

Special Commentary

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Notre Dame vs. Syracuse***Undefeated Notre Dame Faces a Late Season Test***

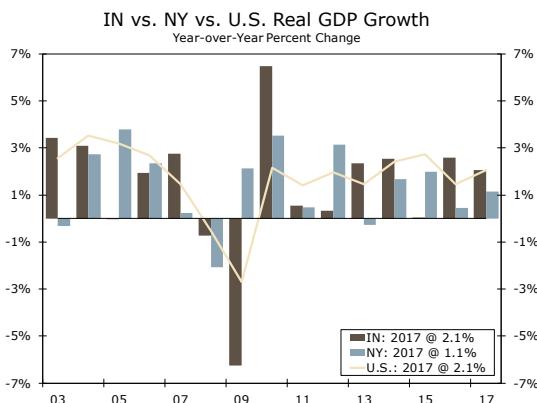
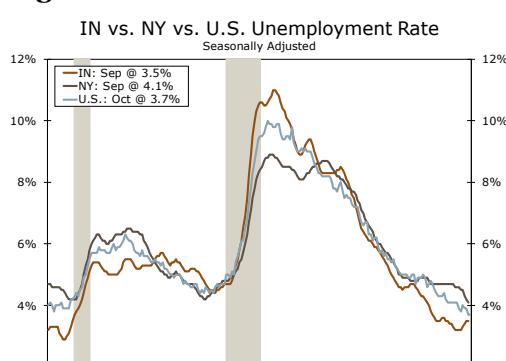
With the regular season winding down and rivalry week coming up, there are relatively few games scheduled among ranked teams this week. One exception is number three-ranked Notre Dame's matchup with 12th-ranked Syracuse, which will be played Saturday afternoon at Yankee Stadium. Notre Dame has had a great season, including beating Michigan 24-17 the first week of the season and defeating a very good Stanford team at the end of September. Notre Dame's other victories have generally been against lesser opponents or teams having subpar seasons. Some of that is unavoidable, as schedules are made years in advance and it is impossible to know when an opponent's program will be down. However, teams typically play their best against Notre Dame, due to the storied success of the school's football program.

The Syracuse game is widely viewed as the last true test for Notre Dame, which plays football as an independent and does not play for a conference championship. Notre Dame competes in the Atlantic Coast Conference (ACC) in all other sports, except hockey, and plays at least five ACC teams each year in football. Historic rivalry games with Stanford, Navy and USC are played each year and Notre Dame also rotates games versus old rivals in the Big Ten as well as a few programs from other Power Five conferences. The season will end with a Saturday night matchup in Los Angeles against USC, which is currently working through a tough season with a 5-5 record.

Syracuse has been a member of the ACC Atlantic Division since 2013, and the Orange are currently 8-2. The first of those losses came to Clemson around mid-season, and Syracuse was leading that game until late in the fourth quarter. They then lost their next game to Pittsburgh in overtime before winning their next four games, the last of which was a 54-23 blowout of Louisville.

While the game is being played at Yankee Stadium, it is a home game for Notre Dame and is part of the Shamrock Series games played at historic and iconic venues around the country. The series plays into one of Notre Dame's greatest strengths, which is its national following. Notre Dame is the only FBS school with its own television contract for its home games.

Number three-ranked Notre Dame will face off with 12th-ranked Syracuse this Saturday afternoon at Yankee Stadium.

Figure 1**Figure 2**

Source: U.S. Department of Commerce, U.S. Department of Labor and Wells Fargo Securities

Together we'll go far



Notre Dame has one of the most storied histories of any major college football program.

Syracuse began playing football in 1889, and won the national championship in 1959.

Rich and Storied History

Notre Dame began playing football back in 1887 and has one of the most storied histories of any major college football program. It has been featured in several motion pictures, the most famous of which is *Knute Rockne, All American*, in which Ronald Reagan played the role of George Gipp and delivered the famous “win one for the Gipper” line. Notre Dame’s football history did not start out all that impressively. Their first game was an 8-0 loss to Michigan in 1887, followed by three more losses to the Wolverines the following year by a combined score of 43-9. However, they notched their first program victory against Harvard Prep School of Chicago 20-0 in 1888. The team was more successful after the turn of the century, and they finally beat Michigan in 1909 by a score of 11-3. Following that loss, Michigan refused to play Notre Dame again for 33 years.

The Fighting Irish achieved their first enduring success under coach Knute Rockne, who coached from 1918-1930, amassing a record of 105-12-5, and owns the highest winning percentage of any Division I head coach in history. Rockne’s teams went on to win three national championships (1924, 1929 and 1930) and competed for a couple more. Rockne’s 1928 team was the recipient of the motivational words George Gipp had asked him to deliver to the team when they had their backs against a wall. The Irish were down at halftime to an undefeated Army team but went on to win 12-6 following Rockne’s delivery of Gipp’s inspirational words in the locker room at halftime.

Notre Dame has had several outstanding coaches, including Frank Leahy, Ara Parseghian, Dan Devine and Lou Holtz. The school has more football victories than any other FBS program other than Michigan but has struggled to consistently compete at the top level in recent decades. Their last shot at a national title came in 2013, when they were blown out by Alabama in the national championship game 42-14.

