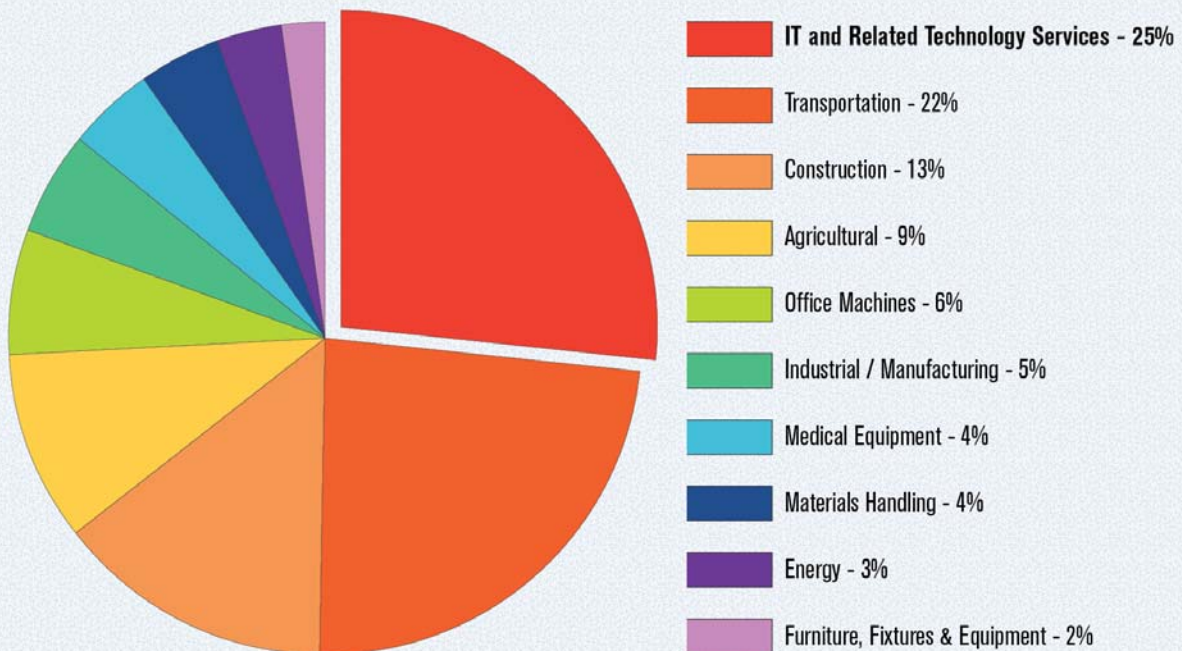


## Fact Sheet: Equipment Finance in the IT / Computer Sector

### EQUIPMENT FINANCE IN THE IT and RELATED TECHNOLOGY SERVICES INDUSTRY



IT and Related Technology Services equipment represents 25% of equipment financing new business volume in the United States.



Source: 2018 Survey of Equipment Finance Activity.

Learn how the equipment finance industry equips your business for success at [www.EquipmentFinanceAdvantage.org/Abt/facts.cfm](http://www.EquipmentFinanceAdvantage.org/Abt/facts.cfm)

### Equipment Financing Volume

According to the Equipment Leasing and Finance Association's (ELFA) [2018 Survey of Equipment Finance Activity](#), in 2017:

- Overall, IT and related technology services equipment represented 25% of equipment financing new business volume reported by ELFA member companies, up from 21.6% in 2016, making it the top equipment category members financed.
- Software represented 6.6% of equipment financing new business volume reported by ELFA member companies, up from 5.9% in 2016.

- Other IT equipment represented 6.1% of equipment financing new business volume reported by ELFA member companies, up from 4.3% in 2016.
- Computer mainframes and servers represented 3.8% of equipment financing new business volume reported by ELFA member companies, up from 2.9% in 2016.
- IT networking equipment represented 3.2% of equipment financing new business volume reported by ELFA member companies, up from 2.8% in 2016.
- PCs and workstations represented 3.1% of equipment financing new business volume reported by ELFA member companies, unchanged from 2016.
- IT storage equipment represented 1.2% of equipment financing new business volume reported by ELFA member companies, down from 1.6% in 2016.
- Point of sales, banking systems and ATMs represented 0.8% of equipment financing new business volume reported by ELFA member companies, up from 0.7% in 2016.
- Tablets, smart phones and other mobile devices represented 0.1% of equipment financing new business volume reported by ELFA member companies, down from 0.2% in 2016.
- Managed equipment services represented 0.1% of equipment financing new business volume reported by ELFA member companies, nearly doubling in volume from 2016.

The Equipment Leasing & Finance Foundation's [\*U.S. Equipment Finance Market Study: 2016-2017\*](#) reported that in 2015:

- 78% of respondents in a survey of businesses used at least one form of financing when acquiring equipment.
- This is an increase from 72% of respondents from the 2012 Foundation market study, and represents an increase in the overall propensity to finance.
- 68% of the total value of equipment and software acquired was financed, a significant increase from the previous estimate of 55% forecast in the 2012 Foundation market study.

## **Investment**

According to the Equipment Leasing & Finance Foundation's [\*Q3 2018 Equipment Leasing & Finance U.S. Economic Outlook\*](#):

- Investment in computers increased at an annualized rate of 47% in Q1 2018, and in July 2018 was up 19% year over year.
- Computers investment growth should remain solid through the end of 2018.
- Investment in software increased at a 12% annualized rate in Q1 2018, and in July 2018 was up 6.2% year over year.
- Software investment growth should remain stable through the end of 2018.

## **IT/Computer Market**

According to the [\*"What's Hot, What's Not 2018"\*](#) Equipment Leasing Trends Report authored by Carl Chrappa of The Alta Group LLC, based on a survey of ELFA members to measure industry perceptions of equipment types:

- Hi-tech/computers ranked fourth 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.

- After 12 consecutive quarters of declining unit sales, PC shipments are forecast to continue to decrease by 5.4% in 2018, with notebooks showing the greatest decrease of 6.8% and the premium ultramobile market the only segment expected to show growth.
- Server shipments grew 1% in 2017 and growth is forecast to continue in 2018.
- Declining primary market PC sales reflect a growing preference for tablets and wearables, which could have positive implications for the secondary market.

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### **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 575 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. For more information, please visit [www.elfaonline.org](http://www.elfaonline.org). Follow ELFA on Twitter @ELFAonline.

ELFA is the premier source for statistics and analyses concerning the equipment finance sector. Please visit [www.elfaonline.org/Data/](http://www.elfaonline.org/Data/) for additional information.

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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](http://www.EquipmentFinanceAdvantage.org)

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