

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

*July New Business Volume Up 9 Percent Year-over-year, Down 5 Percent Month-to-month, and Up Nearly 9 Percent Year-to-date*

Washington, DC, August 24, 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 July was \$9.9 billion, up 9 percent year-over-year from new business volume in July 2020. Volume was down 5 percent month-to-month from \$10.4 billion in June. Year-to-date, cumulative new business volume was up nearly 9 percent compared to 2020.

Receivables over 30 days were 1.9 percent, up from 1.8 percent the previous month and down from 2.4 percent in the same period in 2020. Charge-offs were 0.18 percent, down from 0.22 percent the previous month and down from 0.73 percent in the year-earlier period.

Credit approvals totaled 76.5 percent, down from 76.7 percent in June. Total headcount for equipment finance companies was down 13.9 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 August is 66.6, a decrease from the July index of 72.9.

[ELFA President and CEO Ralph Petta](#) said, "Despite supply chain disruptions in some sectors of the economy, signs of inflation, and emergence of the Delta coronavirus, July new business volume in the equipment finance industry is strong. Consumer spending is picking up, equity markets continue to advance, and unemployment is slowing—reasons to be optimistic about equipment investment and industry performance for the second half of the year."

[Jill McKean-Bilby, President, BOK Financial Equipment Finance, Inc.](#), said, "2021 continues to be interesting. Demand for equipment remains high, which is resulting in higher equipment costs. Customers are ordering equipment from OEMs with very long lead times, with the delivery times of some orders unknown. The interest rate environment still remains low. Cash has been one of our main competitors this year, due to companies still having additional resources due to PPP loans. However, we have been able to continue to grow and remain steady with organic growth."

### 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. In 2021, ELFA is celebrating 60 years of equipping business for success. 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 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](http://www.leasefoundation.org).

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Media/Press Contact: Amy Vogt, Vice President, Communications and Marketing, ELFA, 202-238-3438 or [avogt@elfaonline.org](mailto:avogt@elfaonline.org)

