

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

July New Business Volume Up 15 Percent Year-over-year, Down 5 Percent Month-over-month and Up 3 Percent Year-to-date

Washington, DC, August 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 July was \$9.4 billion, up 15 percent year-over-year from new business volume in July 2018. Volume was down 5 percent month-to-month from \$9.9 billion in June. Year to date, cumulative new business volume was up 3 percent compared to 2018.

Receivables over 30 days were 2.0 percent, up from 1.70 percent the previous month and up from 1.90 percent the same period in 2018. Charge-offs were 0.37 percent, up from 0.33 percent the previous month, and up from 0.31 in the year-earlier period.

Credit approvals totaled 75.7 percent, down from 77.0 percent in June. Total headcount for equipment finance companies was down 2.3 percent year-over-year.

Separately, the Equipment Leasing & Finance Foundation’s Monthly Confidence Index (MCI-EFI) in August is 58.9, up from the July index of 57.9.

[ELFA President and CEO Ralph Petta](#) said, “Despite early warning signs of a much-discussed economic downturn, a representative sample of companies in the equipment leasing and finance industry report strong mid-summer origination activity. While credit quality in these portfolios is something to monitor carefully, business owners continue to invest in productive assets to grow their businesses and increase operational efficiency.”

[David Normandin, President and CEO, Wintrust Specialty Finance](#), said, “MLFI data illustrates that following a slow Q1, the market appears to have stabilized with a strong Q2 and July continued that result. While there was a slight seasonal volume decrease in July from June, it was significantly less than the last two years for the same period. At the same time, the market is experiencing a slight uptick in delinquency but charge-offs remain low. Credit quality is an increasing focus of risk professionals. In spite of relentless political rhetoric, stock market volatility and trade war concerns, the U.S. economy remains solid and demand for equipment finance is strong.”

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.

Follow ELFA:

Twitter: @ELFAonline

LinkedIn: www.linkedin.com/groups?gid=89692

Facebook: www.facebook.com/ELFApage

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