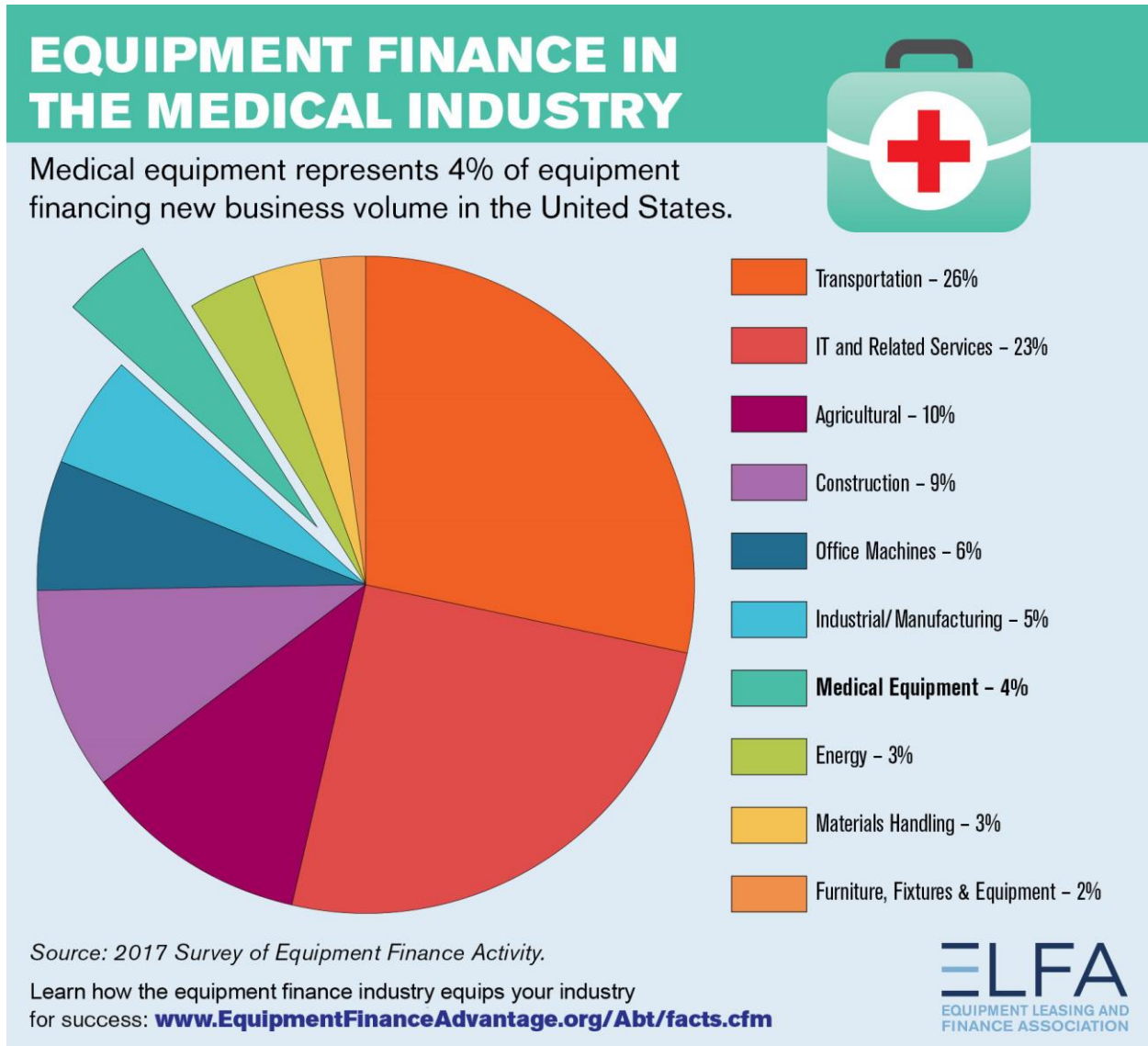


## Fact Sheet: Equipment Finance in the Medical Equipment Industry



### Equipment Financing Volume

According to the Equipment Leasing and Finance Association's (ELFA) [2017 Survey of Equipment Finance Activity](#), in 2016:

- As an end-user of equipment finance, the health services industry represented 6.5% of new business volume reported by ELFA member companies, down from 6.7% in 2015.
- Medical equipment represented 4.3% of new business volume reported by ELFA member companies, down from 4.5% in 2015.

- Medical imaging, diagnostic, surgical and electronic devices represented 3.5% of equipment financing new business volume reported by ELFA member companies, unchanged from 2015.
- Furniture, fixtures and equipment (FF&E) for hospitals and other medical building represented 0.2% of equipment financing new business volume reported by ELFA member companies, down from 0.3% in 2015.

The Equipment Leasing & Finance Foundation's [U.S. Equipment Finance Market Study: 2016-2017](#) reported that in 2015:

- 78% of respondents in a survey of businesses used at least one form of financing when acquiring equipment.
- This is an increase from 72% of respondents from the 2012 Foundation market study, and represents an increase in the overall propensity to finance.
- 68% of the total value of equipment and software acquired was financed, a significant increase from the previous estimate of 55% forecast in the 2012 Foundation market study.

### **Equipment Market**

According to the [2017 "What's Hot, What's Not"](#) Equipment Leasing Trends Report authored by Carl Chrappa of The Alta Group LLC, based on a survey of ELFA members to measure industry perceptions of equipment types:

- Medical equipment ranked second in portfolio preference among equipment finance executives surveyed for the second consecutive year. It also ranked first in residual value increase.
- The ranking is believed to be linked to a better understanding of the impact of the Affordable Care Act on hospitals and clinics.
- The medical industry's preference for leased equipment continues unabated, driven by demographics linked to the increasing health care needs of the 'baby-boom' generation.
- Various potential Deficit Reduction Act (DRA) reimbursement cuts and rules are weakening some new equipment markets while, at the same time, potentially making some used equipment more desirable.
- The medical equipment secondary market is robust; the refurbished equipment market is forecast to grow sharply from 2016 levels at an estimated 12.5% compound annual rate, reaching approximately \$9.4 billion by 2019.

### **Investment**

According to the Equipment Leasing & Finance Foundation's [Q3 2017 Equipment Leasing & Finance U.S. Economic Outlook](#):

- Medical equipment investment growth is likely to weaken through the end of 2017.
- Investment in medical equipment increased at a 5.5% annualized rate in Q1 2017 and in July 2017 was up 4% year over year.

\*\*\*

## **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.

\*\*\*

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)

### **Media Contact:**

Amy Vogt, Vice President, Communications and Marketing, ELFA  
202-238-3438  
[avogt@elfaonline.org](mailto:avogt@elfaonline.org)