

# Zions Bank Economic Overview

Understanding the Current Economic Environment

Sun Valley Economic Summit

October 27, 2019



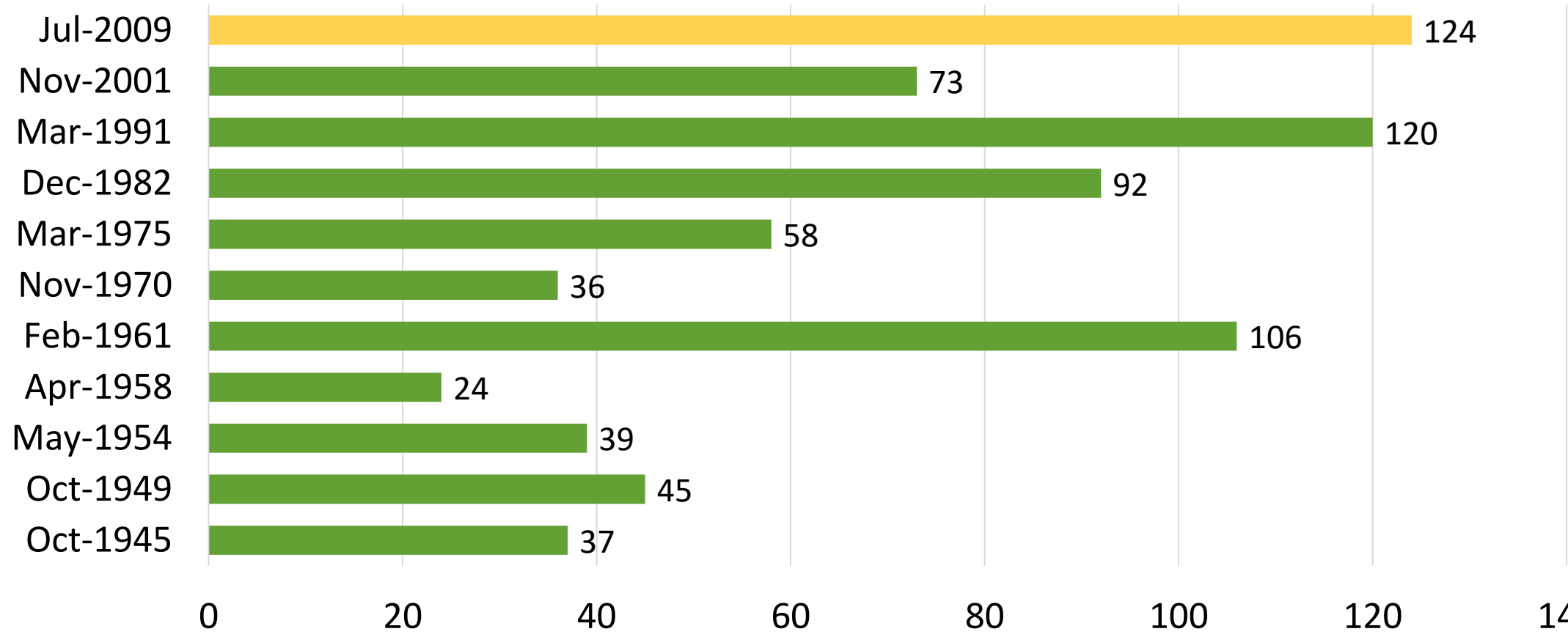
# National Indicators

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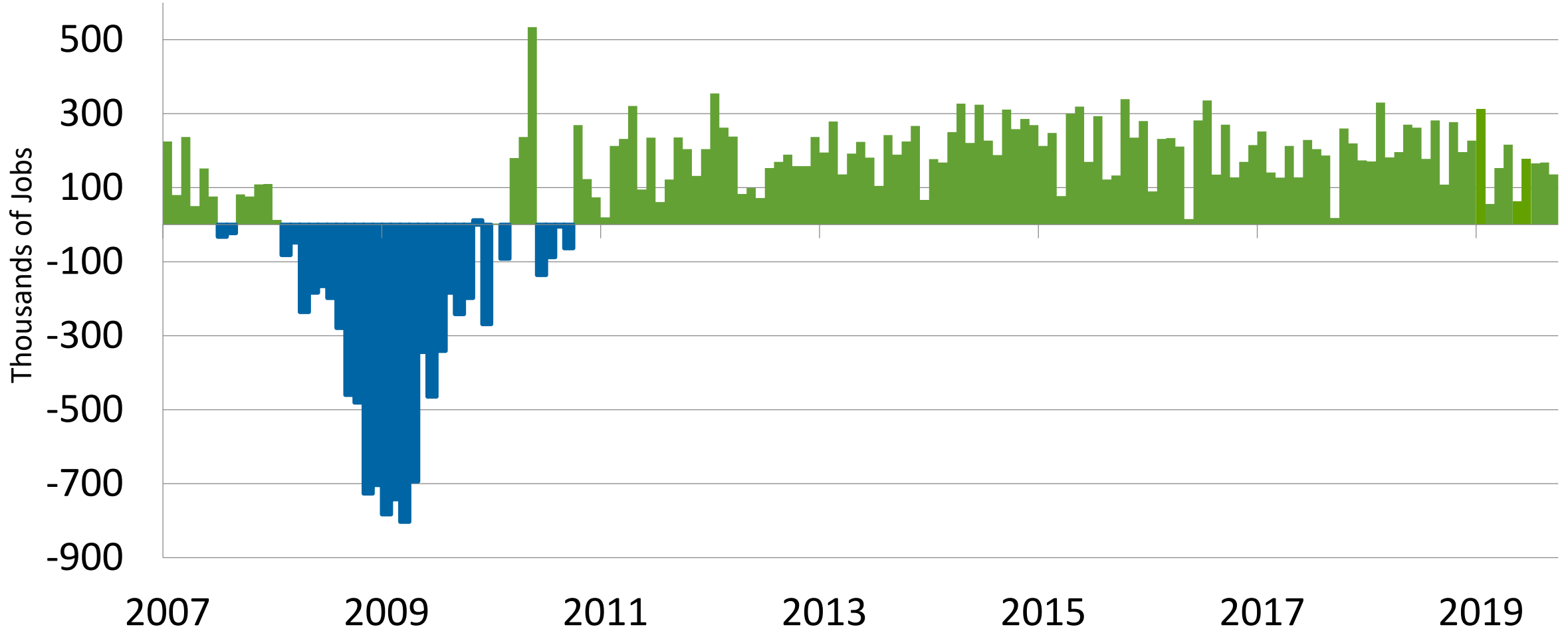
# Longest Economic Expansion on Record

Duration of Economic Expansion by Months



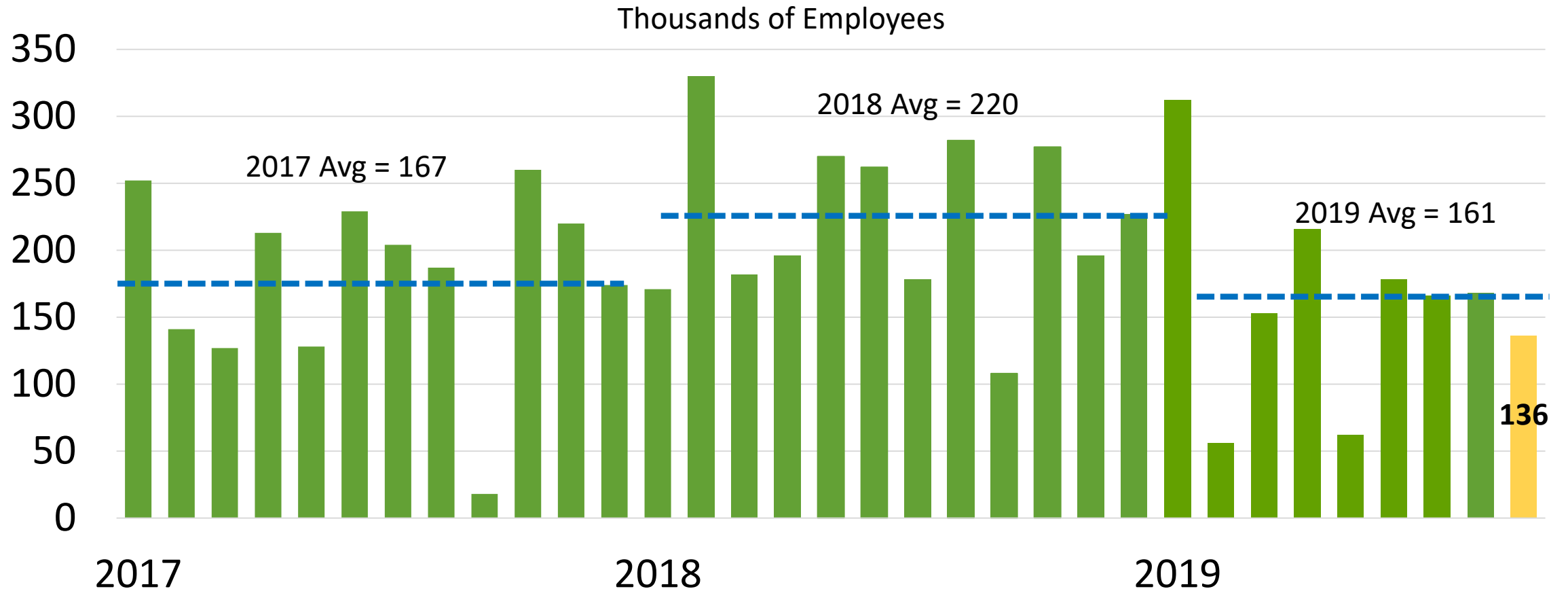
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# 108 Consecutive Months of Job Creation



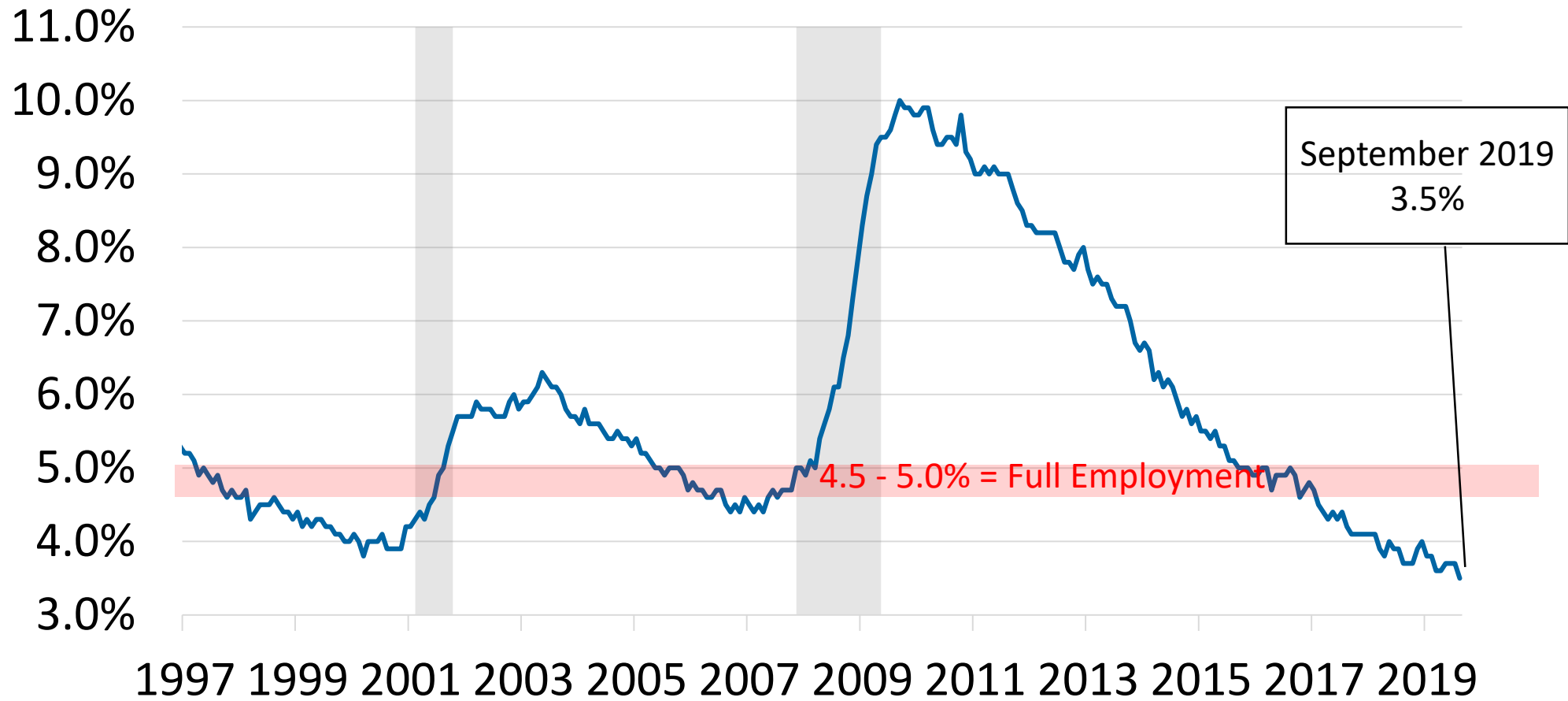
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# Monthly Job Creation Continues to Slow



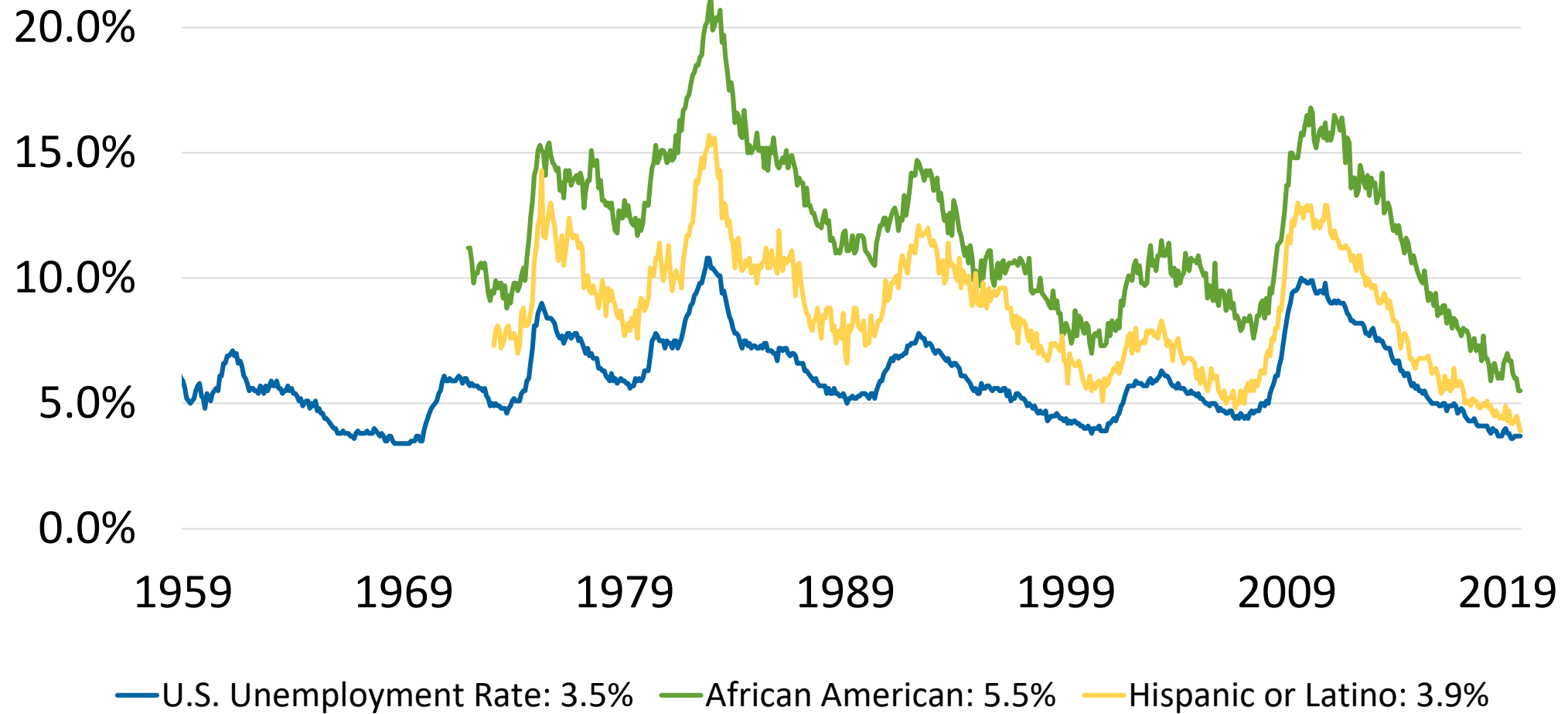
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# US Unemployment Rate Lowest Level in 50 Years



