

ZIONS BANK

Press Release

*** FOR IMMEDIATE RELEASE ***

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UTAH CONSUMER ATTITUDE INDEX JUMPS AS LABOR MARKET EXPECTATIONS INCREASE

SALT LAKE CITY, Utah; October 27, 2015 —The Zions Bank Utah Consumer Attitude Index (CAI) increased 5.6 points to 115.6 in October. Both subcategories of the CAI contributed to the increase, showing that consumers are confident in the current and future economic conditions in Utah. Expectations for the next six months jumped a whopping 8.8 points to 112.0 this month while sentiment regarding the present situation inched up 0.9 point to 120.9. The CAI currently sits 5.9 points higher than its level twelve months ago and has registered at or above 110 three months in a row. In comparison, the national Consumer Confidence Index® decreased 5.0 points from September to October and currently sits at 97.6.

Expectations for the next six months increased primarily due to a more positive outlook on the labor market and employment situation, particularly when compared to the employment situation at this same time last year. Thirty percent of Utahns think the number of jobs available in their area six months from now will be greater—a two-point increase from last month and a five-point increase from last year. Slightly fewer Utahns think business conditions in their area will be better in six months, dropping from 28 percent to 27 percent. Likewise, fewer people expect their household income to be higher six months from now—30 percent in October compared to 33 percent in September. Sixty-four percent expect their income to remain the same.

The Present Situation Index, the sub-index of the CAI that measures how consumers feel about current economic conditions, edged upward 0.9 point in October as confidence in the labor market increased and opinions about business conditions decreased. Forty-five percent of Utahns describe available jobs in their area as plentiful, compared to 44 percent last month. Over half of Utahns rate general business conditions in their area as good—55 percent compared to 57

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percent who felt that way in September. Despite the small increase from last month to this month, overall, the Present Situation Index has increased 8.5 points since this time last year.

As winter approaches, consumers expect gasoline prices to start edging upward again over the next 12 months. Sixty-two percent say gasoline prices will increase, which is up from 56 percent a month ago. The average expected gasoline price increase is 46 cents per gallon. Only 13 percent of Utahns expect gasoline prices to go down over the next year, and the average estimate is 23 cents. Meanwhile, gasoline prices in Utah continue to fall but remain above the national average. Statewide gasoline prices currently average \$2.44 per gallon, while the national average sits at \$2.20 per gallon. Oil prices, which impact gasoline prices, have fluctuated throughout September and October but are declining overall. High global production has contributed to an oversupply of oil on the market. While U.S. production is expected to decline, global oil supply will likely remain constant, continuing to push prices lower. Current Brent crude oil futures are about \$47 per barrel.

While gasoline prices have declined, expectations for prices for consumer goods have risen. Seventy percent of Utahns expect prices for consumer goods to go up during the next 12 months, which is three percent more Utahns than last month.

Sixty-one percent of Utahns expect interest rates for borrowing money to go up over the next year, which represents no change from last month. But at the same time, only 38 percent of consumers expect \$1,000 invested in their 401(k) to be worth more than \$1,000 a year from now.

Satisfaction with the steps taken by the federal government to improve the overall economy of the U.S. is down 2 percent this month, with 11 percent of Utahns stating the federal government is doing a good job. Forty-one percent of Utahns say the state government is doing a good job improving the overall state economy, which represents no change from last month.

Utahns' confidence in their personal financial situations edged slightly downward in October. Twenty-four percent of consumers expect their household income to increase more than the rate of inflation in the next two years, which is down from 28 percent last month. However, this

does not seem to affect purchasing decisions, as 27 percent of Utahns are likely to purchase a major household item in the next 60 days—up from 26 percent last month. Seventy-two percent of employed Utahns think it is unlikely they will lose a job they want to keep in the next two years, which is down 6 percentage points from last month. On a similar note, only 34 percent of working Utahns think they will be able to maintain their living standards upon retirement.

“Confidence is high heading into the holiday season,” said Scott Anderson, president and CEO of Zions Bank. “As consumers’ confidence about the economy over the next six months reflects optimism, they’ll spend more during the holidays and continue to boost businesses and create jobs.”

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 November CAI will be released during a press conference at a local business at 10:30 A.M. on November 24, 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 24 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 22 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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