
It's 2024. Do You Know Where Your Industry Is?

By Kerry Pechter Thu, May 8, 2014

A new report from Diversified Services Group, Inc. and Greenwald & Associates offers predictions from 24 industry experts about the shape of the retirement industry ten years from now. It's like a transcript of a high-level brainstorming session.

By the year 2024, how will the retirement industry have changed from the way it looks today? The wide-ranging responses of two dozen retirement industry experts to multiple variations of that speculative question have been compiled into a new report.

The 96-page document, entitled "Expert Interviews on the Future of the Retirement Market," is based on the results of a series of interviews conducted last winter by The Diversified Services Group, Inc. (DSG), a Philadelphia-area consulting firm, and the research firm Mathew Greenwald & Associates (MGA), based in Washington, DC.

RIJ, as a participant in the interview process, received a summary of the results, and we can offer highlights. The report isn't scientific, it doesn't reach any kind of consensus on the likely shape of the future and it includes, inevitably, many extrapolations of current trends. The experts' comments also tend to be rather sober, with references to rising inequality, rising costs, and dysfunctional government.

Its main value, according to DSG's introduction, is to render a kind of transcript of a high-level brainstorming session, and to stimulate more brainstorming. The interviewees "point out some potential areas for long-term opportunity," the introduction says. DSG advises readers to "carefully consider some initial actions to gain competitive advantages in these areas."

Some of those potential opportunities were implied by predictions like these:

- Cities should prepare to welcome an influx of Boomer retirees. Warm climate retirement spots will give way to more diverse urban areas that offer retirees cultural opportunities. Seniors in suburban and rural areas will need transportation solutions.
- New ways of delivering affordable financial advice will be needed. Most people will not be able to afford comprehensive financial planning services, but piecemeal advice won't be very useful unless it leads to more comprehensive services.
- Architects and contractors may be needed to help convert some of today's large single-family homes into inexpensive residences or assisted-living facilities for groups of unrelated single retirees. Many full-service nursing homes will close. The long-term care financing puzzle remains unsolved, and government-financed solutions may be necessary.
- Hospitals will compete directly with insurance companies to assume the insurance and cost risk.
- The size of the Boomer retiree market will force politicians on the left and right to come together and provide support. Opportunities may exist for those who can harness the Boomer energy and apply it in Washington.
 - Employers' unwillingness to go much beyond financial education in preparing employees for retirement presents an opportunity for advisors or plan service

providers who can fill this gap with assistance, advice, and income solutions.

- Beyond auto-enrollments and auto-escalation, there is a need for new methods of encouraging additional saving for retirement in employer-sponsored plans.

The interview subjects included retirement experts selected from a variety of fields and areas of expertise. They represented life insurers, financial advisory firms, non-profit research groups and consulting firms. They included such bona fide experts as Dallas Salisbury of the Employee Benefits Research Institute, Mark Warshawsky, currently at the American Enterprise Institute, Wade Pfau of The American College, Michael Kitces of Pinnacle Advisory Group and Christopher Raham of Ernst & Young.

One of the interviewees predicted, "We will be shocked by how little has changed." But if you asked someone had made that comment in 2004, how wrong they would have been. If recent history is any guide, it seems safer to strap ourselves in and get ready for a bumpy ride.

DSG's "Expert Interviews" report represents the fifth phase of a planned six-part series of syndicated studies. The annual multi-sponsor research series is entitled, *Retiree Insights Research Program*. The final phase of the research, a consumer survey, is still in process.

A conference to review the entire research results with the sponsoring organizations is planned for mid-June. Subscriptions for copies of the entire series of research reports are available for purchase, said Borden Ayers, a principal in the DSG organization. Interested parties should contact either [DSG](#) or [Greenwald & Associates](#).

© 2014 RIJ Publishing LLC. All rights reserved.