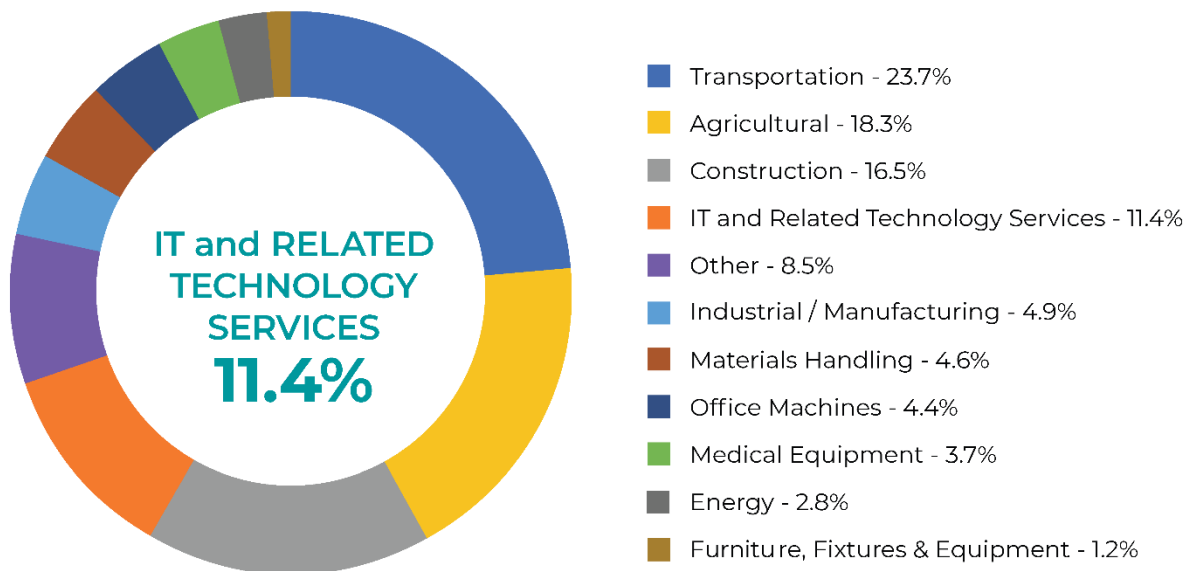


Fact Sheet: Equipment Finance in the IT / Computer Sector



EQUIPMENT FINANCE IN THE IT and RELATED TECHNOLOGY SERVICES INDUSTRY

IT and Related Technology Services equipment represents 11.4% of equipment financing new business volume in the United States.



Source: 2024 Survey of Equipment Finance Activity.

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ELFA

Equipment Financing Volume

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

- Overall, IT equipment and related technology services represented 11.4% of equipment financing new business volume reported by ELFA member companies, a decrease from 11.8% in 2022.
- IT equipment and related technology services was the fourth most-financed equipment type reported by ELFA member companies.

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

Category	In 2023	In 2022
PCs and workstations	3.7%	3.5%
Software	2.7%	3.5%
Other IT & related tech services	1.4 %	1.8%
IT networking equipment	2.6%	2%
Mainframes and servers	0.5%	0.5%
Managed equipment services	0.1%	0.3%
IT storage	0.2%	0.2%
Tablets, smart phones and other mobile devices	0.1%	0.1%
POS, banking systems and ATMs	0.1%	0.1%

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

- 42% of equipment and software end-users use generative AI in their businesses, and an additional 42% indicated that they intend to do so over the next two years.
- 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](#):

- Investment in computers increased at an annualized rate of 33% in Q3 2024, and in November 2024 was up 26.3% year over year.
- Computers investment growth will remain strong through the end of Q2 2025.
- Investment in software increased at a 1.9% annualized rate in Q3 2024, and in November 2024 was up 6% year over year.
- Software investment growth will remain positive and may improve through the end of Q2 2025.

According to the Equipment Leasing & Finance Foundation's Q4 update to the [2024 Equipment Leasing & Finance U.S. Economic Outlook](#):

- Investment in equipment and software is forecast to grow at an annualized rate of 4.4% in 2024.

IT/Computer Market

According to the U.S. Bureau of Economic Analysis, in 2023:

- Computers and peripheral equipment investment was \$145.4 billion.

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:

- Hi-tech/computers ranked 4th 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.
- In 2023, global computer sales decreased 19%, a new record for the worst decline in PC market history.

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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