



Measuring the health of Utah's economy from the perspective of business leaders throughout the state

Study conducted for
**Utah Quarterly Economic Forecast
2007 1st Quarter Summary**

Study sponsored by
ZIONS BANK®

Study conducted by
**Dan Jones
& ASSOCIATES**

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Introduction

Zions Bank commissioned Dan Jones & Associates, Inc., a full-service, independent, public opinion and market research firm located in Salt Lake City, Utah, to conduct and compile an online quarterly research study of business executives and key decision makers throughout the state of Utah.

Research Objectives

This research is designed to gauge the health of Utah's economic landscape and reveal trends in the Utah marketplace.

Procedures

Dan Jones & Associates developed the questionnaire with Rob Brough, Senior Vice President at Zions Bank. To meet the research objectives, 1,169 Utah business executives and key decision makers were recruited to form the initial study panel.

Sample

Lists of Utah businesses statewide were used to develop the survey universe. During the summer of 2006, executives from randomly selected businesses were asked to join the study panel. Panelists were also recruited from participants of Zions Bank's International Trade and Business Conference, held in May 2006. Executive were screened to assure that all participating companies had at least 10 full-time employees.

Fieldwork

The first cycle (2Q06) of the online study took place July 12–21, 2006; the second cycle (3Q06) October 2–13, 2006; the third cycle (4Q06) January 25–February 2, 2007; and the current cycle (1Q07) April 2–24, 2007. Surveys are completed utilizing a secure Web site. Each executive is provided a unique link to the site via e-mail. To achieve adequate sample levels, 39 panelists in the third cycle (4Q06) and 51 in the fourth (1Q07) were selected randomly to complete the interview by telephone. Chronologically, there have been 387, 356, 320, and 335 participating panelists in the four cycles.

Contact information is used by Dan Jones & Associates only to facilitate participation in this study and will never be shared with any other party or used for any other purpose. To assure panelist anonymity, Dan Jones & Associates collects, compiles, analyzes, and tests all data. Results are provided to Zions Bank, panel members, and the media in aggregate form only. Demographic data is collected to determine opinions of subgroups and to tabulate the data.

Executive Summary

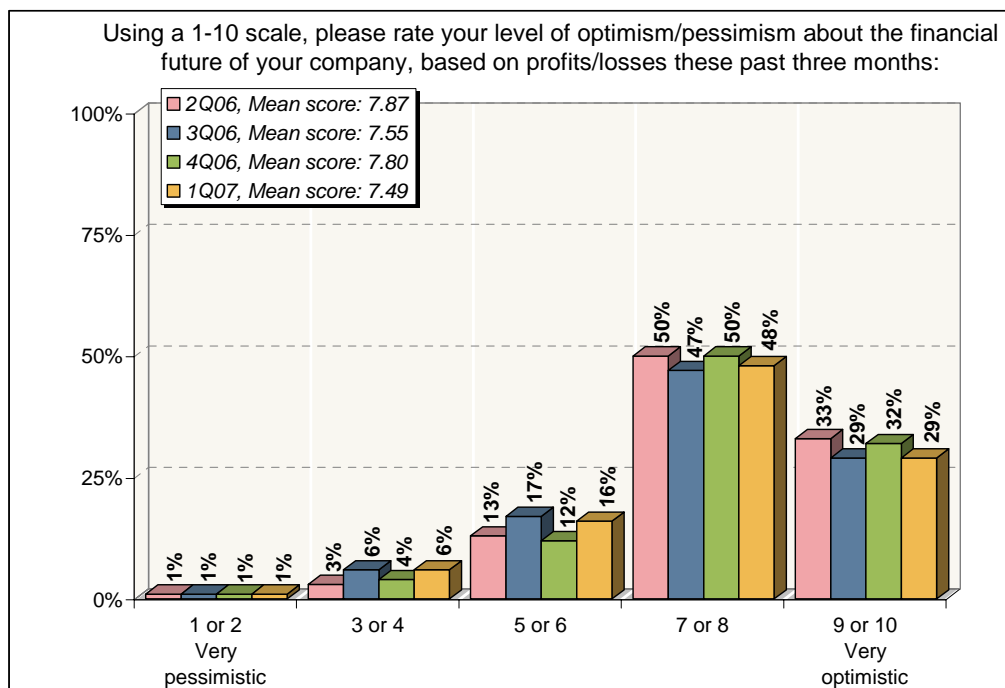
During the first quarter of 2007, business executives in Utah remain optimistic about their company’s future, even as concerns regarding gasoline prices, inflation, finding qualified employees, and the cost of wages continue to grow.

Increasingly, keeping qualified employees is becoming a major concern. Approximately one-third of Utah Economic Forecast panelists anticipate increased capital spending during the next quarter, and half predict they will be expanding their workforce.

Utah Business Leaders Remain Optimistic About Financial Future

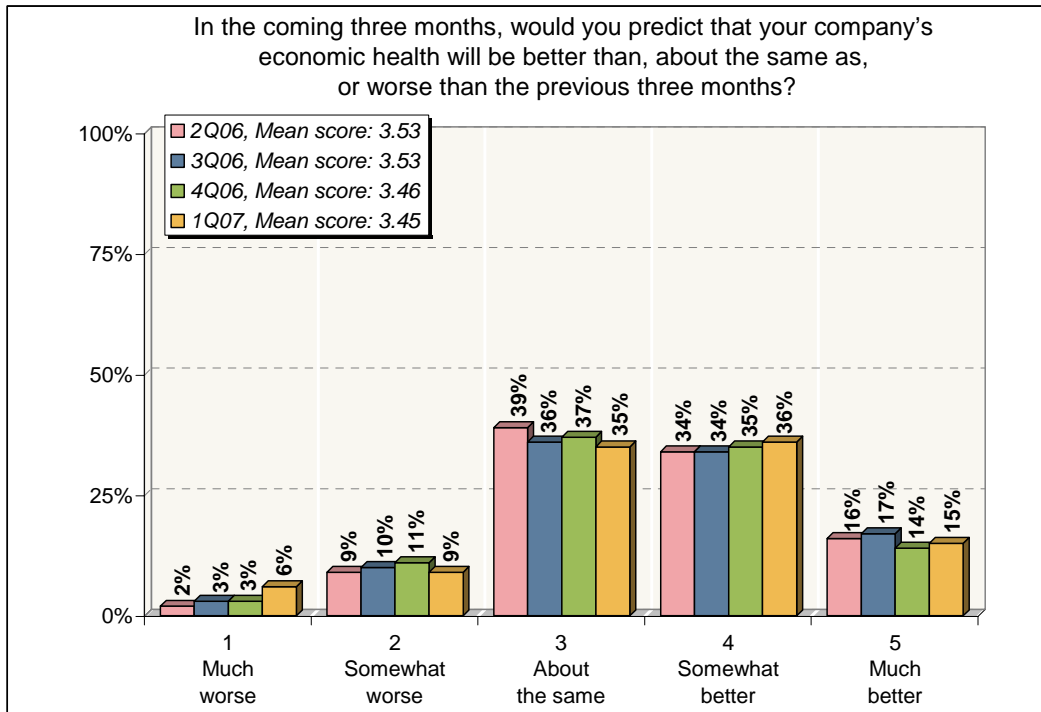
Based on the profits and losses of the preceding quarter, Utah business leaders remain fairly optimistic about the financial futures of their companies, as indicated by the mean score of 7.49 on the 1-to-10 scale (very pessimistic to very optimistic). Although the current quarter mean score is down marginally from previous quarters (2Q06: 7.87, 3Q06: 7.55, and 4Q06: 7.80), it remains strongly on the optimistic side of the scale.

Twenty-nine percent (1Q07: 29%) rate their optimism as a 9 or 10, four percentage points below the high of 33% in the second quarter of 2006. Including the additional 48% who rate their optimism as a 7 or 8, over three-quarters of the panelists (1Q07: 77%) rate their company’s financial future as a 7 or higher. On the other side, just 7% (1Q07) rate their financial outlook as pessimistic (combining ratings of 1, 2, 3, and 4). In other words, panelists are eleven times more likely to say their outlook is optimistic than they are to say it is pessimistic.



On a similar subject, about half the panelists (1Q07: 51%) predict that the economic health of their company will be somewhat or much better than it was in the previous three months (2Q06: 50%, 3Q06: 51%, and 4Q06: 49%). Conversely, the percentage of panelists who feel their company’s economic health will be somewhat worse or much worse has been slowly increasing during the 12 months of this study (2Q06: 11%, 3Q06: 13%, 4Q06: 14%, and 1Q07: 15%).

