

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

March New Business Volume Up 4 Percent Year-over-year, Up 26 Percent Month-to-month, Down 1 Percent Year-to-date

Washington, DC, April 23, 2021—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 March was \$9.3 billion, up 4 percent year-over-year from new business volume in March 2020. Volume was up 26 percent month-to-month from \$7.4 billion in February. Year-to-date, cumulative new business volume was down 1 percent compared to 2020.

Receivables over 30 days were 1.9 percent, down from 2.1 percent the previous month and down from 2.6 percent in the same period in 2020. Charge-offs were 0.43 percent, down from 0.55 percent the previous month and down from 0.55 percent in the year-earlier period.

Credit approvals totaled 77 percent, up from 75.8 percent in February. Total headcount for equipment finance companies was down 15.2 percent year-over-year, a decrease due to significant downsizing at an MLFI reporting company.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) in April is an all-time high of 76.1, and an increase from the March index of 67.7.

[ELFA President and CEO Ralph Petta](#) said, "The equipment finance industry appears poised to take advantage of an economic tailwind that is manifesting itself in an improving labor market, a continued low interest-rate environment, a strong corporate earnings season, and high business confidence that is creating demand for investment in commercial equipment. ELFA member organizations also report improving portfolio quality, which is reflective of their customers' ability to meet their payment obligations as the pandemic's grip on many businesses loosens."

[Marci Slagle, President, BankFinancial Equipment Finance](#), said, "Thus far in 2021, as we continue to work our way through the pandemic, market demand has remained high, both on applications and credit approvals. Our existing portfolios continue to remain stable, with few leases stretching payables along while the underlying financials remain strong."

Approval to funding continues to lag a bit as the supply chain stretches, especially when there are multiple and/or foreign vendors involved. Overall, continuing into second quarter, there seems to be continued growth and strength across all of our markets, which encompass small, middle, corporate and governmental."

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/.

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/packagegers and investment banks, as well as manufacturers and service providers. In 2021, ELFA is celebrating 60 years of equipping business for success. 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 charitable individual and corporate donations. Learn more at www.leasefoundation.org.

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