



# What Does the Future Hold?

BY MICHAEL A. COLE, PRESIDENT, ASCENT PRIVATE CAPITAL MANAGEMENT OF U.S. BANK





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Many individuals and families attribute their success today to years or decades of decisive planning and focused effort. They embraced their futures, identifying and taking advantage of opportunities and avoiding pitfalls that could derail their goals. Over generations, this approach has produced successes beyond the wildest dreams of many, but will it work in the future?

We are surrounded by change that is happening at a faster rate than ever before, making it much more difficult to foresee and effectively plan for the future. Today's multidimensional world is filled with complex, interrelated changes that are already impacting individuals, families and family enterprises as well as businesses, communities and nations. Technology, science, geopolitics and critical natural forces are changing how we live, work and interact with others.

How can we even imagine what these changes mean to our family enterprises, let alone prepare for them? Yet we must. Our children and grandchildren truly will be living in a different world than we are today. Being aware of where the future may lead can help us better manage the risks associated with changes that are occurring all around us.

To help us envision and understand the forces of change and how they may affect our lives, we can turn to the work of "futurists." Today's futurists are a far cry from the crystal ball gazers of old. The most-respected futurists are often entrepreneurs themselves and come from a variety of traditional disciplines such as science, mathematics, medicine, history, philosophy, business and the social sciences. They are applying rational, scientific techniques—from trend monitoring and modeling to computer simulations and historical analysis—to identify and assess the impact of changes we can expect in our physical, social, economic and political world over the next 10 to 40 years.

I want to share some of their thought-provoking ideas with you. Why? Because I believe in the critical importance of exploring how to foresee and prepare for changes that could impact families. Families who have achieved significant success are also interested in what lies ahead so that they can harness their remarkable energy, creativity and capacity to continue shaping their futures rather than being bowed by forces outside their control. I hope that by engaging with people on these topics, we all will be better prepared to take advantage of the dynamic world in which we live, with all of its coming changes, risks and opportunities.

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**"Someone always  
benefits from  
change."  
- Richard Wurzel,  
Futurist**

“Unless we act, the next century could see increases in species extinction, disease and floods affecting one-third of the human population. But the tools for preventing this are in our hands.”

- Dennis M. Sushnell, Chief Scientist, NASA Langley Research Center

## WHAT ARE WE HEARING FROM WELL-RESPECTED FUTURISTS?

We have found a general consensus among some of the leading futurists in America about six major trends that are shaping and will dramatically impact our future. While different experts have differing opinions about the possible or likely outcomes of these trends, there is little disagreement that these are going to be defining issues in the coming years, especially for our children and grandchildren. Let's begin our examination of future impacts by looking at these megatrends from the broadest of perspectives. Consider them simply food for thought, presented here in no particular order.

## SIX MAJOR TRENDS TO WATCH

### Climate change

The Fifth Assessment Report of the Intergovernmental Panel on Climate Change found that world greenhouse gas emissions grew by an annual average of 2.2 percent between 2000 and 2010, up from 1.3 percent growth per year between 1970 and 2000. Each of the past three decades was warmer than the previous decade. The past 30 years were likely the warmest in the Northern Hemisphere in the last 1,400 years.

Whether due to natural causes, human activity or a combination of both, global warming is taking place at an alarming rate, with significant impacts already apparent. Consider the implications of growing water scarcity for nations, regions within nations, cities and rural areas. Water rights and competition for water create personal, business and political tensions that are beginning to play out, both across the globe and in our own communities.

Dennis M. Sushnell, chief scientist at the NASA Langley Research Center, remarked at the July 2014 World Future Society's annual conference that, “Unless we act, the next century could see increases in species extinction, disease and floods affecting one-third of the human population. But the tools for preventing this scenario are in our hands.”

Climate change need not be a gloom-and-doom scenario. The challenges also offer opportunities for creative thinking and the strategic application of capital to address the most pressing environmental issues we see ahead. Entirely new industries and institutions are arising to tackle these problems, offering among other things new kinds of jobs that didn't exist yesterday.

