

## Equipment Leasing and Finance Industry Confidence Up in November

Washington, DC, November 14, 2019 – The **Equipment Leasing & Finance Foundation** (the Foundation) releases the November 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 \$900 billion equipment finance sector. Overall, confidence in the equipment finance market is 54.9, an increase from the October index of 51.4.

When asked about the outlook for the future, MCI-EFI survey respondent **Quentin Cote, CLFP, President, Mintaka Financial, LLC**, said, “It appears we have absorbed the headwind of the trade wars. Consumers still seem to be pulling the economy forward.”

### November 2019 Survey Results:

The overall MCI-EFI is 54.9, an increase from 51.4 in October.

- 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, up from 9.7% in October. 73.3% of respondents believe business conditions will remain the same over the next four months, an increase from 71% the previous month. 13.3% believe business conditions will worsen, down from 19.4% in October.
- 13.3% of the survey respondents believe demand for leases and loans to fund capital expenditures (capex) will increase over the next four months, unchanged from October. 63.3% believe demand will “remain the same” during the same four-month time period, a decrease from 73.3% the previous month. 23.3% believe demand will decline, down from 13.3% in October.
- 20% of the respondents expect more access to capital to fund equipment acquisitions over the next four months, up from 16.7% in October. 80% of executives indicate they expect the “same” access to capital to fund business, unchanged from last month. None expect “less” access to capital, a decrease from 3.3% in October.
- When asked, 26.7% of the executives report they expect to hire more employees over the next four months, an increase from 16.1% in October. 73.3% expect no change in headcount over the next four months, an increase from 71% last month. None expect to hire fewer employees, down from 12.9% the previous month.
- 16.7% of the leadership evaluate the current U.S. economy as “excellent,” down from 19.4% the previous month. 83.3% of the leadership evaluate the current U.S. economy as “fair,” up from 80.7% in October. None evaluate it as “poor,” unchanged from last month.
- 10% of the survey respondents believe that U.S. economic conditions will get “better” over the next six months, up from 3.2% in October. 76.7% of survey respondents indicate they believe the U.S. economy will “stay the same” over the next six months, an increase from 58.1% the previous month. 13.3% believe economic conditions in the U.S. will worsen over the next six months, a decrease from 38.7% in October.

- In November, 30% of respondents indicate they believe their company will increase spending on business development activities during the next six months, an increase from 25.8% last month. 63.3% believe there will be “no change” in business development spending, a decrease from 71% in October. 6.7% believe there will be a decrease in spending, an increase from 3.2% last month.

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

#### Bank, Small Ticket

“Wintrust Specialty Finance is optimistic about the continued volume and credit quality we are experiencing.” **David Normandin, CLFP, President and CEO, Wintrust Specialty Finance**

#### Bank, Middle Ticket

“We do not expect significant investment in the agriculture vertical until trade policy issues are resolved.” **Michael Romanowski, President, Farm Credit Leasing**

### **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.

### **JOIN THE CONVERSATION**

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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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