

Economics Group

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Conference Title Games—A Snapshot of America

Ten FBS Conference Championships at Major Stadiums Across the Country

This weekend brings a final slate of college football games before bowl season kicks off. The 10 FBS conferences have their championship games, with nine on Saturday and Oregon-Utah on Friday night. All of the Power 5 conference title games, as well as the MAC title game, will be played at neutral-site NFL stadiums, while the other Group of 5 conference title games will be played at the home stadium of one of the contenders. The geographic distribution of the games—Charlotte, Indianapolis, Arlington, Santa Clara, Atlanta, Memphis, Boca Raton, Detroit, Boise and Boone—is a nice cross-section of America, and in this report we will briefly discuss the economies of some of these regions, as well as some of the teams we have yet to cover this year (all past reports in our series are available upon request, and a list of teams we have covered is [here](#)).

The 10 FBS conference title games are spread across America.

LSU, Ohio State and Clemson just need to win and they're in the College Football Playoff. If Georgia pulls the upset over LSU, they'll be in, and LSU will most likely still be in as well. Utah is hoping for a Georgia loss, in which case a Pac-12 title would get them into the Playoff. Oklahoma likely needs a Utah loss in addition to a Big 12 title, while Baylor needs a conference championship trophy and a Utah loss. If Virginia pulls the ultimate upset over Clemson, things get interesting and margins of victory may come into play.

In addition to the Power 5 conference games we are previewing, this weekend also features title games for the AAC, Conference USA, MAC, Mountain West and Sun Belt. The FCS is also in action, with 16 teams fighting for a spot in the quarterfinals. The SWAC, an FCS conference of [historically black colleges and universities](#), also has its conference championship game on Saturday at Alcorn State's stadium in Lorman, Mississippi. In short, there is a lot of football being played Saturday.

Figure 1

Conference Championship Games				
ACC	#3 Clemson	#22 Virginia	Bank of America Stadium	Charlotte, NC
Big Ten	#2 Ohio State	#10 Wisconsin	Lucas Oil Stadium	Indianapolis, IN
Big 12	#6 Oklahoma	#8 Baylor	AT&T Stadium	Arlington, TX
Pac-12	#13 Oregon	#5 Utah	Levi's Stadium	Santa Clara, CA
SEC	#1 LSU	#4 Georgia	Mercedes-Benz Stadium	Atlanta, GA
AAC	#21 Cincinnati	#16 Memphis	Liberty Bowl Memorial Stadium	Memphis, TN
Conference USA	Florida Atlantic	UAB	FAU Stadium	Boca Raton, FL
MAC	Miami (OH)	Central Michigan	Ford Field	Detroit, Michigan
Mountain West	#19 Boise State	Hawaii	Albertsons Stadium	Boise, ID
Sun Belt	#20 Appalachian State	Louisiana	Kidd Brewer Stadium	Boone, NC

Source: NCAA and Wells Fargo Securities

ACC, Charlotte, South Carolina & Virginia

Undefeated #3 Clemson has been criticized for their soft schedule this year, which will continue this weekend as they face #22 Virginia as 28.5-point favorites for the ACC title. Even making it this

Together we'll go far



far is a major step for Virginia, just three years removed from a 2-10 season. The Cavaliers come in with momentum, after winning the ACC Coastal Division for the first time in program history by virtue of their victory over Virginia Tech last Friday, which snapped a 15-game Hokie win streak in the Commonwealth Cup. While Clemson quarterback Trevor Lawrence led the Tigers to a national championship last year as a true freshman, Virginia quarterback Bryce Perkins has been an offensive juggernaut in his own right, throwing for 2,949 yards and rushing for 687 more. It will be a monumental task, however, to keep up with the Tigers, who are allowing only 10.1 points per game (the best in the nation) and have won 27 straight games. They have the experience advantage too—Clemson is playing in the ACC title game for the fifth straight year, and has faced a different Coastal opponent each time.

