

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

***December New Business Volume Down 3 Percent Year-over-year, Up 49 Percent Month-to-month, and
Up Almost 9 Percent at Year-End***

Washington, DC, January 26, 2022—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 December was \$11.8 billion, down 3 percent year-over-year from new business volume in December 2020. Volume was up 49 percent month-to-month from \$7.9 billion in November in a typical end-of-year spike. Cumulative new business volume for 2021 was up almost 9 percent compared to 2020.

Receivables over 30 days were 2.0 percent, down from 2.2 percent the previous month and down from 2.2 percent in the same period in 2020. Charge-offs were 0.25 percent, up from 0.20 percent the previous month and down from 0.59 percent in the year-earlier period.

Credit approvals totaled 78.6 percent, up from 77.2 percent in November. Total headcount for equipment finance companies was down 7.9 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 January is 63.9, unchanged from the December index.

[ELFA President and CEO Ralph Petta](#) said, "The association's Q4 MLFI-25 equipment finance industry metrics show responding organizations reporting robust growth in new business activity as well as healthy portfolios, indicative of another solid year. Cumulative 2021 originations grew about 9 percent when compared to 2020, the first year impacted by the COVID-19 pandemic. Businesses in many industry sectors grew and expanded during the past 12 months, reflecting a favorable low interest rate environment, healthy corporate earnings and strong balance sheets. The outlook for the industry, and indeed overall economy, is somewhat cloudy, with unabated inflation, the Fed poised to increase interest rates, equities markets in a recent tailspin, and the Omicron variant remaining a concerning health factor in the U.S."

[Kalyan Makam, Executive Vice President, Amur Equipment Finance](#), said, "Supply constraints, strong economic growth, and the early innings of the American Jobs Plan augur well for the equipment finance sector in 2022. That said, rising Omicron cases have prolonged the price inflation and supply chain troubles across the country. As well, the jump in medium term rates over the last few weeks may challenge margins for lenders."

Register for Free MLFI Webinar

ELFA is hosting a free, one-hour webinar, "2021 MLFI Survey Summary: Leveraging Data to Improve Performance" on January 26 at 1 p.m. EST designed to help business leaders strategically use the data in the MLFI-25 to benefit their organizations. To register to attend live or listen on-demand, visit <https://www.elfaonline.org/webinars>.

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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