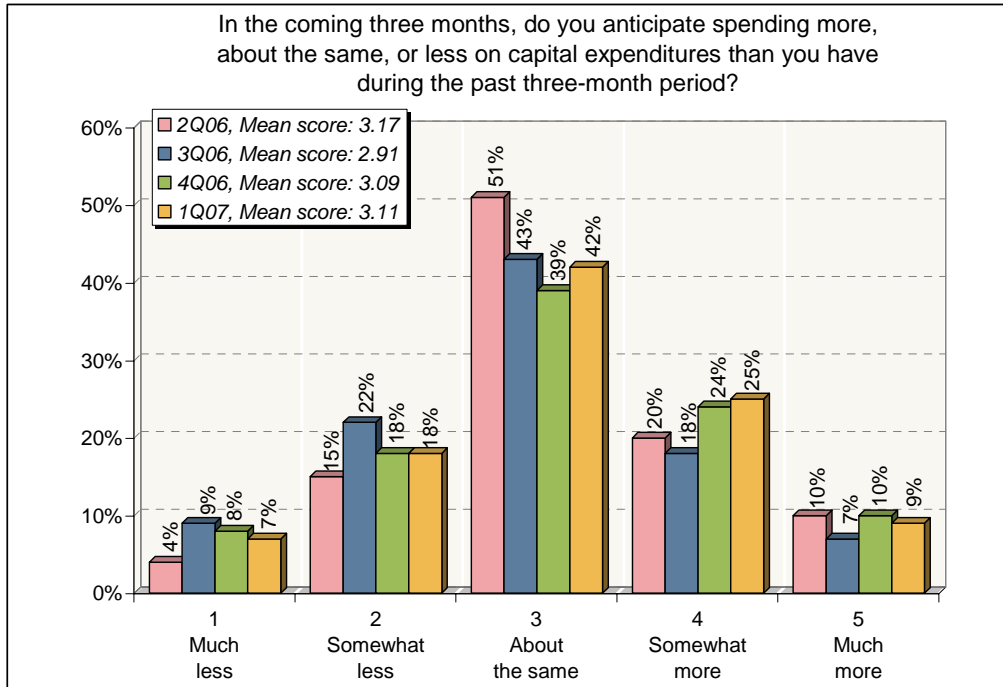
Males and panelists under age 45 are more likely to say their company’s economic health will be much better.



Capital Spending Remains Steady

Approximately one-third of the panelists (1Q07: 34%) anticipate spending somewhat more or much more on capital expenditures, a number equal with the fourth quarter of 2006 and greater than the first two quarters of this study (2Q06: 30%, 3Q06: 25%, 4Q06: 34%). One quarter of panelists (1Q07: 25%) declare that capital expenditures will be somewhat less or much less in the upcoming quarter than in the previous quarter.

Panelists who are more likely to say they expect to spend somewhat more or much more on capital expenditures over the next three months are those who do not work along the Wasatch Front and those in companies with a higher number of part-time employees (as the number of part-time employees increases so does the likelihood of more capital spending).

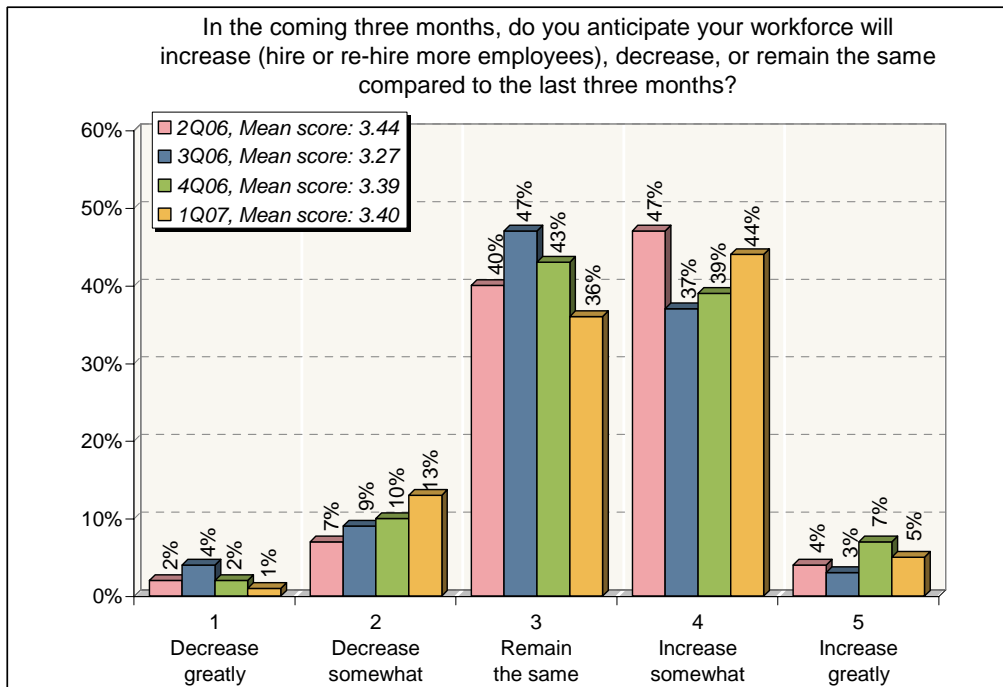


Executives Anticipate Increasing Workforces

Comparable to the second quarter of 2006, half of the survey participants (2Q06: 51% and 1Q07: 49%) foresee their workforce somewhat or greatly increasing over the next three months. However, one in seven panelists in the current survey cycle (1Q07: 14%) admits to foreseeing their workforce decrease somewhat or greatly during the next three months. Therefore, three-and-a-half times as many key decision makers predict their workforce is expanding as those who predict it decreasing. Fewer executives in the current cycle (1Q07: 36%) think that their workforce will remain the same size than have said the same in previous quarters (2Q06: 40%, 3Q06: 47%, and 4Q06: 43%).

Assigning values of 1 through 5, respectively, to *decrease greatly*, *decrease somewhat*, *remain the same*, *increase somewhat*, and *increase greatly*, reveals that, overall, the workforce is likely to increase in the next three months, after being at its lowest point during the third quarter of 2006 (2Q06: 3.44, 3Q06: 3.27, 4Q06: 3.39, and 1Q07: 3.40). Of note: these numbers have not been adjusted for seasonality, but are presented directly as collected.

Younger panelists are more likely to say they anticipate their workforce will increase over the next three months (the likelihood of expecting to increase the workforce increases towards the lower end of the age scale).



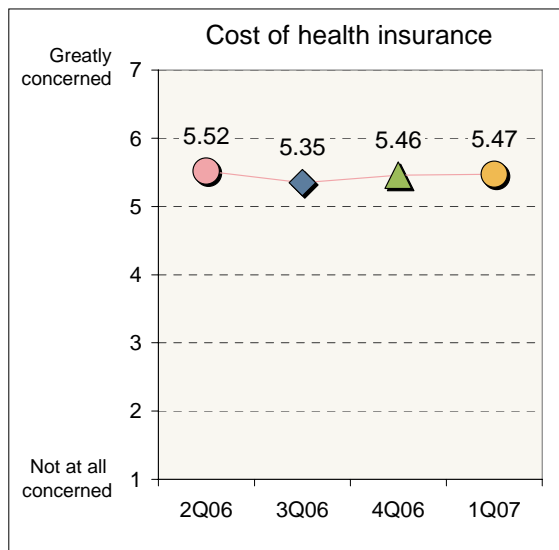
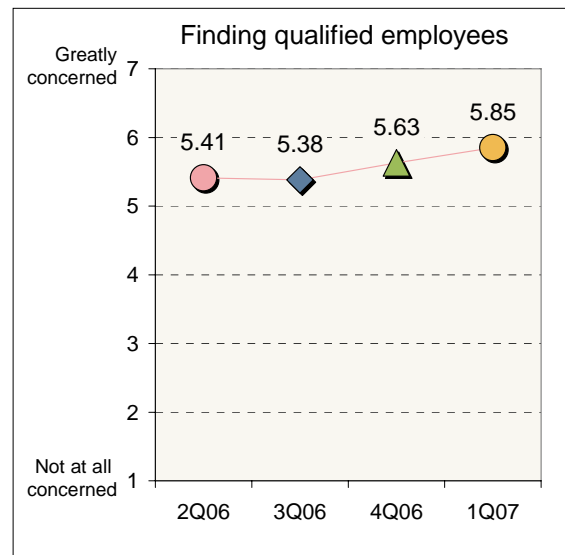
Finding Qualified Employees and the Cost of Health Insurance Top the List of Economic Concerns

During each quarterly cycle of this study, panelists rate eleven potential economic concerns using a 1-to-7 scale (*not at all concerned* to *greatly concerned*). Generally, mean scores between 1.00 and 3.00 would be considered low-level concerns, those between 3.00 and 5.00 would be mid-level concerns, and mean scores between 5.00 and 7.00 would be high-level concerns. Logically, intensity is greatest towards both ends of the scale.

Concerns are presented here, in order, from greatest to least.

