



## Satisfaction and Engagement in Retirement

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Many older workers look forward to retirement as the next phase in their lives. Some see retirement as a time to relax, travel, spend time with their families, and pursue hobbies. Others see it as an opportunity to engage in such productive activities as working part-time or volunteering. Yet retirement does not always turn out as people expect. Older adults without definite retirement plans may find themselves bored or depressed. Even those with specific retirement goals may experience unanticipated events, such as the onset of health problems or the need to care for a sick spouse or parent. Older adults' ability to pursue their retirement dreams can affect their satisfaction with retirement. Indeed, while the majority of older adults in the 2002 Health and Retirement Study (HRS)<sup>1</sup> expressed high levels of satisfaction with retirement (61.5 percent), others said they were only somewhat satisfied (32.9 percent), and some reported dissatisfaction (5.6 percent).

Many studies find that participating in productive activities at older ages is associated with better physical and mental health (Lum and Lightfoot 2005; Luoh and Herzog 2002; Morrow-Howell et al. 2003) and lower mortality (Luoh and Herzog 2002; Musick, Herzog, and House 1999). Although no

one has considered the relationship between productive activities and retirement satisfaction, the two may be directly related. One study reported that 58 percent of volunteers said an important reason for helping others was to render their own lives more satisfying (Kutner and Love 2003). Engagement—defined in this series as time spent in paid work, formal volunteering, informal volunteering, and caregiving activities—could also relate to retirement satisfaction indirectly, for example, through increased physical and mental health.

This brief analyzes patterns of engagement among retirees and how engagement relates to their retirement satisfaction. Data are from the 2002 HRS on adults age 55 and older who describe themselves as completely retired.<sup>2</sup> The results

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*Engaged retirees are significantly more likely to be very satisfied with retirement than inactive retirees. The likelihood of retirement satisfaction is even greater for those who participate in multiple activities.*

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show that engaged older Americans are more likely to be very satisfied with retirement than unengaged older adults—independent of age, sex, race, marital status, education, mental and physical health, and income. Retirees who provide only caregiving, however, are signif-

icantly less likely to be very satisfied than uninvolved retirees. The likelihood of being very satisfied with retirement increases with hours of engagement, but only up to a certain point.

### Types of Engagement among Retirees

As table 1 shows, 33.8 percent of older Americans who report being completely retired engage in a single activity, 37.5 percent engage in multiple activities, and 28.7 percent engage in none of the activities listed. Few retirees are engaged in paid work. The majority of retirees spend their time in caregiving and volunteering activities simultaneously, followed by informal volunteering only, formal and informal volunteering together, care-



TABLE 1. *Types of Engagement and Satisfaction among Retirees Age 55 and Older, 2002 (percent)*

	Retirement Satisfaction			
	All	Very satisfied	Somewhat satisfied	Not satisfied
<b>Single Activity</b>	<b>33.8</b>	<b>33.5</b>	<b>34.4</b>	<b>33.8</b>
Work	1.1	1.0	1.5	0.5
Formal volunteering	7.4	8.7	5.8*	3.8*
Informal volunteering	15.9	15.9	16.5	13.1
Caregiving	9.3	8.0	10.7*	16.5*
<b>Multiple Activities</b>	<b>37.5</b>	<b>41.6</b>	<b>31.4*</b>	<b>28.7*</b>
Work and caregiving	0.7	0.6	0.9	0.3
Work and volunteering	2.6	3.1	1.9*	2.3
Formal and informal volunteering	12.0	14.6	8.0*	6.6*
Caregiving and volunteering	19.9	20.8	18.6*	18.1
Work, caregiving, and volunteering	2.3	2.5	2.0	1.5
<b>No Activity</b>	<b>28.7</b>	<b>25.0</b>	<b>34.2*</b>	<b>37.5*</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2002 Health and Retirement Study.

