

Equipment Leasing and Finance Association's Survey of Economic Activity: Monthly Leasing and Finance Index

October New Business Volume Up 14 Percent Year-over-year, 1 Percent Month-over-month and 6 Percent Year-to-date

Washington, DC, November 22, 2019—The [Equipment Leasing and Finance Association's \(ELFA\) Monthly Leasing and Finance Index \(MLFI-25\)](#), which reports economic activity from 25 companies representing a cross section of the \$900 billion equipment finance sector, showed their overall new business volume for October was \$10.1 billion, up 14 percent year-over-year from new business volume in October 2018. Volume was up 1 percent month-to-month from \$10.0 billion in September. Year to date, cumulative new business volume was up 6 percent compared to 2018.

Receivables over 30 days were 2.0 percent, up from 1.70 percent the previous month and up from 1.70 percent the same period in 2018. Charge-offs were 0.46 percent, up from 0.40 percent the previous month, and up from 0.37 percent in the year-earlier period.

Credit approvals totaled 76.3 percent, unchanged from September. Total headcount for equipment finance companies was down 3.0 percent year-over-year.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) in November is 54.9, an increase from the October index of 51.4.

[ELFA President and CEO Ralph Petta](#) said, "Buoyed by solid fundamentals in the U.S. economy, new business volume reported in the October MLFI-25 survey increased yet again. These data, coupled with anecdotal information gathered from members across multiple industry sectors at ELFA's Annual Convention later in the month, reflect the broader equipment finance industry continuing to fire on most, if not all, cylinders. Of some concern is slightly elevated charge-off and delinquency data. This bears monitoring as the year comes to a close."

[Robert Neagle, President, Merchant Finance, Ascentium Capital LLC](#), said, "The upward trend in new business volume continued with an increase of 14 percent in October year-over-year growth, and an increase of 6 percent year-to-date compared to last year. With predictions that economic growth will hold up through year-end, and an uptick in the Foundation's Monthly Confidence Index, we should expect business sentiment and investment to continue to spur positive trends for the industry."

About the ELFA's MLFI-25

The MLFI-25 is the only index that reflects capex, or the volume of commercial equipment financed in the U.S. The MLFI-25 is released globally at 8 a.m. Eastern time from Washington, D.C., each month on the day before the U.S. Department of Commerce releases the [durable goods report](#). The MLFI-25 is a financial indicator that complements the durable goods report

and other economic indexes, including the [Institute for Supply Management Index](#), which reports economic activity in the manufacturing sector. Together with the MLFI-25 these reports provide a complete view of the status of productive assets in the U.S. economy: equipment produced, acquired and financed.

The MLFI-25 is a time series that reflects two years of business activity for the 25 companies currently participating in the survey. The latest MLFI-25, including methodology and participants, is available at www.elfaonline.org/Data/MLFI/.

MLFI-25 Methodology

ELFA produces the MLFI-25 survey to help member organizations achieve competitive advantage by providing them with leading-edge research and benchmarking information to support strategic business decision making.

The MLFI-25 is a barometer of the trends in U.S. capital equipment investment. Five components are included in the survey: new business volume (originations), aging of receivables, charge-offs, credit approval ratios, (approved vs. submitted) and headcount for the equipment finance business.

The MLFI-25 measures monthly commercial equipment lease and loan activity as reported by participating ELFA member equipment finance companies representing a cross section of the equipment finance sector, including small ticket, middle-market, large ticket, bank, captive and independent leasing and finance companies. Based on hard survey data, the responses mirror the economic activity of the broader equipment finance sector and current business conditions nationally.

About ELFA

The Equipment Leasing and Finance Association (ELFA) is the trade association that represents companies in the nearly \$1 trillion equipment finance sector, which includes financial services companies and manufacturers engaged in financing capital goods. ELFA members are the driving force behind the growth in the commercial equipment finance market and contribute to capital formation in the U.S. and abroad. Its 575 members include independent and captive leasing and finance companies, banks, financial services corporations, broker/packageers and investment banks, as well as manufacturers and service providers. For more information, please visit www.elfaonline.org.

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ELFA is the premier source for statistics and analyses concerning the equipment finance sector. Please visit www.elfaonline.org/Data/ for additional information.

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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