

# Zions Bank Economic Overview

To the Economic Outlook & Revenue Assessment Committee

## Navigating the Return of Uncertainty

January 6, 2022



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### November Job Indicators

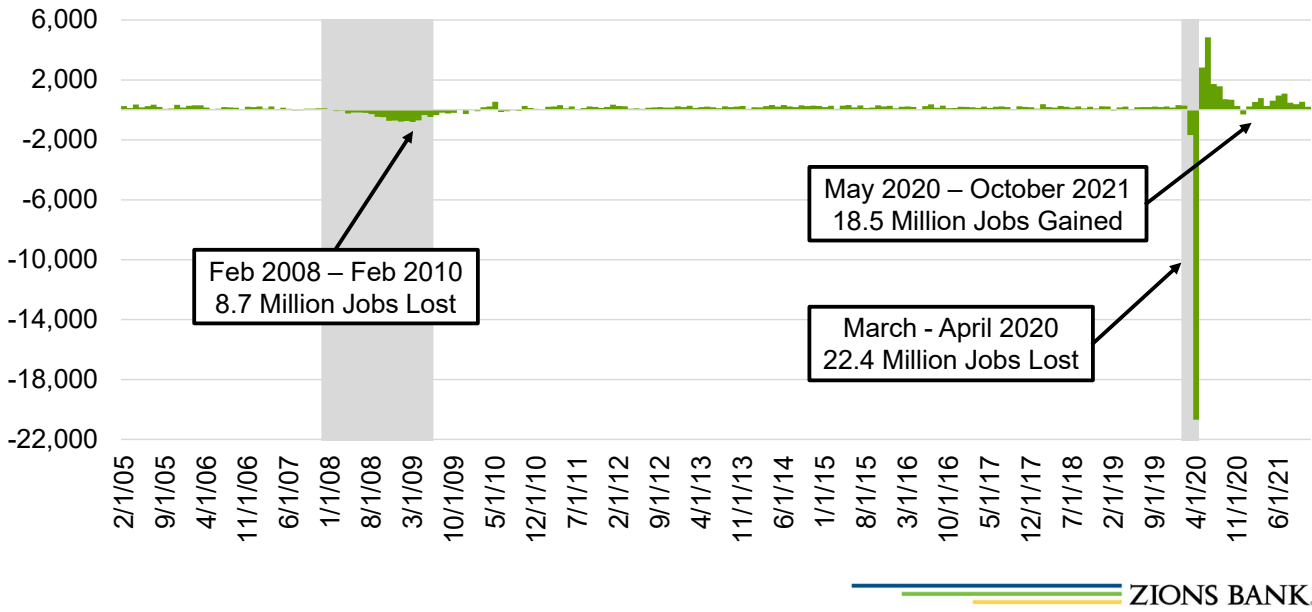
Indicator	Previous Month	Forecast	Actual
Total Nonfarm Payrolls	546,000	545,000	210,000
Unemployment Rate	4.6%	4.5%	4.2%
Underemployment Rate	8.3%	-	7.8%
Private Payrolls	628,000	525,000	235,000
Annual Average Hourly Wage Growth	4.8%	5.0%	4.8%
Labor Force Participation	61.6%	61.7%	61.8%

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Sources: U.S. Bureau of Labor Statistics

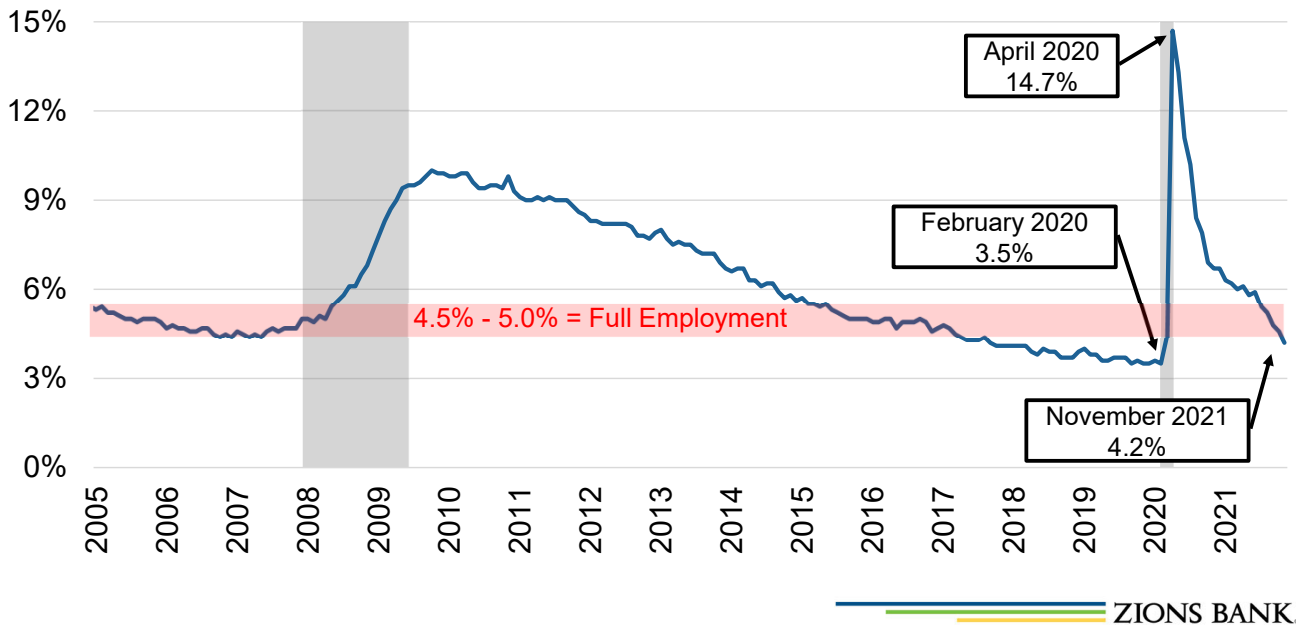
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## Large Swings in Job Trends



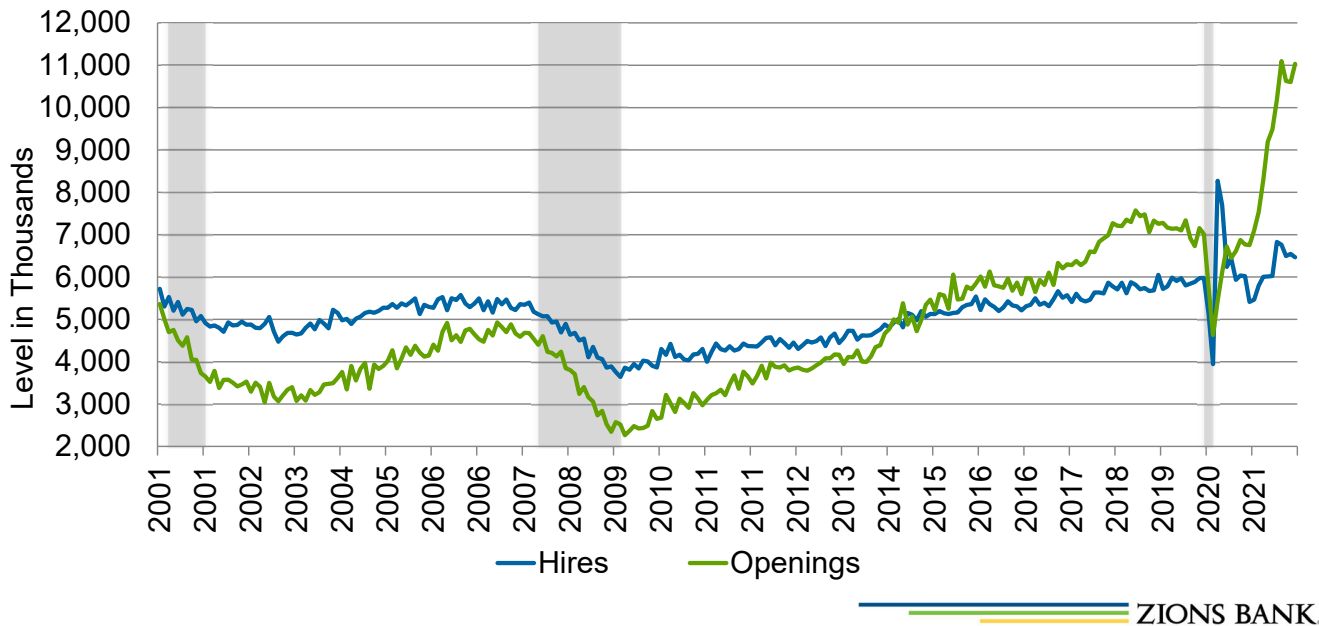
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## US Unemployment Rate Dropping



