

ZIONS BANK ECONOMIC OVERVIEW

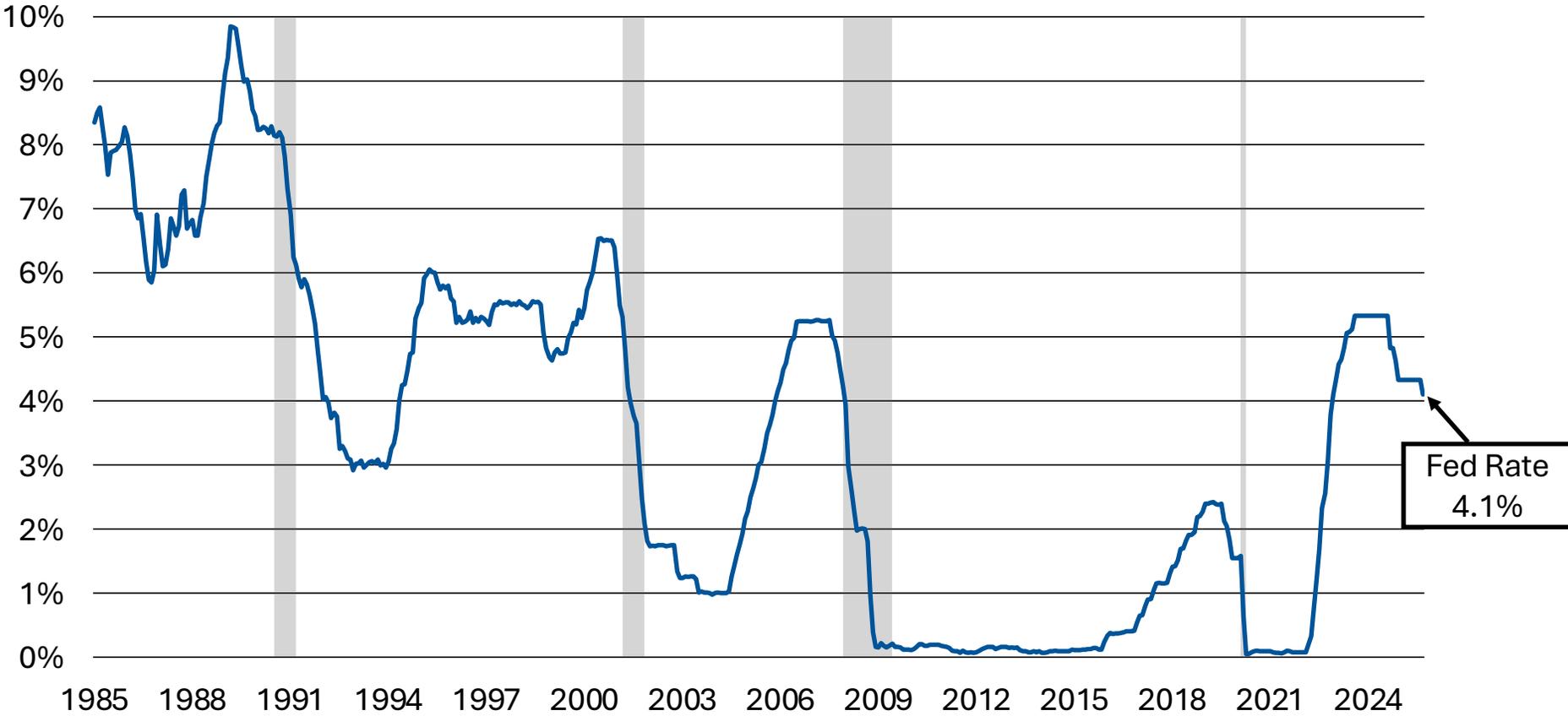
Navigating Economic Policy Shifts

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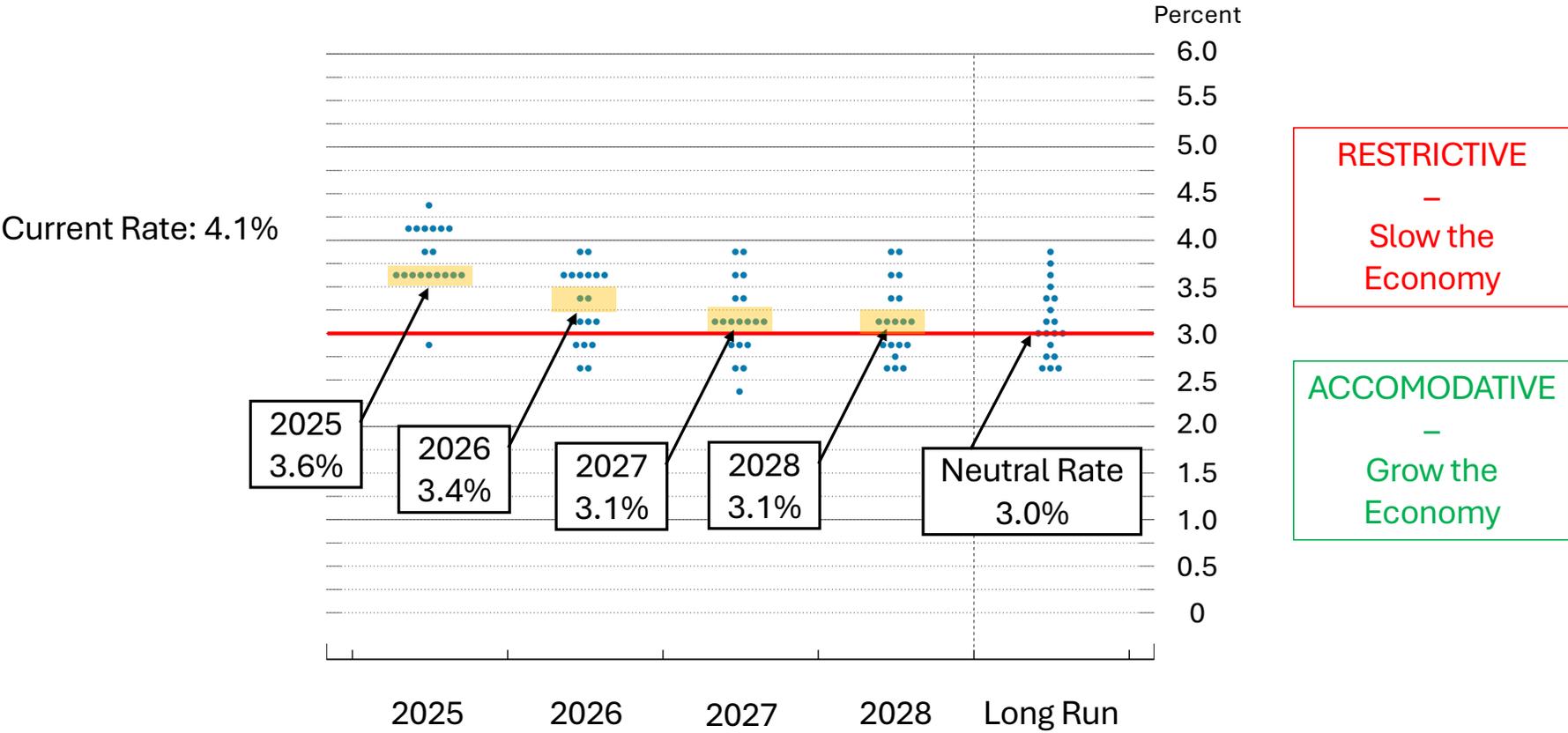
Updated September 22, 2025

Federal Reserve Back to Rate Cutting



Source: Federal Reserve Board of Governors

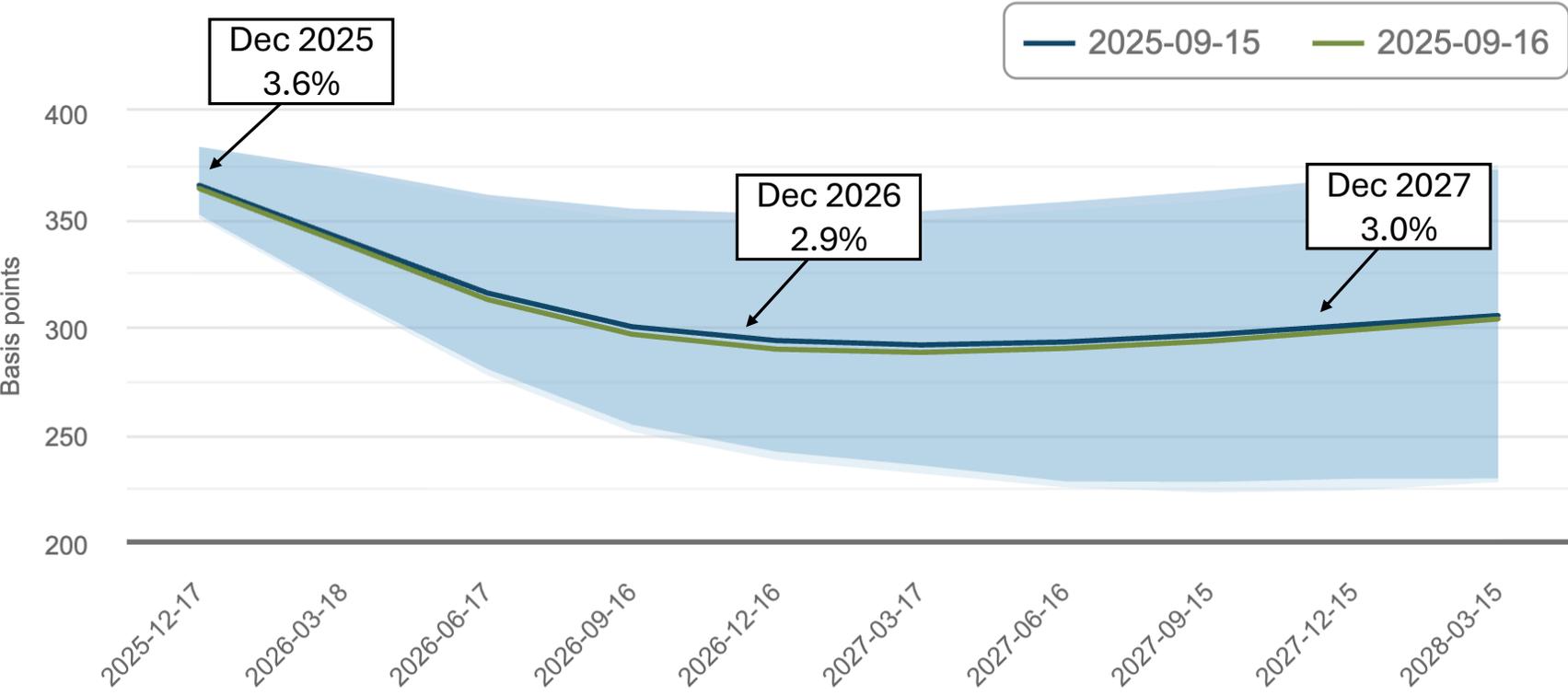
September 2025 Fed Funds Forecast



Source: Federal Reserve Board of Governors

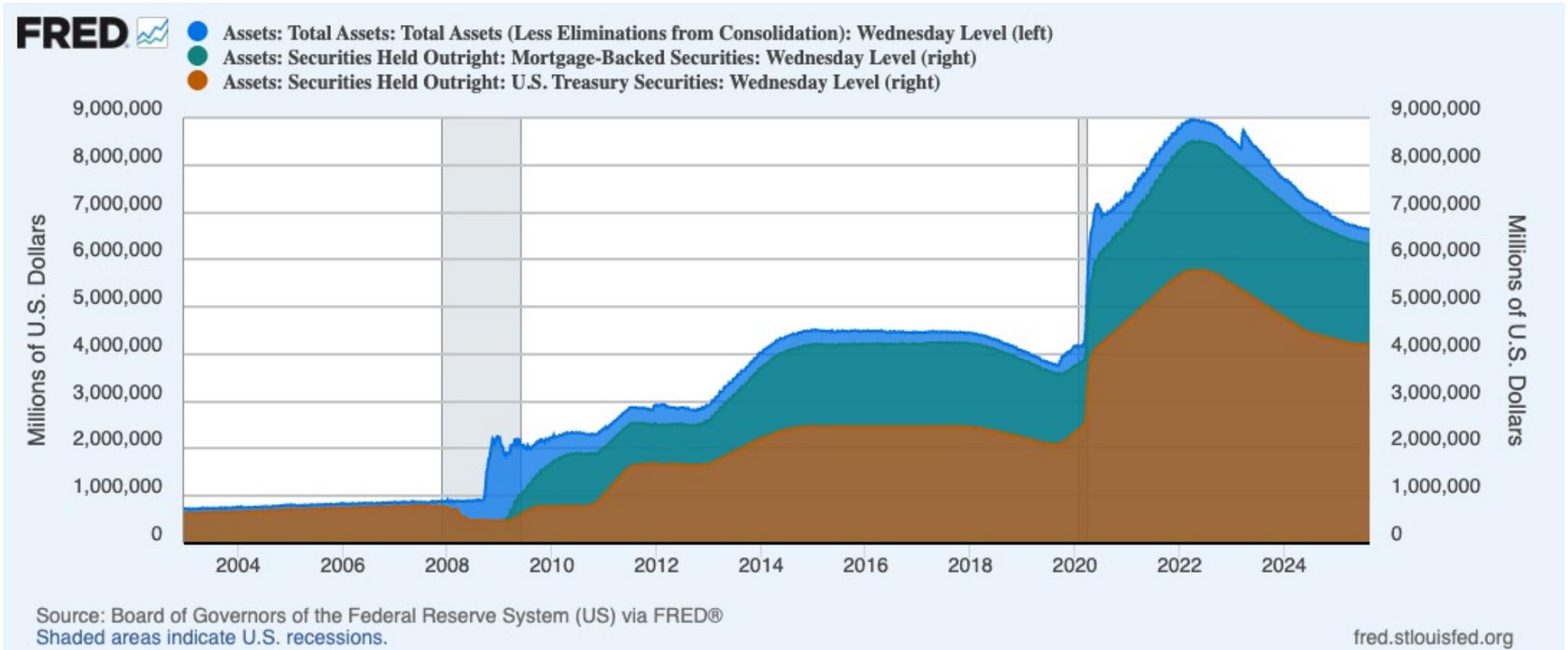
Investors Expect More Fed Rate Cuts

Current target range: 425 - 450 basis points



Source: Federal Reserve Bank of Atlanta

Fed Balance Sheet



Source: Federal Reserve Bank

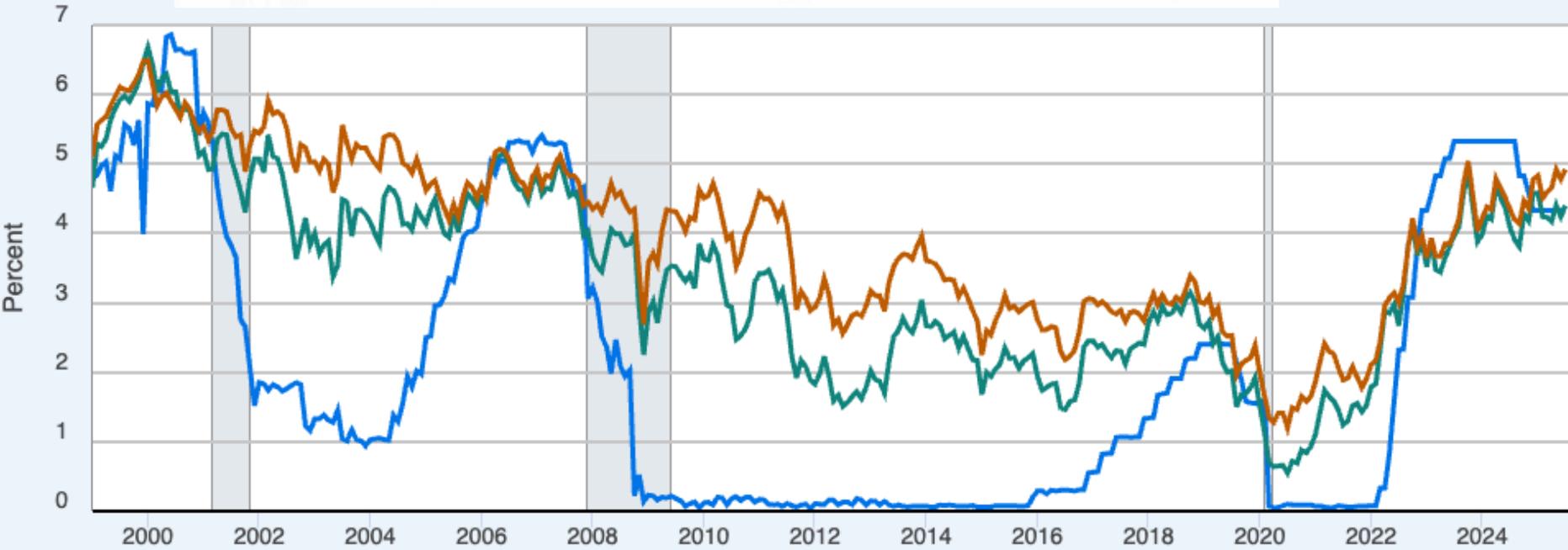
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Short-Term vs Long-Term Interest Rates



Federal Funds Effective Rate: Fri, Jul 25, 2025 4.33
Market Yield on U.S. Treasury Securities at 10-Year Constant Maturity, Quoted on an Investment Basis: Fri, Jul 25, 2025 4.40
Market Yield on U.S. Treasury Securities at 30-Year Constant Maturity, Quoted on an Investment Basis: Fri, Jul 25, 2025 4.92



Source: Board of Governors of the Federal Reserve System (US) via FRED®
Shaded areas indicate U.S. recessions.

