LEASE vs LOAN vs CASH

Use leasing to acquire assets that depreciate, especially when the advantages of using the asset outweigh the low monthly cost. This will free your cash to use on advertising, personnel, inventory, and other needs. It also keeps your cash and bank lines available for unforeseen opportunities that may arise.

	LEASE	BANK LOAN	CASH PURCHASE
CASH FLOW	Zero money down. Equipment can be profitable from day one.	Requires down payment. Installation, maintenance, freight not included.	Depletes your cash cushion. Reduces ability to respond to unforseen expenditures.
CREDIT LINES	Preserve bank lines and conserves capital. Creates new credit source.	Ties up credit lines.	Working capital is diminished and may affect credit.
RATE RISK	Provides a monthly payment that doesn't change.	Potentially a variable interest rate tied to prime or another economic indicator.	Use today's cash for income generating activities.
SOFT COSTS	Leasing includes soft costs such as installation, insurance and maintenance.	Rarely covered.	Paying for soft costs up front depletes cash reserves.
UPGRADES	Easy add-on or trade-up.	Upgrade requires a new purchase. Disposal is owner's responsibility.	Upgrade requires a new purchase. Disposal is owner's responsibility.

LET US HELP YOU!

We're ready to start improving your technology environment.

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