices and regulatory landscapes. New mandates for efficiency and accountability are forcing a reevaluation of traditional structures and processes.

Data and AI can help organizations face the demands of this new era. However, the public sector has always lagged in digital innovation, creating a cascade of challenges such as resource-intensive legacy systems, siloed data and insights, obstructed collaboration between departments, and delayed and ineffective decision-making.

The status quo is no longer an option. Government agencies and institutions need to modernize or risk falling further behind. This is a chance to rethink how the public sector operates and delivers services in a more resource-effective and cost-efficient manner, embracing innovation.

The time for strategic change is now. With a modern data foundation, public sector leaders are applying the power of data and AI not only to operational efficiency, but also to critical issues such as fraud detection and prevention, public transportation and safety, cybersecurity and better educational experiences. They're mobilizing responsive AI-powered chatbots to answer citizen questions and launching personalized educational platforms for students — and these are just two examples.

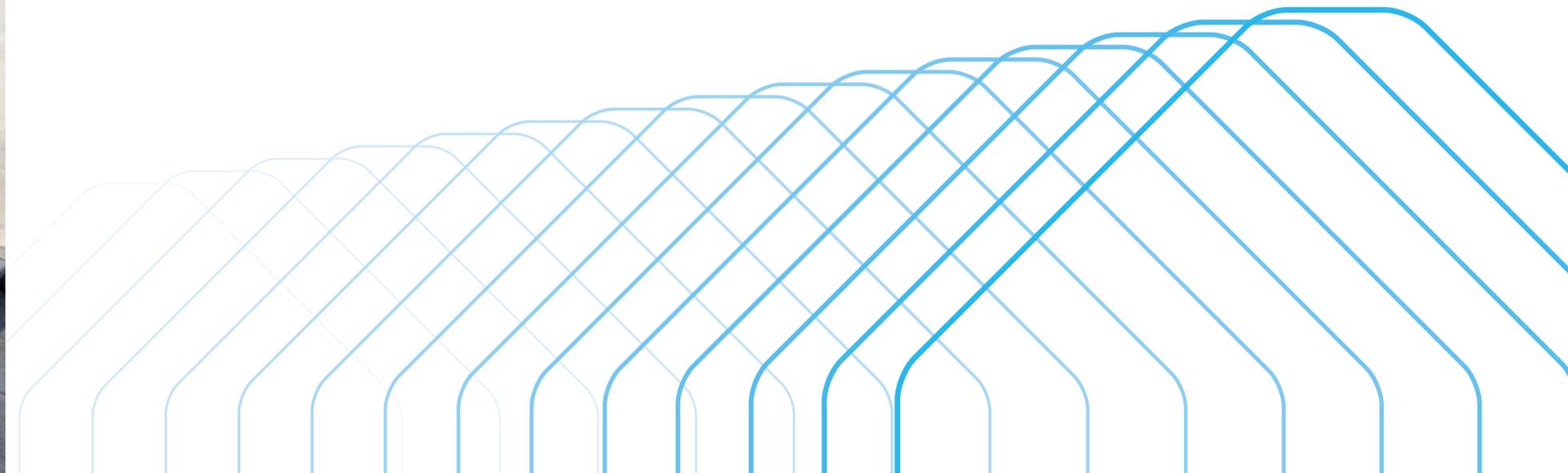
“By strategically applying enterprise AI to targeted areas like engineering, workflow optimization and document processing, public sector missions can achieve significant advancements,” says Matthew Rose, Global Industry Principal, Snowflake. “This translates to substantial gains in workforce productivity, operational efficiency, program effectiveness, and ultimately, economic and job growth. This is the true transformative potential of AI for government.”

Here, we delve into the key data trends shaping the public sector and explore how leaders are leveraging data-driven strategies and emerging technologies to achieve better outcomes and mission success.



# TRENDS THAT MATTER IN GOVERNMENT AND EDUCATION

In their renewed efforts to increase efficiency and productivity in the public sector, leaders in government and education are increasingly looking to data for informed decision-making. In this chapter, we explore three major trends – data modernization, data collaboration and AI – that are empowering leaders to better serve the public and fulfill their missions.