Finding qualified employees again registers as the factor generating the greatest level of concern for panelists, just as it has for the past two quarters. Moreover, in the current quarter, *finding qualified employees* reaches the highest level of concern of any of the factors across all four cycles of this study, 5.85 (1Q07) on the 7-point scale, up 0.22 points from the fourth quarter of 2006 (4Q06: 5.63) and, up 0.47 points from its low of 5.38 in the third quarter.

Male panelists are more likely to say they are greatly concerned about finding qualified employees.

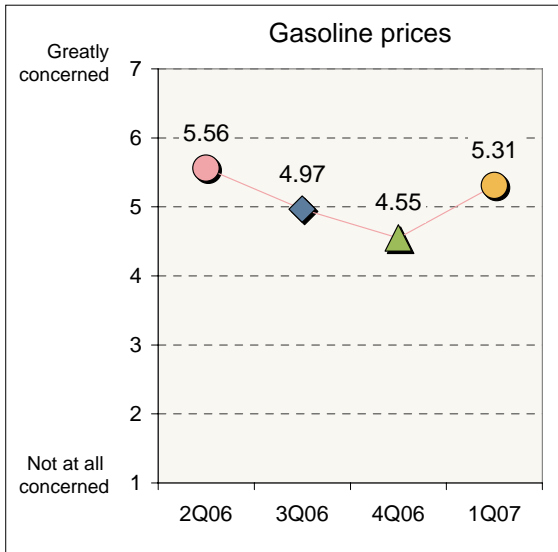
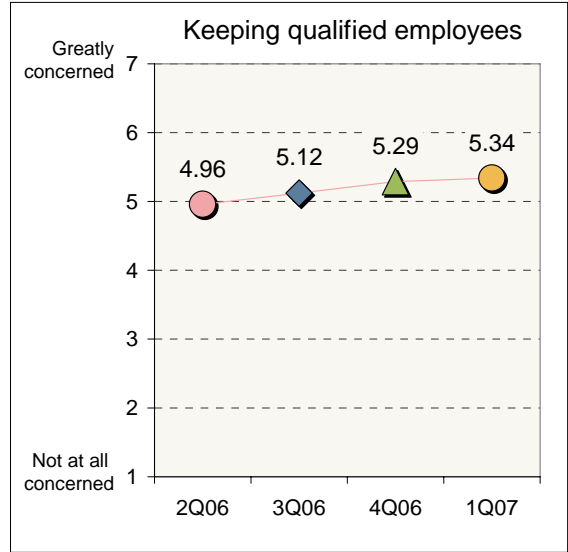


The cost of health insurance for employees, which comes in as the second greatest concern in the current study, with a mean score of 5.47, is up 0.12 points from its lowest level of concern and regains nearly the same level of concern that it had in the second quarter of 2006 (2Q06: 5.52, 3Q06: 5.35, 4Q06: 5.46).

Panelists in non-seasonal businesses are more likely to say the *cost of employee health insurance* is a great concern.

Keeping qualified employees attains its highest level of concern in the current quarter and it has been steadily rising during the study's four cycles (2Q06: 4.96, 3Q06: 5.12, 4Q06: 5.29, and 1Q07: 5.34). Overall, the level of concern over *keeping qualified employees* has increased 0.38 points since the baseline study in the second quarter of 2006.

Panelists whose businesses are not along the Wasatch Front and those with a greater number of full-time employees (as the number of employees increases, so does the likelihood) are more likely to declare that *keeping qualified employees* is a great concern.

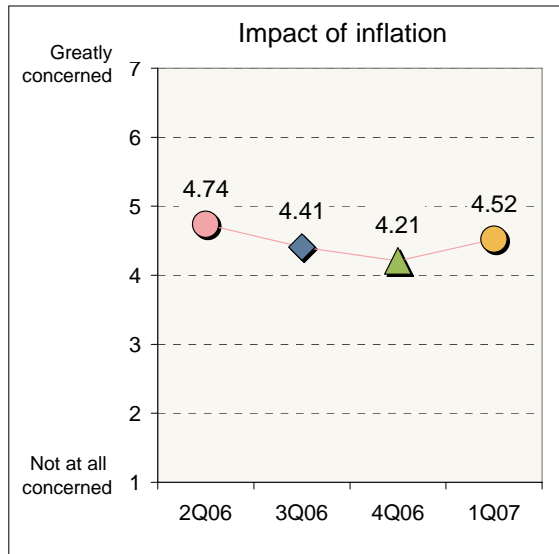
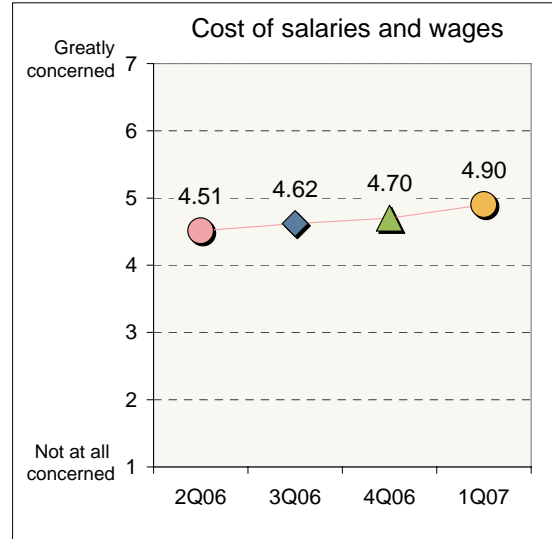


After declining for two consecutive quarters, gasoline prices jumped up 0.76 points from the fourth quarter of 2006 (4.55) to the first quarter of 2007 (5.31). This is the greatest increase measured in any one of the eleven factors over the course of this study. Moreover, the increase of 0.76 points is more than twice the escalation of the other increases during the current quarter.

Panelists more likely to say *gasoline prices* are a great concern are: females, those whose companies have been in business for 5 to 10 years, and those whose businesses are in Davis County or non-Wasatch Front counties.

Ranking fifth among the concerns this quarter is the cost of salaries and wages. This issue has been steadily climbing throughout the four quarters (2Q06: 4.51, 3Q06: 4.62, 4Q06: 4.70, and 1Q07: 4.90); however, the current quarter witnesses the largest quarterly jump to date (+0.20, or more than twice the level of previous increases). With mean scores consistently between 3.00 and 5.00, the cost of salaries and wages would be considered an upper-mid-level concern to Utah executives.

Female panelists are more likely to rate the cost of salaries and wages as a great concern.



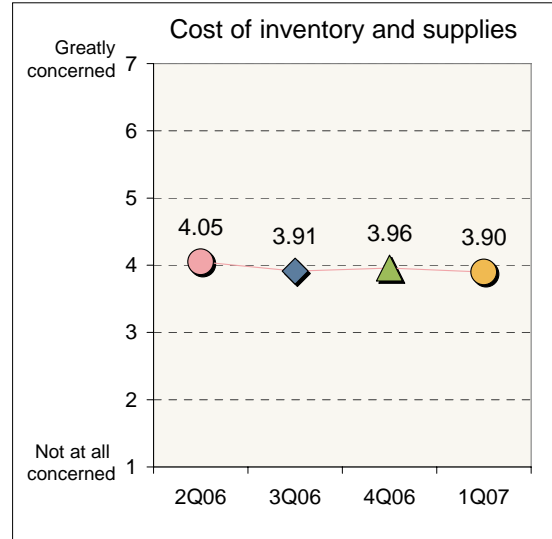
The impact of inflation on the cost to do business increased 0.31 points this quarter after declining for the two previous quarters (2Q06: 4.74, 3Q06: 4.41, 4Q06: 4.21, and 1Q07: 4.52). The 0.31-point increase is the second-greatest increase in the current cycle (behind gasoline prices). Overall, however, panelists do not consider inflation as great a concern in the current cycle (1Q07) as they did in the first cycle of this study (2Q06: 4.74).

Female panelists and those whose businesses are headquartered away from the Wasatch Front and those in businesses with fewer full-time employees (as the

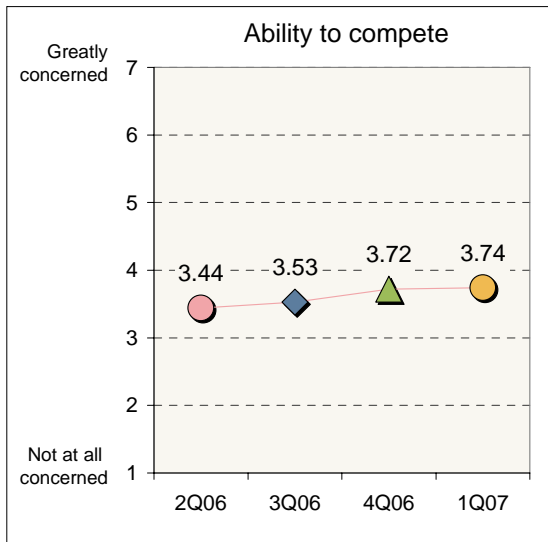
number of employees decreases, the likelihood increases) are more likely to say the impact of inflation on the cost to do business is a great concern.

