

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

***November New Business Volume Up 8 Percent Year-over-year, Down 26 Percent Month-to-month, and
Up 10 Percent Year-to-date***

Washington, DC, December 22, 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 November was \$7.9 billion, up 8 percent year-over-year from new business volume in November 2020. Volume was down 26 percent month-to-month from \$10.7 billion in October. Year-to-date, cumulative new business volume was up 10 percent compared to 2020.

Receivables over 30 days were 2.2 percent, up from 1.7 percent the previous month and down from 2.3 percent in the same period in 2020. Charge-offs were 0.20 percent, up from 0.16 percent the previous month and down from 0.61 percent in the year-earlier period.

Credit approvals totaled 77.2 percent, down from 78 percent in October. Total headcount for equipment finance companies was down 9.9 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 December is 63.9, a decrease from the November index of 64.6.

[ELFA President and CEO Ralph Petta](#) said, "As we get ready to close out 2021, industry volume is still holding up, with portfolio quality improved relative to the same period last year. Supply chain disruptions continue to plague an otherwise strong economy, creating inflationary pressures that are a concern for many Americans. With the Federal Reserve recently announcing an accelerated tapering of asset purchases as well as several planned interest rate hikes in 2022, the hope is that the Fed does not choke off the recovery in its efforts to control further inflation."

[Kirk Phillips, President and CEO, Wintrust Commercial Finance](#), said, "The November MLFI-25 reflects both a monthly and cumulative year-over-year increase in business equipment investment as our economy recovers from the impact of the COVID pandemic. While there are headwinds—supply chain disruptions, increasing labor and material costs, and now the potential for rising borrowing costs to offset inflationary pressures—businesses in many capital-intensive industries remain poised to capitalize on pent-up demand as soon as equipment is available."

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/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.

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ELFA is the premier source for statistics and analyses concerning the equipment finance sector. Please visit 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.

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