

Equipment Leasing and Finance Industry Confidence Eases in September

Washington, DC, September 19, 2019 – The [Equipment Leasing & Finance Foundation](#) (the Foundation) releases the September 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 is 54.7, a decrease from the August index of 58.9.

When asked about the outlook for the future, MCI-EFI survey respondent **Quentin Cote, CLFP, President, Mintaka Financial, LLC**, said, “I’m optimistic about the health of the consumer confidence and unemployment rates. I’m very concerned about the real and psychic impacts of the trade wars on the economy and the size of the deficit limiting the government’s tools to keep the economy balanced.”

September 2019 Survey Results:

The overall MCI-EFI is 54.7, a decrease from 58.9 in August.

- When asked to assess their business conditions over the next four months, 10.3% of executives responding said they believe business conditions will improve over the next four months, down from 16.7% in August. 75.9% of respondents believe business conditions will remain the same over the next four months, a decrease from 76.7% the previous month. 13.8% believe business conditions will worsen, up from 6.7% in August.
- 13.3% of the survey respondents believe demand for leases and loans to fund capital expenditures (capex) will increase over the next four months, a decrease from 16.7% who believed so in August. 76.7% believe demand will “remain the same” during the same four-month time period, a decrease from 80% the previous month. 10% believe demand will decline, up from 3.3% in August.
- 16.7% of the respondents expect more access to capital to fund equipment acquisitions over the next four months, 83.3% of executives indicate they expect the “same” access to capital to fund business, and none expect “less” access to capital, all unchanged from last month.
- When asked, 30% of the executives report they expect to hire more employees over the next four months, a decrease from 31% in August. 63.3% expect no change in headcount over the next four months, an increase from 62.1% last month. 6.7% expect to hire fewer employees, down slightly from 6.9% last month.
- 20% of the leadership evaluate the current U.S. economy as “excellent,” down from 36.7% in August. 80% of the leadership evaluate the current U.S. economy as “fair,” an increase from 60% the previous month. None evaluate it as “poor,” down from 3.3% in August.
- 3.3% of the survey respondents believe that U.S. economic conditions will get “better” over the next six months, a decrease from 6.7% in August. 70% of survey respondents indicate they believe the U.S. economy will “stay the same” over the next six months, a decrease from 73.3%

the previous month. 26.7% believe economic conditions in the U.S. will worsen over the next six months, an increase from 20% in August.

- In September, 26.7% of respondents indicate they believe their company will increase spending on business development activities during the next six months, a decrease from 36.7% last month. 70% believe there will be “no change” in business development spending, an increase from 63.3% in August. 3.3% believe there will be a decrease in spending, up from none last month.

September 2019 MCI-EFI Survey Comments from Industry Executive Leadership:

Bank, Small Ticket

“Fundamental economic factors remain good and our overall business through the summer has been good. I am concerned that an overly negative tone being presented regarding the economy will have emotional results that fulfill that narrative.” **David Normandin, CLFP, President and CEO, Wintrust Specialty Finance**

Bank, Middle Ticket

“Tariffs continue to be the discussion with our customers. Belt tightening will continue until there is a light at the end of the tunnel. We expect investment in expansion to be muted until trade issues are resolved.” **Michael Romanowski, President, Farm Credit Leasing**

“Companies across many sectors continue to invest in capital equipment projects to compete and succeed.” **Alan Sikora, CEO, First American Equipment 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.

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