The cost of inventory and supplies has consistently attained mean scores virtually at the mid-point (4.00) of the seven-point scale, with a high of 4.05 (2Q06) and a low of 3.90 in the current quarter (1Q07).

Female panelists are more likely to rate their level of concern about the cost of inventory and supplies at both extremes of the scale (closer to 1 or to 7), while males are more likely to rate their level of concern right in the middle of the scale (4.00).



There are two factors that consistently acquire mean scores in the lower-middle range (between 3.00 and 5.00): the *ability to compete in the marketplace* and the *cost of utilities*.

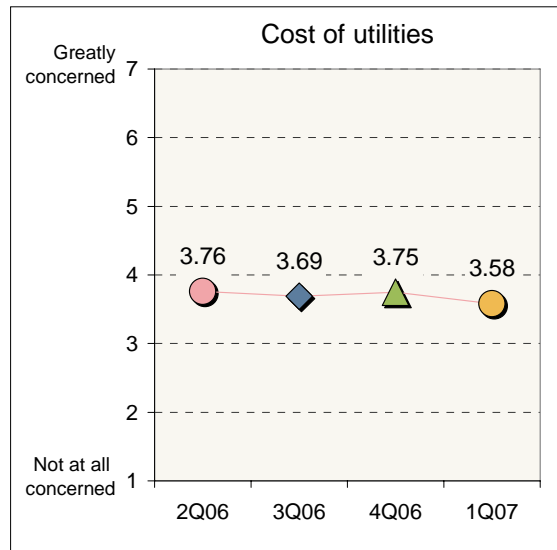


The ability to compete displays an upward trend (2Q06: 3.44, 3Q06: 3.53, 4Q06: 3.72 and 1Q07: 3.74). Panelists with 25 or more part-time employees are more likely say they are concerned about their ability to compete in the marketplace.

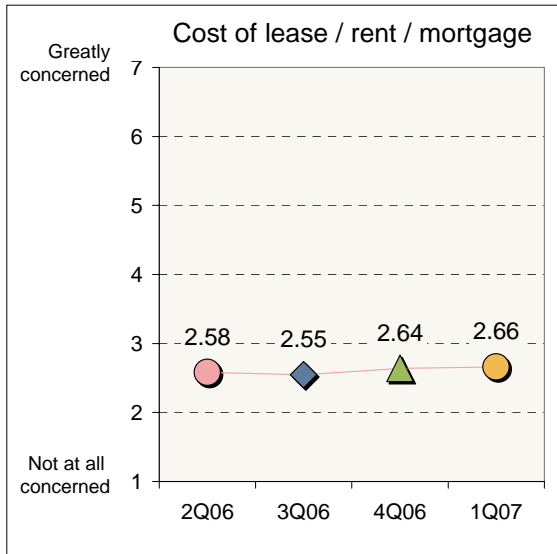
Males are more likely to rate the *ability to compete* in the middle of the 1-to-7 scale, while the ratings from the females are more evenly distributed across the seven points.

The cost of utilities is a marginally lower concern this quarter (2Q06: 3.76, 3Q06: 3.69, 4Q06: 3.75, and 1Q07: 3.58).

As panelist age decreases, the likelihood of rating the *cost of utilities* as a 1 or 2 increases. Ratings of 1 or 2 are also more likely among executives in companies of 25 to 100 full-time employees and males.



The final two issues, *cost of lease, rent, or mortgage* (1Q07: 2.66) and *outsourcing to foreign countries* (1Q07: 2.17), both with mean scores consistently below 3.00 continue to be of little concern to Utah Executives.

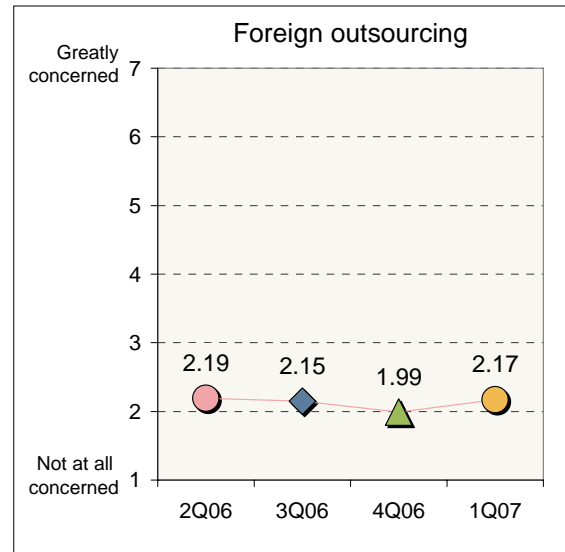


The cost of lease, rent, or mortgage is the issue with the least fluctuation during this study, with mean scores ranging from only 2.55 (3Q06) to 2.66 (1Q07), or 0.11 points. Panelists whose companies have been in business one to five years are more likely to rate the *cost of their lease / mortgage* as a moderate concern.

Utah executives with more full-time employees are more likely to say they are not concerned about the cost of their lease / mortgage.

This quarter, as in all previous study quarters, outsourcing to foreign countries positions itself as the issue of least concern to Utah executives, placing eleventh out of the eleven factors.

Panelists who are more likely to say *outsourcing to foreign countries* is a concern include: females, those whose companies have been in business for a longer time, and older panelists (as years in business and/or age increases, so does the likelihood of saying *outsourcing to a foreign country* is a concern).



A Top-Level Comparison of Economic Concerns

The first table below lists all of the eleven factors in descending order of concern for the current quarter (*rank*). Intensity of concern for each issue is determined by mean score – a mean score of 7.00 would indicate that every single panelist is *greatly concerned* about that issue, while a mean score of 1.00 would have all respondents saying they are *not concerned at all*.

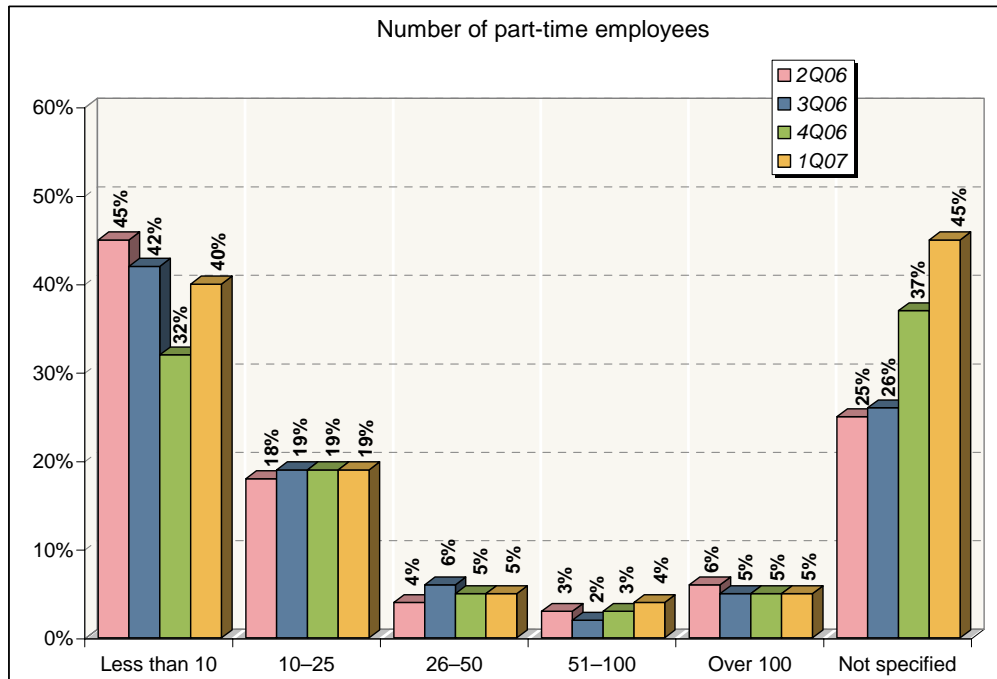
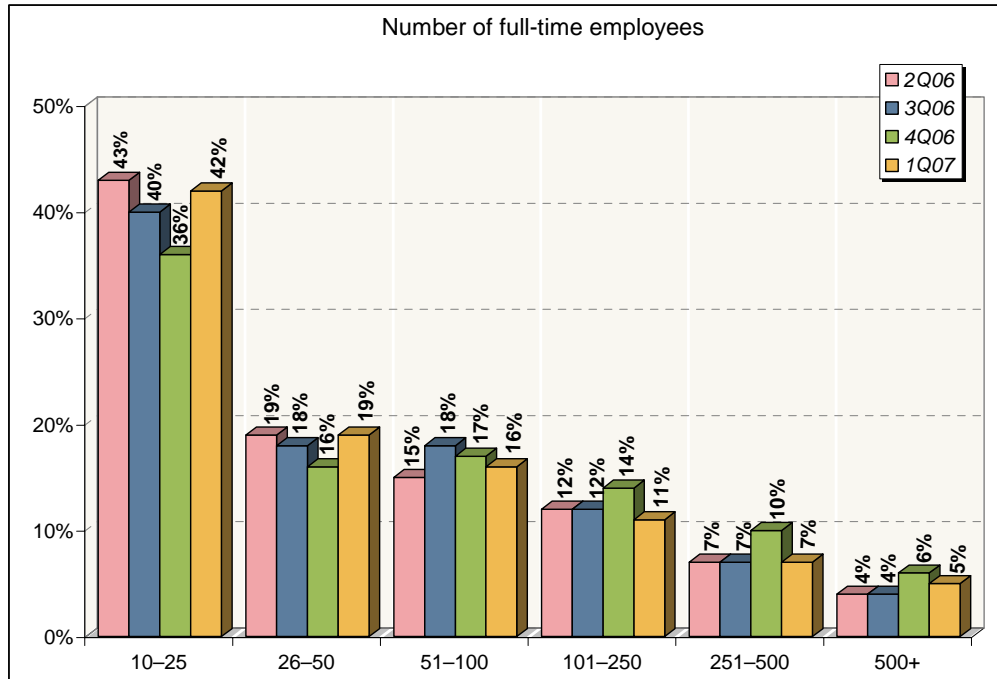
Prior quarter information of rank and intensity is provided for a quick comparison.

