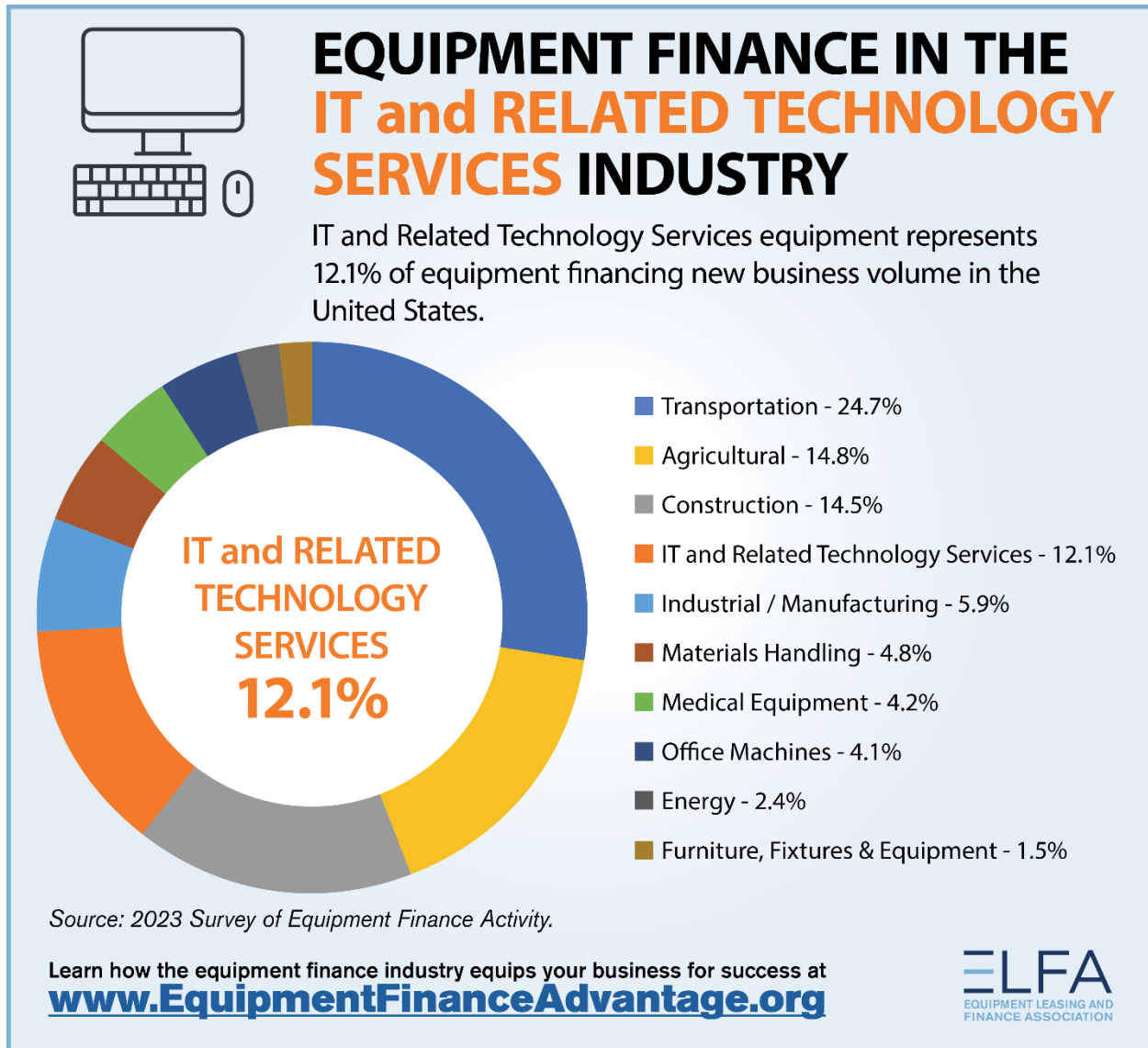


Fact Sheet: Equipment Finance in the IT / Computer Sector



Equipment Financing Volume

According to the Equipment Leasing and Finance Association's (ELFA) [2023 Survey of Equipment Finance Activity](#), in 2022:

- Overall, IT equipment and related technology services represented 12.1% of equipment financing new business volume reported by ELFA member companies, a decrease from 17.6% in 2021.
- IT equipment and related technology services was the fourth most-financed equipment type reported by ELFA member companies.