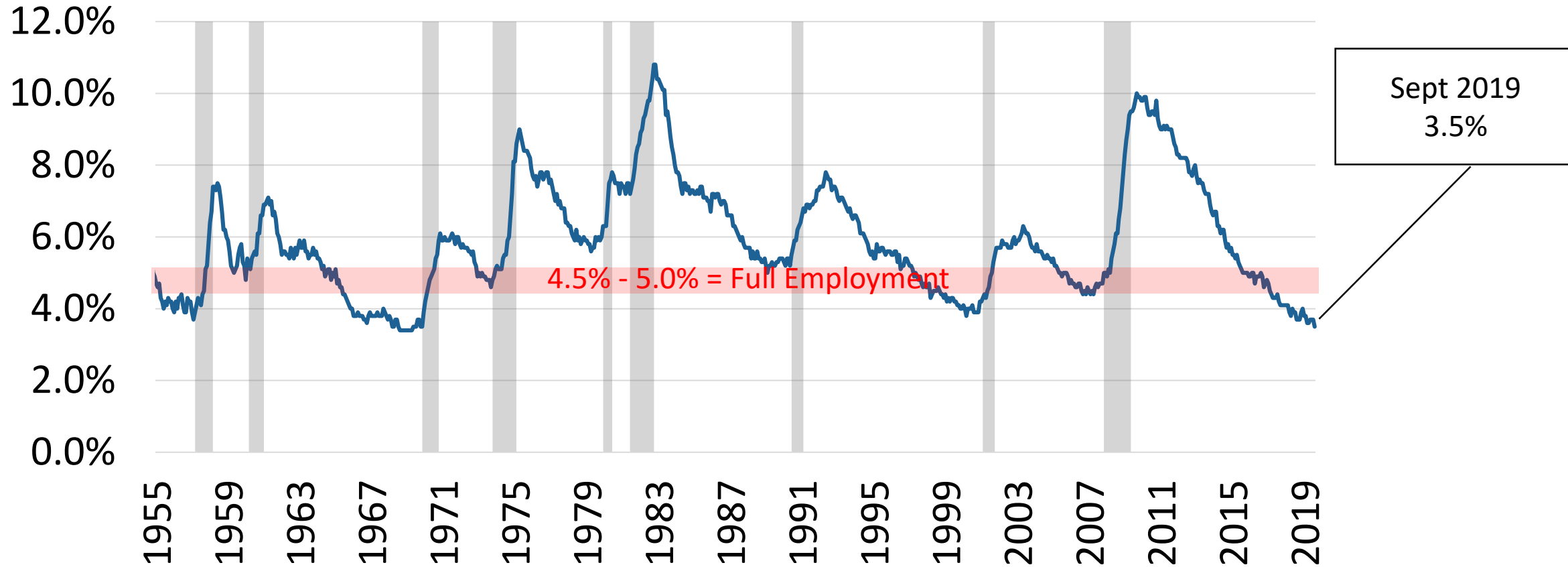
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# Unemployment Hitting Record Lows



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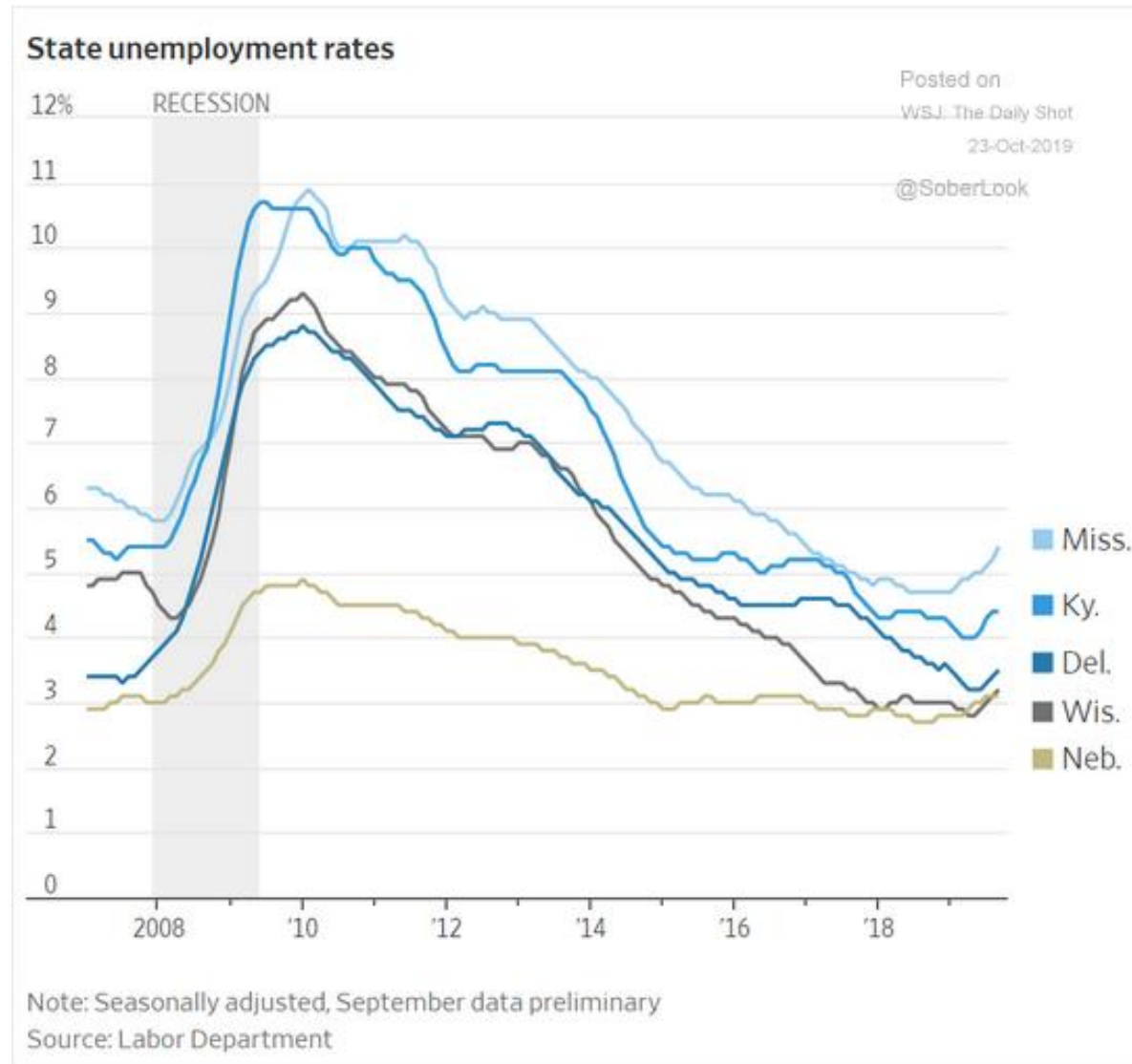
# US Unemployment Rate Near Lowest Level in 50 Years



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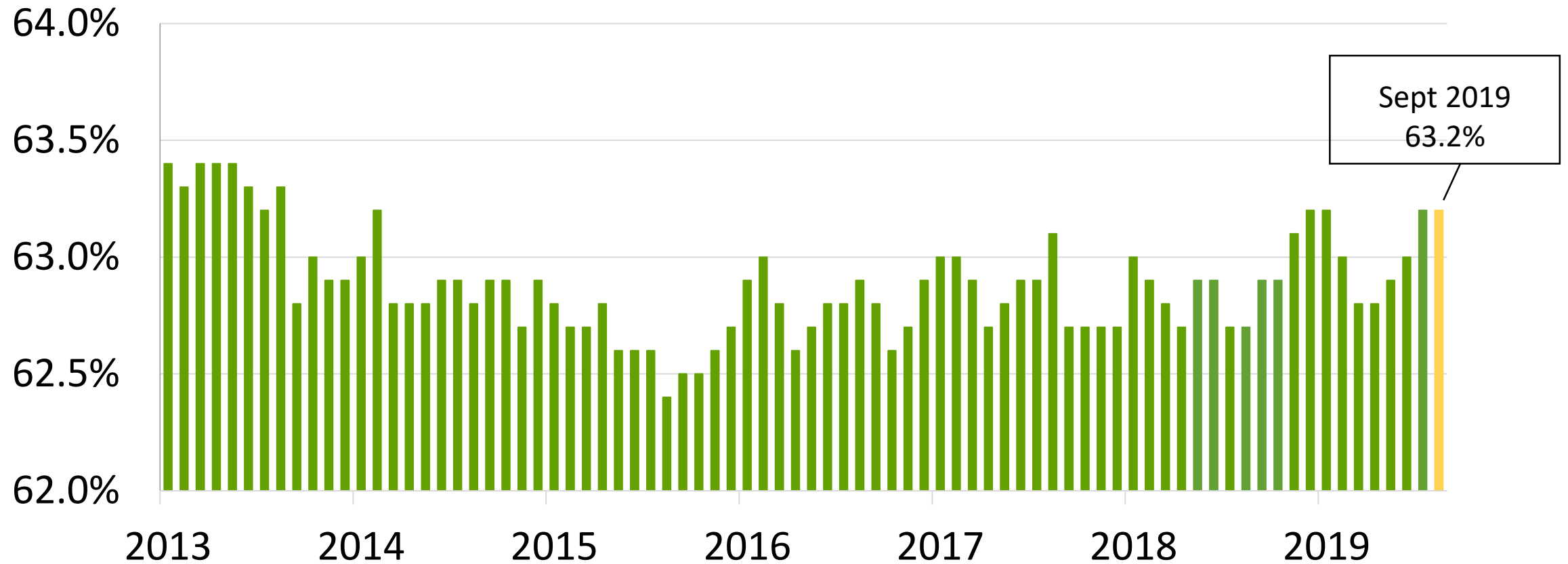


# Some States Seeing Unemployment Increase



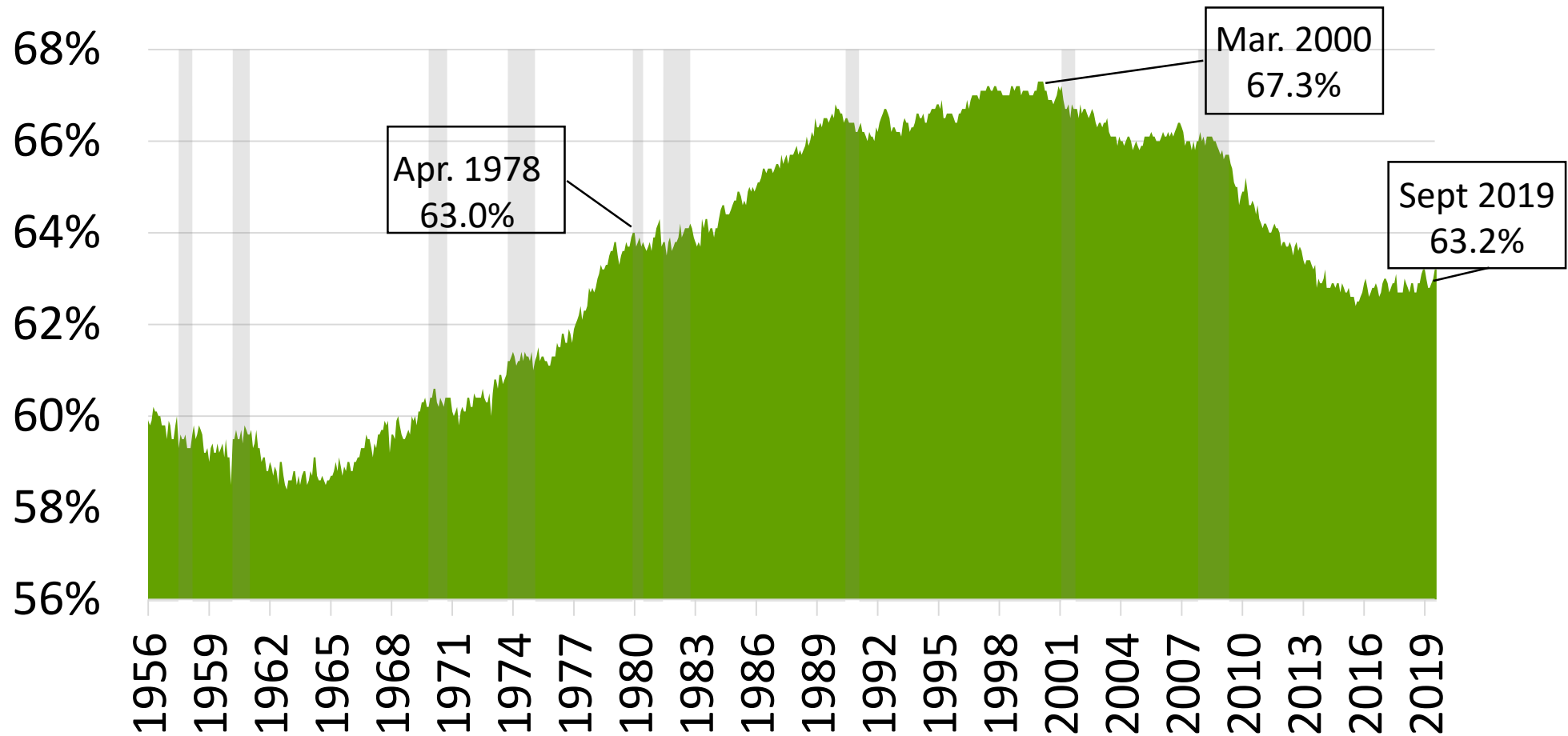
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# Labor Force Participation Steady



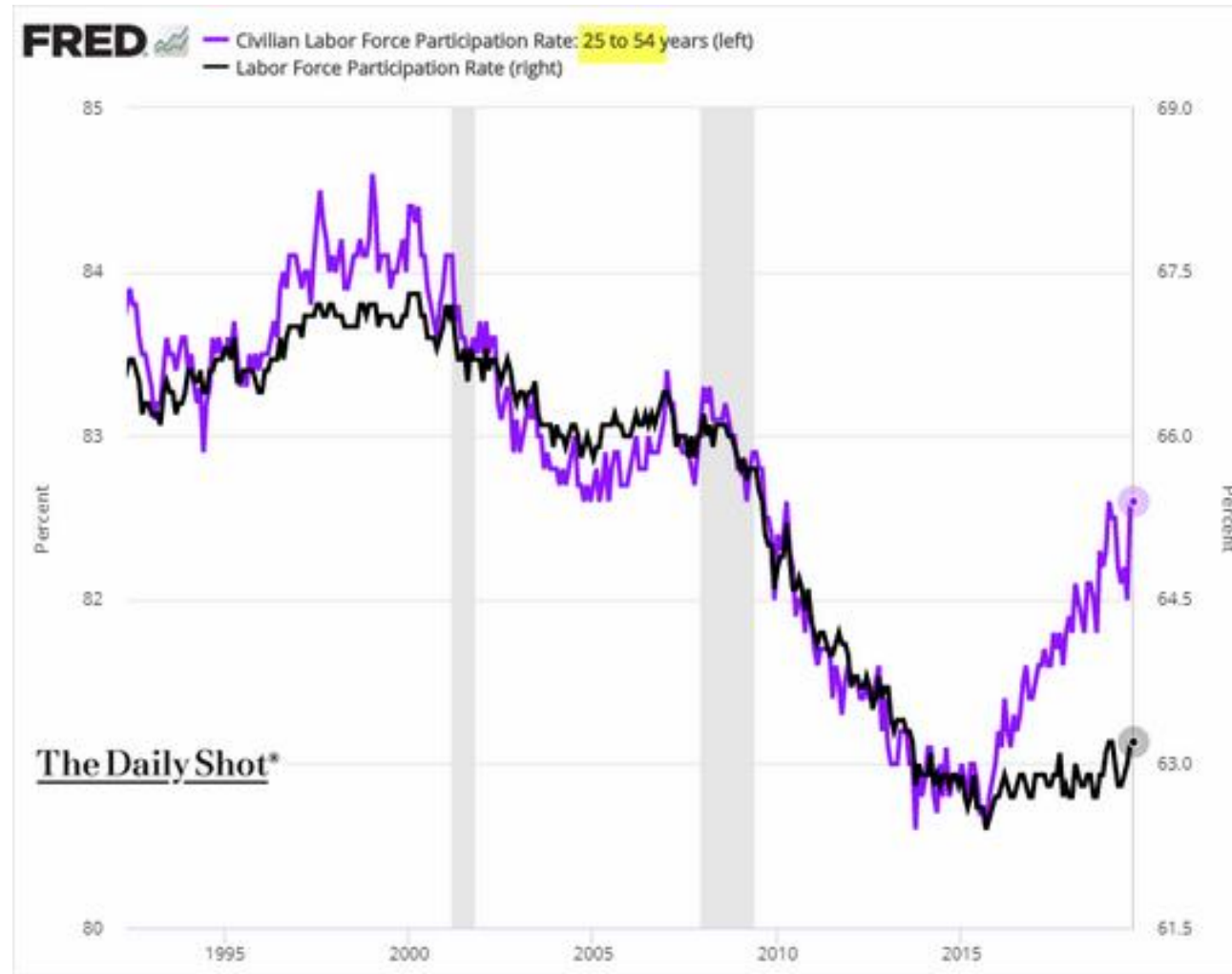
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# Labor Force Participation Among Lowest Level in Almost 40 Years



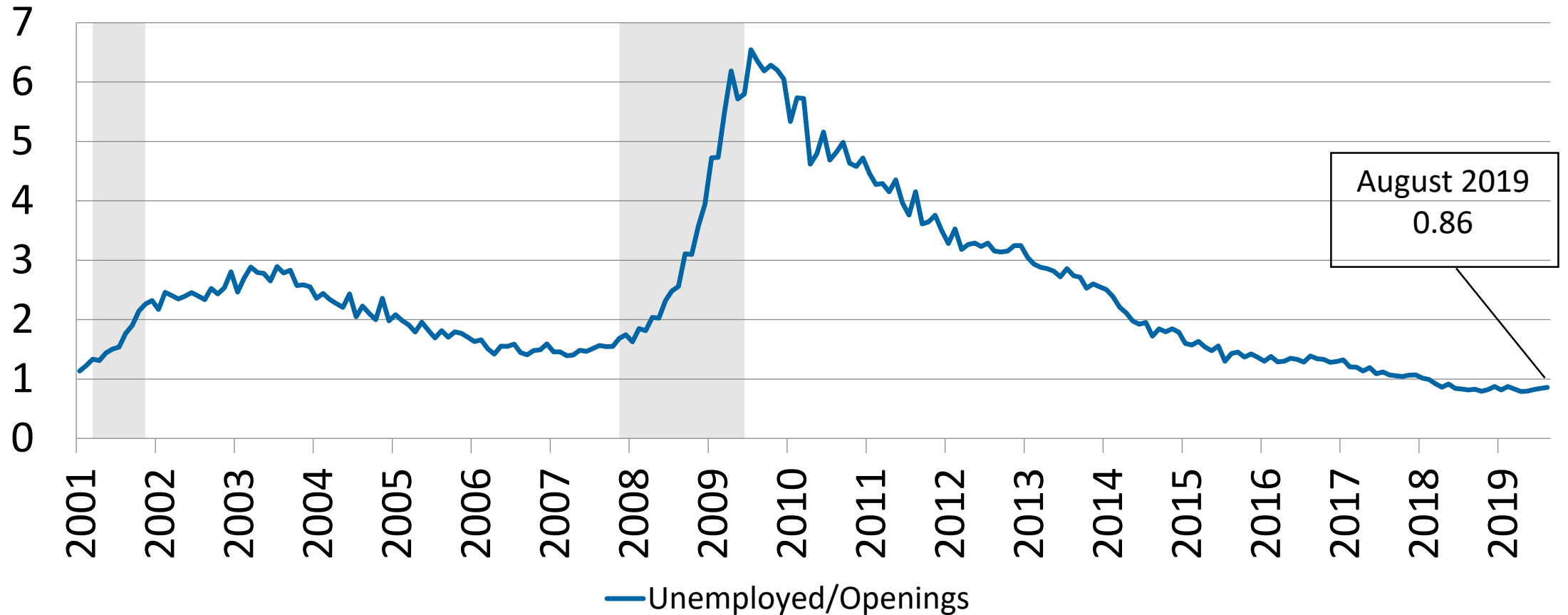
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# Prime Age Labor Force Participation Increasing