Notes: The sample includes 6,761 retirees age 55 and over. Work refers to any paid work in the past 12 months. Formal volunteering includes any volunteer work with an organization in the past two years. Informal volunteer work includes any help to others without pay in the past two years. Caregiving includes any assistance to parents, parents-in-law, spouses, grandchildren, or other children. Grandchild and parent care refer to activities undertaken in the past two years. Spousal care refers to activities in the past month (or the last three months of life for recently deceased spouses). Adults living with their own minor children are assumed to provide child care. For grandchild and parent care, the estimates count only unmarried adults and married couples who provided at least 100 hours of care in the previous two years.

\* Differs significantly ( $p < .10$ ) from very satisfied retirees.

giving only, and formal volunteering only. However, this pattern varies dramatically by retirement satisfaction.

More active seniors appear more satisfied. For example, older adults who report being very satisfied with retirement are nearly one-and-a-half times more likely to participate in multiple activities (41.6 percent) than dissatisfied older adults (28.7 percent). Also, very satisfied retirees are less prone to be inactive (25.0 percent) than dissatisfied retirees (37.5 percent). In general, very satisfied retirees engage in productive activities at significantly higher rates than dissatisfied retirees. This holds for those engaged in formal volunteering alone and for those who participate in both formal and informal volunteering. Caregiving, however, provides a noteworthy exception. Dissatisfied retirees provide caregiving more than twice as often as very satisfied retirees. This result supports the large body of research that establishes the negative consequences of caregiving on mental health.<sup>3</sup>

These results suggest that engagement and retirement satisfaction may be directly related, but the association may arise entirely from such other

factors as income. For instance, if higher-income people participate in productive activities more than lower-income people, our results may only reflect the relationship between income and retirement satisfaction. In fact, other studies establish that income, along with age, sex, race, marital status, education, and health correlate with volunteering (Kutner and Love 2003; Thoits and Hewitt 2001). Furthermore, a recent study finds a number of these same factors are significant predictors of retirement satisfaction (Bender and Jivan 2005).

The positive connection between productive activity and retirement satisfaction is established after running several statistical models that control for different factors.<sup>4</sup> The results show that, regardless of age, sex, race, marital status, education, mental and physical health, and income, retirees are happier when active (figure 1). For instance, active retirees are 3.5 percentage points more likely to be very satisfied in retirement than inactive retirees. The likelihood of retirement satisfaction is even greater for those who participate in multiple activities. Retirees engaged in two activities, including any kind of volunteering, are sig-

nificantly more likely than unengaged retirees to be very satisfied in retirement. For example, those who take part in both formal and informal volunteer activities are 9.1 percentage points more likely to be very satisfied in retirement than those who are uninvolved. Retirees providing only caregiving are 4.1 percentage points less likely to be very satisfied with retirement than inactive retirees. Further study reveals that this lower satisfaction is driven in large part by multiple caregiving responsibilities. Retirees who care for more than one family member are 13.4 percentage points less likely to be very satisfied than unengaged retirees.

