

# Effect of Macroeconomic Variables on Health Care Loan/ Lease Portfolio Delinquency Rate

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## **Abstract**

Delinquency rates are closely related to the economic conditions and can be analyzed using measures of economic growth and stability. In an attempt to predict the delinquency rate for the health care equipment financial industry, we investigated the relationship between delinquency rate and key macroeconomic variables for the period from 1998 to 2008. The study reveals that the tightening credit standards and unemployment rate are the key macroeconomic indicators influencing the delinquency rate. The analysis further helps in arriving at a trigger to monitor the delinquency rate based on the macroeconomic indicators, thus enabling proactive portfolio management.

**Key words:** Delinquency Rate, Macroeconomic, Statistical Triggers, Portfolio Management, Health Care Financial Services.