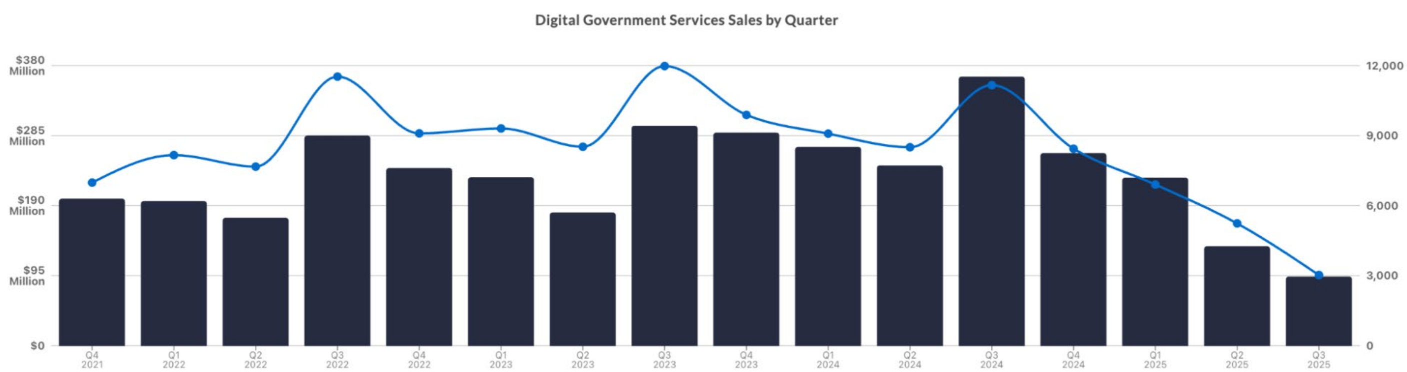
Digital Government Services:
A SLED Market Overview

GovSpend's latest data provides a clear view of how the digital government services market is evolving in 2025. The sector is showing its first significant slowdown in over two years. After peaking at more than $364 million in Q3 2024, total sales have fallen to just over $93 million in Q3 2025.

This decline marks a shift from the consistent growth observed in previous years and reflects a broader recalibration as public agencies adjust to new economic conditions, budget pressures, and changing citizen expectations.



	Q 1 2022	Q 2 2022	Q 3 2022	Q 4 2022	Q 1 2023	Q 2 2023	Q 3 2023
	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price
Tyler Technologies Inc	$137,774,514.86	$120,489,508.67	$208,071,359.26	$162,371,986.10	$163,700,008.16	$125,166,040.33	$217,751,829.55
Granicus	$13,989,748.06	$11,467,551.22	$23,333,749.54	$19,690,197.38	$20,565,752.72	$15,728,045.57	$24,544,098.30
Accela Inc	$15,383,327.45	$16,749,073.06	$15,204,420.69	$13,301,248.62	$10,889,476.82	$13,639,431.60	$18,989,359.10
Salesforce Com	$12,450,428.07	$10,101,810.98	$12,326,167.54	$25,823,480.03	$16,913,071.79	$6,790,481.27	$10,480,546.88
OpenGov Inc	$6,404,625.99	$4,030,252.78	$15,819,529.73	$6,590,408.46	$6,860,442.45	$6,841,195.92	$14,005,986.36
Servicenow	$5,266,471.48	$4,022,837.02	$4,076,649.41	$6,644,119.90	$4,003,681.11	$4,706,460.46	$6,961,696.79
Payit	$203,500	$3,127,750	$34,500	$34,500	$34,500	$3,463,500	$86,250
Accela Com	$252,994.98	$359,532.81	$226,738.75	$0	$60,447.95	$1,534,477.53	$347,810.41
Okta	$203,282.09	$8,910	$834,696.84	$74,518.86	$490,744.05	$71,637.80	$715,558.91
Civicplus	$217,341.33	$29,451.89	$83,502.65	$70,407.07	$204,234.97	$67,272.54	$98,694.25
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Grand Total	$195,661,479.83	$172,966,989.71	$284,661,578.41	$240,547,151.95	$228,115,201.78	$180,226,090.86	$298,077,556.34