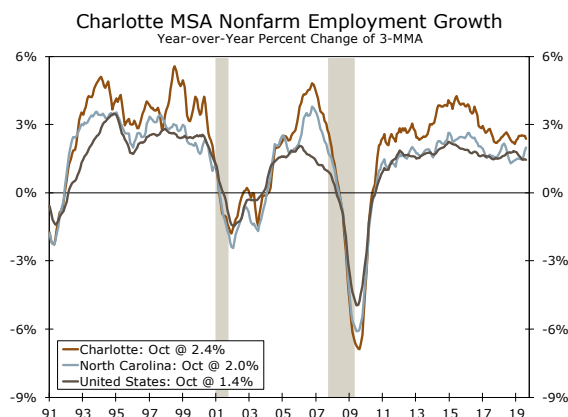
Charlotte is a growing tech hub, in addition to finance.

The ACC Championship will kick off at 7:30 PM Eastern in Charlotte, North Carolina in Bank of America Stadium, under the shadow of the newly completed Bank of America Tower. Clearly, Charlotte is a major financial hub—it recently reclaimed the title of second largest banking city in the United States from San Francisco, after the announced merger and headquarters relocation of Truist, the new entity formed from BB&T and SunTrust. Charlotte is also home to asset manager Barings and serves as the largest employment base of Wells Fargo, as well as significant operations for Ally Financial and Dimensional Fund Advisors. The metro area is also increasingly becoming a tech and fintech hot spot, with recently announced expansions from Microsoft, Lowe’s global technology center, LendingTree and Better.com. Charlotte’s growth is spilling across the state line into South Carolina, with York County consistently ranking as one of the fastest growing job markets in the country. South Carolina’s economy continues to post strong economic performance despite being highly exposed to global growth and trade.

Unemployment rates are very low across South Carolina.

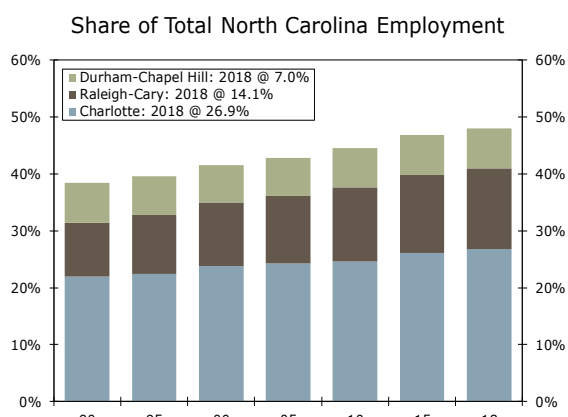
Clemson is located in Clemson, South Carolina, part of the Greenville-Anderson Metropolitan Statistical Area (MSA), the state’s largest. Employment in the metro area is rising 1.5%, in line with the nation, while the unemployment rate has fallen all the way down to 2.5%. South Carolina’s statewide unemployment rate of 2.6% is a full percentage point below the national rate, with some pockets of even tighter labor markets in the booming Charleston-North Charleston MSA (2.3% unemployment rate), as well as Columbia (2.3%), Florence (2.7%), and Hilton Head Island-Bluffton (2.4%). Myrtle Beach-Conway-North Myrtle Beach (3.6%), Spartanburg (2.5%) and Sumter (3.0%) have all enjoyed strong growth this decade, with retirees and tourists driving the economy in Myrtle Beach and BMW’s ongoing growth propelling Spartanburg.

Figure 2



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

Figure 3



Virginia’s flagship university is located in Charlottesville, about 115 miles south of Washington, D.C. and 70 miles west of the state capital, Richmond. The economy of the region is heavily tied to the university and its extensive medical center, but is also home to the headquarters of the

CFA Institute and the National Radio Astronomy Observatory as well as operations of S&P Global, Crutchfield and Capital IQ.

The state of Virginia has a robust higher education system, one of the key factors in Amazon’s decision to locate its ‘HQ2’ in Arlington. Beyond Charlottesville, the other Virginia MSAs are Blacksburg (home to Virginia Tech and Radford), Harrisonburg (home to James Madison, which is currently in the FCS playoffs), Lynchburg (the rapidly growing, private Liberty University), Richmond (Virginia Commonwealth University and private University of Richmond), Roanoke, Staunton, Virginia Beach-Norfolk-Newport News (Old Dominion, Christopher Newport, Norfolk State and William & Mary), Washington-Arlington-Alexandria (George Mason and Mary Washington) and Winchester.

