

# ZIONS BANK

## Press Release

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

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### **UTAHNS LESS CONFIDENT ABOUT PRESENT AND FUTURE ECONOMY Consumer Attitude Index Falls in Utah in July**

SALT LAKE CITY, Utah; July 28, 2016 —The Zions Bank Utah Consumer Attitude Index (CAI) fell 1.2 points to 110.3 in July. A drop in confidence in both present and future economic situations drove this decrease. The overall CAI currently sits 5.0 points higher than its level 12 months ago. In comparison, the national Consumer Confidence Index<sup>®</sup> decreased 0.1 points from June to July and currently sits at 97.3.

Expectations for the next six months decreased 0.9 points in July due to a slightly more negative outlook on employment opportunities. The outlook for the labor market is slightly more negative, as 13 percent of Utahns think there will be fewer jobs available in their area six months from now, a 2 percent increase since last month. Utahns are also slightly less confident in their job security, as 78 percent believe they are unlikely to lose a job they want to keep, compared to 80 percent last month. Twenty-two percent of Utahns believe the U.S. economy will improve during the next 12 months, a 2 percent decline since last month. Income expectations remained fairly steady, with 33 percent of Utahns expecting their household income to be greater six months from now, representing little change from last month. Compared to June, more Utahns think business conditions in their area will be better in six months, rising from 28 percent to 29 percent in July.

The Present Situation Index, the sub-index of the CAI that measures how consumers feel about current economic conditions, has fallen 1.6 points since last month but remains 4.5 points higher than it was this time last year. Utahns believe the general business environment is less favorable compared to last month, with 6 percent of Utahns rating general business conditions in their area as bad—a 1 percent increase from last month. Fifty-three percent of Utahns describe available jobs in their area as plentiful, marking a 3 percent increase since last month, and a 7 percent increase since last year.

Utahns are slightly less confident in their housing investments compared to last month, as 65 percent of Utahns believe the price of homes in their communities will increase, down from 68 percent last month. Additionally, 40 percent of Utahns believe it is unlikely they will be able to retire and maintain their living standards, a 4 percent increase since June.

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In spite of declines in these measures of confidence, Utahns are slightly more confident in the future market value of personal retirement savings, with 44 percent of consumers believing \$1,000 invested in their 401(k) is likely to be worth more than \$1,000 a year from now — a 2 percent increase from last month. Furthermore, more consumers predict they will make major expenditures in the future, as 31 percent of Utahns are likely to purchase a major household item in the next 60 days, a 5 percent increase since last month

Gasoline prices have continued falling this month, reaching a 12-year low for July due to abundant fuel supplies and declining crude oil costs. U.S. crude oil supplies are about 13 percent higher than a year ago, while gasoline stocks have increased to the highest-ever mark during the month of July. Average gasoline prices are approximately 56 cents less than they were a year ago, which has motivated many Americans to take long road trips this summer to take advantage of the low prices. The average gasoline price in Utah stands at \$2.32, while the national average stands at \$2.15 per gallon. Most Utah consumers expect gasoline prices to rise over the next 12 months: 64 percent say gasoline prices will increase by an average of 49 cents per gallon. Only 6 percent of Utahns expect gasoline prices to go down over the next year, and the average estimated decline is 39 cents. Oil prices increased through most of the first half of the year before beginning to decline in June. Current Brent crude oil futures are trading for about \$44 per barrel, compared to \$53 per barrel at their peak in June.

Satisfaction with the steps taken by the federal government to improve the overall economy of the U.S. decreased slightly, with 12 percent of Utahns indicating belief that the federal government is doing a good job compared to 13 percent last month. Approval of the state government is relatively higher, with 45 percent of Utahns saying the state is doing a good job improving the overall state economy, representing a 6 percent increase since last month.

“Confidence in business conditions waned slightly this month on the heels of June’s sharp gains, possibly due to uncertainty surrounding last month’s Brexit vote,” said Scott Anderson, president and CEO of Zions Bank. “But markets have bounced back, and Utahns are generally optimistic that our state’s homegrown businesses will continue to thrive.”

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. Analysis and data collection for the CAI are done by the Cicero Group, a premier market research firm based in Salt Lake City. The July CAI will be released during a press conference at a local business at 10:30 a.m. on August 30, 2016.

Zions Bank, a division of ZB, N.A., 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](http://www.zionsbank.com).