### Alternative Energy Sources

Many futurists agree that our current reliance on increasingly costly (in both political and financial terms) carbon-based energy sources will give way to greater development and utilization of clean, renewable energy sources.

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This is a pragmatic response to the prediction that global demand for energy will simply outpace supply within 25 years if we continue to rely on carbon-based energy. The potential adverse economic implications are leading to a coming revolution in energy generation, distribution, storage and efficiency.

At a recent meeting held in Abu Dhabi, the CEO of Unilever, Paul Polman, reported that global investment in clean technologies is now up to \$300 billion a year. The global low-carbon economy is now a \$4 trillion reality, growing at nearly 4 percent annually. He also said 75 percent of the biggest companies on the planet have incorporated environmental and social policy goals.

Jamais Cascio, a futurist and ethicist based in San Francisco and one of the Top 100 Global Thinkers for 2009 according to Foreign Policy magazine, said this about alternative energy: “A mix of nuclear, wind, solar and a few others, such as ocean thermal energy conversion and hydrokinetic power, will overtake fossil fuels by the 2020s, even if China and India retain coal-fired power plants. If handled poorly, such recalcitrance may end up being a driver for significant global tension. If handled well, it could be an engine for new markets and development.”

Again, this trend offers tremendous opportunities for investment and new job creation.

### **Continuous advances in technology**

The technology trend is one that is probably the most obvious to the most people. Ubiquitous, interactive technologies are changing how we live, learn and relate to the world. At the very simplest level, every day we access information on our smart phones, engage with others through social media, watch streaming movies on the Internet and “visit” with our extended families in real time using Skype or other computer-based tools.

Futurists tell us to expect an exponential advancement of technology in the coming decades. Think of it as Moore’s Law\* on steroids. The possibilities are enticing and seemingly endless:

- Robots and artificial intelligence that are changing how and with whom people interact
- 3D printing (recently named by Goldman Sachs as one of eight technologies destined to “creatively destroy” how we do business)
- The “Internet of things” – transmitting data to automatically power devices and appliances without requiring a physical connection. Today’s applications include remotely activated lights and thermostats. Future applications include a wearable heart monitor that calls 911 when a problem is detected and uses embedded GPS technology to direct the ambulance to the wearer’s location.
- Synthetic biology (i.e., human-made or laboratory-farmed organs)
- The rise of digital currency over traditional monetary systems

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**“By 2030 the average person in the U.S. will have 4.5 packages a week delivered with flying drones.”**  
*- Thomas Frey, Futurist*

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\* Moore’s Law is the observation, made in 1965 by Intel co-founder Gordon Moore, that steady technological improvements in miniaturization lead to a doubling of the density of transistors on new integrated circuits every 18 months.

**“A new class of global citizen is emerging, led by over 250 million expatriates worldwide, more than ever in history.”**

**- Parag Khanna,  
Senior Fellow,  
Singapore Institute  
of International  
Affairs**

Thomas Frey, innovation editor of *The Futurist* magazine and senior futurist at the DaVinci Institute, a nonprofit futurist think-tank in Colorado, stated: “By 2030 the average person in the U.S. will have 4.5 packages a week delivered with flying drones. They will travel 40 percent of the time in a driverless car, use a 3D printer to print hyper-individualized meals and spend most of their leisure time on an activity that hasn’t been invented yet.”

These technological innovations will change the way we live, transact business and communicate with each other. In fact, thanks to the relentless march of technology, we’ve already seen communication become increasingly digital, real time and global, affecting all aspects of society, from business and social to cultural and political. Yet, the magical ability to use technology to collect, store and share billions of pieces of information digitally is also leading to concerns about how “big data,” quantum computers and “the cloud” may threaten our personal privacy. Changes in technology are also precipitating changes in the job market, an issue discussed later in this paper.