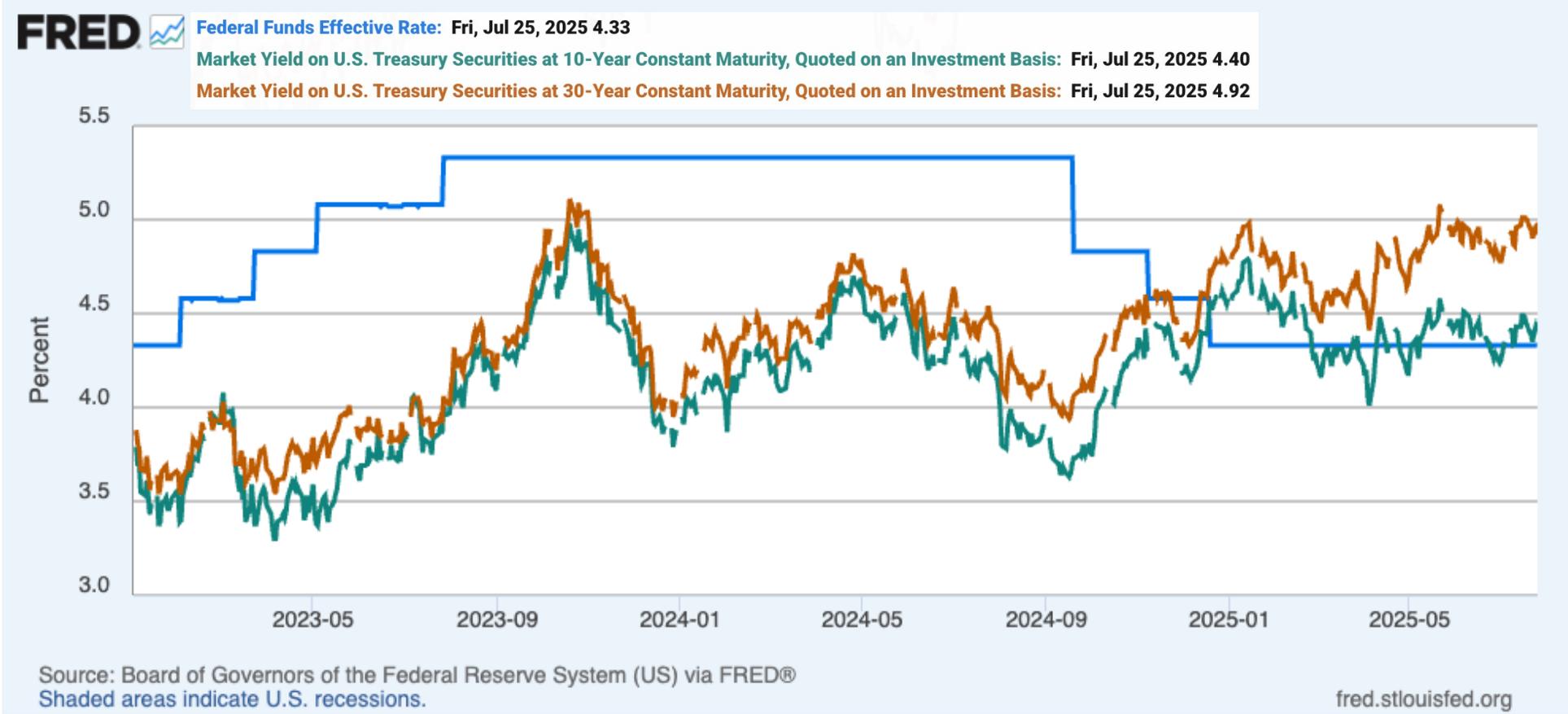
fred.stlouisfed.org

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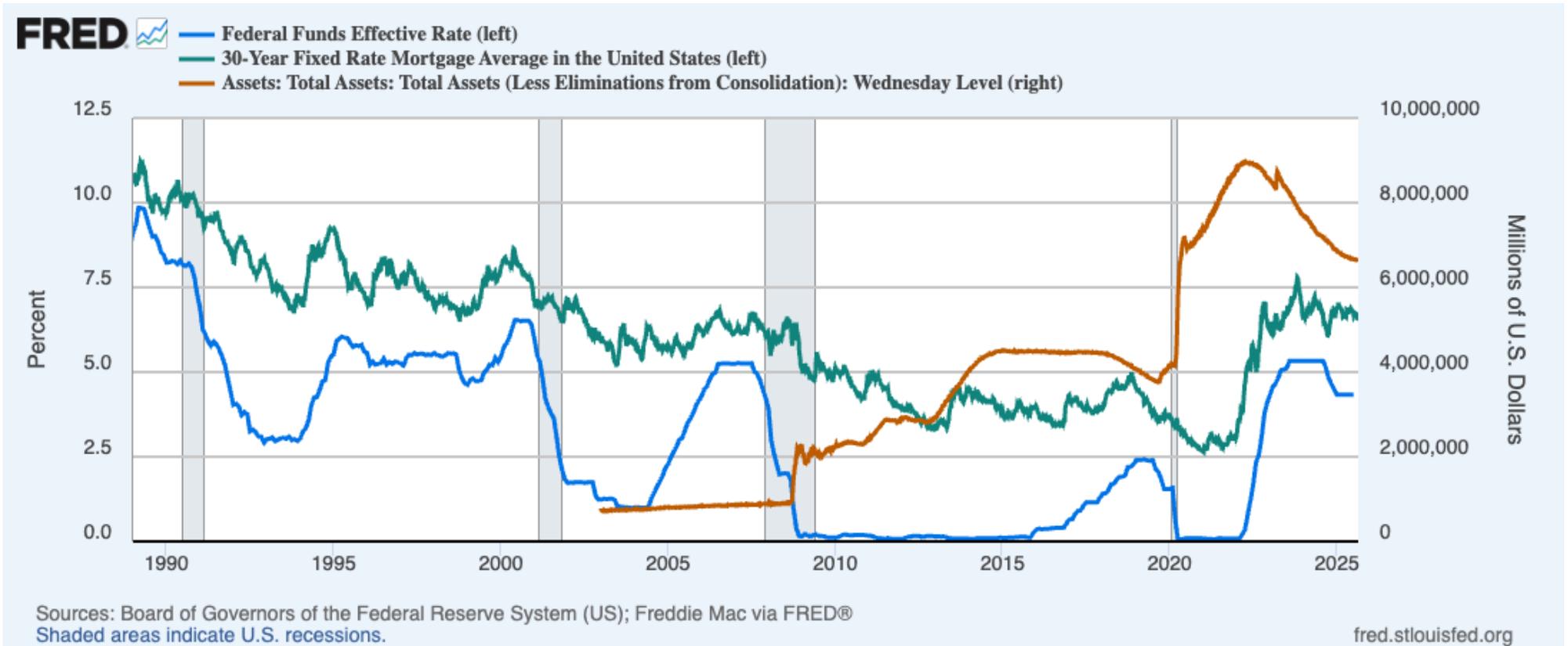
Source: Federal Reserve Bank

Short vs Long-Term Rates Diverge



Source: Federal Reserve Bank

Fed Tools and Mortgage Rate

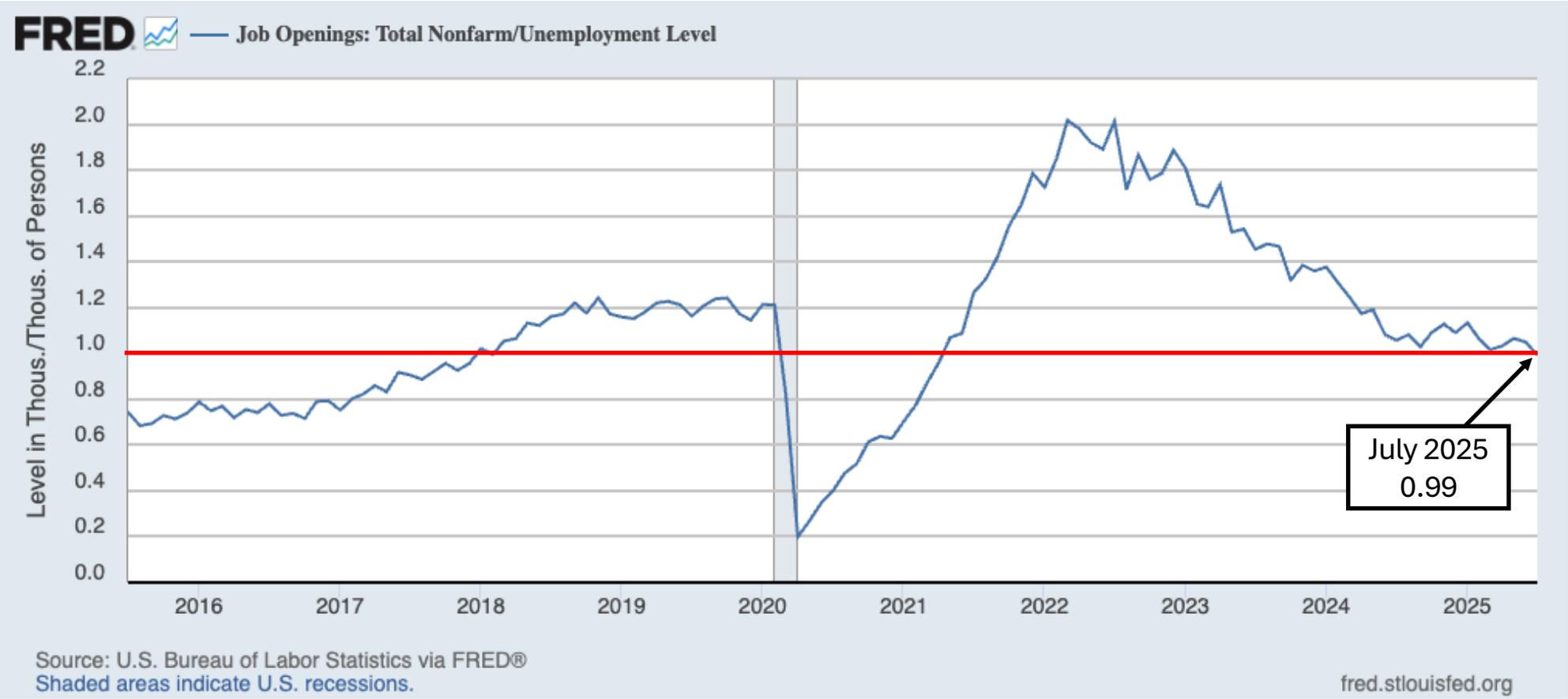


Source: Federal Reserve Bank

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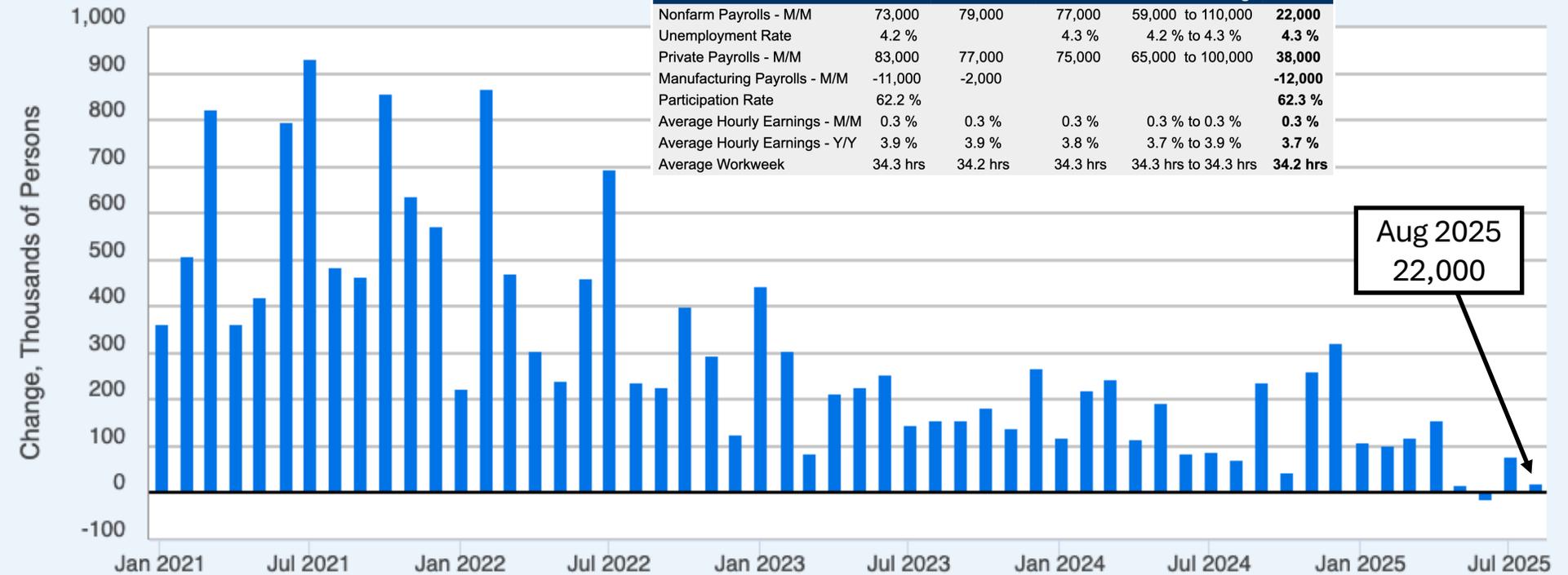
Less Than One Job Opening Per Unemployed Worker



Sources: BLS, FRED

Job Growth Engine is Stalling

FRED  ● All Employees, Total Nonfarm



Source: U.S. Bureau of Labor Statistics via FRED®
Shaded areas indicate U.S. recessions.

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Can We Trust the Data?

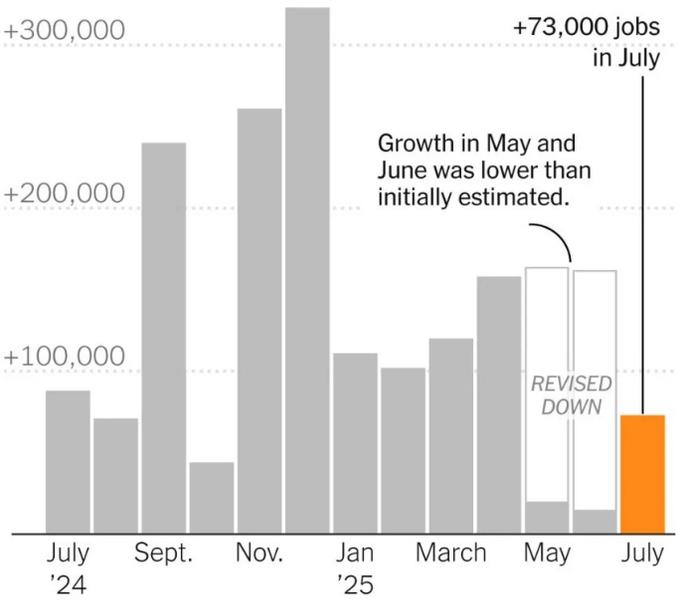
Lower response rates cause more data problems

Household survey response rate



Note: The Current Population Survey, or household survey, provides the data for the official unemployment rate
 Source: Bureau of Labor Statistics

Monthly change in jobs

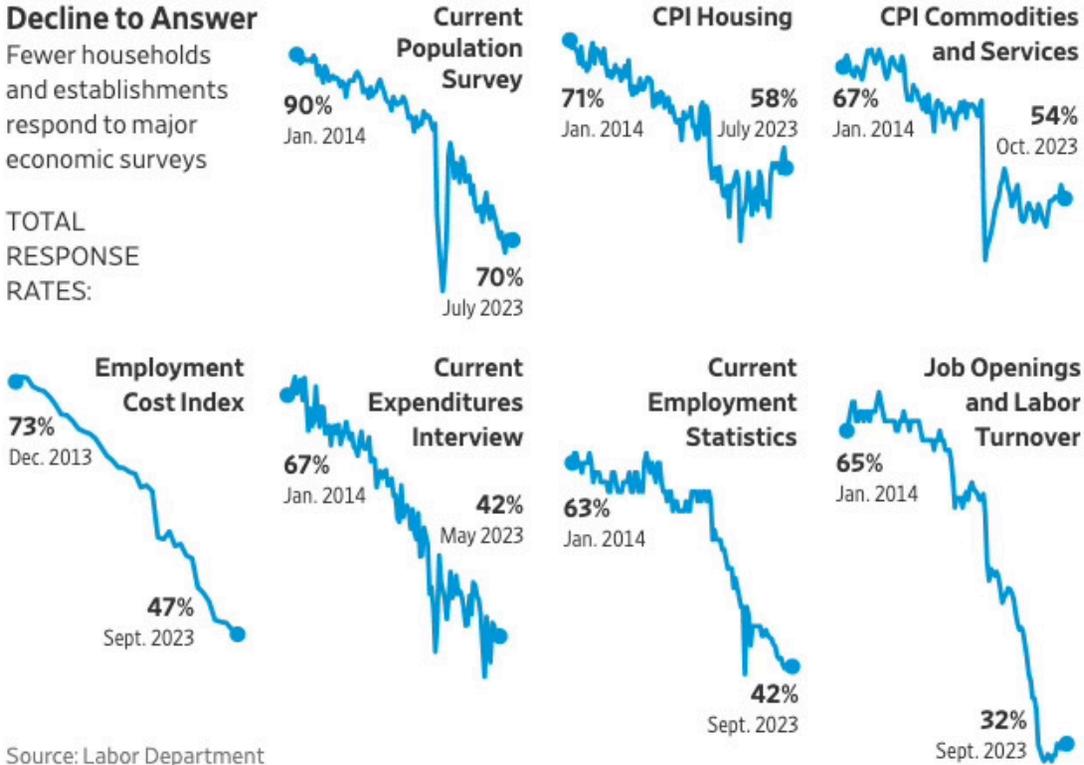


Source: Bureau of Labor Statistics Note: Data is seasonally adjusted.
 by Christine Zhang