Virginia has a robust higher education system.

Virginia’s economy has gained momentum over the past year. The bi-partisan budget agreement has taken the brakes off government spending, fueling growth at government agencies and contractors. The tech sector is playing an increasingly important role in the state—most clearly evident in Amazon’s announcement but also apparent in the growth of internet and cloud computing companies in Northern Virginia, Richmond, Hampton Roads and even some smaller towns and metro areas. Unemployment in Virginia remains remarkably low and even some of the state’s historically hard-pressed, manufacturing-driven economies, such as Martinsville, Danville and Lynchburg, are scrambling to find skilled workers.

Big Ten & Indianapolis

#2 Ohio State will look to continue its undefeated season versus #10 Wisconsin. The Buckeyes are looking good to secure a top-two bid for the Playoff—they already beat the Badgers 38-7 this year and are 16.5-point favorites to hoist the Big Ten trophy for the third year in a row.

The game kicks off at 8 PM in Lucas Oil Stadium, the home of the Colts a few blocks south of the center of downtown Indianapolis and a few blocks east of the White River. Indianapolis has seen employment growth slow to just below 1%, but prior to 2017 payrolls were rising more rapidly than for the nation, which is particularly impressive given that Indiana as a whole has lagged the nation for the entire expansion. The state’s economy is the most manufacturing-intensive in the country, with 16.9% of workers in the factory sector. Indianapolis was perhaps the most successful in moving beyond a reliance on manufacturing and tradable sectors and developing a high-tech sector, as investment dollars have increasingly diffused outside of Silicon Valley and New York City into more affordable secondary cities. Salesforce Tower is the tallest building in the city, Infosys plans to hire 3,000 workers by 2023 at its Technology & Innovation Hub and the state of Indiana recently passed an aggressive package of incentives designed to lure data centers.

Indianapolis has outperformed Indiana, which is the most manufacturing-intensive state in the nation.

Figure 4

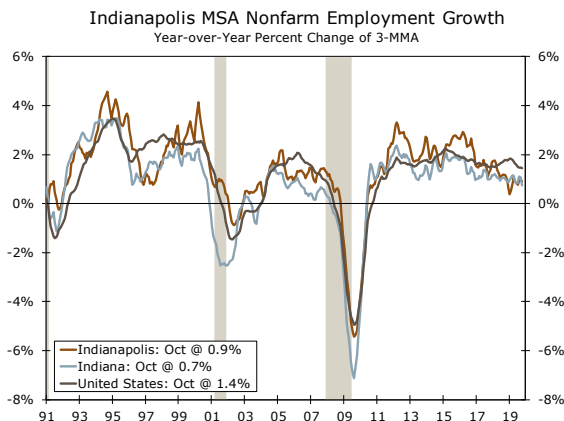
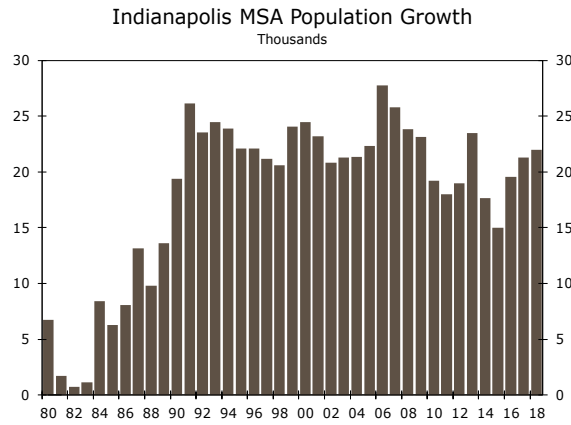


Figure 5



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

Indianapolis is a major hub.

Indianapolis also has sizable finance, insurance and healthcare clusters, with the headquarters of Anthem, Eli Lilly (the largest private employer), Simon Property Group and the Indiana state government. It has also long been a transportation and logistics hub—it is nicknamed “The Crossroads of America” due to its central geographic location and infrastructure connectivity—and this continues to be a strength, particularly as exploding e-commerce volumes drive demand for warehousing and distribution. Indianapolis International Airport was the eighth busiest cargo airport in the United States in 2017, and FedEx is in the midst of a seven-year, \$1.5 billion expansion of what has become its second largest hub. The facility employs 4,000 and is capable of processing almost 100,000 packages per hour.