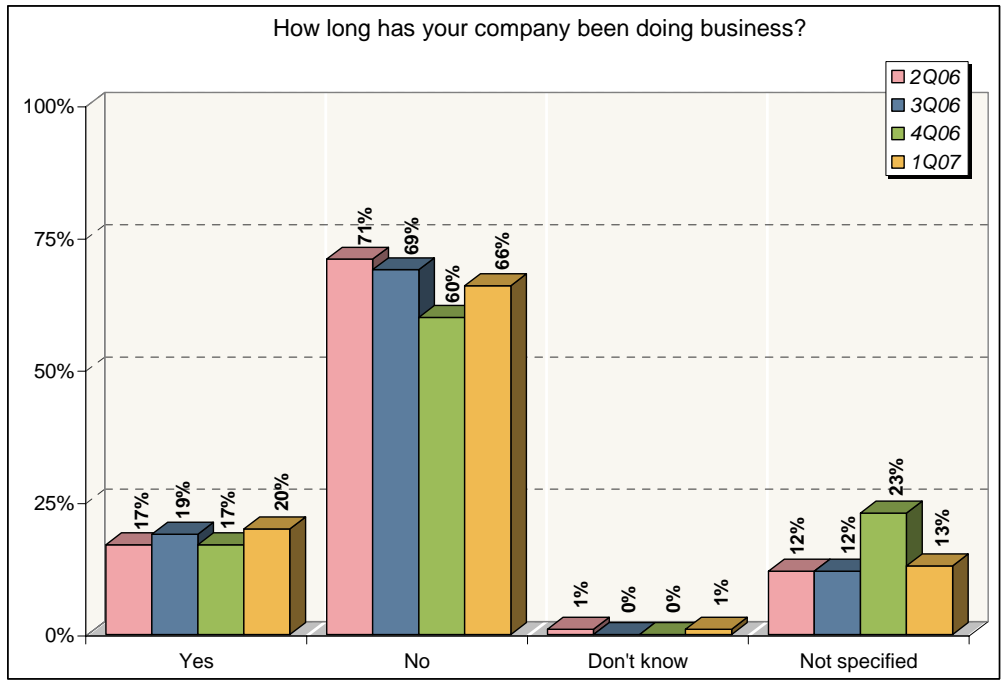
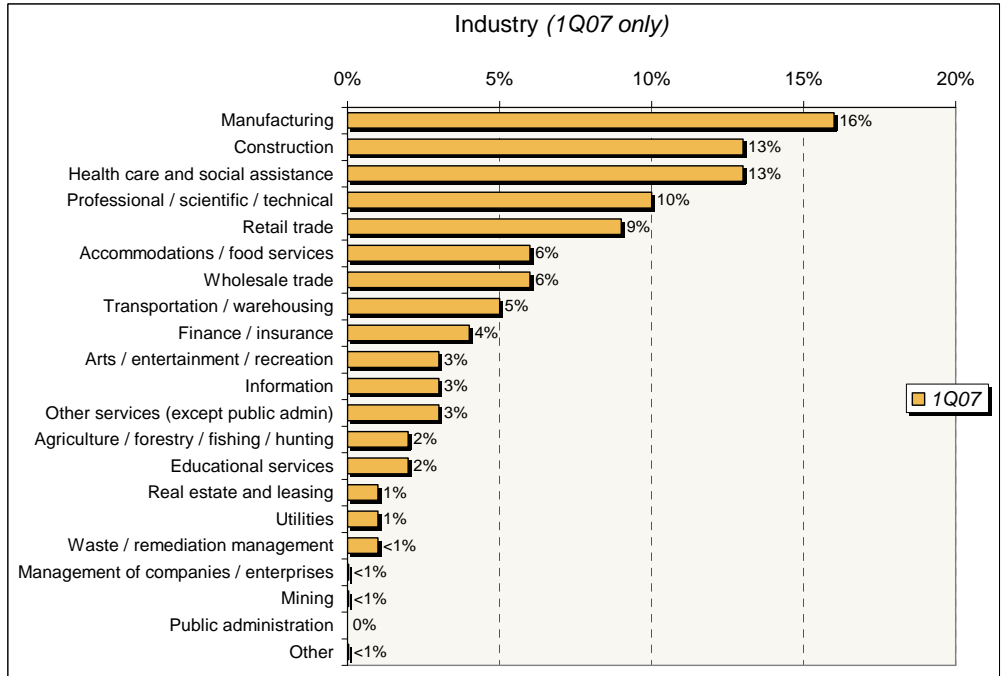
Comparative Level of Concern <i>(Scale: 1/Not concerned at all to 7/Greatly concerned)</i>	RANK	2Q06	RANK	3Q06	RANK	4Q06	RANK	1Q07
Finding qualified employees	3	5.41	1	5.38	1	5.63	1	5.85
Cost of employee health insurance	2	5.52	2	5.35	2	5.46	2	5.47
Keeping qualified employees	4	4.96	3	5.12	3	5.29	3	5.34
Gasoline prices	1	5.56	4	4.97	5	4.55	4	5.31
Cost of salaries and wages	6	4.51	5	4.62	4	4.70	5	4.90
Impact of inflation on the cost to do business	5	4.74	6	4.41	6	4.21	6	4.52
Cost of inventory and supplies	7	4.05	7	3.91	7	3.96	7	3.90
Ability to compete in the marketplace	9	3.44	9	3.53	9	3.72	8	3.74
Cost of utilities	8	3.76	8	3.69	8	3.75	9	3.58
Cost of lease, rent, or mortgage	10	2.58	10	2.55	10	2.64	10	2.66
Outsourcing to foreign countries	11	2.19	11	2.15	11	1.99	11	2.17
Average level of concern		4.25		4.15		4.17		4.31

