



TFA

Monthly Newsletter

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IN THE NEWS

A Golden Opportunity

By William Crader, CFA

In March 2020, Indian Country faced significant uncertainty with respect to the impact of Covid-19 on the health of its communities as well as the economic fallout from business shutdowns. Although many tribes have felt the burden of the Pandemic in different ways, including the loss of family and friends, there is an irony that as we head into the end of 2021, Indian Country now finds itself with a unique opportunity to fund economic diversification and invest in wealth generating opportunities like never before. This is the result of an unprecedented surge in gaming revenues for many tribes coupled with significant support from the Coronavirus Aid, Relief, and

Economic Security Act (the “CARES Act”) and American Rescue Plan Act of 2021 (“ARP”). This injection of liquidity into Tribal balance sheets could be a golden opportunity that catalyzes wealth generation for decades to come.

To date, federally recognized tribes have directly received \$28 billion of economic relief via CARES Act and ARP funding. Although these funds have helped provide much needed immediate funding to offset the impact of Covid-19 on tribal governments and tribal enterprises, the combination of funding support and resurgence of tribal gaming have provided many tribes

Judge Refuses to Block New Arizona Sports Betting Law
9/6/21 – apnews.com

Court Rules Tribe is Owed Insurance Coverage for Losses During Pandemic
9/7/21 – businessinsurance.com

Half of United States Offers Legal Sports Betting as NFL Season Begins
9/8/21 – cdcgamingreports.com

CT Tribal Gaming Compacts Receive Federal Approval, on Track for Oct. Launch
9/13/21 – wsn.com

Oklahoma’s Indian Gaming Industry has Record-Setting Year
9/13/21 – thecentersquare.com

Deb Haaland signs Montana tribes water rights compact
9/20/21— indiancountrytoday.com

Tesla Opens Store on Native Land
9/25/21— indiancountrytoday.com

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with healthy balance sheets. Additionally, programs within ARP like the \$10 billion State Small Business Credit Initiative (“SSBCI”) which afforded tribes the ability to access an additional \$500 million of funding to help support investment in small business. Among other uses, SSBCI funds can be utilized to provide equity capital funding for tribal business start-ups. The overarching point being, quite a few tribes (many for the first time in memory) are flush with cash and are debating how to apply these funds.

Of course, the natural tension when assessing long-term investment is in addressing current (and potentially urgent) needs of tribal government and its members. As much as those needs must be addressed, dollars spent on programs or on general welfare will be a one-time use of funds. [In a recent webinar](#), the Harvard Project on American Indian Economic Development presented a chart outlining the “Strategic Dimensions of Revenue Distributions”, cat-

	Individual	Collective
Present	Per capita payments Income replacement Rent, housing, utilities assistance Food assistance Uncovered healthcare costs School supplies	Support for tribal government operations (i.e., law enforcement) Increased funding for social programs (e.g., healthcare) Infrastructure spending (e.g., water and sanitation)
Future	College scholarships Trust funds for young people Savings accounts for citizens Down payment grants for citizen home purchases	Economic diversification Sovereign wealth funds Infrastructure investment & maintenance Land purchases

Source: Harvard Project on American Indian Economic Development

egorizing the different ways tribes spend money to provide for their memberships, between “present vs. future” and “individual vs. collective”. TFA would argue strongly to take a hard look at balancing near-term needs (the left column) with funding economic diversification efforts that potentially create additional cash flows that will support greater economic self-sufficiency for future generations (the bottom right quadrant).

TFA has been incredibly active with tribes across the country in assessing their strategic us-

es of funds. This includes development of new enterprise ranging from gas stations / convenience stores to technology investments to land acquisitions to 8(a) businesses. We pride ourselves in our thorough approach to assessing a Tribe’s business diversification efforts and serving as a guide on their path to economic sovereignty. Please contact us today to discuss how TFA can assist your tribe in making the most of these opportunities.

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