Sources: Wall Street Journal, New York Times

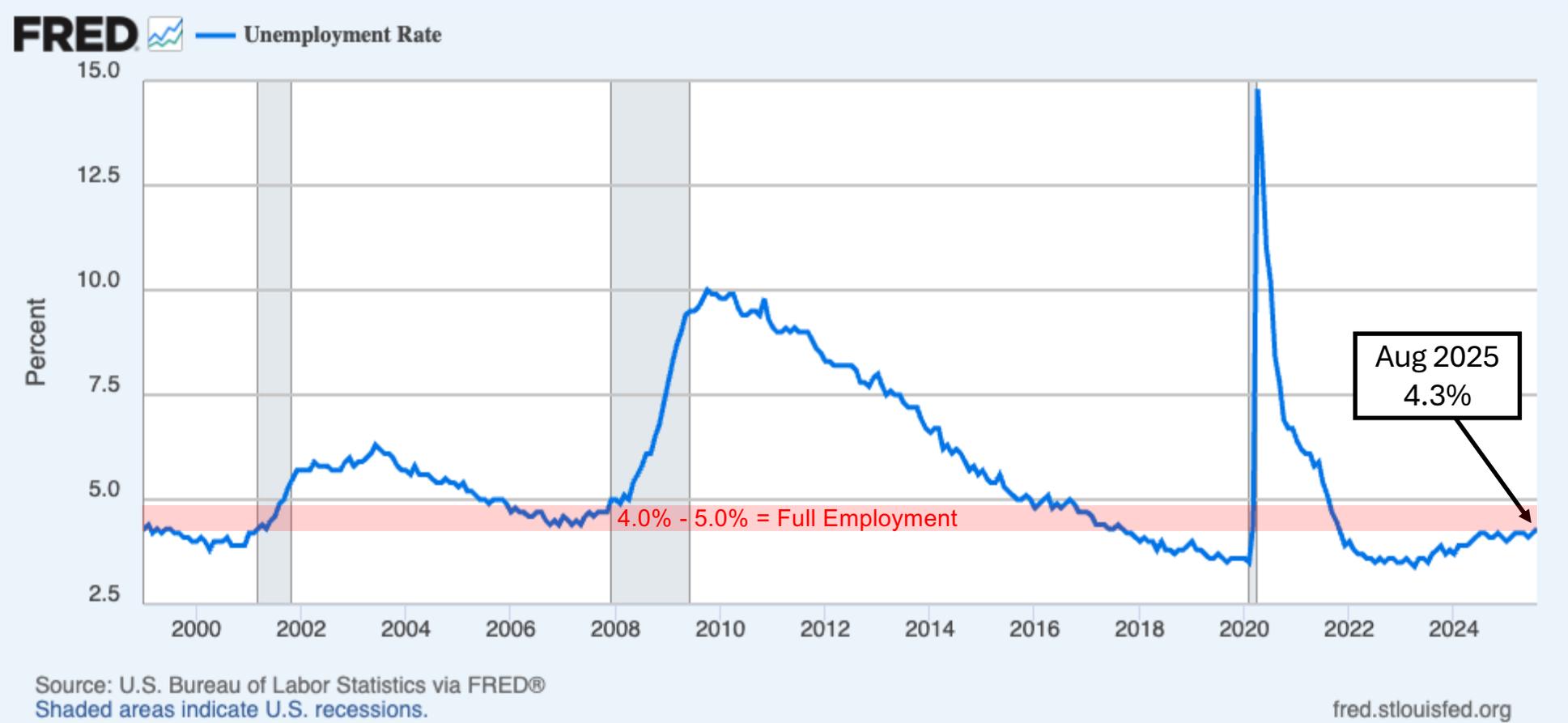
Can We Trust the Data?

Economic survey responses have been dropping for years



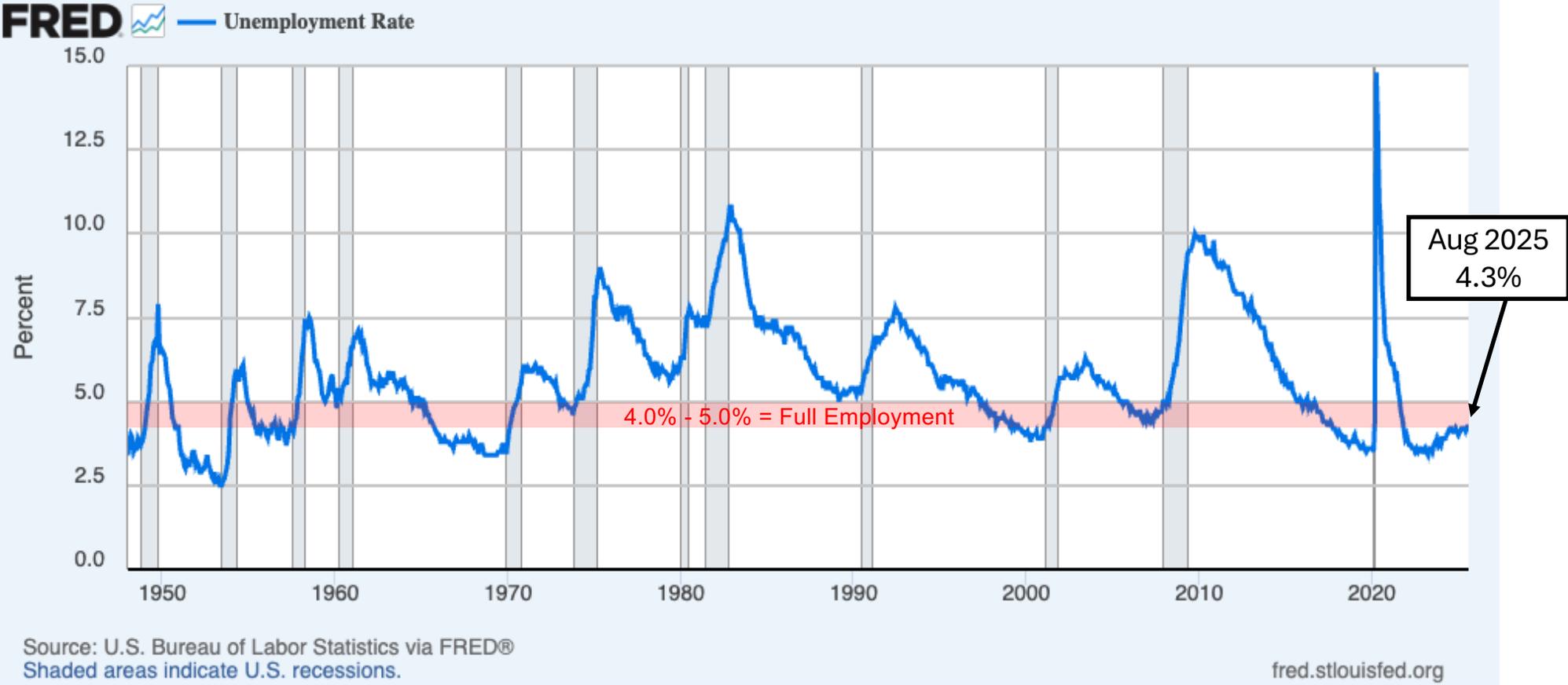
Source: Wall Street Journal

Unemployment Rate Increased in August



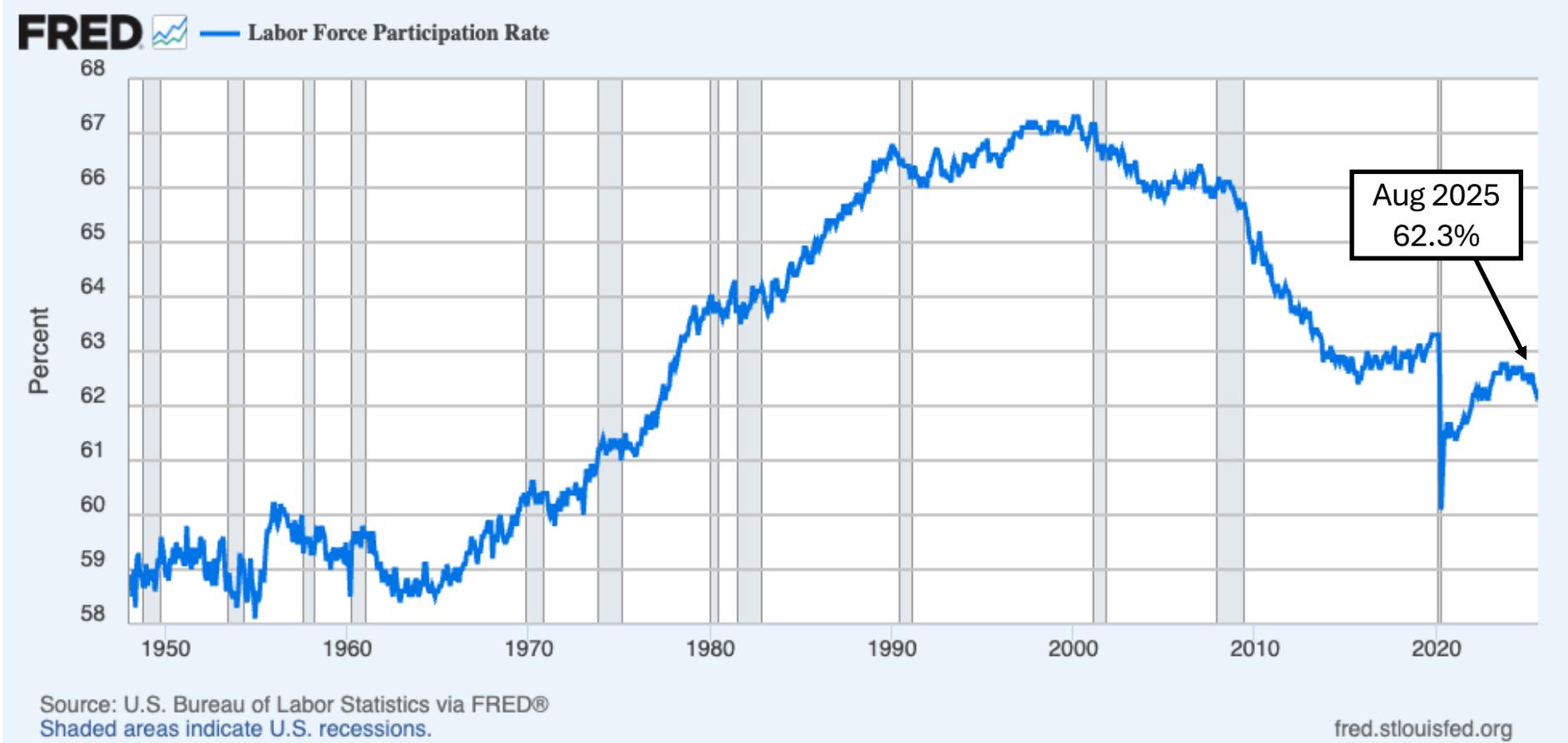
Sources: BLS, FRED

U.S. Unemployment Remains Historically Low



Sources: BLS, FRED

Labor Force Participation Increased in August



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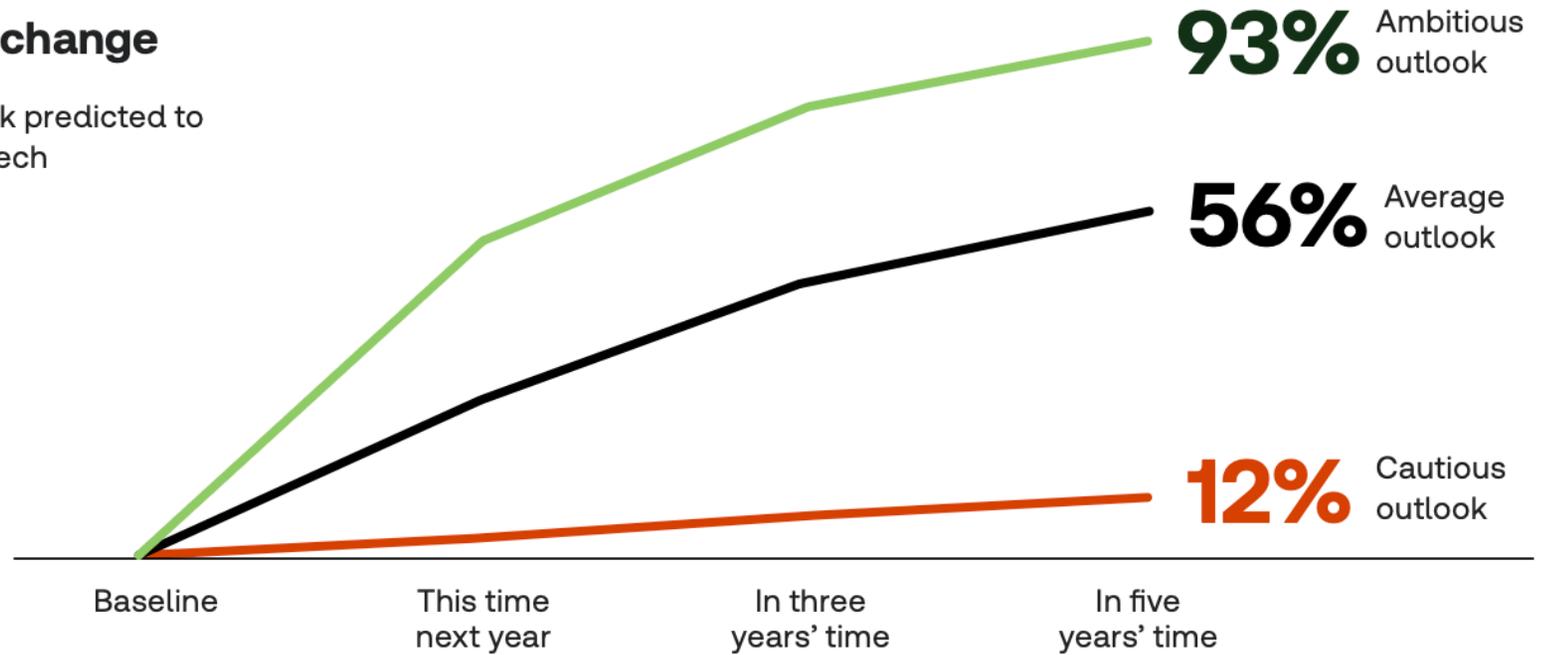
Sources: BLS, FRED

AI Is Transforming the Workforce

Predicted pace of change

Average proportion of work predicted to use the new AI-powered tech

In five years' time, an average of **56%** of professionals' work is predicted to utilize new AI-powered tech



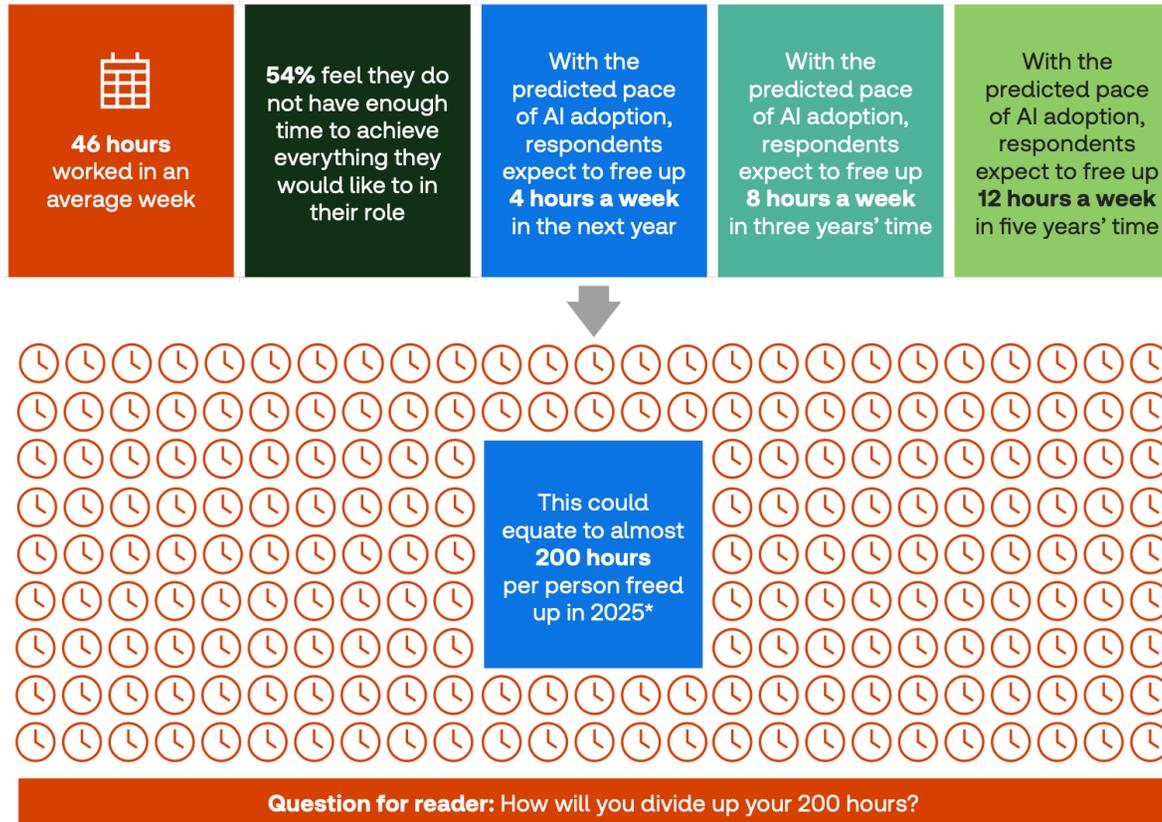
Source: Thomson Reuters 2024

Source: Thomson Reuters

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AI Is Transforming the Workforce



*Estimate based on an average 48 weeks worked per year.

