



TFA

Monthly Newsletter

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IN THE NEWS

Trends to Watch in 2022

By Kristi Jackson

Happy New Year! We're off to a better start than last year – here in California, we actually had a Rose Parade and Rose Bowl game played in Pasadena! We are mindful of the Omicron variant surge and the effects it is having on families nationally and hope this finds you and yours healthy.

As we do most every year, we are forecasting the trends we think will most affect tribal economies and business decision making as we progress through 2022.

Tight Labor Market Conditions

Unemployment rate as of November is 4.2% (according to

the Wall Street Journal this is expected to be 4.1% for the end of December), with 6.9 million people looking for work. This contrasts with the Bureau of Labor and Statistics' report in early January that the total job openings were 10.6 million – substantially higher than the number of people looking for work. This dynamic will continue to put pressure on wages necessary to attract workers and fill positions.

Inflation Persists

For the reasons we wrote about in our last newsletter, we see persistent inflation in

EPA Outlines \$7.4B for Water Infrastructure Headed to Tribes, States
12/2/21 – [indiancountrytoday.com](https://www.indiancountrytoday.com)

State Small Business Credit Initiative (SSBCI) Application Initiation Deadline Extension for Tribal Governments
12/3/21 – [treasury.gov](https://www.treasury.gov)

State Lawmakers Approve Bill Legalizing Sports Betting in Ohio
12/8/21 – [cleveland.com](https://www.cleveland.com)

2021 Is Now the Highest-Winning Year Ever for US Casinos
12/9/21 – [usnews.com](https://www.usnews.com)

Infrastructure Bill Means Big Things for Indian Country
12/13/21 – [azmirror.com](https://www.azmirror.com)

Is Sports Gambling in California's Future?
12/18/21 – [kqed.org](https://www.kqed.org)

Which States Will Legalize Sports Betting In 2022?
12/30/21 – [sportshandle.com](https://www.sportshandle.com)

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2022. Supply issues and labor will drive prices higher, putting pressure on margins and profitability.

Rising Interest Rates

At its December meeting, the Fed said it would phase out purchases of Treasuries and mortgage securities by March, after which point, many believe they will begin to raise key interest rates. Most central bank officials expect at least three quarter-point rate increases in 2022. Many are attributing this increase to inflation expectations and the desire to slow the rate of its growth.

Increasing Hybrid Work and Online Presence

This applies to both employers needing to manage work-from-home workforce scheduling to businesses offering app-based and online alternatives to physical or location-specific operations to their customers. As with many dynamics, this trend was already in motion prior to the

start of 2020 – the pandemic exacerbated it. In order to attract and retain employees – not only will wages increase, but also employers must offer the flexibility that workers are increasingly desiring. Office space needs will decline as warehouse and logistics support facility spaces increase.

Supply Chain Bottlenecks Ease

While we are still seeing photos of the container ships waiting their turn to unload in the Los Angeles port, the wait time is decreasing. Bureau of Transportation Statistics' Freight Transportation Services Index (TSI) measures the amount of freight carried across the country. In the most recent report, the TSI rose 1.3% to reach 135.8, ending a four-month decline. That's back to pre-pandemic levels. A positive change stemming from this supply disruption is more domestic and locally sourced supply going forward.

Covid Lingers

Whether you are in the school of thought that the Omicron variant is the beginning of the end of Covid where less severe forms of the disease spread something akin to the common cold, or of the opinion that ever-changing variants that evade the most recent vaccine formula are the new norm – either scenario includes some form of COVID impact to our lives and businesses. Health precautions will persist – we will see omnipresent masks, consistent deep-cleaning and expect higher levels of illness-related absences – hopefully with less and less impact on our productivity, ability to be together, and happiness.

Here's to a very healthy, happy, and prosperous 2022! We are looking forward to seeing you all in the new year.

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