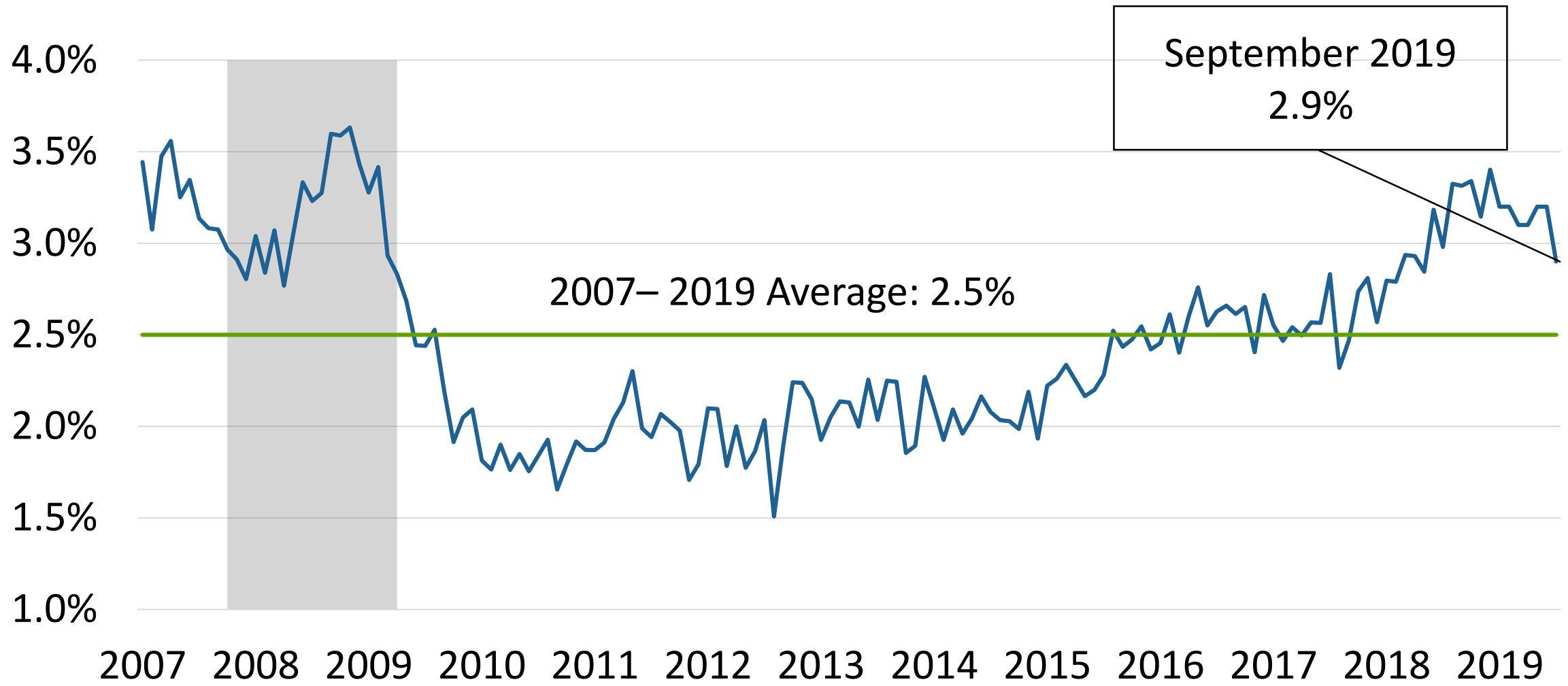
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# Fewer than One Unemployed Worker Per Job Opening



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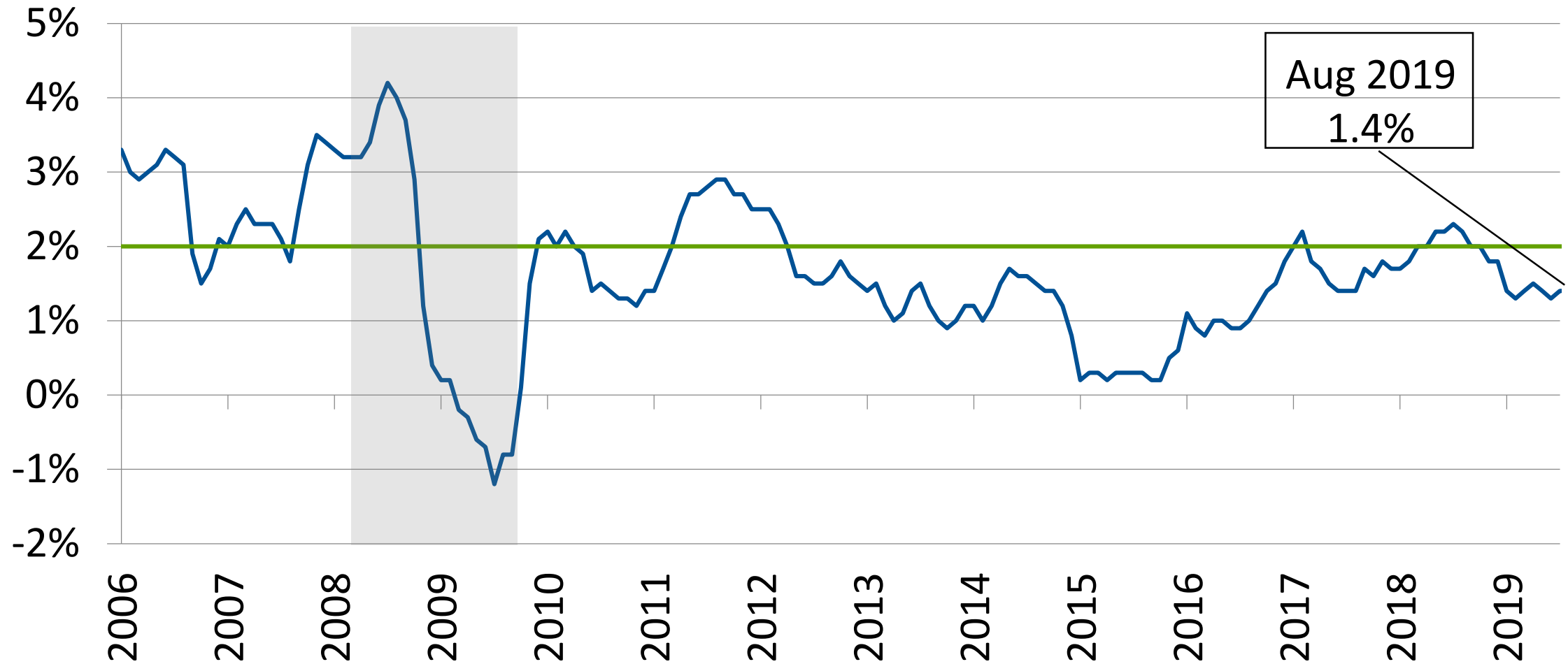
# Wage Growth Sliding



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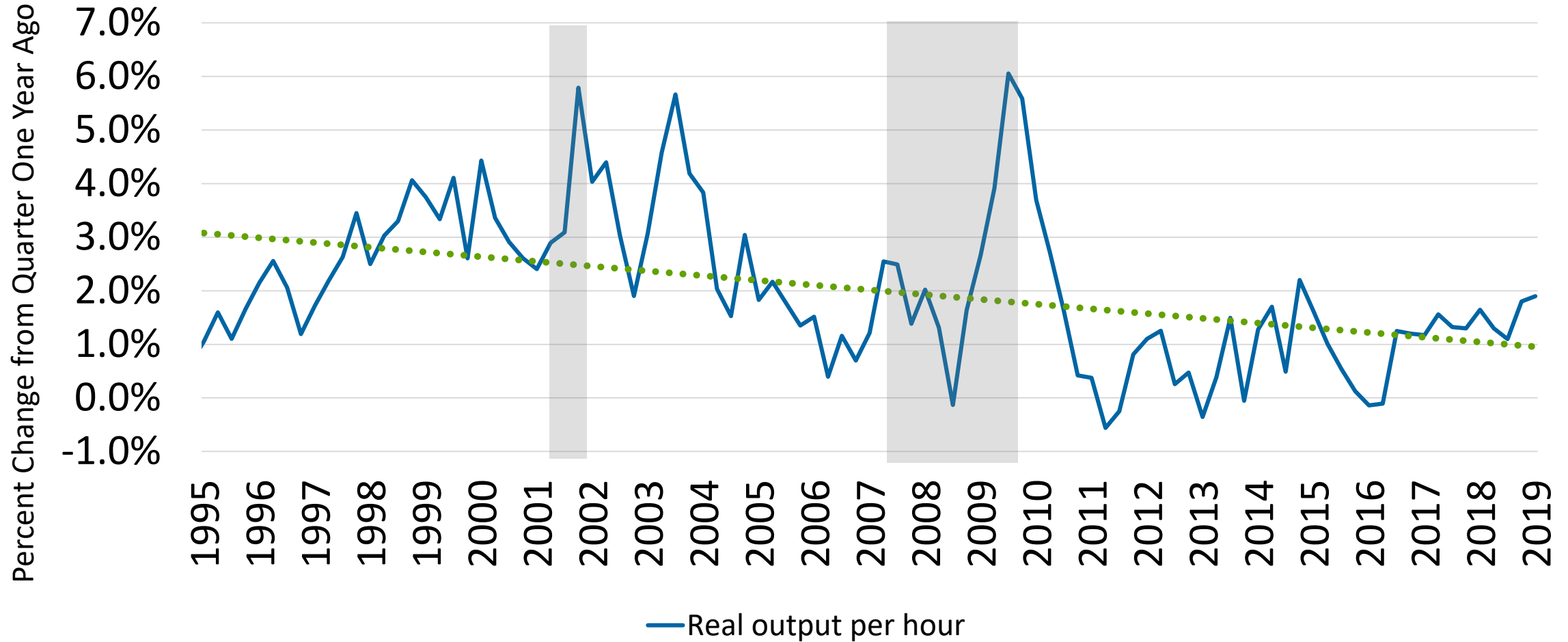
# Inflation is Below the Fed's 2% Goal

Personal Consumption Expenditure Yearly Percent Change



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# Labor Productivity Rebounding?



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# Trade War Fears



## Trump says there will be a 'REAL DEAL' or no deal at all with China

THE WALL STREET JOURNAL

Robert Spendlove ▾

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### Dow Tumbles Nearly 800 Points as Trade Jitters Return

Bond yields retreat amid worries about pace of U.S. growth

The New York Times

### *Trump Warns China That He's 'Tariff Man,' Spooking Stock Investors*

### Trump tariff war with China sends U.S. retailers on buying binge

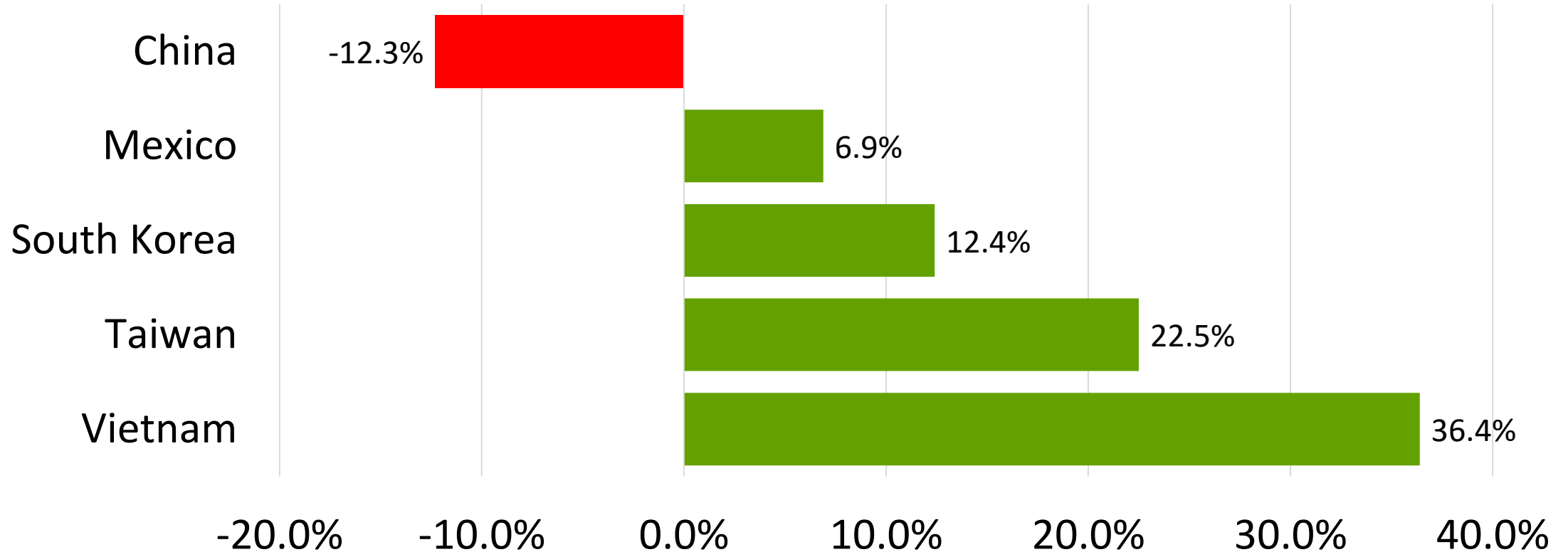
CHICAGO (Reuters) - In the nearly 40 years she has spent in trade, Amy Magnus has never seen retailers hoarding so much inventory.



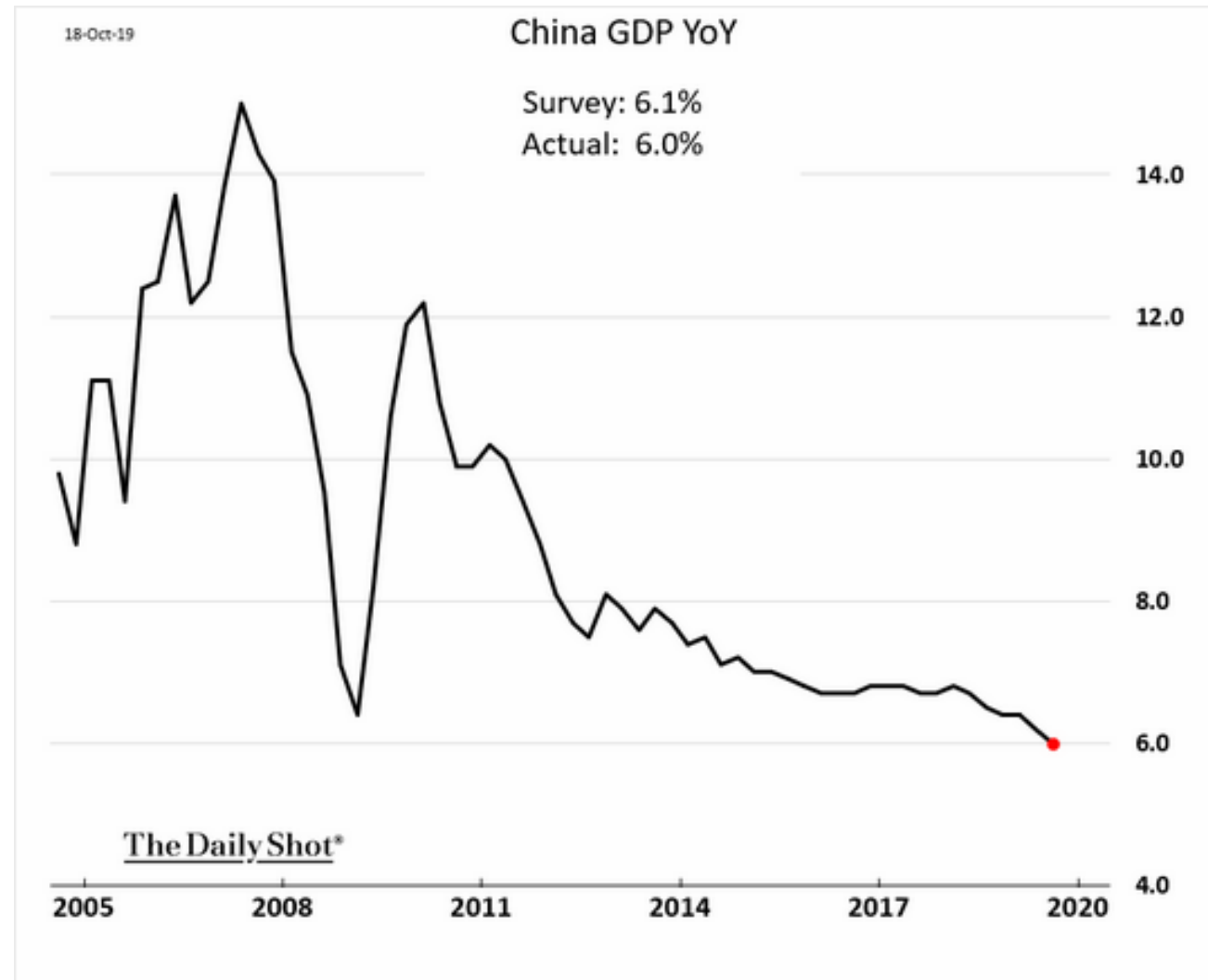
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# Trade War Causes Shift in Imports