#### **Shifting demographics/psychographics**

We can’t look at the future without factoring in the impact of population growth on our planet, political institutions and physical infrastructure. Experts estimate that global population will reach 9 billion by 2050, creating increased pressure on natural, fiscal and social resources. What’s more, the makeup of that population is rapidly changing. We’re seeing decreasing, aging populations in developed countries and exploding young populations in emerging and developing countries.

Parag Khanna, senior fellow at Singapore Institute of International Affairs, named one of the 75 Most Influential People of the 21st Century by *Esquire* magazine and called a “geopolitical whiz kid” by *The New York Times*, observed that, “A new class of global citizen is emerging, led by over 250 million expatriates worldwide, more than ever in history. Attracting the best and brightest to your country, city or company requires understanding the dynamics of global labor mobility and crafting an economic master plan to gain an edge in the war for talent.”

Looking ahead, the changes are not just in numbers, but in values and perspectives. By 2025 we will have a major shift of wealth and influence from the current generation to the millennials, who have grown up in a world very different than that of their parents and grandparents and who have different perspectives on a variety of social, economic and environmental issues. The shift will create opportunities for the growth of whole new institutions, services and products that reflect the values and needs of the millennial generation but also can be expected to create new tensions and challenges for multigenerational families with differing views on how to manage their enterprises.

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Shifting demographics and psychographics are driving the dramatic expansion of digital and virtual social networks. We've seen flash mobs gather for a simple celebration and have also witnessed thousands of individuals using social media to come together to participate in civil disobedience or political protests. Businesses, too, have seen the power of social media drive public opinion about their organizations, products, services and corporate behavior.

Demographics, combined with technology, are also transforming how health care is defined and delivered. Futurists tell us to expect a dramatic transition from disease care to prevention, as well as the application of nanomedicine and genetic engineering—all of which will result in an extension of life. But as biotech and new scientific discoveries converge with the societal realities of population growth and longer life spans, futurists say we will be forced to discuss ethical questions about how to allocate finite health care resources.

### **Economic well-being**

Overall global increases in income are creating new markets for products and services worldwide. This is great news for entrepreneurs, established companies and investors, but income inequality is growing in some nations—including the United States—and we see pronounced unemployment or under-employment of young people in many parts of the world. The convergence of these issues could precipitate dramatic political events.

Some futurists estimate that more than 2 billion jobs that currently exist will disappear by 2030, but they also suggest that those jobs could be replaced by millions of new jobs in emerging or yet-to-be-developed industries. They call this “techno-economic restructuring.” Business categories they cite as examples of opportunity—all technology-driven—include commercial drones, 3D printing, atmospheric water harvesting and digital currencies.

We clearly need to think differently about workforce development. Jobs of the future will require radically different skills and capabilities. This begs the question of whether we have the right educational models in place to prepare students for future work. Those who analyze such trends tell us to expect more focused, faster-track and less expensive education-on-demand models. Futurists also see human intelligence being increasingly valued and managed as a commodity.

What will drive wealth creation in the future? Experts say a key driver is the shift, already well underway, from land/real estate to innovation. Another factor is the increasing size of global markets for products and services, an attractive prospect for development by entrepreneurs and knowledgeable investors. We have only to look at the rise of China to see an example of shifting economic power that will occur. Meanwhile, hidden weaknesses will threaten the prosperity of some nations unless those weaknesses are identified and addressed. An example would be businesses trapped in 19<sup>th</sup>-century models rather than anticipating how technology and other global trends are changing the way products and services are manufactured, sold and distributed, and how workers are trained, incentivized and compensated.

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## **An isolationist point of view is no longer possible in our hyper-connected world.**

### **Political uncertainties and realities**

All of the trends mentioned previously feed into the sixth major trend identified by futurists: heightened geopolitical risk and global terrorism. According to researchers at Germany's University of Tübingen, income inequality should now be added to the list of early signals used to predict the likelihood of a country's descent into civil war. As reported in the Sept./Oct. 2014 issue of *The Futurist* magazine, "...growing income inequality in the United States could be cause for concern—and this time, the results could bring more violence than 2011's Occupy Wall Street protests."

