

## **Equipment Leasing and Finance Industry Confidence Higher in November**

**Washington, DC, November 16, 2017** — The [Equipment Leasing & Finance Foundation](#) (the Foundation) releases the November [2017 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 trillion equipment finance sector. Overall, confidence in the equipment finance market is 67.0 in November, an increase from 63.7 in October.

When asked about the outlook for the future, MCI-EFI survey respondent **Thomas Jaschik, President, BB&T Equipment Finance**, said, “The House is considering its tax reform package which includes a reduction in the corporate tax rate to 20 percent. The assumption is that this will allow companies to invest more fully in their businesses. If this holds true, the tax package would be the catalyst to accelerate growth in our industry. Over the next several years the equipment finance industry could achieve record levels of new business production.”

### **November 2017 Survey Results:**

The overall MCI-EFI is 67.0 in November, up from 63.7 in October.

- When asked to assess their business conditions over the next four months, 32.4% of executives responding said they believe business conditions will improve over the next four months, a decrease from 40% in October. 67.7% of respondents believe business conditions will remain the same over the next four months, an increase from 60% in October. None believe business conditions will worsen, unchanged from the previous month.
- 35.3% of survey respondents believe demand for leases and loans to fund capital expenditures (capex) will increase over the next four months, a decrease from 36.7% in October. 64.7% believe demand will “remain the same” during the same four-month time period, up from 60% the previous month. None believe demand will decline, a decrease from 3.3% who believed so in October.
- 29.4% of the respondents expect more access to capital to fund equipment acquisitions over the next four months, up from 20% in October. 67.7% of executives indicate they expect the “same” access to capital to fund business, down from 80% last month. None expect “less” access to capital, unchanged from last month.
- When asked, 35.5% of the executives report they expect to hire more employees over the next four months, an increase from 33.3% in October. 61.8% expect no change in headcount over the next four months, a decrease from 63.3% last month. 2.9% expect to hire fewer employees, a decrease from 3.3% in October.
- 17.7% of the leadership evaluate the current U.S. economy as “excellent,” up from none last month. 82.4% of the leadership evaluate the current U.S. economy as “fair,” a decrease from 100% in October. None evaluate it as “poor,” unchanged from last month.
- 32.5% of the survey respondents believe that U.S. economic conditions will get “better” over the next six months, an increase from 23.3% in October. 64.7% of survey respondents indicate they believe the U.S. economy will “stay the same” over the next six months, a decrease from 76.7% the previous month. 2.9% believe economic conditions in the U.S. will worsen over the next six months, an increase from none who believed so in October.
- In November, 52.9% of respondents indicate they believe their company will increase spending on business development activities during the next six months, an increase from 36.7% in October. 47.1%

believe there will be “no change” in business development spending, a decrease from 63.3% the previous month. None believe there will be a decrease in spending, unchanged from last month.

#### **November 2017 MCI-EFI Survey Comments from Industry Executive Leadership:**

##### Independent, Small Ticket

“We continue to see a steady flow of good quality transactions. Our average customer is still concerned with the lack of direction on tax issues and healthcare reform. Until there is clarity, we don’t expect to see a large volume of business expansion projects. There’s just too much unknown to fund transactions with leverage.” **Valerie Hayes Jester, President, Brandywine Capital Associates**

##### Bank, Small Ticket

“I am concerned about the ongoing lack of results from Washington and the effects that this will have on the confidence of the business community over time.” **David Normandin, CLFP, Managing Director, Commercial Finance Group, Hanmi Bank**

##### Bank, Middle Ticket

“The positive economic tide is raising all ships. Low default levels, low interest rates and the continuing demand for equipment are all adding to the favorable environment.” **Harry Kaplun, President, Specialty Finance, Frost Bank**

#### **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, <https://www.leasefoundation.org/industry-resources/monthly-confidence-index/>, 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. The Foundation is funded through charitable individual and corporate donations. Learn more at [www.leasefoundation.org](http://www.leasefoundation.org).

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