Equipment Financing Volume
According to the Equipment Leasing and Finance Association’s (ELFA) 2021 Survey of Equipment Finance Activity, in 2020:

- Construction equipment represented 13.6% of equipment financing new business volume reported by ELFA member companies, up from 13% in 2019.
- As an end-user of equipment finance, the construction industry represented 8.6% of new business volume reported by ELFA member companies, up from 8.3% in 2019.
- Construction equipment was the third most-financed equipment type reported by ELFA member companies.

- Nearly 8 in 10 businesses (79%) that acquired equipment and software used at least one form of financing to do so (i.e., lease, secure loan or line of credit).
- Leasing was the most common financing method (used by 24%); 16% used lines of credit, 12% used secured loans and 3% used other forms of finance.

According to “*What’s Hot, What’s Not: Equipment Market Forecast 2021*,” based on a survey of ELFA members to measure industry perceptions of equipment types:

- Construction equipment ranked first in portfolio preference for the eighth consecutive year among equipment finance executives surveyed.
- Construction equipment ranked first in largest increase in residual value among the 15 equipment types ranked.
- The outlook for construction remains good, based on pent-up demand for housing and commercial structures and civil projects. The infrastructure bill, if passed, could be a plus to this already hot segment.

**Investment**

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

- Construction equipment investment grew 15% annualized in Q2 2021.
- In August 2021, investment in construction equipment was up 30% year over year.
- Construction machinery investment growth is expected to contract into the end of 2020.

**Construction Spending**

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

- In 2020, construction machinery investment was $38.8 billion.

According to the U.S. Census Bureau:

- During the first six months of 2021, construction spending amounted to $736.5 billion, up 5.4% from the same period in 2020.
- In June 2021, new construction machinery orders increased 21.2% (not seasonally adjusted) year to date from the same period in 2020.

According to the [Wells Fargo 2021 Construction Industry Forecast](#) in 2021:

- 39% of construction equipment distributors said that they expect sales of new equipment to increase, compared to 40% in 2020.
- 54% of distributors expect an increase in sales of used construction equipment, compared to 46% in 2020.
- 30% of construction contractors said that they expect their purchases of new construction equipment to increase, down from 33% in 2020. 38% of construction contractors said that they expect their purchases of new construction equipment to remain the same, down from 40% in 2020.
- 20% of construction contractors expect an increase in sales of used construction equipment, compared to 19% in 2020.
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/packagers and investment banks, as well as manufacturers and service providers. For more information, please visit www.elfaonline.org.

ELFA is the premier source for statistics and analyses concerning the equipment finance sector. Please visit www.elfaonline.org/Data/ 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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