



TFA
Monthly
Newsletter

January 2018

IN THE NEWS

Trends to Watch in 2018

by Kristi Jackson

Happy New Year! We hope your holiday season was full of good times with family and friends. A few days to relax and catch up on sleep, maybe a movie (or three in my case) and some reading... and we're at it again... too quickly for most of us! For those of us back to work this week, the first days of the new year offer the opportunity to clear off the desk, reorganize the piles from projects completed and look forward to a set of new challenges and opportunities in the coming year. Here are a few things we are keeping our eyes on as we enter 2018.

Tax reform as the platform for continued economic expansion. While confusing and arguably costly for

some, the December tax legislation should provide the impetus for growth as corporations either buy back shares, increase wages or increase dividends and reinvestment. All of these offer potential for increased spending and economic activity. We look for consumer confidence levels to increase as individual investors feel wealthier, buoyed by increased values of their investment portfolios.

A steady Fed policy and gradually higher interest rates. Very low unemployment and modest growth economic growth have the Fed indicating they will increase the key federal funds rate three more times in 2018, to a targeted 2.1% by year end.

To the Barricades

11/27/17 – GGBMagazine.com

Tribal Casino Projects are Booming in Southern California

12/12/17 – CaliforniaOnlinePoker.com

California Casinos Renovate to Compete with Las Vegas for Resort Customers

12/18/17 – Casino.org

Tulalip Tribes Break Ground on \$140 Million Replacement Casino After Adding Hotel to Project

12/18/17 – Indianz.com

Forest County Potawatomi Community Starts Work on \$80 Million Hotel at Casino

12/18/17 – Indianz.com

Beloit Officials Announce Major Casino Project

12/26/17 – RockRiverTimes.com

NIGC Announces the Publication of Final Rule for Part 547

12/27/17 – NIGC.gov

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A tighter labor market (rising wages and difficulties filling job vacancies) and higher borrowing costs are two obvious factors that will impact P&Ls this year.

Technological innovation changing the way we work. The evolution of artificial intelligence and Blockchain applications are front and center. For those tribes with casinos, the impact could be revolutionary. AI for increasing both marketing effectiveness and on-site customer behavior prediction is game-changing. Blockchain and cryptocurrency is a whole other realm that poses innumerable benefits and risks – the power of an auditable record of transactions is attractive, but the need for regulations to keep up may stall the application.

Millennials and the next Generation Z together in the workforce. Interestingly, we are beginning to see the first wave of millennials as managers of new Gen Z entrants. While much

has been written about the millennials' quest for idealism and their motivation by factors other than a paycheck, the Gen Z'ers are largely products of the Great Recession, and seeking security and stability. Watch out millennials – the Gen Z'ers are close on your tail and competitively out for your position! Managing both of these groups in the workplace is a challenge given their different fundamental driving factors and differing reward motivators.

And finally... we are always cautious of the exogenous events. "Rainy day" funds, cash cushion, committed

borrowing capacity, contingency plans, diversification... they are all part of a strategy to protect your business and assets in the case of the next adverse event. Natural disaster, terrorism, heightened military activity and the threat of a nuclear attack are all examples of events out of our control, with detrimental (or worse) effect that will cause significant disruption in our markets. Being prepared with adequate flexibility is the only advice to offset some of the effects to weather the storm.

Happy New Year – we look forward to working with you in 2018!

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