### Intensity of Engagement among Retirees

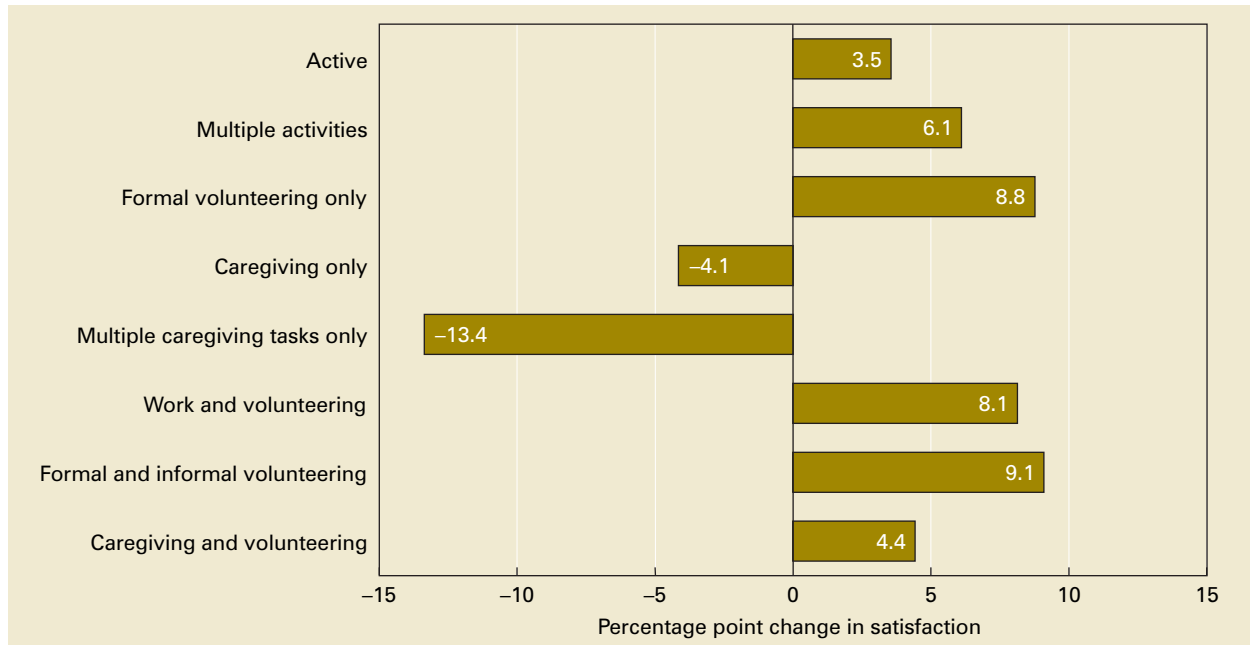
Although nearly three-quarters of older Americans participate in some type of activity, the time spent in these activities is wide-ranging (table 2). One-quarter spend less than 100 hours a year working, volunteering, or caregiving. The other two-quarters are fairly evenly distributed across each of the

other categories, with 10.9 percent contributing 1,000 or more hours a year. Again, this pattern varies dramatically by retirement satisfaction.

Satisfaction is tied to the number of hours retirees spend each year devoted to various engagement activities. For instance, 13.3 percent of very satisfied retirees spend between 100 and 199 hours in productive activities, compared with only 10.8 percent of somewhat satisfied retirees and 6.2 percent of dissatisfied retirees. A similar pattern holds for those who contribute between 200 and 499 hours. In contrast, very satisfied retirees are two-thirds less likely than dissatisfied retirees to spend 1,000 hours or more involved in various activities.

These findings suggest diminishing satisfaction returns to engagement hours. Specifically, beyond a certain threshold, an increase in productive hours is uncorrelated or negatively correlated with retirement satisfaction. These results hold even after controlling for age, sex, race, marital status, education, mental health, physical health, and income (figure 2). That is to say, the likelihood

FIGURE 1. Relationship of Engagement Type to Being Very Satisfied with Retirement for Adults Age 55 and Older, 2002



Source: 2002 Health and Retirement Study.

Notes: The sample includes 6,761 retirees age 55 and over. The results are based on several different ordered probits of retirement satisfaction on engagement, controlling for age, sex, race, marital status, education, mental health, physical health, and income. One model characterized engagement as participation in any activity. Another model differentiated between engagement in single versus multiple activities. The last model focused on the type of engagement. The results reflect the marginal effects of being engaged, compared with being unengaged, on the likelihood of being very satisfied with retirement. All reported results are significant at the 10 percent level or better.

