

Equipment Leasing and Finance Industry Confidence Increases Again in March

Washington, DC, March 20, 2014 -- The [Equipment Leasing & Finance Foundation](#) (the Foundation) releases the March 2015 [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 72.1, the highest level in four years, and an increase from the February index of 66.3.

When asked about the outlook for the future, MCI-EFI survey respondent **Harry Kaplun, President, Frost Equipment Leasing and Finance**, said, "Equipment financing demand is continuing although there are increasing clouds of uncertainty. In particular the full impact of lower oil prices has not been seen. This favorable event for consumers has a mixed impact commercially."

March 2015 Survey Results:

The overall MCI-EFI is 72.1, an increase from the February index of 66.3.

- When asked to assess their business conditions over the next four months, 50% of executives responding said they believe business conditions will improve over the next four months, up from 30.3% in February. 50% of respondents believe business conditions will remain the same over the next four months, down from 63.6% in February. None believe business conditions will worsen, down from 6.1% who believed so the previous month.
- 41.7% of survey respondents believe demand for leases and loans to fund capital expenditures (capex) will increase over the next four months, down from 42.4% in February. 58.3% believe demand will "remain the same" during the same four-month time period, up from 51.5% the previous month. None believe demand will decline, down from 6.1% in February.
- 25% of executives expect more access to capital to fund equipment acquisitions over the next four months, down from 27.3% in February. 75% of survey respondents indicate they expect the "same" access to capital to fund business, up from 72.7% in February. None expect "less" access to capital, unchanged from the previous month.
- When asked, 70.8% of the executives reported they expect to hire more employees over the next four months, an increase from 39.4% in February. 25% expect no change in headcount over the next four months, down from 57.6% last month. 4.2% expect to hire fewer employees, up from 3% who expected fewer in February.
- 12.5% of the leadership evaluate the current U.S. economy as "excellent," up from 6.1% last month. 87.5% of the leadership evaluate the current U.S. economy as "fair," down from 90.9% in February. None rate it as "poor," down from 3% the previous month.
- 45.8% of the survey respondents believe that U.S. economic conditions will get "better" over the next six months, relatively unchanged from 45.5% who believed so in February. 54.2% of survey respondents indicate they believe the U.S. economy will "stay the same" over the next six months, unchanged from February. None believe economic conditions in the U.S. will worsen over the next six months, also unchanged from last month.

- In March, 58.3% of respondents indicate they believe their company will increase spending on business development activities during the next six months, an increase from 48.5% in February. 41.7% believe there will be “no change” in business development spending, a decrease from 51.5% last month. None believe there will be a decrease in spending, unchanged from last month.

March 2015 MCI-EFI Survey Comments from Industry Executive Leadership:

Independent, Middle Ticket

“Our truck financing business continues to exceed budgeted expectations with monthly credit applications the highest in our 14 years of offering financing in this market. Our vendor truck manufacturers continue to be optimistic as well.” **William Besgen, President & COO, Hitachi Capital America Corp.**

Bank, Small Ticket

“Housing in certain parts of the South is booming. Rentals are up as well. The overall economy appears to be improving, but overregulation remains a concern.” **Kenneth Collins, CEO, Susquehanna Commercial Finance, Inc.**

Bank, Middle Ticket

“Economists will be playing catch-up for the balance of 2015 in order to achieve their consensus 3 percent growth in GDP. If we get there it will be a very good year for the equipment finance industry. So far, we are lagging behind.” **Thomas Jaschik, President, BB&T Equipment Finance**

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.

###

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>.

Follow the Foundation:

Facebook: [Equipment Leasing & Finance Foundation](#)

Linked In: <http://www.linkedin.com/groups?gid=89692>

Twitter: [@ LeaseFoundation](#)