

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, secure loan, or line of credit).¹
- 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.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. Materials Handling
6. Medical Imaging, Diagnostic, Surgical, Electronic Medical Devices
7. Machine Tools
8. Computer - PCs and workstations
9. Software
10. Other Industrial/Manufacturing

According to PayNet, Inc., in June 2020:

- The [*PayNet Small Business Lending Index*](#) was 132.1, down 3.7% year over year and up 13.8% from the previous month.

According to the Federal Reserve's [*Small Business Lending Survey*](#), in Q1 2020:

- Total small business commercial and industrial (C&I) loans increased 2.5% from the prior quarter and 4.4% from Q1 2019.
- Small business C&I loan balances increased year-over-year for the third consecutive quarter.
- More than 70% percent of respondents cited the use of loan deferments or participation in the Paycheck Protection Program as tools utilized to mitigate the effects of the COVID-19 crisis.

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, [*2019 Equipment Leasing & Finance Industry Horizon Report*](#)
2. Equipment Leasing & Finance Foundation, [*2019 Equipment Leasing & Finance Industry Horizon Report*](#)
3. Equipment Leasing and Finance Association, [*2020 Survey of Equipment Finance Activity*](#)

Learn more at www.EquipmentFinanceAdvantage.org