Syracuse cannot come close to matching the rich football history of Notre Dame. The Orange began playing football in 1889 and enjoyed some early success under head coach Frank “Buck” O’Neil. The 1915 team was invited to play in the Rose Bowl but had to decline because they had already exhausted their travel budget with an earlier trip to the West Coast. Syracuse played their first bowl game in 1953, losing to Alabama in the Orange Bowl. The decade proved to be one of Syracuse’s best, featuring future NFL Hall of Fame running back Jim Brown and Ernie Davis, the first African American to win the Heisman Trophy. Syracuse won the national championship in the 1959 season, going 10-0 in the regular season and defeating Texas 23-14 in the Cotton Bowl.

Syracuse has won five conference titles in the Big East. The 1987 team finished the season undefeated but was unable to compete for the national championship because Oklahoma and Miami both finished undefeated as well and were ranked higher. The team has struggled to achieve consistent success since joining the ACC in 2013 and finished 4-8 the past three seasons. Syracuse plays 20th-ranked Boston College next week and likely needs to win at least one of these games to secure a more desirable bowl game. Notre Dame is 8-0 in the Shamrock Series and is a 10.5-point favorite in this Saturday’s game. The Fighting Irish might make the Playoff with one loss but would be assured to do so if they win Saturday and next week in Los Angeles.

Figure 3

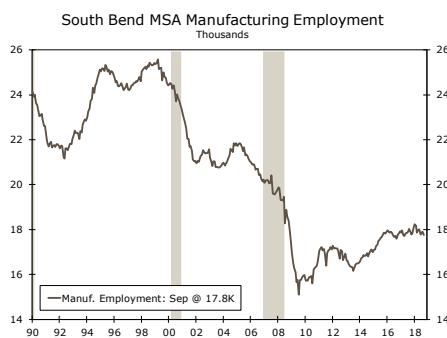
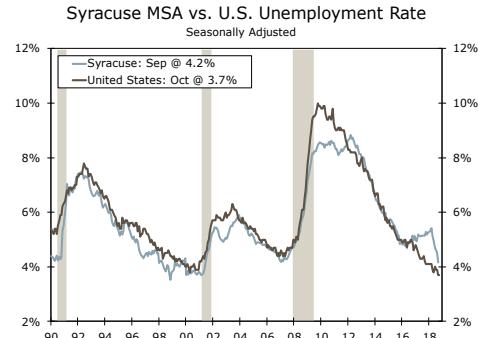


Figure 4



Source: U.S. Department of Commerce, U.S. Department of Labor and Wells Fargo Securities

Local Economies Looking to Regain Their Former Luster

Notre Dame is located near South Bend, Indiana. South Bend derives its name from the south bend of the St. Joseph's river, which was instrumental in the development of the region's economy. The river provided access to commercial markets and industrial centers, which brought industry to the region. One of the earlier arrivals was the Studebaker wagon shop that soon became the largest manufacturer of wagons in the country and later went on to produce automobiles. Other early manufacturers to set up shop in South Bend included the Singer Sewing Company and the Oliver Chilled Plow Company. The reliance on heavy industry continued into the 1950s, when manufacturing accounted for half of South Bend's employment base. The 1960s began a long period of decline for South Bend. Studebaker closed its automotive plants in 1963, and a general erosion of the region's manufacturing base eventually led to an outflow of residents.

The South Bend metropolitan areas has seen a bit of a renaissance more recently. The old Studebaker site is being transformed into a technology park that will help reinvigorate the economy. The three-county metropolitan area has seen nonfarm employment rise modestly over the past few years and the unemployment rate has fallen to 3.7%. Manufacturing employment has rebounded modestly and remains important to the region. South Bend is home to AM General, which produces the Hummer there. The manufacturing sector accounts for about 12.5% of the employment base. Health care, information technology and tourism are also key economic drivers. Notre Dame is the region's largest employer, with some 4,800 employees, and is an active participant in the economic development of the region, helping to bring in research dollars, investment in local ventures and tourists.

Syracuse is another blue collar town looking to reinvigorate its economy. The Syracuse region, which is located near the geographic center of the state, became a major trade center with the advent of the Erie Canal back in the 1830s. The city later became a major railroad hub and is now located at the intersection of two major interstates. As a gateway to the early western U.S., Syracuse evolved into a major manufacturing center, with industries originally tied to the region's rich salt supplies, which played an important role in the development of the region's pork industry. Access to western markets and the more populous East Coast helped the city develop into a major industrial power following the Civil War, and the prosperity that accompanied that growth helped establish Syracuse University, which initially opened as a Methodist Episcopal institution, and Upstate Medical University, which originally began as Geneva Medical College.

The industrial push continued through World War II, with Syracuse becoming a major producer of automobiles, specialty steel, fasteners and electronics. Earlier on, however, Syracuse became known as the "Typewriter Capital of the World" and was the home of the maker of the Smith Corona and Remington typewriters. Carrier Corporate maintained its corporate headquarters there, also home to General Electric's electronics division, which made consumer electronics, defense electronics and navigation equipment. Unfortunately the second half of the 20th century brought about a turn of fortune for the region's industrial base, which has eroded considerably. Economic growth has generally lagged and the city of Syracuse is battling many of the economic and demographic challenges facing older mid-sized industrial towns throughout the Northeast and Midwest.

While Syracuse has struggled to reinvent itself, the economy is now more firmly centered around growing industries such as health care, higher education and advanced manufacturing. The region's focus on higher education is helping to attract research dollars. The latest economic data are encouraging. Nonfarm employment has risen 1.1% over the past year and the unemployment rate has fallen to just 4.2%. While both numbers trail the nation as a whole, the gap has narrowed and the region is seeing solid gains in education & health care, professional & technical services, manufacturing and construction.

The 1960s began a long period of decline for South Bend, but the metropolitan areas has seen a bit of a renaissance more recently.

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