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The Advantages of Leasing

1. **Working Capital-** Leasing conserves working capital for use where it will produce the best return. Example: Inventory, Business Development, Accounts Receivable, and Personnel.
2. **Credit Lines-** Leasing equipment leaves your existing credit line available for short term needs. Example: Inventory peaks, Trade discounts, and Accounts receivable.
3. **Hedge Against Inflation-** Through leasing you acquire use of equipment at today's cost, while meeting rentals with tomorrow's inflated dollars. If you purchase for cash, you are investing today's dollars to cover tomorrow's expenses. As price levels continue upward, leasing offers a very clear advantage.
4. **Equity-** Leasing removes the need for equity financing. It permits your business to acquire the use of an asset without making a down payment. It gives you the freedom to grow while avoiding dilution of ownership.
5. **Tax Position-** Lease payments are 100% tax deductible as a business expense, as opposed to only depreciation and interest deductions for financed equipment. A full write off over the lease term reduces your after tax cost substantially.
6. **Budget Restrictions-** Minimum cash outlay plus modest payments enable you to fit the lease into the tightest of budgets. When your spending schedule is severely limited, leasing makes it possible to obtain equipment you need when you need it.
7. **Balance Sheet Effect-** The effect of leasing on financial ratios is very favorable. Example: shows a faster turnover of assets, better earning power for investment, less financial risk, and debt to equity ratio is less.
8. **Obsolescence-** Provides regular equipment replacement, which increases productivity. Worn or inefficient machines are replaced as required through an established monthly lease budget.

Use of capital equipment, Not ownership, generates savings and profits. Leasing equipment provides Profit and Savings today with tomorrow's dollars.