

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

*July New Business Volume Down 3 Percent Year-over-year, Up 3 Percent Month-to-Month, Down 1 Percent Year-to-date*

**Washington, DC, August 25, 2020**—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 July was \$9.1 billion, down 3 percent year-over-year from new business volume in July 2019. Volume was up 3 percent month-to-month from \$8.9 billion in June. Year-to-date, cumulative new business volume was down 1 percent compared to 2019.

Receivables over 30 days were 2.40 percent, down from 2.60 percent the previous month and up from 2.00 percent the same period in 2019. Charge-offs were 0.73 percent, up from 0.71 percent the previous month, and up from 0.37 percent in the year-earlier period.

Credit approvals totaled 72.9 percent, up from 71.5 percent in June. Total headcount for equipment finance companies was down 2.3 percent year-over-year.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) in August is 48.4, an increase from the July index of 45.3

[ELFA President and CEO Ralph Petta](#) said, "The July data gives voice to anecdotal evidence from ELFA members that, in the face of rising Covid-19 cases in some areas of the country, equipment demand remains solid in certain market sectors and weak in others. Some middle market businesses and corporate customers continue to operate in pre-pandemic form. Low interest rates, a gravity-defying equities market, and abundant liquidity all serve to provide fuel for a strong housing market; however, too many small businesses and the hospitality and restaurant sectors are struggling to turn a profit and keep their people employed. This is not sustainable long-term, and the hope is that, as we move into the third quarter, economic growth turns a corner and Americans return to work."

[Stefan Breuer, Managing Director, MUFG Americas Capital Leasing & Finance LLC](#), said, "Continued incremental improvements in the reported leasing indices have been supported by the enormous stimulus programs of the past several months and the high level of liquidity in the financial markets. Our primarily large corporate customer base has been focused on resizing and prioritizing their capital expenditures and on executing funding programs in the current market environment. Recent stimulus program delays and the upcoming national election uncertainties for many clients appear to be a growing concern and seem to be providing an incentive to complete transactions without delay."

### **About 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/](http://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/packagers and investment banks, as well as manufacturers and service providers. For more information, please visit [www.elfaonline.org](http://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/](http://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 academic outreach programs that contribute to industry innovation, individual careers, and the overall betterment of the \$900 billion 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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