

## Equipment Leasing and Finance Industry Confidence Increases in September

Washington, DC, September 20, 2018 – The [Equipment Leasing & Finance Foundation](#) (the Foundation) releases the September 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 rose in September to 65.5, up from the August index of 60.7.

When asked about the outlook for the future, MCI-EFI survey respondent **David Normandin, CLFP, Managing Director, Commercial Finance Group, Hanmi Bank**, said, “The summer of 2018 has been brisk with activity and funded volume has been strong. Continued economic confidence and indicators lead me to believe that this will continue in the short term, thus I am optimistic about the remainder of 2018 and the start of 2019.”

### September 2018 Survey Results:

The overall MCI-EFI is 65.5, an increase from 60.7 in August.

- When asked to assess their business conditions over the next four months, 17.9% of executives responding said they believe business conditions will improve over the next four months, an increase from 13.3% in August. 82.1% of respondents believe business conditions will remain the same over the next four months, an increase from 80% the previous month. None believe business conditions will worsen, a decrease from 6.7% who believed so the previous month.
- 35.7% of survey respondents believe demand for leases and loans to fund capital expenditures (capex) will increase over the next four months, an increase from 16.7% in August. 64.3% believe demand will “remain the same” during the same four-month time period, a decrease from 83.3% the previous month. None believe demand will decline, unchanged from August.
- 10.7% of the respondents expect more access to capital to fund equipment acquisitions over the next four months, down from 16.7% in August. 89.3% of executives indicate they expect the “same” access to capital to fund business, an increase from 83.3% last month. None expect “less” access to capital, unchanged from last month.
- When asked, 50% of the executives report they expect to hire more employees over the next four months, an increase from 36.7% in August. 50% expect no change in headcount over the next four months, a decrease from 63.3% last month. None expect to hire fewer employees, unchanged from last month.
- 51.9% of the leadership evaluate the current U.S. economy as “excellent,” up from 40% last month. 48.2% of the leadership evaluate the current U.S. economy as “fair,” down from 60% in August. None evaluate it as “poor,” unchanged from last month.
- 11.1% of the survey respondents believe that U.S. economic conditions will get “better” over the next six months, a decrease from 13.3% in August. 85.2% of survey respondents indicate

they believe the U.S. economy will “stay the same” over the next six months, an increase from 73.3% the previous month. 3.7% believe economic conditions in the U.S. will worsen over the next six months, a decrease from 13.3% in August.

- In September, 40.7% of respondents indicate they believe their company will increase spending on business development activities during the next six months, an increase from 33.3% in August. 59.3% believe there will be “no change” in business development spending, a decrease from 66.7% the previous month. None believe there will be a decrease in spending, unchanged from last month.

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

#### Independent, Small Ticket

“I’m optimistic about overall economic activity. The trade wars don't seem to be curbing small business capital purchases.” **Quentin Cote, CLFP, President, Mintaka Financial, LLC**

#### Bank, Middle Ticket

“As we enter into the last part of the year, we expect large projects to close out and to see an increase in solar opportunities as companies look to take advantage of the 30 percent solar tax credit in 2019.” **Michael Romanowski, President, Farm Credit Leasing Services Corporation**

#### Captive, Middle Ticket

“I am optimistic because tax reform and deregulation are stimulating the economy. Rising rates, lease accounting rules and tariffs concern me.” **James Cress, Vice President and General Manager, Stryker Flex Financial**

### **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 that propels the equipment finance sector—and its people—forward through industry specific knowledge, intelligence, and programs that contribute to industry innovation, individual careers, and the overall 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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