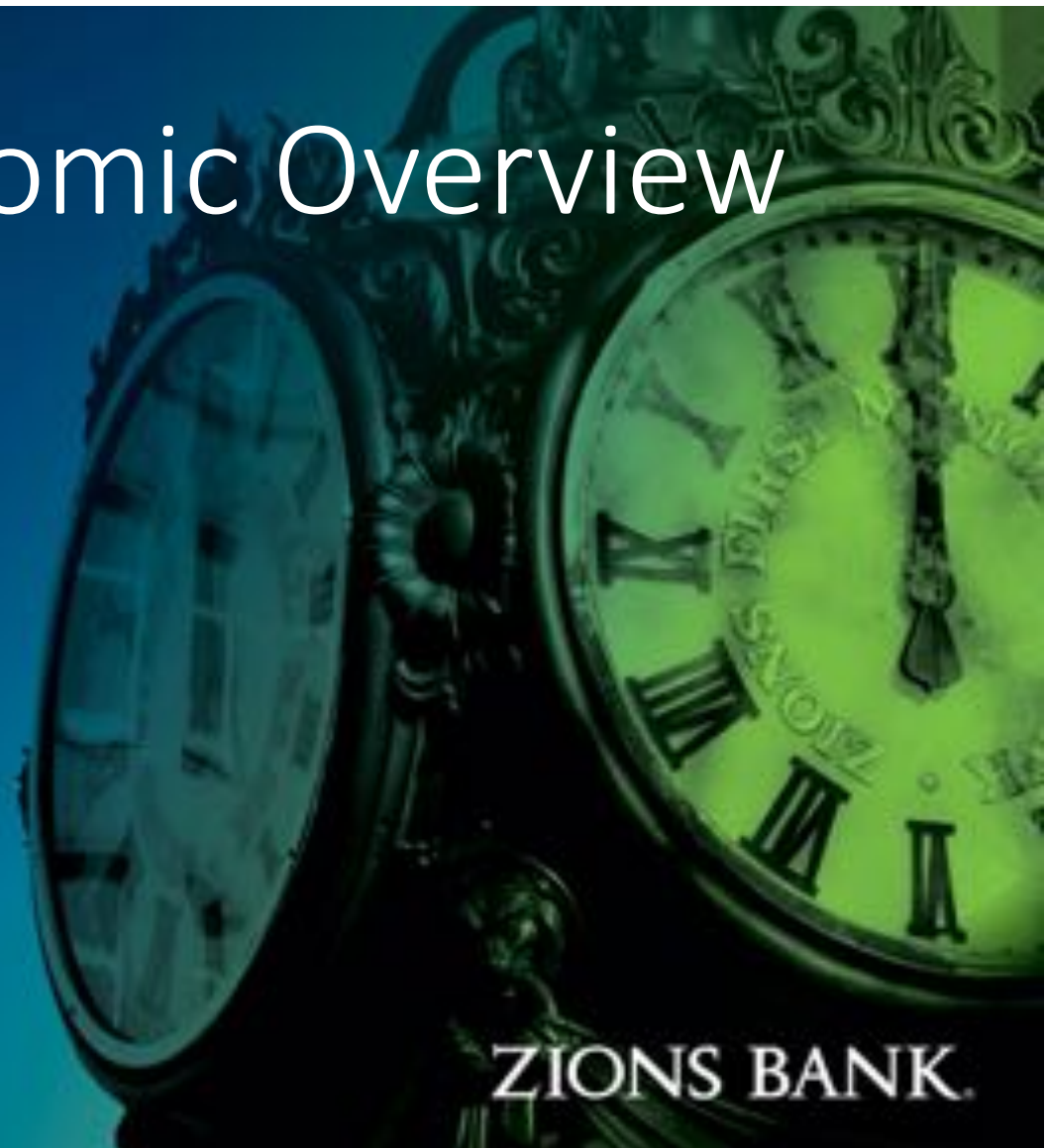


# Zions Bank Economic Overview

## 2021 Economic Outlook

January 5, 2021

The background of the slide features a close-up, artistic photograph of a pocket watch. The watch is ornate with a dark metal case and a light-colored face with Roman numerals. The watch is positioned on the right side of the slide, with its face partially visible. The overall color scheme is a gradient of blue and green.

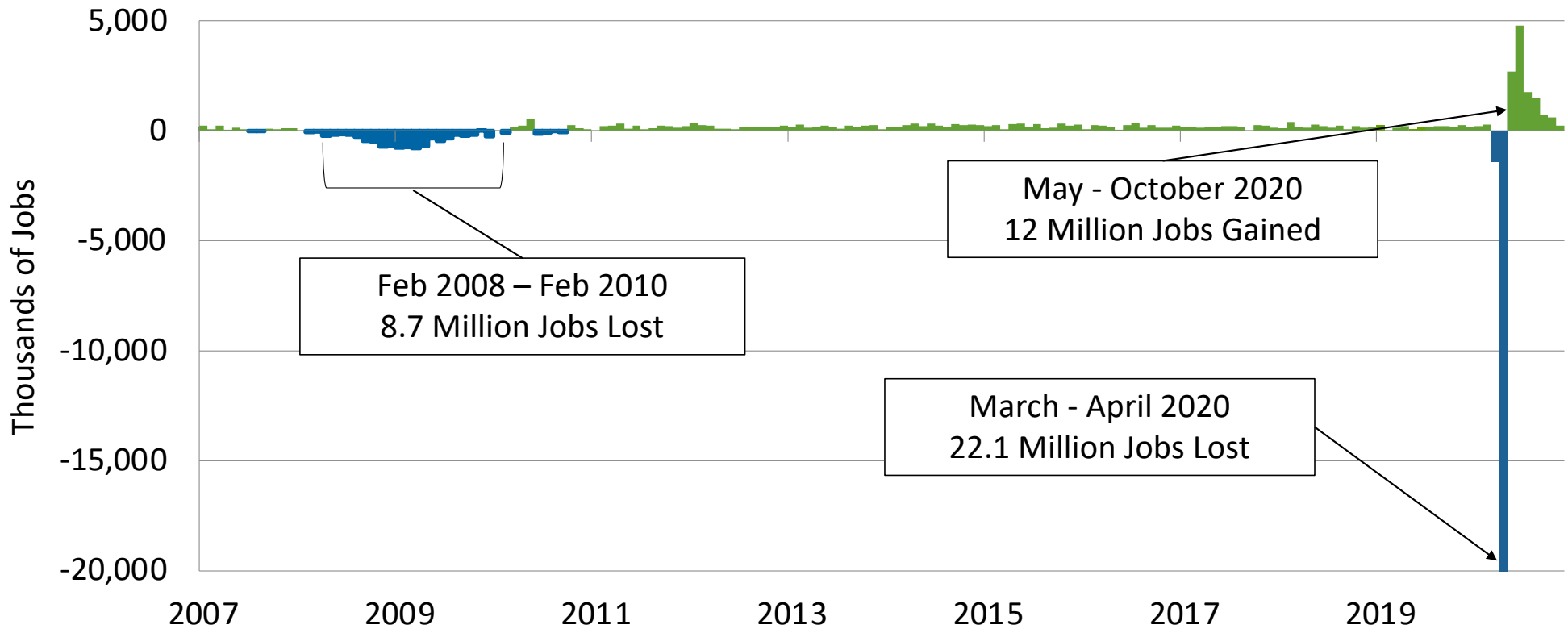
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# The COVID-19 Pandemic is a Black Swan Event



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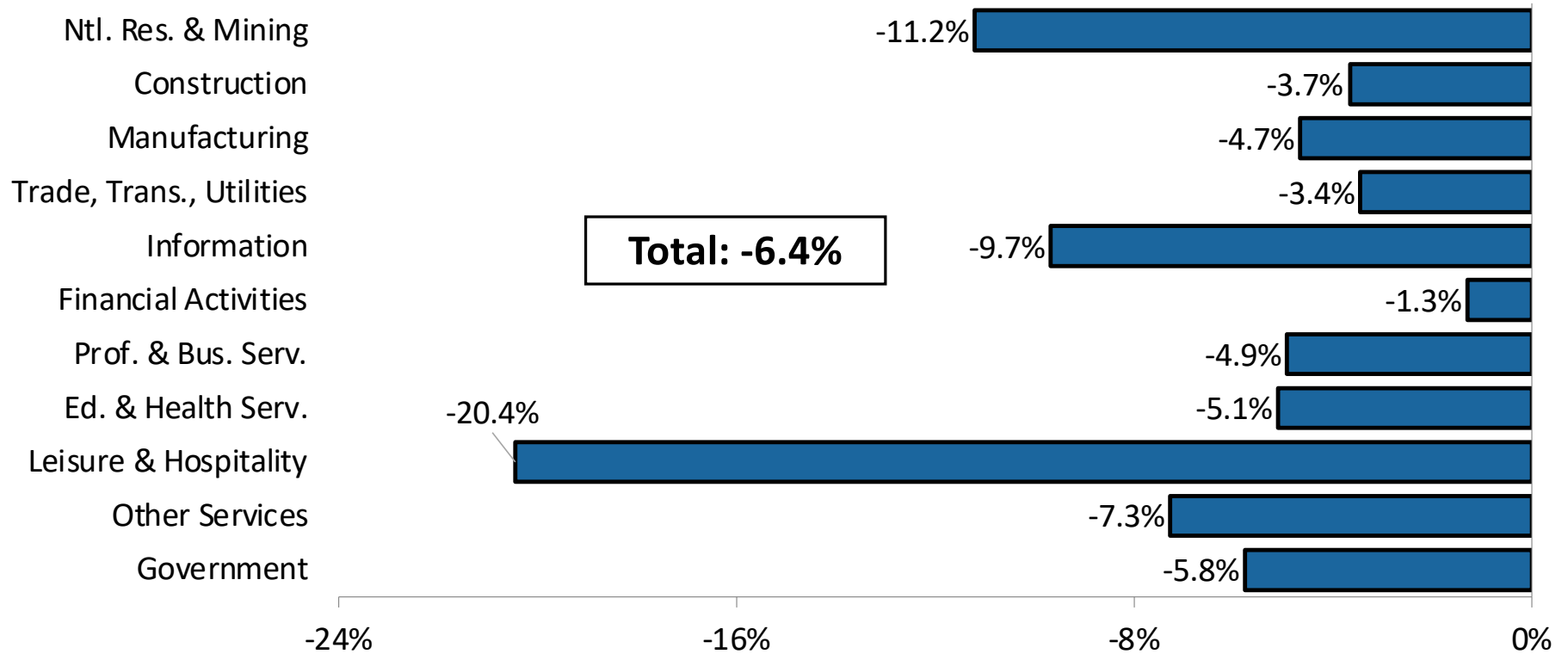
# Large Swings in Job Trends