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# 11 Million Job Openings

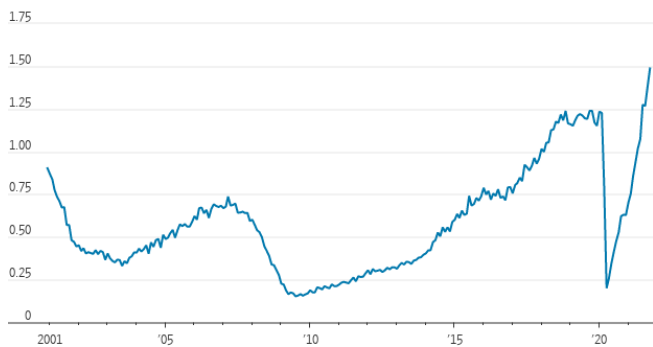


Source: U.S. Bureau of Labor Statistics

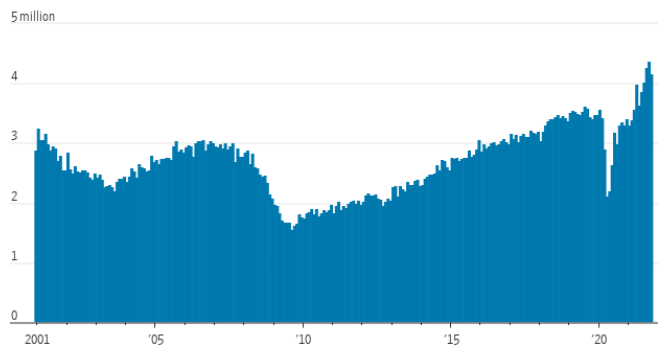
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# 4.5 Million Workers Quit Jobs

U.S. job openings per unemployed person



Number of U.S. workers who quit a job, monthly

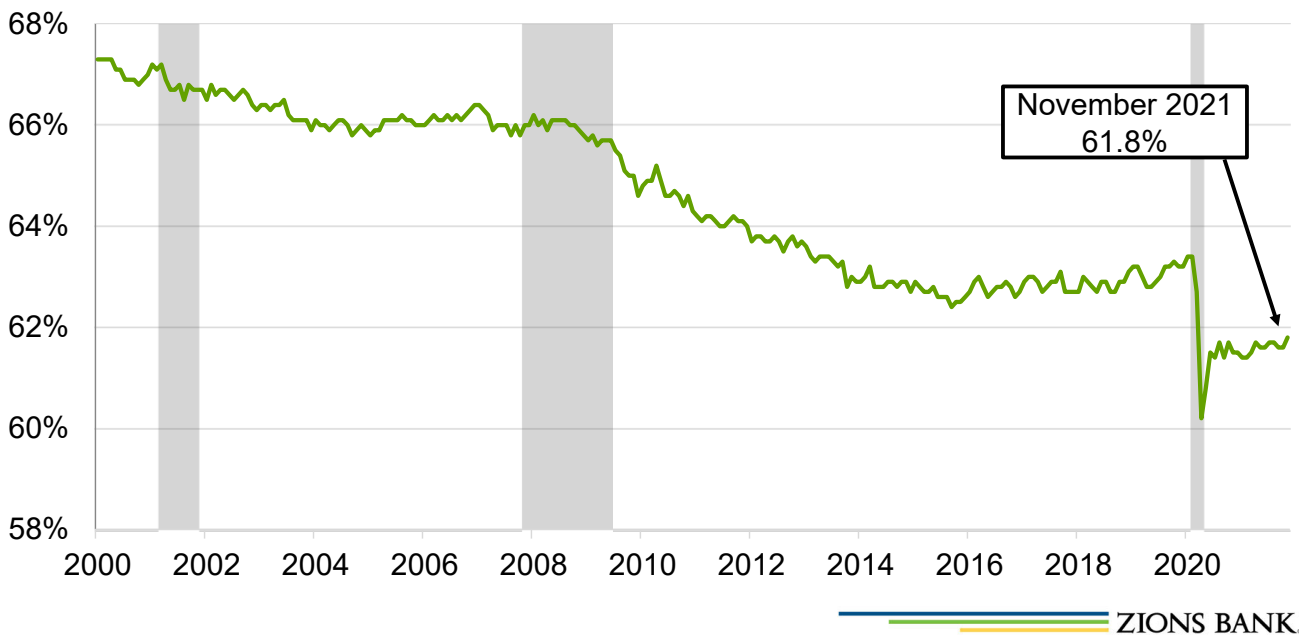


Sources: Wall Street Journal

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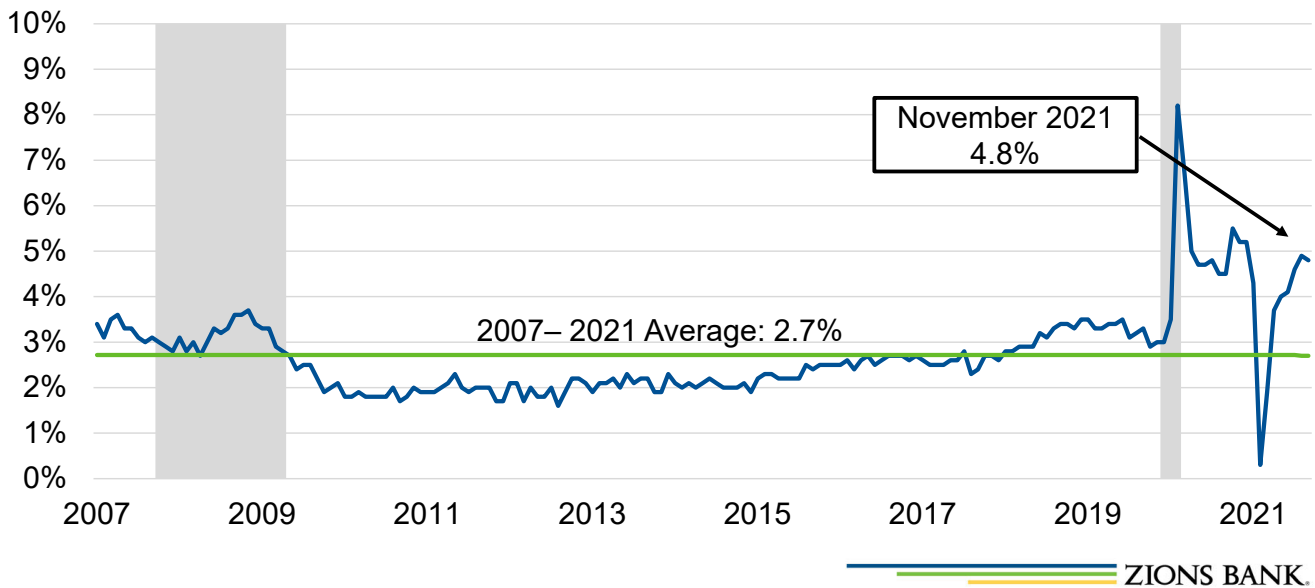
### Labor Force Participation Hasn't Recovered From Pandemic



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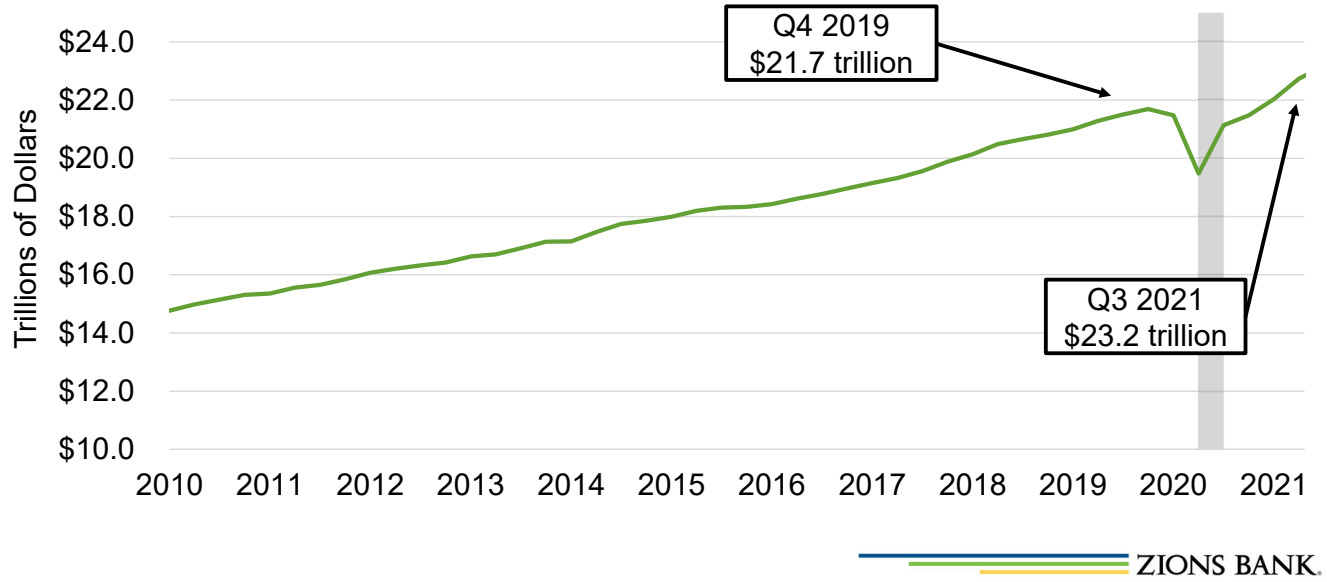
### Wage Pressure Remains High

Wage Growth: Year-Over-Year Percentage Change



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## GDP Back Above Pre-Recession Levels

