

Equipment Finance Industry Confidence Higher in November

Washington, DC, November 18, 2021 – The [Equipment Leasing & Finance Foundation](#) (the Foundation) releases the November 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 64.6, an increase from the October index of 61.1.

When asked about the outlook for the future, MCI-EFI survey respondent **Dave Fate, Chief Executive Officer, Stonebriar Commercial Finance**, said, “While I believe the equipment leasing and finance Industry will always perform well through various cycles, the last few months have shown a number of interesting data points. Strong corporate earnings continue to drive the equity markets. The current rise in Inflation rates is alarming and seems like it will be with us for a while. Continued issues with the lack of skilled and non-skilled labor are the number one concern of most of our customers. Supply chain issues are causing real disruption and seem to have no viable plan to alleviate them. The rest of Q4 and into Q1 will be very interesting as we navigate through year-end closing in our industry and the Christmas holiday season.”

November 2021 Survey Results:

The overall MCI-EFI is 64.6, an increase from the October index of 61.1.

- When asked to assess their business conditions over the next four months, 34.6% of executives responding said they believe business conditions will improve over the next four months, up from 25.9% in October. 46.2% believe business conditions will remain the same over the next four months, down from 70.4% the previous month. 19.2% believe business conditions will worsen, up from 3.7% in October.
- 42.3% of the survey respondents believe demand for leases and loans to fund capital expenditures (capex) will increase over the next four months, up from 22.2% in October. 50% believe demand will “remain the same” during the same four-month time period, a decrease from 74.1% the previous month. 7.7% believe demand will decline, up from 3.7 in October.
- 26.9% of the respondents expect more access to capital to fund equipment acquisitions over the next four months, up from 14.8% in October. 73.1% of executives indicate they expect the “same” access to capital to fund business, a decrease from 85.2% last month. None expect “less” access to capital, unchanged from the previous month.
- When asked, 53.9% of the executives report they expect to hire more employees over the next four months, up from 40.7% in October. 46.2% expect no change in headcount over the next four months, a decrease from 59.3% last month. None expect to hire fewer employees, unchanged from October.

- 15.4% of the leadership evaluate the current U.S. economy as “excellent,” an increase from 7.4% the previous month. 80.8% of the leadership evaluate the current U.S. economy as “fair,” down from 81.5% in October. 3.9% evaluate it as “poor,” down from 11.1% last month.
- 23.1% of the survey respondents believe that U.S. economic conditions will get “better” over the next six months, an increase from 22.2% in October. 57.7% indicate they believe the U.S. economy will “stay the same” over the next six months, a decrease from 63% from last month. 19.2% believe economic conditions in the U.S. will worsen over the next six months, up from 14.8% the previous month.
- In November 42.3% of respondents indicate they believe their company will increase spending on business development activities during the next six months, down slightly from 42.9% the previous month. 57.7% believe there will be “no change” in business development spending, up slightly from 57.1% in October. None believe there will be a decrease in spending, unchanged from last month.

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

Bank, Middle Ticket

“We continue to see interest in capital expansion for the sectors we serve, especially with middle market customers. Supply chain issues continue to be a headwind to the implementation of capital investment.” **Michael Romanowski, President, Farm Credit Leasing**

Independent, Middle Ticket

“Business owners are feeling much more confident and are moving forward with capital acquisitions, some that had been delayed because of the pandemic. Pending no flare up of COVID-19 infections in the coming months, we expect smooth sailing for the next several quarters.” **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.

JOIN THE CONVERSATION

Twitter: <https://twitter.com/LeaseFoundation>

Facebook: <https://www.facebook.com/LeaseFoundation>

LinkedIn: <https://www.linkedin.com/company/10989281/>

Vimeo: <https://vimeo.com/elffchannel>

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.