For further reading on the regional economies of Columbus and Madison, please see our previous reports this season on [Ohio State](#) and [Wisconsin](#).

Big 12, Dallas & Oklahoma City

The Big 12 Championship Game features a rematch of #6 Oklahoma and #8 Baylor, with a Playoff berth on the line if teams above them in the rankings falter. Baylor’s only loss this year was a devastating collapse against Oklahoma in which they ceded a 28-3 lead in the third quarter, while Oklahoma’s only loss was a stunning upset to Kansas State. No matter the result, Baylor’s season has to be considered a major success, just two years removed from a 1-11 season. The game figures to be a classic Big 12 offensive shootout, with Oklahoma and Baylor scoring 44.3 and 36.2 points per game, respectively. Oklahoma is favored by nine points. The game kicks off at noon at AT&T Stadium, the home of the Dallas Cowboys, in Arlington, Texas, part of the booming Dallas-Fort Worth metroplex. Among people moving within the United States since 2010, more have moved to the Dallas-Fort Worth area than to any other metro area in the country. Businesses are following suit as the metro area has amassed an impressive string of corporate relocations from around the country. We wrote about Dallas and Texas in our [Texas-TCU report](#).

Dallas-Fort Worth is booming.

The University of Oklahoma is located in Norman, about 20 miles south of downtown Oklahoma City and 110 miles north of the Red River which marks the state line with Texas. Employment growth across the Sooner State took off earlier in the expansion amidst the natural gas boom, but has been weak ever since, and decelerated down to just a 0.2% annual pace recently as the high exposure to the energy sector has rendered it vulnerable to falling commodity prices. Oklahoma City has seen the strongest growth, with payrolls rising 1.0% year-over-year, well above the state’s three other MSAs—Tulsa (+0.4%), Enid (-0.3%) and Lawton (+0.7%). Roughly 61% of the state’s population lives in Oklahoma City or Tulsa, which have fared better due to their more diverse economies.

Figure 6

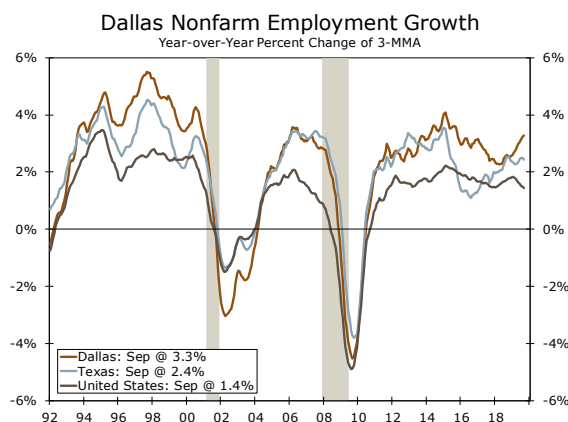
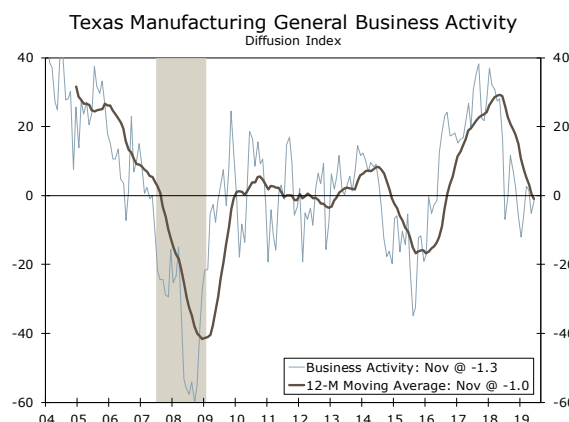


Figure 7



Source: U.S. Department of Labor, Federal Reserve Bank of Dallas and Wells Fargo Securities

Once calling itself “Oil Capital of the World,” today Tulsa is home to the headquarters of energy firms ONEOK and The Williams Companies, Dollar Thrifty Automotive Group and QuikTrip, as well as a massive American Airlines maintenance facility. Oklahoma City is home to the headquarters of Chesapeake Energy, Devon Energy, Love’s Travel Shops, Sonic Drive-In Restaurants and Hobby Lobby, as well as major operations of AT&T, Boeing, Cox Communications and the U.S. military (Tinker Air Force Base). The university, founded in 1890, has aided the diversification of Oklahoma City, which is also the state capital, with over \$125 million of annual research expenditures from the Norman campus alone.