Source: Thomson Reuters 2024

Source: Thomson Reuters

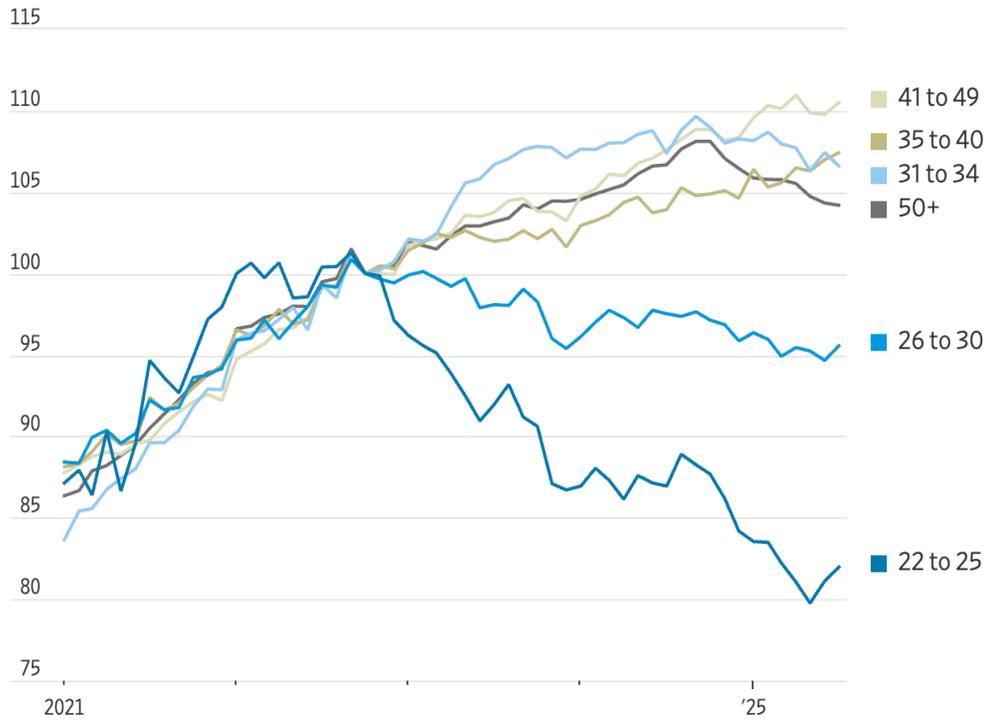
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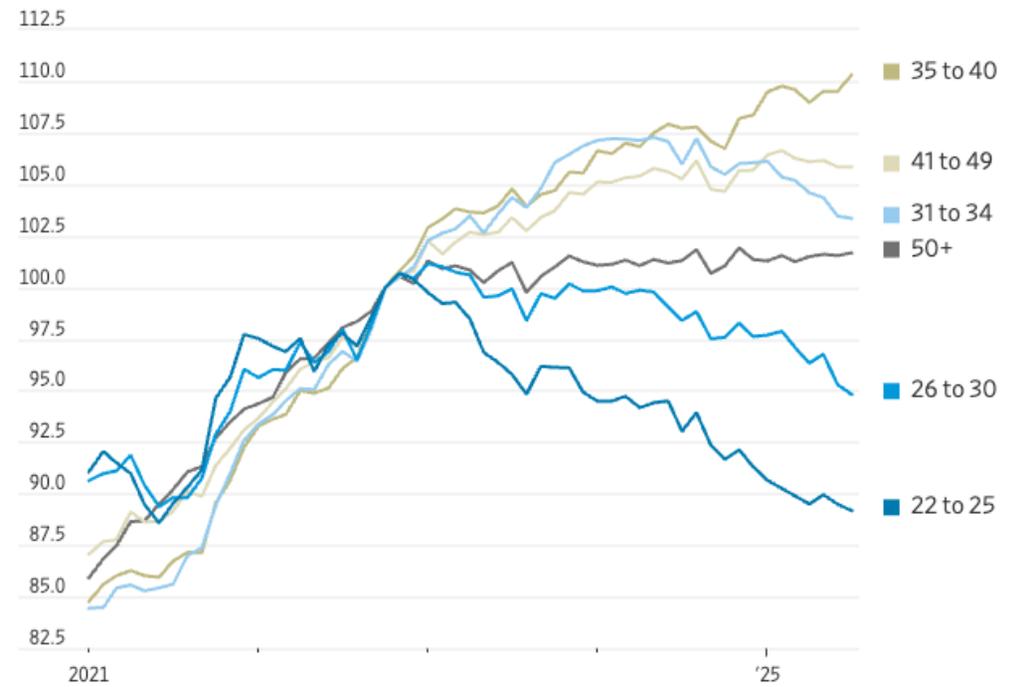
AI Is Transforming the Workforce

Employee Headcount By Age

Software Developers



Customer Service Reps



Note: Indexed to 100 at October 2022

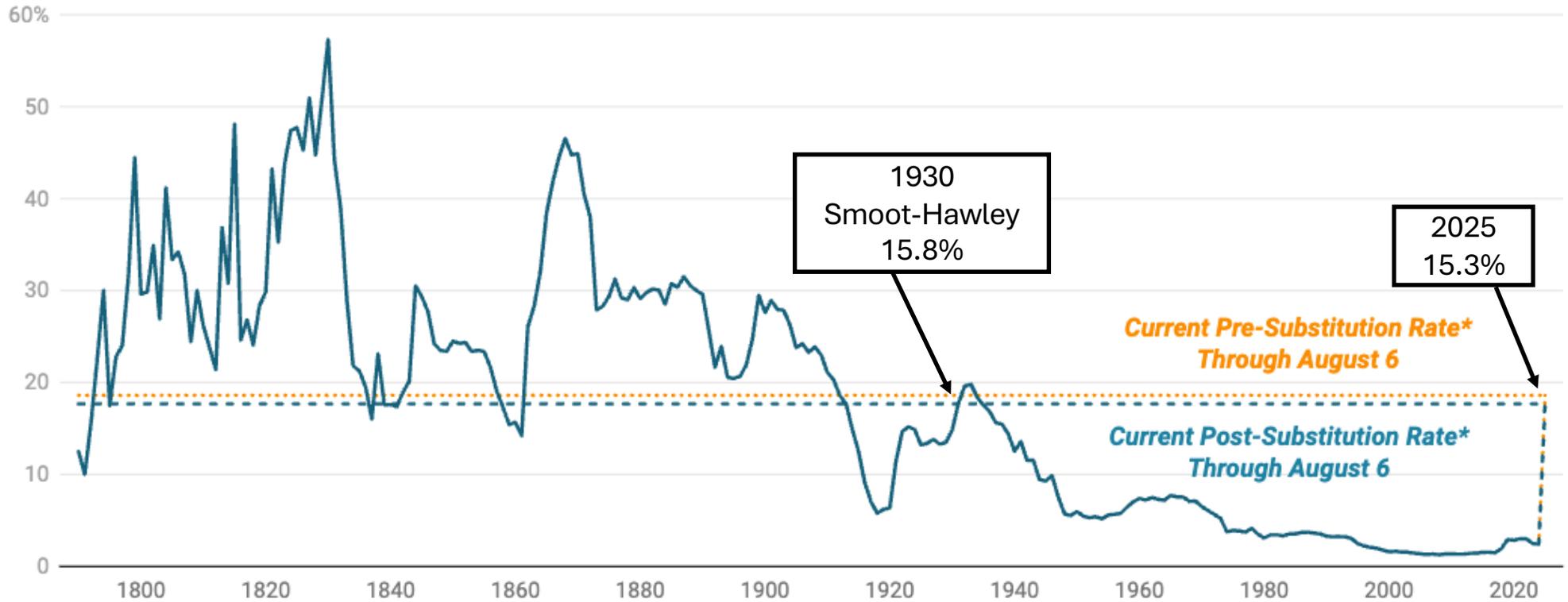
Sources: Wall Street Journal; Brynjolfsson, Chandar and Chen

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Average Effective Tariff Rate Since 1790

Customs duty revenue as a percent of goods imports



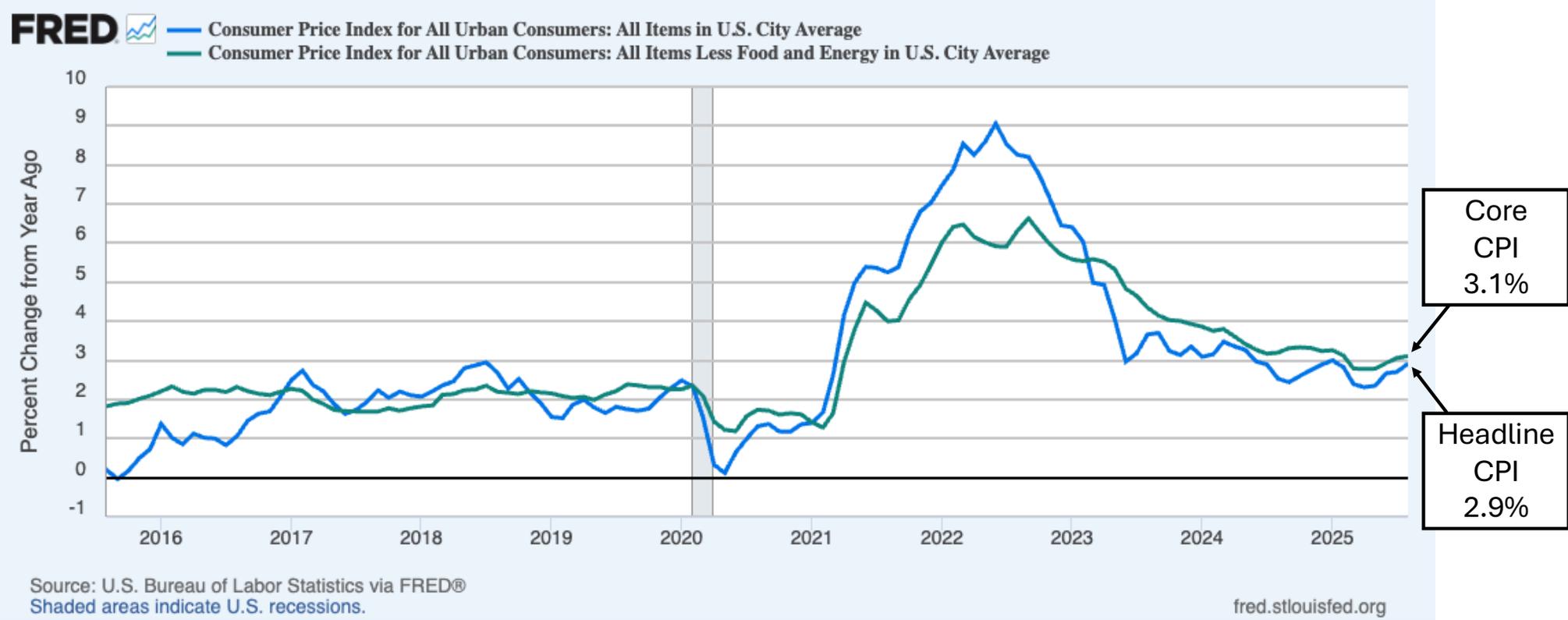
Source: Yale Budget Lab

2025 Average Effective Tariff Rate



Source: Yale Budget Lab

Headline and Core Inflation Remain Elevated



Sources: FRED, U.S. Bureau of Labor Statistics, Econoday

Producer Inflation Slowed in August

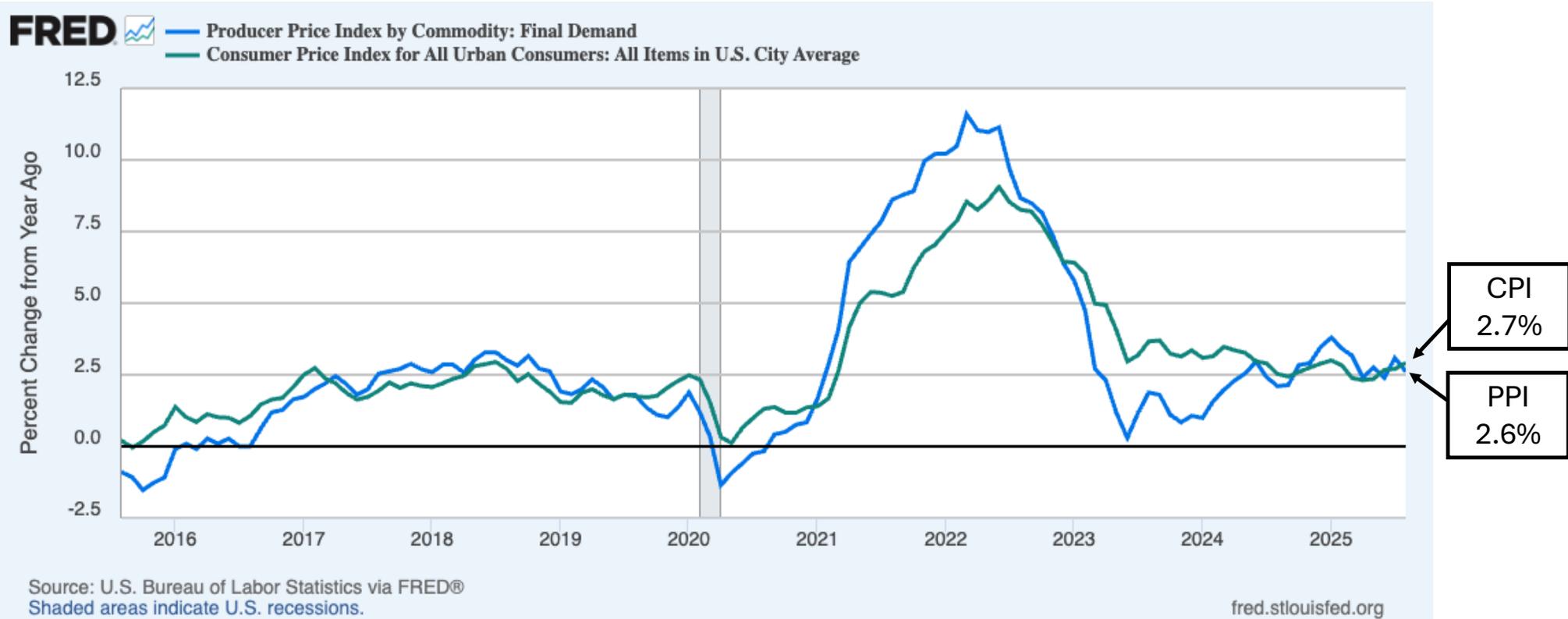


Sources: U.S. Bureau of Labor Statistics, Econoday, FRED

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Producer Inflation Leads Consumer Inflation

