

# ZIONS BANK

## Press Release

**\*\*\* FOR IMMEDIATE RELEASE \*\*\***

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### **FALLING GASOLINE PRICES THROUGH MOST OF JANUARY TRANSLATE INTO LOWER FOOD AND UTILITIES**

SALT LAKE CITY, Utah; February 26, 2015 — The Zions Bank Wasatch Front Consumer Price Index (CPI) decreased 1.0 percent from December to January on a non-seasonally adjusted basis. The index has decreased 0.4 percent since this same time last year. The national Consumer Price Index decreased 0.5 percent from December to January and has decreased 0.1 percent over the past twelve months.

Utility prices decreased the most, registering a 5.6 percent decline from December to January. This drop was driven by lower propane prices throughout the Wasatch Front. Gas and electricity rates also decreased but by smaller margins.

The other main driver in the CPI's decrease was the transportation price category. Gasoline prices hit a trough nationally on January 26 and decreased by 23.3 percent in January in Utah, although they have since begun to rise again. Utah's gasoline price average typically trails the national average by four-to-six weeks, so even though prices in Utah are increasing, the increase is slower than nationally, and Utah's average is still below the lower-than-the average gasoline price nationally. Utah's current state average is \$2.00 per gallon, whereas the national average is \$2.34 per gallon. The price of gasoline averaged \$2.04 per gallon in Utah in January. Apart from lower gasoline prices, prices for airfare and vehicle maintenance also dropped slightly in January. Vehicle prices, both used and new, experienced marginal increases in January. Oil prices continue to impact gasoline prices, and have begun to increase ever since they reached a trough at the end of January. Last week crude oil futures closed at \$60.22 on Nasdaq. Oil price futures were as low as \$46 per barrel during parts of January.

Food prices are finally catching up with the decrease in gasoline prices. Food at home prices decreased 2.1 percent from December to January. The largest decreases were observed in bell pepper, cucumber, and apple prices, although meat, poultry, and other produce also decreased in price. Lettuce and citrus fruits were two categories that registered a price increase in January.

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All other indices tracked by the Wasatch Front Consumer Price Index either increased or remained the same from December to January, though these increases were not as sharp as the declines in food, utilities, and transportation. Prices for medical care increased 2.3 percent from December to January. Increased rates for care of invalids and elderly patients at home impacted medical care prices the most, jumping over 12 percent month to month. Prescription drugs also had a significant impact on medical prices, increasing nearly 10 percent at the beginning of the new year. Related prices of nonprescription drugs and medical supplies, as well as nursing homes and adult day services rates, increased in January.

Education and communication prices increased 0.8 percent in January. Tuition rates for some private elementary and high schools increased at the beginning of the year, but the main driver in the price index increase was higher personal computer and Internet prices. Clothing also increased 0.8 percent because of higher children's clothing prices. Prices for men's and women's apparel both decreased after the December holiday sales.

Recreation prices increased 0.6 percent due largely to higher prices for audio equipment. To appeal to consumers' New Year's resolutions, annual club fees decreased slightly in January. Housing increased 0.3 percent from December to January. Maintenance prices increased just over five percent, and apartment rates increased as well. Acting as counter balances, hotel and motel prices decreased after the holiday rush, and appliance costs also decreased slightly in January. Food away from home and other goods and services did not fluctuate in price from December to January.

“Lower gas prices have finally started to impact prices of other goods in our economy,” said Scott Anderson, Zions Bank President and CEO. “As gas prices begin their seasonal trend upward, low consumer prices elsewhere will help maintain the balance of prices, allowing consumers to feel less impact on their wallets.”

Analysis and data collection for the Zions Bank CPI and the Zions Bank Consumer Attitude Index are provided by the Cicero Group, a premier market research firm based in Salt Lake City.

Zions Bank is Utah's oldest financial institution and is the only local bank with a statewide distribution of branches, operating 100 full-service offices. Zions Bank also operates 26 full-service branches 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 20 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](http://www.zionsbank.com).