Baylor, a private Baptist university founded in 1845 on the banks of the Brazos River, is located in Waco, Texas, on I-35 about 100 miles south of Dallas-Fort Worth and 180 miles north of San Antonio. It is in the heart of the massive and rapidly growing “Texas Triangle”—composed of Dallas-Fort Worth, Houston, Austin and San Antonio—but has yet to fully reap the benefits of proximity. Employment in Waco is rising 1.3% year-over-year—in line with the national average but well below the surging 3.3% growth of Dallas, 2.6% of Houston and 3.4% of San Antonio. Statewide, Texas payrolls are rising 2.4% but the state is losing a bit of momentum as energy companies pare back capital spending.

Texas is booming despite a pullback in energy investment.

Pac-12, The Bay Area, Salt Lake City & Utah

#5 Utah can see themselves in the Playoff but must not look past the #13 Oregon Ducks in the Pac-12 title game in Santa Clara, California. For the sixth time, the game will take place in Levi’s Stadium, the home of the San Francisco 49ers and the site of Super Bowl 50 in 2016 and the second Alabama-Clemson National Championship game last year. With only one loss, a close one to Auburn in week one, Oregon was poised to make the Playoff before losing a shocker to Arizona State. The Utes, with just one loss to Southern Cal, pounced on this to assume the role of Pac-12 team most likely to make the Playoff, but the Ducks certainly have the talent to play spoiler. Utah is favored by six for the 8 PM Friday kickoff.

Levi’s Stadium in Santa Clara is located about 40 miles from downtown San Francisco and less than 10 miles from downtown San Jose. Santa Clara is one of two counties in the San Jose-Sunnyvale-Santa Clara MSA, along with San Benito County. The Bay Area is still seeing strong job growth (San Francisco at 2.6% year-over-year and San Jose at 2.9%), but things are certainly cooling. Recession fears have sent tremors through capital markets, which has added to concerns about the viability of tech unicorns’ business models and, more broadly, the ‘growth at any cost’ mantra that has fueled the dramatic run-up in tech valuations. A few rocky IPOs, increased regulatory scrutiny and a healthy dose of introspection have taken some of the steam out of this mindset, but the Bay Area remains an incredibly productive center of innovation.

Despite some rocky IPOs, the Bay Area is still growing rapidly.

Figure 8

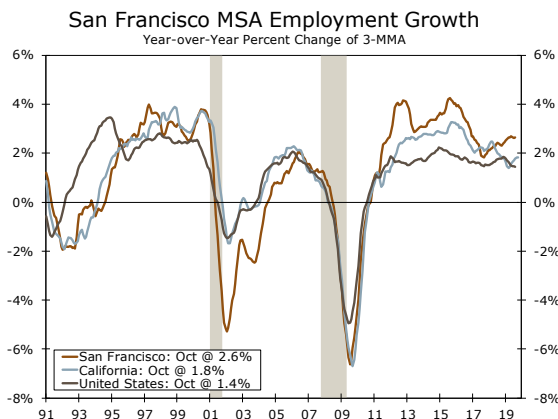
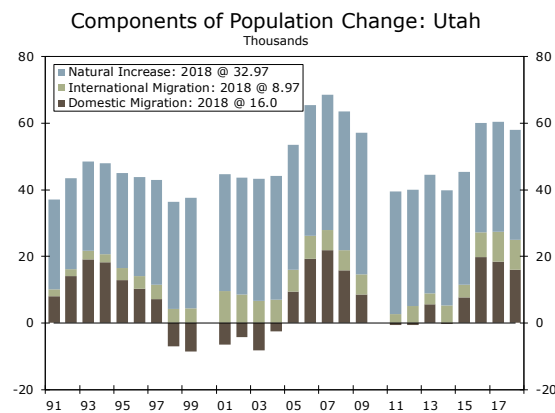


Figure 9



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

Utah is benefitting from an affordability migration.