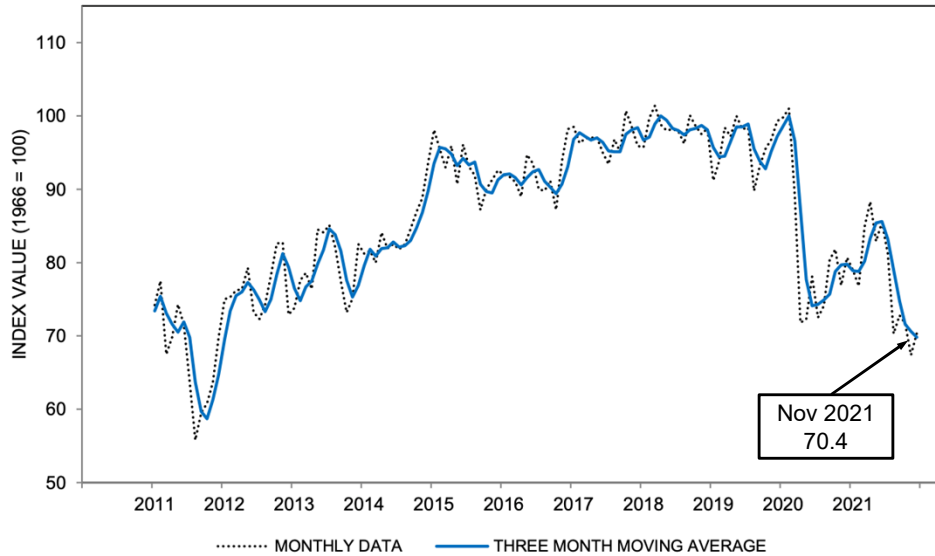


Source: Federal Reserve Economic Data

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## ... But Consumer Sentiment Remains Low

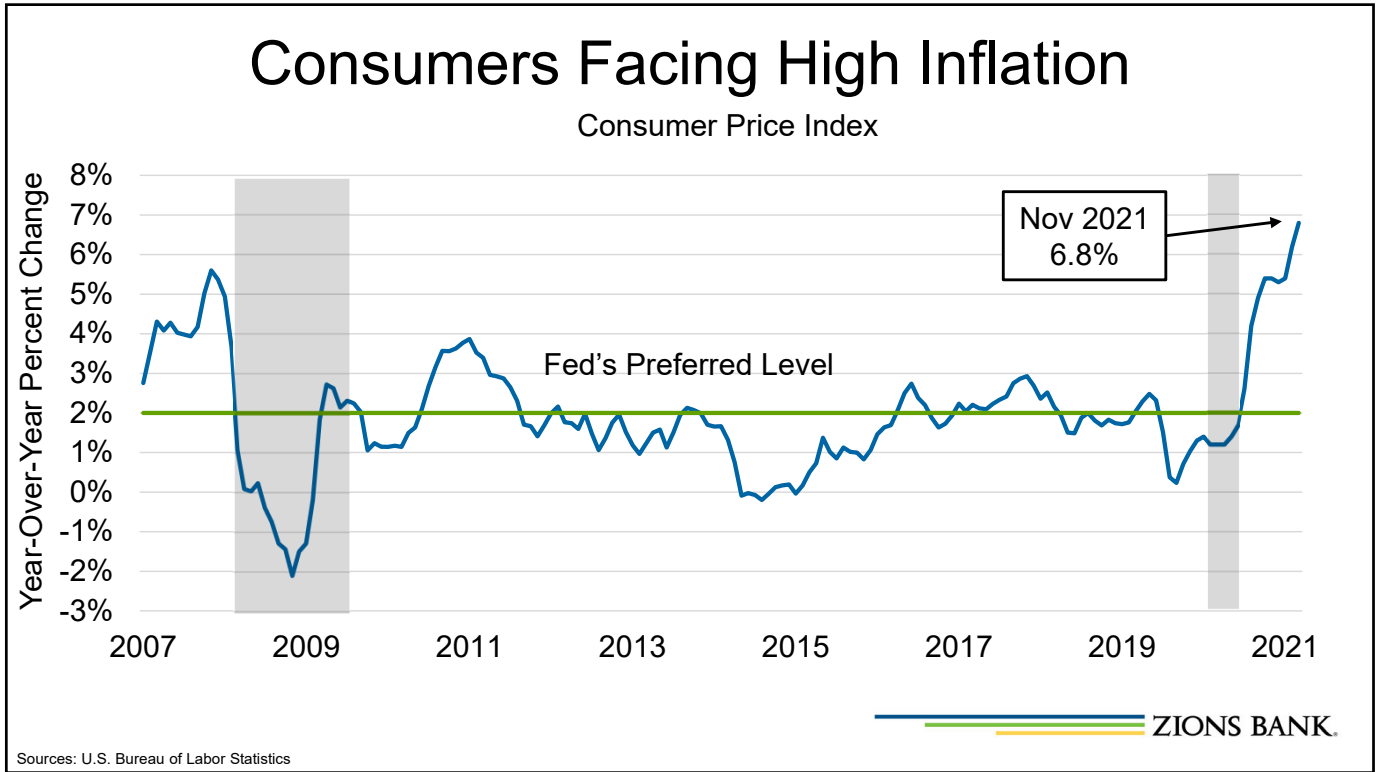
University of Michigan Consumer Sentiment Index