Change in US Imports From Year Before



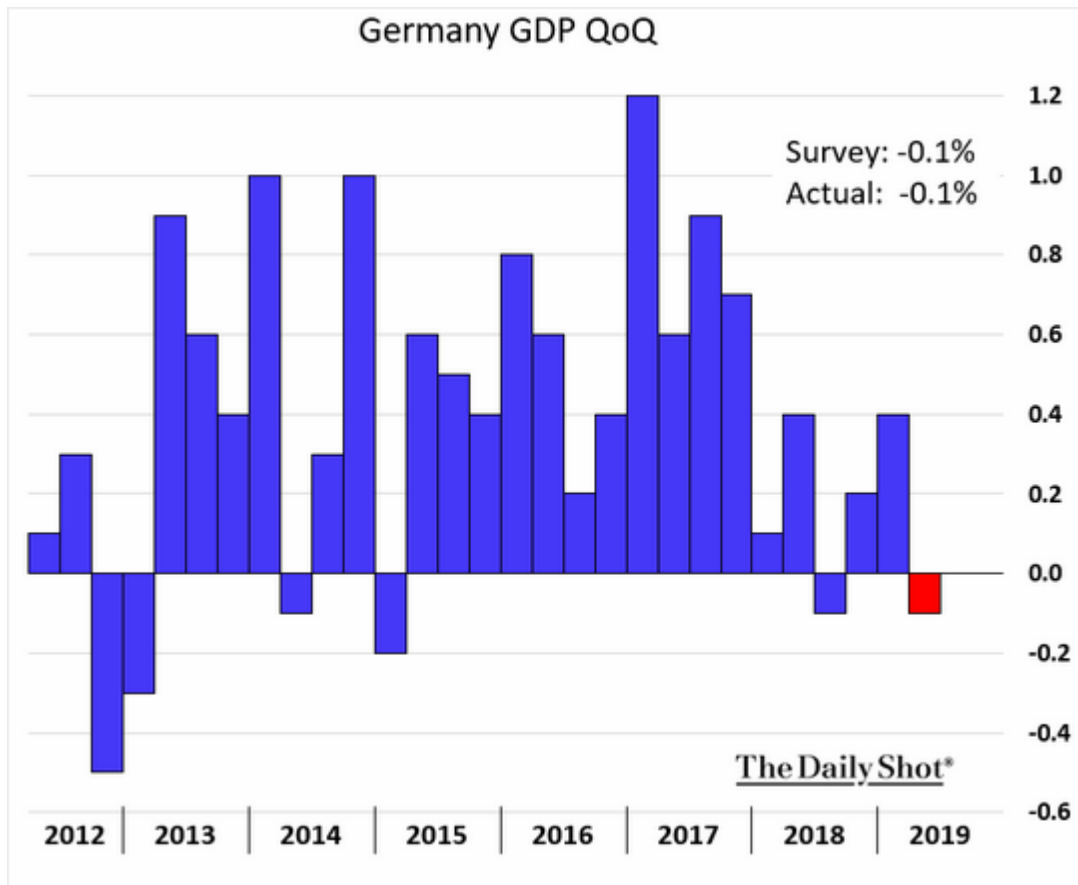
# China's Economy is Struggling



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# Economic Weakness Throughout World

## Germany

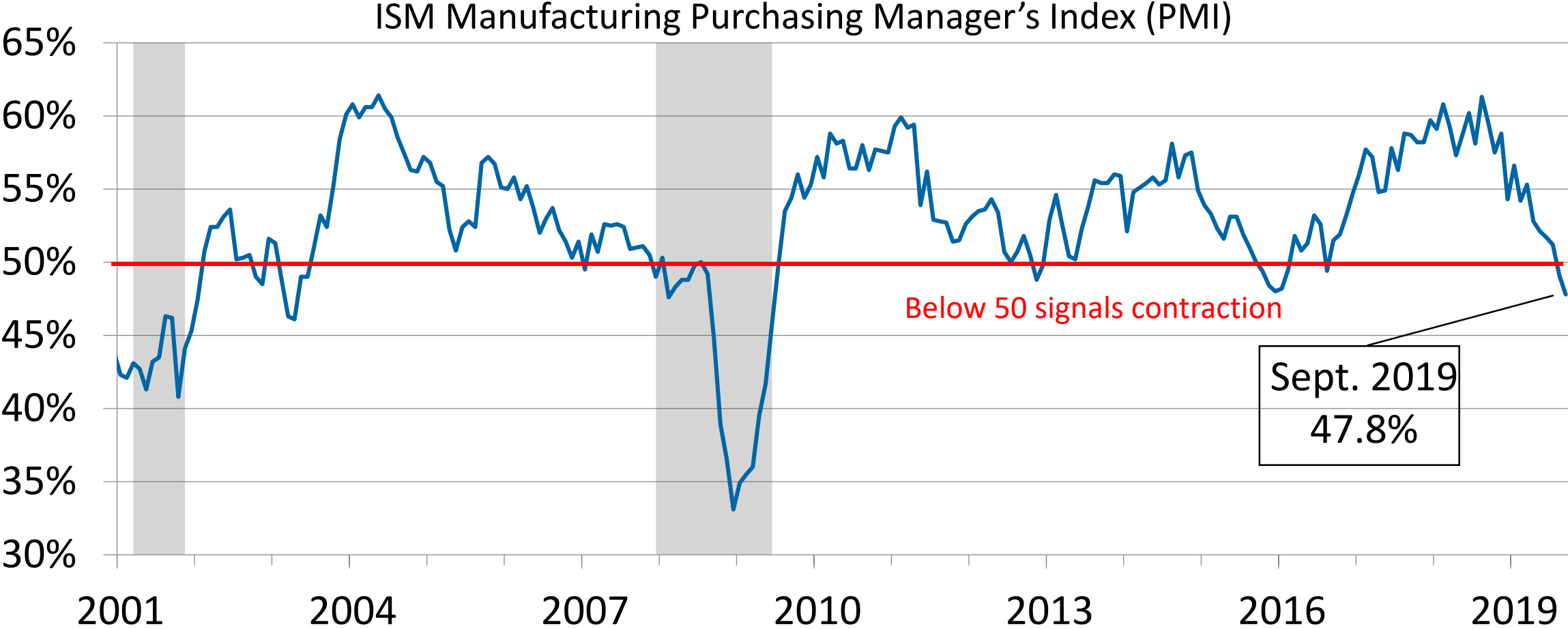


## United Kingdom



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# Manufacturing Sector Weakest Since June 2009



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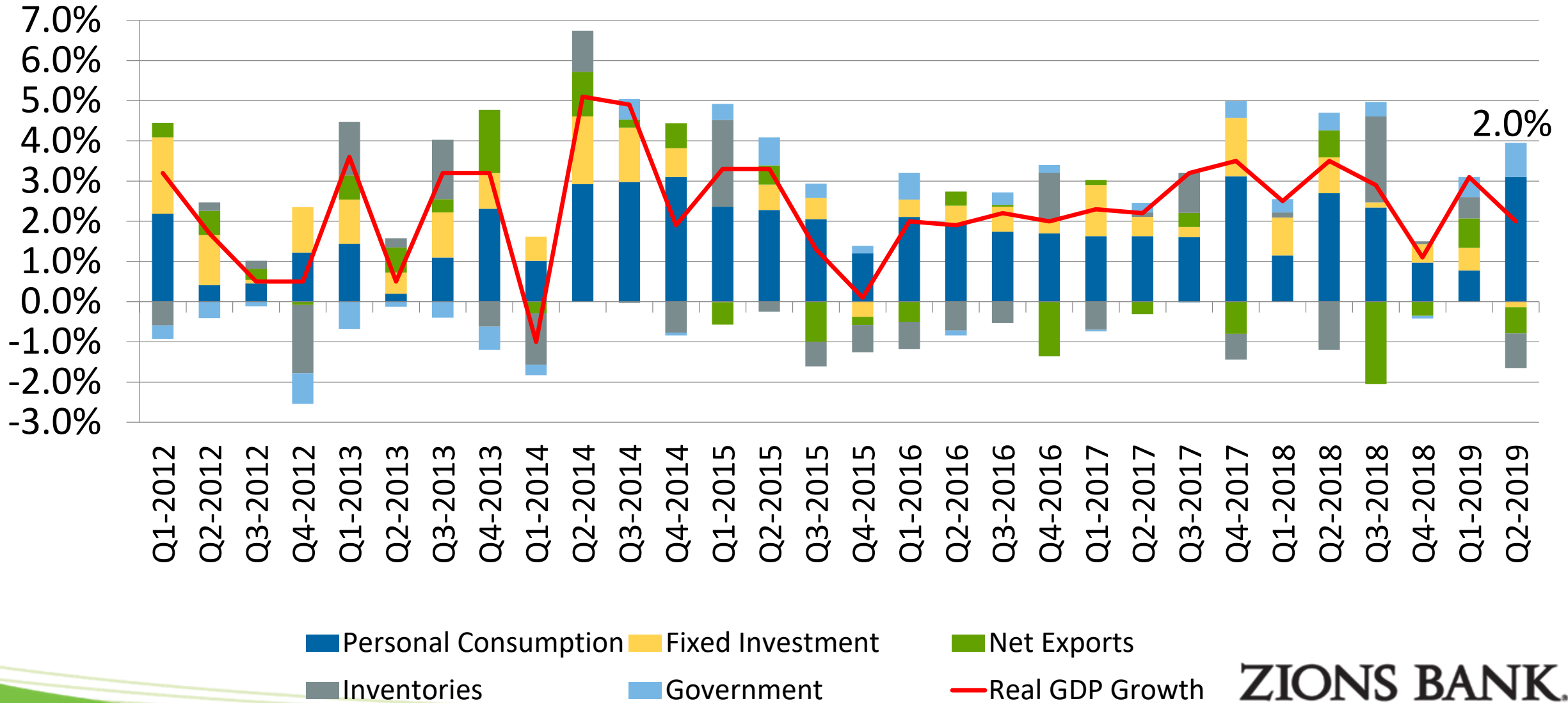
# Manufacturing Sector Weakest Since June 2009



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# Economic Growth Slowed in Q2 2019

Gross Domestic Product

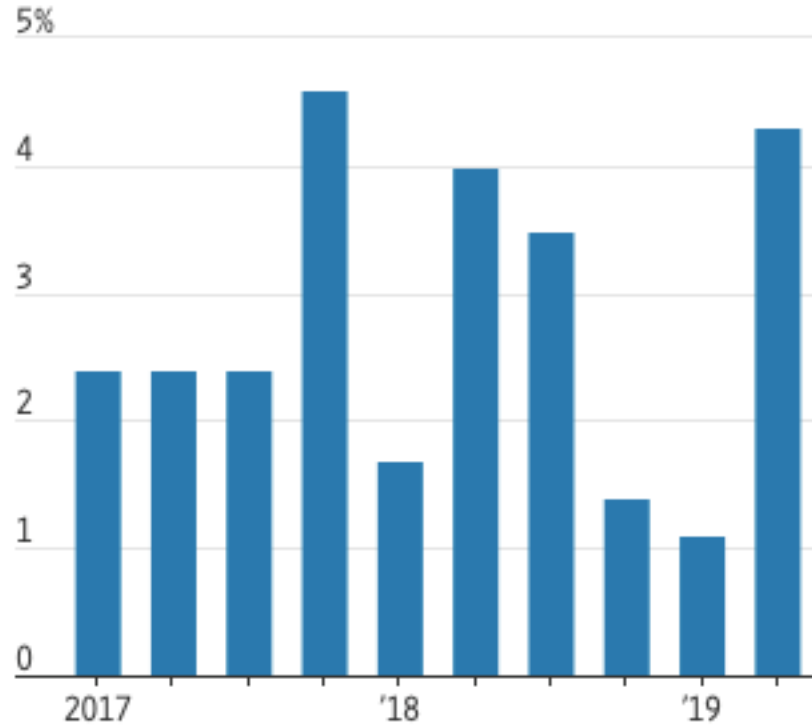


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# Gross Domestic Product Components

## Spending Boost

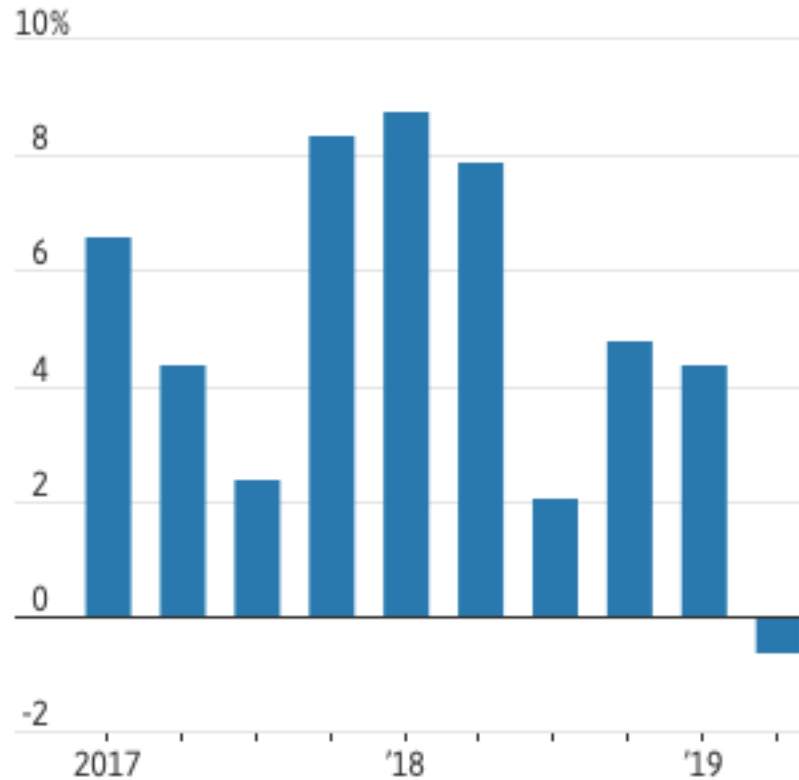
Percentage change in consumer spending from preceding period