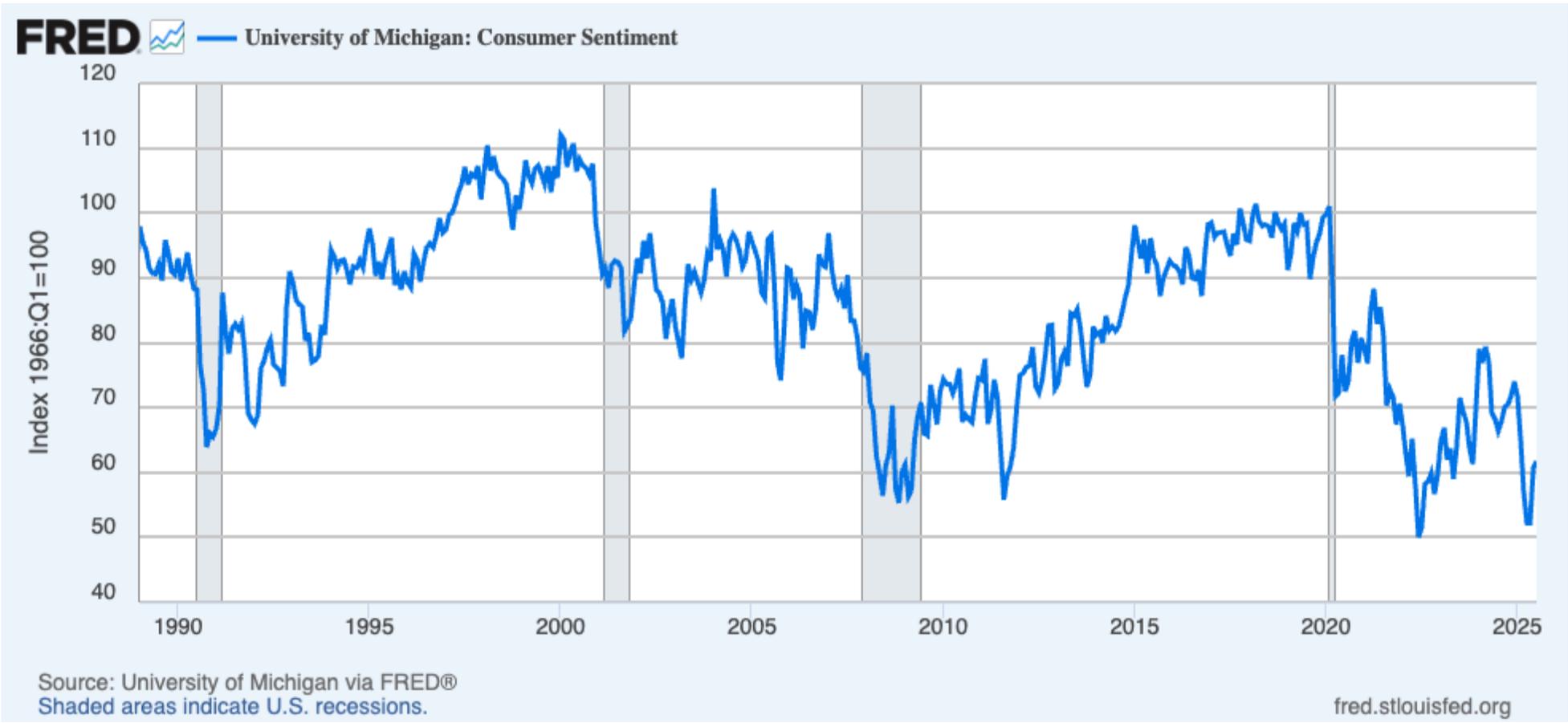


Source: U.S. Bureau of Labor Statistics

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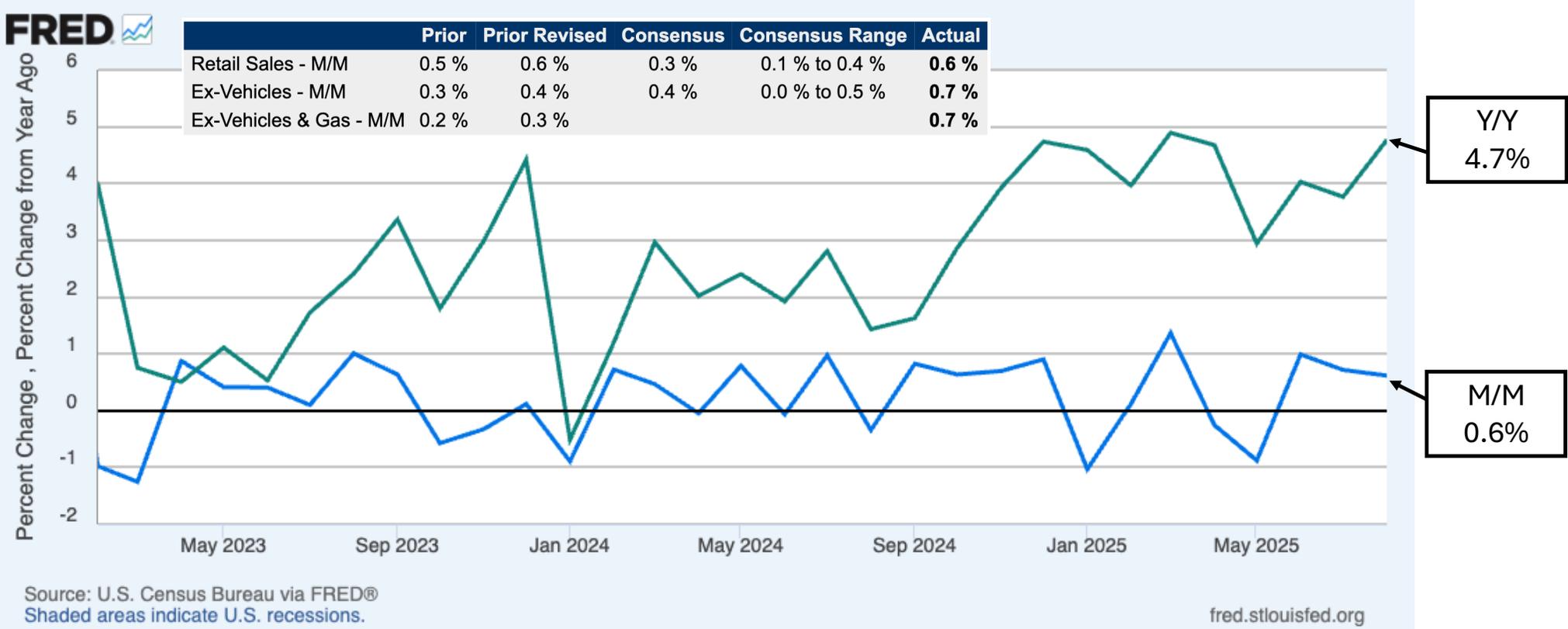
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Consumer Sentiment Trending Down



Sources: FRED, University of Michigan

Retail Sales Holding Up Well



Sources: Census Bureau, FRED, Econoday

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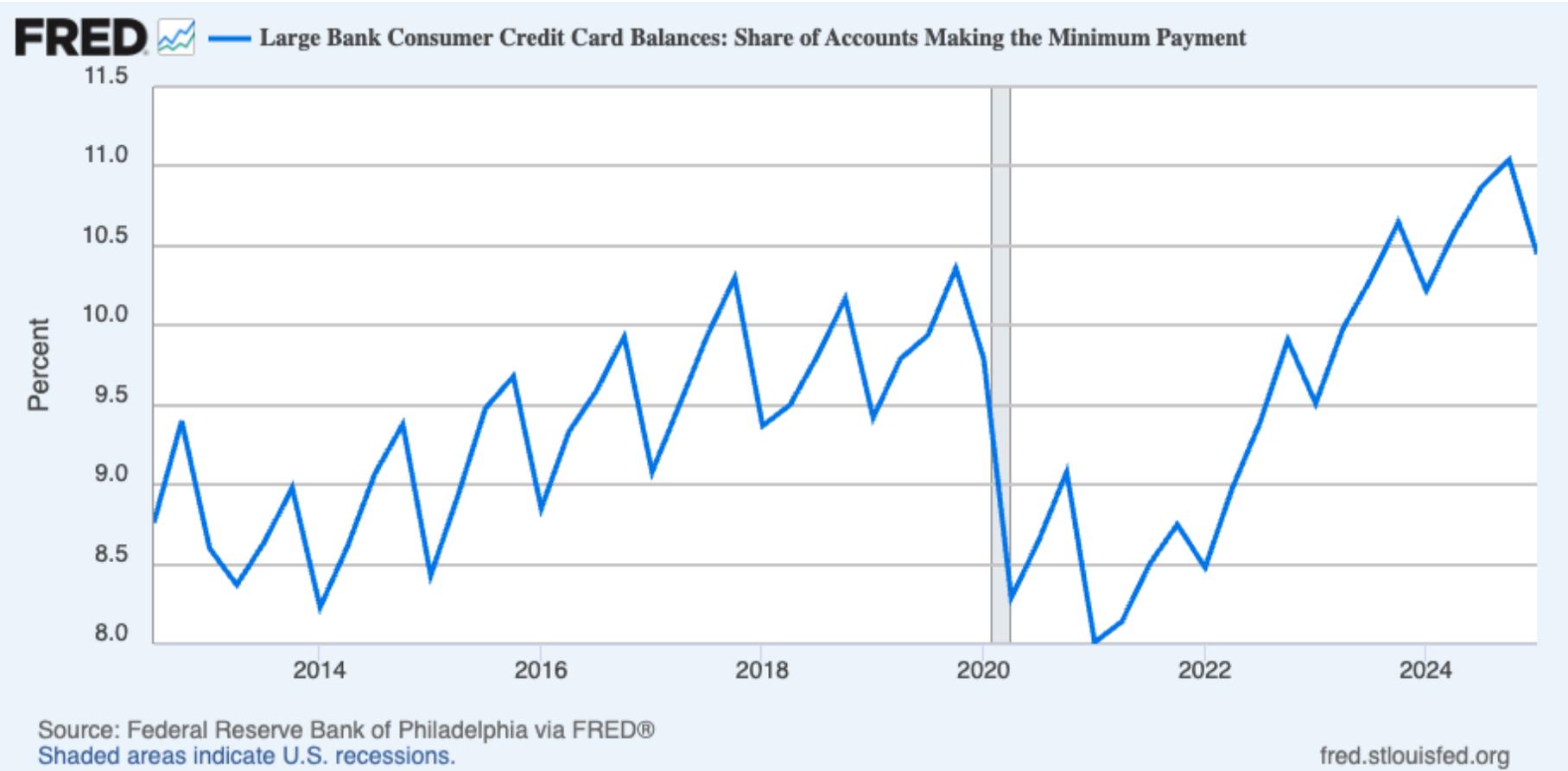
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Personal Saving Rate Lower Than Before Covid



Sources: BEA, FRED

Minimum Credit Card Payments Trending Up



Source: Federal Reserve Bank

Consumer Loan Delinquency Rate Increasing



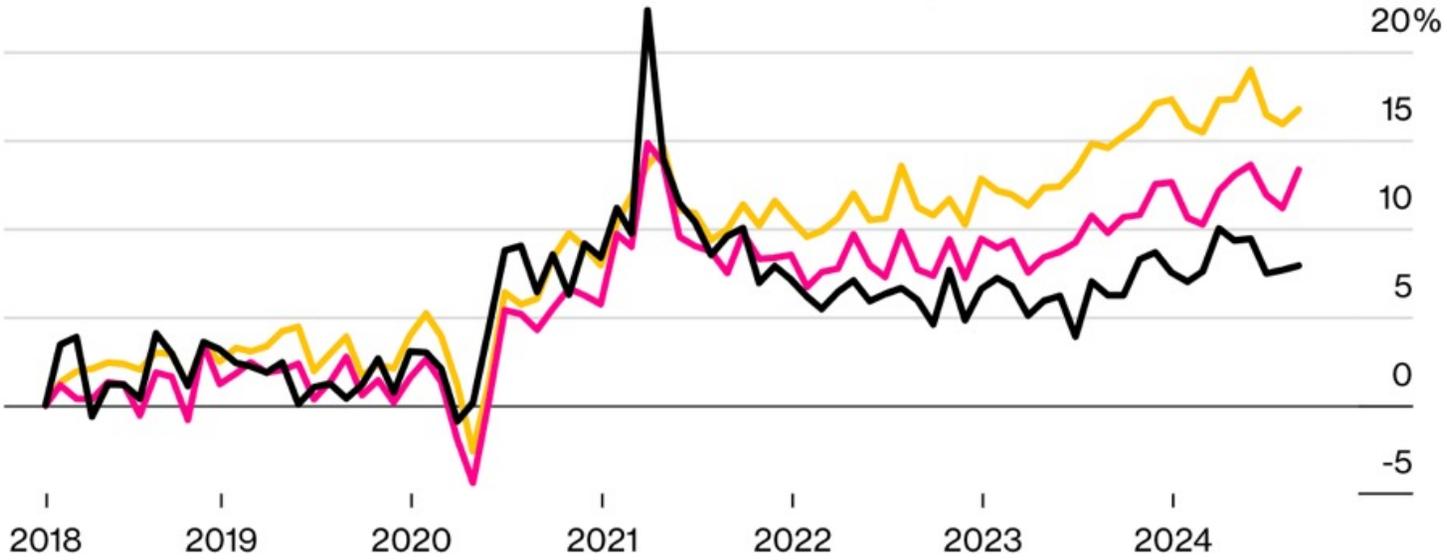
Source: Federal Reserve Bank

Retail Spending by Income

Higher Income Consumers Pulling Away

Growth of retail spending broken down by household income

Low income \$0-60K Middle income \$60K-100K High income \$100K+

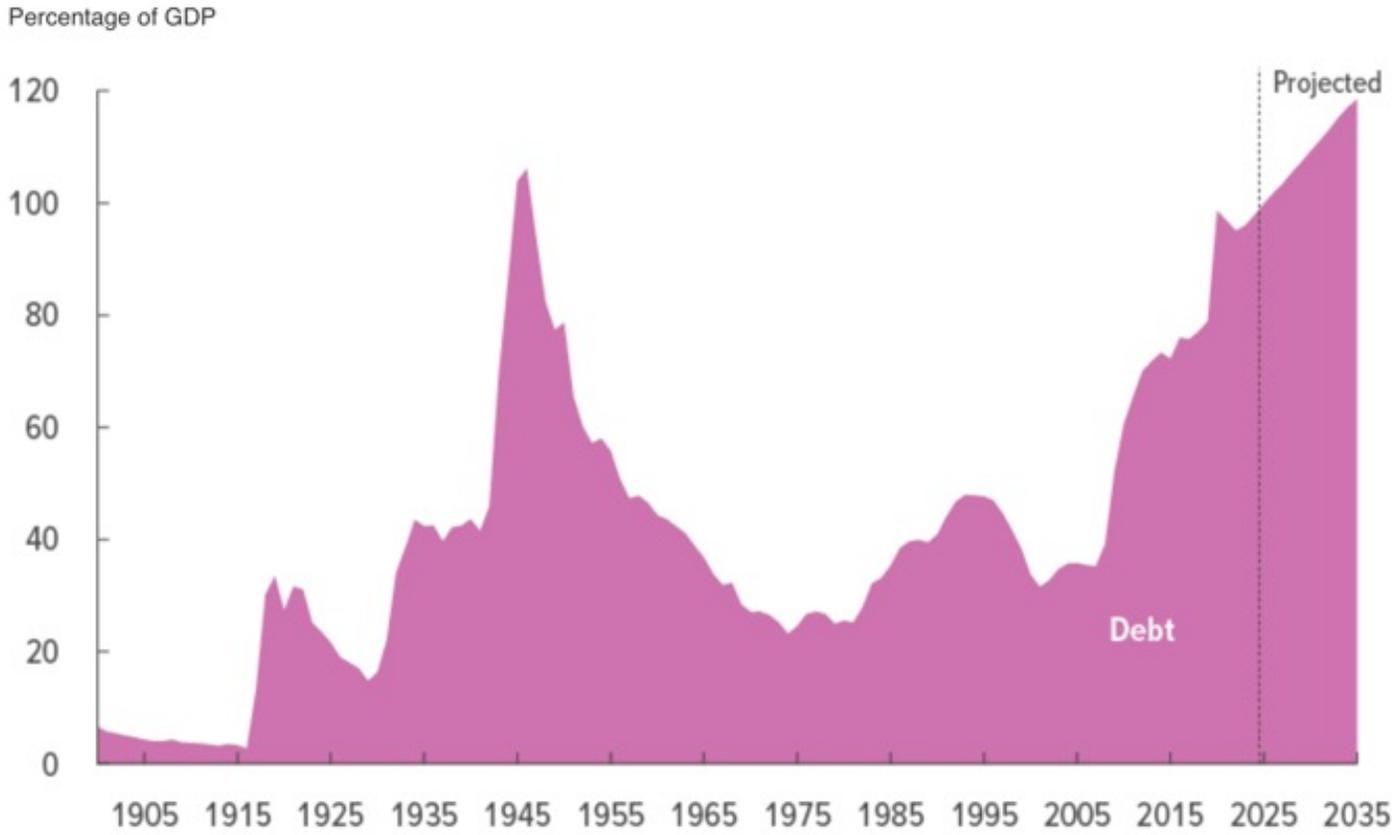


Source: Federal Reserve
Note: Seasonally-adjusted and inflation-adjusted indexed to 2018

Sources: Federal Reserve, Bloomberg



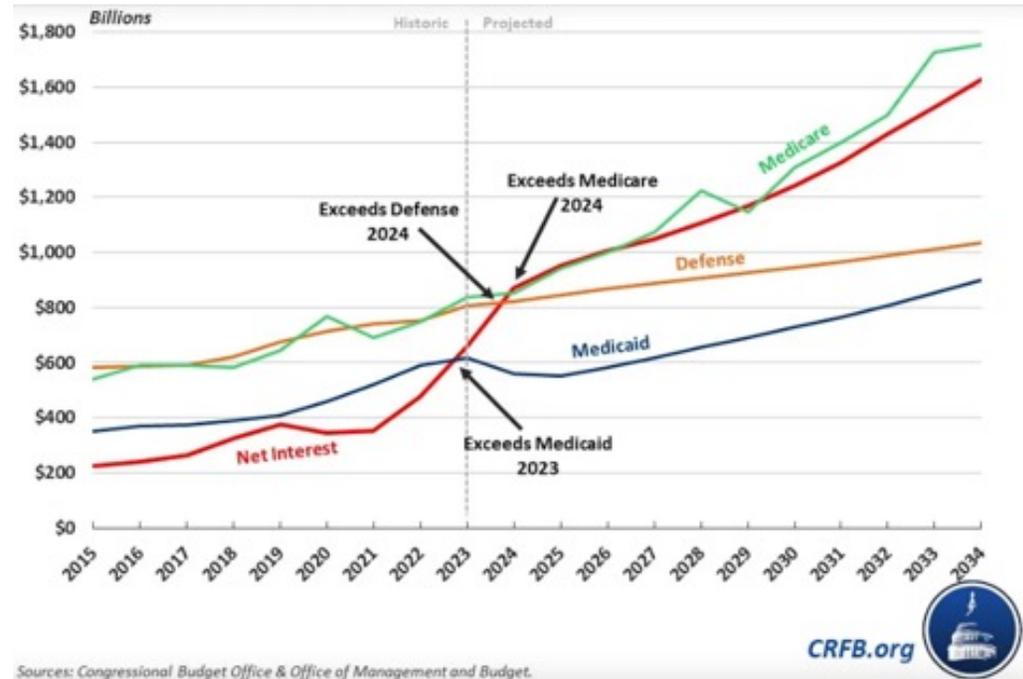
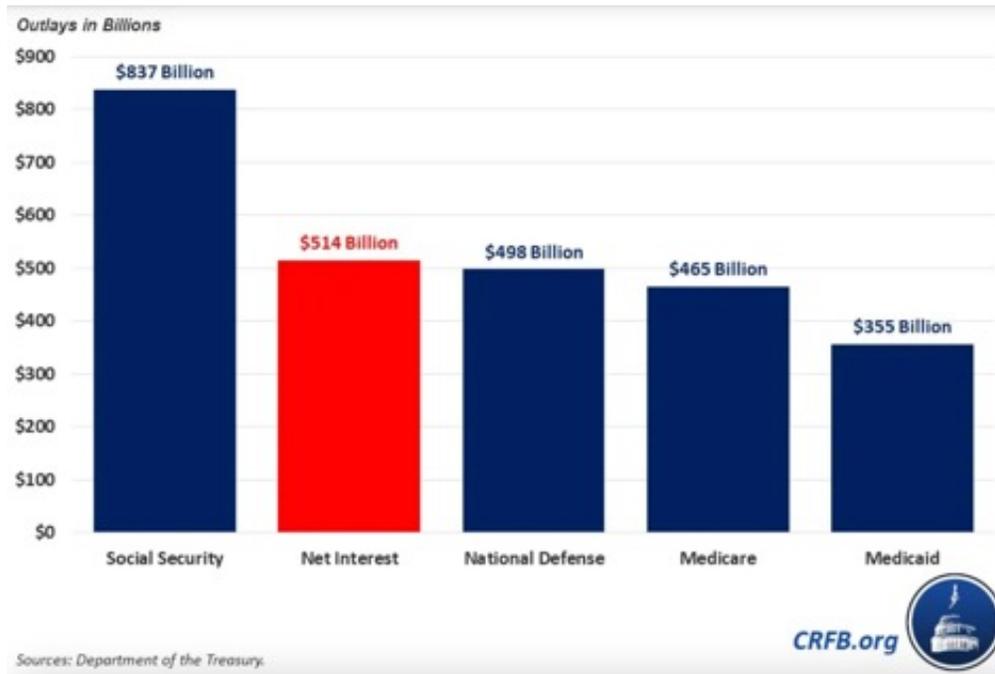
National Debt a Mounting Problem