	Q 4 2023	Q 1 2024	Q 2 2024	Q 3 2024	Q 4 2024	Q 1 2025	Q 2 2025	Q 3 2025	Total
	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price
Tyler Technologies Inc	$200,309,704.99	$180,142,289.62	$168,910,459.31	$241,725,256.54	$188,833,351.10	$148,793,353.67	$88,519,805.93	$78,295,469.39	$2,566,556,047.81
Granicus	$29,993,687.96	$24,081,485.96	$20,887,971.25	$27,010,277.22	$27,718,318.45	$19,189,858.10	$15,715,553.27	$10,485,559.44	$314,425,575.59
Accela Inc	$16,282,248.09	$22,687,294.46	$18,110,742.39	$24,896,535.27	$9,722,191.10	$23,918,632.39	$10,363,895.81	$3,958,075.54	$254,540,560.78
Salesforce Com	$8,189,605.92	$22,535,406.69	$12,814,438.09	$41,072,908.10	$7,714,238.53	$13,330,198.74	$4,307,178.09	$2,055,218.24	$215,786,423
OpenGov Inc	$13,466,663.55	$14,279,615.47	$7,868,919.11	$16,343,022.11	$15,142,166.44	$14,171,852.42	$6,765,488.98	$4,330,010.18	$157,030,246.47
Servicenow	$15,429,703.85	$2,728,107.09	$9,593,624.04	$9,683,101.92	$8,127,710.42	$5,984,896.96	$7,577,112.81	$892,104.99	$110,296,085.10
Payit	$72,250	$86,250	$2,870,250	$1,472,000	$51,750	$116,504	$0	$26,100	$12,137,783.99
Accela Com	$0	$0	$324,635.41	$215,787.06	$0	$0	$1,742,135.83	$0	$5,699,119.53
Okta	$69,406.53	$211,749.70	$256,388.64	$142,430.67	$934,909.45	$13,339.30	$8,889.38	$223,500	$4,293,352.09
Civicplus	$203,620.71	$105,446	$560,597.63	$533,898.50	$462,107.37	$268,649.69	$128,544.57	$79,841.96	$3,113,611.14
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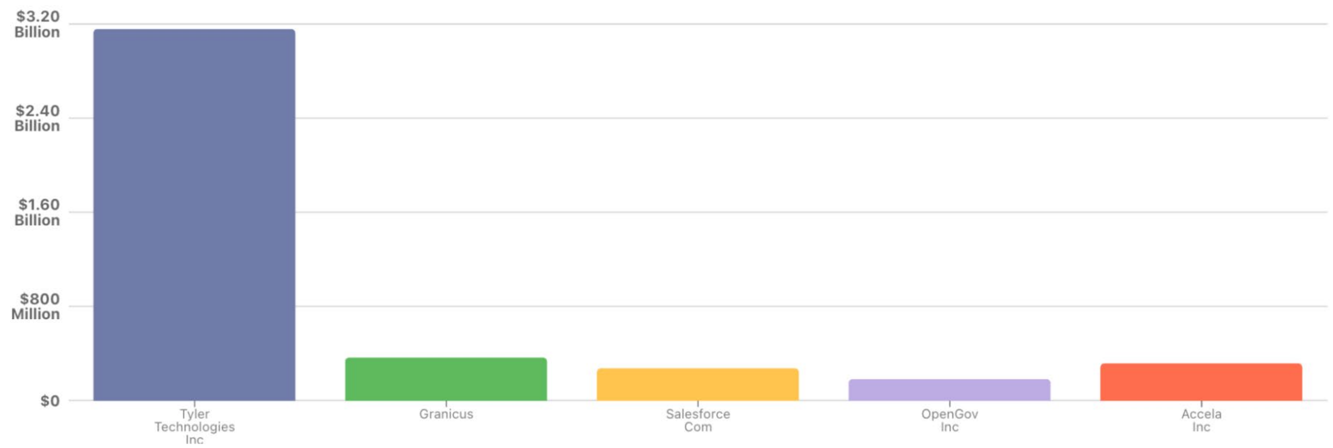
Grand Total	$288,691,807.85	$269,356,882.39	$244,028,042.65	$365,003,501.30	$261,178,606.47	$227,383,334.70	$135,995,524.91	$100,727,147.32	$3,691,612,390.78

Despite the downturn, the market remains active. Certain regions and service categories continue to show resilience, with agencies prioritizing modernization projects tied to digital access, data security, and compliance. Understanding where spending persists—and how procurement priorities are evolving—remains essential for providers looking to compete effectively in this environment.