Note: Seasonally adjusted annual rate  
Source: Commerce Department

## Falling Business Investment

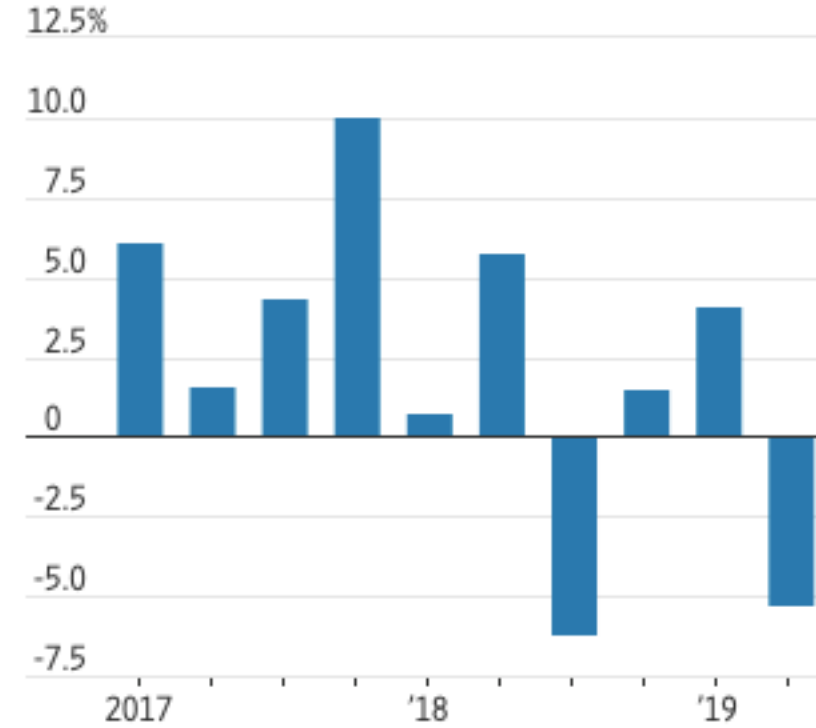
Percentage change from preceding period



Note: Seasonally adjusted annual rate  
Source: Commerce Department

## Trade Woes

Percentage change in exports from preceding period

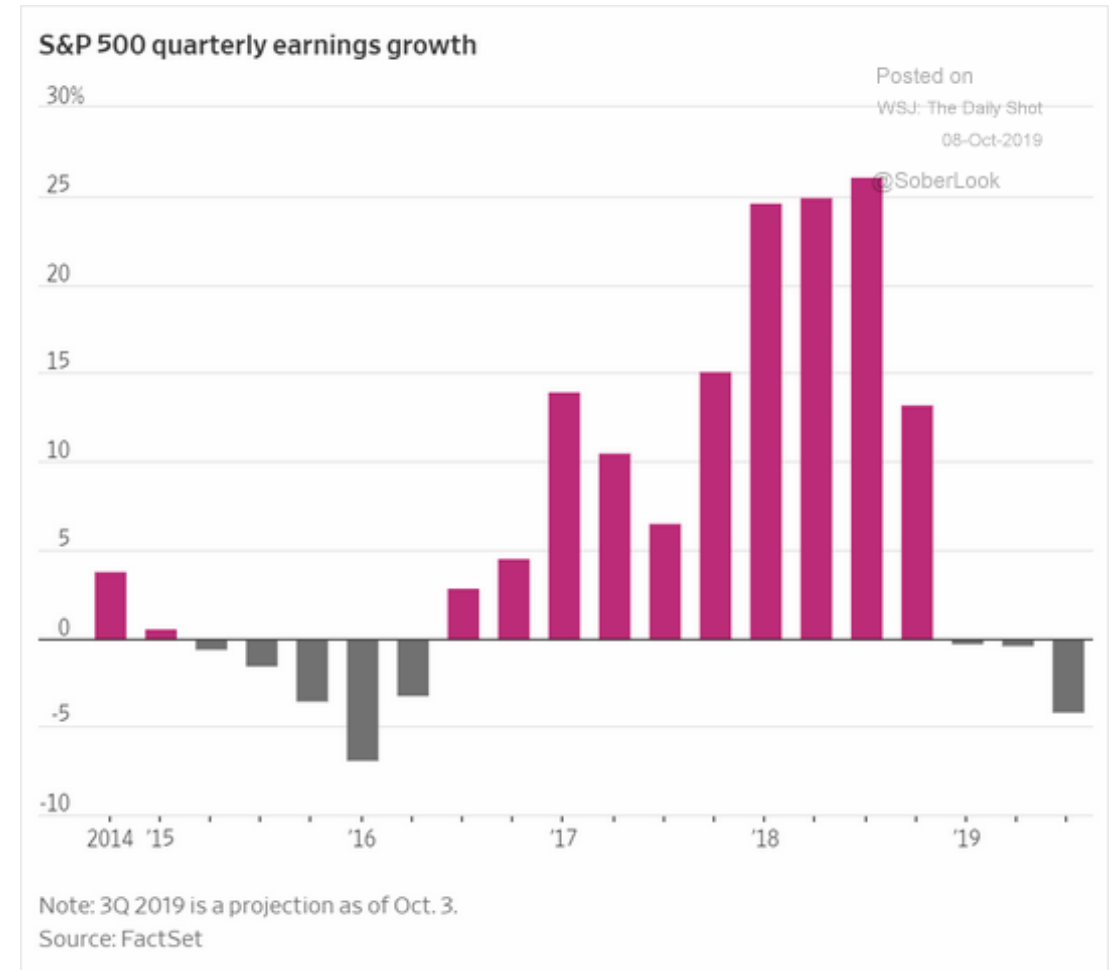
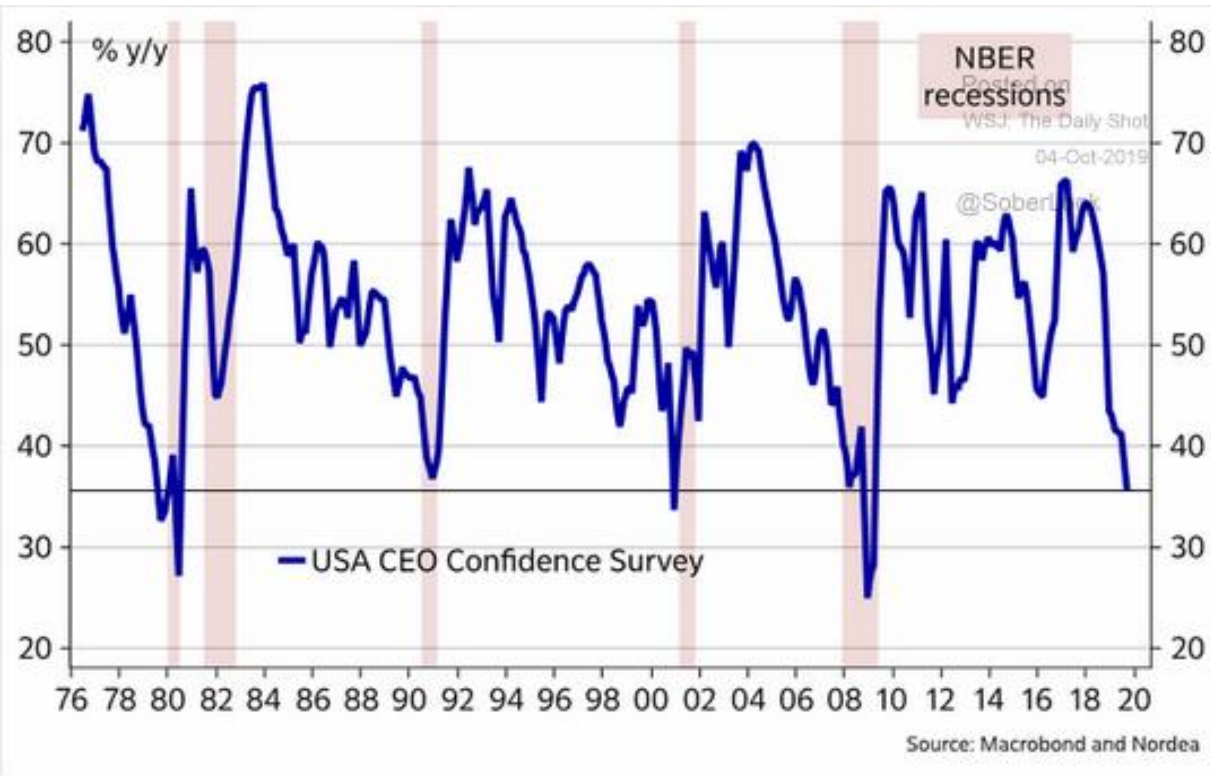


Note: Seasonally adjusted annual rate  
Source: Commerce Department

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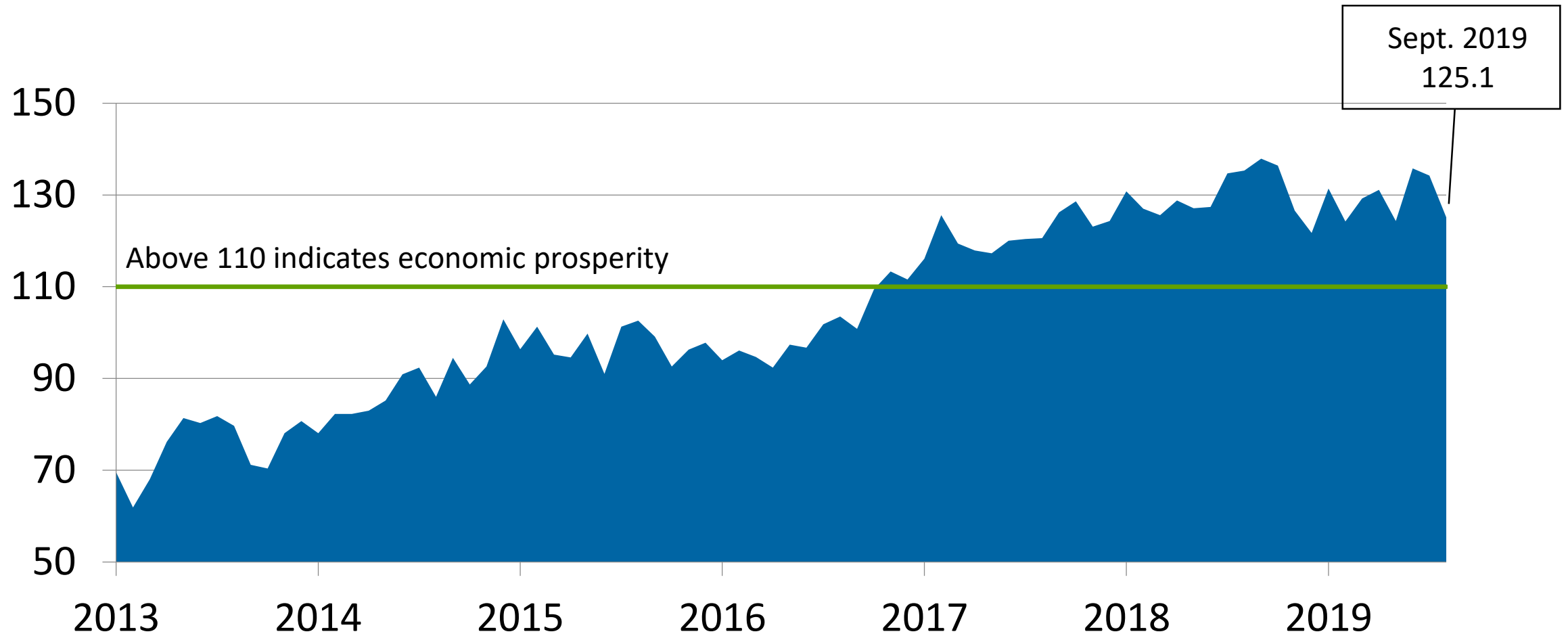


# Business Confidence and Earnings Dropping



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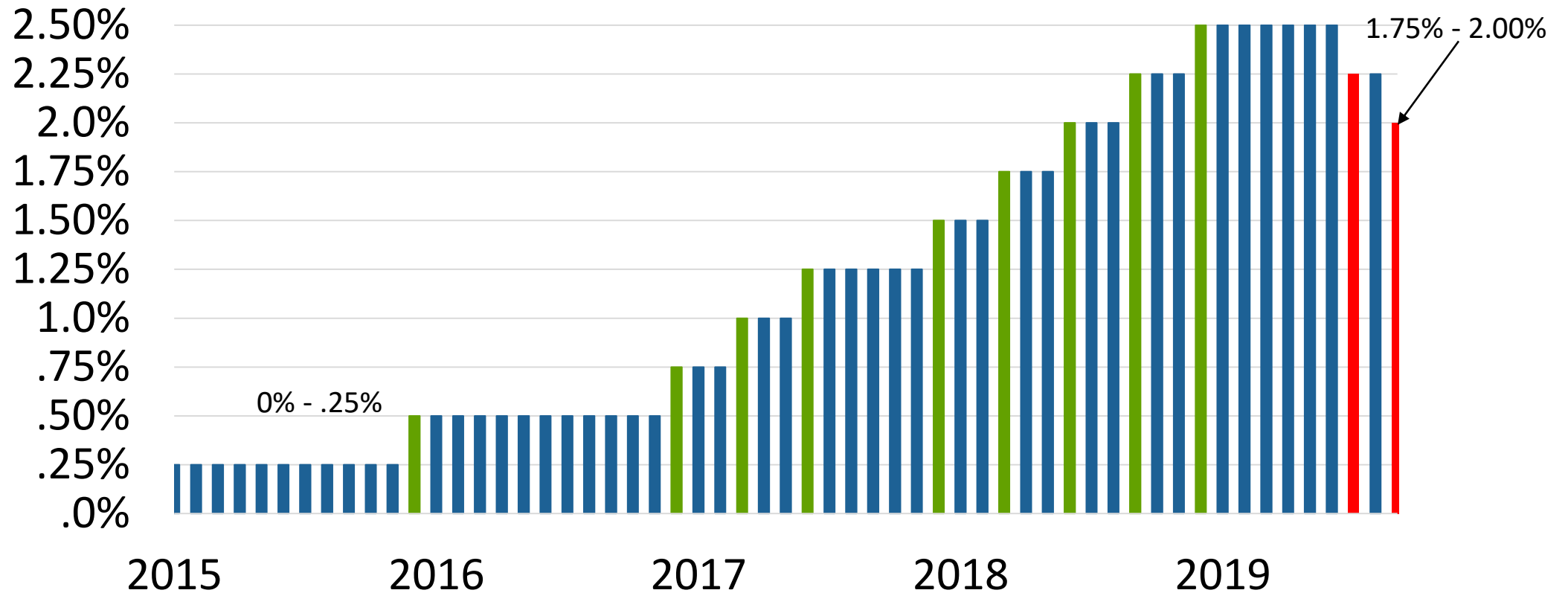
# Consumer Confidence Slipped in September



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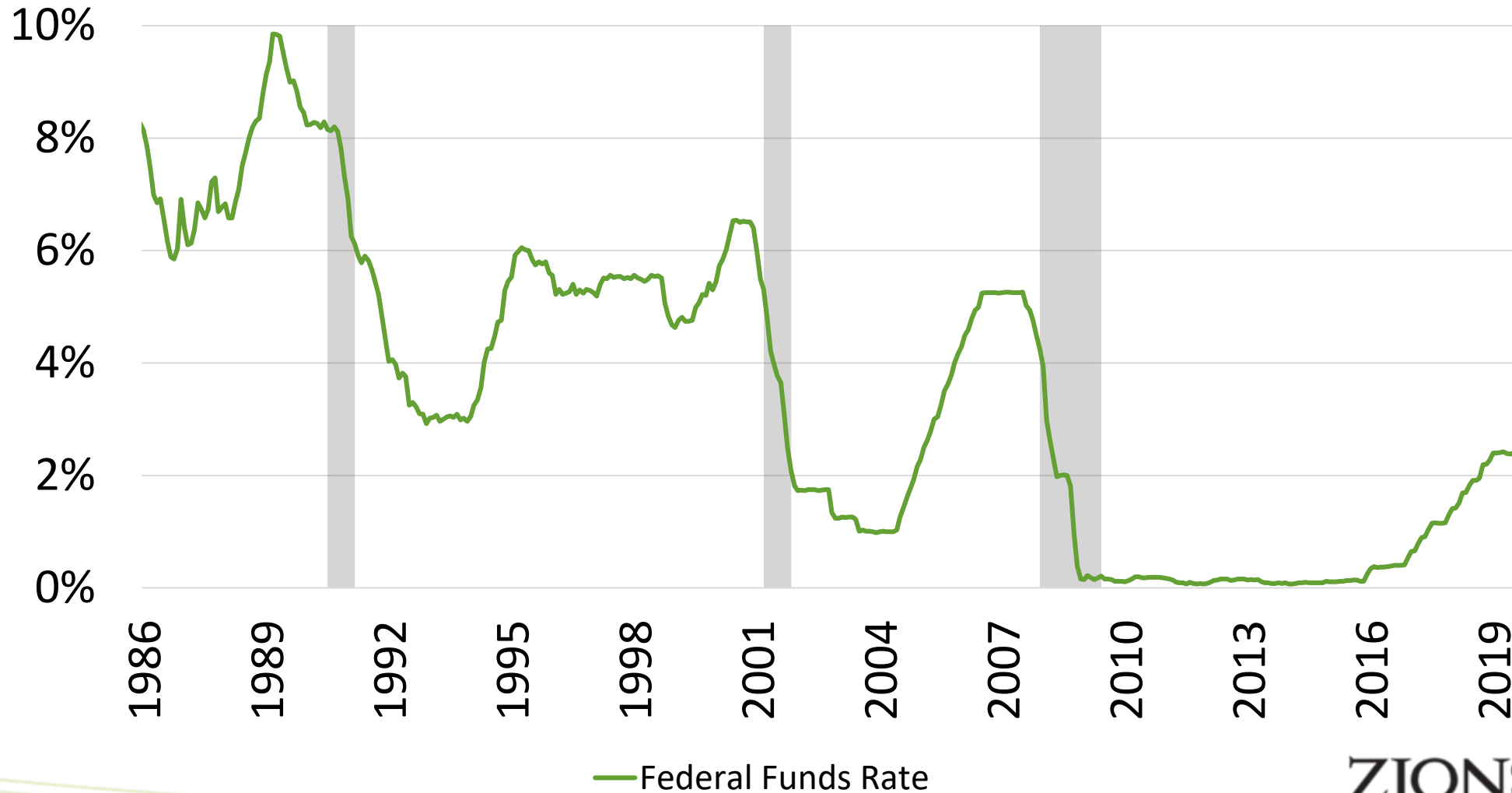
# Will the Fed Continue Cutting in 2019?

Federal Funds Target Rate



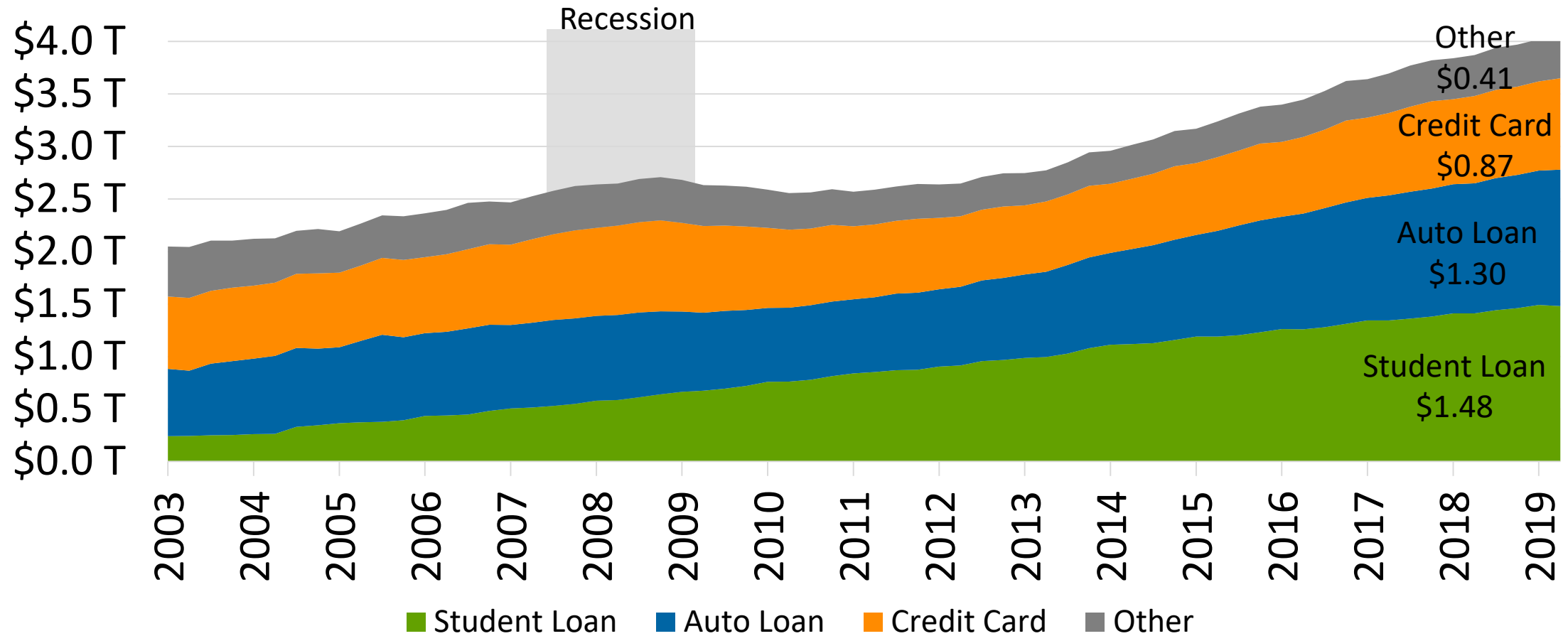
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# The Fed Won't Have Much Room to Cut in the Next Economic Downturn