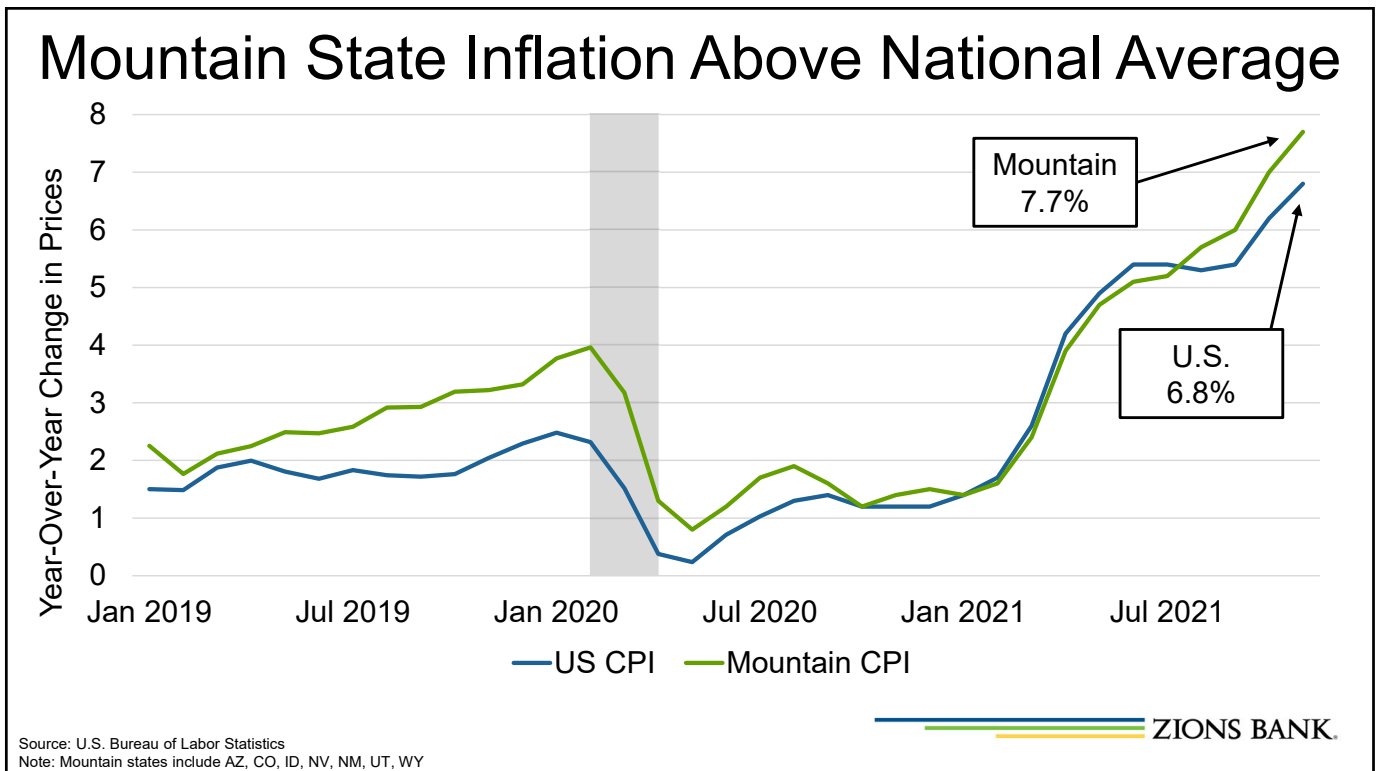
Source: University of Michigan

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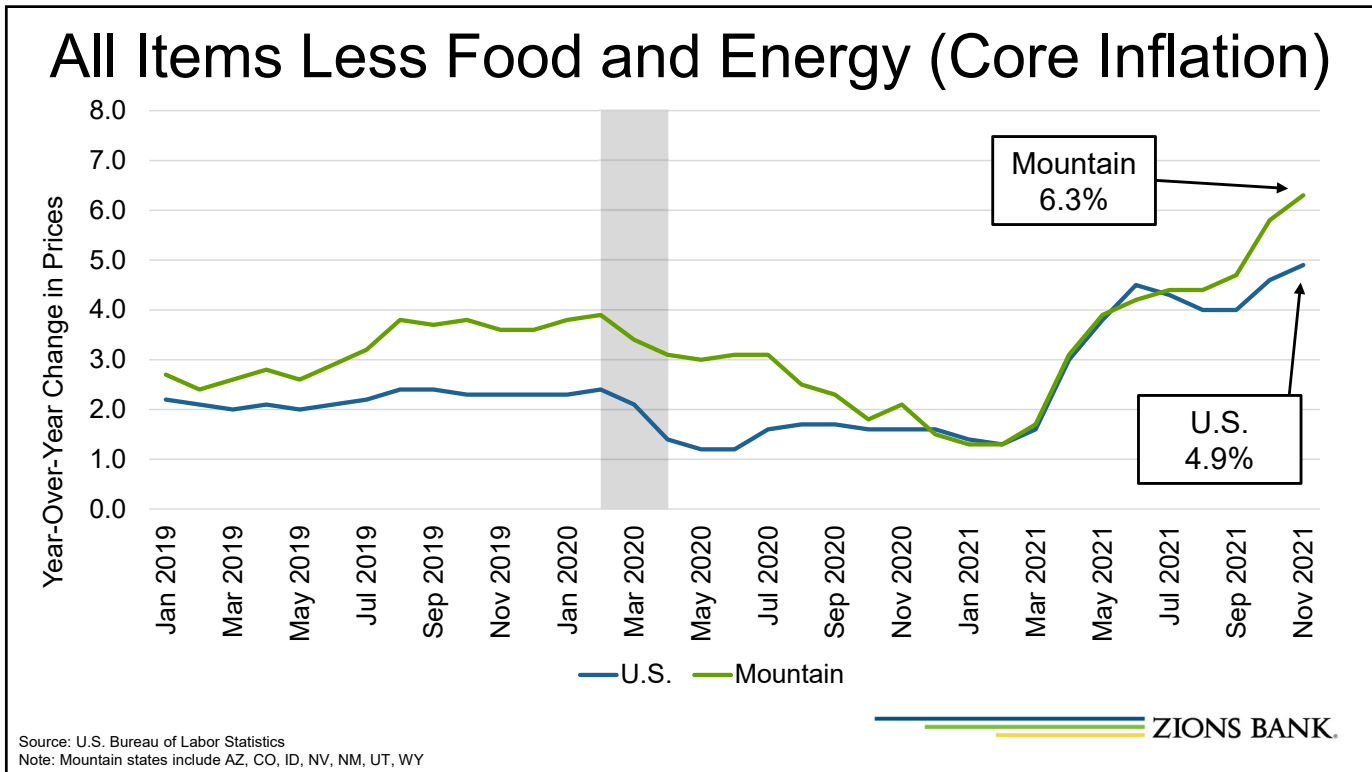
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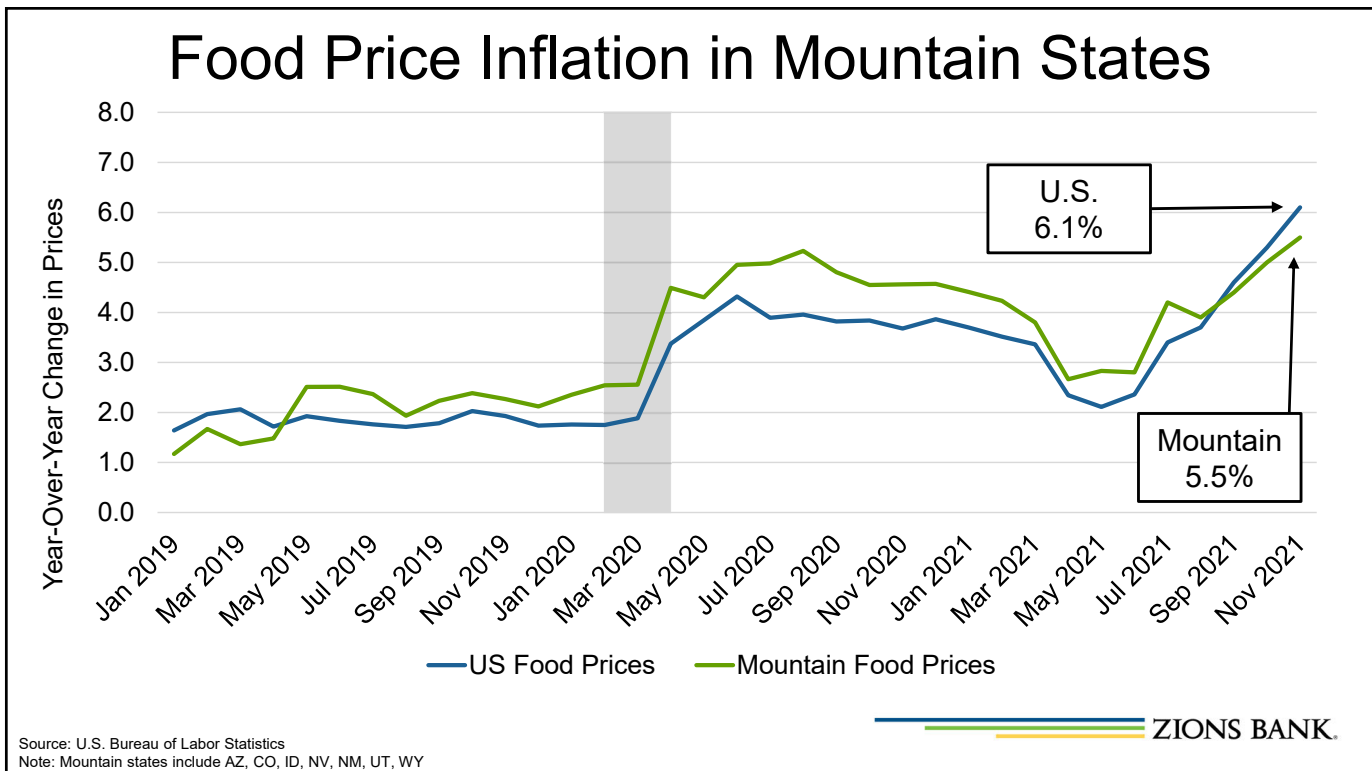
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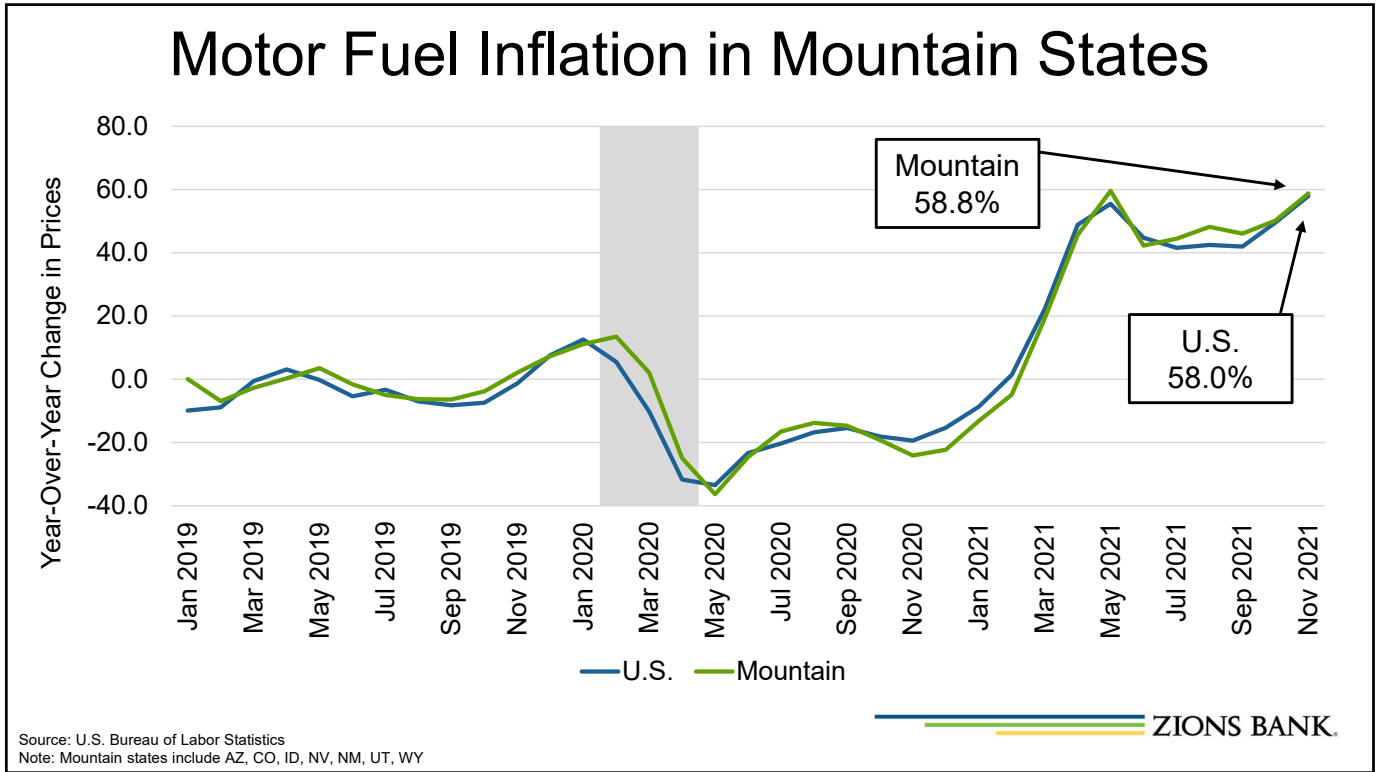
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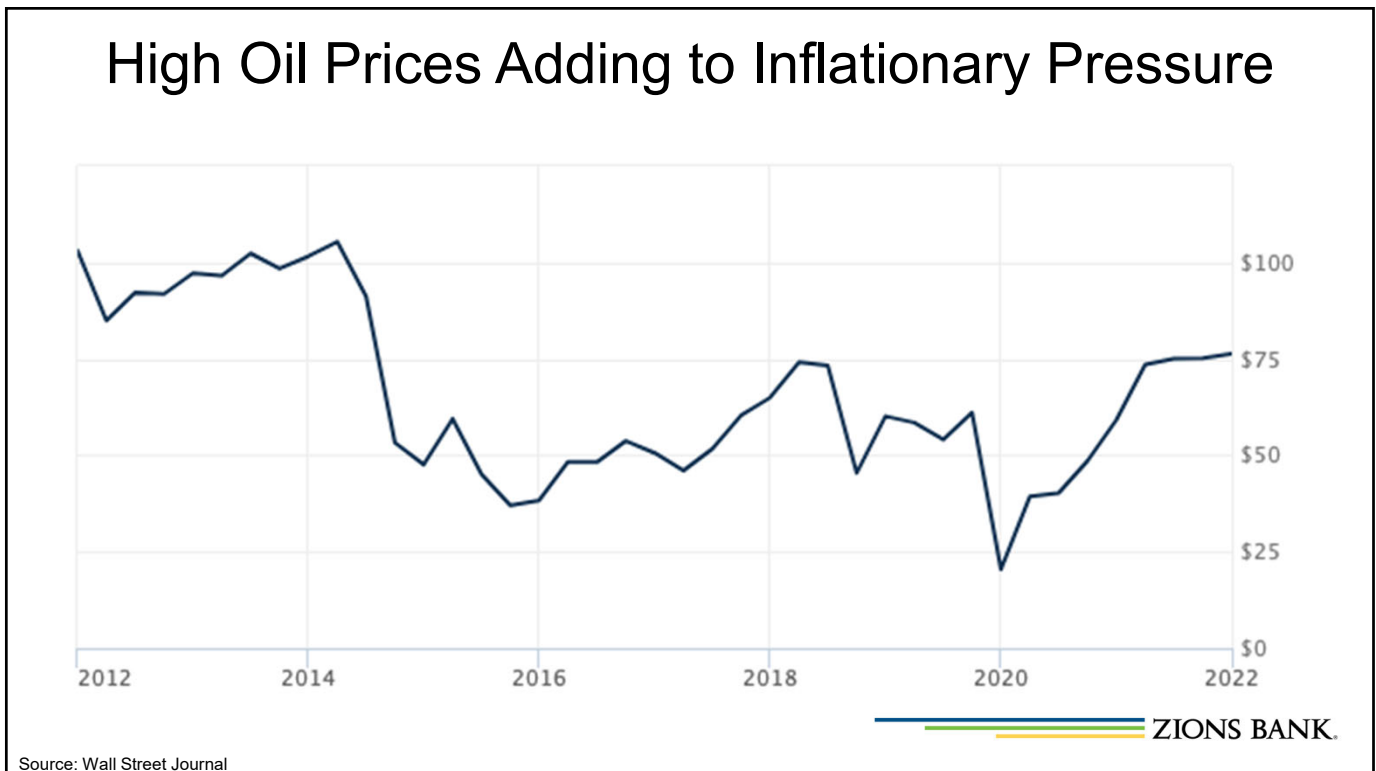
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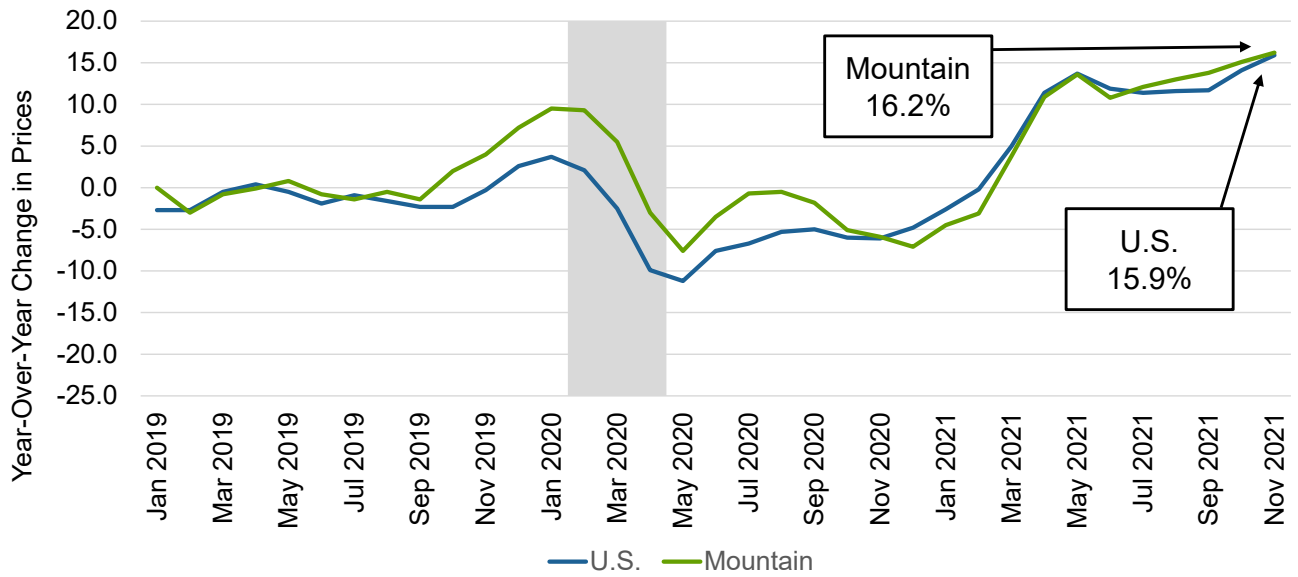
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## Nondurables Less Food Inflation in Mountain States

