

## Equipment Finance Industry Confidence Steady in October

Washington, DC, October 21, 2021 – The [Equipment Leasing & Finance Foundation](#) (the Foundation) releases the October 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 61.1, an increase from the September index of 60.5.

When asked about the outlook for the future, MCI-EFI survey respondent **David Normandin, CLFP, President and CEO, Wintrust Specialty Finance**, said, “Business volume is increasing coming out of the summer months, portfolio performance is sound, and we are optimistic for a solid Q4 2021.”

### **October 2021 Survey Results:**

The overall MCI-EFI is 61.1, an increase from the September index of 60.5.

- When asked to assess their business conditions over the next four months, 25.9% of executives responding said they believe business conditions will improve over the next four months, up from 17.9% in September. 70.4% believe business conditions will remain the same over the next four months, down from 71.4% the previous month. 3.7% believe business conditions will worsen, down from 10.7% in September.
- 22.2% of the survey respondents believe demand for leases and loans to fund capital expenditures (capex) will increase over the next four months, up from 21.4% in September. 74.1% believe demand will “remain the same” during the same four-month time period, a decrease from 75% the previous month. 3.7% believe demand will decline, up from none in September.
- 14.8% of the respondents expect more access to capital to fund equipment acquisitions over the next four months, down from 32.1% in September. 85.2% of executives indicate they expect the “same” access to capital to fund business, an increase from 67.9% last month. None expect “less” access to capital, unchanged from the previous month.
- When asked, 40.7% of the executives report they expect to hire more employees over the next four months, up from 28.6% in September. 59.3% expect no change in headcount over the next four months, a decrease from 71.4% last month. None expect to hire fewer employees, unchanged from September.
- 7.4% of the leadership evaluate the current U.S. economy as “excellent,” a slight increase from 7.1% the previous month. 81.5% of the leadership evaluate the current

U.S. economy as “fair,” down from 92.9% in September. 11.1% evaluate it as “poor,” up from none last month.

- 22.2% of the survey respondents believe that U.S. economic conditions will get “better” over the next six months, an increase from 17.9% in September. 63% indicate they believe the U.S. economy will “stay the same” over the next six months, a decrease from 64.3% from last month. 14.8% believe economic conditions in the U.S. will worsen over the next six months, down from 17.9% the previous month.
- In October 42.9% of respondents indicate they believe their company will increase spending on business development activities during the next six months, 57.1% believe there will be “no change” in business development spending, and none believe there will be a decrease in spending, all unchanged from last month.

### **October 2021 MCI-EFI Survey Comments from Industry Executive Leadership:**

#### **Independent, Small Ticket**

“I don't feel a great deal of optimism looking forward. The supply chain bottleneck is likely to improve, and as it does, the general pick-up in the economy will follow.” **James D. Jenks, CEO, Global Financing & Leasing Services, LLC**

#### **Independent, Middle Ticket**

“We have seen strong new business opportunities over the last six months, so while our survey answers are ‘about the same,’ that's because we have already seen the turn, and this level of activity is, in fact, very strong.” **Bruce J. Winter, President, FSG Capital, Inc.**

### **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](http://www.leasefoundation.org).

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