**TREND #1:**

## **ORGANIZATIONS ARE EMBRACING DATA MODERNIZATION FOR GREATER EFFICIENCY**

The mandate to streamline public sector operations, increase efficiencies and cut costs demands a shift toward a modern data infrastructure. Outdated, fragmented data systems not only drain resources through maintenance costs but also cripple operational efficiency due to integration and data sharing challenges. Furthermore, legacy licensing models and cloud vendor lock-in severely restrict flexibility and escalate expenses. With a secure, scalable and interoperable ecosystem that leverages cloud-based technologies, data governance and advanced analytics, agencies can enable data-driven decision-making and improve public services.

Upgrading to modern, cloud-based platforms also increases efficiency. By automating repetitive tasks like data entry and processing, these platforms minimize human error and accelerate service delivery. They also enhance data visibility

and sharing, which is crucial for functions such as performance management. For example, modernizing helps agencies consolidate their financial planning and analysis (FP&A), budgeting and resource data, leading to better investment decisions, improved project timelines with optimal resource planning, more robust risk analysis, and more accurate forecasting of future budgetary needs.

In addition, modern platforms empower organizations with multi-cloud capabilities, fostering resilience, optimizing costs through competitive pricing, and granting access to the best-of-breed services from various providers. Their pay-as-you-go model allows for dynamic resource scaling, eliminating unnecessary expenditures and aligning costs with actual demand.

## **COMBATING FRAUD, WASTE AND ABUSE IN GOVERNMENT**

Use of outdated systems can contribute to fraud, waste and abuse (FWA) in the U.S. federal government and elsewhere in the public sector. These legacy systems can create vulnerabilities and inefficiencies that fraudsters can exploit, from detection tools that are decades old to inefficient manual processes that can introduce human bias and error. Other challenges such as limited data analysis capabilities, an inability to detect and prevent complex schemes, and lack of real-time monitoring further make the case for modernization.

Leading agencies are modernizing their infrastructure for better FWA detection and prevention, ultimately protecting public funds and maintaining trust in institutions. With a modern system, teams can run automated analytics to rapidly identify data risks and errors that can be shared with stakeholders within and between federal agencies in near-real time. They're also augmenting human expertise with AI and machine learning models to help predict and detect anomalies and identify fraudulent claims.



## **TREND #2:** **DATA COLLABORATION IS BECOMING INCREASINGLY IMPORTANT**

Data collaboration is emerging as a critical component of digital transformation in the public sector. By breaking down traditional data silos and fostering secure data sharing across departments, agencies and even with external partners, governments and educational institutions can unlock new levels of insight and efficiency. This collaborative approach enables a more holistic view of challenges, leading to better-informed decision-making and improved outcomes for constituents and students alike.

For example, imagine a city where the health department, social services and education systems securely share data on childhood well-being. This collaboration could reveal previously hidden patterns, such as a correlation between specific environmental factors and childhood asthma rates. Armed with this knowledge, the city can take targeted action to improve public health and reduce the burden on healthcare resources.

Data collaboration can also facilitate innovative partnerships between the public and private sectors. By sharing data with technology providers or research institutions, government agencies can access advanced analytics capabilities and expertise, accelerating their progress toward solving complex challenges. This collaborative ecosystem fosters a culture of data-driven decision-making, ultimately leading to a more responsive and effective public sector.

Realizing the full potential of data collaboration requires addressing critical considerations around data security, privacy and governance. Public sector organizations must prioritize solutions that enable secure data exchange and collaboration without having to move or copy data. This is essential to retain the trust of citizens, protect sensitive information, and increase transparency in how data is being used. By implementing robust data governance frameworks and leveraging technologies that prioritize secure data sharing, the public sector can confidently embrace data collaboration as a powerful tool for positive change.

