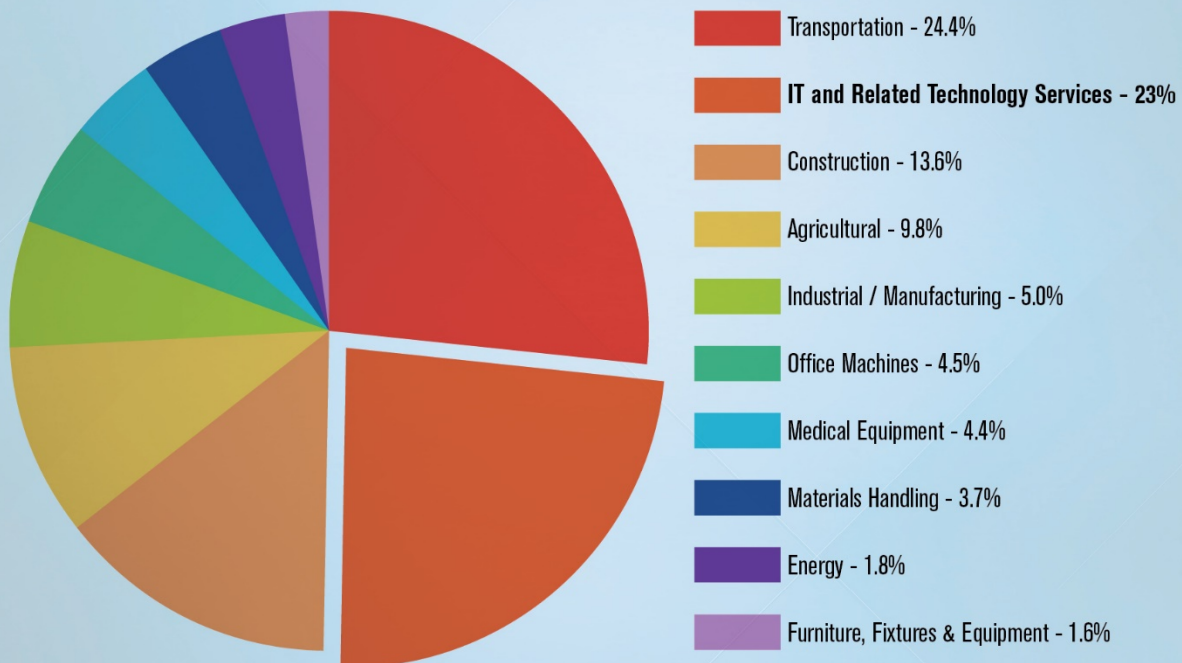


## Fact Sheet: Equipment Finance in the IT / Computer Sector

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



IT and Related Technology Services equipment represents 23% of equipment financing new business volume in the United States.



Source: 2020 Survey of Equipment Finance Activity.

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

### Equipment Financing Volume

According to the Equipment Leasing and Finance Association's (ELFA) [2020 Survey of Equipment Finance Activity](#),\* in 2019:

- Overall, IT equipment and related technology services represented 23% of equipment financing new business volume reported by ELFA member companies, a decrease from 23.7% in 2018.
- IT equipment and related technology services was the second most-financed equipment type reported by ELFA member companies.

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

Category	In 2019	In 2018
PCs and workstations	5.3%	5.6%
Other IT equipment	4.9 %	5.3%
Software	4.7%	5.2%
Mainframes and servers	3.1%	2.4%
IT networking equipment	2.5%	2.7%
IT storage	1.5%	1.7%
Managed equipment services	0.2%	0.1%
Tablets, smart phones and other mobile devices	0.7%	0.7%

\*The SEFA does not reveal the impact of the COVID-19 pandemic on the equipment finance industry as it focuses on data from fiscal year 2019.

The Equipment Leasing & Finance Foundation's [2019 Equipment Leasing & Finance Industry Horizon Report](#) end-user survey, which focused on private sector investment, revealed that among businesses that acquired equipment and software in 2018:

- Nearly 8 in 10 (79%) 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.

### Investment

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

- Investment in computers increased at an annualized rate of 68% in Q2 2020, and in August 2020 was up 9.7% year over year.
- Computers investment growth appears likely to improve modestly through the end of 2020.
- Investment in software decreased at a 1.4% annualized rate in Q2 2020, and in August 2020 was up 6.1% year over year.
- Software investment growth is likely to slow but should remain positive through the end of 2020.

### IT/Computer Market

According to "[What's Hot, What's Not: Equipment Market Forecast 2020](#)," based on a survey of ELFA members to measure industry perceptions of equipment types:

- Hi-tech/computers ranked 3<sup>rd</sup> 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.
- Global sales increased in 2019 for the first time since 2011 by about 2%.
- Sales are forecast to decline by 2-3% in 2020.

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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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