TABLE 2. Intensity of Engagement and Satisfaction among Retirees Age 55 and Older, 2002

Number of hours	Retirement Satisfaction			
	All	Very satisfied	Somewhat satisfied	Not satisfied
<b>Any</b>	<b>71.3</b>	<b>75.1</b>	<b>65.8*</b>	<b>62.5*</b>
1–99	24.6	25.2	23.9	22.0
100–199	12.1	13.3	10.8*	6.2*
200–499	14.7	16.6	11.9*	11.0*
500–999	9.0	9.4	8.6	7.3
1,000 or more	10.9	10.6	10.7	16.0*
<b>None</b>	<b>28.7</b>	<b>25.0</b>	<b>34.2*</b>	<b>37.5*</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0*</b>	<b>100.0*</b>

Source: 2002 Health and Retirement Study.

Notes: The sample includes 6,761 retirees age 55 and over. Number of Hours, Any indicates hours of engagement in work, formal or informal volunteering, or caregiving over their respective timeframes. Work refers to any paid work in the past 12 months. Formal volunteering includes any volunteer work with an organization in the past two years. Informal volunteer work includes any help to others without pay in the past two years. Caregiving includes any assistance to parents, parents-in-law, spouses, grandchildren, or other children. Grandchild and parent care refer to activities undertaken in the past two years. Spousal care refers to activities in the past month (or the last three months of life for recently deceased spouses). Adults living with their own minor children are assumed to provide child care. For grandchild and parent care, the estimates count only unmarried adults and married couples who provided at least 100 hours of care in the previous two years.

\* Differs significantly ( $p < .10$ ) from very satisfied retirees.

of being very satisfied with retirement positively relates to hours of engagement through about 500 hours. For example, retirees engaged between 200 and 499 hours a year are 6.3 percentage points more likely than unengaged retirees to be very satisfied with retirement. Beyond 500 hours, however, retirement satisfaction seems unrelated to engagement hours.<sup>5</sup>

## Discussion

While the majority of older Americans report being very satisfied with retirement, a significant share is only somewhat or not at all satisfied. This brief highlights how engagement in productive activities relates to retirement satisfaction.

Independent of age, sex, race, marital status, education, mental and physical health, and income, retirees who participate in most types of engagement are more likely to be very satisfied with retirement. An exception is caregiving. Retirees engaged only in caregiving are significantly less likely to be very satisfied than unengaged retirees. The negative relationship between caregiving and satisfaction holds particularly for retirees providing care for more than one family member. Finally, the likelihood of being very satisfied with retirement positively relates to hours of engagement through

about 500 hours. Beyond 500 hours, however, satisfaction seems unrelated to engagement hours.

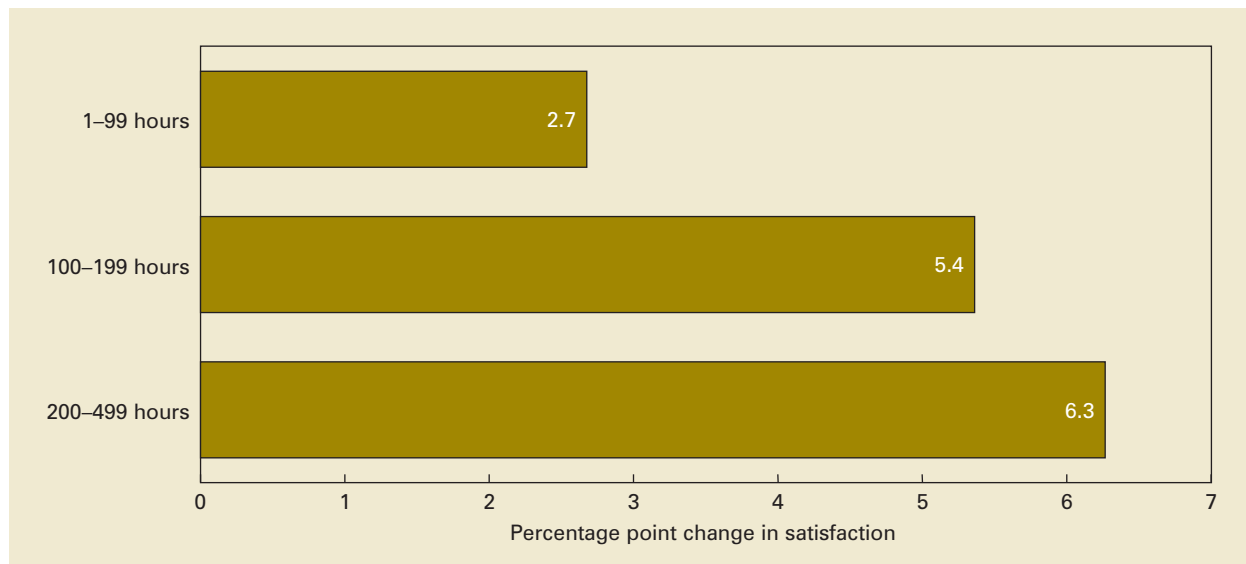
The impending retirement of baby boomers has created interest in tapping their productive energies to benefit society. In fact, the Center for Health Communication at the Harvard School of Public Health recently launched a public service campaign to encourage baby boomers to consider volunteering when they retire.<sup>6</sup> These initiatives might make older Americans both more productive and more satisfied with their retirement.

