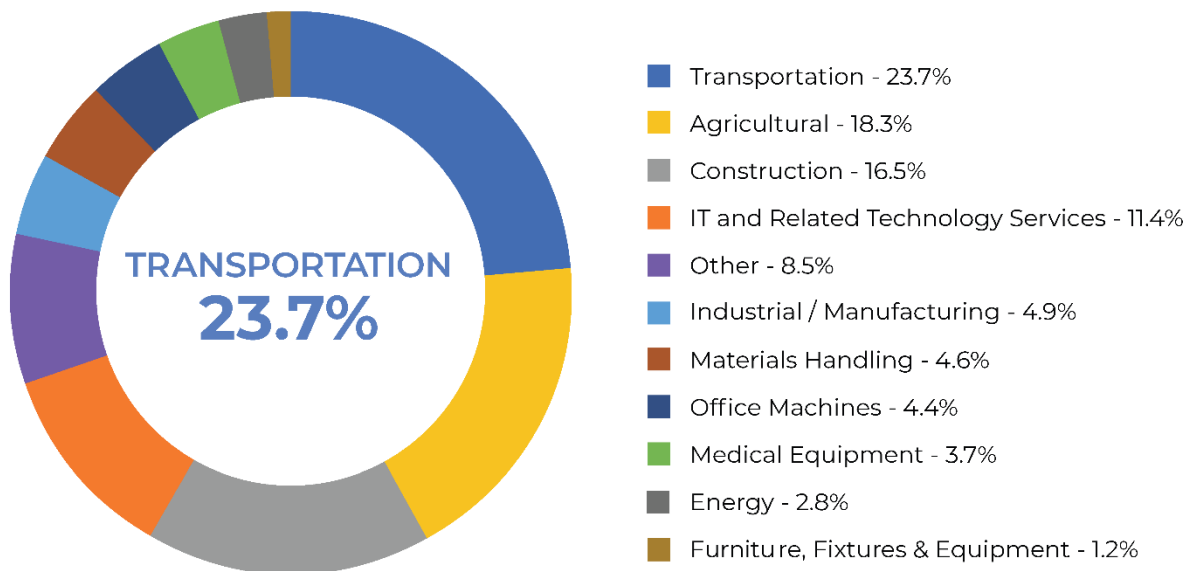


Fact Sheet: Equipment Finance in the Aircraft Industry



EQUIPMENT FINANCE IN THE TRANSPORTATION INDUSTRY

Transportation equipment represents 23.7% of equipment financing new business volume in the United States.



Source: 2024 Survey of Equipment Finance Activity.
www.elfaonline.org/SEFA

ELFA

Equipment Financing Volume

According to the Equipment Leasing and Finance Association's (ELFA) [2024 Survey of Equipment Finance Activity](#), in 2023:

- Overall, transportation equipment represented 23.7% of equipment financing new business volume reported by ELFA member companies, down from 24.3% from 2022.
- The air transportation industry represented 1% of new business volume reported by ELFA member companies, down from 1.3% in 2022.
- Corporate aircraft represented 3% of new business volume reported by ELFA member companies, down from 4.1% in 2022.

- Commercial aircraft represented 0.1% of new business volume reported by ELFA member companies, down from 0.5% in 2022.

According to the Equipment Leasing & Finance Foundation's [2024 Equipment Leasing & Finance Industry Horizon Report](#):

- More than 8 in 10 businesses (82%) 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 \$2.3 trillion in nominal terms. Approximately 58% of this investment was financed, yielding an industry size estimate of about \$1.34 trillion.
- Of private sector equipment and software investment, 64.2% was financed.
- Leasing was the most common financing method (used by 26%), followed by secured loans (16%), lines of credit (14%) and unsecured loans (8%).
- The top reasons end-users chose to finance their equipment and software acquisitions were “optimization of cash flow” (62%), “protection from equipment obsolescence” (55%), and “tax advantages” (51%).

Investment

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

- Aircraft investment surged 414%% annualized in Q3 2024.
- In November 2024 aircraft investment was up 54% year over year.
- Aircraft investment growth should have strong annual growth through the end of Q2 2025.

Aircraft Market

According to “[What’s Hot, What’s Not: Equipment Market Forecast 2024](#),” based on a survey of ELFA members to measure industry perceptions of equipment types:

- Aircraft ranked 7th in portfolio preference among equipment finance industry executives, up from 8th the previous year.
- Executives appear to view parts of the aircraft market being in continued recovery, both in the private and commercial aircraft markets.
- The global commercial sector returned to profitability in 2023 with an estimated \$23.3 billion in profits, according to the International Air Transport Association (IATA). This trend is forecast to stabilize through 2024 with projected earnings of \$25.7 billion, but with thin profit margins at around 2.6%.
- Revenue passenger kilometers (RPK) increased by an estimated 38.4% in 2023. 2024 is forecast to see further recovery to pre-COVID RPKs, at last achieving 100%+ of levels last seen in 2019.
- The preowned business jet inventory (for sale) has roughly doubled from the record lows seen in 2022, marking a return to more normal market conditions compared to the post-COVID imbalances that led to jaw-dropping average price increases in the range of 50%-80%.
- Turboprop inventories continue a slow recovery with values trending slightly down.
- The helicopter market has continued to recover along with increased demand in the offshore sector which is coming off a six-year slump.

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

- In 2023, aircraft investment was \$57.5 billion.

According to the U.S. Census Bureau, in September 2024:

- New orders of nondefense aircraft and parts decreased 22.7% month to month, and new shipments of nondefense aircraft and parts decreased 15.1% month to month (seasonally adjusted).
- New orders and shipments of nondefense aircraft and parts (not seasonally adjusted) were down 33.4% and up 11.9%, respectively, year to date.

About ELFA

The Equipment Leasing and Finance Association (ELFA) represents financial services companies and manufacturers in the \$1 trillion U.S. equipment finance sector. ELFA's 575 member companies provide essential financing that helps businesses acquire the equipment they need to operate and grow. Learn how equipment finance contributes to businesses' success, U.S. economic growth, manufacturing and jobs at <http://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.

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