

## FACTS ABOUT EQUIPMENT FINANCE FOR SMALL BUSINESSES

- Equipment leasing and financing help all types and sizes of commercial businesses in the United States to acquire the equipment they need to conduct their business operations.
- Nearly 8 out of 10 (78%) businesses use at least one form of financing (excluding credit cards) to acquire equipment.<sup>1</sup>
- 63 cents of every dollar spent on equipment is financed, totaling \$1.059 trillion in 2018.<sup>2</sup>

### WHAT KINDS OF EQUIPMENT ARE FINANCED

The top 10 small ticket (transactions up to \$250K) equipment types that are financed.<sup>3</sup>

1. Agriculture
2. Office Machines
3. Construction
4. Trucks and Trailers
5. Materials Handling
6. Medical Imaging, Diagnostic, Surgical, Electronic Medical Devices
7. Computer - Other
8. Machine Tools
9. Computer Networking
10. Medical – Other

According to PayNet, Inc., in May 2018:

- The [\*Thomson Reuters/PayNet Small Business Lending Index\*](#) reached an all-time high of 152.7, and was up 11% year over year and more than 10% year to date.
- The majority of industries experienced lending growth, led by transportation & warehousing, mining and construction.

According to the Federal Reserve's [\*Small Business Lending Survey\*](#), in Q1 2018:

- Small business lending conditions were generally stable.
- New small business loans made and drawdowns of credit lines were about the same as in Q4 2017, and loan demand, application approval rates and credit quality were steady.
- Loan rates rose and some lending terms tightened, particularly loan covenants and interest rate floors.

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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### Sources:

1. Equipment Leasing & Finance Foundation, [\*U.S. Equipment Finance Market Study: 2016-2017\*](#)
2. Equipment Leasing & Finance Foundation, [\*2017 State of the Equipment Finance Industry Report\*](#)
3. Equipment Leasing and Finance Association, [\*2018 Small Ticket Survey of Equipment Finance Activity\*](#)

Learn more at [www.EquipmentFinanceAdvantage.org](http://www.EquipmentFinanceAdvantage.org)