

# DEALING WITH SKEPTICISM

Matt Segal, a partner at NKSFB, encourages his clients to be diligent about their spending.



**M**att Segal is a business manager with more than 15 years of experience in the entertainment industry working with athletes, entertainers and high-net-worth individuals at the Westwood-based NKSFB, the largest independent accounting firm headquartered in Los Angeles and one of the most prominent Hollywood firms. Responsibilities under his purview include budgeting and projecting expenses, tax planning, estate planning and insurance reviews. Segal was also a part of the group of principals who sued the firm's parent company, Focus Financial Partners, last year, challenging a noncompete clause in their contracts.

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MATT SEGAL  
NKSFB

**Pressure to reduce costs amid stubborn inflation and rising interest rates was high last year. As macroeconomic conditions teeter towards recovery this year, how are clients pivoting priorities?**

Most clients are still very skeptical of the economy and the markets. Very conservative investment processes are in place for most clients as they watch the performance of the economy and wait to see interest rates drop.

**Clients' primary source of income can be impacted significantly and quickly amid a market downturn. How have you seen clients diversify their revenue streams?**

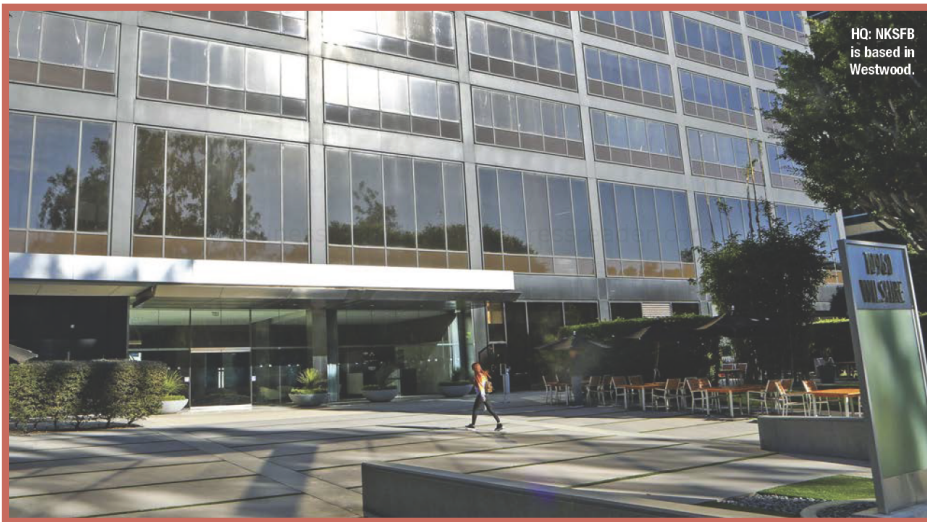
Our clients were directly impacted by the entertainment industry strikes, as well as rising interest rates. We continue to advise clients to be diligent on their spending and always ask the question, "Do I need to spend these funds for this item?" Clients in cash-flowing investments have generally not seen any material change in that cash so far to date.

**What do you tell your clients to pass on in terms of investments right now?**

We are advising clients to be very careful and selective in the venture capital space and the private equity space. With interest rates so high and the cost of capital so expensive, we believe growing businesses that will need to borrow will be challenged for sure.



Numbers: Matt Segal, of NKSFB, in his Westwood office.



HO: NKSFB is based in Westwood.

PHOTOS BY RICH SCHMITT

**As we enter tax season, what are the notable new tax provisions businesses should consider before filing in April?**

2024 business tax provisions hold some significant changes and some other possible significant changes. The most notable is a possible increase in the maximum tax rate from 21% to 28%. Also, for special bonus-depreciation allowance, this benefit has dropped

from 100% to 60% in year one. Another area that seems to be heavily supported by the government is Solar Tax Credits. It's very clear now that the government is encouraging this kind of energy use and will be doing this in the future, too, due to its low cost to provide. We spend a great deal of time informing our clients of these kinds of changes and adjusting planning to be tax efficient with these changes.

**How are you finding and retaining new talent as the number of U.S. accounting grads continues to drop?**

Actually, for our business, the employment market has substantially improved. With the decrease in complete remote working opportunities, more employees are in the marketplace, and it has become easier over the last 12 months to hire talented people.