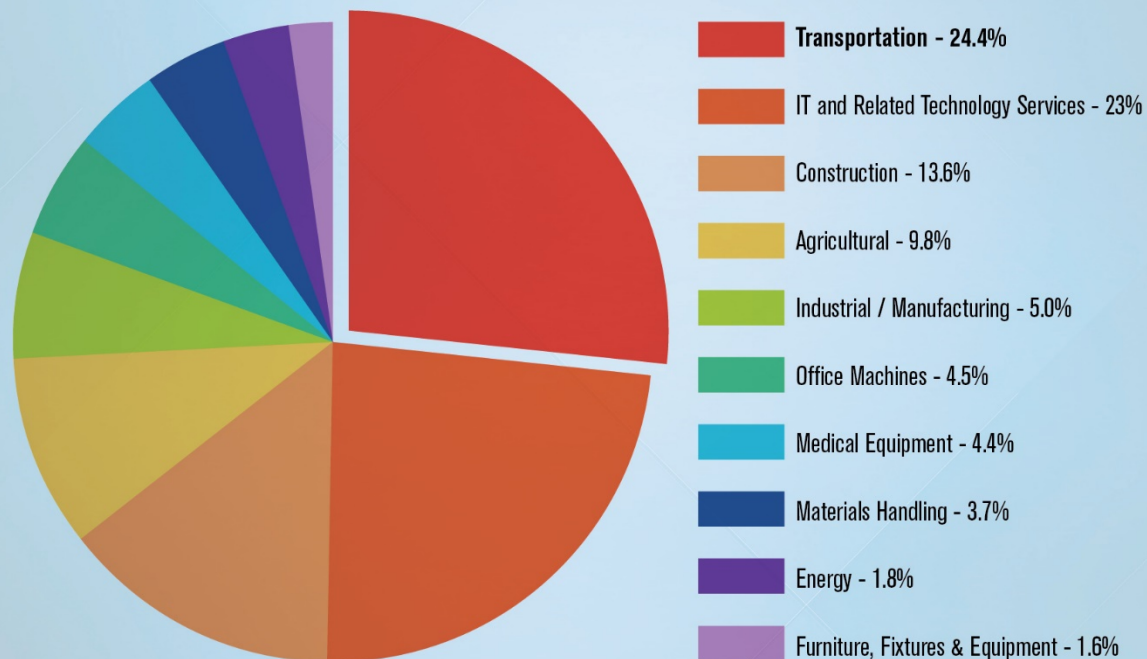


## Fact Sheet: Equipment Finance in the Trucking Industry

### EQUIPMENT FINANCE IN THE TRANSPORTATION INDUSTRY



Transportation equipment represents 24.4% 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, transportation represented 24.4% of equipment financing new business volume reported by ELFA member companies, up from 23.6% in 2018.
- Trucks/trailers represented 14.3% of equipment financing new business volume reported by ELFA member companies, up from 13.5% in 2018.
- As an end-user of equipment finance, the trucking industry represented 6.8% of new business volume reported by ELFA member companies, down slightly from 6.9% in 2018.
- Trucks/trailers were the top-financed equipment type and the trucking industry ranked 5<sup>th</sup> among end-user industries in share of new business volume reported by ELFA member companies.

\*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.

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:

- Truck and trailer equipment ranked 10<sup>th</sup> in portfolio preference among equipment finance executives surveyed, down from 2<sup>nd</sup> place in 2018.
- In 2019, year-over-year new Class 8 truck sales increased by 10.3%. However, tonnage in the sector caused the spot market to collapse and fall about 50%. This is where freight recession resides, and does not bode well for 2020 sales.
- In 2019, new trailer orders were the lowest since 2011, decreasing by 51% from 2018.
- Sales of used trucks and trailers are weakening and inventories are bloated.
- For 2020, both truck and trailer used prices are expected to fall, and the outlook for this sector is gently muted and materially weaker than in the recent past.

## **Investment**

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

- Investment in trucks decreased at an 83% annualized rate in Q2 2020, and in August 2020 was down 43% year over year.
- Trucks investment growth is likely to fall steeply through the end of 2020.

According to information from [FTR](#) :

- Preliminary North American Class 8 orders in July 2020 were 20,000 units, an increase of 28% month to month and 100% year over year.
- Preliminary trailer orders for June 2020 were 14,400 units, 10,000 units above May 2020 (227%) and up 9,000 units over June 2019 (167%).

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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/package 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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