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# All Major Industries Have Been Hit

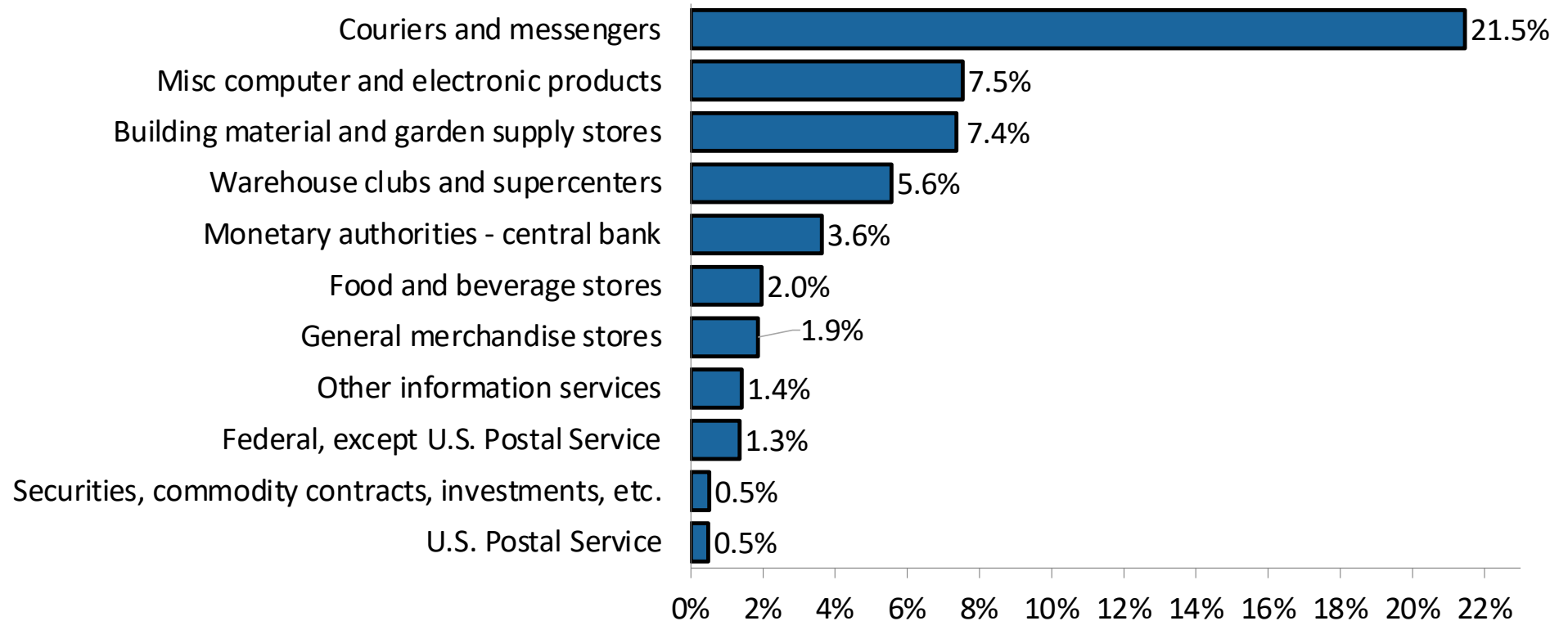
Percent Change in National Employment by Industry: February 2020 to November 2020



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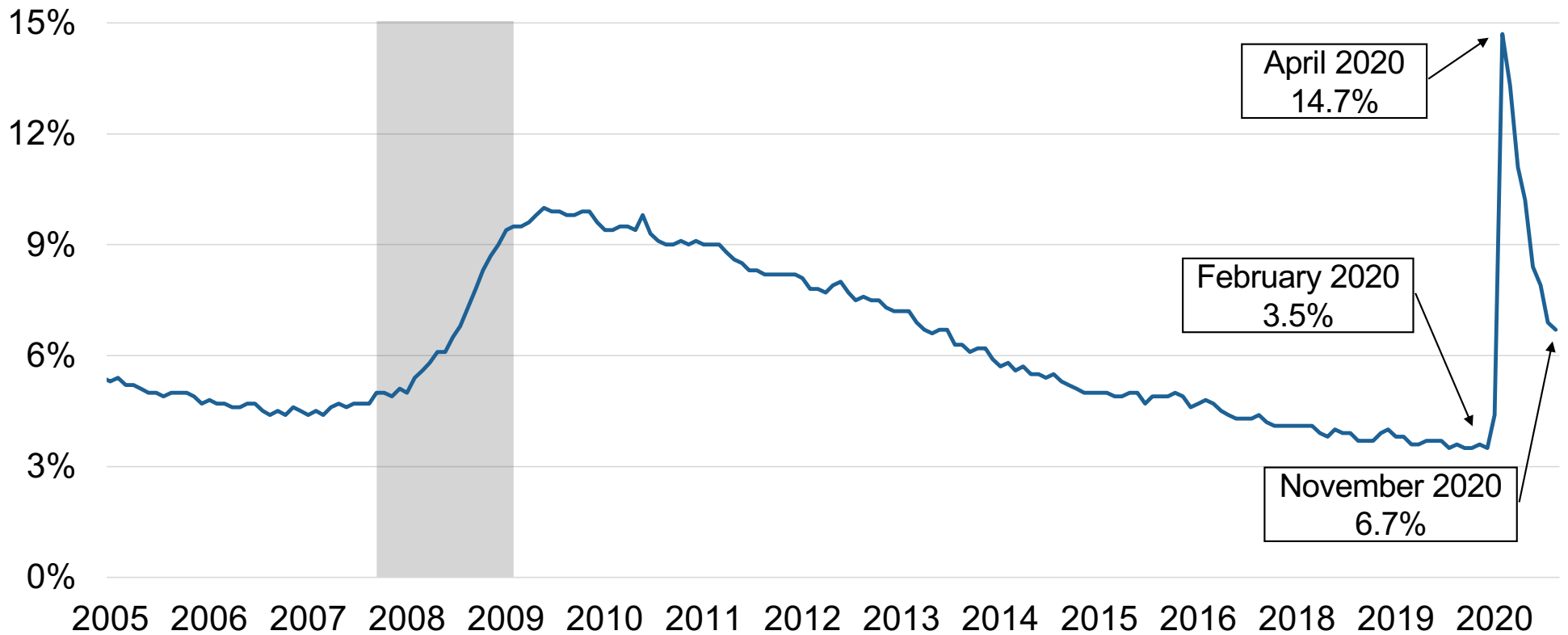
# ... But Some Sectors are Thriving

Percent Change Employment: February 2020 to November 2020



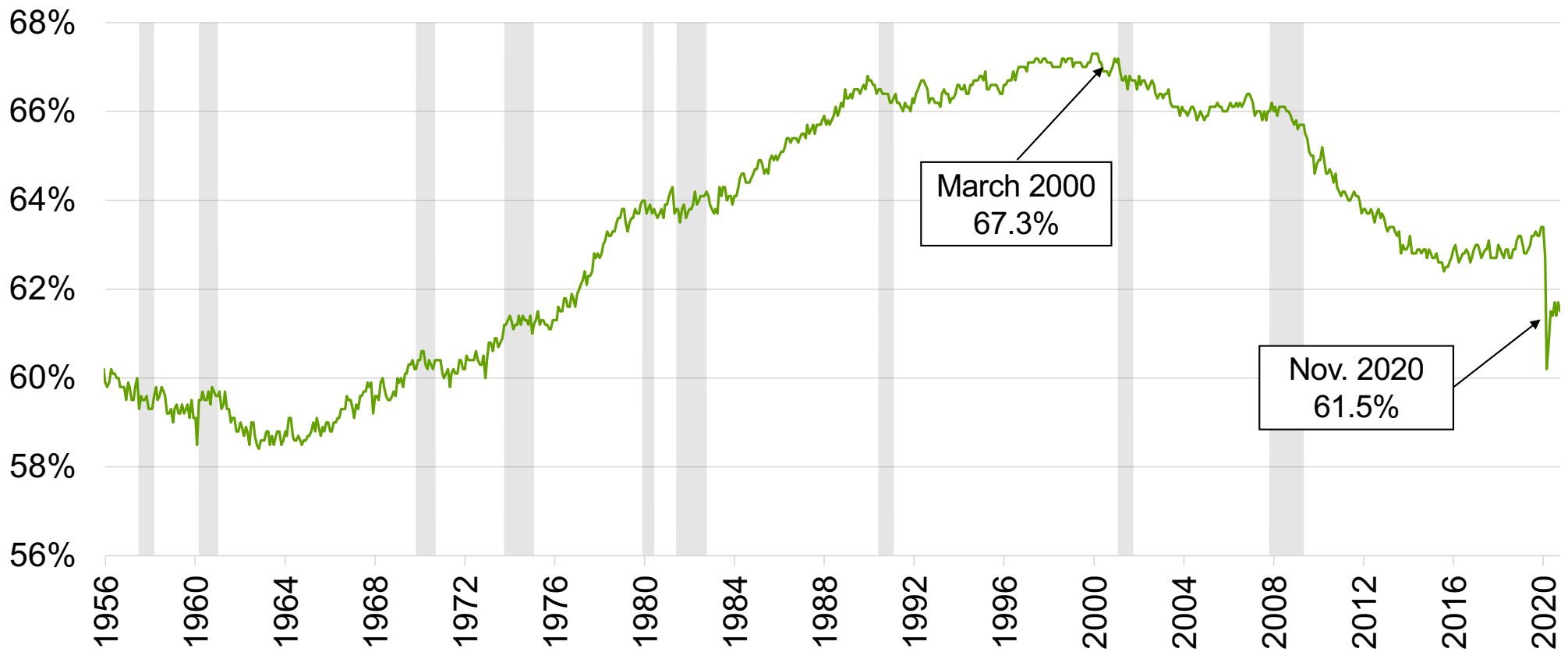
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# US Unemployment Dropping but Remains High