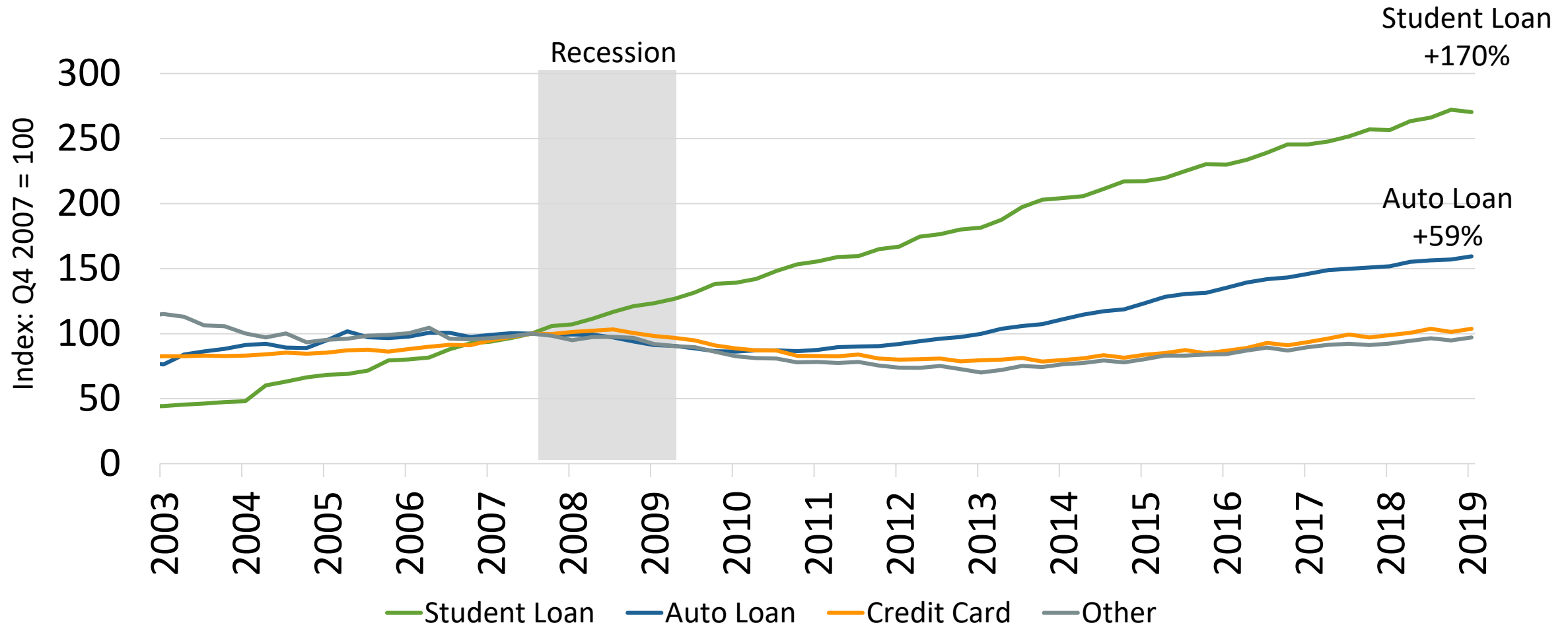
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# Student and Auto Loan Debt Make Up the Majority of Non-Housing Debt



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# Since the Start of the Great Recession Student Loan Debt Balances have Continued to Climb



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# Regional Economic Conditions

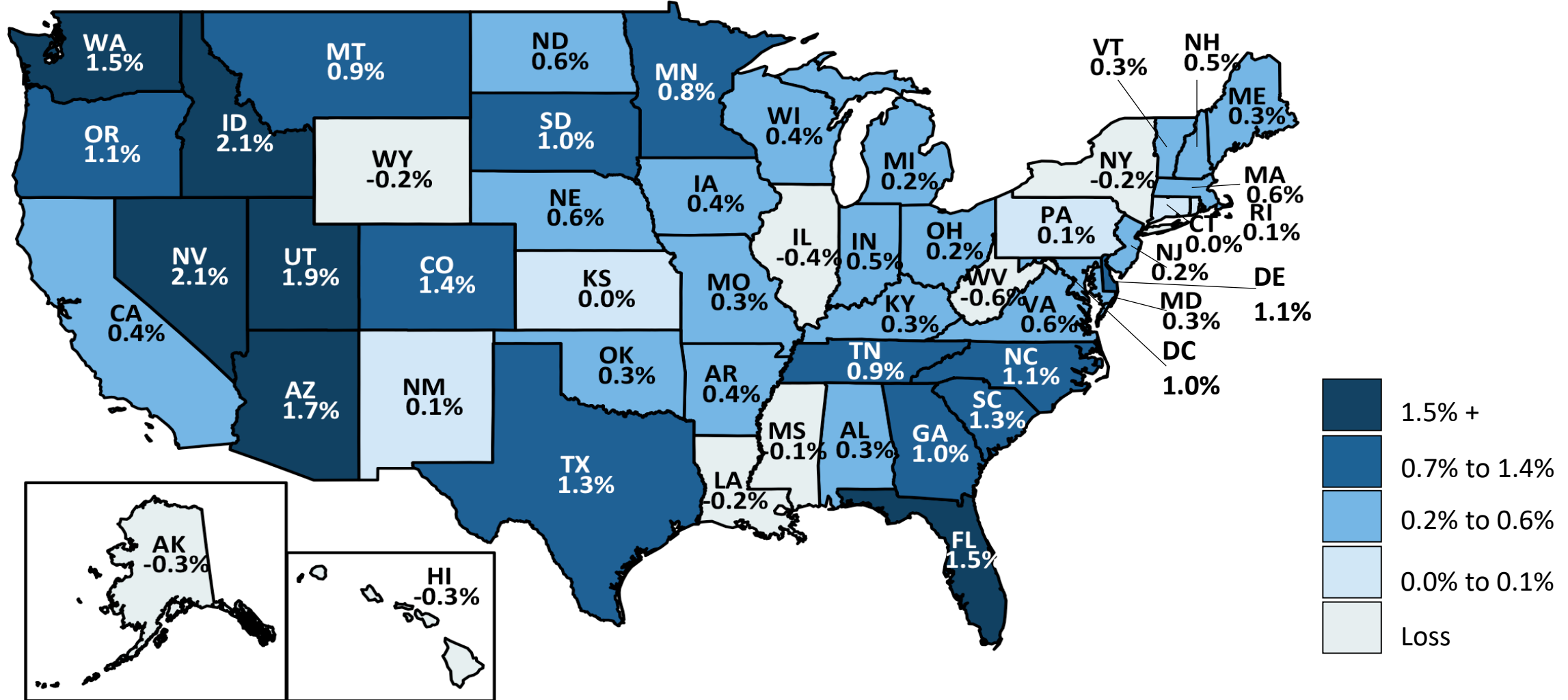
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# Idaho Has the **Fastest** Growing Population in the U.S.

Percent Change: 2017 to 2018

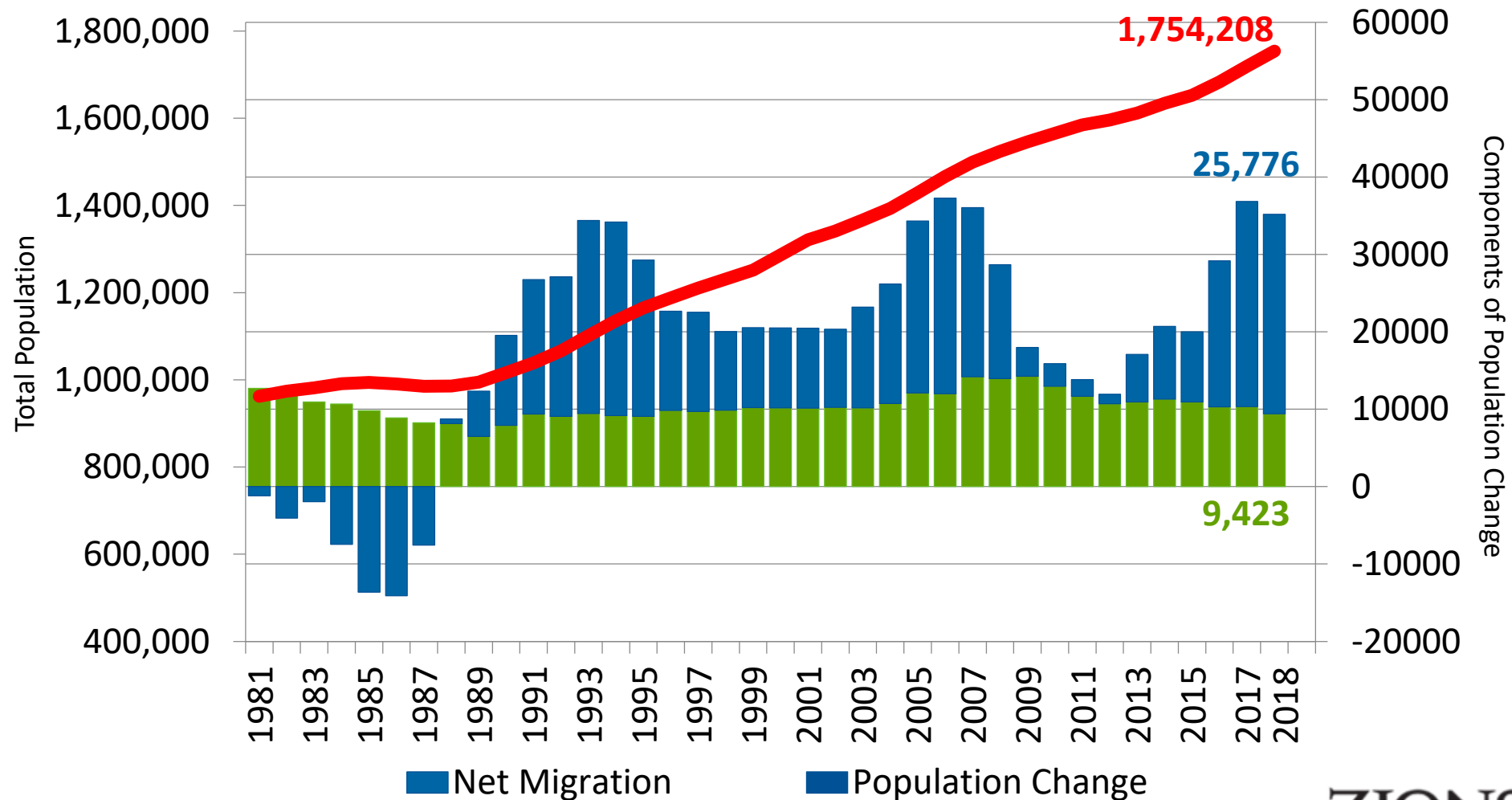
Idaho = 2.1% U.S. Rate = 0.6%



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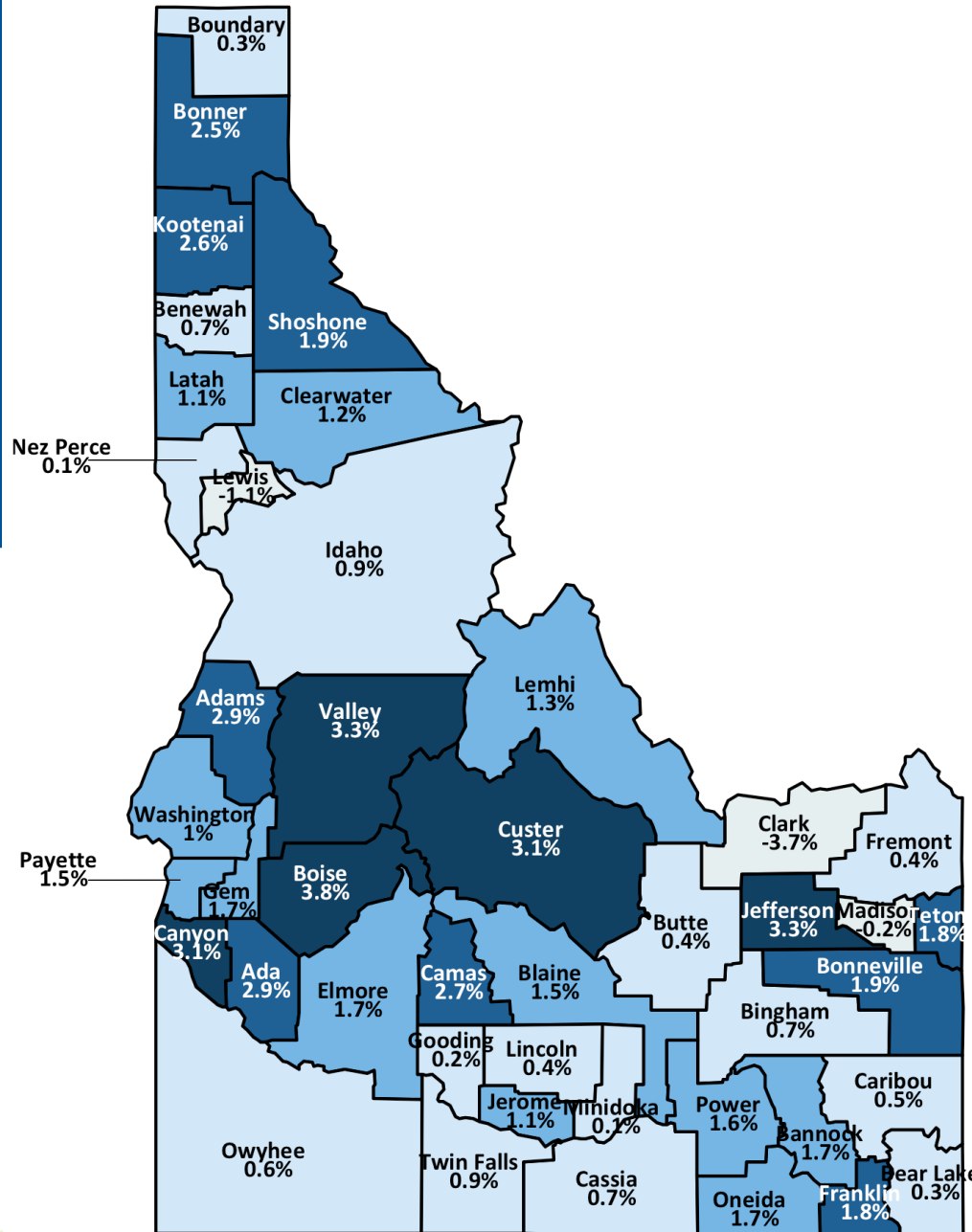
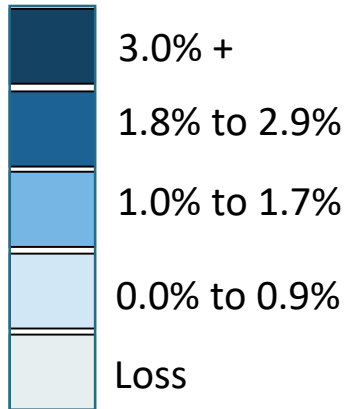
# Idaho Population and Components of Change



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# Idaho Population Growth Rates By County 2017 to 2018

State Average = 2.1%

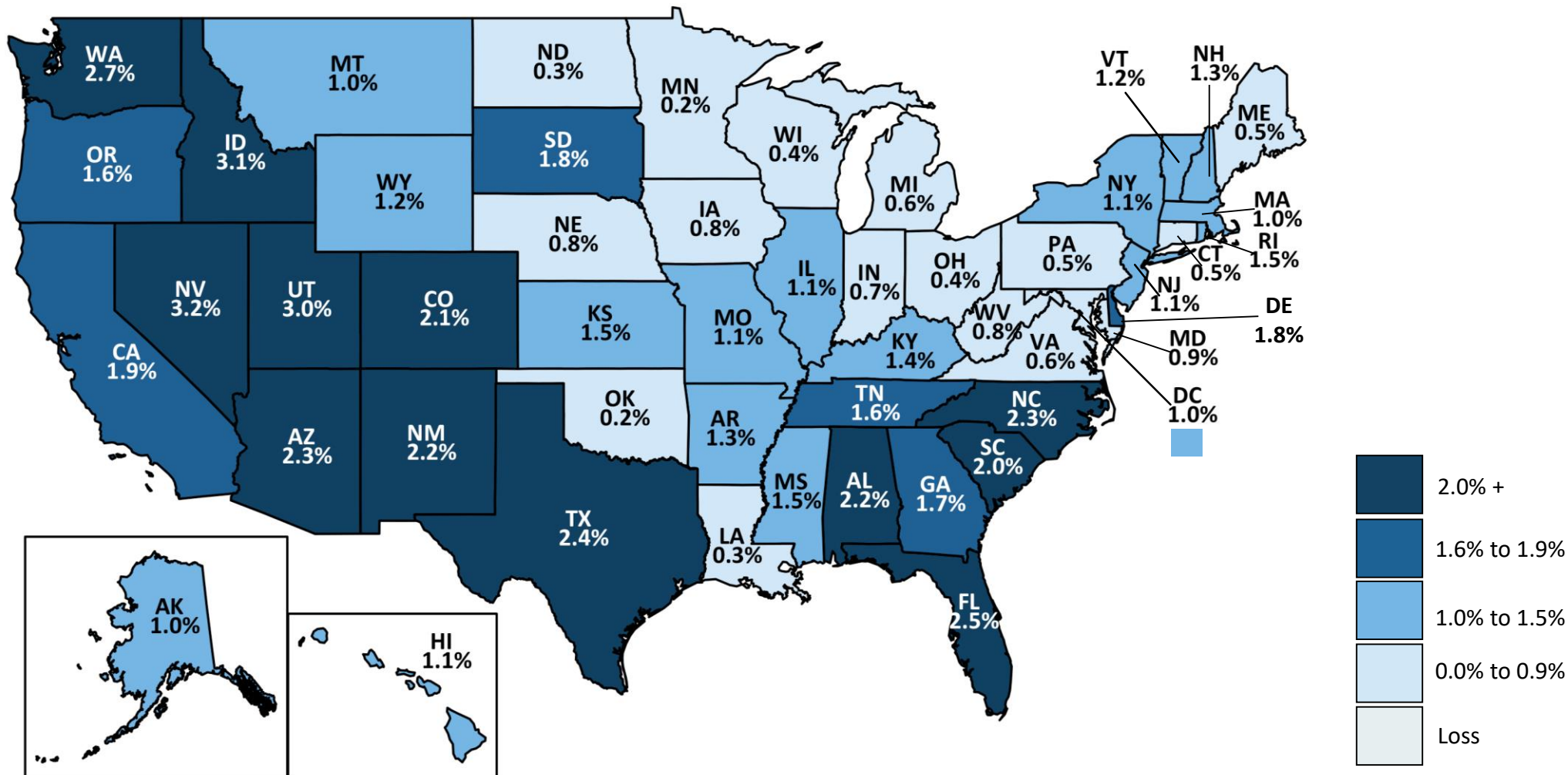


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# Idaho Employment Growth 2<sup>nd</sup> Highest in the Nation