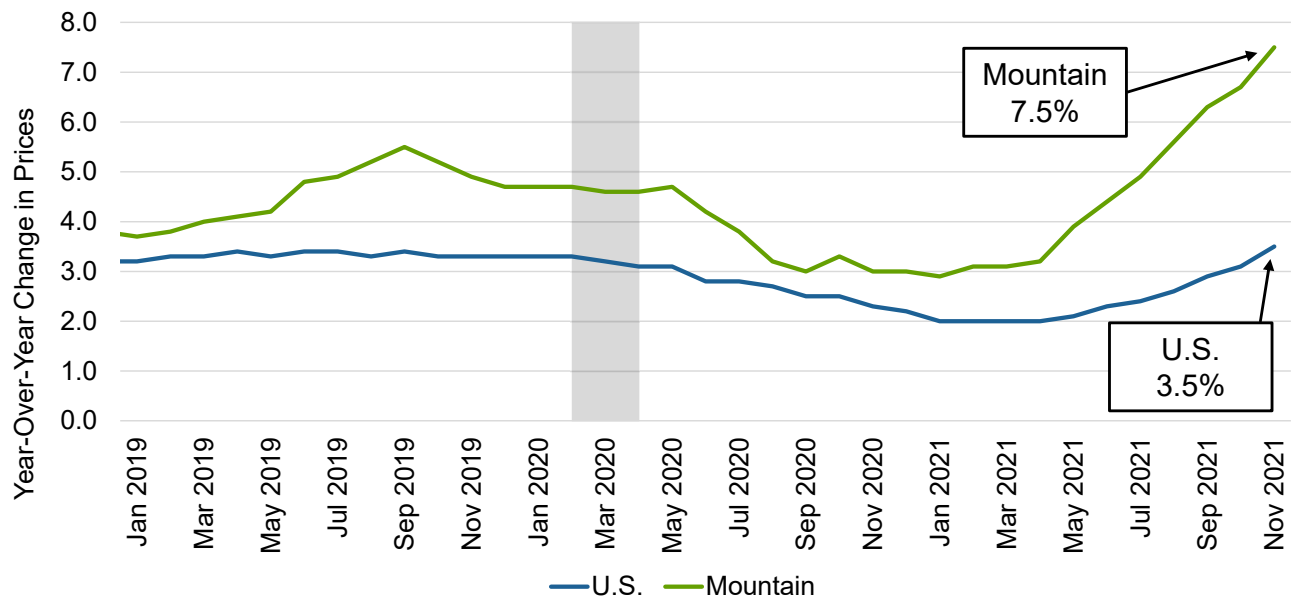


Source: U.S. Bureau of Labor Statistics  
 Note: Mountain states include AZ, CO, ID, NV, NM, UT, WY

