

## Equipment Leasing and Finance Industry Confidence Eases in April

Washington, DC, April 18, 2019 – The [Equipment Leasing & Finance Foundation](#) (the Foundation) releases the April 2019 [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 decreased in April after two consecutive months' increases to 58.3, down from the March index of 60.4.

When asked about the outlook for the future, MCI-EFI survey respondent **Quentin Cote, CLFP, President, Mintaka Financial, LLC**, said, “Low unemployment continues to fuel consumer strength, and seems to be propelling the market forward. I am concerned about the deficit and potential inflation, and their impact on interest rates.”

### April 2019 Survey Results:

The overall MCI-EFI is 58.3, a decrease from 60.4 in March.

- When asked to assess their business conditions over the next four months, 13.3% of executives responding said they believe business conditions will improve over the next four months, down from 20% in March. 76.7% of respondents believe business conditions will remain the same over the next four months, an increase from 70% the previous month. 10% believe business conditions will worsen, unchanged from the previous month.
- 13.3% of survey respondents believe demand for leases and loans to fund capital expenditures (capex) will increase over the next four months, a decrease from 23.3% in March. 83.3% believe demand will “remain the same” during the same four-month time period, an increase from 70% the previous month. 3.3% believe demand will decline, down from 6.7% who believed so in March.
- 6.7% of the respondents expect more access to capital to fund equipment acquisitions over the next four months, down from 13.3% in March. 93.3% of executives indicate they expect the “same” access to capital to fund business, an increase from 86.7% last month. None expect “less” access to capital, unchanged from last month.
- When asked, 46.7% of the executives report they expect to hire more employees over the next four months, unchanged from March. 40% expect no change in headcount over the next four months, a decrease from 46.7% last month. 13.3% expect to hire fewer employees, up from 6.7% last month.
- 40% of the leadership evaluate the current U.S. economy as “excellent,” up from 36.7% in March. 60% of the leadership evaluate the current U.S. economy as “fair,” a decrease from 63.3% the previous month. None evaluate it as “poor,” unchanged from March.
- 6.7% of the survey respondents believe that U.S. economic conditions will get “better” over the next six months, unchanged from March. 73.3% of survey respondents indicate they believe

the U.S. economy will “stay the same” over the next six months, a decrease from 80% the previous month. 20% believe economic conditions in the U.S. will worsen over the next six months, an increase from 13.3% in March.

- In April, 36.7% of respondents indicate they believe their company will increase spending on business development activities during the next six months, an increase from 33.3% last month. 63.3% believe there will be “no change” in business development spending, a decrease from 66.7% in March. None believe there will be a decrease in spending, unchanged from last month.

### **April 2019 MCI-EFI Survey Comments from Industry Executive Leadership:**

#### Bank, Small Ticket

“Origination volume has continued to grow for Wintrust Specialty Finance and credit and portfolio quality remain high. Widening political divide is cause for concern both in perceptions that lead to confidence levels as well as potential regulatory changes.” **David Normandin, CLFP, President and CEO, Wintrust Specialty Finance**

#### Independent, Large Ticket

“I’m optimistic because the economy is still doing well, the Fed has taken a long pause on interest rates and unemployment is at its lowest ever. Regulatory and tax reforms have had a positive impact on businesses and the U.S. economy.” **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 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 individual and corporate donations. Learn more at [www.leasefoundation.org](http://www.leasefoundation.org).

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