

Equipment Leasing and Finance Industry Confidence Remains Steady in December

Washington, DC, December 17, 2015 — The [Equipment Leasing & Finance Foundation](#) (the Foundation) releases the December 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, unchanged from the November index.

When asked about the outlook for the future, MCI-EFI survey respondent **Valerie Hayes Jester, President, Brandywine Capital Associates, Inc.**, said, “December activity is strong as we traditionally experience a last minute push to acquire equipment from procrastinators. Looking a bit further out we still see uncertainty as events continue to unfold, gas prices decrease and the presidential election continues to baffle.”

December 2015 Survey Results:

The overall MCI-EFI is 60.2, unchanged from the November index.

- When asked to assess their business conditions over the next four months, 12.5% of executives responding said they believe business conditions will improve over the next four months, a decrease from 14.8% in November. 75.0% of respondents believe business conditions will remain the same over the next four months, an increase from 74.1% in November. 12.5% believe business conditions will worsen, an increase from 11.1% the previous month.
- 8.3% of survey respondents believe demand for leases and loans to fund capital expenditures (capex) will increase over the next four months, a decrease from 22.2% in November. 79.2% believe demand will “remain the same” during the same four-month time period, up from 66.7% the previous month. 12.5% believe demand will decline, an increase from 11.1% who believed so in November.
- 25.0% of executives expect more access to capital to fund equipment acquisitions over the next four months, an increase from 22.2% in November. 70.8% of survey respondents indicate they expect the “same” access to capital to fund business, a decrease from 77.8% the previous month. 4.2% expect “less” access to capital, an increase from none last month.
- When asked, 45.8% of the executives report they expect to hire more employees over the next four months, a decrease from 48.1% in November. 50.0% expect no change in headcount over the next four months, up from 48.1% last month. 4.2% expect to hire fewer employees, up from 3.7% in November.
- 4.2% of the leadership evaluate the current U.S. economy as “excellent,” an increase from 3.7% last month. 95.8% of the leadership evaluate the current U.S. economy as “fair,” up from 92.6% in November. None rate it as “poor,” a decrease from 3.7% the previous month.
- 8.3% of the survey respondents believe that U.S. economic conditions will get “better” over the next six months, a decrease from 18.5% who believed so in November. 79.2% of survey respondents indicate they believe the U.S. economy will “stay the same” over the next six months, an increase from 77.8% the previous month. 12.5% believe economic conditions in the U.S. will worsen over the next six months, an increase from 3.7% who believed so last month.
- In December, 50.0% of respondents indicate they believe their company will increase spending on business development activities during the next six months, an increase from 44.4% in November. 45.8% believe there will be “no change” in business development spending, a decrease from 51.9% the previous month. 4.2% believe there will be a decrease in spending, an increase from 3.7% last month.

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

Independent, Small Ticket

“Application and funding volume continues to be steady. We are expecting little change in either direction. Delinquencies are still in the historical low range. Growing originations is still the biggest challenge with the economy growing so slowly.” **David T. Schaefer, CEO, Mintaka Financial, LLC**

Bank, Middle Ticket

“The manufacturing segment of the U.S. economy has slowed substantially over the last several months. This will have a direct impact on the equipment finance industry. I anticipate marginal growth, if any, for the first half of 2016.” **Thomas Jaschik, President, BB&T Equipment Finance**

“We continue to see a mixed agriculture economy with less investment in the cash grain sector and some protein sectors, while continued investment in other ag sectors. We expect flat growth in 2016 and a slight uptick in portfolio stress. We continue to provide value add solutions to customers looking to make capital investment.” **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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