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## Owners' Equivalent Rent Inflation in Mountain States

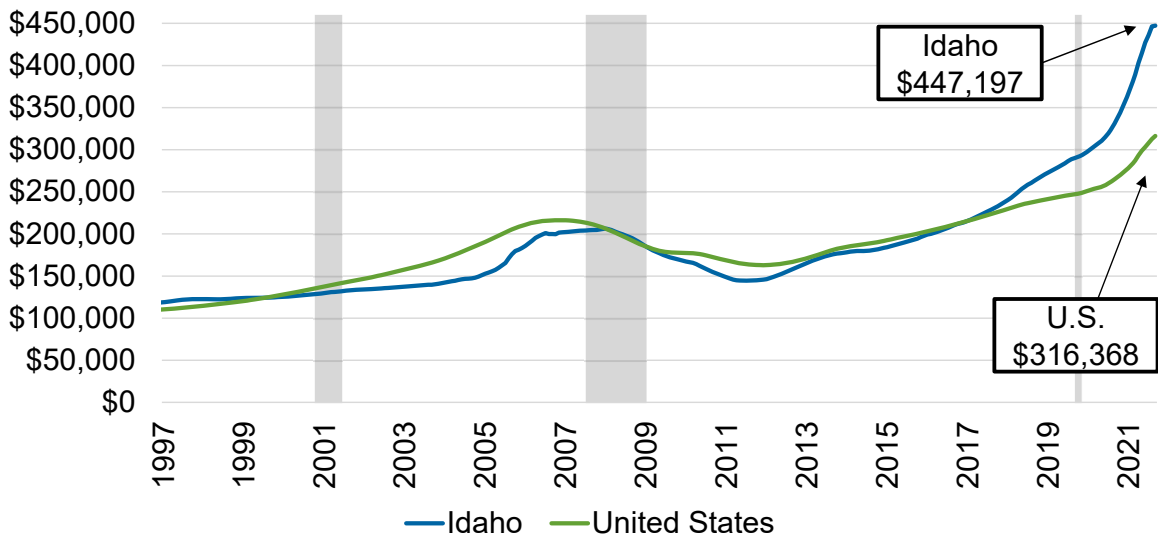


Source: U.S. Bureau of Labor Statistics  
 Note: Mountain states include AZ, CO, ID, NV, NM, UT, WY

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## Idaho Home Values Much Higher than Nation



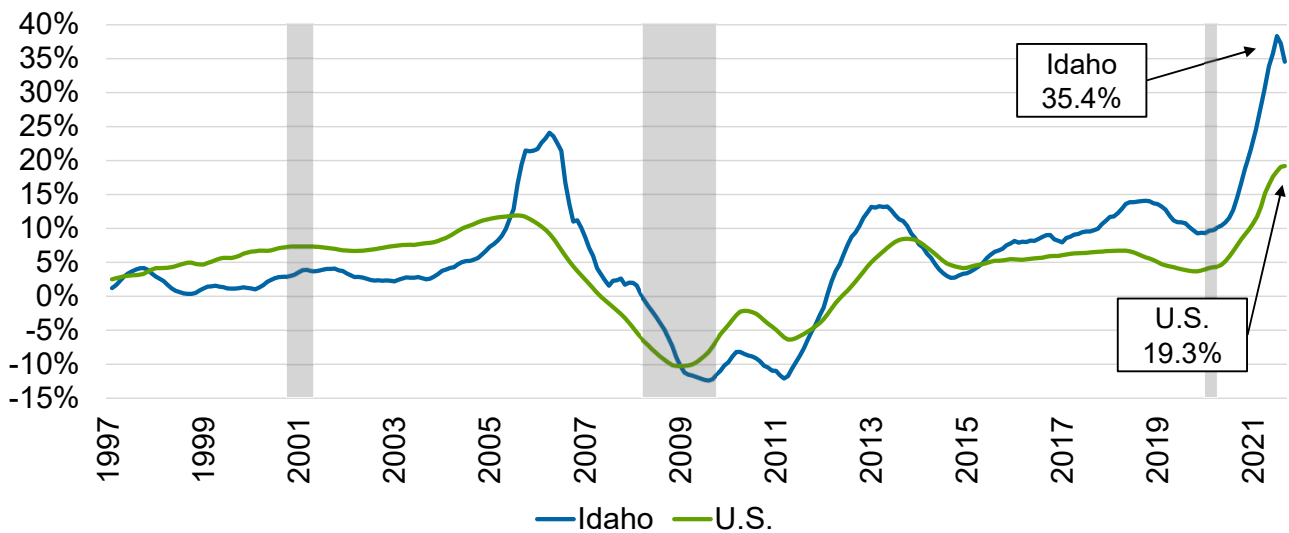
Source: Zillow Research

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## Idaho Home Price Growth Peaking?

Year-Over-Year Percentage Change

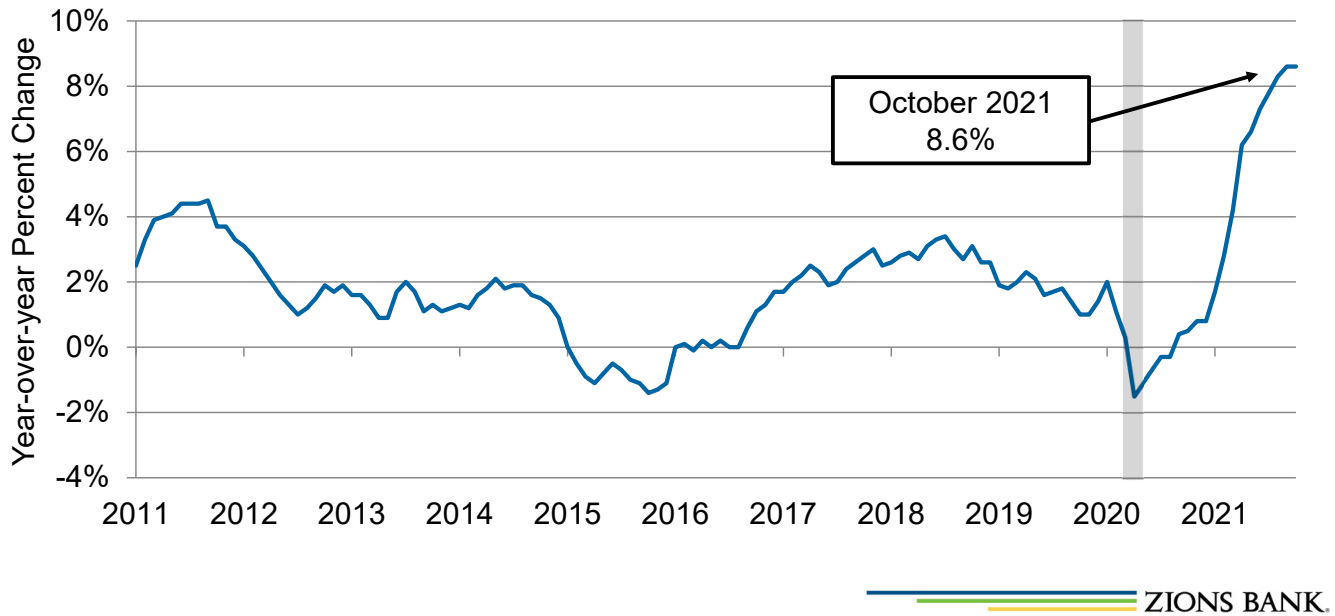


Source: Zillow Research

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## Producer Price Index Continues to Surge



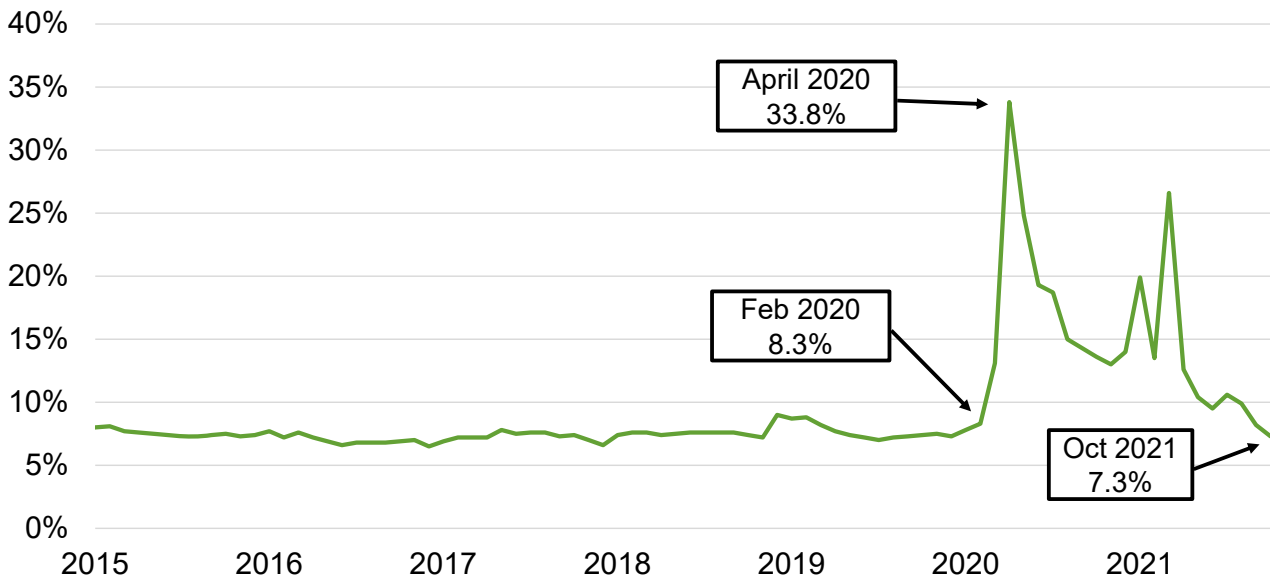
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## Consumers Expect Inflation to Stay High



