

# ZIONS BANK

## Press Release

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

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### **TRANSPORTATION PRICES DRIVE INCREASE IN WASATCH FRONT CONSUMER PRICE INDEX**

SALT LAKE CITY, Utah; July 17, 2015 — The Zions Bank Wasatch Front Consumer Price Index (CPI) increased 1.3 percent from May to June on a non-seasonally adjusted basis. The index has increased 1.4 percent since this same time last year, which is below the Federal Reserve's national inflation target but higher than current national inflation. The national Consumer Price Index increased 0.4 percent from May to June and has increased 0.1 percent over the past twelve months.

Transportation price increases drove the increase in the Wasatch Front Consumer Price Index this month, but unlike recent months, gasoline was not the major driver. While gasoline prices increased marginally from May to June, the main transportation-related price increases were seen in vehicle prices, vehicle rentals, airfare, and cab fare. At the height of vacation season, plane tickets typically increase due to higher demand. Gasoline prices are beginning to taper. While they averaged an increase throughout the month, current gasoline prices in Utah are \$2.95 per gallon, down from \$3.04 per gallon a month ago. Utah's prices are higher than the national price of \$2.76 per gallon. Brent crude oil futures, which partly drive gasoline prices, have dropped to \$57 per barrel in recent weeks compared to \$68 per barrel at the beginning of May.

Prices of food away from home also increased in June in all sub-categories—full service meals, fast food, and alcoholic beverages. Full service meals experienced the largest increase in price, most likely capitalizing on increased summer demand. The overall price increase of food away from home was 2.4 percent from May to June. Food at home prices also increased but at a lower rate of 1.6 percent. Dairy, meat, eggs, beef, and citrus fruits were the main food items that drove the increase. Some items declined in price, however, including poultry, pork, flour, cucumbers, and apples. The increase in poultry prices in the Midwest due to avian flu has not spread to affect Utah's local poultry prices. Egg prices have not similarly been spared, however: egg prices in Utah increased in June.

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Other goods and services increased 2.4 percentage points from May to June, also contributing to the overall increase in the CPI this month. Laundry and dry cleaning price increases jumped the most, followed by personal care products and hygiene products. Smoking and tobacco products increased less than 1 percent. Medical care prices inched upward as prescription drugs and nonprescription drugs rose in price. A decline in nursing homes and adult day services prices countered the drug price increases, netting an overall increase of just 0.4 percent.

The largest price decline in June came from education and communication with a decrease of 0.5 percent. While colleges and universities posted tuition price increases last month, elementary and high schools posted net decreases in their respective prices this month. Additionally, personal computers and Internet services prices dropped slightly in June. Google Fiber announced on July 15 that it would give away access to its high-speed Internet service to public housing residents in its current and future markets. With Google Fiber building out its network in Provo and Salt Lake City, rates from all Internet service providers are expected to become more competitive.

Housing prices declined 0.4 percent in June as hotel and motel rates went down. Apartment rent and appliance prices increased slightly but not enough to cancel out the decrease in apartment prices. Children's clothing declined in price after a slight uptick last month. The overall clothing price index declined a mere 0.3 percent overall. Utility prices did not fluctuate from May to June.

“Slightly higher prices across the board indicate that businesses are thriving in Utah,” said Scott Anderson, Zions Bank President and CEO. “At the same time, tapering gasoline prices coupled with lower housing prices will allow consumers to decrease costs in two major areas of their monthly expenses.”

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 July 28, 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).