

## Equipment Leasing and Finance Industry Confidence at All-Time High in January

Washington, DC, January 18, 2018 – The [Equipment Leasing & Finance Foundation](#) (the Foundation) releases the January 2018 [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 75.3 in January, an increase from 69.4 in December, and the highest level since the index was launched in 2009.

When asked about the outlook for the future, MCI-EFI survey respondent **Valerie Hayes Jester, President, Brandywine Capital Associates**, said, “Activity has picked up since the midpoint of the fourth quarter and 2017 closed on a very positive note. The year is off to a great start even with some of the weather issues plaguing the country. I'm hoping the new tax laws will keep this optimism in full gear.”

### January 2018 Survey Results:

The overall MCI-EFI is 75.3 in January, up from 69.4 in December.

- When asked to assess their business conditions over the next four months, 67.7% of executives responding said they believe business conditions will improve over the next four months, an increase from 32.1% in December. 29.0% of respondents believe business conditions will remain the same over the next four months, a decrease from 67.9% the previous month. 3.2% believe business conditions will worsen, up from none who believed so the previous month.
- 67.7% of survey respondents believe demand for leases and loans to fund capital expenditures (capex) will increase over the next four months, an increase from 46.4% in December. 29.0% believe demand will “remain the same” during the same four-month time period, down from 53.6% the previous month. 3.2% believe demand will decline, an increase from none who believed so in December.
- 35.5% of the respondents expect more access to capital to fund equipment acquisitions over the next four months, up from 25.0% in December. 61.3% of executives indicate they expect the “same” access to capital to fund business, a decrease from 67.9% last month. 3.2% expect “less” access to capital, down from 7.1% last month.
- When asked, 41.9% of the executives report they expect to hire more employees over the next four months, a decrease from 53.6% in December. 54.8% expect no change in headcount over the next four months, an increase from 46.4% last month. 3.2% expect to hire fewer employees, an increase from none in December.
- 25.8% of the leadership evaluate the current U.S. economy as “excellent,” up from 10.7% last month. 74.2% of the leadership evaluate the current U.S. economy as “fair,” a decrease from 89.3% in December. None evaluate it as “poor,” unchanged from last month.

- 61.3% of the survey respondents believe that U.S. economic conditions will get “better” over the next six months, an increase from 42.9% in December. 38.7% of survey respondents indicate they believe the U.S. economy will “stay the same” over the next six months, a decrease from 57.1% the previous month. None believe economic conditions in the U.S. will worsen over the next six months, unchanged from December.
- In January, 61.3% of respondents indicate they believe their company will increase spending on business development activities during the next six months, an increase from 57.1% in December. 35.5% believe there will be “no change” in business development spending, a decrease from 42.9% the previous month. 3.2% believe there will be a decrease in spending, an increase from none last month.

### **January 2018 MCI-EFI Survey Comments from Industry Executive Leadership:**

#### Independent, Small Ticket

“With the tax bill now being law, this erases some uncertainty and improves business incentives. 2018 could be an excellent year for business investment.” **David T. Schaefer, CEO, Mintaka Financial, LLC**

#### Bank, Small Ticket

“I believe that the tax reform legislation will provide a short-term boost to capex spending. However, I am less optimistic that tax reform will be a long-term positive for our economy.” **Paul Menzel, President and CEO, Financial Pacific Leasing, Inc., an Umpqua Bank Company**

#### Bank, Middle Ticket

“The improved tax climate, low interest rates, almost full employment and increasing corporate profitability all support higher levels of equipment acquisition.” **Harry Kaplun, President, Specialty Finance, Frost Bank**

#### Independent, Large Ticket

“The passing of tax reform as well as the continued easing of the burdensome regulatory environment have created additional optimism in the business communities that we serve.” **Dave B. Fate, President and CEO, Stonebriar Commercial 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, <https://www.leasefoundation.org/industry-resources/monthly-confidence-index/>, included in the [Foundation Forecast eNewsletter](#), 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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Media Contact: Anneliese DeDiemar, [ADeDiemar@leasefoundation.org](mailto:ADeDiemar@leasefoundation.org)