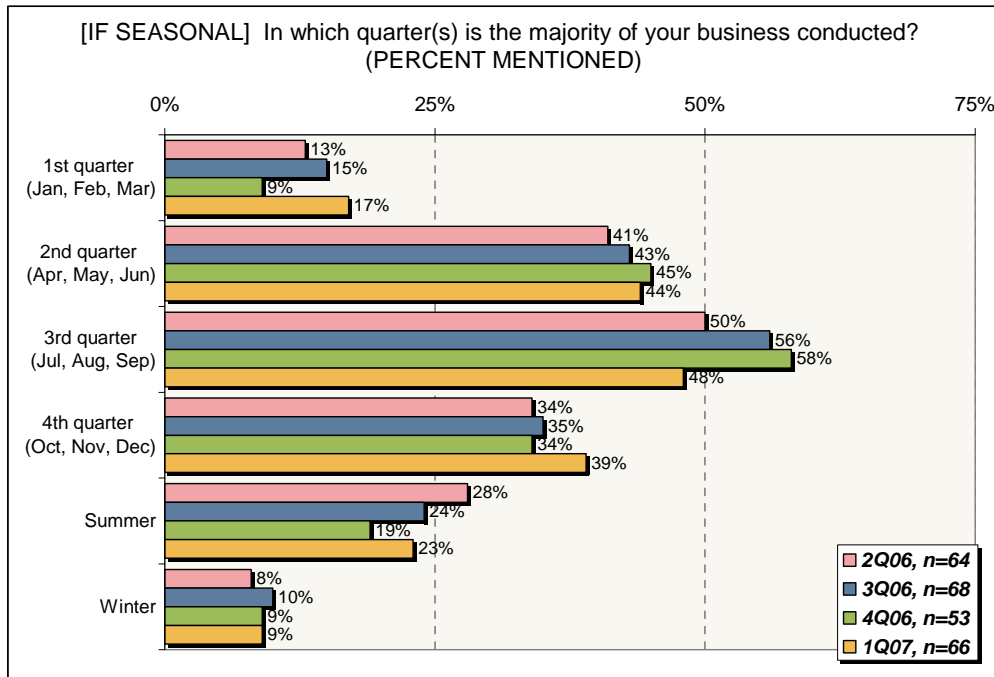
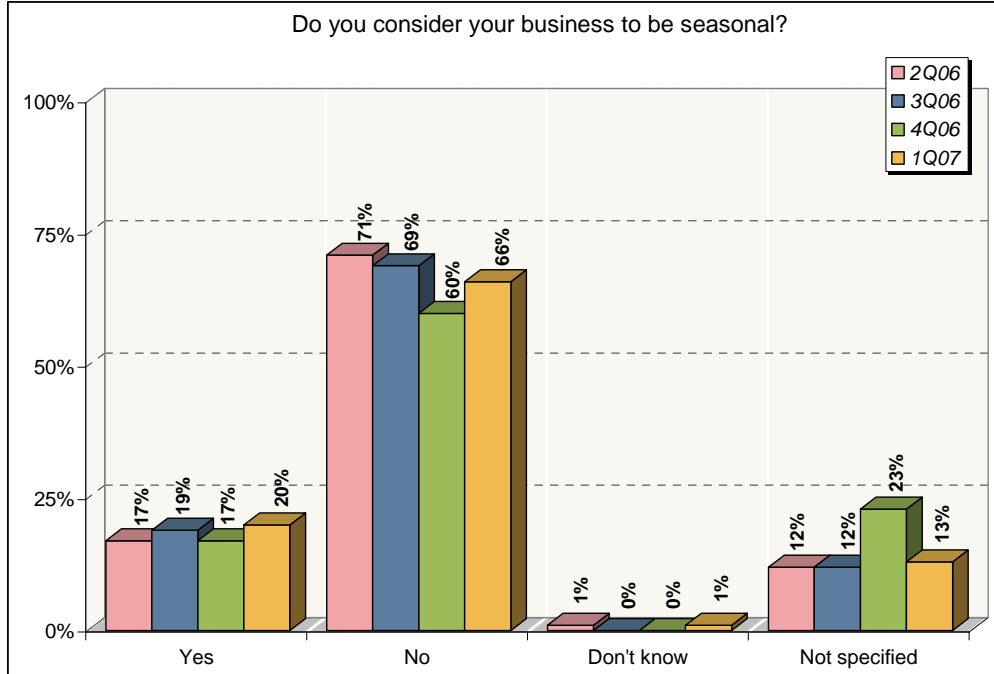
The *Change in Level of Concern* table below reveals how the intensity (mean score) for any given issue has changed over the course of this study. Here the items are ranked by how much the current results (1Q07) have shifted from the results of last quarter (4Q06), two quarters ago (3Q06), and from the initial survey (three quarters ago – 2Q06). Positive numbers (in black) show an increase in intensity, while negative numbers (in red) show a decrease. With a quick glance, it is easy to see that Utah executives reveal their concern is growing in nine out of the eleven areas.

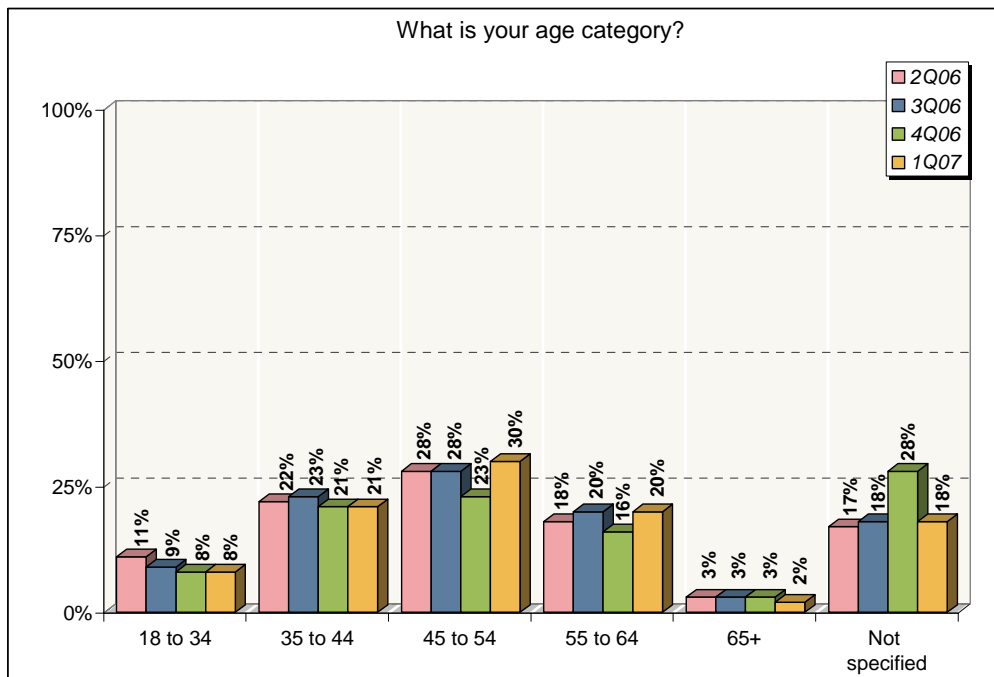
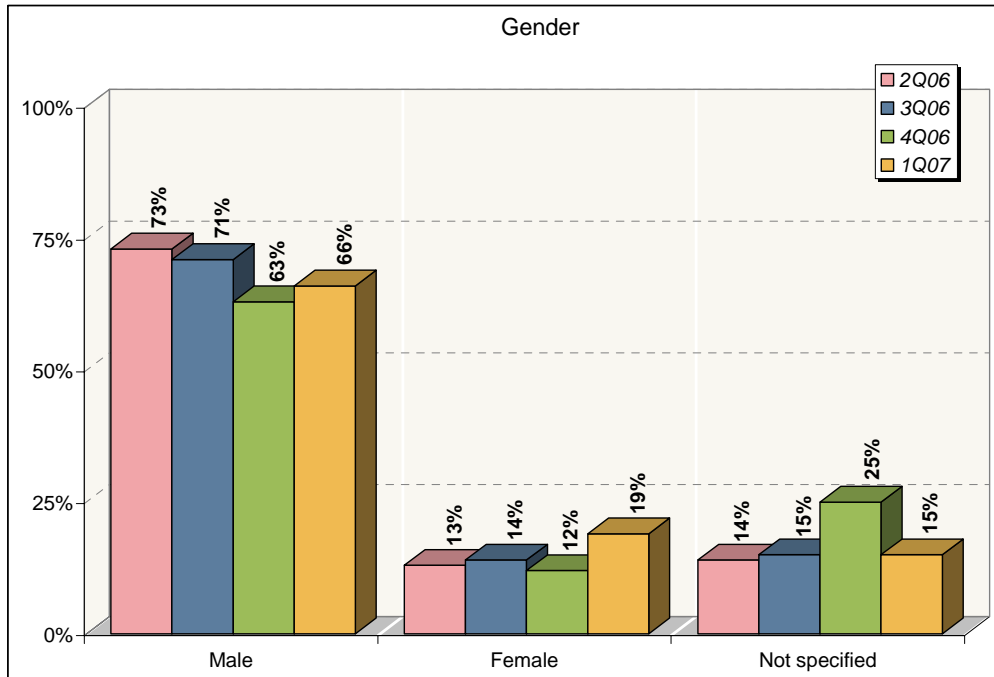
Change in Level of Concern from ... <i>+(Increased concern) / - (Decreased concern)</i>	RANK	2Q06 to 1Q07	RANK	3Q06 to 1Q07	RANK	4Q06 to 1Q07
Gasoline prices	11	-0.25	2	+0.34	1	+0.76
Impact of inflation on the cost to do business	10	-0.22	7	+0.11	2	+0.31
Finding qualified employees	1	+0.44	1	+0.47	3	+0.22
Cost of salaries and wages	2	+0.39	3	+0.28	4	+0.20
Outsourcing to foreign countries	6	-0.02	9	+0.02	5	+0.18
Keeping qualified employees	3	+0.38	4	+0.22	6	+0.05
Ability to compete in the marketplace	4	+0.30	5	+0.21	7	+0.02
Cost of lease, rent, or mortgage	5	+0.08	8	+0.11	8	+0.02
Cost of employee health insurance	7	-0.05	6	+0.12	9	+0.01
Cost of inventory and supplies	8	-0.15	10	-0.01	10	-0.06
Cost of utilities	9	-0.18	11	-0.11	11	-0.17

