

## Equipment Finance Industry Confidence Higher in July

Washington, DC, July 20, 2023 – The [Equipment Leasing & Finance Foundation](#) (the Foundation) releases the July 2023 [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 \$1 trillion equipment finance sector. Overall, confidence in the equipment finance market is 46.4, an increase from the June index of 44.1.

When asked about the outlook for the future, MCI-EFI survey respondent **David Normandin, President and Chief Executive Officer, Wintrust Specialty Finance**, said, “The equipment leasing and finance industry as a whole is relatively nimble. That is and will continue to be tested this year. I am confident that the industry will step up to the challenges and create solutions to meet the needs of our partners and customers.”

### **July 2023 Survey Results:**

The overall MCI-EFI is 46.4, an increase from the June index of 44.1.

- When asked to assess their business conditions over the next four months, 7.7% of the executives responding said they believe business conditions will improve over the next four months, an increase from 3.3% in June. 65.4% believe business conditions will remain the same over the next four months, down from 73.3% the previous month. 26.9% believe business conditions will worsen, an increase from 23.3% in June.
- 7.7% of the survey respondents believe demand for leases and loans to fund capital expenditures (capex) will increase over the next four months, an increase from 6.7% in June. 69.2% believe demand will “remain the same” during the same four-month time period, an increase from 66.7% the previous month. 23.1% believe demand will decline, down from 26.7% in June.
- 7.7% of the respondents expect more access to capital to fund equipment acquisitions over the next four months, up from 6.7% in June. 76.9% of executives indicate they expect the “same” access to capital to fund business, unchanged from last month. 15.4% expect “less” access to capital, down from 16.7% the previous month.
- When asked, 15.4% of the executives report they expect to hire more employees over the next four months, an increase from 13.3% in June. 76.9% expect no change in headcount over the next four months, unchanged from last month. 7.7% expect to hire fewer employees, down from 10% in June.
- 3.9% of the leadership evaluate the current U.S. economy as “excellent,” up from none the previous month. 80.8% of the leadership evaluate the current U.S. economy as

“fair,” down from 83.3% in June. 15.4% evaluate it as “poor,” a decrease from 16.7% last month.

- 11.5% of the survey respondents believe that U.S. economic conditions will get “better” over the next six months, an increase from 6.7% in June. 53.9% indicate they believe the U.S. economy will “stay the same” over the next six months, an increase from 40% last month. 34.6% believe economic conditions in the U.S. will worsen over the next six months, a decrease from 53.3% the previous month.
- In July, 26.9% of respondents indicate they believe their company will increase spending on business development activities during the next six months, down from 30% the previous month. 61.5% believe there will be “no change” in business development spending, up from 56.7% in June. 11.5% believe there will be a decrease in spending, down from 13.3% last month.

### **July 2023 MCI-EFI Survey Comment from Industry Executive Leadership:**

#### **Independent, Small Ticket**

“For most companies, revenues continue to come in, albeit a little slower and financing their capital equipment acquisitions protects their cash flow.” **James D. Jenks, CEO, Global Finance and Leasing Services, LLC**

#### **Bank, Middle Ticket**

“Key Equipment Finance remains very encouraged by our clients' financial performance as they navigate the uncertain macroeconomic climate. We have not seen any meaningful credit degradation in our portfolios, and we expect that to hold up for the remainder of the year.”

**Adam Warner, President, Key Equipment Finance**

### **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>

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

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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](http://www.leasefoundation.org).

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