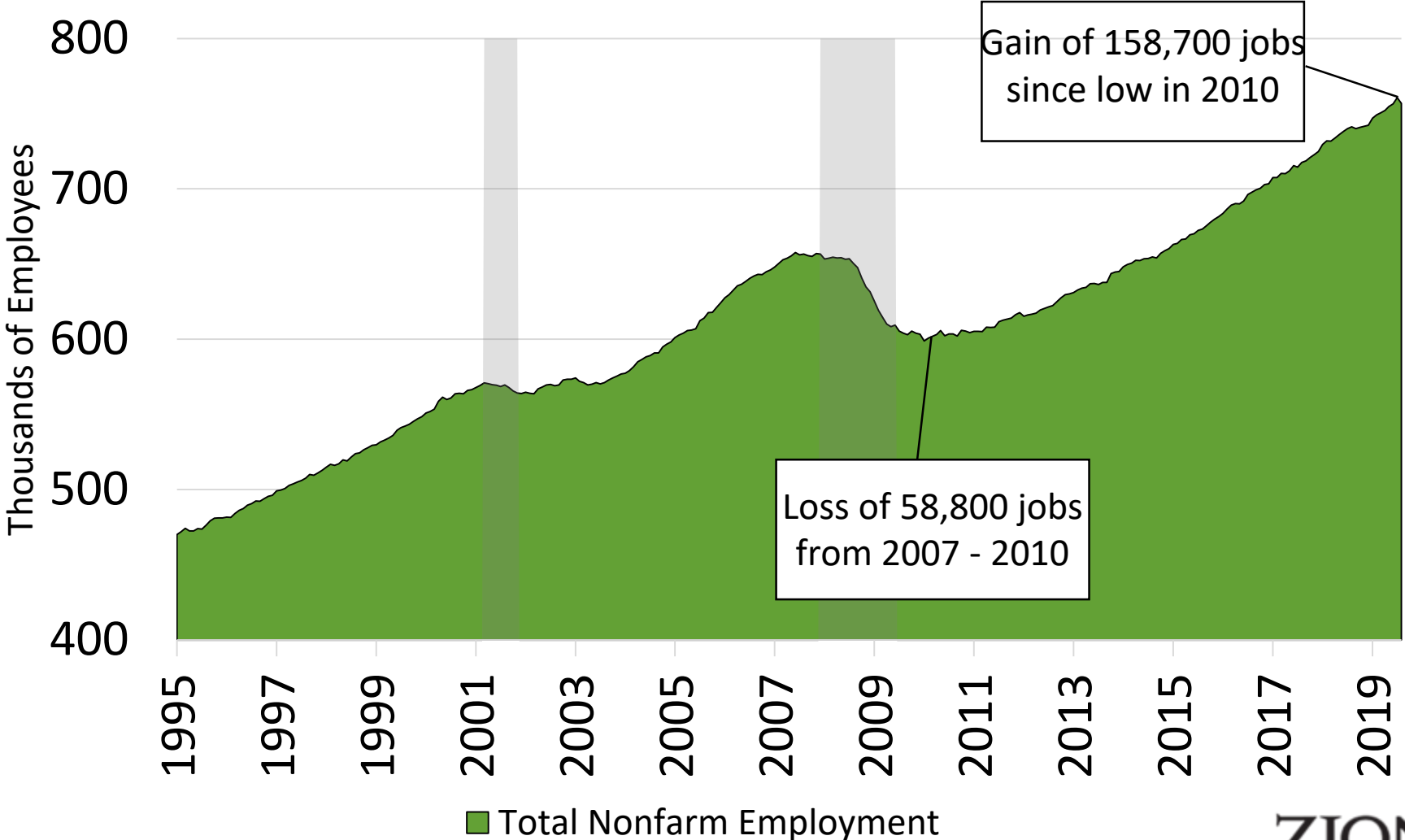
Percent Change in Employment for States: September 2018 to September 2019

U.S. Rate = 1.4% ID Rate = 3.1%



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# Idaho Total Employment

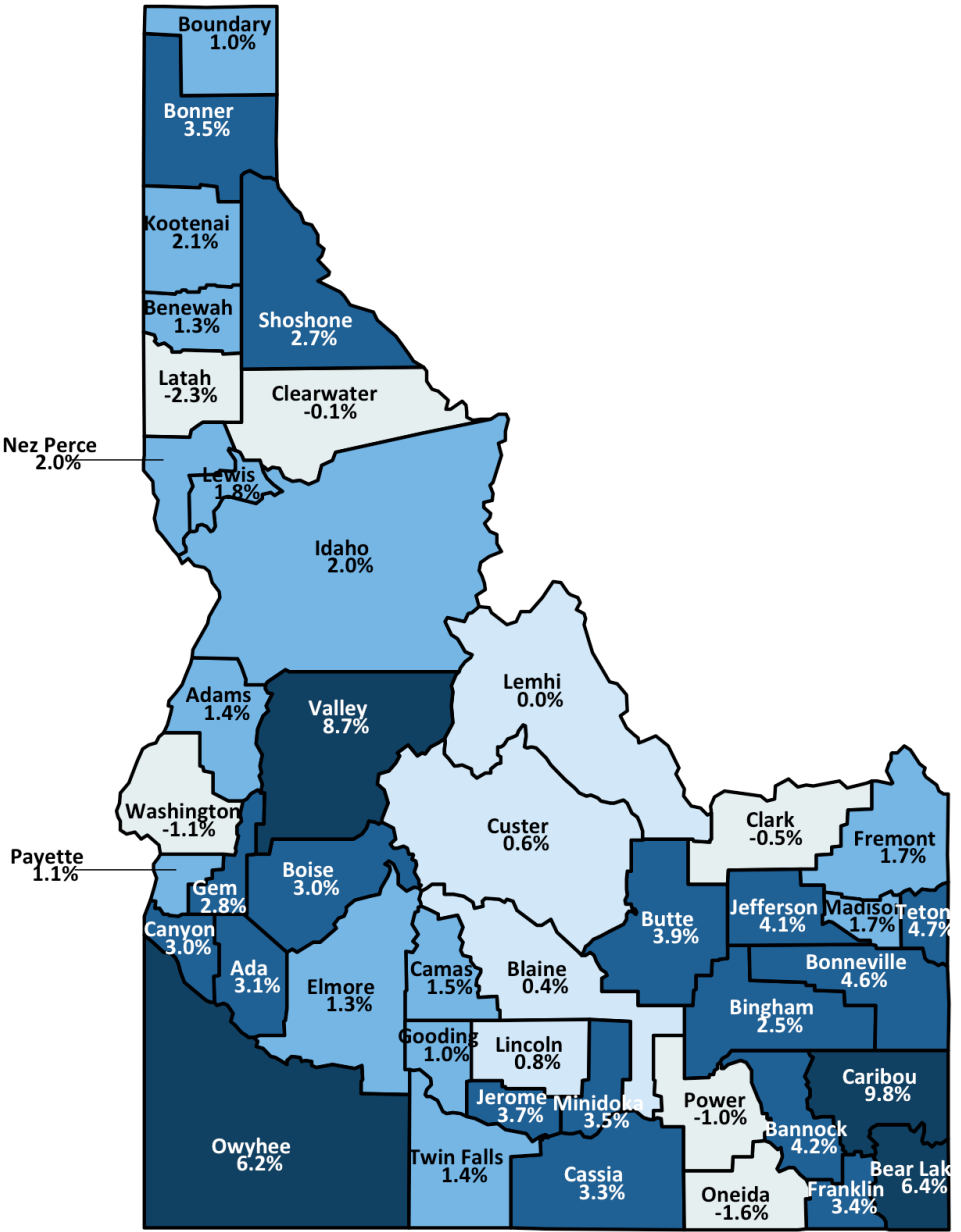
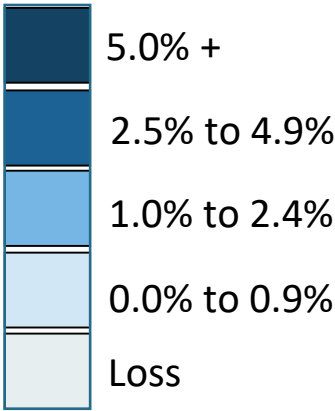


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Source: U.S. Bureau of Labor Statistics

# Idaho Employment Change Rates By County August 2018 to August 2019

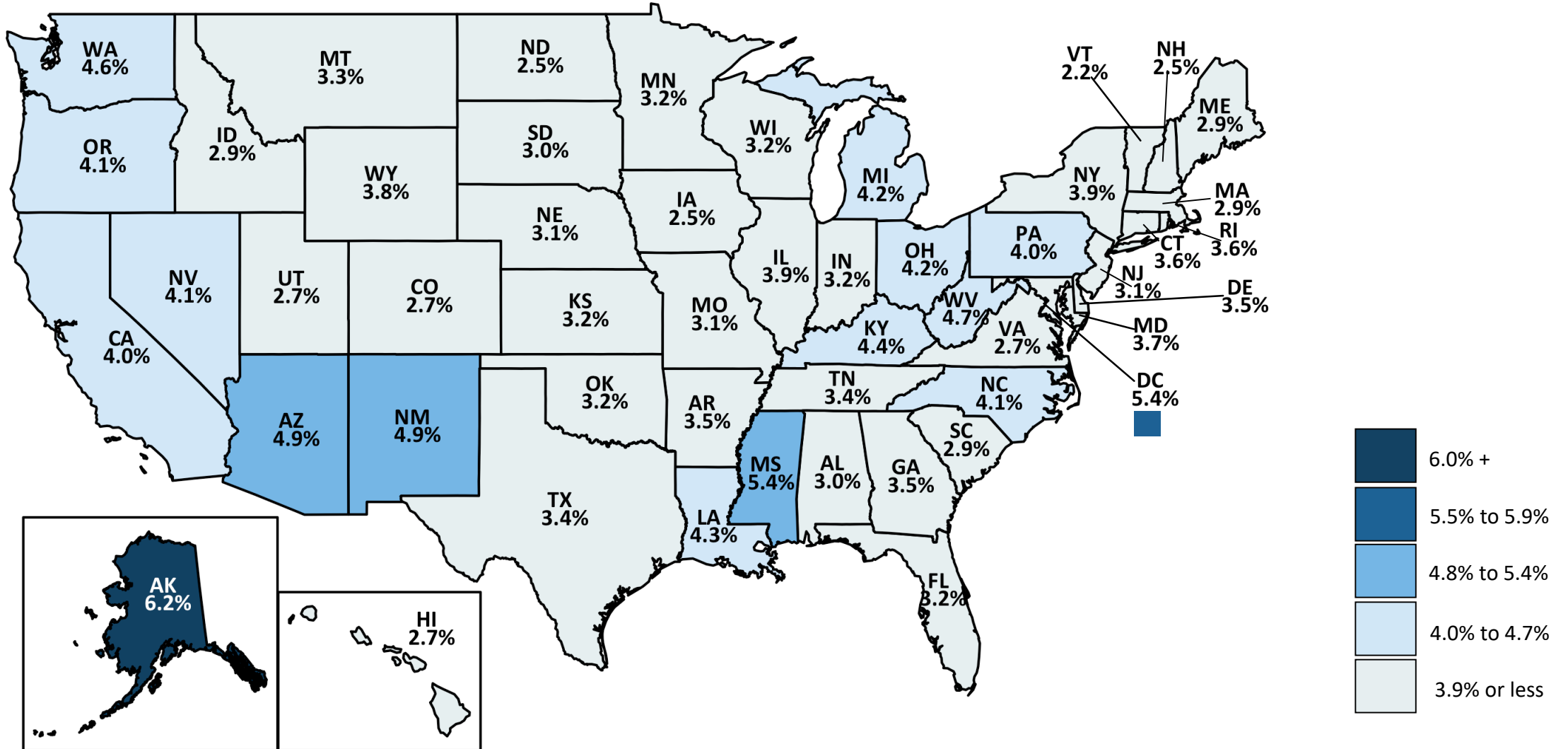
State Rate = 2.1%



Source: Idaho Department of Labor, Total Employment

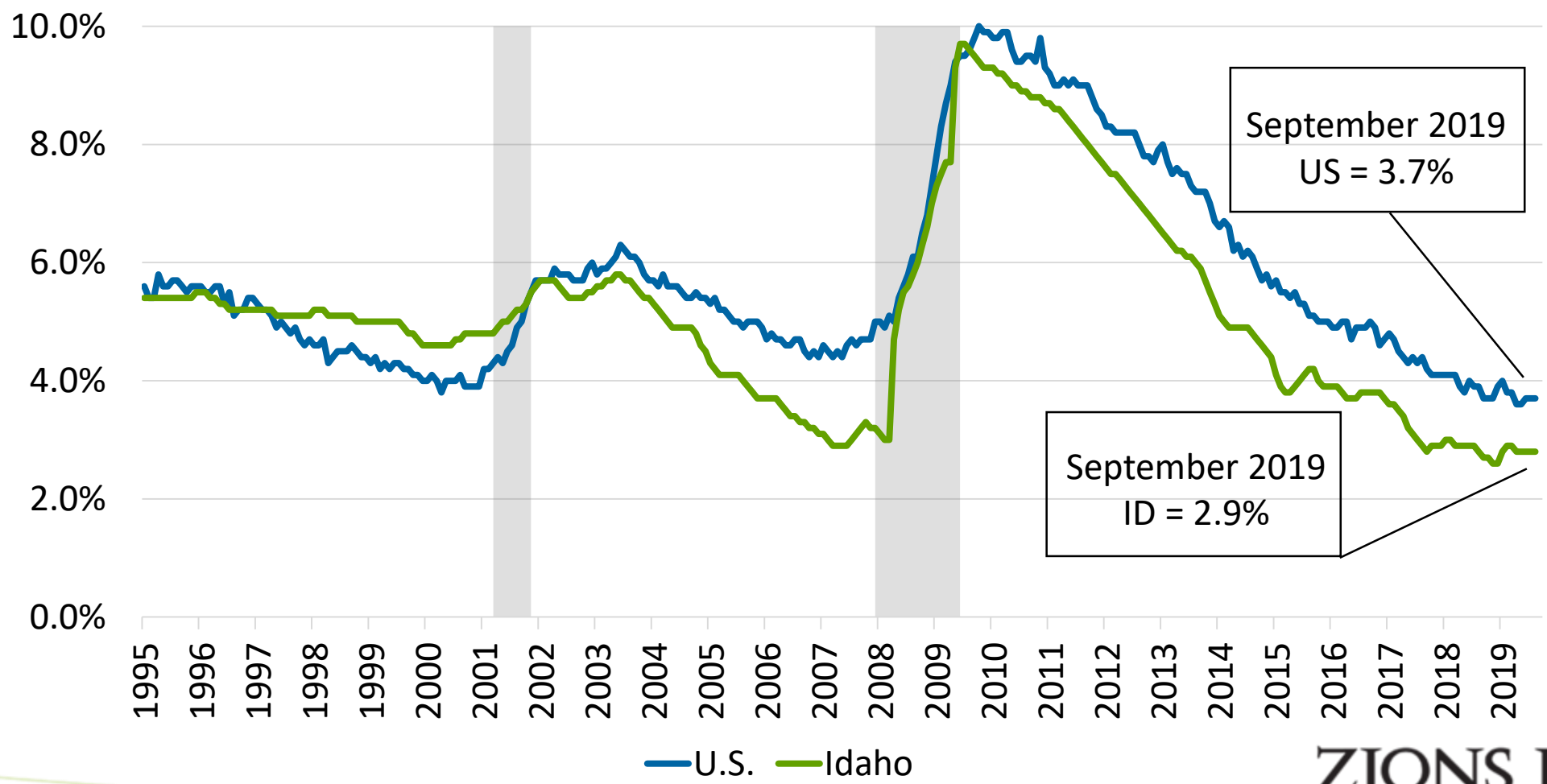
# Idaho has 9<sup>th</sup> Lowest Unemployment Rate

September 2019 U.S. Rate = 3.5%, ID Rate = 2.9%



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# Idaho Unemployment Lowest Since 2007