Percentage of new business volume ELFA member companies financed by equipment type:

| Category | In 2022 | In 2021 |
|--|----------------|----------------|
| PCs and workstations | 3.7% | 4.5% |
| Software | 3.6% | 4.1% |
| Other IT equipment | 1.9 % | 3.4% |
| IT networking equipment | 1.8% | 2.4% |
| Mainframes and servers | 0.5% | 1.4% |
| Managed equipment services | 0.3% | 0.3% |
| IT storage | 0.2% | 1.4% |
| Tablets, smart phones and other mobile devices | 0.1% | 0.1% |
| POS, banking systems and ATMs | 0.1% | 0.1% |

According to the Equipment Leasing & Finance Foundation's [2022 Equipment Leasing & Finance Industry Horizon Report](#):

- Nearly 8 in 10 businesses (79%) that acquired equipment and software used at least one form of financing to do so (i.e., lease, secured loan or line of credit).
- Total public and private sector equipment and software investment expanded to \$2.0 trillion in nominal terms. Approximately 57% of this investment was financed, yielding an industry size estimate of about \$1.16 trillion.
- Of private sector equipment and software investment, 61.8% was financed.
- Leasing was the most common financing method (used by 26%), followed by secured loans (19%) and lines of credit (17%).

Investment

According to the [Foundation-Keybridge Equipment & Software Investment Momentum Monitor](#):

- Investment in computers increased at an annualized rate of 4.4% in Q2 2023, and in October 2023 was down 7% year over year.
- Computers investment growth likely bottomed out earlier in 2023 and should continue to rise through the end of Q1 2024.
- Investment in software increased at an annualized rate of 7.6% in Q2 2023, and in August 2023 was up 10% year over year.
- Software investment growth should remain positive through the end of Q1 2024.

IT/Computer Market

According to the U.S. Bureau of Economic Analysis:

- In 2022, computers and peripheral equipment investment was \$151.8 billion.

According to "[What's Hot, What's Not: Equipment Market Forecast 2023](#)," based on a survey of ELFA members to measure industry perceptions of equipment types:

- Hi-tech/computers ranked 5th in portfolio preference among equipment finance executives surveyed.

- The high-tech/computer industry continues to operate on very low margins, but has a vast secondary market so volume is important.
- In 2022, global computer sales decreased 16.5% (preliminary) as more system refreshes were completed.
- Used prices for newer PCs increased by around 10% in 2021, but by 2022 returned to trendline.

About ELFA

The Equipment Leasing and Finance Association (ELFA) is the trade association that represents companies in the \$1 trillion equipment finance sector, which includes financial services companies and manufacturers engaged in financing capital goods. ELFA members are the driving force behind the growth in the commercial equipment finance market and contribute to capital formation in the U.S. and abroad. Its 580 members include independent and captive leasing and finance companies, banks, financial services corporations, broker/packagegers and investment banks, as well as manufacturers and service providers. ELFA has been equipping business for success for more than 60 years. For more information, please visit www.elfaonline.org.

ELFA's **Knowledge Hub** is *the* source for business intelligence on the equipment finance industry. This one-stop, online library provides easy access to ELFA's wide range of industry data and information. Visit <https://www.elfaonline.org/KnowledgeHub> for additional information.

ELFA believes that information and education about available options regarding investment in equipment are important to all businesses. ELFA offers resources, including a loan/lease comparison, a glossary of terms, an analysis to help determine suitable financing options, videos and topical bylined articles available for reprint free of charge, at www.EquipmentFinanceAdvantage.org

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