Oscar Gandy, emeritus professor at the University of Pennsylvania's Annenberg School, observed in the March 13, 2014, issue of *Inc.* magazine that, "...growing inequality enabled and amplified by means of networked transactions...benefits smaller and smaller segments of the global population." He contends that social media makes it easier for people to share their frustrations, but also makes it easier for people to challenge the status quo – and not necessarily in a peaceful way.

Dr. Fred Davies, senior advisor to the U.S. Agency for International Development's Bureau of Food Security and professor of horticultural sciences at Texas A&M, recently addressed the 2014 North American Agricultural Journalists meeting in Washington, D.C. Mr. Davies remarked that, "For the first time in human history, food production will be limited on a global scale by the availability of land, water and energy." He further held that, "Food issues could become as politically destabilizing by 2050 as energy issues are today."

Meeting these challenges will require greater cooperation among nations. An isolationist point of view is no longer possible in our hyper-connected world. Many futurists suggest that, by necessity, we will see reduced political polarization and increased pragmatism both domestically and globally.

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## **SO WHAT DOES IT ALL MEAN?**

This is a lot of information to consider—and it represents only the tip of the iceberg. Futurists of all types are digging deep into the fundamental shifts occurring in our world. They are developing “what if” scenarios to help us better understand how to think about where we are headed and where we want to be headed. Just considering the possible implications of these trends can feel overwhelming at first glance. But this is actually an opportunity to shed some outdated assumptions and rethink the best ways to grasp opportunity for ourselves, our families, businesses, communities and the world at large.

I’m encouraging you to consider the future of your family and business enterprises in light of the positive and not-so-positive changes coming our way. Share your observations with your family members, trusted advisors, business associates, employees and legislators. Be aware that new information and new analysis is emerging all the time. Pick a future topic area and start to follow the discussion.

If you’re interested in learning more about the views of specific futurists on specific topics, Google “futurism” and see what pops up. You’ll be amazed. To get started, check the appendix below for links to provocative and informative articles.

I believe that the future holds many exciting opportunities for growth and success. Rather than being frightened by—or unsure of how—to address the complex changes ahead, I encourage all of us to think big, think boldly and think positively.

## APPENDIX

Resources for further reading:

1. World Future Society, [www.wfs.org](http://www.wfs.org)
2. Association of Professional Futurists, <http://profuturists.org/>
3. The Long Now Foundation, <http://longnow.org/>
4. Intellectual Ventures Laboratory, [www.intellectualventureslab.com/](http://www.intellectualventureslab.com/)
5. The Foresight Institute, [www.foresight.org/](http://www.foresight.org/)
6. Open the Future blog by Jamais Cascio, [www.openthefuture.com/](http://www.openthefuture.com/)
7. Institute for Global Futures, <http://globalfuturist.com/>

Forward-thinking innovators, experts and creative minds offering food for thought about the future:

- Stewart Brand, co-founder of the Global Business Network and The Long Now Foundation
- Ian Bremmer, president and founder of Eurasia Group, a global political risk research and consulting firm
- Jamais Cascio, futurist who specializes in strategies for future scenarios
- Robert Freitas, nanomedicine pioneer
- Pablos Holman, futurist, hacker, inventor
- Walter O'Brien, futurist, CEO of Scorpion Computer Services
- Clay Shirky, writer, consultant on social and economic effects of Internet technologies

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*Michael A. Cole, the president of Ascent Private Capital Management of U.S. Bank, has more than 28 years of experience in the financial-services industry and has held leadership positions with a number of major U.S. financial institutions. He spends the majority of his time sharing his vision of how Ascent may help families with significant resources act strategically to potentially make an impact with their wealth. "I believe there is no higher calling than to assist people who want to be effective stewards of their wealth and create positive impacts for their families and the world at large," he says. Michael earned a bachelor's degree from Emory University in Atlanta, Georgia, and is also a Certified Financial Planner®.*

## **IMPORTANT DISCLOSURES**

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