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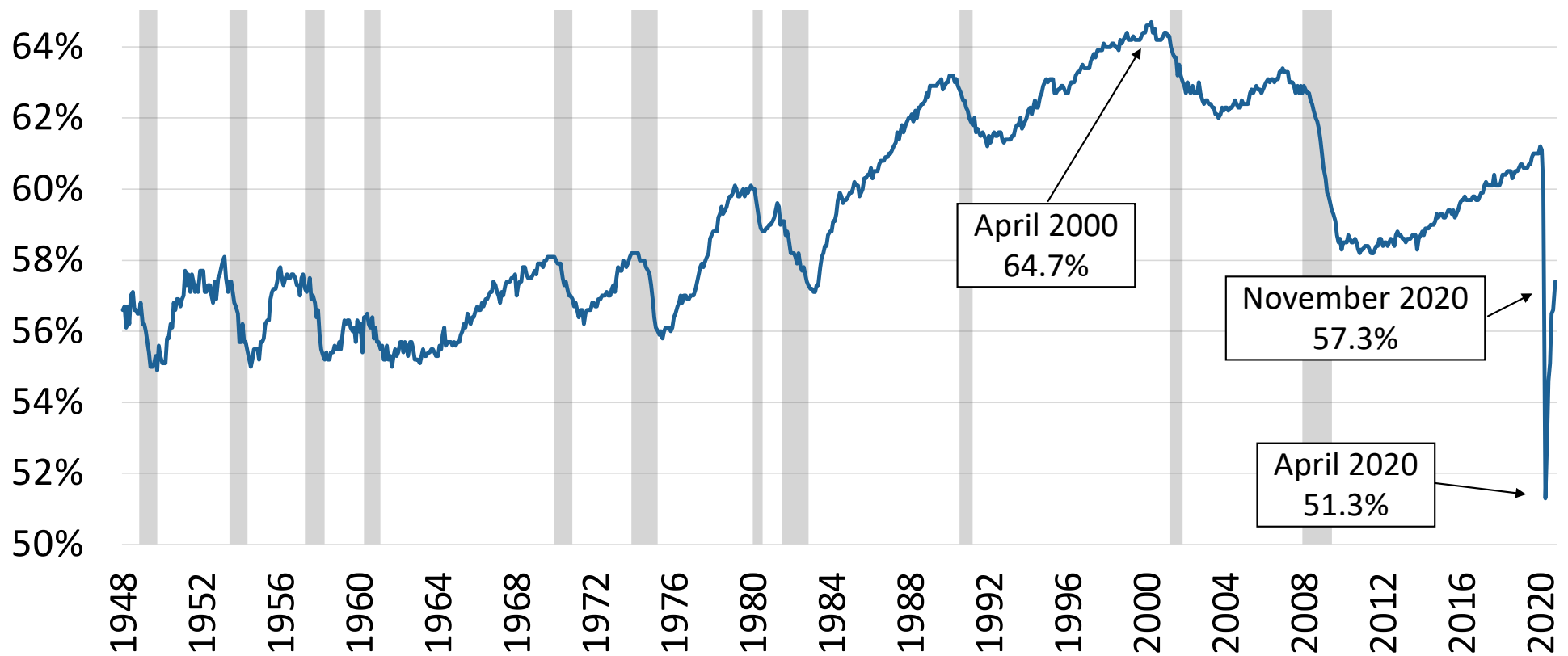
# Labor Force Participation Lowest Since 1976



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Source: Bureau of Labor Statistics

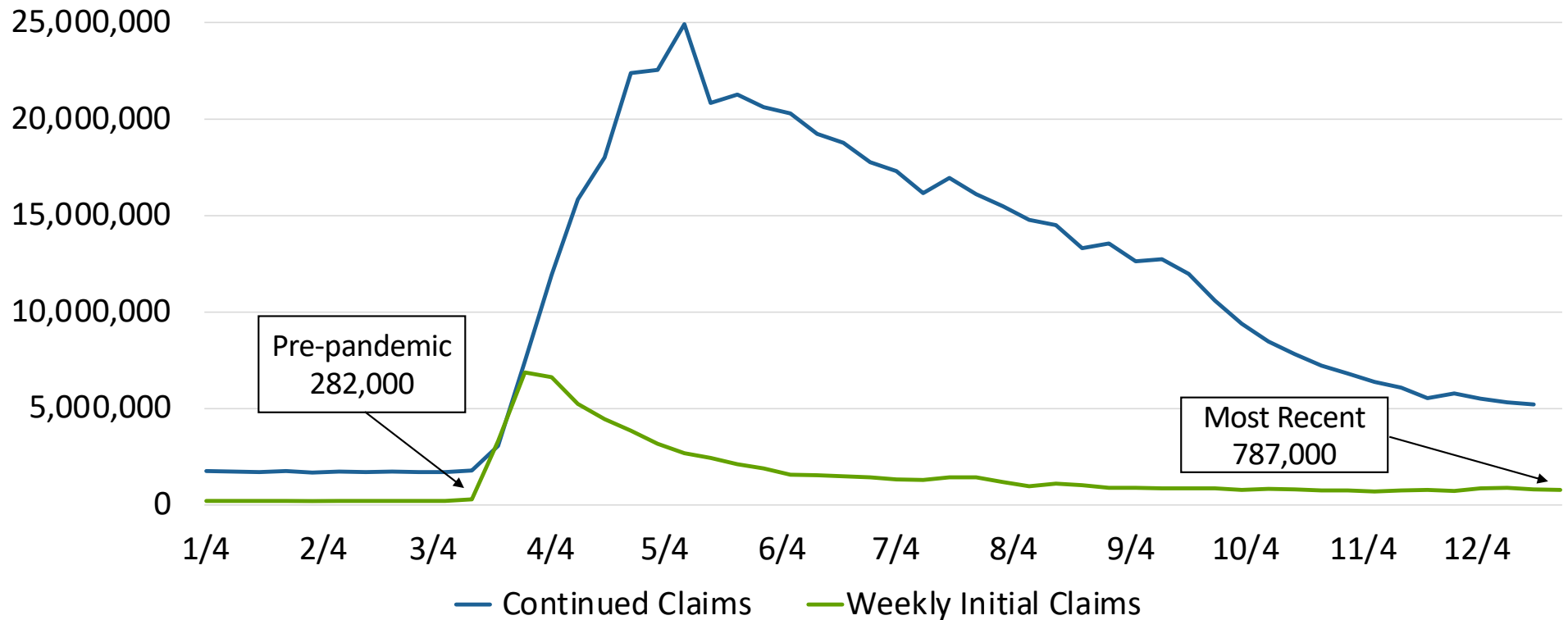
# Employment to Population Ratio Declines



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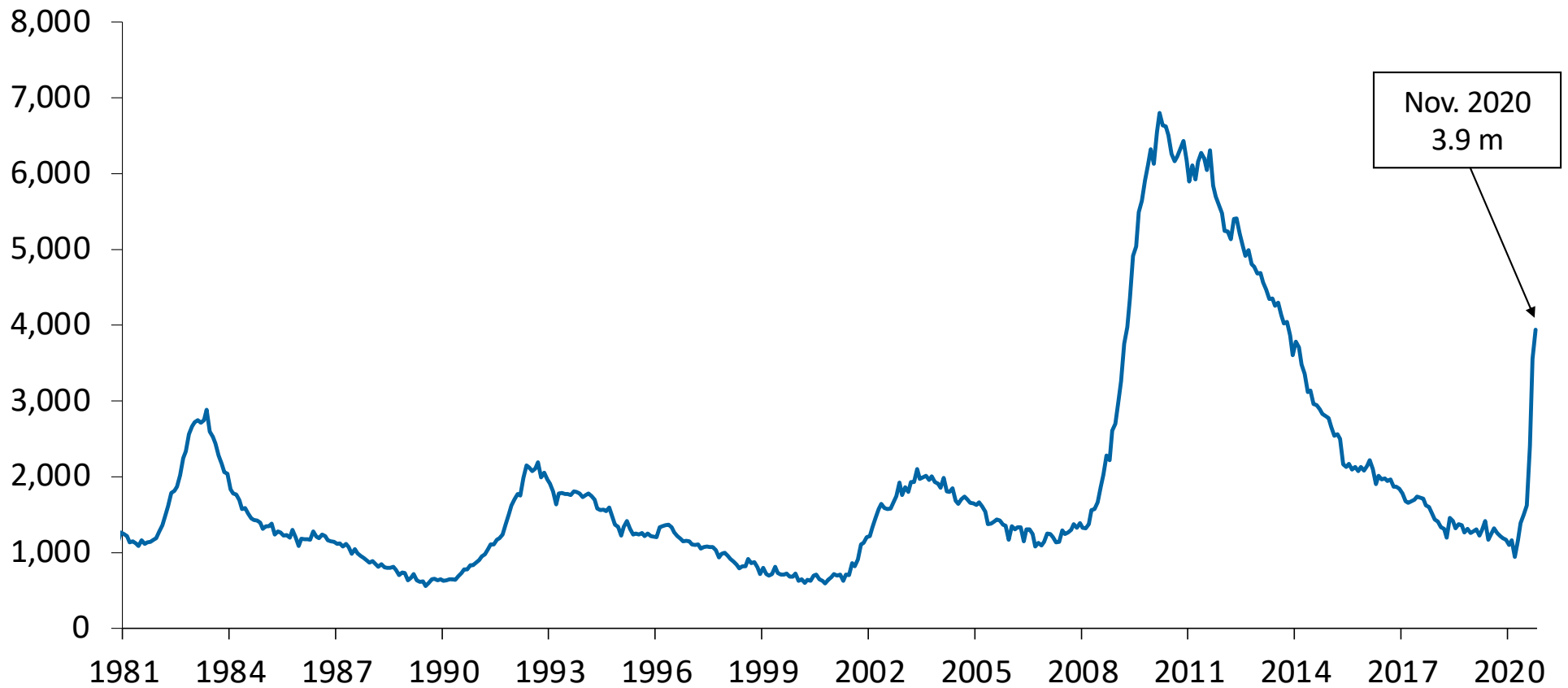


# US Unemployment Claims Remain Historically High



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# Long-Term Unemployment Increasing