Source: Congressional Budget Office

Net Interest Payments Crowd Out Priorities

Servicing National Debt
Is Now More than Defense, Medicare, and Medicaid



Source: Committee for a Responsible Federal Budget

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Overview of H.R. 1 – the Big Beautiful Bill

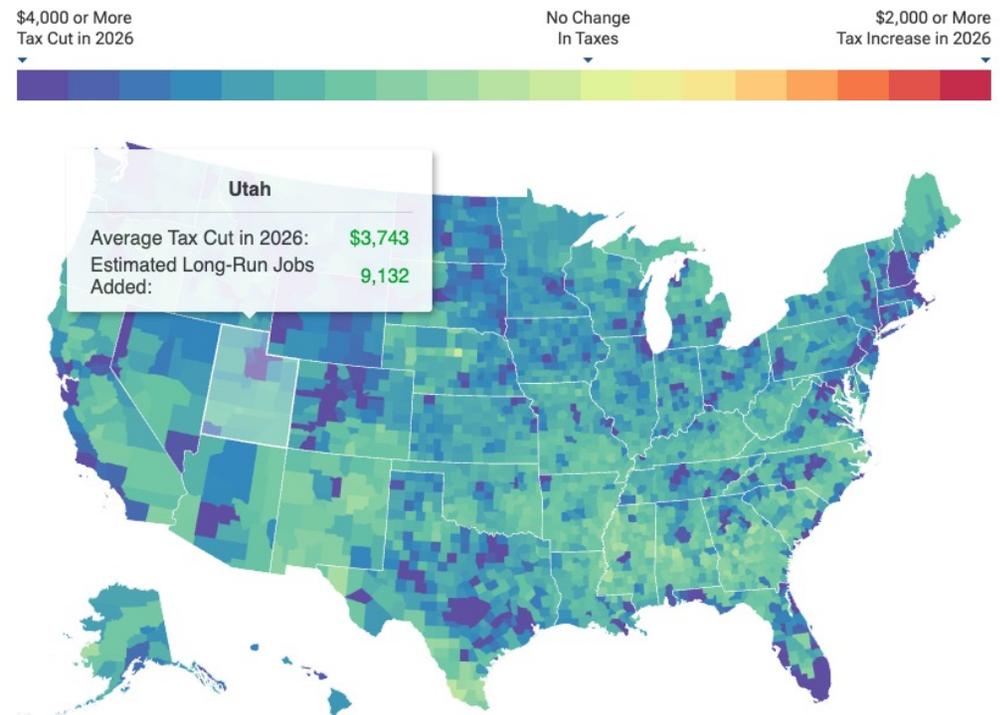
- H.R. 1 (2025) aka the Big Beautiful Bill largely extends provisions from the Tax Cuts & Jobs Act passed in 2017
- Avoids a tax hike on 62 percent of tax filers
- Philosophy: TCJA permanence + targeted sweeteners, partial pay-fors.
- Corporate 21 % rate remains unchanged in both laws.

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The OBBBA Reduces Income Taxes

- The OBBBA will reduce federal taxes on average for individual taxpayers in every state
- Largest:
 - Wyoming (\$5,375)
 - Washington (\$5,372)
 - Massachusetts (\$5,139)
- Smallest
 - West Virginia (\$2,503)
 - Mississippi (\$2,401)
- The bill will create about 938,000 jobs over the long run



Overview of H.R. 1 – the Big Beautiful Bill

"One Big Beautiful Bill Act" FY 2025 Reconciliation Tax Package: Topline Analysis

Gross Domestic Product (GDP)	+1.2%
Gross National Product (GNP)	+0.9%
Capital Stock	+0.7%
Pre-Tax Wages	+0.4%
Hours Worked Converted to Full-Time Equivalent (FTE) Jobs	+938,000
10-Year Conventional Revenue Estimate, 2025-2034 (Billions)	-\$5,041.3
10-Year Dynamic Revenue Estimate, 2025-2034 (Billions)	-\$4,104.4
10-Year Dynamic Deficit Increase Including Spending Cuts, 2025-2034 (Billions)	\$3,036.1

Source: Tax Foundation General Equilibrium Model, June 2025

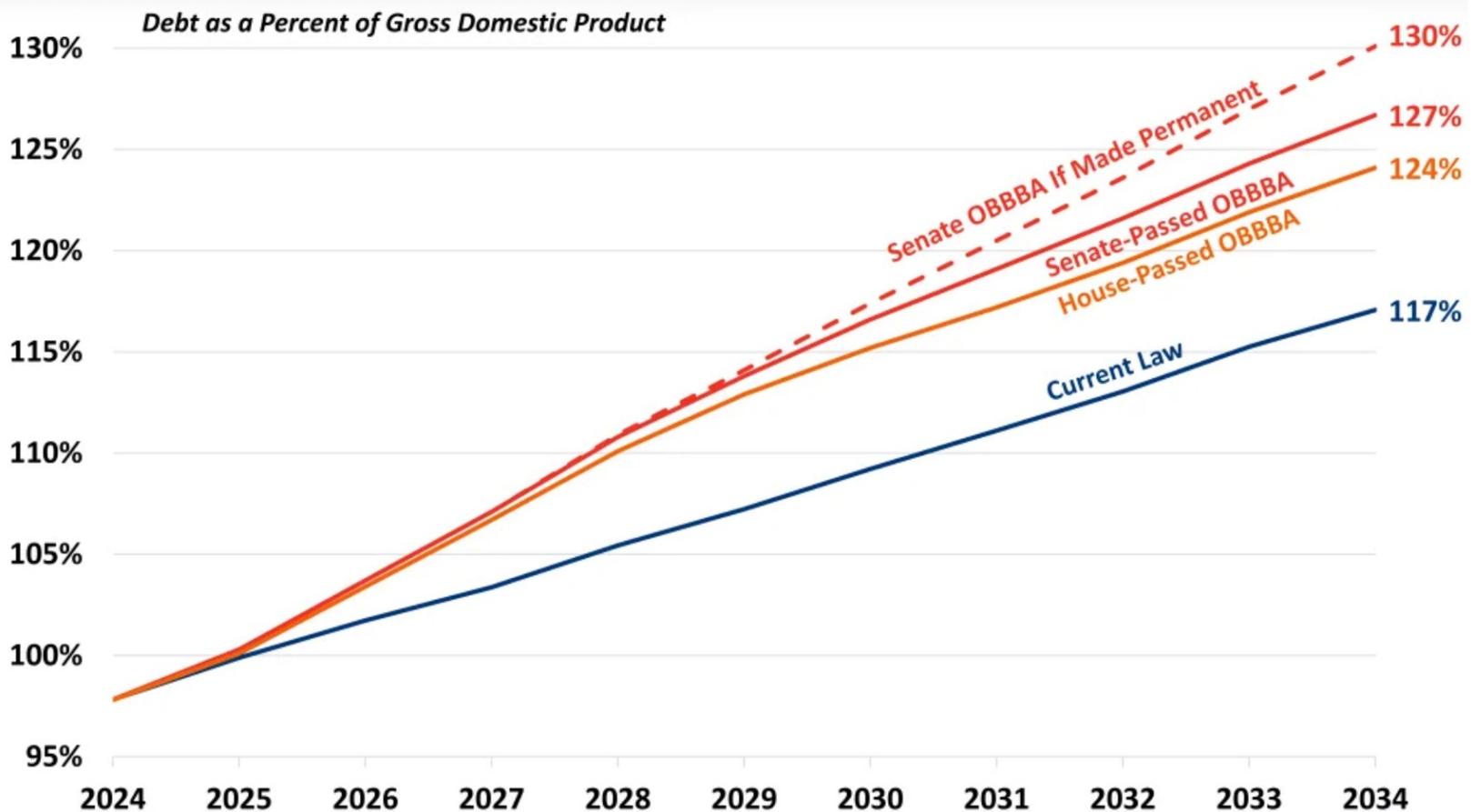
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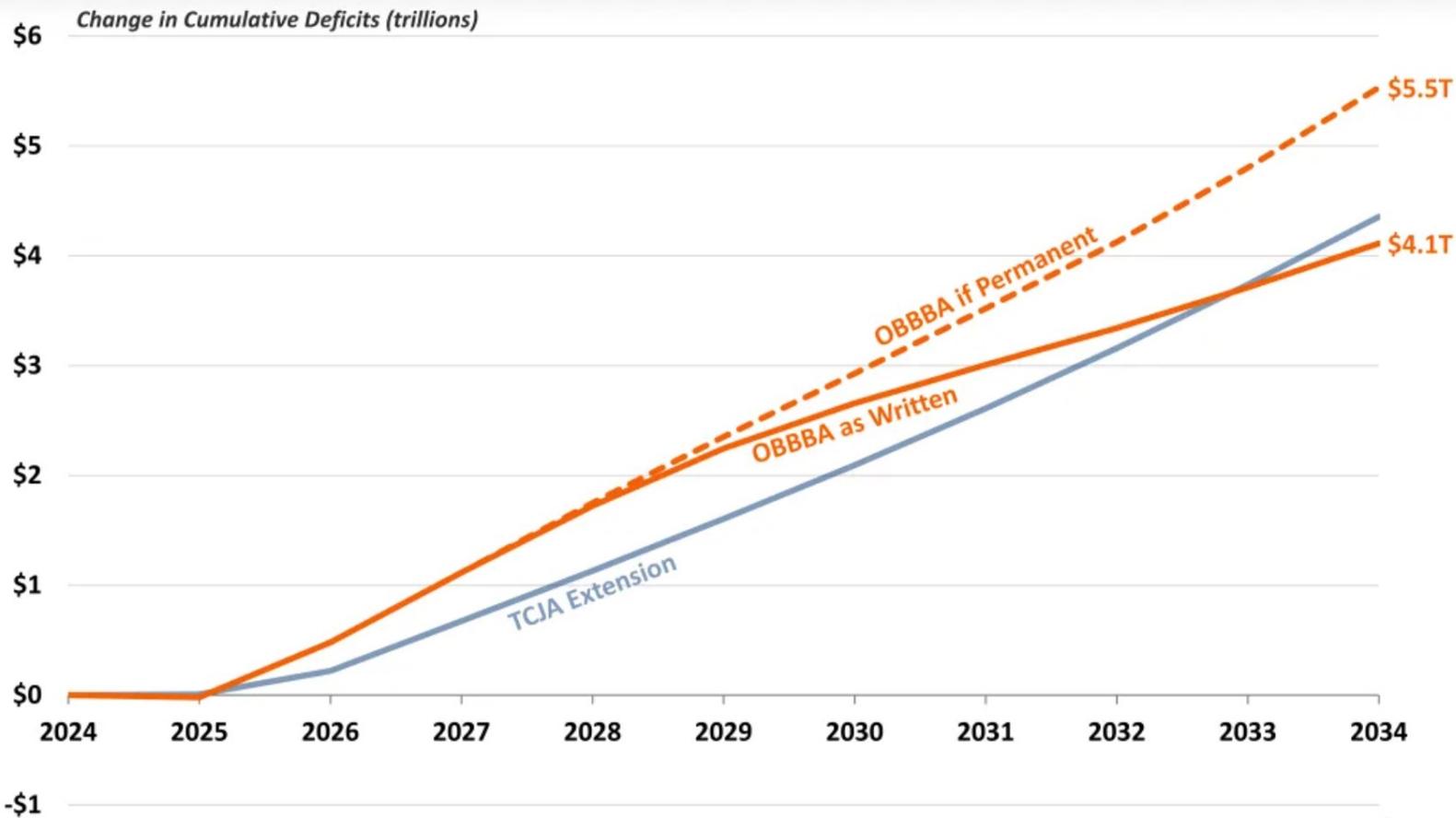
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National Debt Surges Under the OBBBA



Source: Committee for a Responsible Federal Budget

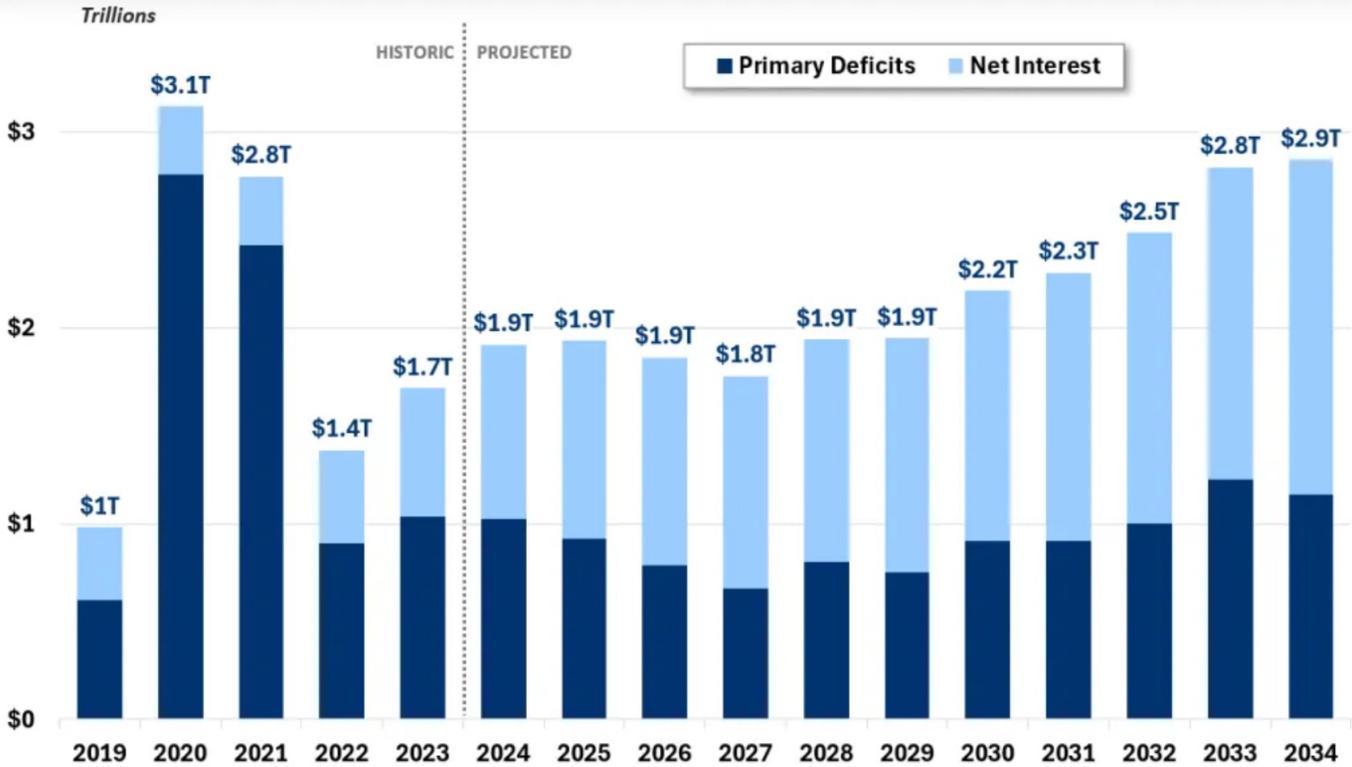
National Debt Surges Under the OBBBA



Note: Figures include interest effects.
Sources: Committee for a Responsible Federal Budget, Congressional Budget Office

Debt Servicing Cost Moves Up Over Time

CBO Projects Deficits Will Total \$22.1T Over Decade



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Source: CRFB

Tariffs Generate Revenue – If They Persist

Table 1: The Effects of President Trump's Tariffs on Revenues and Imports

Billions of dollars

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025-2034	2025-2054
Revenues	419	570	566	561	554	544	532	518	501	481	5,246	16,390
Value of imports	-319	-434	-492	-555	-627	-706	-794	-892	-1,000	-1,118	-6,937	-37,236
<i>Memorandum:</i>												
Dynamic revenues	388	516	504	492	477	462	444	425	405	383	4,496	11,829

Source: Penn Wharton Budget Model.

Notes: Revenues include an estimate of how demand will respond to higher prices.

Dynamic revenues reflect the tariff revenues after households adjust their consumption in response to the higher import prices, thus capturing the broader behavioral and economic feedback effects.

