

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

October New Business Volume Up 16 Percent Year-over-year, 16 Percent Month-to-month, and 10 Percent Year-to-date

Washington, DC, November 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 October was \$10.7 billion, up 16 percent year-over-year from new business volume in October 2020. Volume was up 16 percent month-to-month from \$9.2 billion in September. Year-to-date, cumulative new business volume was up 10 percent compared to 2020.

Receivables over 30 days were 1.7 percent, up from 1.6 percent the previous month and down from 2.2 percent in the same period in 2020. Charge-offs were 0.16 percent, down from 0.35 percent the previous month and down from 0.60 percent in the year-earlier period.

Credit approvals totaled 78.0 percent, up from 76.3 percent in September. Total headcount for equipment finance companies was down 11.0 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 November is 64.6, an increase from the October index of 61.1.

[ELFA President and CEO Ralph Petta](#) said, "The equipment finance industry heads into the final quarter of the year in fine shape, judging from October MLFI data. New business volume shows double digit growth, a somewhat surprising development given anecdotal evidence by some ELFA members of supply chain disruptions negatively impacting the availability and cost of capital goods in certain market sectors. Fourth quarter economic growth is projected to be buoyant despite higher prices and labor imbalances in the economy. And, with the recent signing of major infrastructure legislation coming out of Washington, the future for capital investment looks bright, indeed."

[William C. Perry III, President, Regions Equipment Finance Corporation](#), said, "Given the unprecedented times of supply chain disruption, excess liquidity and rising inflation, there is still much to be hopeful about within the equipment finance sector. 'The Great Transition' will allow us all as providers of capital to further educate and provide value to our clients as they look to surmount challenges never before faced. In doing such, this should challenge the equipment finance sector to rethink our approach and how we serve our mission critical \$1 trillion sector. Trends reported in the October MLFI are largely encouraging and those that are not provide 'opportunity' to serve. Looking into 2022, we see significant potential for growth as pent-up demand begins to wane and our clients further assimilate to the current environment."

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 580 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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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.