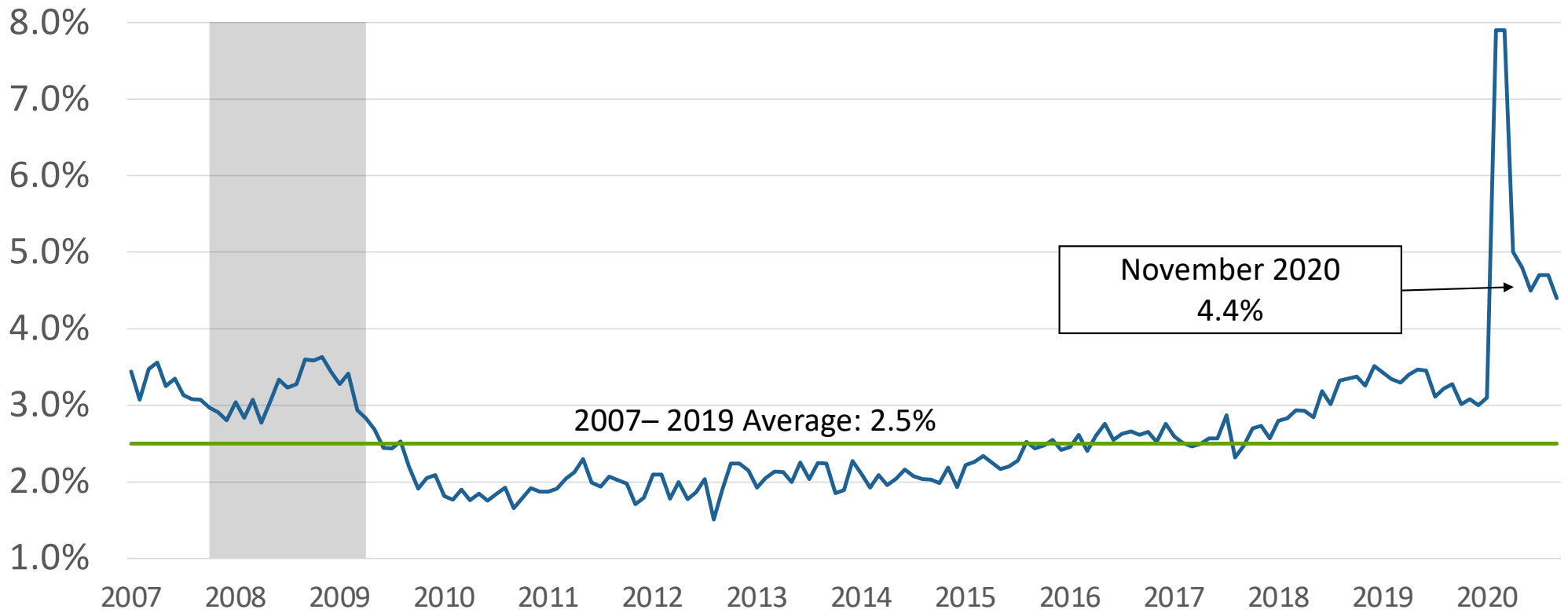


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Source: Bureau of Labor Statistics

# Wage Growth Shows Low Income Job Loss

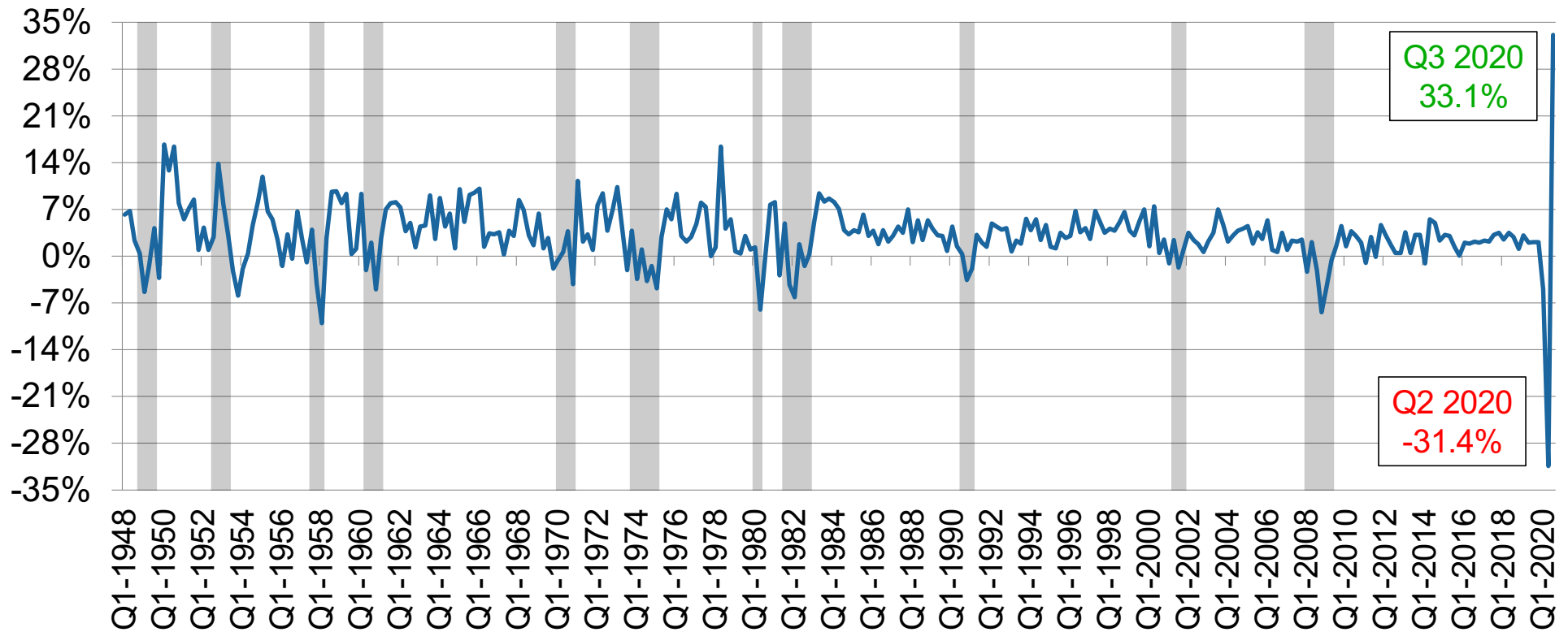
Wage Growth: Year-Over-Year Percent Change



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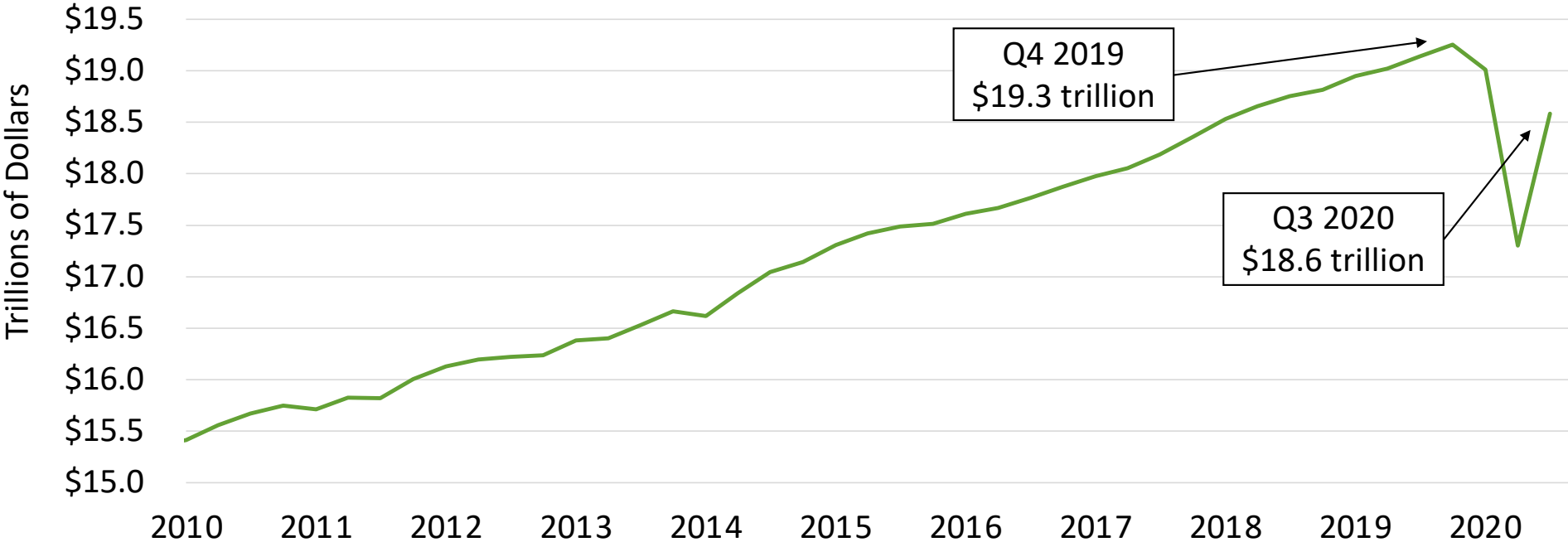
# The Largest Quarterly GDP Increase on Record

Gross Domestic Product



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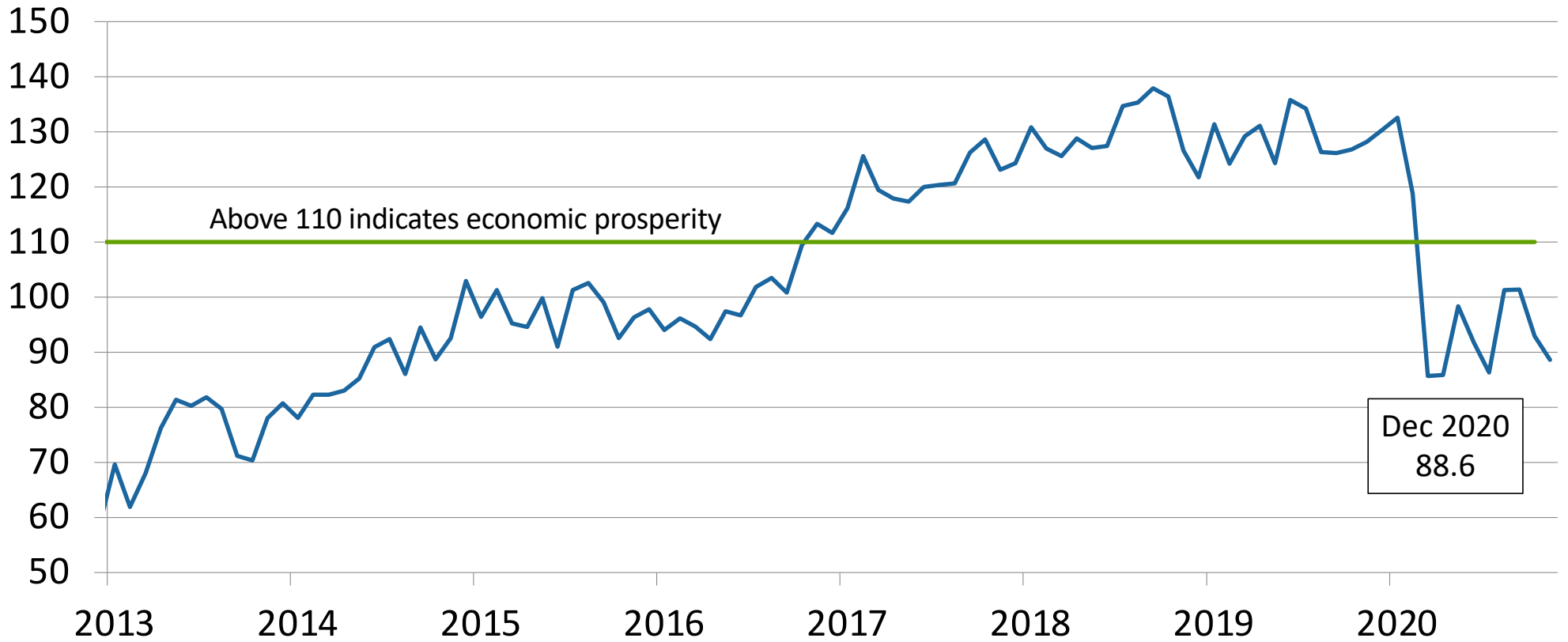
# GDP Has Not Returned to Pre-Crisis Levels