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## Personal Savings Rate Back Below Pre-Pandemic Level

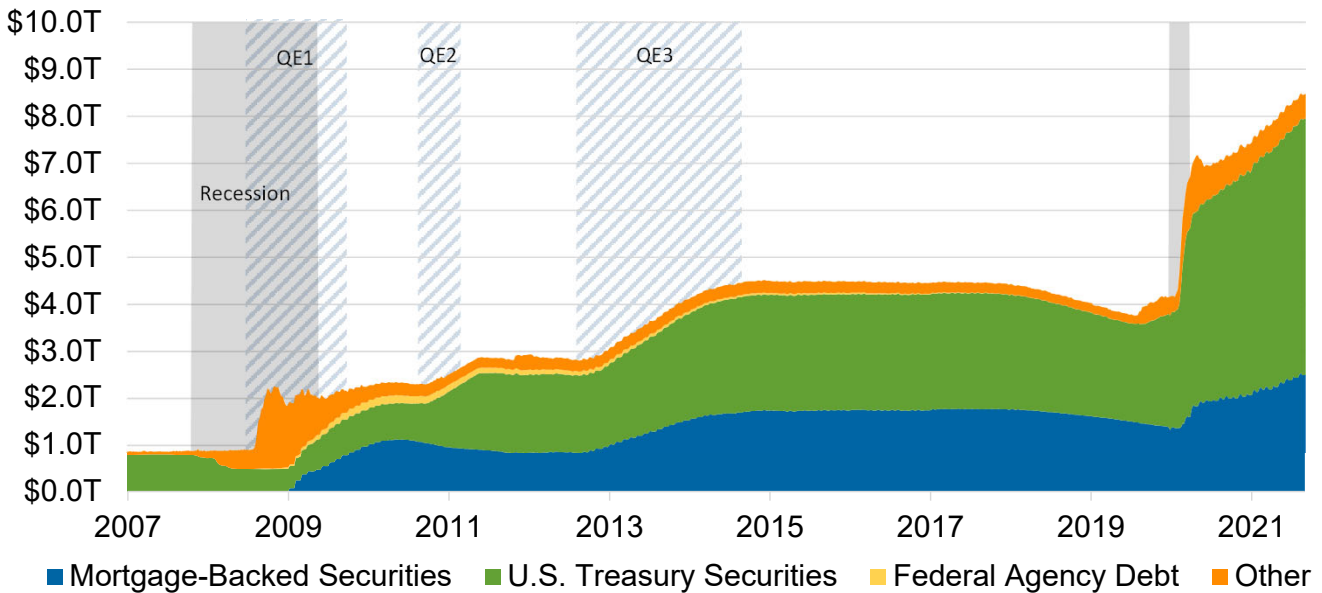


Source: Bureau of Economic Analysis

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## Fed Announced Pullback on Bond Purchases

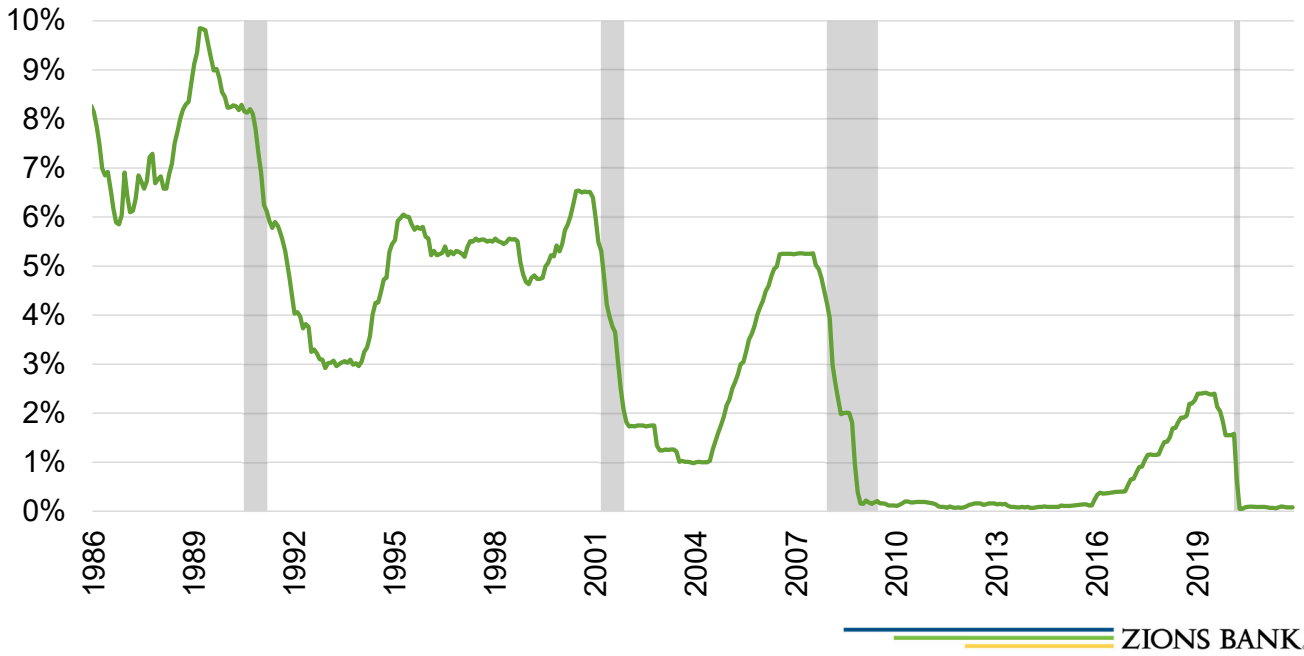


Source: Federal Reserve Bank

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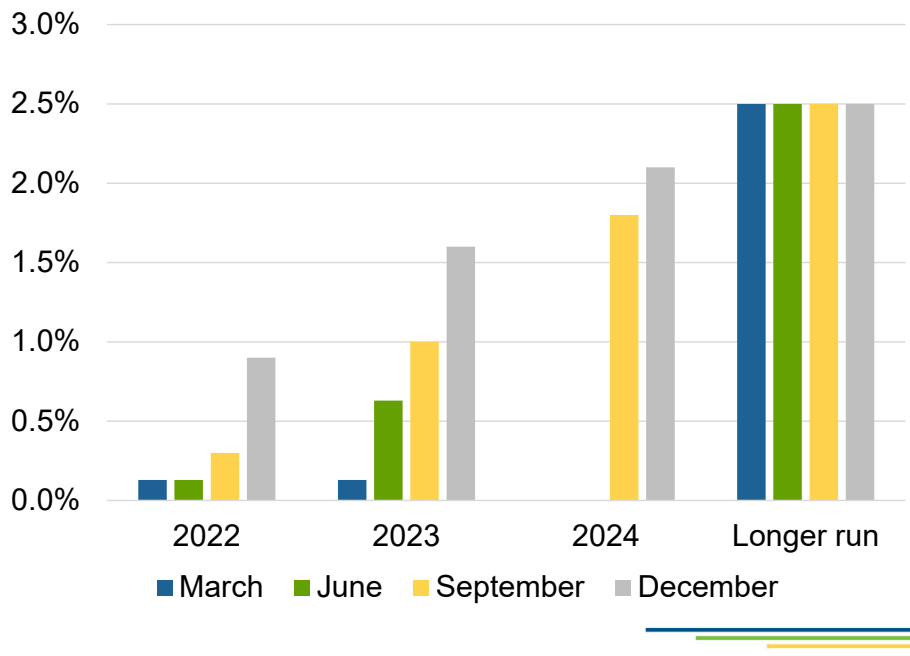
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## Fed Reserve Dropped Rates to Strengthen Economy



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## Fed Funds Rate Expectations Changed Dramatically



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# Idaho Economic Conditions

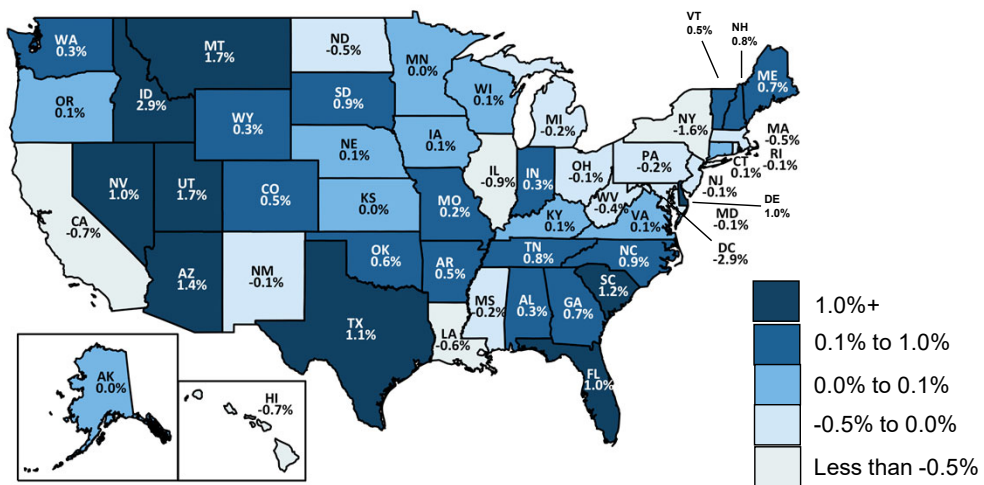


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## Idaho Population **Fastest** Growing in U.S.