## **CUSTOMER SUCCESS: A DATA STRATEGY TO STAY AHEAD OF CITIZENS' NEEDS**

Gilbert, Arizona, the largest town in the U.S., aimed to anticipate change, create innovative solutions and better serve its residents, in part by maximizing its extensive data resources. But data silos inhibited cross-departmental collaboration, and preparing operational reports involved pulling data from multiple sources and could take months. The town's wealth of sensitive personally identifiable information was difficult to manage, and responding to data requests from the media and the public was time-consuming.

Gilbert turned to Snowflake to centralize departmental data, bolster its data governance strategy, and enable public-facing dashboards that better serve the community at large. With Snowflake, it was able to implement an effective town-wide data governance strategy, keep the public informed via self-service performance dashboards, and streamline internal reporting and analysis. The town was also able to improve service delivery by harnessing more data and AI to further reduce complexity and increase transparency.

[Read the full story](#)



**TREND #3:**

**DESPITE CONCERNS, LEADERS ARE INCREASINGLY RECOGNIZING AI'S POTENTIAL**

Public sector leaders face unique challenges in adopting AI. They must address concerns around budget constraints, privacy and security, as well as ethical considerations. At the same time, many leaders in government and education recognize AI's potential to revolutionize citizen services and fulfill their missions. A [recent report](#) from the Organization for Economic Cooperation and Development (OECD) found that about 70% of 31 participating countries have used AI to enhance internal operations.

AI is already being deployed to improve service delivery. Conversational AI chatbots and virtual assistants are providing quick responses and personalized interactions with citizens, improving satisfaction and accessibility. In public health, AI is bolstering fraud detection efforts, safeguarding resources and helping ensure that aid reaches those who need it most. Transportation and urban planning are being optimized through AI-enhanced traffic management systems and smart infrastructure initiatives. In national defense, AI is being leveraged for document processing, workflow automation and cybersecurity enhancement.

The impact of AI extends far beyond operational improvements. In higher education, AI is accelerating research across various disciplines, from data analysis and natural language processing to image recognition, leading to new discoveries and advancements. Emergency response agencies are using AI for early warning systems and resource allocation, ultimately saving lives and minimizing damage. This widespread adoption underscores the versatility of AI and its ability to address a multitude of public sector challenges.

Crucially, a robust modern data foundation is vital to unlocking the full potential of AI in the public sector. By modernizing data infrastructure, agencies can break down data silos, ensure data quality, and establish the secure and scalable foundation necessary for AI and machine learning to thrive. This not only maximizes the effectiveness of current AI capabilities but also prepares the public sector for future advancements in generative AI and large language models. Investing in a strong data foundation is not merely a technical necessity, but a strategic imperative for any government agency or educational institution looking to harness the transformative power of AI.

**70%**

**of participating countries have used AI to enhance internal operations.**

—Organization for Economic Cooperation and Development (OECD)



## Making the case for AI in the public sector

Measuring the ROI of data and AI initiatives in the public sector presents unique challenges, as it often involves assessing improvements in efficiency, service delivery and citizen or student well-being rather than just financial returns. However, organizations can effectively demonstrate the value of their data and AI investments with a structured approach. This involves establishing specific, measurable goals focused on outcomes like improved efficiency, enhanced citizen and student services, better decision-making and increased transparency.

Before implementing new technologies, it's crucial to establish baseline metrics and continuously track KPIs aligned with these objectives. These KPIs might include cost savings, time savings, citizen/student satisfaction and program outcomes. While quantitative data is essential, qualitative benefits, such as improved employee morale and enhanced collaboration, should also be considered.

Finally, it's important to communicate the ROI of data and AI initiatives clearly and concisely to stakeholders, using visualizations and real-world examples to showcase the positive impact and build support for future innovation.

## REIMAGINING GOVERNMENT WITH GENERATIVE AI

Generative AI is poised to revolutionize the public sector by optimizing service delivery, streamlining operations, and enhancing decision-making capabilities for government and educational institutions.

