

Equipment Finance Industry Confidence Remains Steady in June

Washington, DC, June 17, 2021 – The [Equipment Leasing & Finance Foundation](#) (the Foundation) releases the June 2021 [Monthly Confidence Index for the Equipment Finance Industry](#) (MCI-EFI) today. 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 71.3, steady with the May index of 72.1.

When asked about the outlook for the future, MCI-EFI survey respondent **Alan Sikora, CLFP, CEO, First American Equipment Finance, an RBC / City National Company**, said, “Companies across all industries are investing in new projects to stay ahead and better serve their customers, while also investing in technology and programs to better serve their employees in the ‘new normal’ hybrid work environment.”

June 2021 Survey Results:

The overall MCI-EFI is 71.3, a decrease from the May index of 72.1.

- When asked to assess their business conditions over the next four months, 42.3% of executives responding said they believe business conditions will improve over the next four months, down from 53.6% in May. 57.7% believe business conditions will remain the same over the next four months, up from 46.4% the previous month. None believe business conditions will worsen, unchanged from May.
- 51.9% of the survey respondents believe demand for leases and loans to fund capital expenditures (capex) will increase over the next four months, down from 53.6% in May. 48.2% believe demand will “remain the same” during the same four-month time period, an increase from 46.4% the previous month. None believe demand will decline, unchanged from May.
- 32.1% of the respondents expect more access to capital to fund equipment acquisitions over the next four months, 67.9% of executives indicate they expect the “same” access to capital to fund business, and none expect “less” access to capital, all unchanged from the previous month.
- When asked, 46.2% of the executives report they expect to hire more employees over the next four months, up from 39.3% in May. 50% expect no change in headcount over the next four months, a decrease from 60.7% last month. 3.9% expect to hire fewer employees, up from none in May.
- 22.2% of the leadership evaluate the current U.S. economy as “excellent,” an increase from 10.7% the previous month. 77.8% of the leadership evaluate the current U.S. economy as “fair,” down from 89.3% in May. None evaluate it as “poor,” unchanged from last month.
- 51.9% of the survey respondents believe that U.S. economic conditions will get “better” over the next six months, a decrease from 60.7% in May. 48.2% indicate they believe the U.S. economy will “stay the same” over the next six months, an increase from 39.3% last month. None believe economic conditions in the U.S. will worsen over the next six months, unchanged from the previous month.
- In June 48.2% of respondents indicate they believe their company will increase spending on business development activities during the next six months, down from 53.6% last month. 51.9% believe there

will be “no change” in business development spending, an increase from 42.9% in May. None believe there will be a decrease in spending, down from 3.6% last month.

June 2021 MCI-EFI Survey Comments from Industry Executive Leadership:

Bank, Small Ticket

“The equipment finance industry is nimble and will excel coming out of challenging times. I believe this will happen as we come out of the COVID-19 pandemic and its effects on businesses. I still remain cautious as to the assertive pricing in the market with little room to accept the volatility that still remains in the market.” **David Normandin, CLFP, President and CEO, Wintrust Specialty Finance**

Independent, Small Ticket

“We are seeing a significant increase in bid activity and requests for capital equipment lease lines.” **Aylin Cankardes, President, Rockwell Financial Group**

Bank, Middle Ticket

“We're continuing to see investment by our customers. Some equipment purchases and facility projects are being delayed by supply side issues. Rising prices for steel and lumber are a concern and could dampen facility investment.” **Michael Romanowski, President, Farm Credit Leasing**

ABOUT THE MCI

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.

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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 charitable individual and corporate donations. Learn more at www.leasefoundation.org.

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