

Equipment Finance Industry Confidence Eases Again in March

Washington, DC, March 17, 2022 – The [Equipment Leasing & Finance Foundation](#) (the Foundation) releases the March 2022 [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 58.2, easing from the February index of 61.8.

When asked about the outlook for the future, MCI-EFI survey respondent **Michael Romanowski, President, Farm Credit Leasing**, said, “Supply chain issues continue to hamper equipment availability. The Ukraine conflict has enhanced volatility and is contributing to an already unsettled environment. We continue to work closely with our partners and customers to ensure we are advancing our mission in these uncertain times.”

March 2022 Survey Results:

The overall MCI-EFI is 58.2, easing from the February index of 61.8.

- When asked to assess their business conditions over the next four months, 21.4% of executives responding said they believe business conditions will improve over the next four months, a decrease from 24.1% in February. 50% believe business conditions will remain the same over the next four months, down from 69% the previous month. 28.6% believe business conditions will worsen, an increase from 6.9% in February.
- 25% of the survey respondents believe demand for leases and loans to fund capital expenditures (capex) will increase over the next four months, up from 24.1% in February. 75% believe demand will “remain the same” during the same four-month time period, an increase from 72.4% the previous month. None believe demand will decline, down from 3.5% in February.
- 21.4% of the respondents expect more access to capital to fund equipment acquisitions over the next four months, up from 17.2% in February. 78.6% of executives indicate they expect the “same” access to capital to fund business, a decrease from 82.8% last month. None expect “less” access to capital, unchanged from the previous month.
- When asked, 46.4% of the executives report they expect to hire more employees over the next four months, up from 44.8% in February. 50% expect no change in headcount over the next four months, a decrease from 55.2% last month. 3.6% expect to hire fewer employees, up from none in February.
- 3.6% of the leadership evaluate the current U.S. economy as “excellent,” a decrease from 10.3% the previous month. 85.7% of the leadership evaluate the current U.S.

economy as “fair,” down from 86.2% in February. 10.7% evaluate it as “poor,” an increase from 3.5% last month.

- 7.1% of the survey respondents believe that U.S. economic conditions will get “better” over the next six months, a decrease from 24.1% in February. 57.1% indicate they believe the U.S. economy will “stay the same” over the next six months, a decrease from 58.6% last month. 35.7% believe economic conditions in the U.S. will worsen over the next six months, an increase from 17.2% the previous month.
- In March 42.9% of respondents indicate they believe their company will increase spending on business development activities during the next six months, down from 44.8% the previous month. 57.1% believe there will be “no change” in business development spending, up from 51.7% in February. None believe there will be a decrease in spending, down from 3.5% last month.

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

Bank, Middle Ticket

“While equity markets, crude, supply chain and global industry trade have all been greatly impacted by the Russian invasion of Ukraine, it is the suffering and loss of life that is most disturbing. I am proud of Key’s immediate humanitarian efforts on behalf of the Ukrainian people.” **Adam Warner, President, Key Equipment Finance**

Independent, Small Ticket

“Through 2021, often businesses used their federal government stimulus money to purchase capital equipment and services. The deeper we get into 2022, increasingly, these businesses will return to financing their capital equipment purchases.” **James D. Jenks, CEO, Global Finance and Leasing Services, LLC**

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.

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Media Contact: Charlie Visconage, cvisconage@leasefoundation.org