FACTS ABOUT EQUIPMENT FINANCE FOR SMALL BUSINESSES

- Equipment leasing and financing help all types and sizes of commercial businesses in the United States to acquire the equipment they need to conduct their business operations.
- Nearly 8 out of 10 (78%) businesses use at least one form of financing (excluding credit cards) to acquire equipment.¹
- 68 cents of every dollar spent on equipment is financed, totaling $1.069 trillion in 2017.²

WHAT KINDS OF EQUIPMENT ARE FINANCED?

The top 10 small ticket (transactions up to $250K) equipment types that are financed.³
1. Agriculture
2. Office Machines
3. Construction
4. Trucks and Trailers
5. PC and Workstations
6. Materials Handling
7. Medical Imaging, Diagnostic, Surgical, Electronic Medical Devices
8. Computer - Other
9. Computer – Mainframes & Servers
10. Computer - Software

According to the Small Business Credit Survey released by the Federal Reserve Banks, in 2016:
- 44% of small business employer firms were challenged by availability of credit or securing funds for expansion during the previous 12 months.
- 45% of small businesses applied for financing.
- 76% of firms reporting financial challenges used personal funds to address the problem.

The State of Small Business Lending in 2017 reported:
- Acquiring equipment was the reason cited by 42% of small businesses for seeking funding.

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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Sources:

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