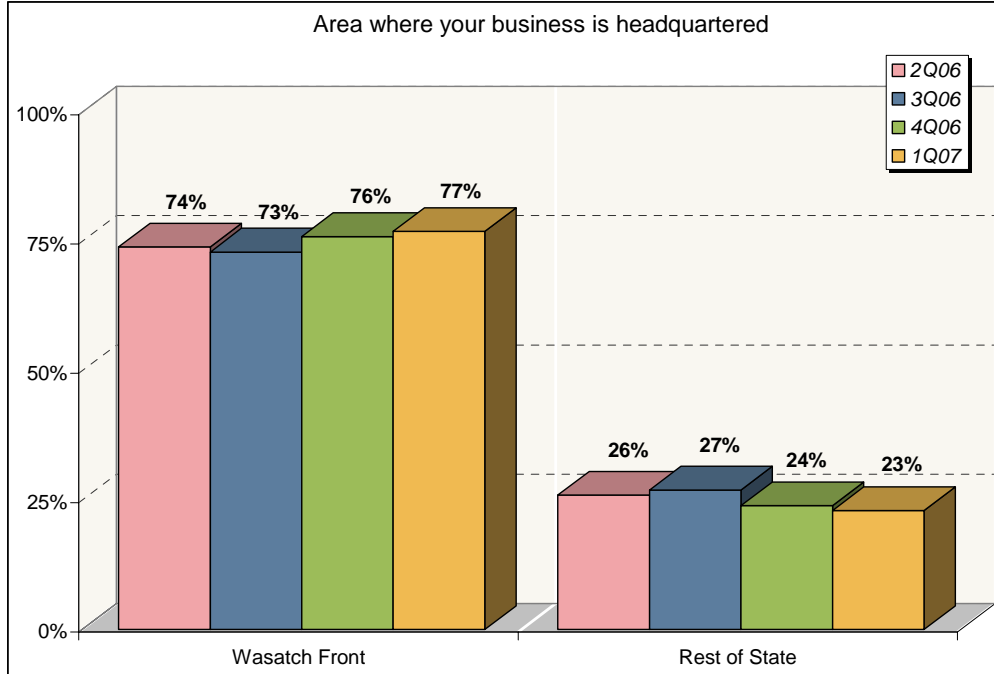
Demographic Characteristics of Panelists











Zions Bank Utah Quarterly Economic Forecast 1st Quarter 2007 – Questionnaire with Longitudinal Results

	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
Field dates:	Jul 12–21	Oct 2–13	Jan 25–Feb 2	Apr 2–27
Completed studies:	387	356	320	335
Universe:	Utah statewide – business leaders and key decision makers			
Methodology:	Online panel			

Thank you for taking a few minutes to answer some questions about your company's economic standing during the last three months and your projections about the next three months.

1. Using a 1–10 scale, please rate your level of optimism / pessimism about the financial future of your company, **based on profits / losses these past three months:**

	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
1 / very pessimistic	1%	1%	1%	0%
2	0%	0%	0%	1%
3	1%	3%	1%	2%
4	2%	3%	3%	4%
5	6%	8%	6%	6%
6	7%	9%	6%	10%
7	21%	16%	15%	21%
8	29%	31%	35%	27%
9	11%	13%	13%	15%
10 / very optimistic	22%	16%	19%	14%
<i>Mean score</i>	<i>7.87</i>	<i>7.55</i>	<i>7.80</i>	<i>7.49</i>

2. In the **coming three months**, would you predict that your company's economic health will be **better** than the prior three-month period, **about the same** as the previous three months, or **worse** than the previous three months?

	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
Much worse (1)	2%	3%	3%	6%
Somewhat worse (2)	9%	10%	11%	9%
About the same (3)	39%	36%	37%	35%
Somewhat better (4)	34%	34%	35%	36%
Much better (5)	16%	17%	14%	15%
<i>Mean score</i>	<i>3.53</i>	<i>3.53</i>	<i>3.46</i>	<i>3.45</i>

3. In the **coming three months**, do you anticipate spending **more**, about the **same**, or **less** on **capital expenditures** than you have during the past three-month period?

	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
Much less (1)	4%	9%	8%	7%
Somewhat less (2)	15%	22%	18%	18%
About the same (3)	51%	43%	39%	42%
Somewhat more (4)	20%	18%	24%	25%
Much more (5)	10%	7%	10%	9%
Mean score	3.17	2.91	3.09	3.11

4. In the **coming three months**, do you anticipate that your workforce will increase (hire or re-hire more employees), decrease, or remain the same compared to the last three months? (This would include full-time, part-time, consultants, and contract/staffing agency employees.)

	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
Decrease greatly (1)	2%	4%	2%	1%
Decrease somewhat (2)	7%	9%	10%	13%
Remain the same (3)	40%	47%	43%	36%
Increase somewhat (4)	47%	37%	39%	44%
Increase greatly (5)	4%	3%	7%	5%
Mean score	3.44	3.27	3.39	3.40

Please **rate your level of concern** about the following items as they affect your company **within the next few months**. Use a 1–7 scale, with one meaning *not concerned at all* and seven meaning you are *greatly concerned*:

5. The cost of health insurance for your employees

	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
1 / Not concerned at all	5%	6%	6%	6%
2	2%	3%	2%	2%
3	5%	4%	4%	6%
4	9%	13%	10%	8%
5	19%	21%	21%	20%
6	19%	16%	22%	20%
7 / Greatly concerned	40%	37%	36%	38%
Mean score	5.52	5.35	5.46	5.47

(Continued) Please **rate your level of concern** about the following items as they affect your company **within the next few months**. Use a 1–7 scale, with one meaning *not concerned at all* and seven meaning you are *greatly concerned*:

6. Gasoline prices	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
1 / Not concerned at all	1%	4%	5%	3%
2	4%	6%	5%	3%
3	7%	9%	15%	7%
4	8%	17%	21%	13%
5	25%	24%	27%	26%
6	15%	13%	14%	20%
7 / Greatly concerned	40%	26%	13%	28%
<i>Mean score</i>	5.56	4.97	4.55	5.31

7. The cost of salaries and wages	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
1 / Not concerned at all	2%	3%	3%	2%
2	4%	3%	4%	2%
3	16%	12%	12%	11%
4	27%	26%	23%	22%
5	31%	32%	29%	27%
6	13%	14%	19%	23%
7 / Greatly concerned	8%	10%	10%	13%
<i>Mean score</i>	4.51	4.62	4.70	4.90

8. Your ability to compete in the marketplace	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
1 / Not concerned at all	14%	10%	12%	10%
2	20%	19%	15%	18%
3	22%	24%	22%	19%
4	17%	15%	17%	23%
5	14%	20%	18%	15%
6	7%	7%	10%	8%
7 / Greatly concerned	6%	4%	7%	9%
<i>Mean score</i>	3.44	3.53	3.72	3.74

(Continued) Please **rate your level of concern** about the following items as they affect your company **within the next few months**. Use a 1–7 scale, with one meaning *not concerned at all* and seven meaning you are *greatly concerned*:

9. Outsourcing to foreign countries	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
1 / Not concerned at all	60%	59%	61%	57%
2	11%	12%	14%	14%
3	7%	9%	8%	9%
4	8%	8%	7%	7%
5	6%	5%	5%	6%
6	4%	3%	2%	4%
7 / Greatly concerned	4%	5%	3%	4%
<i>Mean score</i>	2.19	2.15	1.99	2.17
10. The cost of your company's lease, rent, or mortgage	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
1 / Not concerned at all	34%	36%	34%	33%
2	20%	23%	18%	18%
3	19%	14%	17%	19%
4	13%	12%	16%	15%
5	9%	10%	9%	12%
6	3%	3%	3%	2%
7 / Greatly concerned	2%	3%	2%	1%
<i>Mean score</i>	2.58	2.55	2.64	2.66
11. The cost of utilities	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
1 / Not concerned at all	8%	12%	9%	8%
2	18%	16%	14%	18%
3	19%	19%	19%	23%
4	19%	19%	27%	23%
5	20%	19%	20%	16%
6	9%	10%	8%	7%
7 / Greatly concerned	6%	5%	5%	4%
<i>Mean score</i>	3.76	3.69	3.75	3.58

(Continued) Please **rate your level of concern** about the following items as they affect your company **within the next few months**. Use a 1–7 scale, with one meaning *not concerned at all* and seven meaning you are *greatly concerned*.

