

## Equipment Leasing and Finance Industry Confidence Steady In December

Washington, DC, December 17, 2014 -- The [Equipment Leasing & Finance Foundation](#) (the Foundation) releases the December 2014 [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 \$903 billion equipment finance sector. Overall, confidence in the equipment finance market is 63.4, steady with the November index of 64.2.

When asked about the outlook for the future, MCI-EFI survey respondent **David Schaefer, CEO, Mintaka Financial, LLC**, said, "We are very pleased with our year-over-year growth in application volume, originations, approval rates and access to capital. We think next year will be positive again but expect to see slight increases in delinquency and credit losses. We have seen extraordinary portfolio performance the past three years, but we're planning for a more normal period in 2015."

### **December 2014 Survey Results:**

The overall MCI-EFI is 63.4, steady with the November index of 64.2.

- When asked to assess their business conditions over the next four months, 28% of executives responding said they believe business conditions will improve over the next four months, up slightly from 27.3% in November. 72% of respondents believe business conditions will remain the same over the next four months, up from 69.7% in November. None believe business conditions will worsen, down from 3% the previous month.
- 22% of survey respondents believe demand for leases and loans to fund capital expenditures (capex) will increase over the next four months, down from 30.3% in November. 72% believe demand will "remain the same" during the same four-month time period, up from 66.7% the previous month. 6.3% believe demand will decline, up from 3% in November.
- 22% of executives expect more access to capital to fund equipment acquisitions over the next four months, up slightly from 21.2% in November. 78% of survey respondents indicate they expect the "same" access to capital to fund business, down slightly from 78.8% in November. None expect "less" access to capital, unchanged from the previous month.
- When asked, 43.8% of the executives reported they expect to hire more employees over the next four months, a decrease from 45.4% in November. 50% expect no change in headcount over the next four months, up from 48.5% last month. 6.3% expect fewer employees, essentially unchanged from November.
- 3% of the leadership evaluate the current U.S. economy as "excellent," unchanged from last month. 97% of the leadership evaluate the current U.S. economy as "fair," and none rate it as "poor," both also unchanged from November.
- 47% of the survey respondents believe that U.S. economic conditions will get "better" over the next six months, an increase from 42.4% who believed so in November. 53% of survey respondents indicate they believe the U.S. economy will "stay the same" over the next six

months, down from 54.6% in November. None believe economic conditions in the U.S. will worsen over the next six months, down from 3% last month.

- In December, 37.5% of respondents indicate they believe their company will increase spending on business development activities during the next six months, a decrease from 42.4% in November. 62.5% believe there will be “no change” in business development spending, an increase from 54.6% last month. None believe there will be a decrease in spending, down from 3% last month.

### **December 2014 MCI-EFI Survey Comments from Industry Executive Leadership:**

#### **Bank, Small Ticket**

“Lower energy costs will benefit consumers and small businesses. These are the segments of the economy that has been lagging compared to historical recoveries. I believe stronger spending will lift corporate revenues and, in reaction, business investment. Finally ?!” **Paul Menzel, President & CEO, Financial Pacific Leasing, LLC**

#### **Bank, Middle Ticket**

“Energy costs are the new looming uncertainty. In some sectors/industries this is a positive while in others it is a negative. How that balances out from a national as well as global standpoint remains to be seen, but it will give some pause to growth plans.” **Harry Kaplun, President, Frost Equipment Leasing and Finance**

#### **Independent, Middle Ticket**

“With gas prices declining truck and car sales continue to increase and the economy seems to continue to be slowly improving.” **William Besgen, President and Chief Operating Officer, Hitachi Capital America Corp.**

### **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/research/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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**About the Foundation**

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. Funded through charitable individual and corporate 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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