- **Improved program and service delivery:** Government and educational institutions are constantly striving to improve services while operating with budget constraints. Gen AI-enabled chatbots can save time and money by processing data from sources such as online forms, databases and historical records to provide quick and accurate responses to queries. Gen AI also can tailor services to individual needs, such as personalized support and outreach for citizens and students.
- **Increased operational efficiency:** Gen AI's automation capabilities can replace many of the manual, time-consuming tasks of public sector employees, increasing efficiency as well as productivity. For leaders, gen AI models can analyze complex data and recommend resource allocation for program delivery. Educational institutions are adopting AI-driven personalized learning platforms to enhance student outcomes and streamline administrative processes.
- **Predictive analytics for responsive government:** Gen AI-enabled predictive analytics can help organizations reach their goals by enabling proactive responses to emerging challenges. For example, gen AI can predict disease outbreaks and disaster impact and help with the optimal deployment of emergency services. In education, gen AI can predict student enrollment trends and recommend school infrastructure investments. It can also help predict future budgetary needs and help with resource allocation.



# THE STATE OF THE AI DATA CLOUD FOR GOVERNMENT & EDUCATION

Snowflake's AI Data Cloud for Government & Education offers a powerful platform for data modernization, collaboration and AI adoption. This multi-cloud solution empowers public sector organizations to break down data silos, securely share information and leverage the full potential of data to fulfill their missions.

- **Data sharing and collaboration:** Collaboration and data-driven decision-making are at the heart of the AI Data Cloud for Government & Education. By enabling seamless data sharing across agencies, departments and external partners, the platform fosters a holistic view of important stakeholders such as citizens and students. This comprehensive understanding enables better-informed policy decisions, improved service delivery, and more effective resource allocation.
- **Tools to combat fraud, waste and abuse:** Snowflake's platform also equips organizations with the tools to enhance operational efficiency and combat fraud, waste, and abuse. Advanced analytics capabilities, combined with AI-powered fraud detection, allow for real-time identification of suspicious activities, safeguarding public resources, and helping ensure that aid reaches those who need it most.

