

# ZIONS BANK

## Press Release

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

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### **FOOD AND GASOLINE PRICES DRIVE INCREASE IN WASATCH FRONT CONSUMER PRICE INDEX**

SALT LAKE CITY, Utah; May 22, 2015 — The Zions Bank Wasatch Front Consumer Price Index (CPI) increased 1.4 percent from March to April on a non-seasonally adjusted basis. The index has increased 1.0 percent since this same time last year. The national Consumer Price Index increased 0.2 percent from March to April and has decreased 0.2 percent over the past twelve months.

Price increases in several categories contributed to the increase in the Wasatch Front CPI in April. Most notable were the increases in food at home and transportation prices, which increased 3.7 percent and 3.5 percent respectively.

The increase in food at home prices was driven primarily by higher meat, poultry, seafood, and egg prices. Poultry and egg prices across the nation have increased sharply as avian flu has impacted farms in the Midwest. Several large-scale commercial poultry facilities have fallen victim to what has been characterized as the worst bird flu outbreak in U.S. history. More than 33.5 million turkeys and chickens have been exterminated or are scheduled to be exterminated, and 162 farms across 16 states have confirmed bird flu cases. In addition to current production issues, a major concern looms for future supply since access to young birds is key to repopulating egg and poultry production. On the other hand, the dairy industry is experiencing decreasing prices across the country as milk consumption declines amidst production increases. Consumers are not drinking as much milk as they used to, and although the bustling Greek yogurt business has taken some of the demand for milk, many farmers expanded their herds to produce more milk than these burgeoning yogurt plants need.

Transportation prices — particularly higher airfare, gasoline, and vehicle prices — also drove the increase in the Wasatch Front CPI. Airfare increased heading into spring break and summer vacation season. Gasoline prices continue to increase but at a rate that is slowing. Gasoline prices

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in Utah are currently \$3.02, higher than the national average of \$2.74. Crude oil futures, which largely impact gasoline prices, rose steadily in April but have dipped slightly in May. The price per barrel of Brent Crude Oil, the international oil price benchmark, is approximately \$65.

The medical care index increased 1.7 percent in April, as general medical care services increased in price. The increase came despite lower costs of home care and nonprescription drugs. Housing prices also experienced a slight jump, increasing 1.5 percent from March to April as apartment rent, bedding, and appliances increased in price. Hotel and motel prices declined in April, dampening the swell. The final sub-index that contributed to the overall jump in April's Wasatch Front CPI was other goods and services, which increased 1.5 percent. Cosmetics and personal care products went up in price as hygiene products decreased. Smoking and tobacco products also saw a slight upward bump.

Prices for utilities decreased more than any other sub-index as gas rates declined—utilities dropped 1.3 percent in April. Lower summer natural gas prices are now in place and will remain at the lower rate through October. Garbage and propane rates increased from March to April, but they have a small impact on consumers' wallets.

Recreation, clothing, and education and communication prices also dropped from March to April. Annual club fees and pet products declined in price while newspapers increased, and children's clothes prices went down, which drove the clothing price decline.

“We're seeing economic activity pick up heading into the summer season,” said Scott Anderson, Zions Bank President and CEO. “While higher prices may make a small dent in consumers' pocketbooks, small increases like those experienced in April show positive growth in several sectors of the economy.”

Analysis and data collection for the Zions Bank CPI and the Zions Bank Consumer Attitude Index are provided by the Cicero Group. The Cicero Group is a premier market research firm based in Salt Lake City. The Zions Bank Utah Consumer Attitude Index will be released May 26, 2015.

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 25 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 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](http://www.zionsbank.com).