The University of Utah, founded in 1850, is located in Salt Lake City, the capital and largest city of Utah. Utah is booming, luring business and residents from high-tax and high-cost coastal metros. In fact, much of the momentum Silicon Valley has lost has been transmitted inland to Utah, as well as to Arizona, Nevada and Idaho. Utah has seen incredibly strong population growth due to both domestic migration and natural increase. Utah has by far the lowest median age of any state at just 31.0, an incredible *seven years* below the national median age of 38.2, and well-below the second youngest state—Alaska at 34.6. Statewide, employment is rising 3.2%, and the unemployment rate has fallen to 2.5%. Similar to South Carolina, unemployment is ultra-low across most of the state. The Salt Lake City unemployment rate is 2.5%, while the four other Beehive State MSAs—Logan (2.2%), Ogden-Clearfield (2.4%), Provo-Orem (2.5%) and St. George (2.9%) are all sub-3%. By most composite measures, Utah ranks as one of the fastest growing states in the country and consistently polls as one of the best places to do business.

For further reading, please see our previous report this season on [Oregon](#).

SEC & Atlanta

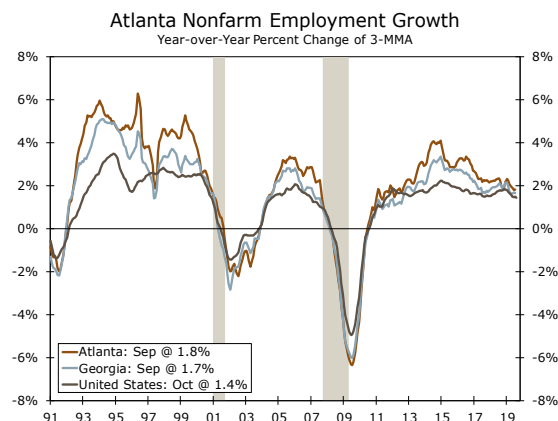
We saved what is widely expected to be the biggest game for last, as #2 LSU looks to continue its perfect season against #4 Georgia in the SEC Championship Game. Georgia is making its third straight appearance, while LSU is there for the first time since 2011. Georgia has the second best scoring defense in the country, allowing just 10.4 points per game, while LSU and quarterback and Heisman Trophy favorite Joe Burrow ('Burreaux') have the second best offense, at 48.7 points per game. Something has to give. Odds-makers think the Dawgs will keep it close but ultimately be unable to keep up with the seven-point favorite Tigers.

The SEC title game will be a clash of elite offense and defense.

The game kicks off at 4 PM at the Mercedes-Benz Stadium in Atlanta, which has been the home of the Atlanta Falcons since 2017. Interestingly, since 2011 Mercedes-Benz has also owned the name rights to the home of NFC South Division rival Saints, the New Orleans Mercedes-Benz Superdome. The Superdome also annually hosts the Sugar Bowl, the New Orleans Bowl, the Bayou Classic between Southern University and Grambling State University, and this year will host the College Football Playoff National Championship game.

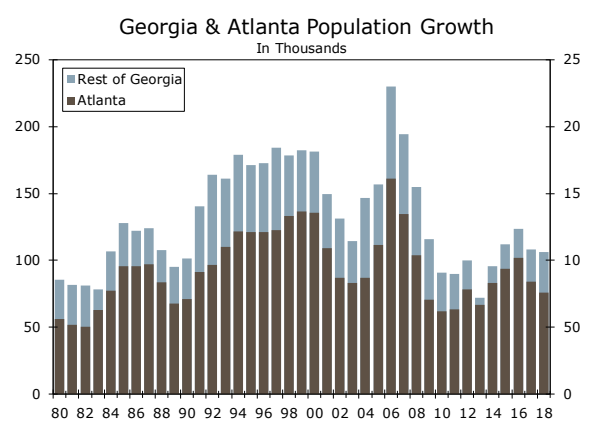
For further reading, please see our previous reports this season on [LSU](#) and [Georgia](#), and for a more thorough look at the Atlanta economy, our report on [Georgia Tech](#).

Figure 10



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

Figure 11



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