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Source: Bureau of Economic Analysis

# Consumer Confidence Near 12-Month Lows



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Source: The Conference Board

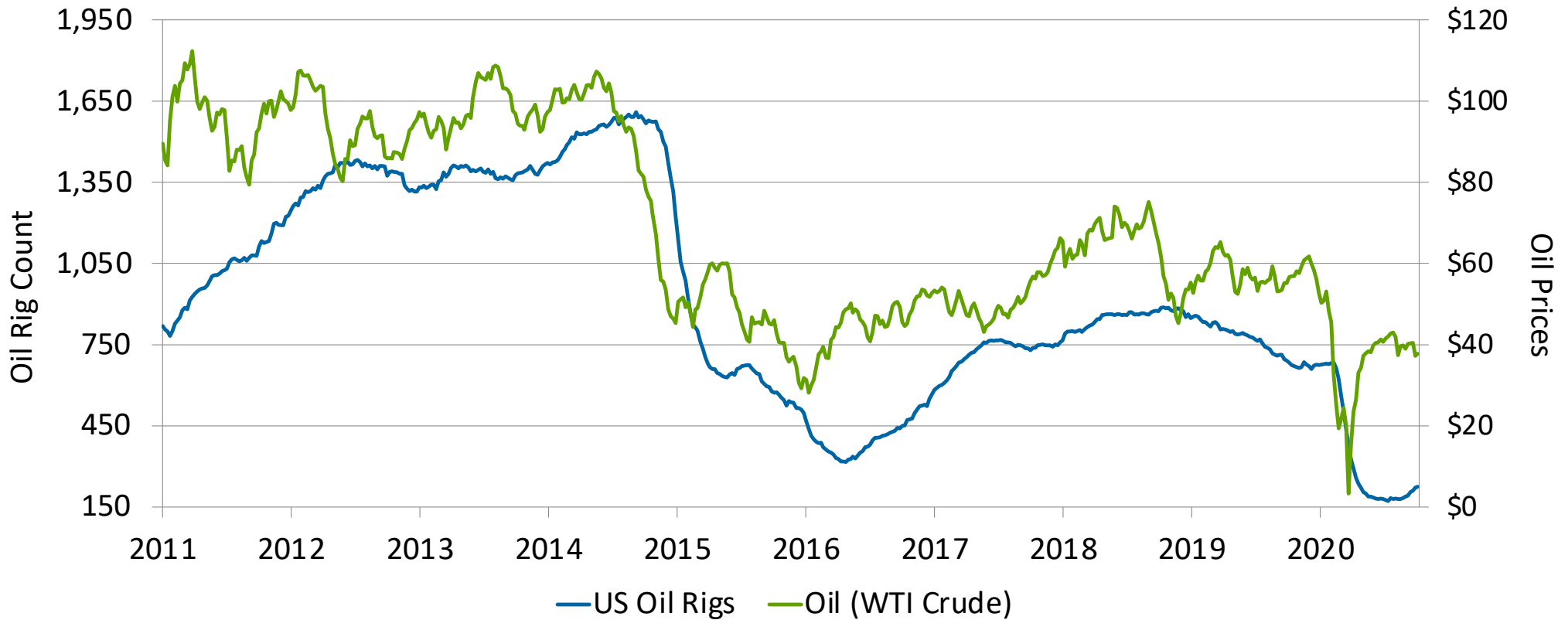
# Personal Savings Rate Dropping but Remains Elevated



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Source: Federal Reserve Bank of St. Louis

# Oil Demand Drop Causes Extraction to Drop

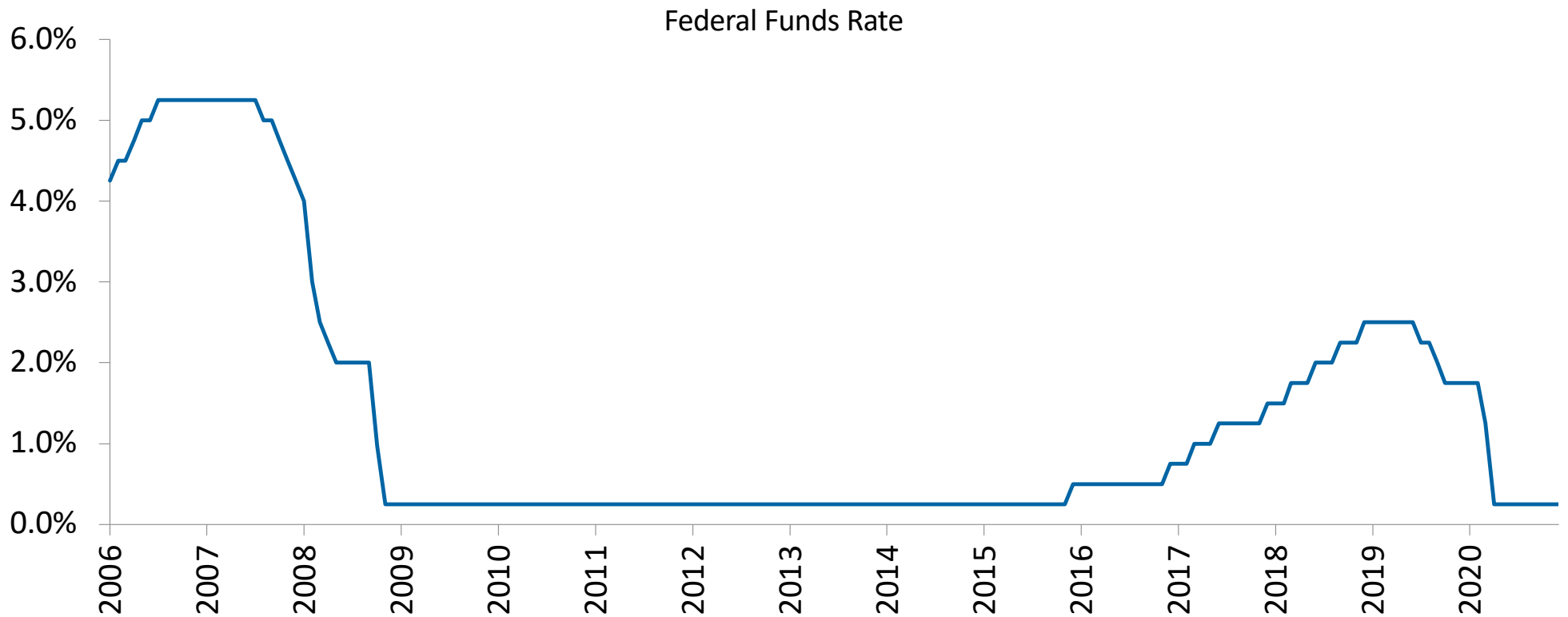


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Sources: Baker Hughes and U.S. Energy Information Administration



# Fed Reserve to Keep Rates at Zero for an Extended Time

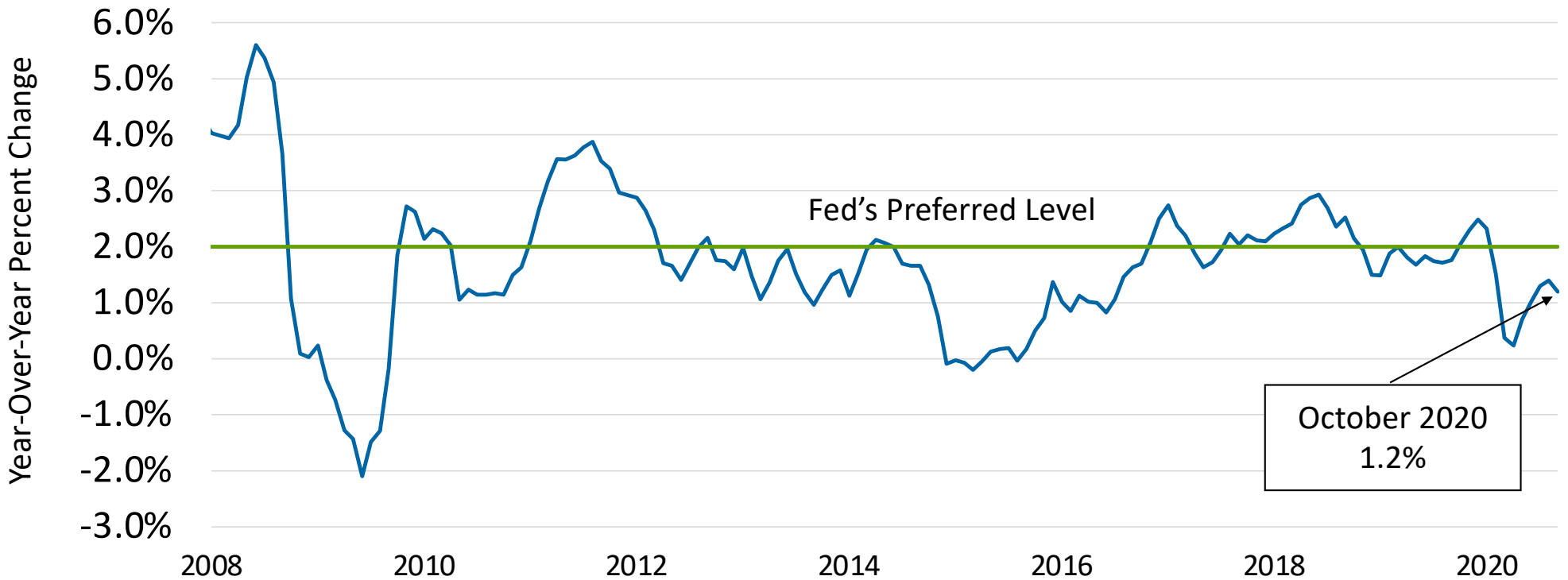


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Source: Federal Reserve Board of Governors

# Inflation Below Target

Consumer Price Index



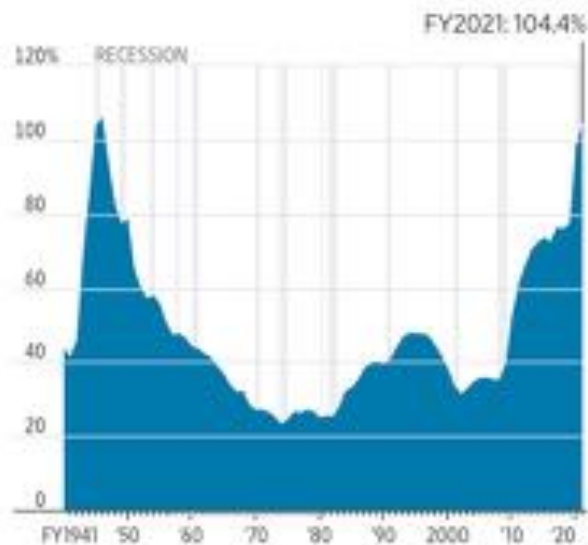
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# Rising National Debt a Concern

## Borrowing Bounce

U.S. government debt is expected to exceed the size of the economy for fiscal year 2021.

