

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

April New Business Volume Up 19 Percent Year-over-year, 5 Percent Month-to-month, and 4 Percent Year-to-date

Washington, DC, May 26, 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 April was \$9.8 billion, up 19 percent year-over-year from new business volume in April 2020. Volume was up 5 percent month-to-month from \$9.3 billion in March. Year-to-date, cumulative new business volume was up 4 percent compared to 2020.

Receivables over 30 days were 1.8 percent, down from 1.9 percent the previous month and down from 3.0 percent in the same period in 2020. Charge-offs were 0.30 percent, down from 0.43 percent the previous month and down from 0.80 percent in the year-earlier period.

Credit approvals totaled 76.3 percent, down from 77.0 percent in March. Total headcount for equipment finance companies was down 15.4 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 May is 72.1, easing from April's all-time high of 76.1, but still at historic high levels.

ELFA President and CEO Ralph Petta said, "Respondents showed robust April business activity, attesting to a strengthening economy. Despite soft labor market data for the month, an increasing number of businesses are opening up, as more Americans are receiving a vaccination, traveling and otherwise trying to return to some semblance of normalcy. Portfolio quality also shows resilience as lease and loan contract modifications requested by many customers appear to be in the rear-view mirror. The economy and business activity still have a ways to go to return to pre-pandemic levels, but what we see so far in terms of capital equipment investment is indeed encouraging as we head into the summer months."

Ricardo Rios, President and CEO, Commercial Equipment Finance, Inc., said, "2021 is trending to be a banner year for CEFI. The April MLFI results and those at CEFI's demonstrate major similarities; the only outlier being YOY headcount (where CEFI is 20 percent above). This stark difference is largely due to the fact that we are an Independent with 23 professionals. While we are actively seeking to hire additional team resources, the recruiting market is proving to be challenging."

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/packageers 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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