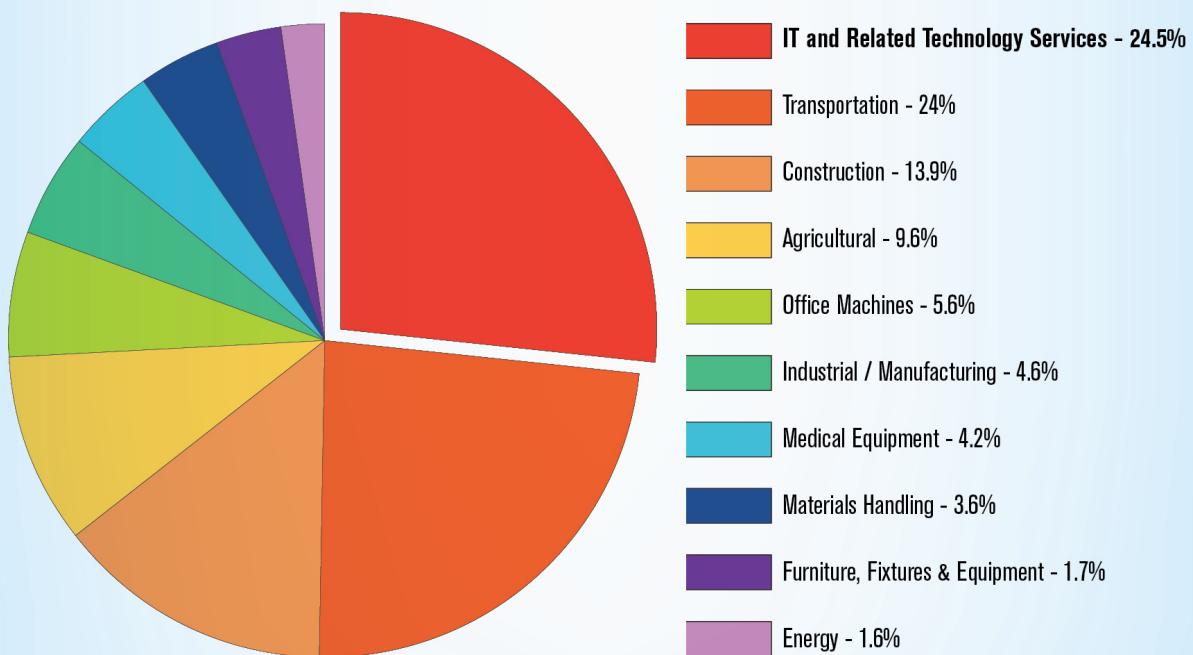


## Fact Sheet: Equipment Finance in the IT / Computer Sector

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



IT and Related Technology Services equipment represents 24.5% of equipment financing new business volume in the United States.



Source: 2019 Survey of Equipment Finance Activity.

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

### Equipment Financing Volume

According to the Equipment Leasing and Finance Association's (ELFA) [2019 Survey of Equipment Finance Activity](#), in 2018:

- Overall, IT and related technology services equipment represented 24.5% of equipment financing new business volume reported by ELFA member companies, relatively unchanged from 2017, making it the top equipment category members financed.

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

Category	In 2018	In 2017
PCs and workstations	5.7%	3.1%
Other IT equipment	5.3 %	5.2%
Software	5.2%	6.2%
Mainframes and servers	2.8%	3.8%
IT networking equipment	2.7%	3.1%
IT storage	1.8%	2%
Point of sales, banking systems and ATMs	0.7%	0.8%
Managed equipment services	0.1%	0.1%
Tablets, smart phones and other mobile devices	0.1%	0.1%

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 Equipment Leasing & Finance Foundation's [Q3 2019 Equipment Leasing & Finance U.S. Economic Outlook](#):

- Investment in computers increased at an annualized rate of 9.6% in Q1 2019, and in July 2019 was up 1.3% year over year.
- Computers investment growth will likely continue to weaken, potentially into negative territory through the end of 201.
- Investment in software increased at a 17% annualized rate in Q1 2019, and in July 2019 was up 12% year over year.
- Software investment growth should remain solid through the end of 2019.

### IT/Computer Market

According to ["What's Hot, What's Not: Equipment Market Forecast 2019,"](#) based on a survey of ELFA members to measure industry perceptions of equipment types:

- Hi-tech/computers ranked 5<sup>th</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.
- After 14 consecutive quarters of declining unit sales, global PC shipments grew slightly in Q2 2018, were flat in Q3, then fell by 4.7% in Q4 to finish down 1.3% for 2018.
- Based on preliminary data, global server shipments grew more than 15% in 2018 and revenues grew more than 30%. Growth is expected to continue into 2019, spurred

primarily by an ongoing refresh cycle and continued demand from cloud service providers.

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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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