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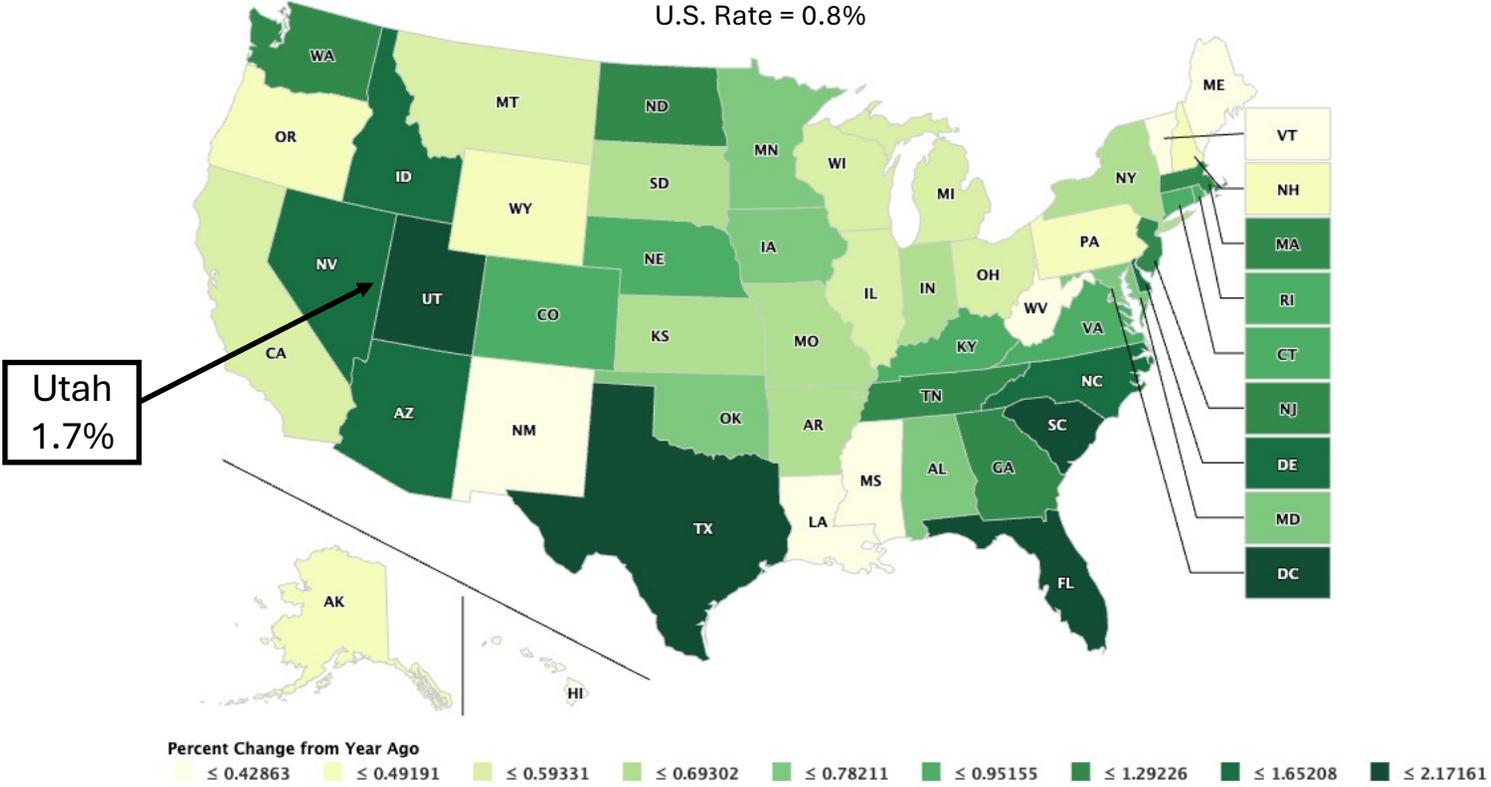
Regional Economic Conditions

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Utah Population Growth Among Top in Nation

FRED 2024 Resident Population by State (Percent Change from Year Ago)



Source: U.S. Census Bureau

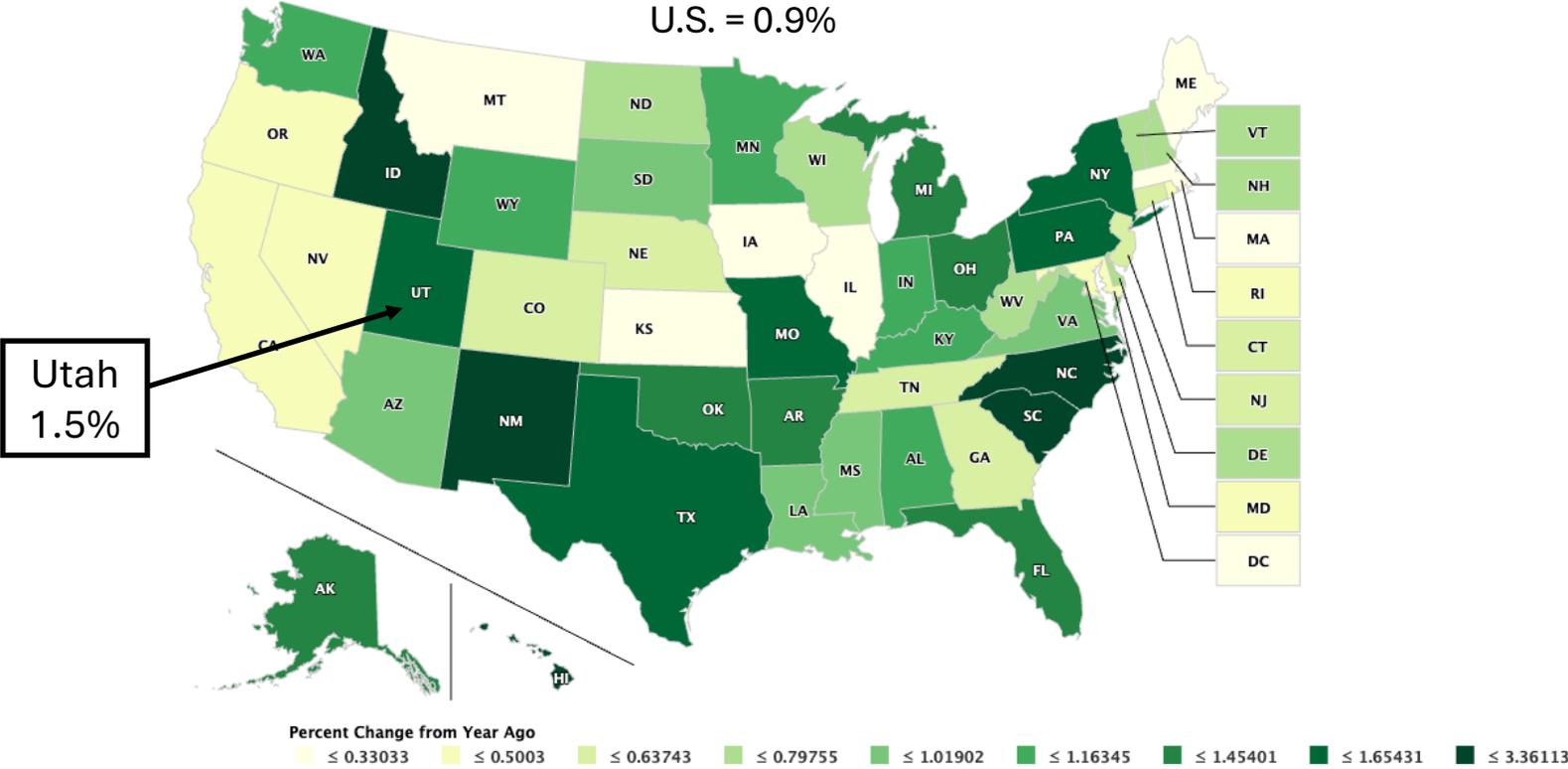
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Sources: US Census Bureau, FRED

Utah Employment Growth Higher Than U.S.

FRED 2025 July All Employees: Total Nonfarm by State (Percent Change from Year Ago)



Source: U.S. Bureau of Labor Statistics via FRED®

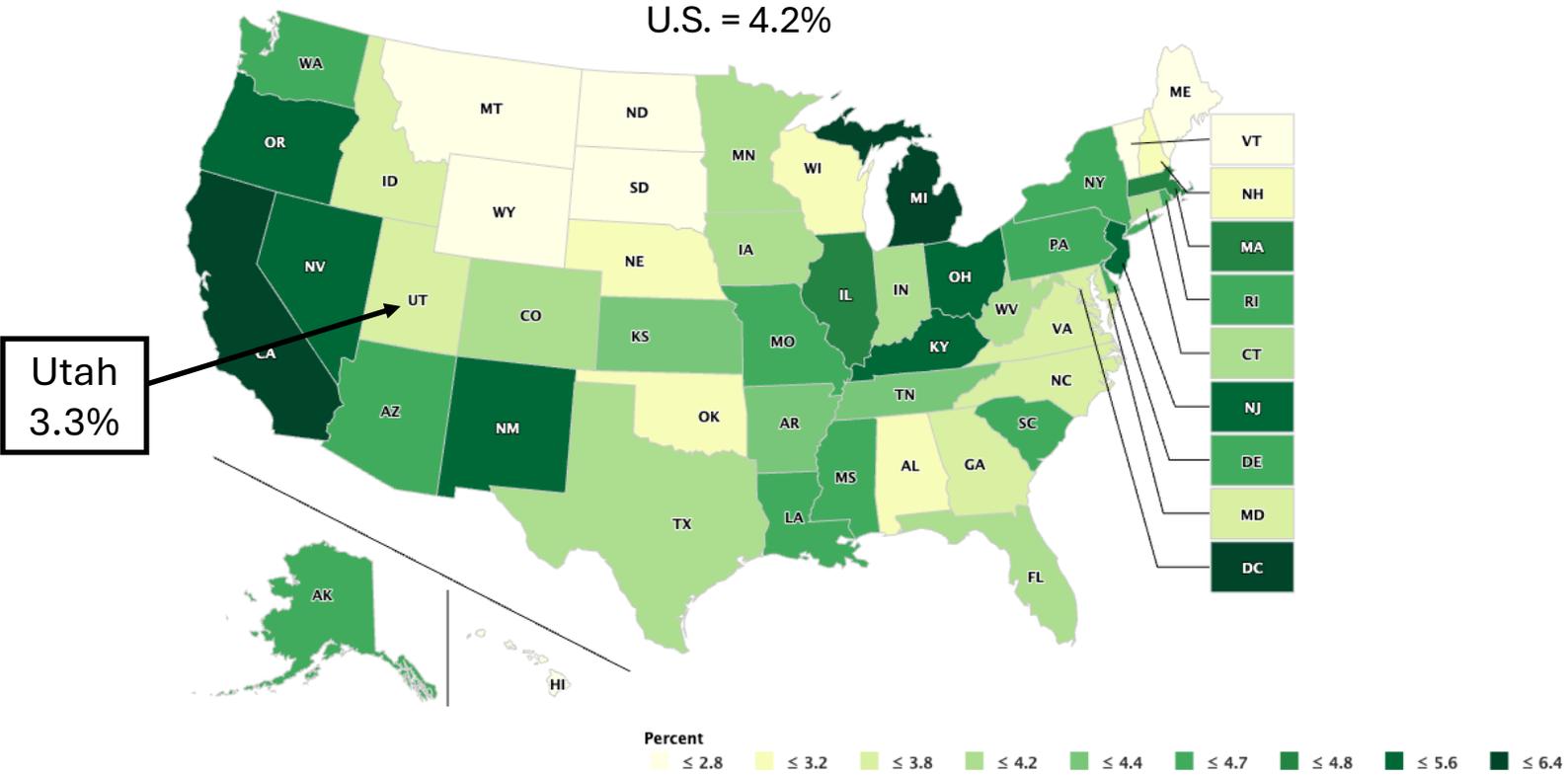
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Source: U.S. Bureau of Labor Statistics

Utah Unemployment Rate Lower Than Average

FRED 2025 July Unemployment Rate by State (Percent)



Source: U.S. Bureau of Labor Statistics via FRED®

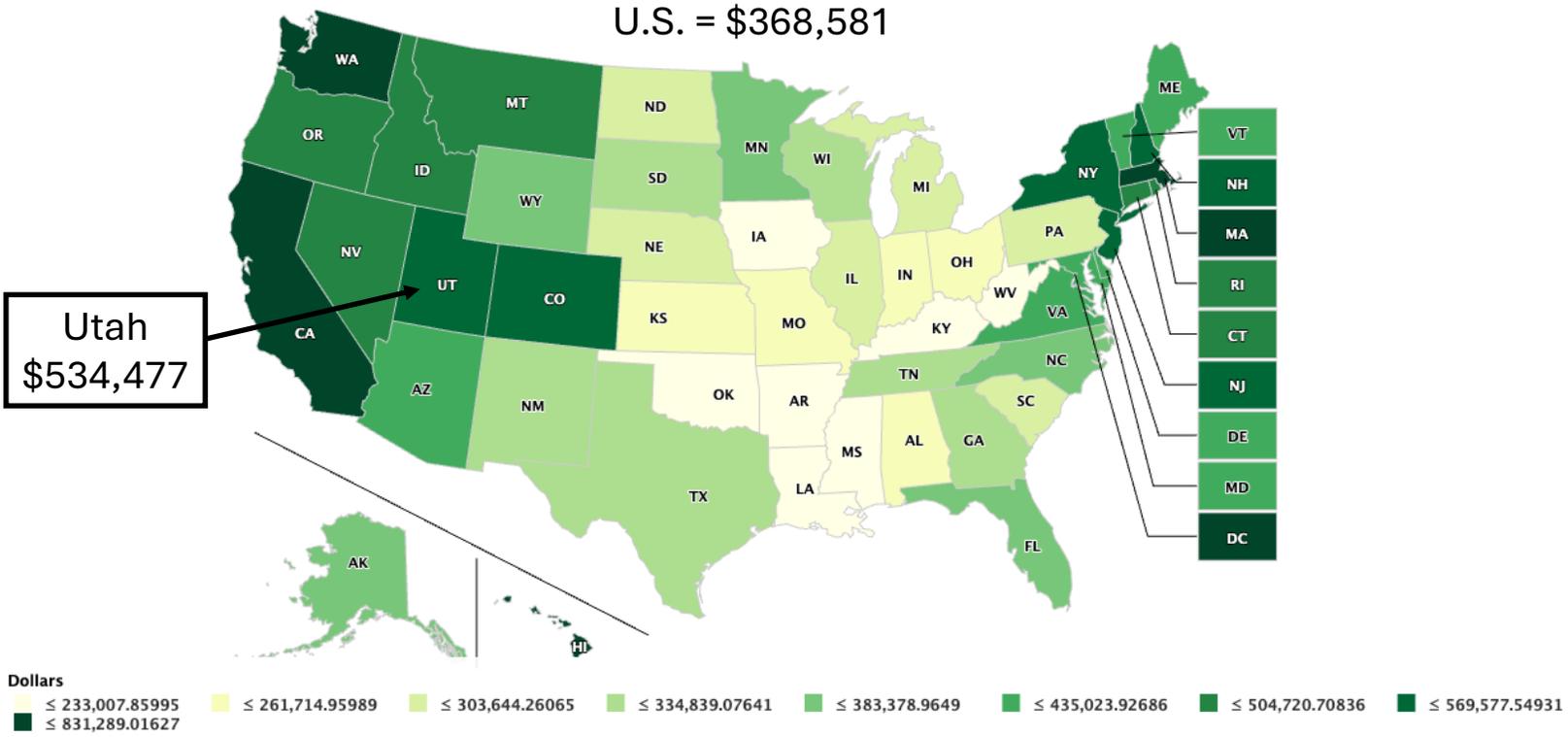
Source: U.S. Bureau of Labor Statistics

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Utah Home Prices Much Higher Than Nation

FRED 2025 July Zillow Home Value Index (ZHVI) for All Homes Including Single-Family Residences, Condos, and CO-OPs by State (Dollars)

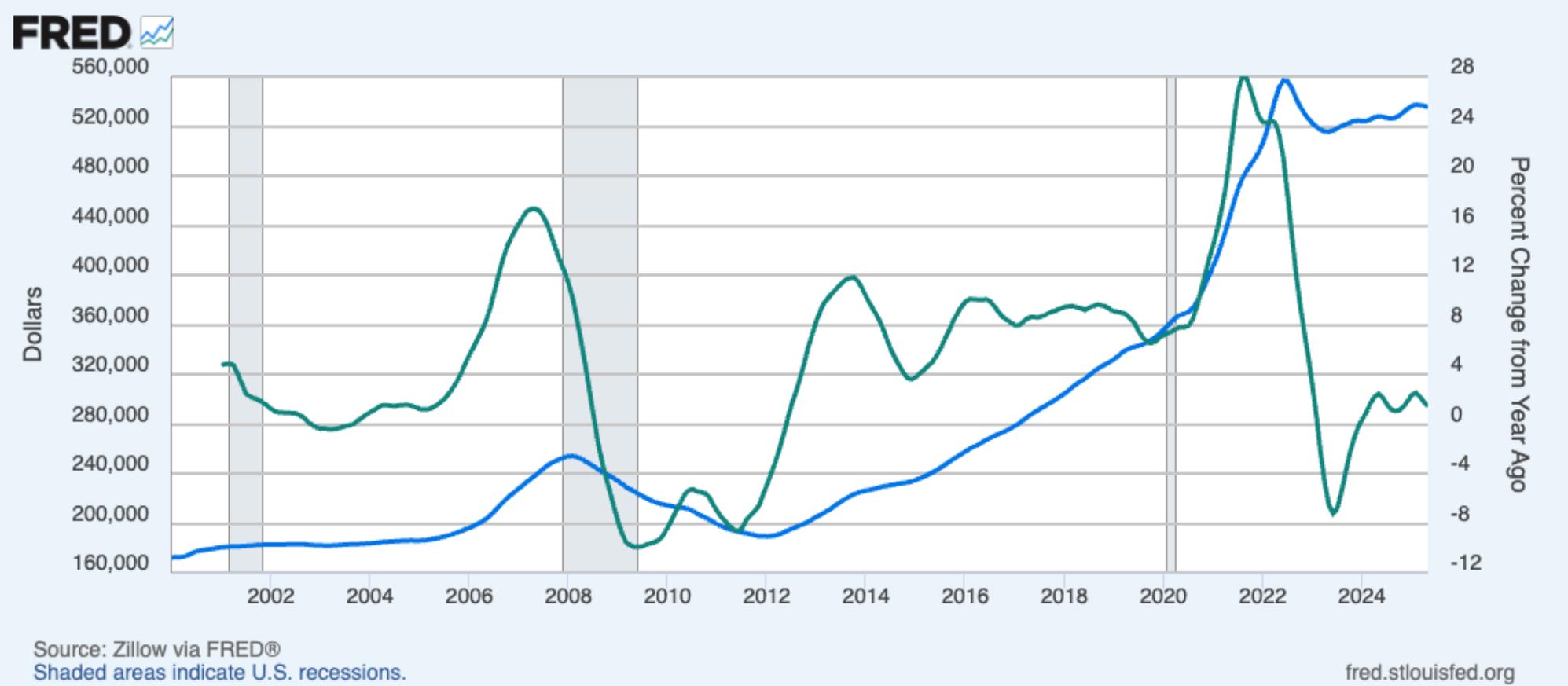


Source: Zillow via FRED®

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Utah Home Price Appreciation Stable



