

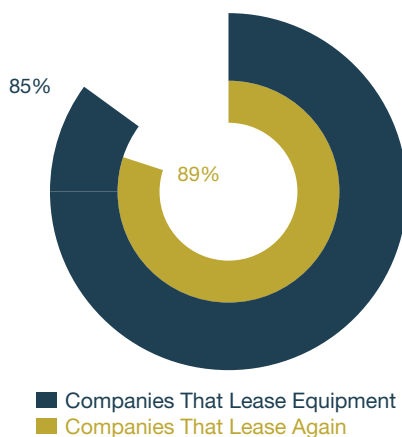
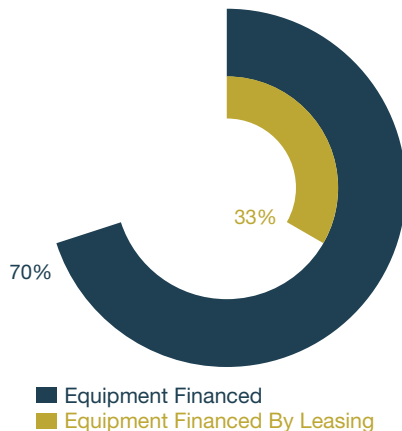
Cash, Loan or Lease?

If you are uncertain as to which equipment funding method is best for you, you are not alone. The following will help determine which option is best for your business needs.

The Statistics

Over \$250 billion dollars of equipment is anticipated to be leased this year and 75% of all companies that lease indicate that it is their average-to-best means for financing equipment purchases.

Will you pay for your equipment with cash, a lease, or a bank loan? Here are some things to consider when making your next equipment purchase.



Benefits	Lease	Loan	Cash
Convenience	x		x
Low Down Payment	x		
Tax Savings	x	x	x
Start-Ups	x		x
Minimal Financial Reporting	x		x
Flexible Programs	x		
Easy Upgrades	x		
Cost			x
Deferred Sales Tax	x		
Liquidity	x		

Cash

Considered by many to be the most convenient and cost effectiveness for purchasing equipment. However, cost and convenience are lost if a business must delay an equipment purchase due to a lack of liquidity. Lost profits relating to a delay in acquiring additional equipment should be considered when evaluating a cash purchase. Lastly, a cash purchase may also inhibit your ability to purchase future supplies and/or equipment.

Bank Loan

For businesses with long-standing banking relationships, loans may be the most cost-effective form of financing. However, banks are often slow to act, resulting in a delayed equipment purchase. Banks, often with no affiliation to the equipment seller, typically offer little communication making it difficult for you to get an update on the status of a potential

approval. Finally, a bank's stringent underwriting criteria often make it difficult for smaller, growing companies to obtain financing.

Lease

Leasing allows you the opportunity to maintain cash reserves while offering a cost-effective, convenient and flexible financing option. With leasing, you can be approved within 24 hours typically by completing a one-page Business Credit Application. In addition, leasing companies are often more vendor-focused resulting in better communication. Unlike cash purchases, leasing allows you to acquire the equipment you want sooner.



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