## U.S. federal debt as a share of GDP

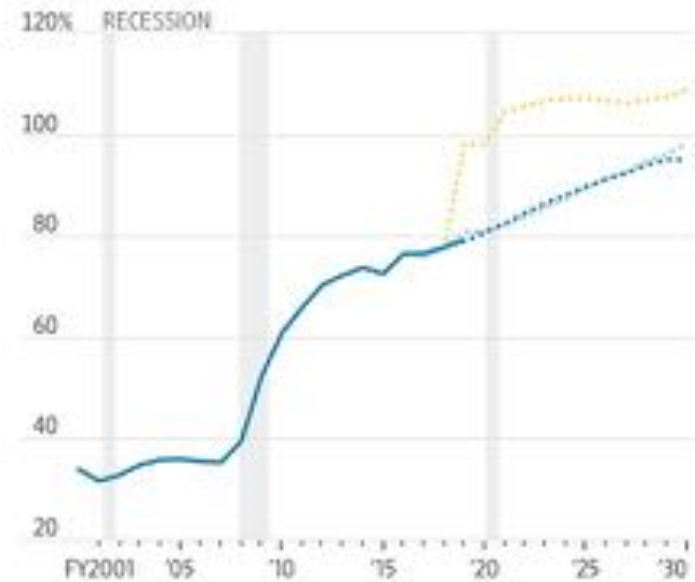


Note: 2021 is an estimate

Sources: Office of Management and Budget, Wendy Edelberg

## U.S. federal debt as a percentage of GDP

■ Aug. 2019 projection ■ Jan. 2020 projection ■ Sept. 2020 projection

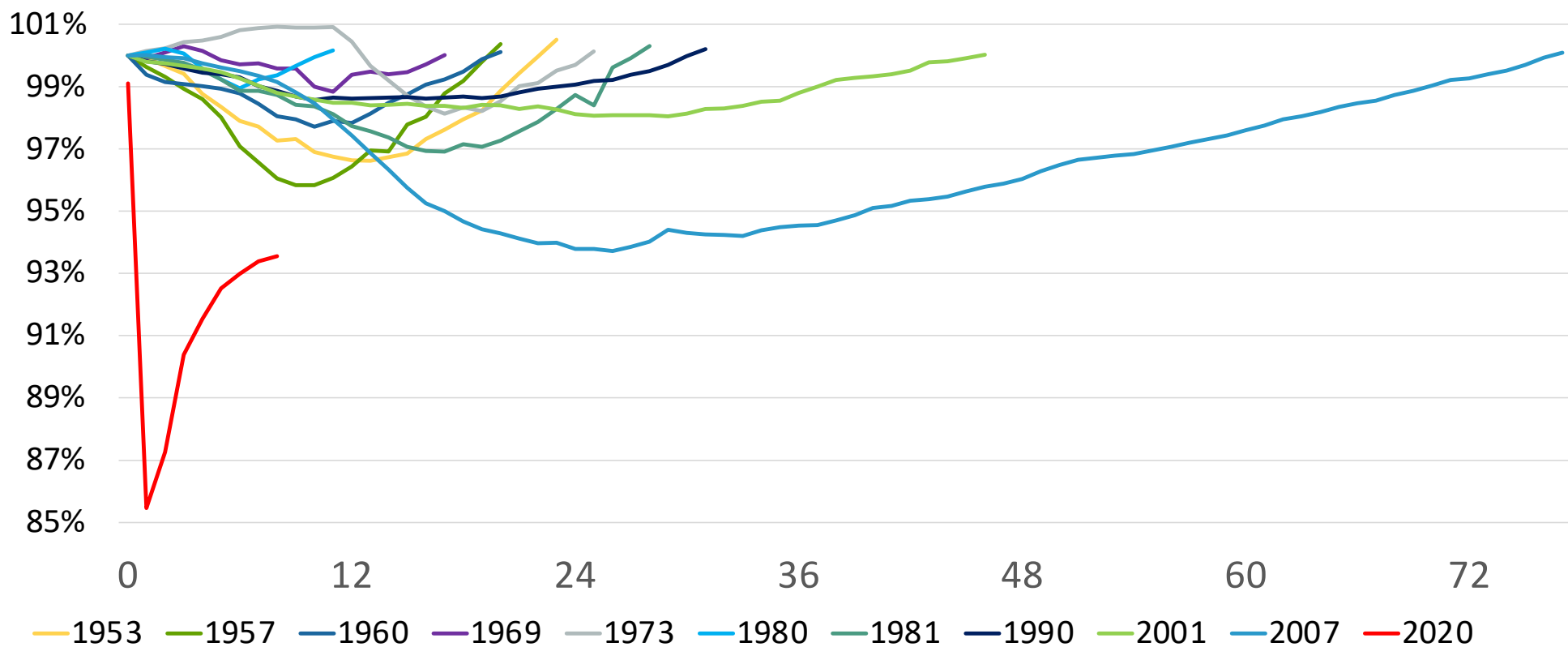


Source: Congressional Budget Office

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# When Will the Economy Recover?

Number of Months to Reach the Previous Employment Peak After Recessions



Source: Zions Bank Analysis of Bureau of Labor Statistics Data

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# Regional Economic Conditions

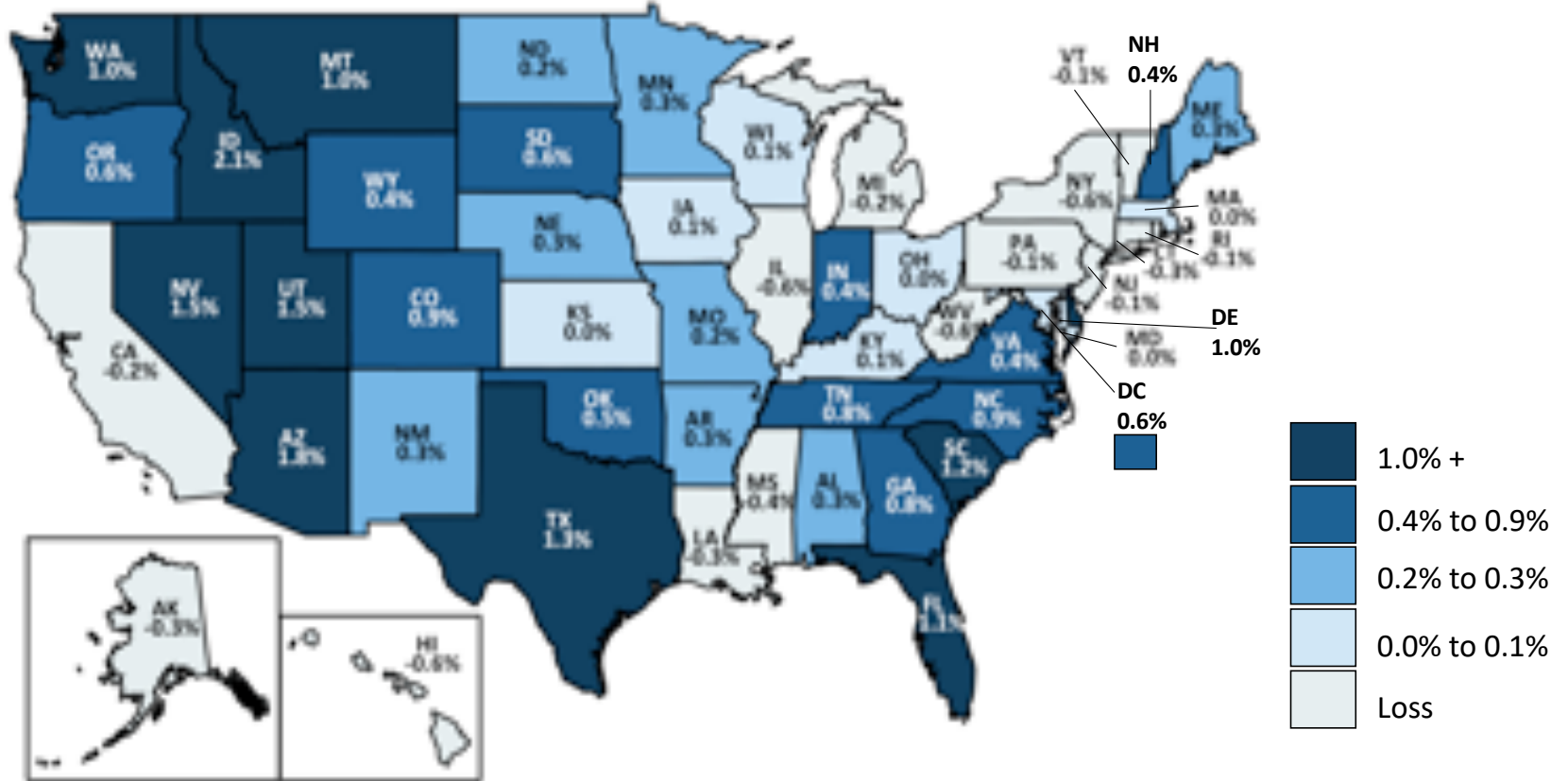
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# Idaho Population **Fastest** Growing in U.S.