Key Players and Market Share

Over the past five years, Tyler Technologies Inc. has reported more than $3.15 billion in digital government service sales, leading the market by a substantial margin. Granicus and Salesforce.com follow with approximately $359 million and $268 million, respectively. OpenGov Inc. and Accela Inc. also maintain a consistent market presence.

Digital Government Services Sales by Company - Last 5 Years



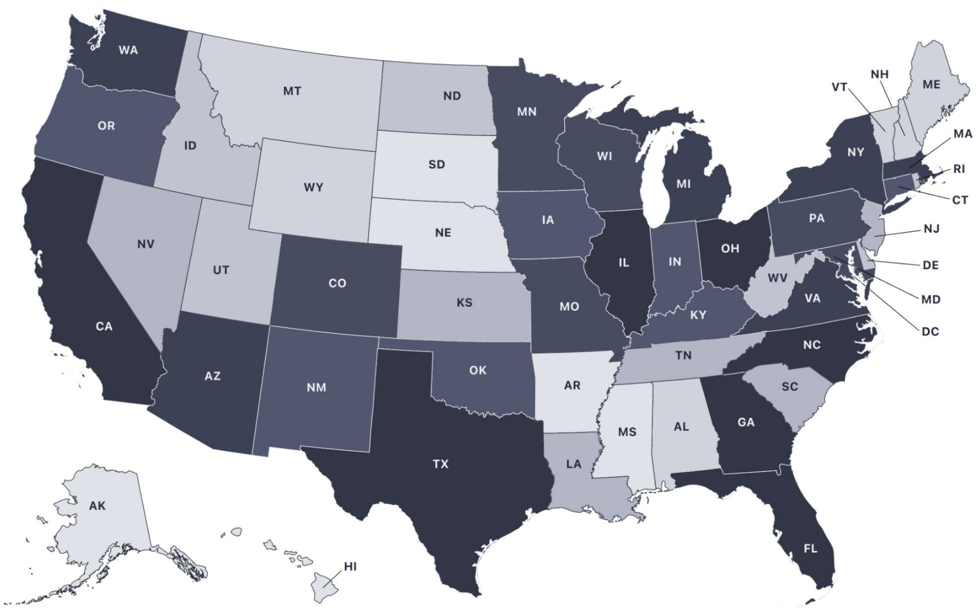
	Tyler Technologies Inc	Granicus	Salesforce Com	Open Gov Inc	Accela Inc	··· More	Total
	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price		Sum of Total Price
2020	$123,305,353.57	$9,791,971.19	$1,545,528.98	$5,056,898.64	$9,593,663.22		$174,082,834.91
2021	$602,689,952.46	$48,456,320.36	$60,159,234.77	$19,179,074.11	$67,291,306.65		$870,729,643.41
2022	$628,656,711.25	$68,544,458.43	$60,701,886.63	$32,844,816.96	$60,638,069.82		$930,175,083.72
2023	$707,052,237.18	$90,947,624.21	$42,373,705.85	$41,165,088.27	$0		$1,054,121,110.15
2024	$779,617,159.94	$99,856,672.26	$84,136,991.41	$53,134,791.27	$0		$1,213,045,135.37
2025	$311,329,952.95	$41,915,960.49	$19,688,171.86	$25,126,265.71	$0		$484,040,321.53
Grand Total	**$3,152,651,367.35**	**$359,513,006.94**	**$268,605,519.51**	**$176,506,934.97**	**$310,340,109**		**$4,726,194,129.09**

These figures point to a concentrated but competitive landscape, where established vendors hold the majority of contracts, yet smaller and emerging providers continue to find opportunities through specialization and local partnerships.

Geographic Trends

Spending patterns vary widely across states. Texas, California, and Florida remain the largest markets, each exceeding $400 million in digital government service spending.

