CAPITAL ALLOCATION

The Underwriting Signal

What AI governance budgets reveal about how capex is being risk-rated

By Diego Molina — Mediavertical

AI spending has crossed a threshold: governance is now a named line item on the CFO dashboard, and that shift is a clearer signal than any capex headline that AI investment is being underwritten like infrastructure, not expensed like software.

The scale of AI capex now resembles infrastructure, not IT

Microsoft, Alphabet, Meta, and Amazon are on track for up to $725 billion in capital expenditure this year, most of it tied to AI infrastructure, with one estimate framing the broader multi-year buildout at roughly $7.6 trillion. Worldwide AI spending overall is projected to reach $2.59 trillion in 2026, a 47% jump from 2025 — growing roughly five times faster than total IT spending.

Numbers at that scale stop behaving like a software budget line and start behaving like a capital-project pipeline: multi-year commitments, site and power constraints, and financing structures that mirror how physical infrastructure gets built, not how SaaS licenses get renewed.

Governance spend is the tell that capital treatment is changing

The clearest evidence isn't the top-line capex figure — it's what is happening underneath it. Governance's share of enterprise AI budgets rose from roughly 3–5% in 2024 to 8–12% in 2026, a line item that barely existed in enterprise AI planning two years ago.

CFOs are also starting to draw their own capex/opex line inside AI spend: infrastructure built for new revenue streams is increasingly treated as capex, while variable compute and licensing stay opex — the same distinction that governs how physical infrastructure projects get financed and depreciated.

This mirrors infrastructure risk-rating more than software budgeting

Roughly 72% of every incremental AI dollar is reallocation from existing IT budget rather than genuinely new spend — meaning most of this capital is being redirected internally, not freshly appropriated, which is itself a familiar pattern from infrastructure portfolio management rather than discretionary software purchasing.

The build-buy pattern that has emerged — buy the foundation model and core infrastructure, then build proprietary data layers and task-specific agents on top for differentiation — also mirrors how infrastructure sponsors buy a standardized underlying asset and layer proprietary value engineering on top of it.

What this means for capital allocators and operators

Treating AI governance as a rising, structural cost center — rather than a temporary compliance tax that will shrink once the rules settle — is the more defensible planning assumption for anyone building a multi-year budget around it.

For advisors and allocators, AI capex increasingly warrants the same diligence lens applied to infrastructure financing: demand durability, underwriting discipline, and risk-adjusted return, rather than growth-rate enthusiasm alone.

If AI governance spend is rising the way risk-management budgets rise around large physical infrastructure assets, should boards start underwriting AI capex with the same discipline they apply to a power plant or a toll road — rather than treating it as a software line item?