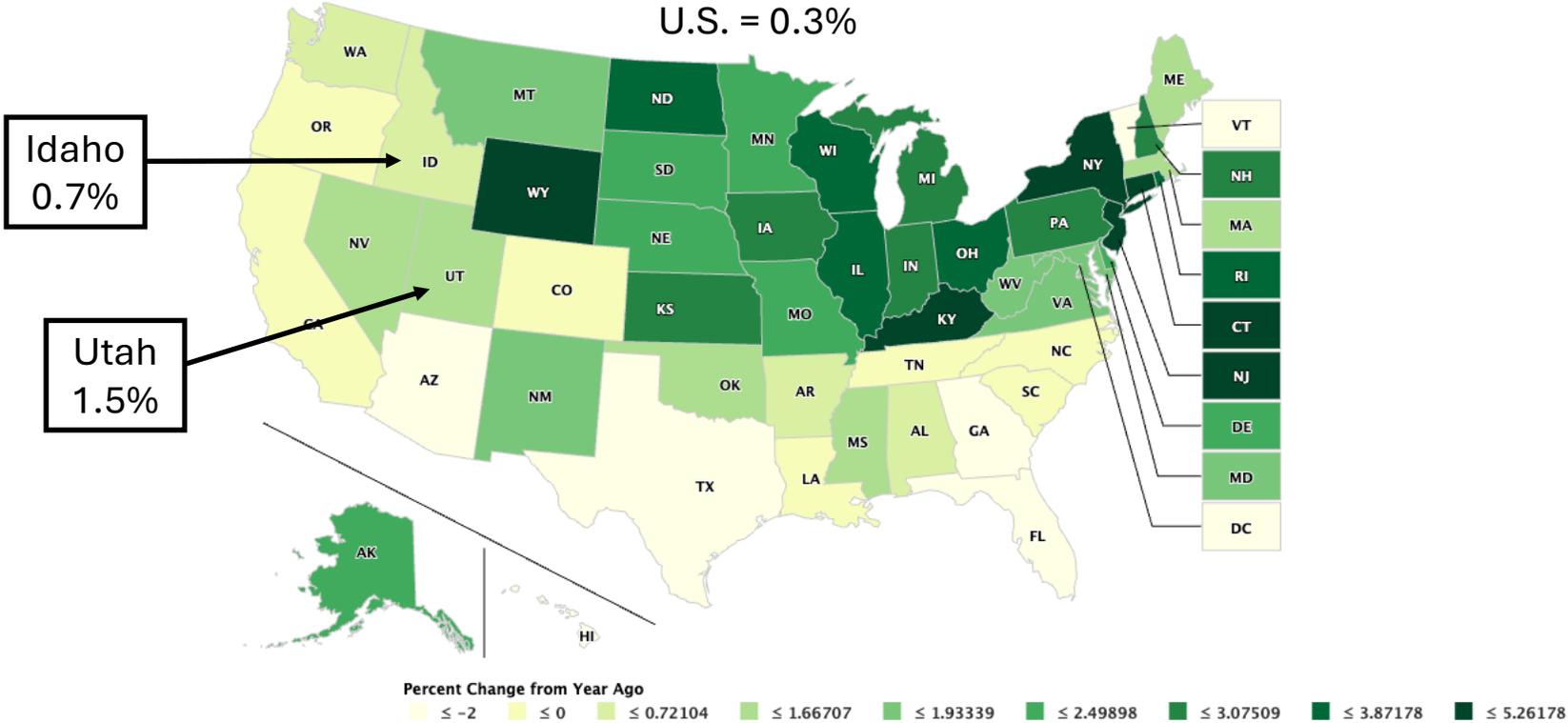
Sources: Zillow, FRED

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Utah Home Price Growth Slowing

FRED 2025 July Zillow Home Value Index (ZHVI) for All Homes Including Single-Family Residences, Condos, and CO-OPs by State (Percent Change from Year Ago)



Source: Zillow via FRED®

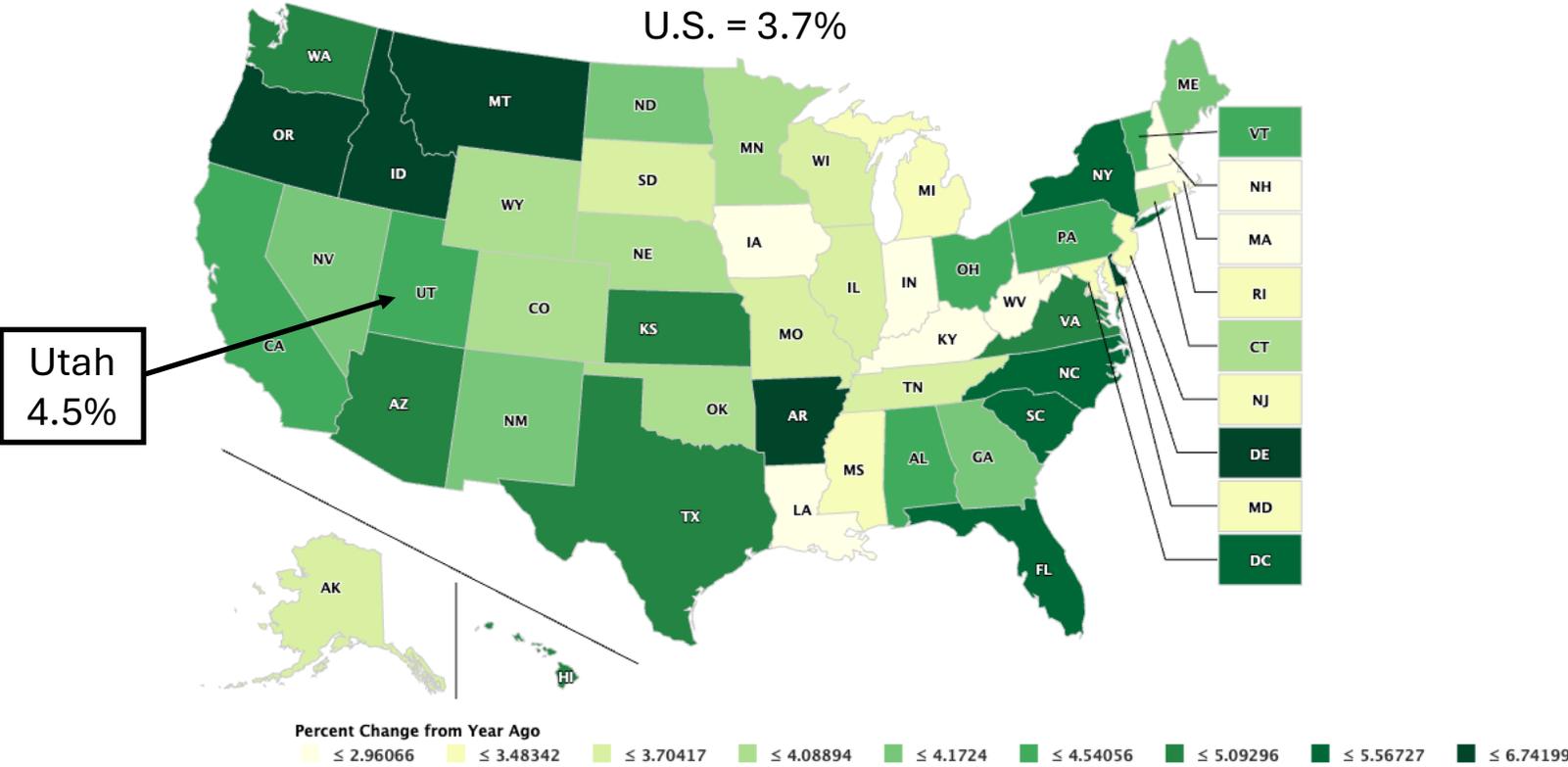
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Sources: Zillow, FRED

Utah Wage Growth Above National Average

FRED 2025 Q1 Total Wages and Salaries by State (Percent Change from Year Ago)



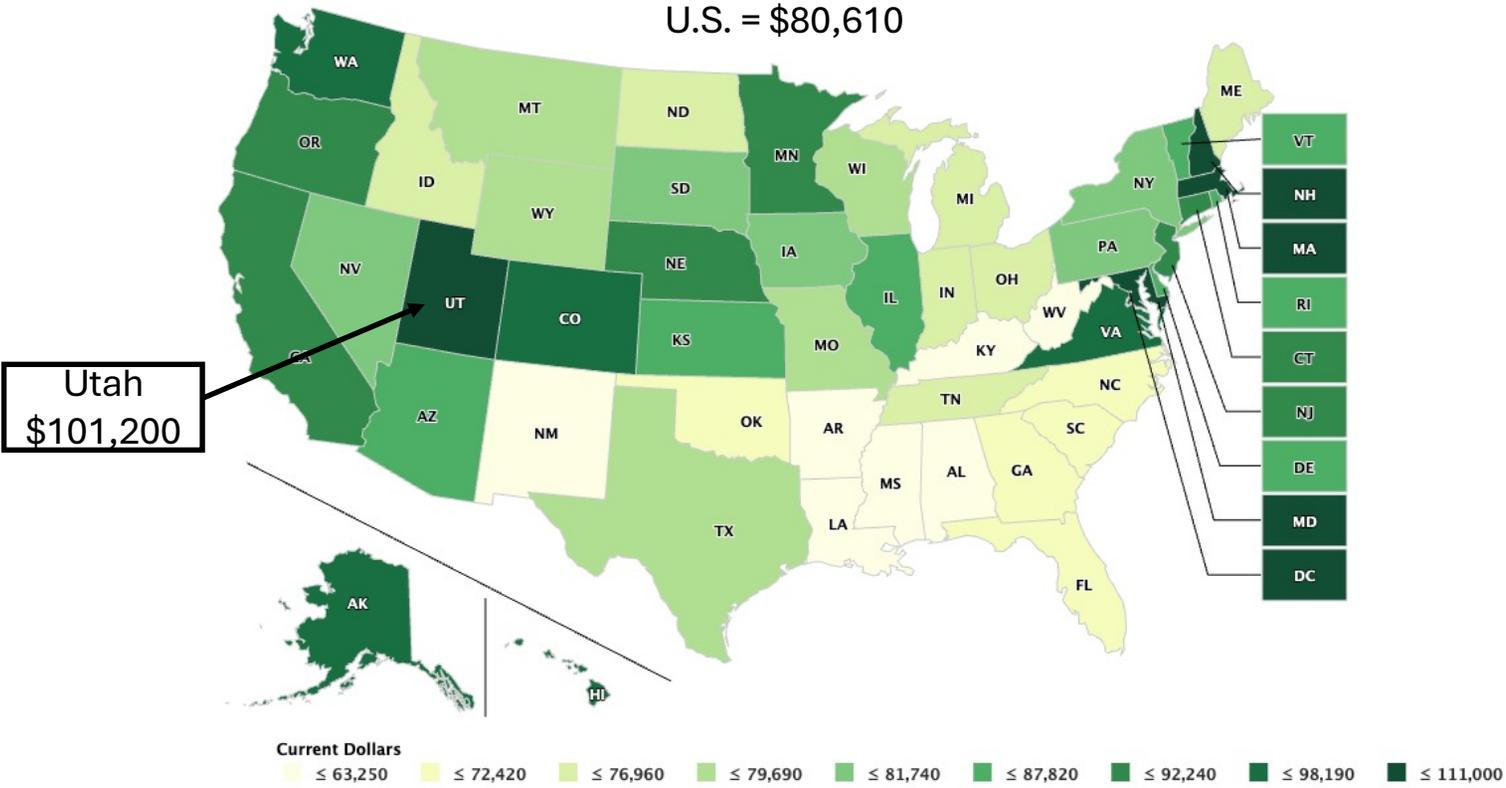
Sources: Federal Reserve Bank of St. Louis; U.S. Bureau of Economic Analysis via FRED®

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Utah 3rd Highest Median Household Income

FRED 2023 Median Household Income by State (Current Dollars)



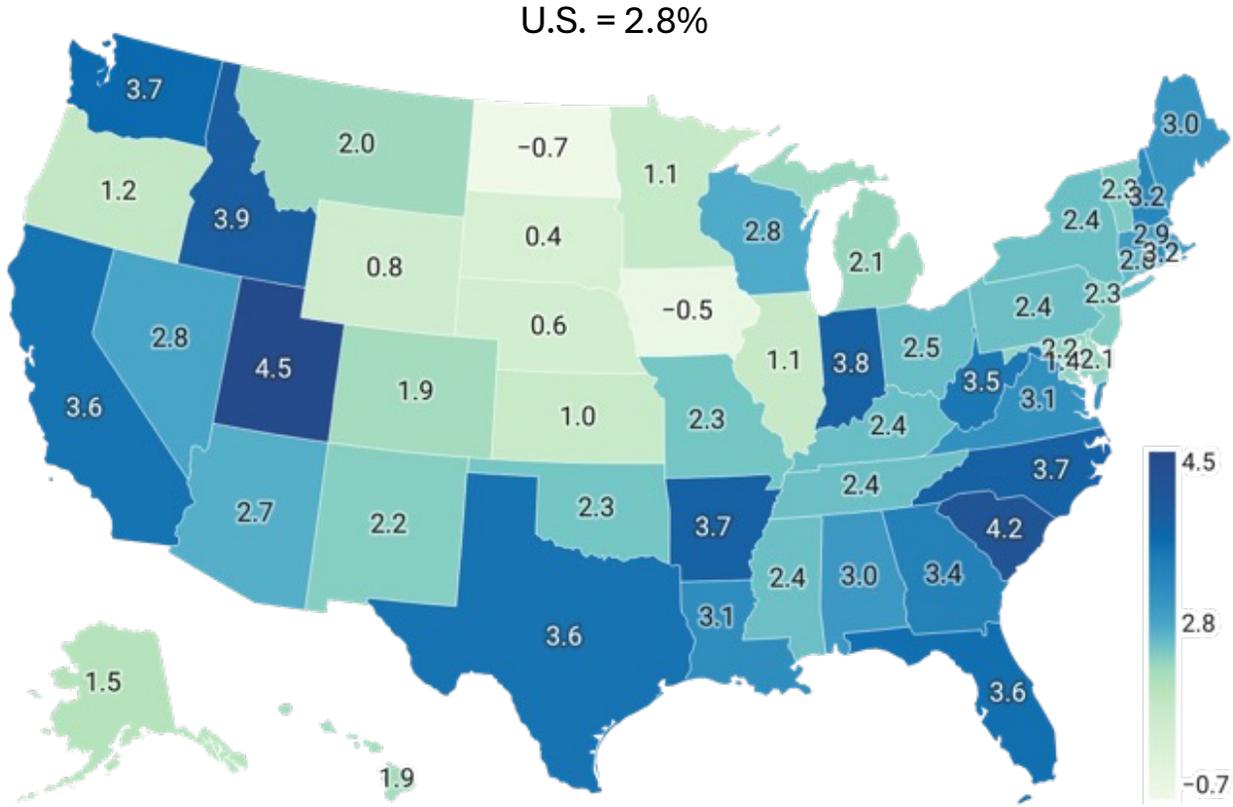
Source: U.S. Census Bureau

Source: US Census Bureau

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Utah GDP Growth Leads the Nation



Created with Datawrapper

Source: US Bureau of Economic Analysis



Economic Outlook

- Tariffs and trade policy cause higher uncertainty and risk
- Consumer sentiment lower, but consumer spending continuing
- Labor market growth slowing
- Inflation could reaccelerate from increased tariffs
- Continued focus on trade, immigration, taxes, debt, and deregulation

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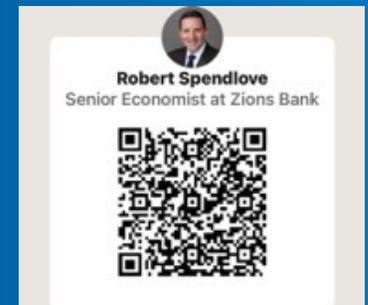
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THANK YOU

Robert Spendlove
Senior Economist

Robert.Spendlove@zionsbank.com

801-560-5394



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