

Equipment Lease Finance Industry Confidence Up Slightly Fourth Consecutive Month in April

Washington, DC, April 20, 2012 – The Equipment Leasing & Finance Foundation (the Foundation) releases the April 2012 **Monthly Confidence Index for the Equipment Finance Industry** (MCI-EFI) today. Designed to collect leadership data, the index reports a qualitative assessment of both the prevailing business conditions and expectations for the future as reported by key executives from the \$628 billion equipment finance sector. Overall, confidence in the equipment finance market is 62.1, up slightly from the March index of 61.7, and the fourth consecutive month of increases, indicating industry participants' optimism is slowly but steadily rising.

When asked about the outlook for the future, MCI survey respondent **Thomas Jaschik, President, BB&T Equipment Finance** commented, "While the business climate has definitely improved over the last 18 months, American companies are still very cautious with respect to the growth and expansion of their businesses. As they feel more confident in expansion, our market will grow as well."

April 2012 Survey Results:

The overall MCI-EFI is 62.1, an increase from the March index of 61.7.

- When asked to assess their business conditions over the next four months, 23.5% of executives responding said they believe business conditions will improve over the next four months, down from 28.9% in March. 76.5% of respondents believe business conditions will remain the same over the next four months, up from 71.1% in March. No one responded they believe business conditions will worsen, unchanged from the previous month.
- 23.5% of survey respondents believe demand for leases and loans to fund capital expenditures (capex) will increase over the next four months, a decrease from 34.2% in March. 76.5% believe demand will "remain the same" during the same four-month time period, up from 65.8% the previous month. No one responded they believe demand will decline, unchanged from March.
- 26.5% of executives expect more access to capital to fund equipment acquisitions over the next four months, up from 21.1% in March. 73.5% of survey respondents indicate they expect the "same" access to capital to fund business, a decrease from 78.9% the previous month. No survey respondents expect "less" access to capital, unchanged from March.
- When asked, 32.4% of the executives reported they expect to hire more employees over the next four months, up from 28.9% in March. 67.6% expect no change in headcount over the next four months, an increase from 63.2% last month, while no one expects fewer employees, down from 7.9% in March.

- 88.2% of the leadership evaluates the current U.S. economy as “fair,” down from 89.5% last month. 11.8% rate it as “poor,” up from 10.5% in March.
- 29.4% of survey respondents believe that U.S. economic conditions will get “better” over the next six months, down from 31.6% in March. 70.6% of survey respondents indicate they believe the U.S. economy will “stay the same” over the next six months, up from 63.2% in March. No one responded that they believe economic conditions in the U.S. will worsen over the next six months, a decrease from 5.3% who believed so last month.
- In April, 35.3% of respondents indicate they believe their company will increase spending on business development activities during the next six months, up from 28.9% in March. 64.7% believe there will be “no change” in business development spending, down from 77.1% last month, and no one believes there will be a decrease in spending, unchanged from last month.

April 2012 MCI Survey Comments from Industry Executive Leadership:

Depending on the market segment they represent, executives have differing points of view on the current and future outlook for the industry.

Independent, Micro Ticket

“The small/micro ticket segment is starting to see some lift in demand. The question that still remains is, will it have legs given the absence in income growth for the individual consumer and the failure of our political system to resolve economic structural problems?” **Paul Menzel, President and CEO, Financial Pacific Leasing, LLC**

Bank, Middle Ticket

“Recovery is slow going but positive economic trends are still encouraging and will continue to enhance the equipment finance industry.” **Kenneth Collins, CEO, Susquehanna Commercial Finance, Inc.**

Independent, Large Ticket

“It [the equipment finance industry] needs to survive another tough year, including an election.”
Executive, Independent, Large Ticket

Why an MCI-EFI?

Confidence in the U.S. economy and the capital markets is a critical driver to the equipment finance industry. Throughout history, when confidence increases, consumers and businesses are more apt to acquire more consumer goods, equipment and durables, and invest at prevailing prices. When confidence decreases, spending and risk-taking tend to fall. Investors are said to be confident when the news about the future is good and stock prices are rising.

Who participates in the MCI-EFI?

The respondents are comprised of a wide cross section of industry executives, including large-ticket, middle-market and small-ticket banks, independents and captive equipment finance

companies. The MCI-EFI uses the same pool of 50 organization leaders to respond monthly to ensure the survey's integrity. Since the same organizations provide the data from month to month, the results constitute a consistent barometer of the industry's confidence.

How is the MCI-EFI designed?

The survey consists of seven questions and an area for comments, asking the respondents' opinions about the following:

1. Current business conditions
2. Expected product demand over the next four months
3. Access to capital over the next four months
4. Future employment conditions
5. Evaluation of the current U.S. economy
6. U.S. economic conditions over the next six months
7. Business development spending expectations
8. Open-ended question for comment

How may I access the MCI-EFI?

Survey results are posted on the Foundation website, <http://www.leasefoundation.org/IndRsrcs/MCI/>, included in the [Foundation Forecast newsletter](#) and included in press releases. Survey respondent demographics and additional information about the MCI are also available at the link above.

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The Equipment Leasing & Finance Foundation is a 501c3 non-profit organization that provides vision for the equipment leasing and finance industry through future-focused information and research. Primarily funded through donations, the Foundation is the only organization dedicated to future-oriented, in-depth, independent research for the leasing industry. Visit the Foundation online at <http://www.LeaseFoundation.org>.

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