Digital Government Services Spending



Sales by Top 10 Companies in Top 10 States

	Texas	California	Florida	Illinois	Washington	Georgia	Ohio	Missouri	New York	Massachusetts
	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price
Tyler Technologies Inc	$851,634,083.58	$550,930,066.49	$410,202,148.20	$327,234,965.03	$162,252,567.47	$321,297,276.45	$294,356,204.23	$135,892,474.24	$180,607,121.08	$139,801,631.11
Granicus	$271,843,591.34	$134,142,494.42	$53,331,550.54	$12,272,526	$31,632,362.85	$11,164,101.89	$15,792,195.29	$4,560,166.14	$25,415,072.71	$4,444,054.10
Accela Inc	$36,297,214.53	$152,787,151.09	$71,012,520.49	$5,840,660.67	$26,763,240.25	$13,551,945.07	$9,315,733.49	$8,214,584.70	$59,809,408.82	$18,026,768.78
Salesforce Com	$9,715,368.62	$44,019,473.24	$15,576,725.77	$22,743,628.38	$7,125,480.28	$13,445,305.84	$12,166,991.12	$186,310.51	$773,655.34	$1,408,768.20
Servicenow	$32,983,038.97	$55,743,940.46	$5,103,006.57	$805,942.01	$12,520,239.89	$23,602,336.33	$22,550,792.79	$1,995	$20,145,229.01	$5,696,126.87
OpenGov Inc	$8,937,858.88	$44,136,029.42	$17,787,625.72	$10,789,721.43	$7,529,854.17	$3,582,419.99	$12,097,895.89	$2,338,606.99	$2,537,061.32	$11,490,223.56
Salesforce	$8,473,801.78	$13,309,207.22	$3,092,897.62	$934,897.14	$16,383,789.81	$4,528,872.50	$239,452.68	$309,383.90	$143,965.87	$14,302,238.34
Payit	$0	$29,000	$0	$198,000	$0	$0	$2,720,000	$29,700	$0	$0
Accela Com	$0	$2,323,012.33	$0	$0	$0	$0	$913,297	$0	$0	$0
Okta	$57,560	$3,165,334.68	$1,109,680.76	$2,220	$11,438.87	$0	$5,700	$43,058.60	$0	$210,679.32
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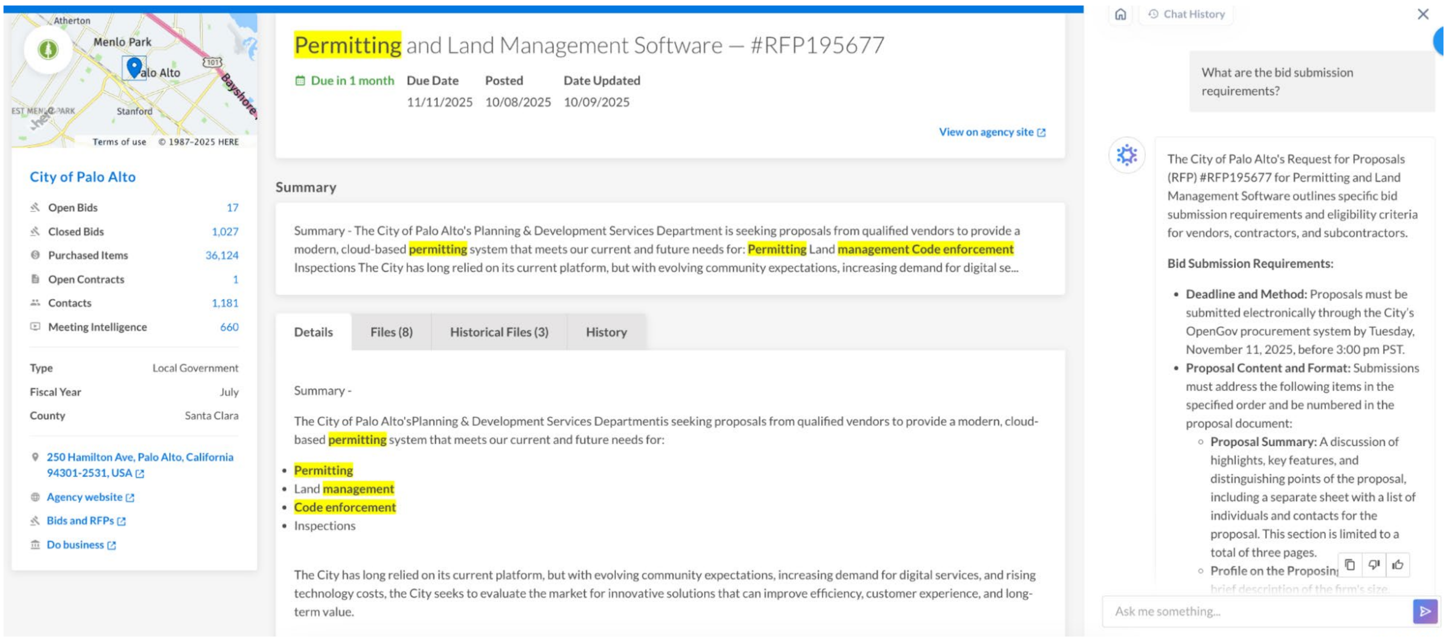
Grand Total	$1,249,677,796.17	$1,018,890,633.61	$602,809,307.61	$386,332,265.14	$273,263,561.26	$392,309,357.96	$373,190,334.10	$152,964,738	$291,315,693.98	$199,413,992.05

