

ZIONS BANK

Press Release

*** FOR IMMEDIATE RELEASE ***

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UTAH CONSUMER ATTITUDE INDEX DROPS IN THE FACE OF RISING GASOLINE PRICES

SALT LAKE CITY, Utah; February 24, 2015 —The Zions Bank Utah Consumer Attitude Index (CAI) decreased 6.9 points to 106.5 in February. While it has dropped below 110, consumers are still optimistic about the economic situation in Utah. The Utah CAI currently sits 9.8 points higher than its level twelve months ago, and consumer confidence in Utah continues to outpace that of the nation overall. The national Consumer Confidence Index® (CCI) decreased 7.4 points from January to February and currently sits at 96.4.

The fall in the Utah Consumer Attitude Index results from slightly lower expectations for the next six months. The Expectations Index, the sub-index of the CAI that reflects how consumers feel about economic conditions six months from now, decreased 10.6 points to 102.7 in February. Twenty-eight percent of Utahns expect business conditions to be better six months from now, which represents a 9 percent decline from January. Twenty-six percent of Utahns expect the number of jobs available in six months to be plentiful—a decrease of 7 points from last month—and 31 percent believe their total household income will be higher six months from now. Despite slightly lower confidence, attitudes in Utah are still higher than attitudes nationally, and Utah continues to outpace neighboring states such as Idaho in job creation and growth.

The Present Situation Index, which measures how consumers feel about current economic conditions, decreased 1.2 points to 112.4 this month. Sentiment about current general business conditions remained fairly constant, increasing one percentage point from January to February. Likewise, the percentage of consumers who think that the availability of jobs is plentiful experienced just a two-point decrease to 36 percent this month.

Utahns expect prices, particularly gasoline prices, to increase. Eighty-one percent of Utahns expect gasoline prices to rise in the next year—the highest percentage since June 2014. Only 67 percent of Utahns in January expected gasoline prices to rise, which represents a 14-percentage point difference from February. The average expected gas price increase is 53 cents, while the average expected price decline is 28 cents. Consumers generally expect prices to rise, but the jump this month likely stems from the upward shift in gasoline prices after six months of sharp decline. Gasoline prices nationally and statewide have risen steadily in February after national prices hit a trough at \$2.03 on January 26. Gasoline in Utah is currently \$1.95 per gallon on

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average, whereas the national average price per gallon is \$2.31. Sixty percent of Utahns expect the prices of houses in communities like theirs to increase in the next year—a decrease of 2 percentage points from January.

Consumers generally expect inflation to increase. Sixty-four percent of Utahns expect prices of consumer goods to increase over the next twelve months, up one point from January. Likewise, 58 percent of Utahns expect interest rates for borrowing money to increase during the next 12 months, which represents an increase of four percentage points from last month. Thirty-five percent of Utahns expect the U.S. economy to improve in the next year, which reflects no change from January.

Optimism about personal finance is slightly higher in February than it was in January, but just by a few percentage points. Thirty-six percent of Utahns think it is likely they will be able to retire and maintain their living standards, 2 percent more than last month. Consumers are more optimistic about their personal investments, with 46 percent of Utahns expecting a \$1,000 investment in their 401(k) to be worth more than \$1,000 one year from now, compared to 43 percent last month. Twenty-eight percent of Utahns say they are likely to purchase a major household item—such as furniture or a refrigerator—in the next 60 days, 4 percent more than in January. Thirty percent of Utahns expect their household income to increase faster than the rate of inflation, which represents a 3 percent increase from last month. Seventy-four percent of employed Utahns think it is unlikely that within the next two years they will lose a job they wanted to keep.

“Consumers remain optimistic about current economic conditions, even if they are not particularly pleased with rising gasoline prices,” said Scott Anderson, president and CEO of Zions Bank. “The good news is that prices are rising slowly and are still nearly a dollar cheaper per gallon than they were at this time last year, allowing consumers to continue spending their extra cash in areas that will fuel the economy.”

Zions Bank provides the CAI as a free resource to the communities of Utah. The monthly CAI summary reports are released at a monthly press conference, coinciding with The Conference Board’s national CCI release date. The reports are available online at www.zionsbank.com/cai. Analysis and data collection for the CAI are done by the Cicero Group, a premier market research firm based in Salt Lake City. The March CAI will be released during a press conference at a local business at 10:30 A.M. on March 31, 2015.

Zions Bank is Utah’s oldest financial institution and is the only local bank with a statewide distribution of financial centers, operating 100 full-service centers. Zions Bank also operates 26 full-service financial centers in Idaho. In addition to offering a wide range of traditional banking services, Zions Bank is also a leader in small business lending and has ranked as the No.1 lender of U.S. Small Business Administration 7(a) loans in Utah for the past 21 consecutive years. Founded in 1873, Zions Bank has been serving the communities of Utah for more than 140 years. Additional information is available at www.zionsbank.com.

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