

Equipment Leasing and Finance Industry Confidence Higher in November

Washington, DC, November 19, 2015 — The [Equipment Leasing & Finance Foundation](#) (the Foundation) releases the November 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 \$1.046 trillion equipment finance sector. Overall, confidence in the equipment finance market is 60.2, an increase from the October index of 58.7.

When asked about the outlook for the future, MCI-EFI survey respondent **David T. Schaefer, CEO, Mintaka Financial, LLC**, said, “The most recent positive job creation report and the resolution of the leadership struggles in the House of Representatives should equate to more optimism and less uncertainty for small business owners and decision makers. I am more optimistic about the business environment.”

November 2015 Survey Results:

The overall MCI-EFI is 60.2, an increase from the October index of 58.7.

- When asked to assess their business conditions over the next four months, 14.8% of executives responding said they believe business conditions will improve over the next four months, unchanged from October. 74.1% of respondents believe business conditions will remain the same over the next four months, a decrease from 77.8% in October. 11.1% believe business conditions will worsen, an increase from 7.4% the previous month.
- 22.2% of survey respondents believe demand for leases and loans to fund capital expenditures (capex) will increase over the next four months, unchanged from October. 66.7% believe demand will “remain the same” during the same four-month time period, down from 70.4% the previous month. 11.1% believe demand will decline, an increase from 7.4% who believed so in October.
- 22.2% of executives expect more access to capital to fund equipment acquisitions over the next four months, and 77.8% of survey respondents indicate they expect the “same” access to capital to fund business, both unchanged from October. None expect “less” access to capital, also unchanged from the previous month.
- When asked, 48.1% of the executives report they expect to hire more employees over the next four months, an increase from 40.7% in October. 48.1% expect no change in headcount over the next four months, down from 51.9% last month. 3.7% expect to hire fewer employees, down from 7.4% in October.
- 3.7% of the leadership evaluate the current U.S. economy as “excellent,” unchanged from last month. 92.6% of the leadership evaluate the current U.S. economy as “fair,” up from 88.9% in October. 3.7% rate it as “poor,” a decrease from 7.4% the previous month.
- 18.5% of the survey respondents believe that U.S. economic conditions will get “better” over the next six months, an increase from 7.4% who believed so in October. 77.8% of survey respondents indicate they believe the U.S. economy will “stay the same” over the next six months, unchanged from the previous month. 3.7% believe economic conditions in the U.S. will worsen over the next six months, a decrease from 14.8% who believed so last month.
- In November, 44.4% of respondents indicate they believe their company will increase spending on business development activities during the next six months, an increase from 40.7% in October. 51.9% believe there will be “no change” in business development spending, a decrease from 59.3% last month. 3.7% believe there will be a decrease in spending, an increase from none last month.

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

Independent, Small Ticket

“Demand has stabilized and appears to be increasing as the traditional year-end push for last minute acquisitions occurs. Pressure continues on margin and I do not see that changing in the near term. The marketplace is flooded with capital and as the industry continues to show strong portfolio performance, I do not expect the profitability dynamic to change.” **Valerie Hayes Jester, President, Brandywine Capital Associates, Inc.**

Bank, Small Ticket

“Year-end always provides optimism with an array of vendor specials and accountant suggested purchases. There may be more incentive to purchase this year with the lingering hints of rates increasing in 2016 becoming stronger. The absence of bonus depreciation may dampen this optimism some.” **Daryn Lecy, Vice President of Operations, Stearns Bank, N.A. – Equipment Finance Division**

Bank, Middle Ticket

“We continue to see investment by our customers for strategic based expenditures. We expect opportunities to continue through 2016.” **Michael Romanowski, President, Farm Credit Leasing Services Corporation**

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 dedicated to inspiring

thoughtful innovation and contributing to the betterment of the equipment leasing and finance industry. Funded through charitable individual and corporate donations, the Foundation focuses on the development of in-depth, independent research and resources for the advancement of equipment finance industry knowledge. Visit the Foundation online at <http://www.LeaseFoundation.org>.

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