12. The cost of inventory and supplies

	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
1 / Not concerned at all	7%	7%	7%	8%
2	13%	14%	12%	14%
3	16%	20%	16%	17%
4	22%	21%	28%	21%
5	23%	24%	22%	24%
6	13%	9%	12%	10%
7 / Greatly concerned	6%	6%	3%	5%
<i>Mean score</i>	<i>4.05</i>	<i>3.91</i>	<i>3.96</i>	<i>3.90</i>

13. Finding qualified employees

	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
1 / Not concerned at all	3%	4%	3%	1%
2	3%	5%	2%	3%
3	7%	7%	7%	4%
4	10%	10%	7%	7%
5	23%	15%	18%	16%
6	19%	23%	25%	24%
7 / Greatly concerned	35%	35%	38%	45%
<i>Mean score</i>	<i>5.41</i>	<i>5.38</i>	<i>5.63</i>	<i>5.85</i>

14. Keeping qualified employees

	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
1 / Not concerned at all	4%	3%	2%	1%
2	5%	6%	5%	4%
3	12%	10%	11%	8%
4	14%	11%	8%	11%
5	22%	23%	22%	26%
6	19%	23%	26%	23%
7 / Greatly concerned	24%	24%	27%	27%
<i>Mean score</i>	<i>4.96</i>	<i>5.12</i>	<i>5.29</i>	<i>5.34</i>

(Continued) Please **rate your level of concern** about the following items as they affect your company **within the next few months**. Use a 1–7 scale, with one meaning *not concerned at all* and seven meaning you are *greatly concerned*:

15. The impact of inflation on the cost to do business

	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
1 / Not concerned at all	1%	3%	2%	1%
2	6%	10%	9%	7%
3	12%	16%	20%	15%
4	21%	21%	25%	24%
5	31%	26%	28%	32%
6	15%	14%	10%	13%
7 / Greatly concerned	13%	10%	6%	9%
Mean score	4.74	4.41	4.21	4.52

Synopsis of Mean Scores

	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
5 The cost of employee health insurance	5.52	5.35	5.46	5.47
6 Gasoline prices	5.56	4.97	4.55	5.31
7 The cost of salaries and wages	4.51	4.62	4.70	4.90
8 Your ability to compete in the marketplace	3.44	3.53	3.72	3.74
9 Outsourcing to foreign countries	2.19	2.15	1.99	2.17
10 The cost of your lease, rent, or mortgage	2.58	2.55	2.64	2.66
11 The cost of utilities	3.76	3.69	3.75	3.58
12 The cost of inventory and supplies	4.05	3.91	3.96	3.90
13 Finding qualified employees	5.41	5.38	5.63	5.85
14 Keeping qualified employees	4.96	5.12	5.29	5.34
15 Impact of inflation on the cost to do business	4.74	4.41	4.21	4.52

16. ***If and when your company's budget tightens***, which ONE of the following **best** describes how you will handle those pressures?

	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
Pass on costs	13%	13%	15%	16%
Absorb costs / accept lower margins	18%	15%	13%	13%
A combination of the above	69%	72%	72%	71%

Demographic Data

17. Number of full-time employees

	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
500+	4%	4%	6%	5%
251–500	7%	7%	10%	7%
101–250	12%	12%	14%	11%
51–100	15%	18%	17%	16%
26–50	19%	18%	16%	19%
10–25	43%	40%	36%	42%

18. Number of part-time employees

	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
500+	1%	1%	1%	2%
251–500	2%	2%	2%	2%
101–250	3%	2%	2%	1%
51–100	3%	2%	3%	4%
26–50	4%	6%	5%	5%
10–25	18%	19%	19%	19%
Less than 10	45%	42%	32%	40%
Refuse	3%	3%	2%	2%
Not specified	22%	23%	35%	25%

19. Gender

	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
Male	73%	71%	63%	66%
Female	13%	14%	12%	19%
Not declared	14%	15%	25%	15%

20. Industry

	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
Agriculture / forestry / fishing / hunting	2%	2%	2%	2%
Mining	<1%	1%	1%	<1%
Utilities	2%	2%	2%	1%
Construction	12%	12%	12%	13%
Manufacturing	16%	17%	14%	16%
Wholesale trade	6%	6%	7%	6%
Retail trade	11%	10%	10%	9%
Transportation / warehousing	4%	5%	5%	5%
Information	3%	4%	4%	3%
Finance / insurance	6%	6%	5%	4%
Real estate and leasing	1%	1%	2%	1%
Professional / scientific / technical	8%	8%	9%	10%
Management of companies and enterprises	<1%	1%	<1%	<1%
Waste management / remediation services	0%	0%	0%	1%
Educational services	4%	4%	4%	2%
Health care and social assistance	12%	10%	11%	13%
Arts / entertainment / recreation	2%	4%	4%	3%
Accommodations / food services	5%	6%	6%	6%
Other services (except public admin.)	3%	2%	3%	3%
Public administration	<1%	0%	0%	0%
Other	1%	0%	0%	<1%

21. How long has your company been doing business?

	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
Less than 1 year	0%	1%	0%	0%
1 to 5 years	8%	7%	6%	6%
5 to 10 years	13%	12%	12%	11%
10 to 25 years	26%	27%	22%	25%
More than 25 years	39%	41%	36%	43%
Refuse	2%	1%	0%	1%
Not specified	12%	12%	23%	13%

22. Do you consider your business to be seasonal?

	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
Yes	17%	19%	17%	20%
No	71%	69%	60%	66%
Don't know	1%	0%	0%	1%
Not specified	12%	12%	23%	13%

23. [IF SEASONAL] In which quarter(s) is the majority of your business conducted?
(PERCENT MENTIONED)

	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
<i>Number responding</i>	64	68	53	66
1st quarter (Jan, Feb, Mar)	13%	15%	9%	17%
2nd quarter (Apr, May, Jun)	41%	43%	45%	44%
3rd quarter (Jul, Aug, Sep)	50%	56%	58%	48%
4th quarter (Oct, Nov, Dec)	34%	35%	34%	39%
Summer	28%	24%	19%	23%
Winter	8%	10%	9%	9%

24. What is your age category?

	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
18 to 24	0%	0%	0%	0%
25 to 34	11%	9%	8%	8%
35 to 44	22%	23%	21%	21%
45 to 54	28%	28%	23%	30%
55 to 64	18%	20%	16%	20%
65+	3%	3%	3%	2%
Refuse	3%	3%	3%	3%
Not specified	14%	15%	25%	15%

25. County where your business is headquartered:

	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
Beaver	<1%	<1%	<1%	0%
Box Elder	2%	3%	2%	2%
Cache	6%	7%	6%	5%
Carbon	0%	1%	0%	<1%
Daggett	0%	0%	0%	0%
Davis	7%	5%	7%	8%
Duchesne	1%	1%	<1%	0%
Emery	<1%	1%	<1%	<1%
Garfield	0%	<1%	0%	0%
Grand	1%	1%	1%	1%
Iron	1%	1%	2%	2%
Juab	1%	1%	1%	<1%
Kane	<1%	<1%	<1%	0%
Millard	1%	1%	<1%	1%
Morgan	0%	0%	0%	0%
Piute	<1%	<1%	<1%	0%
Rich	0%	0%	0%	0%
Salt Lake	50%	49%	52%	51%
San Juan	1%	1%	1%	1%
Sanpete	1%	1%	1%	2%
Sevier	1%	1%	1%	<1%
Summit	2%	2%	1%	2%
Tooele	<1%	1%	<1%	<1%
Uintah	1%	1%	2%	1%
Utah	12%	12%	12%	12%
Wasatch	1%	1%	<1%	1%
Washington	5%	4%	4%	4%
Wayne	<1%	0%	0%	<1%
Weber	5%	6%	5%	6%
Other	1%	1%	0%	<1%

26. Area

	<u>2Q06</u>	<u>3Q06</u>	<u>4Q06</u>	<u>1Q07</u>
Wasatch Front	74%	73%	76%	77%
Rest of state	26%	27%	24%	23%

Thank you for completing the Utah Quarterly Economic Forecast. We appreciate your participation.

For More Information

In-depth study analysis, including longitudinal results, responses distributions to all study questions, and demographic information, can be easily viewed online at www.UtahEconomicForecast.com.

Panelists are recruited from Utah businesses with at least ten full-time employees and are screened to be key decision makers in each of their companies. Panelists' titles include: president, owner, partner, chief executive officer, chief financial officer, etc. No proprietary information is gathered about any business and all responses are aggregated before being released to Zions Bank, the panel, or to the media. Panelists participate in the study by answering a quick 16-question online survey once per quarter via a secure Web site. Additionally, panelists receive the quarterly analysis, including longitudinal results before they are released to the media.

Parties interested in joining the Economic Forecast panel may register by:

- Completing the online form at www.UtahEconomicForecast.com.
- Contacting Julie Olsen at Dan Jones & Associates, 801.322.5722.
- E-mailing an inquiry to support@UtahEconomicForecast.com.