Percent Change: 2019 to 2020

U.S. Rate = 0.35%

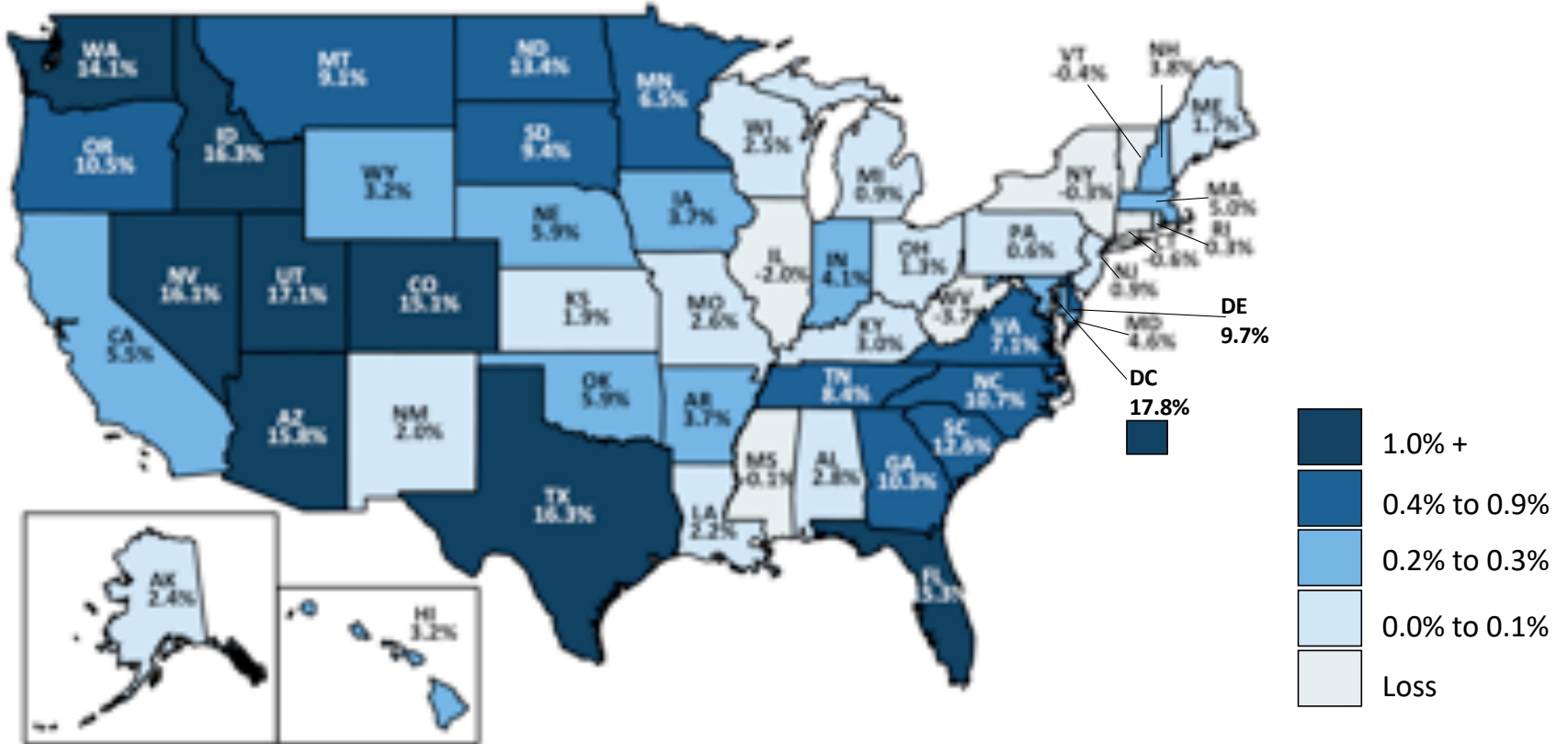


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# Utah Population **Fastest** Growing in U.S. over Last Decade

Percent Change: 2010 to 2020

U.S. Rate = 6.5%

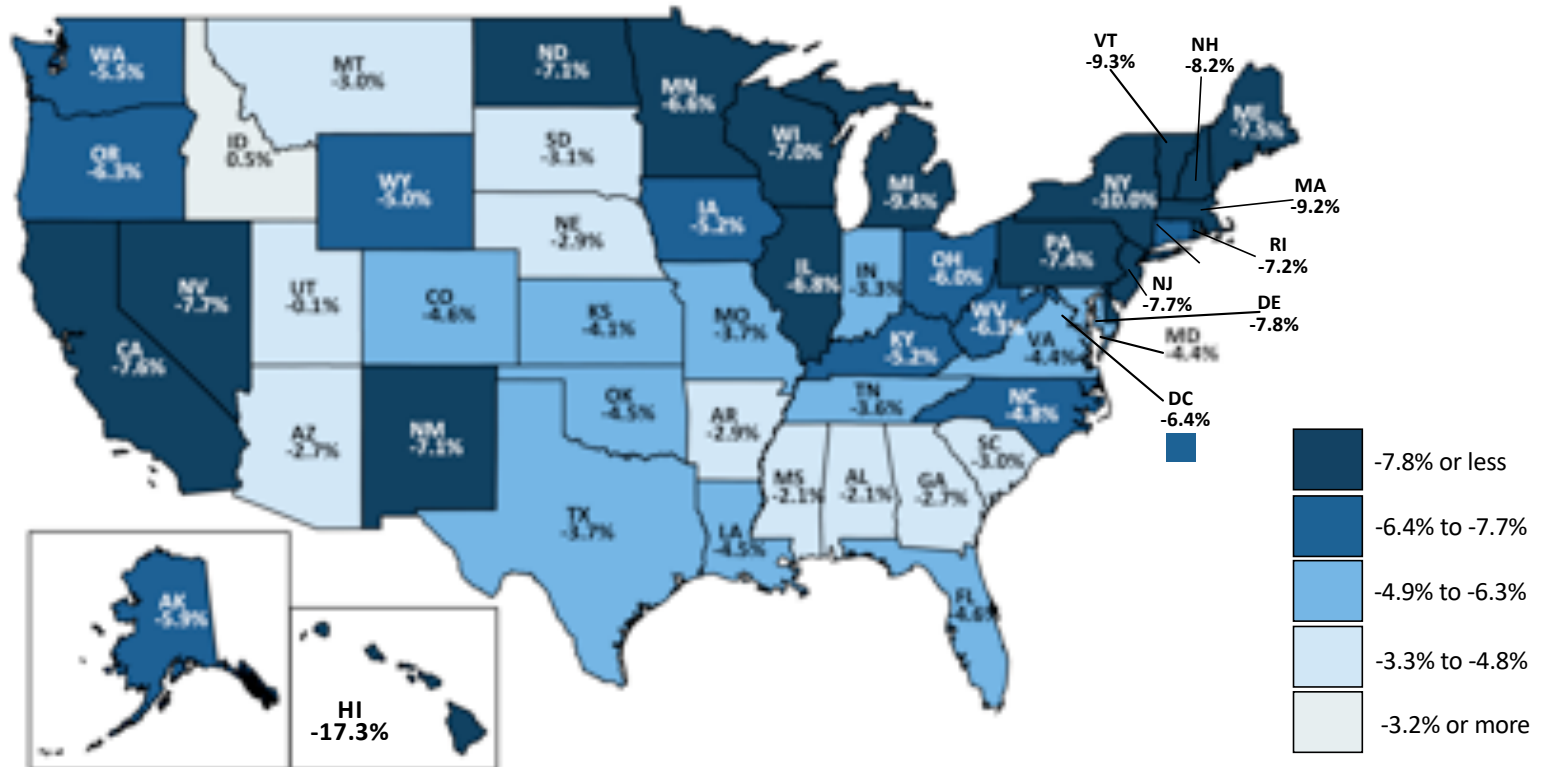


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# Idaho First State With Year Over Year Job Gains