## CUSTOMER SUCCESS: FLORIDA STATE UNIVERSITY BUILDS FOR THE FUTURE WITH AI AND SELF-SERVICE ANALYTICS

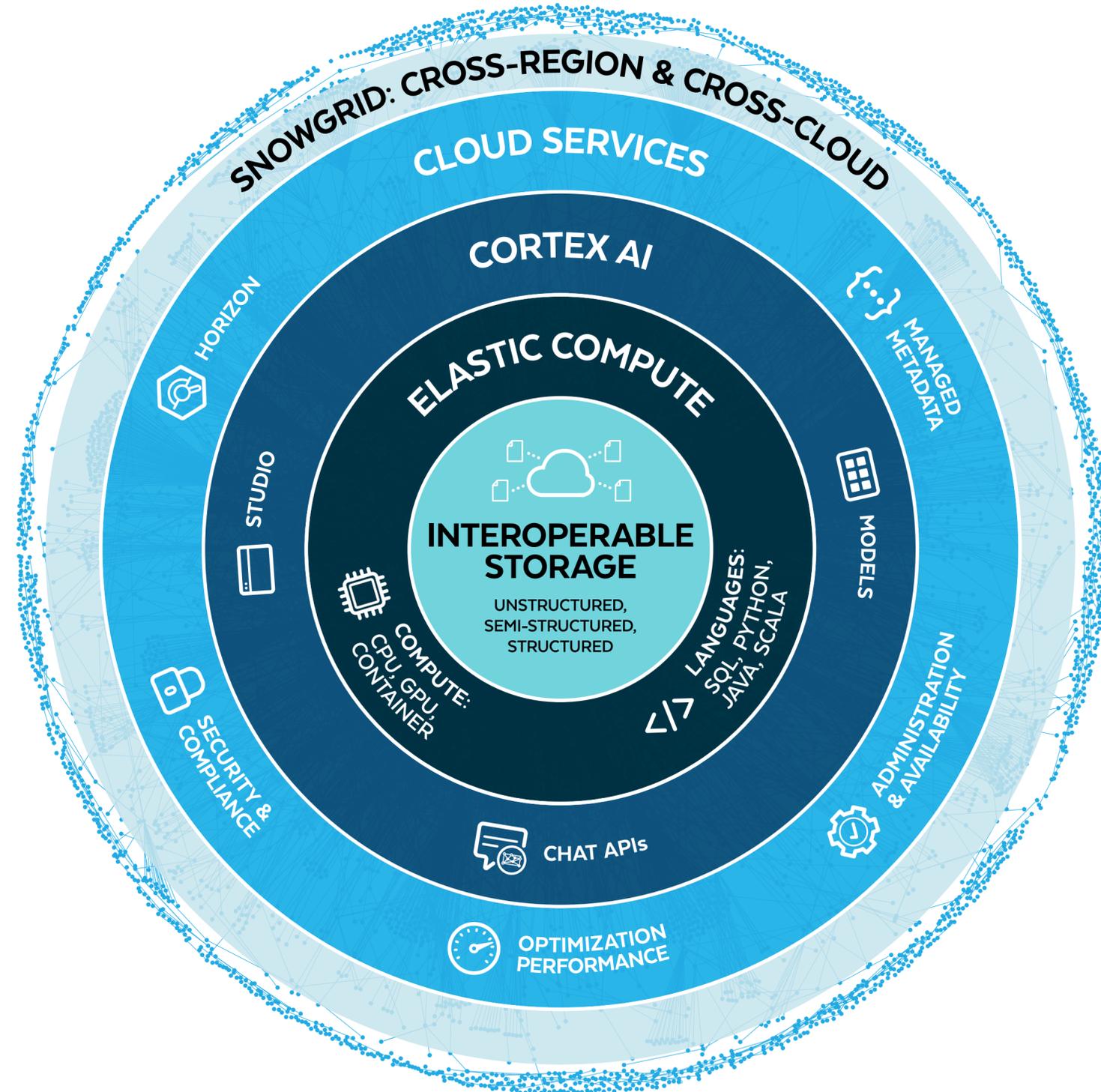
Consistently ranked among the top public colleges and universities in the United States, Florida State University (FSU) attracts thousands of new students each year. Data is essential to FSU's strategic objective of operational excellence. With Snowflake, FSU has built a solid data foundation for powering analytics and AI use cases that help the institution advance its mission. Teams at FSU have been relying on data and analytics for at least two decades, but the university's previous data architecture was difficult to scale and maintain. Seeking to modernize the university's data infrastructure, FSU's data and analytics team migrated to Snowflake. They now have faster access to data for enhanced research and decision-making. With Document AI, they have unlocked value from unstructured data. And they have campus insights that improve the student experience.

[Read the full story](#)



- **Robust security and compliance:** Snowflake offers customers a powerful suite of security features and a robust roster of [compliance and security](#) reports. Built-in security controls and continuous risk monitoring, and compliance certifications such as Department of Defense Impact Level 5 (IL5), StateRAMP and FedRAMP High, provide agencies with customer-configurable security controls to protect their sensitive data and aid in their compliance requirements.
- **Native AI capabilities:** The AI Data Cloud goes beyond data management by providing a foundation for AI development and deployment. Native AI capabilities empower organizations to build and deploy machine learning models directly within the platform, streamlining the AI development process and making it accessible to everyone.
- **Support for vital use cases:** Beyond its core capabilities, Snowflake's AI Data Cloud for Government & Education supports a wide range of important use cases, including improving operational efficiency, enhancing citizen engagement, enabling research and innovation, aiding in disaster response and bolstering cybersecurity efforts. By unifying data and AI, Snowflake is driving public sector innovation while increasing efficiency.

Learn more about how [Snowflake's AI Data Cloud for Government & Education](#) enables data-informed government and enhanced mission outcomes.





Snowflake makes enterprise AI easy, efficient and trusted. Thousands of companies around the globe, including hundreds of the world's largest, use Snowflake's AI Data Cloud to share data, build applications, and power their business with AI. The era of enterprise AI is here.

Learn more at [snowflake.com](https://www.snowflake.com)

(NYSE: SNOW)



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