## Notes

The authors thank Sheila R. Zedlewski and Richard W. Johnson for their expertise and comments.

1. The HRS is a longitudinal survey of older Americans conducted by the Survey Research Center at the University of Michigan for the National Institute on Aging. For more information, see <http://hrsonline.isr.umich.edu>.
2. In 2002, the HRS interviewed a nationally representative sample of 18,167 noninstitutionalized Americans age 55 and older and their spouses. We restricted our sample to completely retired respondents because they were asked about their satisfaction with retirement. After we dropped a few cases with missing data, our analytic sample included 6,761 retirees.
3. This literature is reviewed by Amirkhanyan and Wolf (2003). However, the authors' own study of adult children and their elderly parents suggests that caregiving itself does

FIGURE 2. Relationship of Engagement Hours to Being Very Satisfied with Retirement for Adults Age 55 and Older, 2002



Source: 2002 Health and Retirement Study.

Notes: The sample includes 6,761 retirees age 55 and over. Results are based on an ordered probit of retirement satisfaction on engagement hours, controlling for age, sex, race, marital status, education, mental health, physical health, and income. Results reflect the marginal effects of engagement hours, compared with unengagement, on the likelihood of being very satisfied with retirement. All reported results are significant at the 10 percent level or better.

- not increase stress, but serious parental care needs do. That is, caregiving did not have a significant negative impact on mental health in the absence of severe care needs.
- The statistical models were ordered probits of retirement satisfaction on engagement. Each regression included a different measure of productivity. One model characterized engagement as participation in any activity. Another differentiated between engagement in single versus multiple activities. The last focused on type of engagement. All models used the same sample and controlled for age, sex, race, marital status, education, mental health, physical health, and income. Results reflect the marginal effects of engagement, compared with unengagement, on the likelihood of being very satisfied with retirement. All reported results are significant at the 10 percent level or better.
  - That is, engaging in any activity for 500 or more hours a year does not have a statistically significant impact on the likelihood of retirement satisfaction. Only statistically significant results are depicted in figures 1 and 2.
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*Perspectives on Productive Aging* is a series of data and policy briefs focused on engagement activities among adults age 55 and older. The series is supported through a grant from Atlantic Philanthropies as part of their Ageing Programme, which seeks "to bring about lasting improvement in the lives of older adults and to transform how ageing is viewed and older persons are treated by society."

As America ages, older adults are getting more attention. Gone (or at least fading) is the stereotype of the retiree who is unable to work and who makes relatively few social contributions. Increasingly, older Americans are seen as a vibrant group with wisdom and energy to offer society and their families. *Perspectives on Productive Aging* will enhance the dialogue on the engagement of older Americans, documenting the current value of engagement among older adults and highlighting the best ways for society and policymakers to support and encourage the full engagement of older Americans.

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