



Equipment Leasing and Finance Association's Survey of Economic Activity: Monthly Leasing and Finance Index

April New Business Volume Up 11 Percent Year-over-year, Up 7 Percent Month-over-month and Down 5 Percent Year-to-date

Washington, DC, May 23, 2019—The [Equipment Leasing and Finance Association's \(ELFA\) Monthly Leasing and Finance Index \(MLFI-25\)](#), which reports economic activity from 25 companies representing a cross section of the \$1 trillion equipment finance sector, showed their overall new business volume for April was \$8.8 billion, up 11 percent year-over-year from new business volume in April 2018. Volume was up 7 percent month-to-month from \$8.2 billion in March. Year to date, cumulative new business volume was down 5 percent compared to 2018.

Receivables over 30 days were 1.50 percent, down from 1.90 percent the previous month and down from 2.40 percent the same period in 2018. Charge-offs were 0.32 percent, down from 0.37 percent the previous month, and up slightly from 0.30 percent in the year-earlier period.

Credit approvals totaled 76.8 percent, up from 75.3 percent from March. Total headcount for equipment finance companies was up 0.3 percent year-over-year.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) in May is 59.2, up from the April index of 58.3.

[ELFA President and CEO Ralph Petta](#) said, "Second quarter new business volume starts off strongly. Continued low interest rates, a strong labor market and solid economic fundamentals all contribute to healthy demand by U.S. businesses—both large and small—for financed assets to run their business operations. Historically elevated credit quality also remains a signature feature of financing transactions conducted by ELFA members."

[Jennifer A. Coyle, Executive Director, Macquarie Group Ltd.](#), said, "The MLFI shows a strong improvement over last year and a large jump from March, but this followed lackluster growth in Q1 otherwise. Confidence rose slightly, and the economy felt more stable. However, going into May with the looming trade war and rippling effects into various sectors in the economy, we expect that companies will defer asset acquisitions until stability returns. Overall economic conditions and low interest rates should provide some cushion."

About the ELFA's MLFI-25

The MLFI-25 is the only index that reflects capex, or the volume of commercial equipment financed in the U.S. The MLFI-25 is released globally at 8 a.m. Eastern time from Washington, D.C., each month on the day before the U.S. Department of Commerce releases the [durable goods report](#). The MLFI-25 is a financial indicator that complements the durable goods report and other economic indexes, including the [Institute for Supply Management Index](#), which reports economic activity in the manufacturing sector. Together with the MLFI-25 these reports provide a complete view of the status of productive assets in the U.S. economy: equipment produced, acquired and financed.

The MLFI-25 is a time series that reflects two years of business activity for the 25 companies currently participating in the survey. The latest MLFI-25, including methodology and participants, is available at www.elfaonline.org/Data/MLFI/

MLFI-25 Methodology

ELFA produces the MLFI-25 survey to help member organizations achieve competitive advantage by providing them with leading-edge research and benchmarking information to support strategic business decision making.

The MLFI-25 is a barometer of the trends in U.S. capital equipment investment. Five components are included in the survey: new business volume (originations), aging of receivables, charge-offs, credit approval ratios, (approved vs. submitted) and headcount for the equipment finance business.

The MLFI-25 measures monthly commercial equipment lease and loan activity as reported by participating ELFA member equipment finance companies representing a cross section of the equipment finance sector, including small ticket, middle-market, large ticket, bank, captive and independent leasing and finance companies. Based on hard survey data, the responses mirror the economic activity of the broader equipment finance sector and current business conditions nationally.

About ELFA

The Equipment Leasing and Finance Association (ELFA) is the trade association that represents companies in the \$1 trillion equipment finance sector, which includes financial services companies and manufacturers engaged in financing capital goods. ELFA members are the driving force behind the growth in the commercial equipment finance market and contribute to capital formation in the U.S. and abroad. Its 575 members include independent and captive leasing and finance companies, banks, financial services corporations, broker/packageers and investment banks, as well as manufacturers and service providers. For more information, please visit www.elfaonline.org.

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ELFA is the premier source for statistics and analyses concerning the equipment finance sector. Please visit www.elfaonline.org/Data/ for additional information.

The Equipment Leasing & Finance Foundation is a 501c3 non-profit organization that propels the equipment finance sector—and its people—forward through industry specific knowledge, intelligence, and programs that contribute to industry innovation, individual careers, and the overall betterment of the equipment leasing and finance industry. The Foundation is funded through individual and corporate donations. Learn more at www.leasefoundation.org.

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