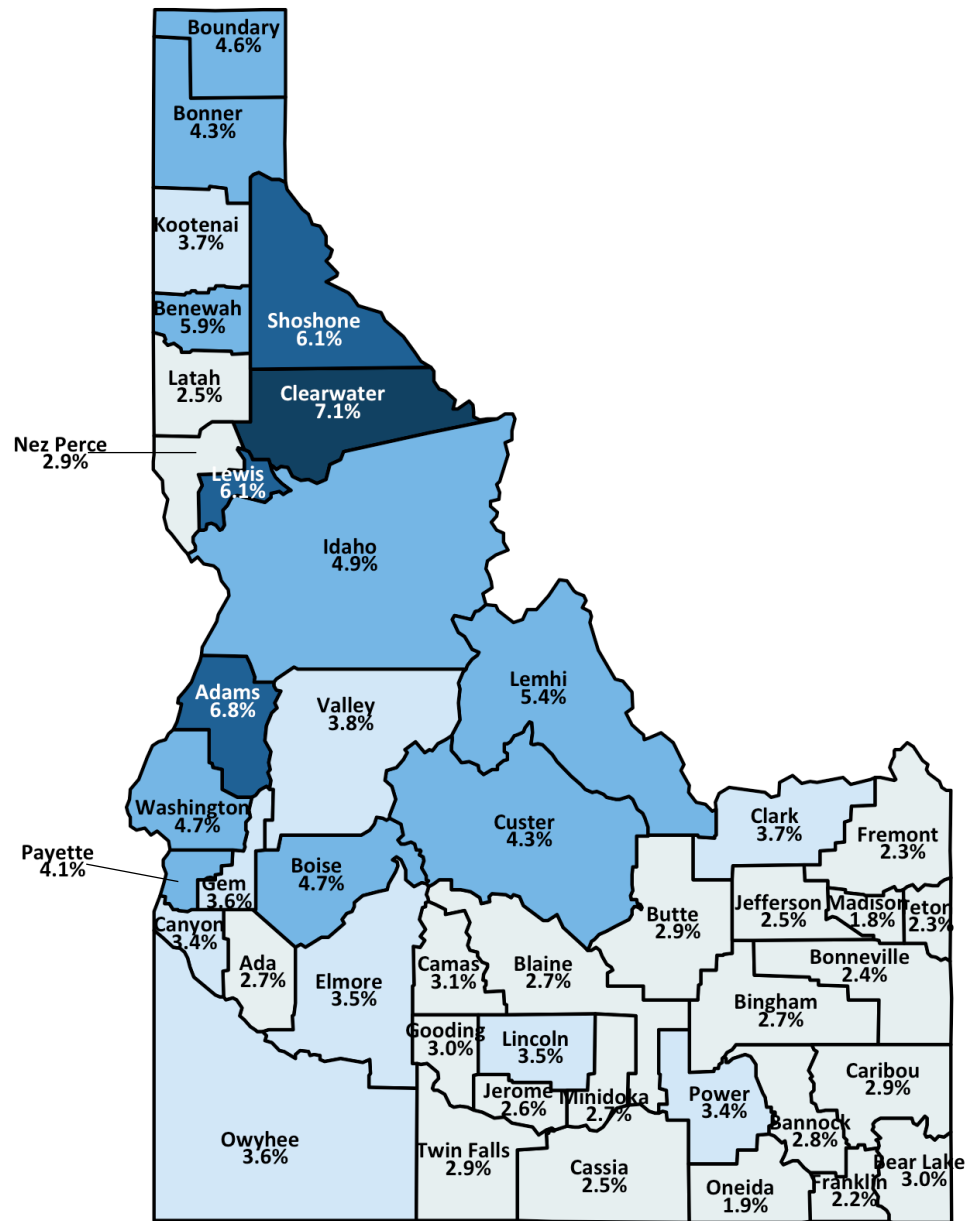
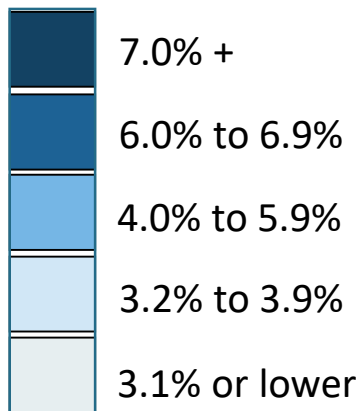


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# Idaho Unemployment Rates By County

August 2019

State Rate = 2.9%



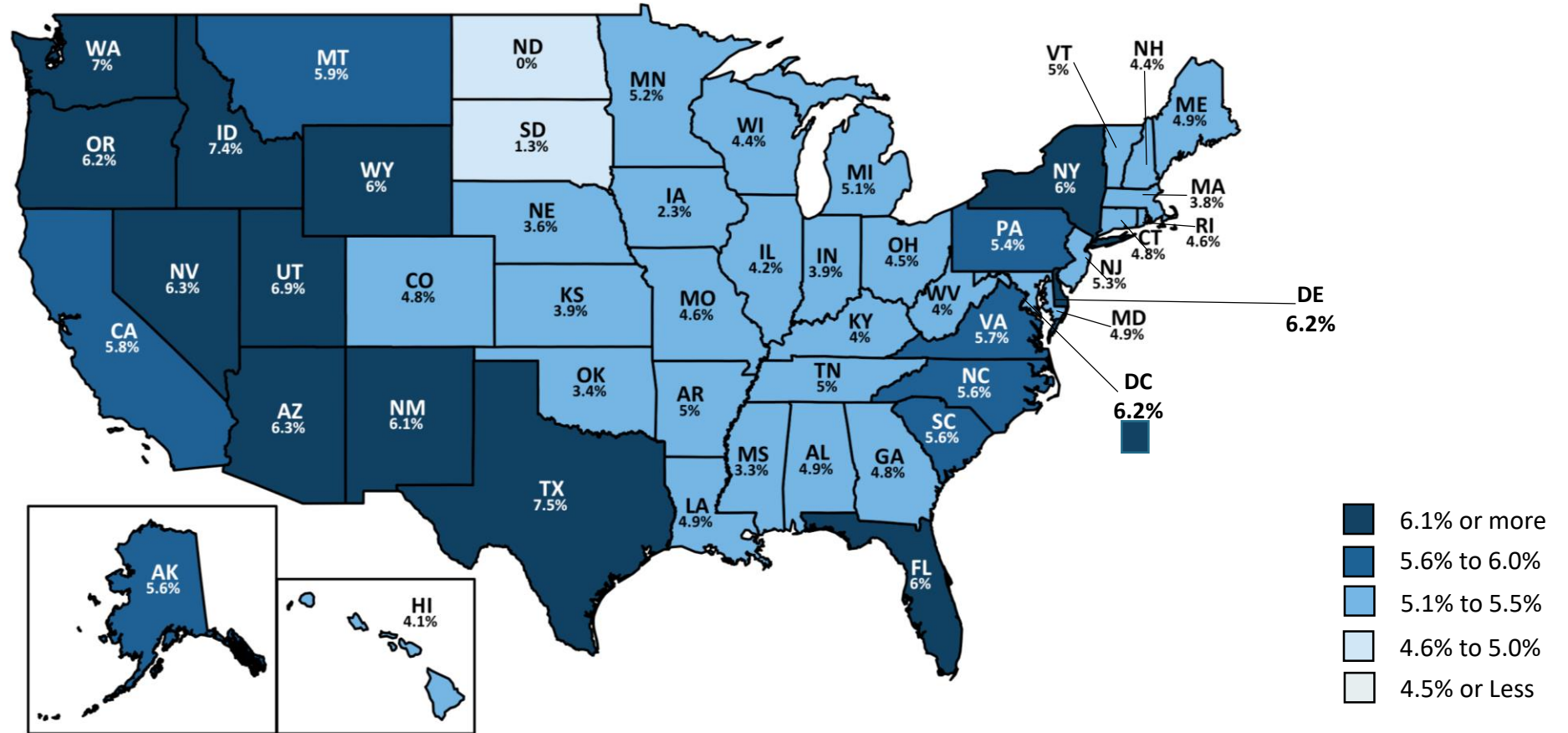
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# Idaho Personal Income Growth 2nd in the Nation

Percent Change in Personal Income : Q1 2019 – Q2 2019 Annualized

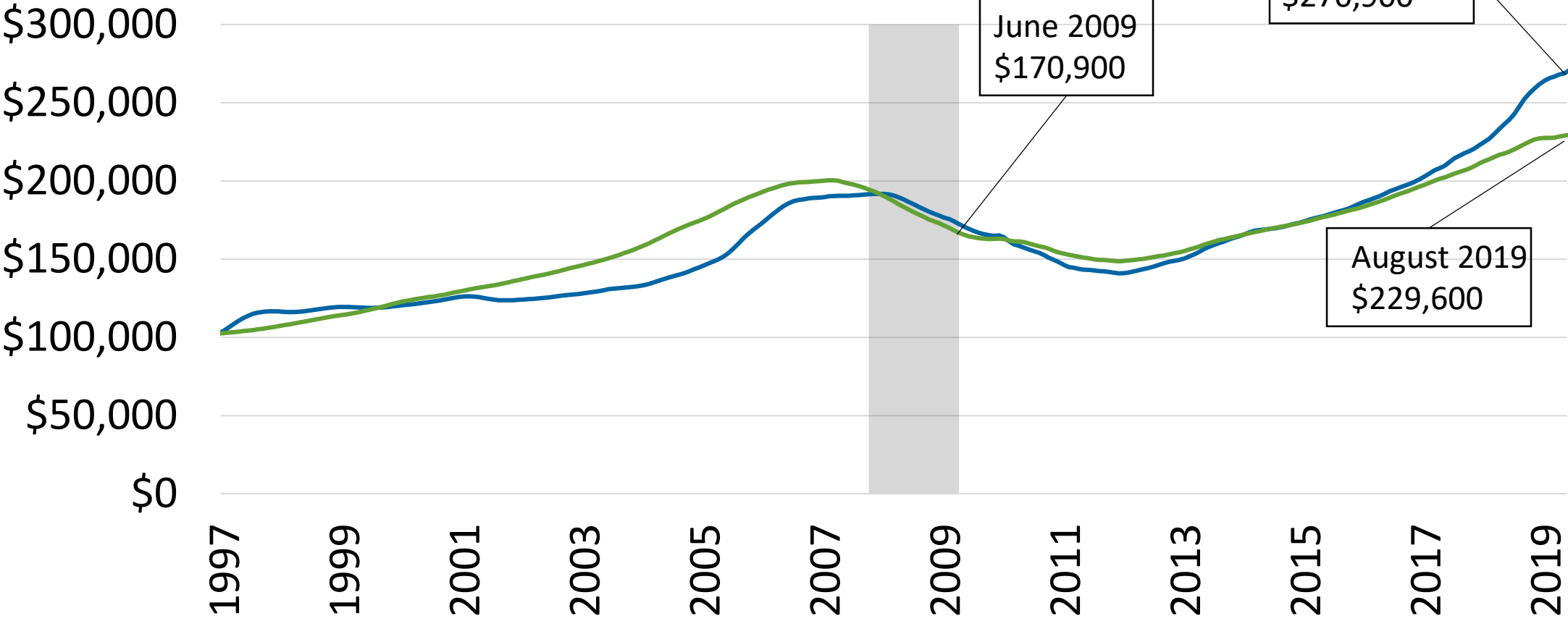
U.S. = 5.4%, **ID = 7.4%**



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# Idaho Home Values

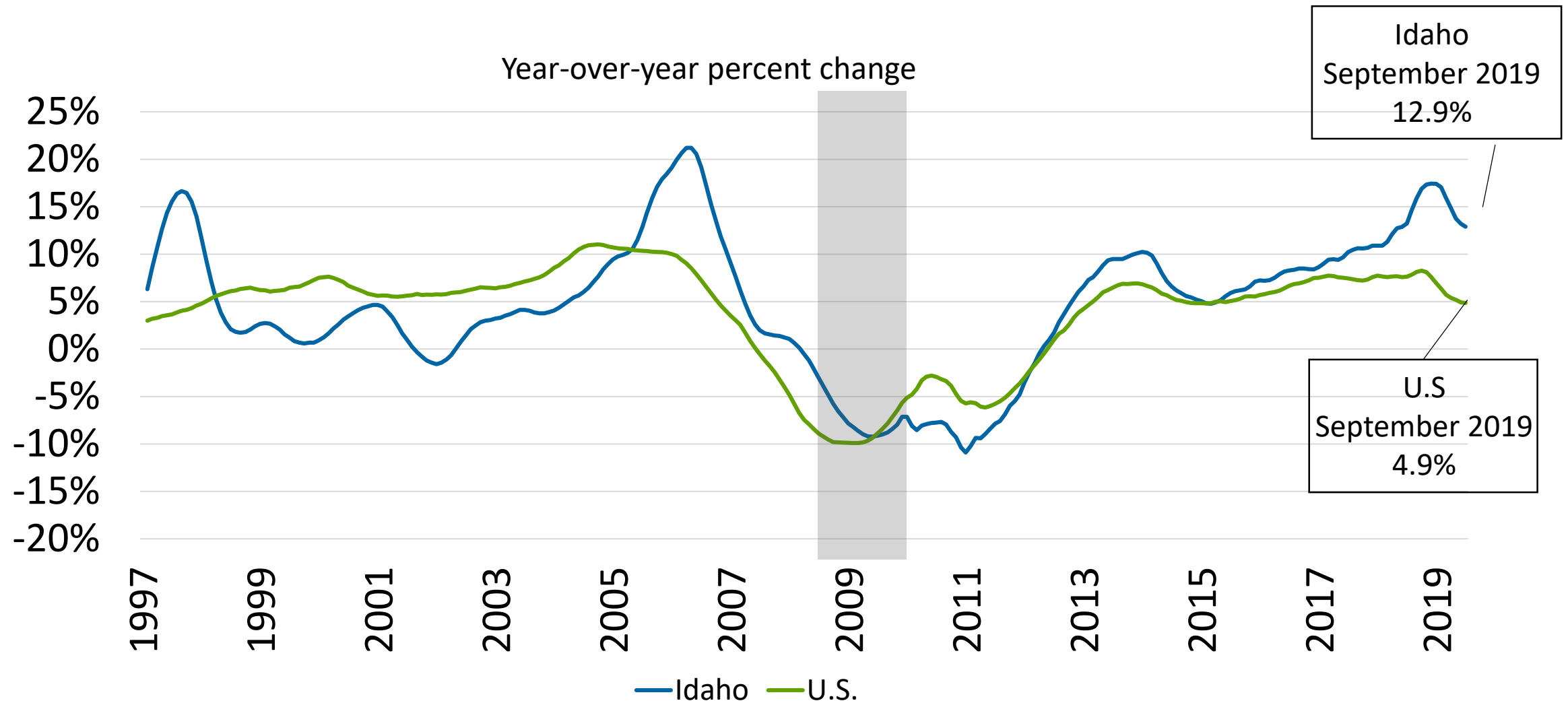
All homes



— Idaho Zillow Home Value Index — U.S. Home Value Index

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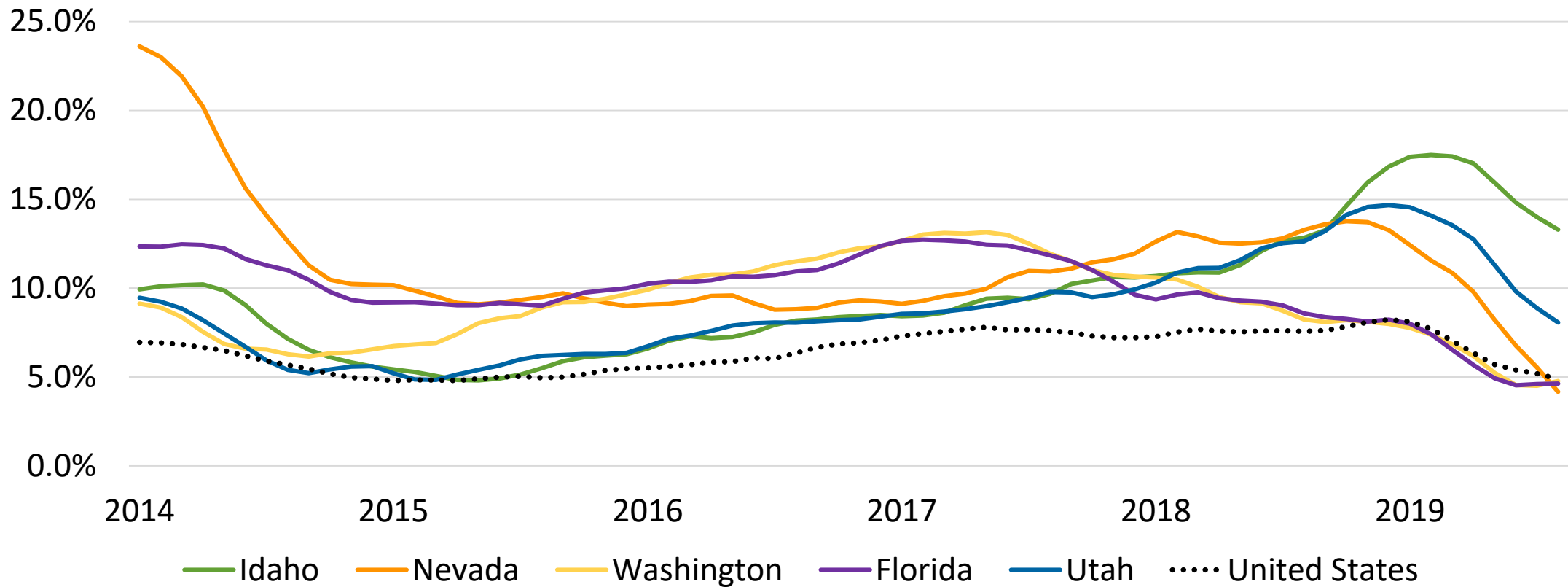
# Idaho Home Value Appreciation is Moderating



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# Home Price Growth Continues to Slow Across the US and in Top Markets

12-Month Percent Change in Home Values



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# Economic Summary

- ↓ • National and international uncertainty
- ↑ • US economic expansion longest in US history
- ↑ • Job growth above expectations
- ↓ • Wage growth and inflation continue to disappoint
- ↑ • Labor productivity looking good
- ↓ • Manufacturing activity and trade wars drag on growth
- ↔ • Interest rate cuts on the way?
- ↑ • Regional employment growth remains strong
- ↓ • Labor shortages in the West are becoming more pronounced

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