

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 in 10 (79%) used at least one form of financing to do so (i.e., lease, secured loan, or line of credit).¹
- Leasing was the most common financing method (used by 26%), 19% used secured loans and 17% used lines of credit.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. Construction
3. Trucks and Trailers
4. Office Machines
5. Materials Handling
6. Machine Tools
7. Computer - PCs and workstations
8. Medical Imaging, Diagnostic, Surgical, Electronic Medical Devices
9. Software
10. Other Industrial/Manufacturing Equipment

According to PayNet, Inc., in June 2022:

- The [*PayNet Small Business Lending Index*](#) (Equifax Small Business Lending Index) was 141.5, down 8.6% year over year.

According to the Federal Reserve's [*Small Business Lending Survey*](#), in Q1 2022:

- Outstanding small business loan balances decreased 7.6% from the prior quarter and 35.9% from Q1 2021, due primarily to the expiration of the PPP and continuing forgiveness of PPP loan balances.
- New small business loan balances decreased 76.4% from Q1 2021, driven by an 84.8% decrease in new term loans.
- Quarter over quarter, new small business lending declined 9% due to a combined decrease in new term loans and credit lines.

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.

For questions, contact Amy Vogt, Vice President of Communications and Marketing, avogt@elfaonline.org.

Sources:

1. Equipment Leasing & Finance Foundation, [*2022 Equipment Leasing & Finance Industry Horizon Report*](#)
2. Equipment Leasing & Finance Foundation, [*2022 Equipment Leasing & Finance Industry Horizon Report*](#)
3. Equipment Leasing and Finance Association, [*2022 Small Ticket Survey of Equipment Finance Activity*](#)

Learn more at www.EquipmentFinanceAdvantage.org