Texas leads with more than $1.2 billion in sales over the last five years, followed by California with over $1 billion. States including Illinois, Washington, and Georgia also demonstrate significant investment, ranging between $200 million and $400 million.

In contrast, states such as Oklahoma and Kansas report comparatively lower levels of digital government spending, highlighting differences in modernization priorities and funding structures across regions.

Procurement Landscape and Opportunities

Over the past five years, 7,333 SLED agencies have spent $4.64 billion on digital government services. Currently, there are 315 open bids across 192 agencies, such as the City of Palo Alto's (CA) open bid for a modern, cloud-based permitting system, and 577 contracts set to expire within the next 24 months.



These figures suggest a steady flow of procurement activity, even amid broader budget constraints. Agencies remain focused on improving accessibility, streamlining services, and upgrading legacy systems, creating ongoing opportunities for vendors to align their solutions with these goals.

GovSpend data also shows 18,943 mentions of the top ten digital government service providers in agency meetings over the last five years. This level of engagement underscores the continued evaluation of vendor performance and the importance of proactive positioning in procurement cycles.

Market Priorities and Emerging Applications

State and local governments are advancing their transition from legacy systems to digital-first operations, with particular emphasis on identity management, citizen experience, and data privacy. As states expand their roles as trusted issuers of digital identity, opportunities are increasing for solutions that support secure, interoperable, and user-centric systems.

However, citizen adoption remains a key challenge. According to NASCIO's Super Forum on Digital Citizen Services, only 25% of citizens actively use digital channels. Nearly 49% still prefer direct human interaction, and 63% favor in-person services, often due to websites that are difficult to navigate or designed around internal structures rather than citizen needs.

To address these gaps, many states have established Digital Service Teams (DSTs), 18 identified by Georgetown University's Beeck Center for Social Impact + Innovation, focused on user-centered design, agile product development, and data-driven decision-making.

The 2024 U.S. Department of Justice ruling on digital accessibility has further accelerated efforts to implement universal design standards. These initiatives aim to ensure digital services are both equitable and compliant, reinforcing the demand for accessible, modern solutions that can effectively serve all constituents.

For instance, the Michigan Office of Retirement Services has an active IT modernization bid that includes a Human-Centered Design Specialist responsible for "conducting user research, creating journey maps, and applying design thinking throughout the sprint/agile development process."

Looking Ahead

Although overall market spending has slowed, the long-term trend toward digital modernization remains clear. Agencies continue to invest in foundational technologies that improve service delivery, enhance security, and expand digital access.

For providers, the key to success in 2025 lies in understanding where investment remains steady—by geography, contract timing, and service category—and positioning offerings to align with those agency priorities. The data points to a market in transition, not retreat, offering opportunities for those prepared to navigate it strategically.

The data provided in this report comes from the GovSpend platform. For a deeper dive into spending intelligence specific to your business or competitive landscape, request a personalized demo here.