Percent Change in Employment for States: November 2019 to November 2020

U.S. Rate = -6.1% ID Rate = **0.5%**

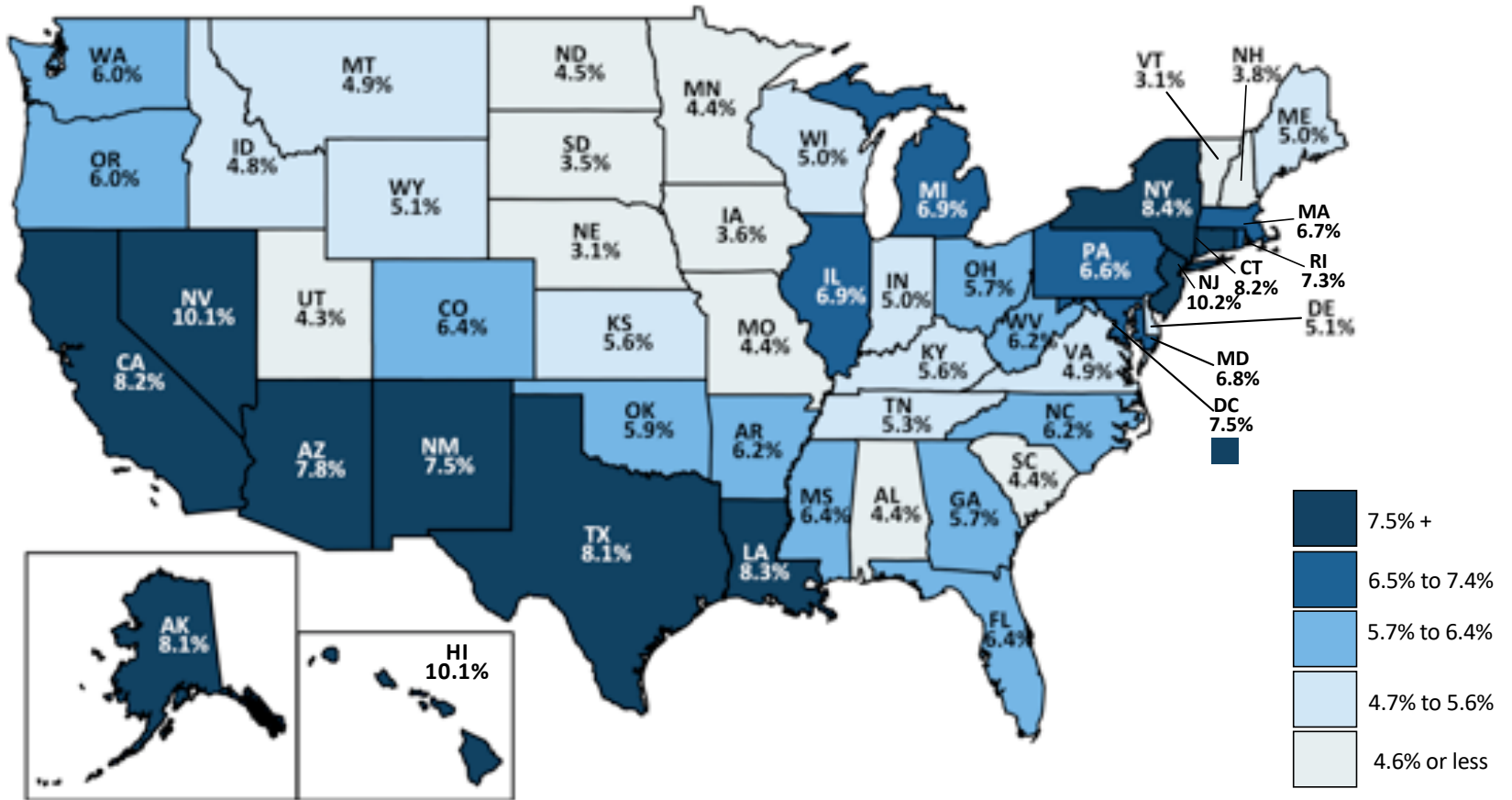


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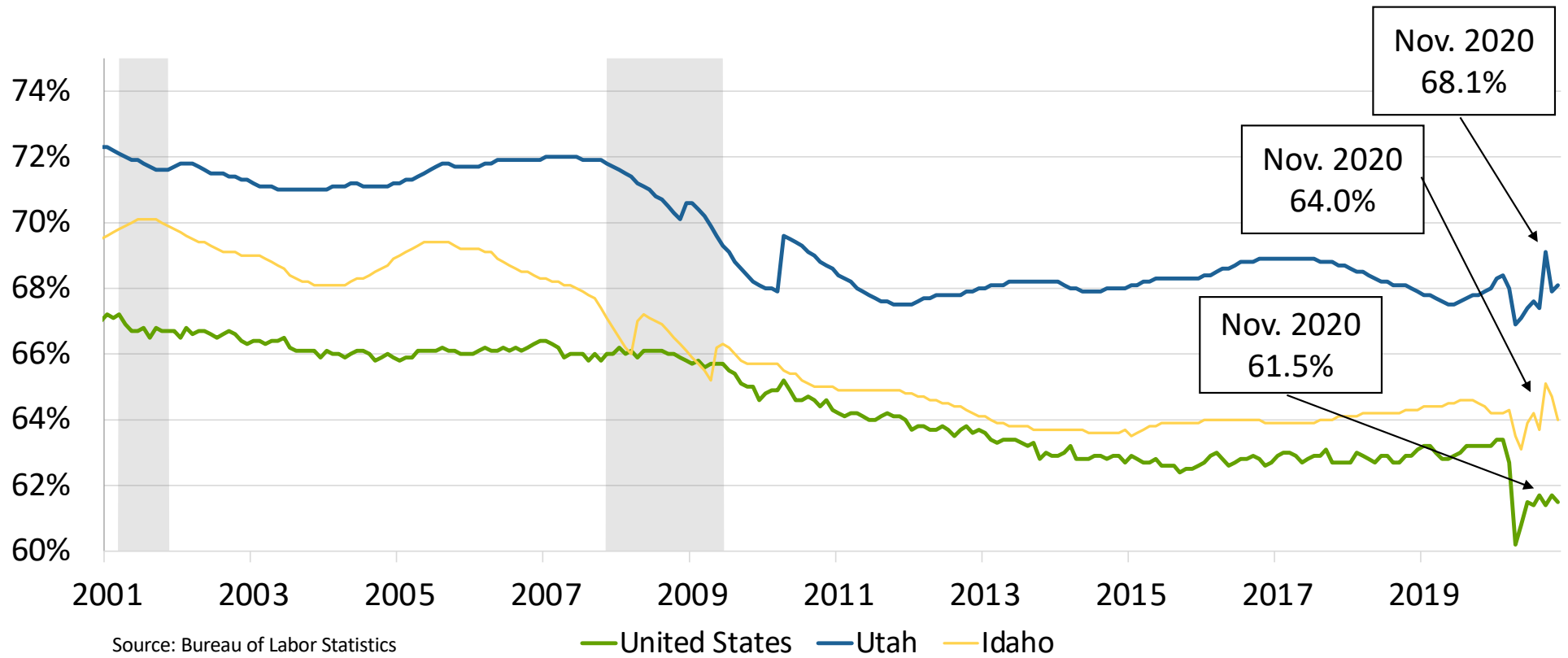
# Utah Unemployment 6<sup>th</sup> Lowest in the Nation

November 2020 U.S. Rate = 6.9%



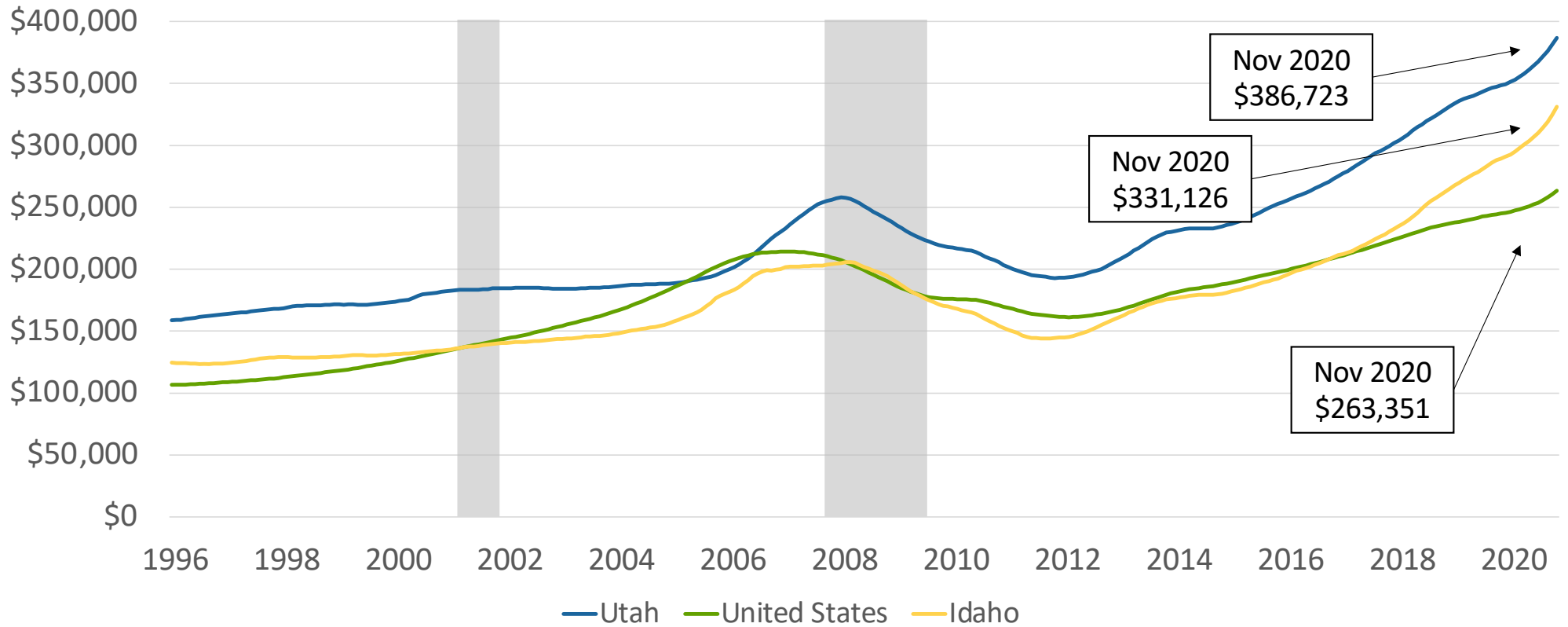
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# Utah, Idaho and US Labor Force Participation Rate



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# Intermountain Home Values Much Higher Than U.S.

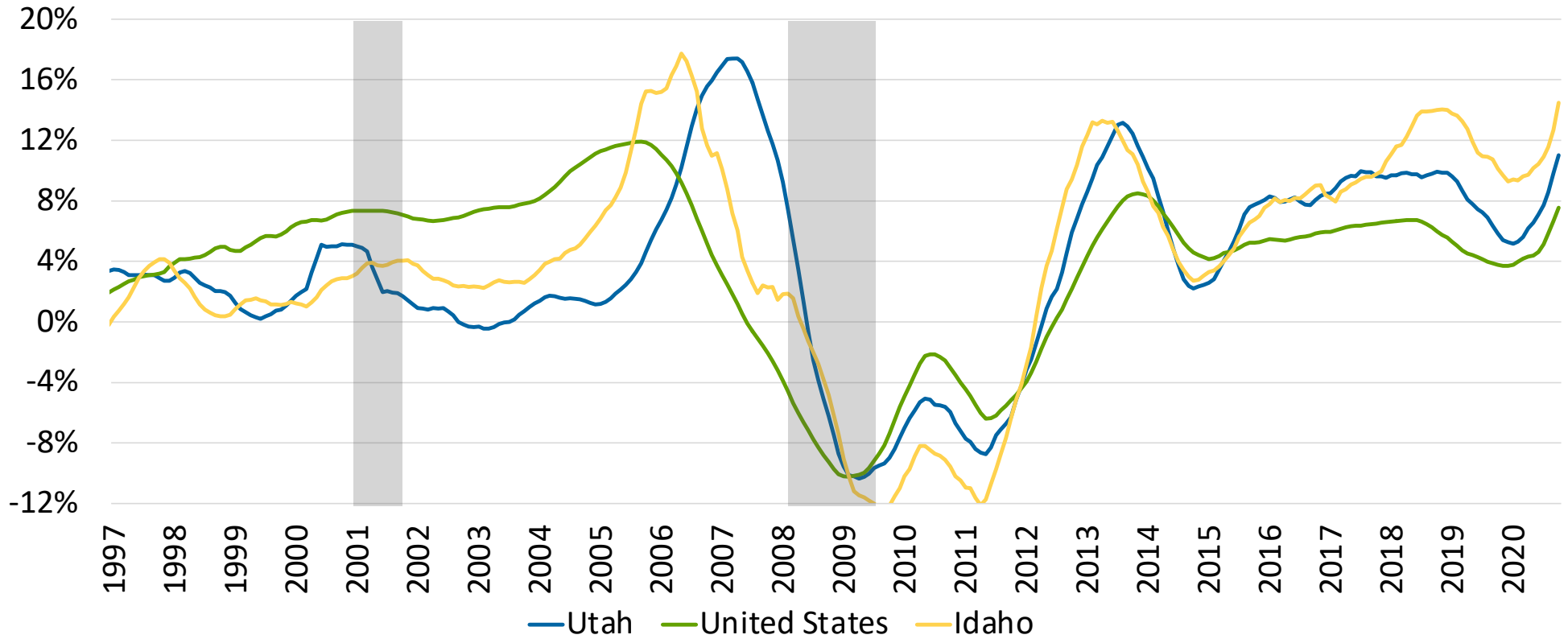


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Source: Zillow Research

# Home Price Appreciation at 7-Year Highs

Year-Over-Year Percent Change



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Source: Zillow Research

# What's Next?

- The contraction was dramatic and swift
- Economic growth will be constrained in early 2021, especially in sectors particularly impacted by the pandemic
- Continued federal and state support is essential
- Economic growth will accelerate as the vaccination rollout accelerates and markets can return to normal
- Regional and U.S. economies are fundamentally sound and will recover, but will look different than the pre-virus world



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The background of the slide features a large, ornate clock with Roman numerals, rendered in a dark, semi-transparent style. The clock is positioned on the right side of the frame. The Zions Bank logo is located in the upper left quadrant.

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WE HAVEN'T FORGOTTEN  
WHO KEEPS US IN BUSINESS®

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