Percent Change: 2020 to 2021

U.S. Rate = 0.12%



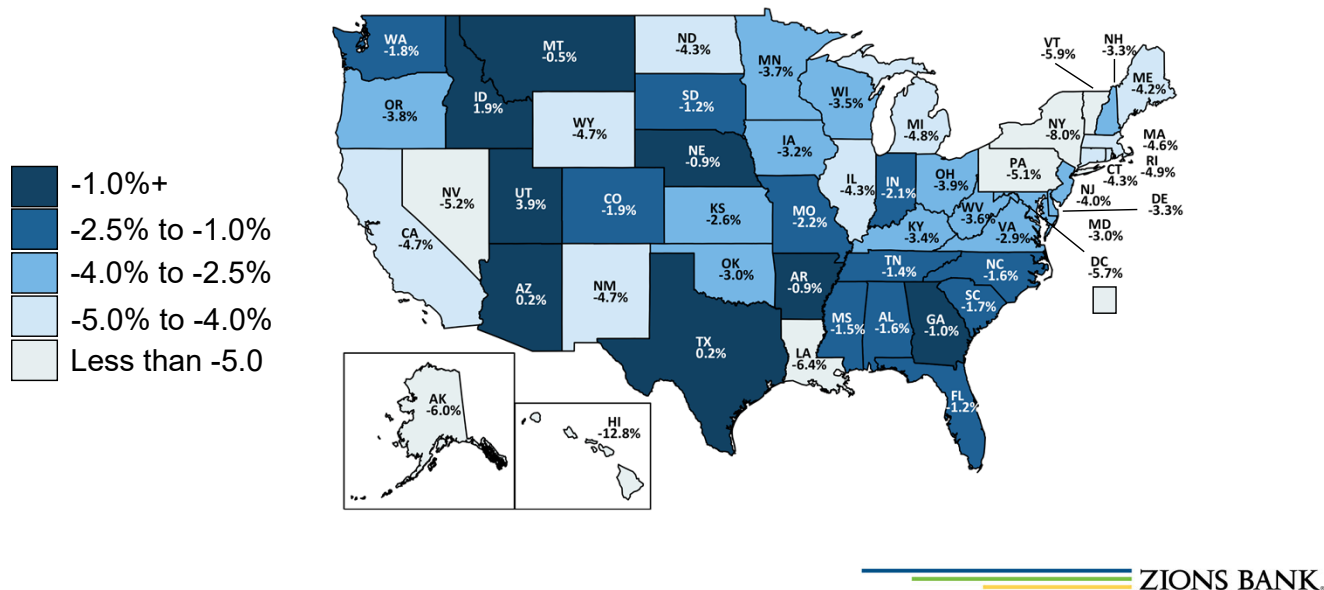
Source: U.S. Census Bureau

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## Only 4 States Have Gained Jobs During COVID

Percent Change in Employment for States: February 2020 to November 2021

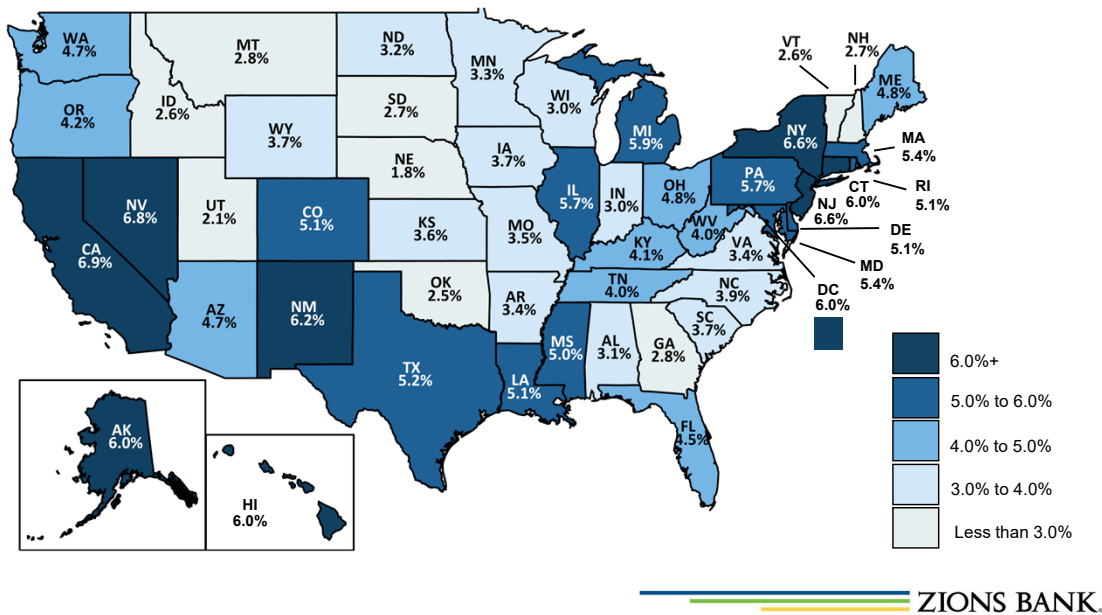
U.S. Rate = -2.6%



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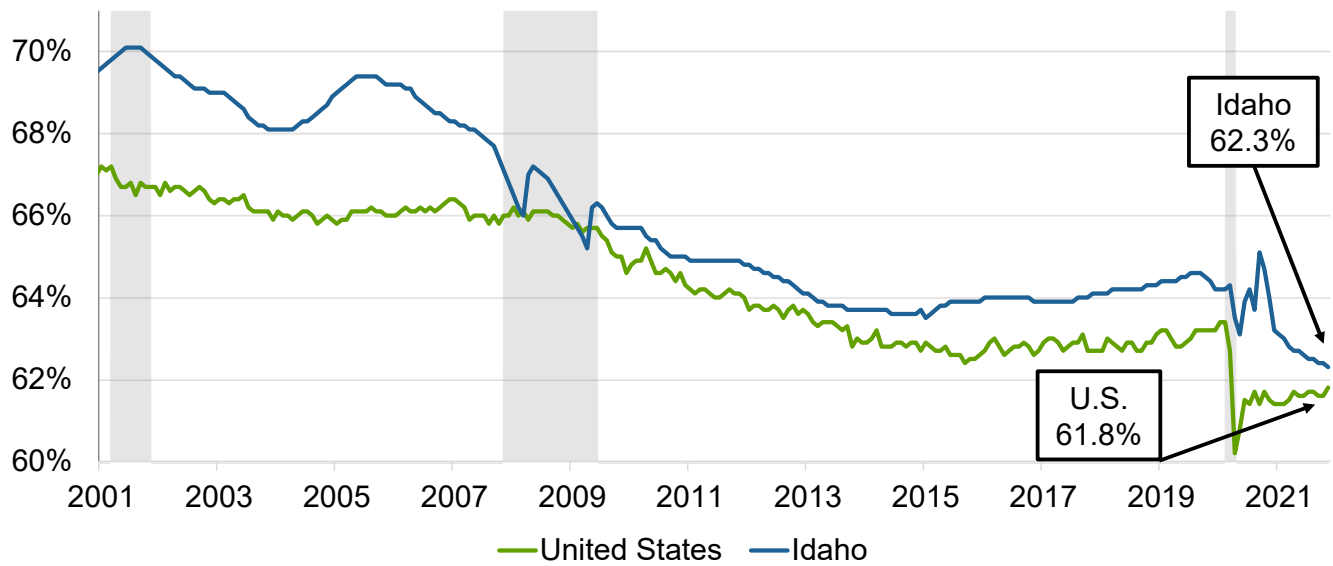
## Idaho Unemployment Among Lowest in the Nation

November 2021 U.S. Rate = 4.2%



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## Idaho Labor Force Participation Continues to Decline



Source: U.S. Bureau of Labor Statistics

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## Economic Summary and Outlook

- Overall economic growth is strong
- US job recovery continues, but labor shortages are constraining potential growth
- Inflation pressure is building because of supply chain struggles, changing consumer demand, and labor shortages
- Price pressure is spreading to many different areas
- Idaho leading the nation in recovery

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WHO KEEPS US IN BUSINESS®

**Robert Spendlove**

**Economic and Public Policy Officer**

**Email: [Robert.Spendlove@zionsbank.com](mailto:Robert.Spendlove@zionsbank.com)**

**Phone: 801-560-5394**

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